



COUNTY OF DELAWARE

Independent Auditor's Report for the period January 1, 2024 to December 31, 2024

Inmate Trust Fund

Joanne Phillips, Esq., Controller

DECEMBER 2, 2025
COUNTY OF DELAWARE
201 W. FRONT STREET, MEDIA, PENNSYLVANIA 19063

George W. Hill Correctional Facility
Inmate Trust Fund

	Page
Table of Contents	1
Inmate Trust Fund	2-12
Independent Auditor's Report	2-4
Statement of Assets and Liabilities - Cash Basis for the period January 1, 2024 to December 31, 2024	5
Statement of Receipts and Disbursements - Cash Basis for the period January 1, 2024 to December 31, 2024	6
Notes to Financial Statements	7-10
Report on Internal Control Over Financial Reporting, Compliance, and Other Matters	11-12



**CONTROLLER OF DELAWARE COUNTY
GOVERNMENT CENTER BUILDING
201 W. FRONT STREET
MEDIA, PENNSYLVANIA 19063**

Joanne Phillips, Esq.
CONTROLLER

**PHONE 610-891-4441
FAX NUMBER 610-566-3256**

Jeffrey J. Powers, C.P.A.
FIRST DEPUTY CONTROLLER

Winifred M. Branton, Esq.
SOLICITOR

Judy A. Drake
DEPUTY CONTROLLER PAYROLL

Independent Auditor's Report

Mr. Kevin Madden, Chairman, Jail Oversight Board
County Council, County of Delaware
201 W. Front St., Media PA 19063

Mr. David Mascellino, Interim Warden
George W. Hill Correctional Facility
500 Cheyney Road
Thornton, PA 19373

Report on the Financial Statements

Opinion

We have audited the cash basis financial statements of the George W. Hill Correctional Facility (GWHCF) Inmate Trust Fund (ITF) Accounts managed by the County of Delaware, which comprise the statements of assets and liabilities arising from cash transactions and the related statements of receipts and disbursements (the "financial statements") and the related notes to the financial statements. In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the ITF covering the period January 1, 2024 to December 31, 2024, and its cash receipts and disbursements for the period then ended, in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent in auditing the ITF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters - Basis of Accounting and Not Full George W. Hill Correctional Facility Financial Statements

We draw attention to the basis of accounting described under Management's Responsibility for the Financial Statement section. The financial statements were prepared by the GWHCF Accounting Department on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the activity of the ITF and do not purport to, and do not, present fairly the financial position or results of operations of the GWHCF, for the period January 1, 2024 to December 31, 2024, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The GWHCF's management is responsible for the preparation and fair presentation of the ITF's financial statements in accordance with the accounting practices prescribed or permitted by *GAS*, this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ITF's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

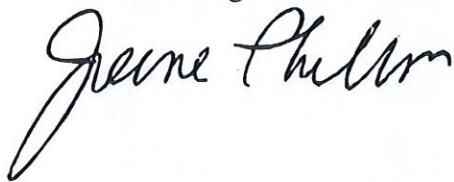
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *GAS* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. In performing an audit in accordance with GAAS and *GAS*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ITF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ITF's ability to continue as a going concern for a reasonable period of time. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, Internal Audit Department included in this report our consideration of the ITF's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ITF's internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ITF's internal control, over financial reporting and compliance.



Joanne Phillips, Esq.
Controller

December 2, 2025

George W. Hill Correctional Facility Inmate Trust Fund Accounts
County of Delaware, Pennsylvania
Statement of Assets and Liabilities – Cash Basis
For the period January 1, 2024 to December 31, 2024

Assets

Cash in Bank - Inmate Trust	\$711,465
Total Assets	<u>\$711,465</u>

Liabilities

Liability to Inmates	\$711,465
Total Liabilities	<u>\$711,465</u>

George W. Hill Correctional Facility Inmate Trust Fund Accounts
County of Delaware, Pennsylvania
Statement of Receipts and Disbursements – Cash Basis
For the period January 1, 2024 to December 31, 2024

