

## NEBRASKA AUDITOR OF PUBLIC ACCOUNTS

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July 6, 2017

Scott Frakes, Director  
Nebraska Department of Correctional Services  
P.O. Box 94661  
Lincoln, NE 68509-4661

Dear Mr. Frakes:

This letter is provided pursuant to AICPA Auditing Standards AU-C Section 265, which permits the early communication of audit findings due to their significance and the need for corrective action. The work addressed herein was performed as part of the fiscal year ended June 30, 2017, Comprehensive Annual Financial Report (CAFR) audit – specifically at the request of the Nebraska Department of Correctional Services (NDCS) due to its inability to reconcile the Inmate Trust Fund Account. This communication is based on our audit procedures and related activity through May 2017. Because we have not completed our audit of the fiscal year 2017 CAFR, additional matters may be identified and communicated in our final reports.

In planning and performing our audits of the State's financial statements, the Auditor of Public Accounts (APA) considered the State's internal control over financial reporting (internal control) as a basis for designing the audit procedures. The audit procedures selected were utilized for the purpose of expressing our opinions on the financial statements of the State, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, we do not express an opinion on the effectiveness of the State's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

We noted certain internal control or compliance matters related to the activities of the NDCS or other operational matters, which are presented below for your consideration. The following comments and recommendations, which have been discussed with the appropriate members of the NDCS and its management, are intended to improve internal control or result in other operating efficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

Draft copies of this letter were furnished to the NDCS to provide its management with an opportunity to review and to respond to the comments and recommendations contained herein. Any formal responses received have been incorporated into this letter. Such responses have been objectively evaluated and recognized, as appropriate, in the letter. A response that indicates corrective action has been taken was not verified at this time, but it will be verified in the next audit.

### **Background Information**

The Nebraska Department of Correctional Services (NDCS) utilizes the Inmate/Juvenile Trust Fund (Fund) in the State accounting system to account for funds belonging to inmates. Inmates receive funds in a variety of ways, including earnings for performance of their institutional jobs or work release programs, funds provided to them by family and friends, and legal settlements.

Summary level data and balances are recorded in the Fund through the use of journal entries. The detailed transactions and balances for each inmate are recorded in a different computer application called the Corrections Information and Tracking (CIT) application.

CIT segregates inmate funds further into the following accounts:

Account Name	Account Description
Institutional	Contains funds in the inmate's possession at the time of admission and, thereafter, all wage payments and non-wage funds received that do not violate DCS rules.
Confiscated	Contains all unauthorized amounts received by the inmate. (Funds can be confiscated if they are in violation of department rules, excessive tokens purchased by inmates, or the value of photo tickets that exceed the allowable limit.) Inmates cannot have access to confiscated accounts until they are paroled, discharged, or without a violation in the last 10 years. No interest is earned on the confiscated accounts.
Private Venture Savings	Established to foster sound financial habits, bear interest, and are opened in the inmate's name. Each savings account has different restrictions.
Regular Savings	
Release Savings	

Because two systems are used to track inmate balances, the NDCS developed a monthly process to reconcile the balances in the State's accounting system to the balances and activity recorded in CIT.

The APA determined the difference in the balances recorded by the two systems as of May 31, 2017, which is shown below:

<b>Description</b>	<b>Amount</b>
State Accounting System Balance	\$ 4,035,156.60
CIT Balance	\$ 3,146,986.37
<b>Difference in Balances Between Systems</b>	<b>\$ 888,170.23</b>

The activity from the inmate trust funds is as follows for the period October 2015 through May 2017:

<b>Month</b>	<b>Additions</b>		<b>Reductions</b>	
	<b>CIT</b>	<b>E1</b>	<b>CIT</b>	<b>E1</b>
10/15	\$ 1,067,563.90	\$ 1,050,652.20	\$ 1,014,181.09	\$ 929,191.84
11/15	\$ 1,135,773.27	\$ 1,080,995.74	\$ 998,671.30	\$ 934,634.11
12/15	\$ 1,235,287.18	\$ 1,171,981.02	\$ 1,231,510.55	\$ 1,302,305.41
1/16	\$ 1,017,763.83	\$ 1,080,230.64	\$ 984,245.26	\$ 1,163,911.66
2/16	\$ 1,209,938.94	\$ 1,188,053.91	\$ 1,116,584.75	\$ 779,039.22
3/16	\$ 1,176,916.02	\$ 1,163,759.06	\$ 1,218,724.95	\$ 1,375,877.11
4/16	\$ 1,187,044.18	\$ 1,170,982.24	\$ 1,056,238.60	\$ 1,125,615.59
5/16	\$ 1,162,644.73	\$ 1,096,434.56	\$ 1,124,420.25	\$ 1,353,054.24
6/16	\$ 1,075,020.37	\$ 1,190,558.62	\$ 1,187,948.76	\$ 1,230,795.60
7/16	\$ 1,117,499.78	\$ 1,039,834.51	\$ 1,026,251.04	\$ 984,475.67
8/16	\$ 1,263,923.44	\$ 1,220,842.00	\$ 1,240,438.67	\$ 1,027,019.42
9/16	\$ 1,064,995.24	\$ 1,106,934.56	\$ 1,128,101.13	\$ 1,127,893.15
10/16	\$ 1,169,385.76	\$ 1,096,094.72	\$ 1,040,296.88	\$ 1,003,722.29
11/16	\$ 1,046,862.22	\$ 1,098,986.14	\$ 1,089,907.16	\$ 1,269,676.29
12/16	\$ 1,204,431.87	\$ 1,193,098.62	\$ 1,123,425.05	\$ 1,176,923.98
1/17	\$ 1,089,680.05	\$ 1,094,392.41	\$ 1,073,279.14	\$ 1,055,169.18
2/17	\$ 1,079,108.02	\$ 1,005,437.72	\$ 991,255.96	\$ 776,543.96
3/17	\$ 1,130,266.17	\$ 1,211,270.27	\$ 1,223,379.01	\$ 1,089,045.21
4/17	\$ 1,114,670.31	\$ 1,086,457.00	\$ 995,880.98	\$ 990,908.78
5/17	\$ 1,262,751.53	\$ 1,231,404.23	\$ 1,077,208.95	\$ 1,561,972.48
<b>Totals</b>	<b>\$ 22,811,526.81</b>	<b>\$ 22,578,400.17</b>	<b>\$ 21,941,949.48</b>	<b>\$ 22,257,775.19</b>

The APA first identified the lack of timely inmate trust fund reconciliations in its December 31, 2014, attestation report of the NDCS. At that time, July 2015, the NDCS had not completed the inmate trust fund reconciliation since October 2014.

In approximately February 2017, the APA was notified that the NDCS was at least 18 months behind in its reconciliation process. On March 2, 2017, the APA and the NDCS entered into an agreement for the APA to assist the NDCS with the reconciliation of the Fund.

The May 2017 reconciliation is included at the end of this letter as **Exhibits A through H**.

## Comments and Recommendations

### **1. Inmate Trust Fund Reconciliation**

When the APA was notified that the reconciliation had not been completed since September 2015, the NDCS was contacted and confirmed the lack of reconciliation. After the APA and the NDCS entered into an agreement for the APA to provide its assistance in reconciling the Fund, the APA began to review the reconciliation process and determined that as of September 30, 2015, an uncorrected variance of \$9,023.85 existed between the two systems.

A number of factors contributed to the lack of reconciliation of the Fund, as follows:

- The Fund's accounting and reconciliation process was extremely manual. Some of the processes to record activity and complete the reconciliation were still completed with pencil and paper instead of electronic spreadsheets. The APA transferred everything into an electronic process. See **Attachment 1** for an example of the balance sheet reconciliation for June 2015 that was completed manually.
- The NDCS experienced significant turnover in its accounting staff who were involved in the reconciliation process, including an accountant who retired in October 2016 after 33 years with the NDCS and whose responsibilities included reconciling the Fund. Additionally, the NDCS Controller retired in December 2016 after 38 years of service with the NDCS.
- The NDCS failed to prepare written procedures for its reconciliation of the Fund. Therefore, when the long-term employees involved with the process left employment, their knowledge of the reconciliation process left with them.
- Payments and journal entries were not made timely, and sometimes not at all, by the NDCS. As mentioned previously, as of September 2015, there were uncorrected variances between the two systems totaling \$9,023.85. For the period reviewed, the following table shows the uncorrected variances at the end of each month:

Month	Variance
10/15	\$ 24,870.66
11/15	\$ 25,381.68
12/15	\$ 44,127.38
1/16	\$ (22,615.48)
2/16	\$ (20,105.97)
3/16	\$ 47,225.69
4/16	\$ 46,723.04
5/16	\$ (15,791.29)
6/16	\$ 40,742.49
7/16	\$ 35,768.09
8/16	\$ 48,957.60
9/16	\$ 55,620.43

Month	Variance
10/16	\$ 85,896.37
11/16	\$ 95,126.34
12/16	\$ 148,439.00
1/17	\$ 143,006.12
2/17	\$ 174,440.02
3/17	\$ 194,708.97
4/17	\$ 216,459.10
5/17	\$ 47,073.78

The table shown above, particularly from July 2016 through April 2017, reflects an increasing variance each month. This large difference is attributed mainly to a vendor not being paid timely. The large balance represents amounts owed to the vendor. See Comment and Recommendation numbers 3 and 4 for more detailed information.

The \$47,073.78 variance at May 31, 2017, represents amounts owed to vendors or other payees, or various adjustments that need to be made to inmate accounts due to incorrect original entries. The APA has identified the items that make up the variance. See **Exhibit I** for the detail of the total variance at May 31, 2017.

The variances also include inmates who, due to errors, received overpayments from the Inmate/Juvenile Trust Fund. Because the monthly reconciliation was not performed timely, these overpayments were not detected prior to the inmates release from custody. Therefore, they no longer had any funds from which NDCS could recover the overpayments. The following table shows examples of items included in **Exhibit I** that appear to be overpayments to inmates who have been released. Please note that for confidential purposes, the Item Explanation column was changed to reflect a generic number and does not include the inmate number. NDCS has been provided the detailed information and legend to identify the inmate.

No.	Item Explanation	Amount
1	Receipt posted to Inmate #55 in error in May 2011 placed on restitution	\$ (108.06)
2	Credit on CIT Inmate #56 May 2011 in error	\$ (100.00)
4	Check issued 11/29/11 for Inmate #57 not deducted CIT in November 2011	\$ (100.00)
6	Credit on CIT Inmate #59 in error November 2011	\$ (100.00)
7	Credit on CIT Inmate #60 in error in December 2011	\$ (416.17)
8	Returned Item for Inmate #61 off E1 January 2012 not deducted CIT	\$ (287.60)
9	Release for CIT Inmate #62 done twice January 2012 wrong one reversed	\$ (78.29)
10	Check issued 1/24/12 not deducted CIT Inmate #63	\$ (170.92)
11	Garnishment check issued for \$3.81 deducted CIT Inmate #64 as \$.19 in February 2012	\$ (3.62)
12	Check issued for \$7.27 deducted CIT Inmate #65 as \$4.91 in February 2012	\$ (2.36)
13	Check for CIT Inmate #66 issued in February 2012 not deducted CIT	\$ (100.00)
14	Credit on CIT Inmate #67 February 2012 in error	\$ (1,713.81)
15	Check 629104 stopped 2/2009 cashed 10/2011 for CIT Inmate #68	\$ (150.00)
16	Check issued 3/28/12 for Inmate #69 not yet deducted CIT	\$ (100.00)