Receipts

Inmates' Cash Deposits	\$3,373,907
Bank Debit Void Transactions	\$409,183
Inmates' Payroll Deposits	\$201,968
Total Receipts	\$3,985,058

Disbursements

Inmate Commissary Purchases	\$1,502,976
Inmate Processing Fees	\$225,489
Inmate Telephone Charges	\$1,021,480
Payments to Discharged Inmates	\$374,110
Inmates Authorized Disbursements	\$5,595
Inmate Tablet Services	\$531,745
Postage	\$79
Bank Credit Void Transactions	\$355,961
Credit Bank Corrections	\$10
Stop Payment Fee	\$280
Property Damage	\$4,576
Medical	\$5,131
Under \$1 Accounts	\$56
Total Disbursements	\$4,027,488
Excess of Cash Disbursements Over Cash Receipts	(\$42,430)
Account Balance at December 31, 2023	\$753,895
Account Balance at December 31, 2024	\$711,465

The accompanying notes are an integral part of these financial statements.

George W. Hill Correctional Facility Inmate Trust Fund Accounts
County of Delaware, Pennsylvania
Notes to Financial Statements
For the period January 1, 2024 to December 31, 2024

Note 1: Summary of significant accounting policies

Background and nature of the reporting entity:

The George W. Hill Correctional Facility (GWHCF) is a county jail located in the County of Delaware, Pennsylvania, in the townships of Thornbury and Concord. Beginning in 1998, the jail was managed and operated by a private for-profit corporation, GEO Group Inc. (GEO), until 2009 and then run by Community Education Centers (CEC) until April 2017 when GEO completed an acquisition of CEC, regaining management of the jail.

GEO was awarded a five-year, \$295 million contract in 2018 to run the 1,883-inmate jail by the then County Board of Prison Inspectors. The contract with GEO included a 180-day termination clause. On September 28, 2021, the County of Delaware (County), through its Jail Oversight Board (JOB), voted to terminate the contract with GEO. The decision to terminate the contract was approved by the Delaware County Council on October 6, 2021.

Effective April 6, 2022, the County, took the operational and management control of the GWHCF from GEO. In accordance with applicable law, the JOB is responsible for overseeing the government and management of the institution.

The audited financial statements of the Inmate Trust Fund (ITF) accounts are primarily operating accounts that receive monies from the inmate accounts for purchases from the commissary, phone calls, personal property purchases, legal services, and family support. The ITF acts as the inmate's bank account and serves to manage the inmate's monies while incarcerated. A total of 2,088 transactions were processed, with total debits of \$3.60 million and total credits of \$3.56 million occurred for the period January 1, 2024 to December 31, 2024.

Basis of accounting:

The books and records of the GWHCF ITF accounts are maintained on the cash basis of accounting and, therefore, the financial statements presented herein do not purport to present the account balances and results of operations in conformity with generally accepted accounting principles. The cash basis of accounting is another comprehensive basis of accounting. Consequently, receipts are recognized when received rather than when assessed or otherwise due and disbursements are recognized when paid rather than when the obligation is incurred.

Note 2: Characteristics of the inmate trust fund

George W. Hill Correctional Facility (GWHCF) uses Global Tel Link (GTL) Connect Network, (known as and doing business as ViaPath Technologies) to facilitate Inmate Trust Fund (ITF) account for communication services. The ViaPath contract began in January 2009 and has been continually renewed by GWHCF. Since September 2024, GWHCF has been renewing GTL's contract monthly due to a Federal Communications Commission ruling that lowers inmate phone charges from \$0.21 to \$0.06 per minute, effective January 1, 2025.

ViaPath provides a range of services under the terms of its current contract and subsequent amendments: a) Command Inmate Telephone System; b) Offender Management System (OMS), encompassing support and maintenance, c) Payment Services, such as web deposits and lobby kiosks, and booking kiosk, d) 1:1 Wireless Tablet Program, e) Foundations Education Package integrated with the Cypher Worx Learning Management System, f) Offsite Mail Scanning, g) Video Visitation, h) Intelligence Application Suite, i) Full-time Fusion Analyst, and j) Full-time, On-Site Service Technician.