No.	Item Explanation	Amount
21	Check for garnishment for CIT Inmate #73 issued as \$10.43 off CIT in June 2012 as \$7.42	\$ (3.01)
23	Credit on CIT Inmate #75 June 20, 2012 in error original check issued 9/2011	\$ (100.00)
25	Amount issued for garnishment August 2012 \$1,431.91 check 693022; off CIT as \$1,305.51. Inmate #78	\$ (126.40)
27	Check 694395 issued for CIT Inmate #80 – \$81.85 on CIT as \$81.65 in August 2012	\$ (0.20)
29	Credit on CIT Inmate #82 in error 9/5/12 not void received original check 661165 issued 9/2010	\$ (100.00)
31	Correct direct deposit for Inmate # 84 no E1 March 2013 not fixed on CIT	\$ (0.20)
32	Garnishment check 703870 3/14/13 for Inmate #85 issued for \$2.89 off CIT as \$.47	\$ (2.42)
33	Garnishment check 703871 3/14/13 for Inmate #86 issued for \$8.00 off CIT as \$.02	\$ (7.98)
36	Check 701908 for Inmate #89 voided on CIT in error the check has been cashed	\$ (97.19)
41	Amount credited CIT Inmate # 91 March 31, 2014 tran code 01021 should have been unfrozen	\$ (50.00)
44	Amount court ordered support for Inmate #94 to be written off check already issued to court	\$ (7.00)
45	Amount credited CIT Inmate #9 October 2014 in error not yet fixed. Check 719812.	\$ (154.76)
46	Amount credited CIT Inmate #95 October 2014 in error not yet fixed. Check 719759.	\$ (100.00)
51	Receipt posted CIT Inmate #96 January 2015 not deposited. Receipt number 216853.	\$ (20.00)
52	Credit on CIT Inmate #97 in error in January 2015 the check had cashed. Check 705195.	\$ (100.00)
69	Amount posted CIT Inmate #100 April 2015 as \$74.14 check issued for \$74.19	\$ (0.05)
72	Amount off CIT Inmate #101 April 2015 \$56.69 check 745612 for \$100.00 gate pay not included on CIT	\$ (43.31)
73	Amount off CIT Inmate #102 April 2015 \$57.55 check for \$100.00 gate pay not included on CIT	\$ (42.55)
108	CIT Inmate #106 had check issued 8/31/15 for \$100.00 amount of CIT \$89.93 gate on posted CIT	\$ (10.07)
109	Check issued 7/8/15 for Inmate #107 rewritten but 748689 had cashed	\$ (103.56)
110	Amount off CIT Inmate #108 – \$.07 check written for \$.09 on 7/20/15	\$ (0.02)
116	Check 748539 credited CIT 7/2/15 Inmate #113 has been cashed	\$ (21.72)
117	Check 748595 issued 6/25/15 credited on CIT Inmate #114 July 2015 has been cashed	\$ (7.80)
10/2015	Inmate # 117 Emergency reimbursement from 10/30 on check 11/3	\$ (100.00)
11/2015	Bal out credit in err CIT Inmate #118, ck issued 8/24/12 cashed	\$ (1,336.18)
11/2015	Bal out credit in err CIT Inmate #95, ck issued 4/7/14 cashed	\$ (100.00)
11/2015	Bal out credit in err CIT Inmate #119, ck issued 1/23/15 cashed	\$ (100.00)
12/2015	Bal out credit in error CIT Inmate #121, ck issued 1/23/14 cashed	\$ (117.81)
2/2016	Inmate #125, paid in error, has not been paid back	\$ (100.00)
4/2016 Expenses	Ck 763925, Inmate #131 written 4/20/16, never entered in CIT	\$ (524.92)
6/2016 Expenses	Inmate #145. \$11.02 appears to have been incorrectly coded in CIT as a credit instead of a debit. Code 102. Check was paid out. Variance is going to be \$22.04 to reconcile.	\$ (22.04)

No.	Item Explanation	Amount
7/2016 Expenses	Inmate #176 check in CIT dated 7/27/16 was \$48.50 while check on check listing was \$49.50	\$ (1.00)
8/2016 Expenses	Inmate #194, Check for \$200 written twice in E1, once in CIT	\$ (200.00)
1/2017 Expenses	Inmate #204, check higher in E1	\$ (847.24)
1/2017 Expenses	Inmate #205, check not in CIT	\$ (74.86)
5/2017 Expenses	Inmate #49, check amount was higher	\$ (0.02)
<b>Total</b>		<b>\$ (8,053.14)</b>

An adequate system of internal controls requires procedures to ensure the timely reconciliation of the Inmate/Juvenile Trust Funds. Without such procedures, there is an increased risk for fraud, loss, or misuse of funds.

We recommend the NDCS implement procedures to ensure a proper reconciliation of the Fund is completed each month. Such procedures would include the cross training of employees to complete the process, the maintenance of written procedures for the reconciliation of the Fund, the continued implementation and use of electronic processes in the inmate accounting area, and the timely entry of transactions relating to the Fund.

*NDCS Response: NDCS agrees procedures must be implemented to ensure a proper reconciliation of the fund is completed monthly. Additional accounting staff are being cross-trained in this process. The documented procedures provided by APA for use by our staff in this process have been very helpful. NDCS' new controller is developing written procedures to assure that the process occurs timely and in a proper manner.*

## **2. Lack of Controls over Inmate Trust Fund Database**

The NDCS utilizes an Access database to write checks from the Fund. The Access database had no audit trail to document users who created, changed, or deleted a database record. From October 2015 through May 2017, the NDCS wrote a total of \$7,327,133 in checks from the Fund using the Access database. The following check was completely deleted from the database:

Check Number	Check Date	Amount
777179	1/23/2017	\$ 100.00

Additionally, there was a lack of segregation of duties over the Fund's accounting processes. One accounting clerk was normally responsible for preparing checks from the Access database, which necessarily involved access to the blank checks and the signatory machine. Another accounting clerk and an accounting supervisor also had the ability to prepare these checks as a back up to the primary employee responsible for these duties.

All three of these employees had access to CIT to make changes to inmate accounts. Furthermore, two of the employees were authorized signers of the checking account.

A good internal control plan requires accounting applications that maintain appropriate audit trails to document users who have created, changed, or deleted data. A strong internal control system also requires an adequate segregation of duties so that one individual is not in a position both to perpetrate and to conceal errors or irregularities.

The absence of a proper segregation of duties and the employees' ability to make changes directly to the CIT database tables – not to mention the lack of accountability within the application used to write inmate trust checks – increases the risk that errors or improper inmate trust payments will be made and not identified.

The APA understands the NDCS is currently testing a new web-based check writing system and should consider these recommendations when implementing new procedures related to that new system.

We recommend the NDCS implement procedures to ensure the maintenance of accurate Fund check data. The Department should establish automated controls to document, at a minimum, the creation, change, or deletion of database information and to capture the user who performed those actions. We also recommend the NDCS implement procedures to ensure a proper segregation of duties over the Fund's accounting processes to ensure one individual is not in a position to both perpetrate and conceal errors or irregularities.

*NDCS Response: As noted, a new check writing system is being developed by NDCS and is near completion. This system will address the issues noted. Additionally, appropriate segregation of duties will be maintained.*

### **3. Untimely Payments**

The NDCS failed to pay vendors timely. As of May 31, 2017, the NDCS owed vendors the following amounts:

<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
Public Communications Services	Debit Calling	\$ 357,440.57
Access Corrections	Electronic Receipt Fees	\$ 188,572.50
Access Corrections	Media Purchases	\$ 120,261.70
<b>Total</b>		<b>\$ 666,274.77</b>

More information on these accounts payable is included below.

#### ***Debit Calling***

Inmates are allowed to make calls using the Inmate Calling System at the NDCS, where they can register for an account. Inmates are issued a personal identification number (PIN) with their account. Calls must be processed as collect, debit, or prepay.



The NDCS contracts with a vendor, Public Communication Services, to provide the debit calling services. The inmate can purchase debit calling through the canteen stores. Each night, the system sends a file to the vendor with the details of the amounts purchased. Generally, the debit calling is made available to the inmate the next day. The vendor sends the NDCS a monthly invoice with the amount of debit calling purchased.

As of May 31, 2017, the NDCS owed over \$300,000 to the vendor. The invoices were not paid once the former Controller left employment with the NDCS, as she was the individual responsible for processing the invoices and the remaining staff was unaware of the verification and payment process for the invoices. The debit calling activity is as follows:

<b>Debit Calling Activity</b>	<b>Amount</b>
September 2015 Balance	\$ 287,518.36
Refunds Debit Calling July 2015 to September 2015	\$ (955.68)
October 2015	\$ 44,370.00
CCCL October 2015	\$ 2,855.00
Refunds Debit Calling October 15	\$ (427.77)
November 2015	\$ 44,757.50
CCCL November 2015	\$ 3,255.00
Refunds Debit Calling November 2015	\$ (723.09)
December 2015	\$ 53,447.50
CCCL December 2015	\$ 3,535.00
Refunds Debit Calling December 2015	\$ (855.05)
<b>Payment to Public Communications Services December 2015</b>	<b>\$ (373,596.00)</b>
January 2016	\$ 44,220.00
CCCL January 2016	\$ 3,450.00
Refunds Debit Calling January 2016	\$ (621.56)
February 2016	\$ 47,262.50
CCCL February 2016	\$ 3,825.00
Refunds Debit Calling February 2016	\$ (514.94)
March 2016	\$ 51,677.50
CCCL March 2016	\$ 3,077.50
Refunds Debit Calling March 2016	\$ (474.04)
April 2016	\$ 45,057.50
CCCL April 2016	\$ 3,232.50
Refunds Debit Calling April 2016	\$ (706.19)
<b>Payment to Public Communications Services April 2016</b>	<b>\$ (153,283.45)</b>
May 2016	\$ 46,582.50
CCCL May 2016	\$ 3,162.50
Refunds Debit Calling May 2016	\$ (823.39)
<b>Payment to Public Communications Services May 2016</b>	<b>\$ (104,427.36)</b>
June 2016	\$ 47,795.00
CCCL June 2016	\$ 3,382.50
Refunds Debit Calling June 2016	\$ (582.05)

<b>Debit Calling Activity</b>	<b>Amount</b>
July 2016	\$ 44,262.50
CCCL July 2016	\$ 3,152.50
Refunds Debit Calling July 2016	\$ (534.84)
August 2016	\$ 46,572.50
CCCL August 2016	\$ 3,555.00
Refunds Debit Calling August 2016	\$ (596.95)
September 2016	\$ 44,512.50
CCCL September 2016	\$ 3,405.00
Refunds Debit Calling September 2016	\$ (663.40)
October 2016	\$ 45,235.00
CCCL October 2016	\$ 3,315.00
Refunds Debit Calling October 2016	\$ (804.62)
November 2016	\$ 47,420.00
CCCL November 2016	\$ 3,047.50
Refunds Debit Calling November 2016	\$ (725.95)
<b>Payment to Public Communications Services November 2016</b>	<b>\$ (290,219.75)</b>
December 2016	\$ 51,810.00
CCCL December 2016	\$ 2,935.00
Refunds Debit Calling December 2016	\$ (453.43)
January 2017	\$ 48,750.00
CCCL January 2017	\$ 2,907.50
Refunds Debit Calling January 2017	\$ (881.84)
February 2017	\$ 43,717.50
Refunds Debit Calling February 2017	\$ (922.33)
CCCL February 2017	\$ 2,840.00
March 2017	\$ 50,865.00
CCCL March 2017	\$ 2,615.00
Refunds Debit Calling March 2017	\$ (772.83)
April 2017	\$ 45,057.50
CCCL April 2017	\$ 2,557.50
Refunds Debit Calling April 2017	\$ (627.11)
May 2017	\$ 49,787.50
CCCL May 2017	\$ 2,435.00
Refunds Debit Calling May 2017	\$ (584.17)
<b>Totals</b>	<b>\$ 357,440.57</b>

*Note: Community Corrections Center – Lincoln (CCCL) activity is recorded separately.*

During the period October 2015 to May 2017, the NDCS made only four payments to the vendor for debit calling, which are identified in the shaded rows of the above table.

### ***Electronic Receipt Fees***

The NDCS uses the services of a company called Access Corrections to record electronic receipts sent to inmates. Inmates can receive electronic payments from family and friends instead of receiving the traditional manual checks. During the period examined, the NDCS failed to make timely payments to this vendor for services provided.

Access Corrections charges the NDCS \$4.50 per transaction for processing electronic receipts. A daily file is provided to the NDCS, which contains the detailed information for each transaction and is uploaded to CIT. The NDCS logs into Access Corrections and obtains a daily report of all transactions. Access Corrections then submits a monthly invoice for the previous month's transaction fees. During the period tested, the NDCS did not pay these monthly invoices timely. Again, the former Controller was responsible for processing the invoices to this vendor, and the NDCS was not immediately aware of the invoices or how they were to be verified. The following table illustrates the payments of the monthly fee during the period examined:

<b>Date</b>	<b>Month of Fee</b>	<b>Amount</b>
1/22/2016	March 2015	\$ 1,561.50
1/22/2016	April 2015	\$ 4,108.50
1/22/2016	May 2015	\$ 5,314.50
1/22/2016	June 2015	\$ 6,084.00
1/22/2016	July 2015	\$ 6,705.00
1/22/2016	August 2015	\$ 7,317.00
1/22/2016	September 2015	\$ 8,010.00
1/22/2016	October 2015	\$ 9,243.00
1/22/2016	November 2015	\$ 9,661.50
<b>Subtotal</b>		<b>\$ 58,005.00</b>
5/31/2016	December 2015	\$ 12,825.00
5/31/2016	January 2016	\$ 12,924.00
5/31/2016	February 2016	\$ 16,393.50
5/31/2016	March 2016	\$ 15,696.00
<b>Subtotal</b>		<b>\$ 57,838.50</b>
5/18/2017	June 2016	\$ 15,435.00
5/18/2017	August 2016	\$ 15,534.00
5/18/2017	July 2016	\$ 15,250.50
5/18/2017	September 2016	\$ 16,078.50
5/18/2017	October 2016	\$ 17,392.50
5/18/2017	November 2016	\$ 16,848.00
5/18/2017	December 2016	\$ 18,351.00
5/18/2017	January 2017	\$ 16,438.50
5/18/2017	February 2017	\$ 18,904.50
5/25/2017	March 2017	\$ 19,912.50
5/25/2017	April 2017	\$ 18,427.50
<b>Subtotal</b>		<b>\$ 188,572.50</b>

As noted above, the fees invoiced by the vendor from March 2015 to November 2015 were paid in January 2016. The fees invoiced from December 2015 to March 2016 were paid in May 2016. The fees from June 2016 to April 2017 were paid in May 2017. The following monthly fees have not been paid:

Month	Amount
April 2016	\$ (14,314.50)
May 2016	\$ (17,365.50)
<b>Total</b>	<b>\$ (31,680.00)</b>

### ***Media Purchases***

Access Corrections also provides media players, downloadable digital music and other interactive content, collectively called media purchases, to inmates. Inmates are allowed to purchase MP4 players. Those with MP4 players all have an account through Access Corrections that they can log into. The inmate can purchase credit for the MP4 player at each facility's store. Each night, a file is automatically transmitted to Access Corrections with the purchase details. Access Corrections submits a daily invoice by facility to the NDCS.

The following table illustrates the media purchases made by inmates through the canteen and the payments made to Access Corrections for the period examined:

Media Purchases and Payments	Amount
July 2015 to September 2015	\$ 6,654.20
October 2015	\$ 4,517.50
November 2015	\$ 4,812.50
December 2015	\$ 33,872.50
January 2016	\$ 44,687.50
February 2016	\$ 53,410.00
Payment for Media Purchases	\$ (47,657.50)
March 2016	\$ 59,837.50
Payment for Media Purchases	\$ (1,102.50)
April 2016	\$ 46,712.50
May 2016	\$ 47,852.50
Payment made in May 2016	\$ (200,762.50)
June 2016	\$ 39,152.50
Payment made in June 2016	\$ (44,487.50)
July 2016	\$ 35,045.00
August 2016	\$ 35,362.50
September 2016	\$ 32,625.00
October 2016	\$ 32,575.00
November 2016	\$ 31,392.50
December 2016	\$ 33,840.00
January 2017	\$ 30,460.00
February 2017	\$ 30,530.00

<b>Media Purchases and Payments</b>	<b>Amount</b>
March 2017	\$ 41,100.00
April 2017	\$ 31,765.00
Payment made in April 2017	\$ (117,950.00)
May 2017	\$ 17,880.00
Payment made in May 2017	\$ (161,862.50)
<b>Balance Due</b>	<b>\$ 120,261.70</b>

The payments are included in the shaded rows above. As indicated, the NDCS failed to make timely payments to this vendor after the former Controller left employment.

Neb. Rev. Stat. § 81-2403(1) (Reissue 2014) requires State agencies to pay their invoices and bills within 45 days. That statute provides the following:

*[E]ach agency shall make payment in full for all goods delivered or services rendered on or before the forty-fifth calendar day after (a) the date of receipt by the agency of the goods or services or (b) the date of receipt by the agency of the bill for the goods or services, whichever is later, unless other provisions for payment are agreed to in writing by the creditor and the agency.*

The contracts to these vendors also referenced the Prompt Payment Act, which is set out at Neb. Rev. Stat. § 81-2401 through 81-2408, and includes the aforementioned statute.

A system of good internal controls requires procedures to ensure that payments to vendors are made timely and in accordance with statute. Without such procedures, there is an increased risk not only of loss or misuse of inmate funds but also noncompliance with State law.

We recommend the NDCS implement procedures to ensure payments to vendors are made timely.

*NDCS Response: NDCS agrees payments need to be made timely to vendors. NDCS has focused resources to bring past due payments current. Payments for debit calling and media purchases will be current within 30 days, with the exception of disputed invoices. NDCS' controller will review the reconciliation statements monthly to ensure timely payments.*

#### **4. Untimely Journal Entries**

Much of the activity in the State accounting system is recorded through the use of journal entries. The detailed activity is recorded in CIT, and then a summary entry is made into the State accounting system, sometimes the next month. The NDCS failed to perform some of the monthly journal entries timely.

##### ***Stores Journal Entries***

The following table shows the store refunds recorded in CIT and the corresponding entry to the State accounting system:

<b>Description</b>	<b>Amount</b>
Refunds October 2015	\$ 49.92
Refunds July-Sept 2015	\$ 444.00

Description	Amount
Refunds June 2015	\$ 337.78
Refunds May 2015	\$ 56.50
Refunds April 2015	\$ 378.50
Refunds March 2015	\$ 39.00
Refunds February 2015	\$ 121.80
Refunds January 2015	\$ 242.78
Refunds November 2015	\$ 116.00
Refunds December 2015	\$ 70.50
Entry in December 2015 to record January 2015 refunds	\$ (242.78)
Refunds January 2016	\$ 33.08
Entry in January 2016 to record February 2015 refunds	\$ (121.80)
Refunds February 2016	\$ 90.50
Entry in February 2016 to record March 2015 refunds	\$ (39.00)
Refunds March 2016	\$ 1.00
Entry in March 2016 to record April 2015 refunds	\$ (378.50)
Refunds April 2016	\$ 20.91
Refunds May 2016	\$ 5.59
Refunds June 2016	\$ 10.70
Entry in June 2016 to record June 2015 refunds	\$ (337.78)
Refunds July 2016	\$ 45.50
Refunds August 2016	\$ 650.73
Refunds September 2016	\$ -
Entry in September 2016 to record July to September 2015 refunds	\$ (444.00)
Refunds October 2016	\$ 124.50
Entry in October 2016 to record October 2015 refunds	\$ (49.92)
Entry in October 2016 to record November 2015 refunds	\$ (116.00)
Entry in October 2016 to record December 2015 refunds	\$ (70.50)
Refunds December 2016	\$ 296.37
Refunds January 2017	\$ 15.37
Refunds February 2017	\$ 45.00
Refunds March 2017	\$ 732.67
Entry in March 2017 to record February 2017 refunds	\$ (45.00)
Entry in March 2017 to record January 2017 refunds	\$ (15.37)
Entry in March 2017 to record December 2016 refunds	\$ (296.37)
Entry in March 2017 to record October 2016 refunds	\$ (124.50)
Entry in March 2017 to record August 2016 (\$8.48 remaining)	\$ (642.25)
Entry in March 2017 to record August 2016	\$ (8.48)
Entry in March 2017 to record July 2016 refunds	\$ (45.50)
Entry in March 2017 to record June 2016 refunds	\$ (10.70)
Entry in March 2017 to record May 2016 refunds	\$ (5.59)
Entry in March 2017 to record April 2016 refunds	\$ (20.91)

<b>Description</b>	<b>Amount</b>
Entry in March 2017 to record March 2016 refunds	\$ (1.00)
Entry in March 2017 to record February 2016 refunds	\$ (90.50)
Entry in March 2017 to record January 2016 refunds	\$ (33.08)
Refunds April 2017	\$ 73.66
Entry in April 2017 to record March 2017 refunds	\$ (732.67)
Refunds May 2017	\$ 222.60
Entry in May 2017 to record April 2017 refunds	\$ (73.66)

Most of the entries to the State accounting system were recorded in March 2017, dating back to January 2016 refunds. As of May 31, 2017, the refunds for May 2015 and May 2017 had not been recorded in the State accounting system.

### ***Confiscated Account Journal Entries***

Journal entries to record confiscated account transfers and refunds were also not recorded timely, as shown in the following table:

<b>E1 Journal Entry Date</b>	<b>Description</b>	<b>Amount</b>
3/27/2017	CONFISCATED TRANSFER 1/2016	\$ 2,748.81
3/27/2017	CONFISCATED TRANSFER 2/2016	\$ 4,242.26
3/27/2017	CONFISCATED TRANSFER 3/2016	\$ 2,974.62
3/27/2017	CONFISCATED TRANSFER 4/2016	\$ 2,700.00
3/27/2017	CONFISCATED TRANSFER 5/2016	\$ 753.00
3/27/2017	CONFISCATED TRANSFER 6/2016	\$ 76.00
3/27/2017	CONFISCATED TRANSFER 7/2016	\$ 501.63
3/27/2017	CONFISCATED TRANSFER 8/2016	\$ 1,208.60
3/27/2017	CONFISCATED TRANSFER 9/2016	\$ 1,578.02
3/27/2017	CONFISCATED TRANSFER 10/2016	\$ 630.00
3/27/2017	CONFISCATED TRANSFER 11/2016	\$ (158.46)
3/27/2017	CONFISCATED TRANSFER 12/2016	\$ 14.47
3/27/2017	CONFISCATED TRANSFER 1/2017	\$ 185.77
3/27/2017	CONFISCATED TRANSFER 2/2017	\$ 787.28
3/29/2017	CONFISCATED REFUNDS 8/2016	\$ (417.47)
3/29/2017	CONFISCATED REFUNDS 10/2016	\$ (124.50)
3/29/2017	CONFISCATED REFUNDS 12/2016	\$ (207.23)
	<b>Grand Total</b>	<b>\$ 17,492.80</b>

Again, transfers dating back to January 2016 were not made until March 2017.

Additionally, without a timely reconciliation process, it is difficult to identify errors between the amounts recorded in CIT and the amounts recorded in the State's accounting system. For example, the entry to record store activity for a period in December 2016 was \$10,978.55 higher than in CIT. That error was not corrected until May 2017, as follows:

<b>Description</b>	<b>Amount</b>
Variance from 12/10-12/16 Store 10	\$ (10,978.55)
May 2017 Correction for 12/16	\$ 13,781.13
May 2017 Correction for 12/16	\$ 2,802.58
<b>Total</b>	<b>\$ 5,605.16</b>

As shown above, the correcting entry was also inaccurate, as the \$2,802.58 should have been a negative amount to adjust the entry properly.

Likewise, an error in the recording of stores activity from October 2016 was corrected in May 2017.

<b>Description</b>	<b>Amount</b>
Variance from 10/8/16-10/14/16 Store Sales	\$ 3,169.81
May 2017 Correction for 10/16	\$ 11,903.39
May 2017 Correction for 10/16	\$ 13,743.89
May 2017 Correction for 10/16	\$ (12,169.20)
May 2017 Correction for 10/16	\$ (14,012.56)
May 2017 Correction for 10/16	\$ 7,503.24
May 2017 Correction for 10/16	\$ (7,796.84)
May 2017 Correction for 10/16	\$ 16,205.57
May 2017 Correction for 10/16	\$ (18,922.15)
May 2017 Correction for 10/16	\$ 15,908.39
May 2017 Correction for 10/16	\$ (14,861.41)
May 2017 Correction for 10/16	\$ 933.71
May 2017 Correction for 10/16	\$ (736.93)
May 2017 Correction for 10/16	\$ 17,778.42
May 2017 Correction for 10/16	\$ (18,108.50)
May 2017 Correction for 10/16	\$ 2,956.97
May 2017 Correction for 10/16	\$ (3,495.80)
<b>Total</b>	<b>\$ (0.00)</b>

Both of these errors were identified by the APA during the reconciliation process and discussed with the NDCS staff in order to make the correcting entries.

Good internal control requires procedures to ensure that journal entries to record data in the State accounting system are accurate and made timely. This should include an independent review of both the entries and the subsequent reconciliation process. Without such procedures, there is an increased risk of loss or misuse of inmate funds.

We recommend the NDCS implement procedures to ensure journal entries are accurate and made timely.

*NDCS Response: NDCS agrees journal entries should be completed accurately and timely. NDCS' controller is reviewing processes to ensure procedures are followed timely. Procedures have also been revised so journal entries are completed the beginning of each month.*



## 5. Inmate Trust Fund Unclaimed Property

The Department transferred all Inmate/Juvenile Trust Fund outstanding checks more than two years old – regardless of whether the payee was an inmate or vendor – to the Inmate Welfare and Club Account Fund. Instead, outstanding checks payable to vendors should have been treated as abandoned property after three years and delivered to the State Treasurer.

During the examination period, \$27,574 in checks, outstanding for more than two years, was transferred to the Inmate Welfare and Club Account Fund. See the chart below for the details of transfers for checks outstanding for more than two years.

Month of Transfer	Amount
October 2015	\$ 2,723.44
November 2015	\$ 434.35
December 2015	\$ 1,130.72
January 2016	\$ 562.19
February 2016	\$ 1,287.58
March 2016	\$ 1,435.06
April 2016	\$ 1,964.91
May 2016	\$ 1,724.30
June 2016	\$ 2,612.93
July 2016	\$ 2,400.37
August 2016	\$ 1,385.81
September 2016	\$ 1,625.49
October 2016	\$ 818.00
November 2016	\$ 413.29
December 2016	\$ 1,312.77
January 2017	\$ 82.53
February 2017	\$ 1,590.30
March 2017	\$ 1,151.55
April 2017	\$ 1,401.01
May 2017	\$ 1,517.11
<b>Total</b>	<b>\$ 27,573.71</b>

Neb. Rev. Stat. § 69-1307.01 (Reissue 2009) provides the following:

*Except as otherwise provided by law, all intangible personal property held for the owner by any court, public corporation, public authority, or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than three years is presumed abandoned.*

Neb. Rev. Stat. § 69-1310(d) (Reissue 2009) requires property presumed abandoned to be reported and remitted to the Nebraska State Treasurer “before November 1 of each year as of June 30 next preceding.”