When an inmate is booked, they deposit funds into the GTL Intake Kiosk under a temporary 9999 number. This kiosk generates two receipts: one for the inmate and another for the prison staff. Once the inmate's booking is complete, the funds are transferred from the temporary 9999 account to the individual inmate account within the OMS. This system is specifically designed to manage and reconcile inmate funds to ensure they are allocated correctly. The OMS tracks various inmate details, including balances in the ITF, housing assignments, dietary needs, and religious affiliation. GWHCF staff conduct daily reconciliations to confirm the accuracy of fund transfers and ensure proper posting to the OMS system.

Note 3: Administrative expenses

The George W. Hill Correctional Facility, managed and operated by County of Delaware through its Jail Oversight Board and County Council, rendered accounting and administrative services to the Inmate Trust Fund (ITF). No administrative charges were made to the ITF for these services.

Note 4: Bank voids and checks for clearing

The Cash in Bank - Inmate Trust bank balance of \$704,814 as compared against the December 31, 2024, ending balance of the General Ledger (GL) of \$711,465 showed a difference of \$6,651. This amount of \$6,651 is composed of deposits in transit and checks for clearing (debited or credited in the GL but not yet recorded in the Bank).

The Statement of Receipts and Disbursements showed bank debit void transactions totaling \$409,183 and bank credit void transactions totaling \$355,961. Both were caused mainly by duplicate invoices, stale-dated checks, wrong amount on check, stop payment requests from inmates, and request for reissuance of new checks.

Note 5: Definition of terms on receipts and expenditures

The following are the definition of terms used by George W. Hill Correctional Facility (GWHCF) in their Statement of Receipts and Disbursements – Cash Basis:

- a) Inmates' cash deposit – Inmate Trust Funds (ITFs) at GWHCF function as secure bank-like accounts for incarcerated persons (IPs), facilitating commissary purchases and approved expenses since inmates cannot possess cash. Funds are deposited into these accounts from various sources, including contributions from family and friends, wages from internal work assignments, and external funds like tax refunds. Deposit methods include online platforms (Offender Connect), physical lobby kiosks, and initial cash processed at intake. Eligible IPs may also receive monthly stipends from the Welfare account. Account adjustments can arise from order cancellations, grievance outcomes, or facility transfers. While GWHCF Accounting processes mailed money orders into the ITF and records them in the Offender Management System (OMS), personal checks are not accepted.
- b) Bank corrections – This occurs when an item appears on the bank statement that is different than what appears on the general ledger, an example of this is a deposit entered into the general ledger is \$500.00 but on the Bank statement it shows as \$501.00.
- c) Bank void transactions – Transactions that are voided in the bank due to stale-dated checks, wrong amount on check, stop payment requests from inmates, or request for reissuance of new checks.
- d) Incarcerated Person (IP) payroll – The IP workers of the institution payment for work at the facility. Eligible inmates can work jobs within the prison, normally within their unit. These jobs have set rates. GWHCF must complete weekly spreadsheets indicating the jobs each inmate performed. Inmates are allotted a maximum of two jobs. These payroll reports are submitted to GWHCF Accounting who reconciles weekly and enters the data into the OMS system.
- e) Inmate commissary purchases – Ordering or payment to Aramark, a third-party vendor, for commissary orders by the inmate. Inmates may not spend more than \$100 per week on commissary. During 2024, the County receives a commission in an amount equal to 32% of net sales.
- f) Inmate telephone charges – Use of the facility phone system to call friends and family – outgoing calls only, charges for this are withdrawn from the IP account and then paid to ViaPath.
- g) Inmate tablet services – Inmates were allowed to purchase time on electronic communication devices (tablets) provided by ViaPath. Tablets are given to the inmates free of charge and provide various services to include; mail, commissary ordering, radio, books, educational programs, and legal research. There are also pay as go items like premium movies, books, video calling to friends and family, texting, and video games.
- h) Inmate processing fee – All incarcerated persons are automatically charged this fee when booked into the facility.
- i) Postage – Postage is charged and collected from the inmate to mail out their permissible mail.
- j) Property damage – Incarcerated persons who have been found, as a result of disciplinary procedures to have abused or misused jail property will be responsible for restitution for any damage.
- k) Medical – Medical copays for services including emergency, mental health, dental, and routine sick calls are charged to the IP as outlined in the Inmate Handbook.
- l) Stop payments fee – If a check is to be cancelled at the request of the inmate a stop payment fee is charged.