Neb. Rev. Stat. § 83-153 (Reissue 2014) states the following, in part:

*Any claim to money or personal property in the hands of the . . . Department of Correctional Services to the credit of an inmate or patient of any institution subject to the jurisdiction of such departments shall be required to be asserted within two years from and after either (1) the date of the death of the inmate or patient, while confined in such institution, or (2) the date of the discharge of the inmate or patient from such institution. If such claim is not presented within the time limited by this section, it shall be forever barred.*

Neb. Rev. Stat. § 83-154 (Reissue 2014) states the following, in part:

*Upon the failure to assert a claim for money within two years as prescribed by section 83-153 . . . the Department of Correctional Services shall transfer such money to a special fund to be set up for the use and benefit of all the inmates or patients of the institution in which the deceased or discharged inmate or patient was confined.*

A good internal control plan requires procedures to ensure the proper disposition of old, outstanding checks, either to the Inmate Welfare and Club Account Fund or to the State Treasurer. Without such procedures, there is an increased risk of noncompliance with State statute regarding the disposition of property presumed abandoned.

A similar finding was noted in our prior attestation report.

We recommend the NDCS implement procedures to ensure the proper disposition of outstanding items. This includes reviewing those items to determine if monies are due to an inmate and should be transferred to the Inmate Welfare and Club Account Fund or to other individuals and should be treated as property presumed abandoned and delivered to the State Treasurer.

*NDCS Response: NDCS agrees procedures must be implemented to ensure the proper disposition of outstanding items. NDCS' controller is developing procedures to address these issues, to include the appropriate transfer of outstanding checks of three years to the State Treasurer.*

*NDCS Overall Response: I would like to thank you for your offer to assist the Nebraska Department of Correctional Services (NDCS) with reconciliation of the Inmate Trust Fund Account. We were aware the trust fund reconciliation was not current as the result of multiple staff vacancies in the areas addressed in your review. Our previous efforts to find additional skilled resources to assist in this effort had been unsuccessful. We are very appreciative of your willingness to share your staff's expertise and knowledge with NDCS.*

\* \* \* \* \*

Our audit procedures are designed primarily on a test basis and, therefore, may not bring to light all weaknesses in policies or procedures that may exist. Our objective is, however, to use our knowledge of the NDCS and its interaction with other State agencies and administrative departments gained during our work to make comments and suggestions that we hope will be useful to the NDCS.

This interim communication is intended solely for the information and use of the NDCS, its management, the Governor and the State Legislature, and others within these State agencies. It is not intended to be, and should not be, used by anyone other than the specified parties. However, this letter is a matter of public record, and its distribution is not limited.

If you have any questions regarding the above information, please contact our office.

Sincerely,

A handwritten signature in blue ink, reading "Philip J. Olsen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Philip J. Olsen, CPA CISA  
Audit Manager

## EXHIBIT A

<i>Authorized Amount</i>	<u>\$ 40,000.00</u>
End of Month Trust Account Balance	<u>\$ (103,484.93)</u>
Replenishments Not Yet Deposited	
Replenishments Not Yet Received	<u>\$ 143,484.93</u>
<i>Subtotal</i>	<u>\$ 40,000.00</u>

### *Reconciling Items*

[illegible]

### Bank Balance After Replenishments and Corrections

Variance	\$	-
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### Receipt Documents in Transit:

Document	Amount	GL Date
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### Replenish Documents in Transit:

Document	Amount	GL Date
	\$ 25,940.52	<div> <div> <div>APA</div> <div>2017</div> <div>beginn</div> <div>Theref</div> <div>were n</div> <div>APA</div> <div>from</div> <div>spread</div> </div> </div>
	\$ 34,958.99	
	\$ 70,435.88	
	\$ 6,439.42	
	\$ (6,675.38)	
	\$ 12,385.50	
	\$ 143,484.93	

APA completed the May 2017 reconciliation at the beginning of June 2017. Therefore, these amounts were not included in E1 yet. APA used the amounts from the Daily Bank spreadsheet.

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Stores Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT B**

***General Ledger***

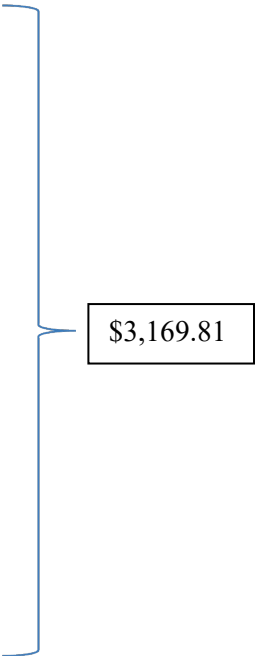
Beginning Store Balance	\$ 826,325.47
CIT Amount Posted	\$ 527,485.64
Less: E1 Payments	\$ (553,058.83)
Transfers for Debt Calling – CCCL	\$ 2,435.00
Payment for Debit Calling	\$ -
Payment for Media Purchases	\$ (161,862.50)
Ending Store Balance	<b>\$ 641,324.78</b>

***Amounts Outstanding***

Total of E1 Documents in Transit	\$ 137,837.40
Headphones, locks etc – April 2015	\$ (14.02)
Debit Calling Due to Company <b>(Note 1)</b>	\$ 357,440.57
Refunds April 2017	\$ (73.66)
Refunds May 2017	\$ (222.60)
Refunds May 2015	\$ (56.50)
Media Purchases Still Unpaid <b>(Note 2)</b>	\$ 120,261.70
Headphones, locks etc- May 2017	\$ 3,440.42
Activity on CIT on 1/31/16, not added to JE	\$ 176.41
Escrow Difference in May 2016	\$ (6.00)
Higher escrows in March 2016 CCCL Debit Calling	\$ 35.00
July 2016 Escrow Difference	\$ (39.51)
September 2016 Escrow Difference	\$ (23.32)
October 2016 Escrow Difference	\$ (12.69)
10/8/16-10/14/16 Store Sales JE variance	\$ 3,169.81
November 2016 CIT Code 854 (Holiday Gifts)	\$ 19,261.00
E1 Doc. #9722878 NCYF Monthly Trust Entry not in CIT	\$ (1.95)
December 2016 CIT Code 854 (Holiday Gifts)	\$ (24.00)
12/10-12/16 Store 10 Difference	\$ (10,978.55)
Difference between CIT and E1 for February 2017 headphones, locks, etc. CIT Feb was \$5,962.94. E1 in March (escrows) was \$8,557.80. Difference is \$2,594.86 and tran code 851 of \$171.96.	\$ (2,422.90)
Difference between CIT and E1 for March 2017 headphones, locks, etc. CIT Feb was \$7,081.63. E1 in April (escrows) was \$7,427.55. Difference is \$345.92. Tran code 851 was \$336.51.	\$ (9.41)
CIT tran code 851 total for May 2017	\$ 100.02
Store Escrow Correction 12/16	\$ 13,781.13
Store Escrow Correction 12/16	\$ 2,802.58
Store Refunds April 2017	\$ 50.87
Store Refunds April 2017	\$ 19.61
Store Refunds April 2017	\$ 3.18

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Stores Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT B**

Store Escrow Correction 10/16	\$ 11,903.39	
Store Escrow Correction 10/16	\$ 13,743.89	
Canteen Store Sale 10.8-14.16	\$ (12,169.20)	
Canteen Store Sale 10.8-14.16	\$ (14,012.56)	
Store Escrow Correction 10/16	\$ 7,503.24	
Canteen Store Sale 10.8-14.16	\$ (7,796.84)	
Store Escrow Correction 10/16	\$ 16,205.57	
Canteen Store Sale 10.8-14.16	\$ (18,922.15)	
Store Escrow Correction 10/16	\$ 15,908.39	
Canteen Store Sale 10.8-14.16	\$ (14,861.41)	
Store Escrow Correction 10/16	\$ 933.71	
Canteen Store Sale 10.8-14.16	\$ (736.93)	
Store Escrow Correction 10/16	\$ 17,778.42	
Canteen Store Sale 10.8-14.16	\$ (18,108.50)	
Store Escrow Correction 10/16	\$ 2,956.97	
Canteen Store Sale 10.8-14.16	\$ (3,495.80)	
Total Amounts Outstanding	<u>\$ 641,324.78</u>	
Variance	<u>\$ -</u>	

**Note 1:** Calculation of Debit Calling Due:

Debit Calling	
Amount Due as of April 2017	\$ 305,802.24
May 2017 Debit Calling	\$ 49,787.50
May 2017 CCCL Debit Calling	\$ 2,435.00
May 2017 Debit Calling Refunds	\$ (584.17)
Payment	\$ -
Total to <b>Note 1</b>	<u>\$ 357,440.57</u>

**Note 2:** Calculation of Media Purchases Due:

Media Purchases Payment	
Amount Due as of April 2017	\$ 264,244.20
May 2017	\$ 17,880.00
Payment	\$ (161,862.50)
Total to <b>Note 2</b>	<u>\$ 120,261.70</u>

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Confiscated Account Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT C**

Ending Balance Per E1 Fund Summary (Fund 64613 – Cash)	\$ 96,108.67
Plus: Deposits not on E1	\$ -
Less: Replenishments/documents not on E1	\$ (94.60)
<b>Subtotal</b>	<b>\$ 96,014.07</b>

**Adjustments**

Credit posted CIT Inmate #1 10/4/10 in error	\$ 20.00
Credit posted CIT Inmate #2 on May 23, 2011 in error	\$ 10.00
Check issued for Inmate #3 11/8/12 not posted CIT	\$ 19.50
Receipt 24390 credited CIT confiscated Inmate #4 twice in March 2012	\$ 2.00
Amount off CIT Inmate #5 confiscated in 5/2012 check issued June 2012	\$ (5.49)
E1 doc #23893384 as \$118.00 on E1 s/b \$118.80	\$ 0.80
Check for Inmate #6 posted 10/2012 written 11/6/12 not off E1 Confiscated	\$ (15.00)
Amount off CIT Inmate #7 confiscated in 1/2013 check not issued	\$ (5.20)
Credit on CIT Inmate #8 5/7/13 in error original check cashed	\$ 48.20
Credit on CIT Inmate #9 in error original check cashed	\$ 50.00
Electronic transfers on E1 March 2015	\$ (190.00)
Electronic receipts on E1 confiscated not posed CIT	\$ (190.00)
Electronic receipts on E1 not on confiscated accounts per CIT 5/15/15	\$ (85.00)
Receipt 391679 on E1 4/15/15 on institutional and confiscated Inmate #10	\$ (150.00)
Accounts Payable	\$ (831.00)
Transfers in May 2017	\$ 817.35
Receipt coded as institutional on E1 should be confiscated in Jan (Inmate #11)	\$ 40.00
Expense on E1 as institutional should be confiscated, Feb	\$ (20.00)
Receipt on E1 (Inmate #12) (CIT doc #399103) as confiscated should be institutional, Feb.	\$ (25.00)
Expense on E1 as confiscated should be institutional, Feb	\$ 0.52
CIT recorded as receipt; transaction was actually a transfer – March	\$ 1.89
CIT recorded as receipt; transaction was actually a transfer – March	\$ 0.71
March 2016 CIT expenses, never posted to E1	\$ 150.00
Receipt coded as Confiscated on E1 should be institutional #145277-278, May 2016	\$ (60.00)
Checks voided in CIT in April, void 5/2 in E1, #764021, #764063 possibly voided twice	\$ (115.70)
Difference between CIT totals and Replenishment Request for April 2016	\$ (15.80)
Inmate #13 code 362 in June 2016	\$ (30.81)
Inmate #14 institutional in CIT; Confiscated in E1.	\$ 24.24
8/15/16 Replenishment Doc. #34753814 in Confiscated Fund, should be Institutional	\$ 8,425.49
Inmate #15 – 9/8/16 CIT Code 261 not entered in E1	\$ 50.00
E1 Doc. 35646916 1/20/17 not in CIT	\$ 2.00
January 2017 CIT transactions not on E1	\$ (2.00)
Inmate #16 - \$100 coded to CIT code 303, receipt number 212628	\$ 100.00

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
 Confiscated Account Reconciliation  
 May 2017  
 Prepared by APA

**EXHIBIT C**

Checks recorded in E1 as confiscated on 2/8/17. However, they were paid from DEC savings.	\$ 848.90
Inmate #17 coded to institutional in CIT 231 on 2/14/17.	<u>\$ (200.00)</u>
ITF Return Item Inmate #18 entry in E1 on 2/9/17 doc #10007078, CIT recorded as 307 which already reduced the E1 balance in the transfer line above.	\$ 200.00
Inmate #16 - \$100 coded to CIT code 303, receipt number 212628	<u>\$ (100.00)</u>
Trust Deposit for 3/20/17 – Recorded in E1 as confiscated. Recorded in CIT as inst.	<u>\$ (140.00)</u>
Trust Deposit for 3/20/17 – Recorded in E1 as confiscated. Recorded in CIT as inst.	<u>\$ (1,978.00)</u>
Trust Deposit for 3/20/17 – Recorded in E1 as confiscated. Recorded in CIT as inst.	<u>\$ (1,795.00)</u>
E1 doc # 133110 recorded as confiscated 4/4/17. CIT has as institutional. Inmate #19. Receipt 147714.	<u>\$ (20.00)</u>
E1 doc # 134549 recorded as confiscated 4/12/17. CIT has as institutional. Receipts 40980-891, 893-899, 901-904.	<u>\$ (916.76)</u>
Inmate #20 recorded in CIT as confiscated on 4/7/17. In E1 as institutional 4/18/17.	<u>\$ (2.50)</u>
5/17 Inmate pop tokens CIT code 821, not in E1 during May	<u>\$ 172.66</u>
Inmate #18 in CIT 261 on 5/22/17 debit of \$200, not in E1	<u>\$ (200.00)</u>
<b><i>Subtotal</i></b>	<u>\$ 3,891.00</u>
<b><i>Reconciled Total</i></b>	<u>\$ 99,905.07</u>
 <b><i>CIT Balance Sheet Amount (Note 1)</i></b>	 <u>\$ 99,905.07</u>
 Variance	 <u><u>\$ -</u></u>



NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Revenue Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT D**

Total Revenues per E1		\$ 1,231,404.23
Revenues per CIT system	\$ 1,262,751.53	
Adjustments:		
1 Receipt Documents on CIT 4/2017 posted E1 in 5/2017	\$ 7,798.91	
2 Receipt Documents on CIT in 5/2017 not posted E1	\$ (37,745.95)	
3 Receipts on E1 in 4/2017 posted CIT in 5/2017	\$ -	
4 Receipts on E1 in 5/2017 not posted CIT	\$ -	
5 Gate Pay posted on CIT 4/2017 posted E1 in 5/2017	\$ 5,551.76	
6 Gate Pay posted on CIT 5/2017 not posted E1	\$ (6,881.18)	
7 Hobby receipts posted CIT 4/2017 posted E1 in 5/2017	\$ -	
8 Hobby receipts posted CIT 5/2017 not posted E1	\$ -	
9 Supplemental Pay posted CIT in 4/2017 posted E1 in 5/2017	\$ 1,154.99	
10 Supplemental Pay posted CIT in 5/2017 not posted E1	\$ (1,878.25)	
11 Money Due posted on CIT 4/2017 posted E1 in 5/2017	\$ 1,248.00	
12 Money due posted on CIT 5/2017 not posted E1	\$ (1,134.48)	
13 Direct Deposits CIT 4/2017 posted E1 in 5/2017	\$ 43,304.00	
14 Direct Deposits CIT 5/2017 not posted E1	\$ (43,702.80)	
15 CCCL transfer to Inmate Trust for debit calling during month	\$ 2,435.00	
16 WEC receipts on CIT 4/2017 on E1 5/2017	\$ 60.00	
17 WEC receipts on CIT 5/2017 not on E1	\$ (455.70)	
18 Electronic receipt fees 5/2017 due Keefe	\$ 22,111.50	
19 Debit card refunds on CIT in 4/2017, in E1 in 5/2017	\$ 76.38	
20 Debit card refunds on CIT 5/2017 not on E1	\$ -	
21 Reentry off CIT 4/2017 deducted from revenues	\$ (15,846.68)	
22 Parole fee receipts on CIT during the month	\$ (13,521.54)	
23 Checks over 2 years old in CIT in 4/2017 and in E1 in 5/2017	\$ 1,401.01	
24 Checks over 2 years old in CIT 5/2017 and not in E1	\$ -	
25 Bank Charges Transfer out to Inmate Trust	\$ (4,375.50)	
26 OIP Interest	\$ 7,438.57	
27 CIT code 281 transactions	\$ 853.34	
28 Stipend Advance 1/2016 – in E1 doc 10404744 GL date 5/25/17	\$ 484.24	
29 Stipend Advance 4/2016 to 6/2016 – in E1 doc 10404746 GL date 5/25/17	\$ (134.94)	
30 Receipt 409513 for inmate #21 returned by Treasury in CIT as a debit on 5/19/17, not in E1	\$ 155.47	
31 Receipt 393754 for inmate #22 was in CIT but not in E1 on 5/5/17. Per Proof of Receipts, this amount was credited to the wrong account.	\$ (13.98)	
32 Direct deposit error 2/13 #23	\$ (3.00)	

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Revenue Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT D**

33	Check 659758 pd from Inmate Welfare in 3/2017 (doc 10178167)	\$	(0.88)
34	Parolee fee difference for 4/2017 (in E1 in May). Amount is the difference between CIT code 236 and 708.	\$	254.41
35	CIT code 307 Transfers had a net credit of \$200 during the month related to inmate #18 on 5/22/17, amount not in E1	\$	(200.00)
36	CIT 261 debit amount of \$200 on 5/22/17 related to inmate #18 did not have corresponding debit in E1.	\$	200.00
37	CIT activity on 5/31/17 had a debit of \$20 related to inmate #24 for Rev RC 147739 Rtn that was not included in the deposit in transit posted to E1 on 6/1/17.	\$	20.00

CIT with Adjustments	\$ 1,231,404.23
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Variance	\$ -
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NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Expense Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT E**

Total Expenses Per E1 GL		<u>\$ 1,561,972.48</u>
Expenses per CIT System	\$ 1,077,208.95	
<b>Adjustments:</b>		
Documents on CIT 4/2017, posted E1 in 5/2017	\$ 139,210.65	
Documents for item on CIT 5/2017, not posted in E1	\$ (82,585.42)	
NE Crime Commission on CIT 4/2017, posted E1 in 5/2017	\$ 2,805.13	
NE Crime Commission CIT 5/2017, not posted in E1	\$ (2,908.97)	
Dues Institutions and Clubs on CIT 4/2017, posted E1 in 5/2017	\$ 11,523.41	
Dues Institutions and Clubs on CIT 5/2017, not posted in E1	\$ (13,375.59)	
Maintenance on CIT 4/2017, posted E1 in 5/2017	\$ 101,128.59	
Maintenance on CIT on 5/2017, not posted in E1	\$ (62,189.35)	
Stores and Commissions on CIT 5/2017	\$ (527,485.64)	
Stores and Commissions E1 payments 559197 in 5/2017	\$ 553,058.83	
Court Filing Fees on CIT 4/2017, posted E1 in 5/2017	\$ 860.60	
Court Filing Fees in CIT 5/2017, not posted in E1	\$ (878.88)	
Amount for Support Orders in CIT in 4/2017, in E1 in 5/2017	\$ 19,478.29	
Amount for Support Orders in CIT in 5/2017, not posted in E1	\$ (13,994.83)	
Checks written for saving for the month ended 5/2017	\$ 59,467.49	
Checks voided for savings for the month ended 5/2017	\$ (15,514.35)	
Direct Deposit and Replenishments per 4/2017 daily spreadsheet, posted in E1 in 5/2017	\$ 43,304.00	
Direct Deposits and Replenishments for 5/2017, not posted in E1	\$ (43,702.80)	
Returned Electronic Receipts	\$ 1,705.50	
Debit Card replenishment for 4/2017, posted in 5/2017	\$ 76.38	
Debit Card replenishment for 5/2017, not posted	\$ (259.86)	
CCC re-entry victims comp on CIT, not on E1 5/2017	\$ (19,798.87)	
Parole Fees Collected 5/2017, not on E1	\$ (14,108.05)	
Voided Checks in CIT in 4/2017, not voided in E1 until 5/2017	\$ -	
Voided Checks in CIT in 5/2017, not voided in E1	\$ -	
4/2017 Bank Charges	\$ (1,546.21)	
5/2017 Bank Charges	\$ 1,302.00	
Reverse of 4/2017 checks over 2 years that do not hit E1 until 5/2017	\$ 1,401.01	
5/2017 checks over 2 years that hit E1 next month	\$ -	
Payment to Access Corrections in E1 for media purchases, not in CIT	\$ 161,862.50	
Payment to Access Corrections in E1 for electronic receipts, not in CIT	\$ 188,572.50	
Stipend Advances Aug-Dec 2016	\$ 137.60	
Inmate # 25, check was written twice, voided in E1 in May	\$ (202.00)	
Inmate # 26, check was written twice, voided in E1 in May	\$ (506.05)	
Inmate # 27, check not written	\$ 60.26	
Inmate # 28, check was written twice	\$ (17.00)	

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Expense Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT E**

Inmate # 29, check was written twice	\$ (15.75)
Inmate # 30, voided in May, fix of April 2017	\$ (100.00)
Stop pay and void on 4/3/17 replenishment, not in CIT until 5/17	\$ (50.00)
Inmate # 31, Void in CIT in April, E1 in May	\$ (428.13)
Inmate # 32, Void in CIT in April, E1 in May	\$ (24.57)
Inmate # 33, Void in CIT in April, E1 in May	\$ (456.88)
Inmate # 34, Void in CIT in April, E1 in May	\$ (100.00)
Inmate # 35, Void in CIT in April, E1 in May	\$ (100.00)
Inmate # 36, Void in CIT in April, E1 in May	\$ (100.00)
Inmate # 37, Void in CIT in April, E1 in May	\$ (100.00)
Inmate # 38, Void in CIT in April, E1 in May	\$ (53.28)
Inmate # 39, Void in CIT in April, E1 in May	\$ (156.65)
Inmate # 40, Void in CIT in April, E1 in May	\$ (100.00)
Inmate # 41, Void in CIT in April, E1 in May	\$ (100.00)
Inmate # 42, Void in CIT in April, E1 in May	\$ (48.90)
Inmate # 43, Void in CIT in May, not in E1 until June	\$ 583.20
Inmate # 43, Check in CIT, not in E1 until June	\$ (100.00)
Wrong code medical Inmate #44	\$ (117.80)
Code 241 Voids	\$ (190.50)
Inmate # 45, Correction from 3/16, higher in CIT	\$ (25.00)
Returned Direct Deposit on bank spreadsheet	\$ (10.00)
Inmate # 46, check was higher than CIT, fixed in 5/2017, Item #49 on old differences list	\$ (0.20)
Inmate # 47, stop pay on bank/E1, not on CIT as of 5/2017	\$ (400.00)
Inmate # 48, fix of 4/2017 error	\$ (24.56)
Check #781403, fix of 4/2017 error	\$ 24.33
Inmate # 49, check amount was higher	\$ 0.02
Inmate # 50, check amount was higher	\$ 100.00
Inmate # 51, void in CIT, not voided in E1	\$ 21.54
Inmate # 52, fix from 3/16, higher void in CIT	\$ 25.00
Inmate # 53, voided on 5/31 in CIT, not voided in E1	\$ 0.31
Inmate # 54, institutional and savings check not written	\$ (69.52)
 CIT with Adjustments	 \$ 1,561,972.48
 Variance	 \$ 0.00

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Balance Sheet Accounts  
May 2017  
Prepared by APA

**EXHIBIT F**

***Payroll Reimbursements Due***

Beginning Balance	\$ 1,368.89
CIT Activity	\$ 184,329.57
Received from E1	\$ (183,606.31)
Ending Balance	\$ 2,092.15

***Money Due***

Beginning Balance	\$ 1,171.36
CIT Activity	\$ 1,134.48
Received from E1	\$ (1,248.00)
Ending Balance	\$ 1,057.84

***Hobby Revenues***

Beginning Balance	\$ 0.20
CIT Activity	\$ -
Received from E1	\$ -
Ending Balance	\$ 0.20

***Gate Pay***

Beginning Balance	\$ 5,551.76
CIT Activity	\$ 6,881.18
Paid to E1	\$ (5,551.76)
Ending Balance	\$ 6,881.18

***Institutional Expense***

Beginning Balance	\$ 13,385.96
CIT Activity	\$ 11,648.11
Received from E1	\$ (9,864.88)
Ending Balance	\$ 15,169.19

***Club Expense***

Beginning Balance	\$ 1,899.88
CIT Activity	\$ 1,727.48
Received from E1	\$ (1,658.53)
Ending Balance	\$ 1,968.83

***Maintenance Expense***

Beginning Balance	\$ 101,128.59
CIT Activity	\$ 62,189.35
Received from E1	\$ (101,128.59)
Ending Balance	\$ 62,189.35

***Crime Commission***

Beginning Balance	\$ 2,769.77
CIT Activity	\$ 2,908.97
Received from E1	\$ (2,805.13)
Ending Balance	\$ 2,873.61

***Inmate Welfare***

Beginning Balance	\$ 3,369.02
E1 Interest Posted	\$ 7,438.57
Less: Transfer	\$ (4,375.50)
Posted on CIT	\$ (2,710.02)
May Bank Charges	\$ (1,302.00)
April Bank Charges	\$ 1,546.21
Ending Balance	\$ 3,966.28

***Court Filing Fees***

Beginning Balance	\$ 756.37
CIT Activity	\$ 729.05
Payments from E1	\$ (712.02)
Ending Balance	\$ 773.40

***State Courts (Filing Fees and Restitution)***

Beginning Balance	\$ 182.54
CIT Activity	\$ 149.83
Received from E1	\$ (148.58)
Ending Balance	\$ 183.79

***Parole Fees***

Beginning Balance	\$ 1,955.37
Fees Received	\$ 13,521.54
Fees Collected	\$ (14,108.05)
Fees Transferred	\$ (254.41)
Ending Balance	\$ 1,114.45

***Reentry Expense***

Beginning Balance	\$ 15,846.68
CIT Activity	\$ 19,798.87
Received from E1	\$ (15,846.68)
Ending Balance	\$ 19,798.87

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Balance Sheet  
May 2017  
Prepared by APA

**EXHIBIT G**

**Assets**

End of Month Institutional Balance per E1 Fund Summary	\$ 3,939,047.93
End of Month Confiscated Balance per E1 Fund Summary	\$ 96,108.67
Total Receipt Documents in Transit <b>(Note 1)</b>	\$ 38,201.65
Total Replenish Documents in Transit <b>(Note 2)</b>	\$ (82,585.42)
Authorized Bank Balance	\$ 40,000.00
<b>Total Cash in E1 and Bank</b>	<b>\$ 4,030,772.83</b>
Payroll Reimbursements due	\$ 2,092.15
Money Due Reimbursements Due	\$ 1,057.84
Hobby Receipts Due	\$ 0.20
Release/Gate Pay Due	\$ 6,881.18
Parole Fees	\$ 1,114.45
Accounts Receivable	\$ -
<b>Total Assets</b>	<b>\$ 4,041,918.65</b>

**Liabilities**

Due Petty Cash Fund (liabilities on Fund Summary by Fund)	\$ 99,239.51
Due Institutions and DCS	\$ 15,169.19
Due Clubs and Commissions	\$ 1,968.83
Due Inmate Stores	\$ 641,324.78
Due Institutions for Maintenance Collected	\$ 62,189.35
Due the Nebraska Crime Commission	\$ 2,873.61
Due Inmate Welfare	\$ 3,966.28
Due US District Court (Filing Fees)	\$ 773.40
Due CCC Victims Comp & Reentry	\$ 19,798.87
Due to State Courts/Agencies (Filing Fee & Restitution)	\$ 183.79
Trans code 20 in CIT debits	\$ 372.00
Trans code 1 in CIT credits	\$ (0.34)
Trans code 24 CIT credit	\$ (0.77)
<b>Total Liabilities</b>	<b>\$ 847,858.50</b>

**Equity**

Institutional Account Balance (21)	\$ 1,470,159.21
Differences	\$ 47,073.78
Confiscated Account Balance (22)	\$ 99,905.07
DCS Release Savings Accounts (25-I-REL)	\$ 474,236.74
DCS Private Venture Savings Accounts (25-I-PV)	\$ 153,072.23
DCS Regular Savings Accounts (25I-Reg)	\$ 949,613.12
<b>Total Equity</b>	<b>\$ 3,194,060.15</b>
<b>Total Liabilities and Equity</b>	<b>\$ 4,041,918.65</b>
Variance	\$ -

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Balance Sheet  
May 2017  
Prepared by APA

**EXHIBIT G**

**Note 1:**

***Receipt Documents in Transit:***

Document	Amount	GL Date
143464	\$ 37,745.95	6/1/2017
143437	\$ 455.70	6/1/2017
	<u>\$ 38,201.65</u>	

**Note 2:**

***Replenish Documents in Transit:***

Document	Amount	GL Date
	\$ 70,435.88	
	\$ 6,439.42	
	\$ (6,675.38)	
	<u>\$ 12,385.50</u>	
	\$ 82,585.42	

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Institutional Account Reconciliation  
May 2017  
Prepared by APA

**EXHIBIT H**

Ending Balance per E1 Fund Summary	\$ 3,939,047.93
Plus: Authorized Checking Account	\$ 40,000.00
Documents in Transit	\$ 38,201.65
Less: Amount to be Confiscated	\$ -
Subtotal	\$ 38,201.65
Less: Replenishments	\$ (82,585.42)
Less: Amount to be Confiscated	\$ 94.60
Subtotal	\$ (82,490.82)
To Transfer for Confiscated	\$ (3,891.00)
To Transfer for WEC	\$ -
Amounts posted to CIT, not yet in E1	\$ (737,473.17)
Accounts Receivable	\$ -
Accounts Payable	\$ (99,239.51)
<b><i>Total Adjusted E1 Cash Balance</i></b>	<b><i>\$ 3,094,155.08</i></b>
<b><u>Per CIT</u></b>	
Ending Balance Institutional Account Balance	\$ 1,470,159.21
Differences	\$ 47,073.78
Ending Balance DCS Release Savings Accounts	\$ 474,236.74
Ending Balance Private Venture Savings Accounts	\$ 153,072.23
Ending Balance regular Savings Accounts	\$ 949,613.12
<b><i>CIT Balance Sheet Amount</i></b>	<b><i>\$ 3,094,155.08</i></b>
Variance	\$ -



NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
Prepared by APA

**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
1	Receipt posted to Inmate #55 in error in May 2011 placed on restitution	\$ (108.06)
2	Credit on CIT Inmate #56 May 2011 in error	\$ (100.00)
3	Check 679867 issued 11/8/11 not deducted CIT Inmate #3	\$ (100.00)
4	Check issued 11/29/11 for Inmate #57 not deducted CIT in November 2011	\$ (100.00)
5	Check for Inmate #58 voided November on CIT as \$5.50 should be \$100.00	\$ 94.50
6	Credit on CIT Inmate #59 in error November 2011	\$ (100.00)
7	Credit on CIT Inmate #60 in error in December 2011	\$ (416.17)
8	Returned Item for Inmate #61 off E1 January 2012 not deducted CIT	\$ (287.60)
9	Release for CIT Inmate #62 done twice January 2012 wrong one reversed	\$ (78.29)
10	Check issued 1/24/12 not deducted CIT Inmate #63	\$ (170.92)
11	Garnishment check issued for \$3.81 deducted CIT Inmate #64 as \$.19 in February 2012	\$ (3.62)
12	Check issued for \$7.27 deducted CIT Inmate #65 as \$4.91 in February 2012	\$ (2.36)
13	Check for CIT Inmate #66 issued in February 2012 not deducted CIT	\$ (100.00)
14	Credit on CIT Inmate #67 February 2012 in error	\$ (1,713.81)
15	Check 629104 stopped 2/2009 cashed 10/2011 for CIT Inmate #68	\$ (150.00)
16	Check issued 3/28/12 for Inmate #69 not yet deducted CIT	\$ (100.00)
17	Check issued for Inmate #70 in April 2012 not deducted CIT	\$ (50.46)
18	Amount deducted CIT Inmate #71 – 4/10/12 check not issued yet	\$ 13.34
19	Direct deposit amount error Inmate #72 in January 2012 corrected E1 April not on CIT	\$ (116.16)
21	Check for garnishment for CIT Inmate #73 issued as \$10.43 off CIT in June 2012 as \$7.42	\$ (3.01)
22	Credit on CIT Inmate #74 in June 2012 in error original check was cashed January 2010	\$ (100.00)
23	Credit on CIT Inmate #75 June 20, 2012 in error original check issued 9/2011	\$ (100.00)
24	Checks 688362 and 688363 rewritten 6/14/12 not voided E1 in June 2012 Inmate #76 and #77	\$ (18.00)
25	Amount issued for garnishment August 2012 \$1,431.91 check 693022; off CIT as \$1,305.51. Inmate #78	\$ (126.40)
26	Void check #692725 for CIT Inmate #79 deduct E1 August 2012 not on CIT	\$ 50.00
27	Check 694395 issued for CIT Inmate #80 – \$81.85 on CIT as \$81.65 in August 2012	\$ (0.20)
28	Check 692996 issued as a rewrite for an old check 417109 transferred to Inmate Welfare. Inmate #81	\$ (56.98)
29	Credit on CIT Inmate #82 in error 9/5/12 not void received original check 661165 issued 9/2010	\$ (100.00)
30	Return item for Inmate #83. Payroll check was NSF. Received in CIT on 1-14-13. Doc number 31052. Debit to code 703 on 5/15/15.	\$ (400.00)
31	Correct direct deposit for Inmate # 84 on E1 March 2013 not fixed on CIT	\$ (0.20)
32	Garnishment check 703870 3/14/13 for Inmate #85 issued for \$2.89 off CIT as \$.47	\$ (2.42)
33	Garnishment check 703871 3/14/13 for Inmate #86 issued for \$8.00 off CIT as \$.02	\$ (7.98)
34	Amount remitted to court May 2013 that was in excess of amount taken off CIT. Inmate #87	\$ (1.90)
35	Check 718010 issued for Inmate #88 as \$19.98 posted CIT December 2013 as \$19.95	\$ (0.03)
36	Check 701908 for Inmate #89 voided on CIT in error the check has been cashed	\$ (97.19)
37	Deposit 3/10/14 \$3,472.63 posted CIT \$3,472.93 not fixed in March	\$ (0.30)

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
Prepared by APA

**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
38	Deposit \$2,078.97 March 28, 2014 posted CIT \$2,078.98	\$ (0.01)
40	Check 724322 issued March 28, 2014 for Inmate #90 as \$89.40 amount off CIT \$89.34	\$ (0.06)
41	Amount credited CIT Inmate # 91 March 31, 2014 tran code 01021 should have been unfrozen	\$ (50.00)
42	Amount deducted CIT Inmate #92 – 5/2/14 check not issued	\$ 25.07
43	Direct deposit error Inmate #93 fixed E1 May 2014 not posted CIT	\$ (450.03)
44	Amount court ordered support for Inmate #94 to be written off check already issued to court	\$ (7.00)
45	Amount credited CIT Inmate #9 October 2014 in error not yet fixed. Check 719812.	\$ (154.76)
46	Amount credited CIT Inmate #95 October 2014 in error not yet fixed. Check 719759.	\$ (100.00)
51	Receipt posted CIT Inmate #96 January 2015 not deposited. Receipt number 216853.	\$ (20.00)
52	Credit on CIT Inmate #97 in error in January 2015 the check had cashed. Check 705195.	\$ (100.00)
53	Journal entry on E1 February 2015 for access fees not on Trust	\$ 2.04
58	Returned item on E1 March 2015 not on CIT Inmate #98	\$ (779.45)
59	Amount due Access/Keefe March 2015 for electronic receipt fees	\$ 1,561.50
60	Entry on E1 March 2015 as a test electronic receipts process	\$ 4.51
62	Confiscated receipts allocated to facilities March 2015 no funds on E1	\$ (190.00)
64	Check 740344 for CIT Inmate #99 written in January 2015. Check 742292 rewritten in March 2015. No stop payment placed on the original check	\$ (9.00)
66	Journal entry in E1 March 24, 2015 for phone payment document number 7383978	\$ 5.00
67	Amount credited E1 for electronic receipts due Keefe/Access for April 2015	\$ 3,988.00
69	Amount posted CIT Inmate #100 April 2015 as \$74.14 check issued for \$74.19	\$ (0.05)
72	Amount off CIT Inmate #101 April 2015 \$56.69 check 745612 for \$100.00 gate pay not included on CIT	\$ (43.31)
73	Amount off CIT Inmate #102 April 2015 \$57.55 check for \$100.00 gate pay not included on CIT	\$ (42.55)
74	Electronic receipt fees on E1 May 2015 due Access/Keefe	\$ 4,687.95
76	Journal entry for CCCL debit calling coded to other Revenue May 2015	\$ 2,875.00
80	Amount off CIT for Christian Heritage (code 461) in May 2015 check not written yet	\$ 120.00
81	Check 746493 voided E1 May 2015 not on CIT Inmate #103 till June 2015	\$ -
83	Amounts off CIT 5/15 checks written for less on 5/11/15	\$ 2.90
84	Transfer of funds to trust from CCCL in June 2015 for Debit calling	\$ 3,380.00
85	Amount reversed CIT Inmate #104 June 2015 not reversed E1 until July 2015	\$ 26.46
86	Electronic receipt fees due Keefe for May 29, 2015 receipts on E1 June 2016	\$ 473.05
87	Electronic receipt fees due Keefe for June 2016	\$ 8,863.00
88	Debit card refunds on CIT June 2015 not on E1	\$ (410.51)
89	Electronic receipts allocated to facilities for June 3, 2015 funds not credited E1	\$ (3,246.00)
91	Checks written from Trust fund to direct deposit company for June 2016 for denied amounts	\$ (854.99)
96	Electronic receipt fee for 6/29/15 on CIT 7/1/15	\$ 331.00
97	Electronic receipt fee for 6/30/15 on CIT 7/1/15	\$ 577.00
98	Electronic receipt fees 9/29/15 on CIT September on E1 October 2015	\$ (517.50)

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
Prepared by APA

**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
99	Electronic receipts on CIT 9/30/16 on E1 10/20/16	\$ (3,880.00)
100	Electronic receipt fees due keefe per keefe sheets 7/2015-9/2015	\$ 22,032.00
101	Difference between keefe sheets and what posted E1	\$ (4.00)
106	Receipt posted as negative expense on E1 on doc 17211 for Inmate #104 not on CIT	\$ 26.46
107	Check 748800 issued then lost and new one issued for CIT Inmate #105 no void or stop	\$ (6.82)
108	CIT Inmate #106 had check issued 8/31/15 for \$100.00 amount of CIT \$89.93 gate pay posted CIT	\$ (10.07)
109	Check issued 7/8/15 for Inmate #107 rewritten but 748689 had cashed	\$ (103.56)
110	Amount off CIT Inmate #108 - \$.07 check written for \$.09 on 7/20/15	\$ (0.02)
111	Check 752145 issued Susan Komen 8/28/15 for \$665.00 on CIT July-September \$668.00. Inmates #109, #110, and #111.	\$ 3.00
115	Check issued 9/30/15 as \$17.96 on CIT Inmate #112 as \$17.95	\$ (0.01)
116	Check 748539 credited CIT 7/2/15 Inmate #113 has been cashed	\$ (21.72)
117	Check 748595 issued 6/25/15 credited on CIT Inmate #114 July 2015 has been cashed	\$ (7.80)
127	Payment to Advance services for direct deposit rejected	\$ (118.20)
131	Code error on CIT Inmate #115 7/30/15 coded 01001 s/b in freeze column	\$ 0.34
<b>10/2015</b>		
	Debit card refunds on CIT October 2015 not on E1	\$ (729.85)
	Electronic receipt fees October due Keefe	\$ 9,242.00
	Returned item for Inmate #116 on E1 10/2015 not on CIT	\$ (45.00)
	Inmate # 117 Emergency reimbursement from 10/30 on check 11/3	\$ (100.00)
<b>11/2015</b>		
	Electronic receipt fees November due Keefe	\$ 2,508.50
	Document is on E1 but not on CIT	\$ 36.30
	Bal out credit in err CIT Inmate #118, ck issued 8/24/12 cashed	\$ (1,336.18)
	Bal out credit in err CIT Inmate #95, ck issued 4/7/14 cashed	\$ (100.00)
	Bal out credit in err CIT Inmate #119, ck issued 1/23/15 cashed	\$ (100.00)
	Correction of Code error CIT Inmate #120	\$ 100.00
<b>12/2015</b>		
	Electronic receipt fees December due Keefe	\$ 19,646.00
	Return Item JE not on CIT	\$ (29.57)
	Receipts coded to Adult Parole in E1 when should have been to Trust	\$ (1,378.46)
	Voided Checks in CIT Nov, not in E1 in Nov.	\$ 85.86
	Bal out credit in error CIT Inmate #121, ck issued 1/23/14 cashed	\$ (117.81)
	Amount remitted to court for Inmate #122, not deducted CIT (Write off)	\$ (19.50)
<b>1/2016</b>		
	Electronic receipt fees January due Keefe	\$ 11,574.50
	Keefe Payments for March-Nov 2015	\$ (58,005.00)
	Check #757928, issued new check did not stop prior check	\$ (8.00)
	Inmate #123 Bal Out in Jan, no check written	\$ (0.75)
	Inmate #124 Bal Out in Jan, no check written	\$ (0.03)
<b>2/2016</b>		
	Electronic receipt fees February due Keefe	\$ 448.90
	Inmate #125, paid in error, has not been paid back	\$ (100.00)
	Check #759622, voided in E1 for Feb 2016, not voided in CIT	\$ 100.00
<b>3/2016</b>		

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
Prepared by APA

**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	Electronic receipt fees March due Keefe	\$ 31,069.60
	Transfer return item in March 2016	\$ (200.00)
	March 16 CIT Correction to Inmate #126 not in E1	\$ (290.22)
	Trans Code 281	\$ (17.20)
	Inmates #127 and #128. Laundry reimbursement of \$75 each. Originally recorded as 302 revenue transaction in CIT for February and reversed in March. DCS did not include in E1 for those months. In March transaction was correctly recorded as a credit to expense code 122 in CIT. In E1 this transaction was recorded to CSI, not inmate trust so it is not in our E1 number.	\$ (150.00)
	Inmate #129. (Savings) CIT has reverse balance out on 3/3/2016. The balance out was done on 5/18/15 on check number 746323. This check was cashed. The reverse balance out was done in error in March 2016. Since it is a credit, the expenses in CIT were lowered, so APA added it back into the CIT amount.	\$ (17.48)
	Inmate #129. (Institutional) CIT has reverse balance out on 3/3/2016. The balance out was done on 5/18/15 on check number 746323. This check was cashed. The reverse balance out was done in error in March 2016. Since it is a credit, the expenses in CIT were lowered, so APA added it back into the CIT amount.	\$ (82.52)
	Inmate #130. (Institutional) CIT has reverse balance out on 3/11/2016. However, the previous balance out was back in 2013. It is a credit so the expenses in CIT were lowered, so the APA added in back to the CIT amount to agree to E1.	\$ (50.00)
	Inmate #130. (Institutional) CIT has reverse balance out on 3/11/2016. However, the previous balance out was back in 2013. It is a credit so the expenses in CIT were lowered, so the APA added in back to the CIT amount to agree to E1.	\$ (73.21)
	Inmate #130. (Savings) CIT has reverse balance out on 3/11/2016. However, the previous balance out was back in 2013. It is a credit so the expenses in CIT were lowered, so the APA added in back to the CIT amount to agree to E1.	\$ (137.21)
	Inmate #130. (Savings) CIT has reverse balance out on 3/11/2016. However, the previous balance out was back in 2013. It is a credit so the expenses in CIT were lowered, so the APA added in back to the CIT amount to agree to E1.	\$ (1.46)
	Emergency load reversals and rejected loads placed in CIT March 2016 when they should not have been. This caused CIT to be higher by the amount.	\$ 450.00
<b>4/2016 Revenues</b>		
	Electronic receipt fees April due Keefe	\$ 15,790.50
	E1 short \$20 for 4/11/16 TSCI Receipts	\$ (20.00)
	4/6/16 DD correction added to CIT, not to E1	\$ (593.83)
	Returned items 4/21/16 and 4/26, reduced CIT, not in E1	\$ 209.67
	Trans Code 281	\$ 63.50
<b>4/2016 Expenses</b>		
	Returned Electronic Receipts	\$ (20.00)
	Work USA Check (DCS Outside) not in CIT	\$ (438.84)
	IRS Check coded to 231 (revenue) in CIT	\$ (180.10)
	IMKO Workforce Solutions ck not in CIT	\$ (255.69)
	Ck 763925, Inmate #131 written 4/20/16, never entered in CIT	\$ (524.92)
	Ck. 763924, Inmate #132, Posted in E1 for \$525.53, in CIT for \$696.43	\$ 170.90

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
Prepared by APA

**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	Inmate #133, CIT credit for correction was \$4.00 too much	\$ (4.00)
	Laundry Reimbursement coded to CSI Fund in E1	\$ (75.00)
<b>5/2016 Revenues</b>		
	Electronic receipt fees May due Keefe	\$ (23,359.69)
	Returned child support check for inmate #134, not in CIT	\$ 10.60
	Receipt 51759, Inmate #135, posted to wrong account	\$ (76.00)
	Receipt 156122, Inmate #136, returned by Treasurer	\$ 50.00
	Receipt 27675, Inmate #137, returned by Treasurer	\$ 250.08
	Receipt 221140, Inmate #138, returned by Treasurer	\$ 45.00
	Receipt 398771, Inmate #139, returned by Treasurer	\$ 200.00
	Receipt 155154, Inmate #140, returned by Treasurer	\$ 20.00
	Receipt 27743, Inmate #137, returned by Treasurer	\$ 104.33
	Code 281 in CIT, not in E1	\$ 52.92
<b>5/2016 Expenses</b>		
	Access Corrections Payment May 2016 for Keefe Payment	\$ (57,838.50)
	Code 122 laundry reimbursements coded to CSI fund in E1	\$ (150.00)
	Inmate #141, Amount was included as a negative expense, rather than a revenue, fixed in 12/16	\$ 268.22
<b>6/2016 Revenues</b>		
	Electronic receipt fees June due Keefe	\$ 55,044.69
	CIT code 281 transactions	\$ 35.72
	Receipt 1655560 posted to wrong acct. Inmate #142	\$ 593.83
	WEC Receipt on 6/3/16 to 6/5/16 proof of receipts is \$27 higher than E1 for 6/3/16	\$ (27.00)
	JE in E1 to transfer inmate trust funds to Inmate #173 on 6/15/16, Doc 8961012	\$ (10.00)
	JE in E1 for return items. Inmate #143, doc 8944554 on 6/10/16	\$ (354.41)
	JE in E1 for return item. Inmate #136, doc 8944555 on 6/10/16	\$ (50.00)
<b>6/2016 Expenses</b>		
	Inmate #144. Check 766561 written on 6-10-16 for \$650.12. CIT recorded \$620.12. Correction in July put \$30 back into savings account with transaction 971. However, the money was already paid out.	\$ (30.00)
	Inmate #145. \$11.02 appears to have been incorrectly coded in CIT as a credit instead of a debit. Code 102. Check was paid out. Variance is going to be \$22.04 to reconcile.	\$ (22.04)
	Transaction code 651.	\$ (36.30)
<b>7/2016 Revenues</b>		
	Electronic receipt fees July due Keefe	\$ 13,337.70
	Checks over 2 years from 4/15	\$ 512.27
<b>7/2016 Expenses</b>		
	Inmate #146 check in CIT to Christian Heritage 7/8/16 no check written per check listing	\$ 10.00
	Inmate #147 check in CIT to Christian Heritage 7/8/16 no check written per check listing	\$ 10.00
	Inmate #148 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #149 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #150 check in CIT to sub/books/mag/etc on 7/8/16, no check written per check listing	\$ 10.00

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
Prepared by APA

**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	Inmate #151 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #152 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #90 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #153 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #154 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #155 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #156 check in CIT for \$83.91 was backed out of CIT for \$79.54 for a variance of \$4.37, where CIT is higher than E1	\$ 4.37
	Inmate #157 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #158 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #159 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #160 check in CIT To Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #161 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #162 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #163 check in CIT to Parenting 7/8/16, no check written per check listing	\$ 10.00
	Inmate #164 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #165 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #166 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #167 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #168 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #169 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #170 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #171 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #172 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #174 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #175 check in CIT to Christian Heritage 7/8/16, no check written per check listing	\$ 10.00
	Inmate #176 check in CIT dated 7/27/16 was \$48.50 while check on check listing was \$49.50	\$ (1.00)
	Inmate #177 there was no check for \$15 for CIT 241 debit	\$ 15.00



NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
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**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	Old Voids in E1, not in CIT	\$ 225.75
	Credits to returned electronic receipts	\$ 52.00
<b>8/2016 Revenues</b>		
	Electronic receipt fees Aug due Keefe	\$ 17,751.30
	Payroll variance between E1 and CIT	\$ (29.25)
	Tran code 309	\$ (432.30)
	Receipt 186167 inmate #178 recorded to CIT on 8/18/16 as tran code 231. No receipt in E1.	\$ (50.00)
	Receipt 186168 inmate #179 recorded to CIT on 8/18/16 as tran code 231. No receipt in E1.	\$ (40.00)
	Receipt 186169 inmate #180 recorded to CIT on 8/18/16 as tran code 231. No receipt in E1.	\$ (10.09)
	Receipt 186170 inmate #181 recorded to CIT on 8/18/16 as tran code 231. No receipt in E1.	\$ (0.30)
	Receipt 186303 inmate #182 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (12.00)
	Receipt 186304 inmate #183 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (15.00)
	Receipt 186305 inmate #184 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (18.00)
	Receipt 186306 inmate #185 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (50.00)
	Receipt 186307 inmate #186 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (40.00)
	Receipt 186308 inmate #187 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (200.00)
	Receipt 186309 inmate #188 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (21.00)
	Receipt 186310 inmate #189 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (145.42)
	Receipt 186311 inmate #190 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (144.80)
	Receipt 186312 inmate #179 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (71.76)
	Receipt 186313 inmate #191 recorded to CIT on 8/19/16 as tran code 231. No receipt in E1.	\$ (0.38)
<b>8/2016 Expenses</b>		
	Inmate #192, CIT check amount is higher than the check written	\$ 310.84
	Inmate #193, CIT check amount is higher than the check written	\$ 0.29
	Inmate #169, CIT check amount is higher than the check written	\$ 286.00
	Inmate #194, Check for \$200 written twice in E1, once in CIT	\$ (200.00)
	Inmate #195, CIT check amount is higher than the check written	\$ 5.69
	Inmate #196, CIT check amount is higher than the check written	\$ 0.01
	Inmate #197, CIT check amount is higher than the check written	\$ 0.04
	Inmate #198, CIT check amount is higher than the check written	\$ 5.56
	Voids on replenishments in August, not in check detail or in CIT	\$ 48.82
	Code 651 in CIT	\$ 2,944.31
<b>9/2016 Revenues</b>		
	Electronic receipt fees Sept due Keefe	\$ 12,802.50

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
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**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	CIT Code 309 transactions	\$ (87.78)
<b>9/2016 Expenses</b>		
	RPCK Investment check #771290, not recorded in CIT	\$ (698.92)
	Inmate #199 Reversed Balanced out, no void in E1 (institutional and savings amount)	\$ (368.29)
	Total of the wrong code amounts in credits, not balanced out with a correct code	\$ (90.00)
	Code 241 checks not written	\$ 140.00
	Roman Marble Products Check Number #770878, not in CIT	\$ (538.48)
<b>10/2016 Revenues</b>		
	Electronic receipt fees Oct due Keefe	\$ 6,072.77
	Void checks pull from inmate welfare (acct 493100)	\$ 602.66
	Check void pull from inmate welfare, not in CIT	\$ (3,300.64)
	Transfer Amt return Item Inmate #215, not in CIT	\$ (100.00)
	WEC Deposit 10/17/16, was \$172.59 s/b \$172.95	\$ (0.36)
<b>10/2016 Expenses</b>		
	Hall County Difference (higher in CIT)	\$ 110.00
<b>11/2016 Revenues</b>		
	Electronic receipt fees Nov due Keefe	\$ 28,852.73
	Checks over 2 years from 9/2015	\$ 884.78
<b>11/2016 Expenses</b>		
	IMKO Check not in CIT	\$ (245.24)
	Rejected load on 11/28 from 6/25/15	\$ 80.00
	Check 749369, voided and stopped, on E1 not CIT, coded to a expense in E1	\$ (1,000.00)
<b>12/2016 Revenues</b>		
	Electronic receipt fees Dec due Keefe	\$ 17,055.50
	CIT 308 debit card refunds did not agreed to Daily Checking spreadsheet (CIT had \$444.26 and checking spreadsheet was \$444.89)	\$ 0.63
	Prior month's debit card refunds in CIT in June and Oct 15, in E1 during Dec 16	\$ 1,059.73
	Direct Deposit Error Amounts from April/May 16	\$ (1,100.00)
	Direct Deposit amount error 12/18/15	\$ (100.00)
	Direct Deposit error 1/20/16	\$ (224.23)
	Direct deposit receipt twice 3/20/16 Inmate #200	\$ (515.47)
<b>12/2016 Expenses</b>		
	Ck #739385 stop & void	\$ (49.95)
	Voids on a 241	\$ 125.00
	Inmate #201, Check not in CIT	\$ (33.96)
	Inmate #202, Check not in CIT	\$ (13.40)
	Inmate #203, wrong code, other side is in code 905, which was subtracted above, no check was written	\$ 54.10
<b>1/2017 Revenues</b>		
	Electronic receipt fees Jan due Keefe	\$ 17,073.50
<b>1/2017 Expenses</b>		
	Voids for 241 checks	\$ 125.00
	Inmate #204, check higher in E1	\$ (847.24)
	Inmate #205, check not in CIT	\$ (74.86)
<b>2/2017 Revenues</b>		
	Electronic receipt fees Feb due Keefe	\$ 14,589.00



NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
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**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	CIT code 281 transactions	\$ 37.05
	ITF Return Item Inmate #206. Credit to revenue account on 7/27/16 tran code 235. Amount was frozen for 21 days until 8/16/16. Stop pay was received on 8/8/16. However, DCS did not process the stop pay in CIT timely and the account was paid out. So when the stop pay was finally processed in Feb. 2017, there was no money in the account to recover for the stop pay. So it is a reconciling item. Journal entry in E1 done on 2/9/16. Doc. 10007074	\$ (109.14)
<b>2/2017 Expenses</b>		
	Inmate #28, check 778284 was \$3 higher than E1	\$ (3.00)
<b>3/2017 Revenues</b>		
	Electronic receipt fees Mar 17 due Keefe	\$ 23,745.00
	CIT code 281 transactions	\$ 11.91
	3/7/17 inmate #207 had a debit entry to account 231 for “rev rct 405462” that did not have a corresponding entry in E1.	\$ 100.00
<b>3/2017 Expenses</b>		
	Prepaid adj Acct funding	\$ (2,000.00)
	Emergency Load for Inmate #208, not on E1	\$ 20.00
	Inmate #209, void in CIT in March, not in E1	\$ (100.00)
	Void on a 241	\$ 20.00
	Inmate #210, check not written	\$ 79.11
	Inmate #210, check not voided	\$ (3.20)
	Inmate #44, check was coded to a 704, which is removed above in CIT Activity, APA added it back in since it was a check during the month	\$ (117.80)
<b>4/2017 Revenues</b>		
	Electronic receipt fees April 17 due Keefe	\$ 17,125.00
	CIT code 281 transactions	\$ 52.92
	Return item Inmate #21 ITF not in CIT during April 2017, doc 10231842	\$ (155.47)
	Return item Inmate #211 ITF not in CIT during April 2017, doc 1029969	\$ (406.46)
	Return item Inmate #24 ITF not in CIT during April 2017, doc 10295769	\$ (20.00)
	Receipts that were coded to adult parole in E1 in Dec 2015 when it should have went to the Trust. Doc 10262495 corrects this in E1.	\$ 1,378.46
<b>4/2017 Expenses</b>		
	Returned Direct Deposits on April Replenishment, hitting E1 in May	\$ 1,667.72
	Inmate #212, Hall County higher in E1, fix from 10/16	\$ (40.00)
	Inmate #210, void in E1, not in CIT	\$ 24.09
	Inmate #213, void in E1, not in CIT	\$ 1,000.00
	Inmate #214, check was coded to 702 in CIT, therefore was removed above in institution, APA added it back in since it was a check	\$ (1,269.54)
<b>5/2017 Revenues</b>		
	Electronic receipt fees May 17 due Keefe	\$ 20,406.00
	CIT code 281 transactions	\$ 853.34
	Stipend Advance April - June 2016 – in E1 doc 10404746 GL date 5/25/17	\$ (134.94)
	Inmate #210, check higher in E1	\$ (100.00)
	Receipt 409513 for inmate #21 returned by Treasury in CIT as a debit on 5/19/17, not in E1	\$ 155.47
	Receipt 393754 for inmate #22 was in CIT but not in E1 on 5/5/17. Per Proof of Receipts, this amount was credited to the wrong account.	\$ (13.98)
	Direct deposit error 2/13 Inmate #23	\$ (3.00)

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
Differences List (Variance)  
May 2017  
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**EXHIBIT I**

NO.	ITEM EXPLANATION	AMOUNT
	CIT activity on 5/31/17 had a debit of \$20 related to inmate #24 for Rev RC 147739 Rtn that was not included in the deposit in transit posted to E1 on 6/1/17.	\$ 20.00
<b>5/2017 Expenses</b>		
	Amount for Support Orders in CIT in April, in E1 in May	\$ 13,994.83
	Debit Card replenishment for April, posted in May	\$ 259.86
	Payment to Access Corrections in E1 for electronic receipts, not in CIT	\$ (188,572.50)
	Inmate #43, Void in CIT in May, not in E1 until June	\$ (583.20)
	Inmate #43, Check in CIT, not in E1 until June	\$ 100.00
	Wrong code medical	\$ 117.80
	Code 241 Voids	\$ 190.50
	Inmate #45 Correction from 3/16, higher in CIT	\$ 25.00
	Inmate #47, stop pay on bank/E1, not on CIT as of 5/31	\$ 400.00
	Inmate #49, check amount was higher	\$ (0.02)
	Inmate #51, void in CIT, not void in E1	\$ (21.54)
	Inmate #52, fix from 3/16, higher void in CIT	\$ (25.00)
	Inmate #53, voided on 5/31 in CIT, not voided in E1	\$ (0.31)
	Inmate #54, institutional and savings check not written	\$ 69.52
	Child Support From April 2017, not paid as of May 2017	\$ 33.08
<b>Total Differences</b>		<u>\$ 47,073.78</u>

Note: The differences numbered 1 through 131 were identified by NDCS in their reconciliations through September 2015. Some items have been removed that were subsequently corrected. Additionally, E1 refers to the State's accounting system.

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
June 2015 Reconciliation Example

**ATTACHMENT 1**

DEPARTMENT OF CORRECTIONAL SERVICES  
INMATE TRUST FUND BALANCE SHEET  
FOR THE MONTH ENDED June 30, 2015

**ASSETS**

EOM Institutional Balance Per NIS Fund Summary			<u>399,238.17</u>	
EOM Confiscated Balance Per NIS Fund Summary			<u>101,474.67</u>	
Receipt Documents in Transit				
Document	Amount		<u>0</u>	
Total Receipt Documents in Transit			<u>0</u>	
Replenishment Documents in Transit				
Document	Amount		<u>35,041.79</u>	31947706 11,231.16
Document	Amount		<u>2457.59</u>	31947710 1,060.16
Document	Amount		<u>17,752.07</u>	31947713 1021.11
Document	Amount		<u>17,752.07</u>	31947895 (10,507.95)
Total Replenishment Documents in Transit			<u>(58,055.93)</u>	
Authorized Bank Balance			<u>40,000.00</u>	
Total Cash in NIS and Bank				<u>399,656.91</u>
Payroll reimbursements due				<u>1144.38</u>
Money Due reimbursements due				<u>1,256.16</u>
Hobby receipts due				<u>20</u>
Release Pay due				<u>8220.77</u>
Parole Fees				<u>1240.28</u>
Accounts Receivable				<u>0</u>
TOTAL ASSETS				<u>400,518.80</u>

**LIABILITIES**

Due Petty Cash Fund	1375.86 + 0	<u>1375.86</u>	
Due Institutions and DCS		<u>6116.84</u>	
Due Clubs and Commissions		<u>1264.87</u>	
Due Inmate Stores		<u>667,265.96</u>	(426,941.26) + 152,470.00
Due Institutions for Maintenance Collected		<u>12,516.22</u>	
Due The Nebraska Crime Commission		<u>2643.47</u>	
Due Inmate Welfare		<u>3732.54</u>	
Due US District Court (filing fees)		<u>464.59</u>	
Due CCC Victims Comp & Reentry		<u>16,277.46</u>	
Due Adult Parole		<u>0</u>	
TOTAL LIABILITIES			<u>711,598.41</u>

**INMATE EQUITY**

Institutional Account Balance	<u>1523,630.11</u>	
Confiscated Accounts Balance	<u>401,037.52</u>	
DCS Release Savings Accounts	<u>1,033,162.62</u>	
DCS Private Venture Savings Accounts	<u>144,319.58</u>	
DCS Regular Savings Accounts	<u>493,770.56</u>	
TOTAL INMATE EQUITY		<u>3295,920.39</u>
TOTAL LIABILITIES AND EQUITY		<u>400,518.80</u>

\*There are securities and savings account passbooks but they are not included on the balance sheet as they are not in the name of the Department Of Correctional Services

Prepared By \_\_\_\_\_

Approved By \_\_\_\_\_

NDCS – Inmate/Juvenile Trust Fund Reconciliation  
June 2015 Reconciliation Example

ATTACHMENT 1

CIT MONTHLY EXPENSE WORKSHEET					
				✓	892,186.70
Other Expenses Per PFC					
Other Expenses Per CIT				✓	397,365.87
Documents for items on CIT May					114,097.53
On PFC June					
Documents for items on CIT June				✓	(58,055.93)
Not On PFC					
NE Crime Commission on CIT May					3254.48
On PFC June					
NE Crime Commission on CIT June				✓	(2143.47)
Not On PFC					
Court Filing Fees on CIT May				X	1626.16
On PFC June					
Court Filing Fees on CIT June				✓	(414.59)
Not On PFC					
Support on CIT May				✓	113
On PFC June					
Support on CIT June				✓	(19.61)
Not On PFC					
Checks written for savings June 2015				✓	35970.98
Checks voided for savings June 2015					(3686.74)
Direct Deposit on CIT May 2015				✓	26,231.69
Direct Deposit on CIT June 2015				✓	(40,290.79)
Correct code for April checks				✓	614.00
over 2 years					
Court order adjustments May				✓	3.70
done in June					
Court order adjustments June				✓	(709.22)
done in July					
Amount off [redacted] CIT May				✓	1536
Check issued June					
Amount off [redacted] CIT May				✓	29.17
Check issued June					
Amount off CIT [redacted] May End				✓	100.00
Check issued June					
Amount deducted CIT [redacted]				✓	(11.95)
For difference made, written off					
Amount off [redacted] CIT June				✓	
No check issued to SSC empty					
Check voided report on CIT				✓	(28.00)
[redacted] on May on PFC June					
Amount off CIT [redacted] May				✓	3845.50
[redacted] June					
Check voided PFC May on [redacted] June				✓	96.94
Total Adjusted CIT Expenses CIT					96.94
					3845.50 + 1430.51
					96.94 - 30.6