- m) Under \$1.00 – Any inmate released with under \$1.00 on their account forfeits the remaining balance to the Inmate Welfare Fund account per JOB approved policy.
- n) Inmate authorized disbursements – Also known as Third Party Checks, are checks made by GWHCF on behalf of inmates at the inmates' request. Incarcerated persons will only be permitted to send money home to provide support for their family. A Money Transfer Authorization Form along with a stamped envelope must be submitted for this transaction and approved by the Case Manager and the Deputy Warden of Programs and Support. Other expenses will be considered, provided they are approved by the Deputy Warden of Programs and Support.
- o) Payments to discharged inmates – Inmates who are released from prison are issued a check for the remainder of their balance in their commissary account on the day that they are released.
- p) Cost recoveries – Inmates in GWHCF may incur cost recoveries for services or damages, which are debited from their ITF accounts at a 50% per deposit rate until settled. These include: a) Medical/Dental Copays: Inmates are responsible for these fees, though PA law allows delayed civil action for recovery upon release, with inability to pay being a defense; b) Property Damage: Inmates causing damage to jail property are held financially responsible; c) Prior Balances: Outstanding balances from previous incarcerations can be deducted from new deposits; d) Court-Ordered Obligations: Deductions for restitution, fines, and fees are made from accounts with balances over \$20.

Note 6: Inmate processing fee

In October 2022, JOB approved the reduction of the processing fee from \$100 to \$50. For the period January 1, 2024 through December 31, 2024, total processing fees collected was \$225,489.

George W. Hill Correctional Facility (GWHCF) confirmed that if an inmate has an outstanding balance from past incarcerations, including cost recovery items, and if they receive any new deposits, half of their deposit is applied to the outstanding balance and the other half is placed in the Inmate Trust Fund (ITF). This practice was used to recover amounts owed while still allowing the inmate to make purchases during their current incarceration. Cost recovery items are charged to ITF and then collected at a rate 50% per deposit until the debt is paid.

George W. Hill Correctional Facility Inmate Trust Fund Accounts
County of Delaware, Pennsylvania
Report on Internal Control Over Financial Reporting, Compliance, and Other Matters
For the period January to December 31, 2024

In planning and performing our audit of the financial statement of the George W. Hill Correctional Facility (GWHCF) Inmate Trust Fund (ITF) in accordance with auditing standards generally accepted in the United States of America for the period January 1, 2024 to December 31, 2024, we considered the ITF's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the ITF's internal control. Accordingly, we do not express an opinion on the effectiveness of the ITF'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. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a significant deficiency.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 consider the following deficiency in internal control to be a significant deficiency:

Need to Develop and Implement the Escheatment Process

As a part of the audit process, the auditors reviewed financial statements provided by the GWHCF management.

The following were identified as significant deficiencies in the GWHCF escheatment process, particularly on unclaimed inmate funds. These issues arose during the handover from Geo Group Inc. to County management. Auditors noted the following:

- GWHCF lacked a documented and implemented escheatment process.
- No documented efforts were made to contact inmates or initiate the escheatment process. GWHCF has not escheated any unclaimed funds to the State since GEO assumed operation of the prison in 1997.

The Office of the Controller - Delaware County provided guidance to GWHCF on escheatment procedures GWHCF is in the process of creating a list of payments requiring escheatment. GWHCF intends to implement an escheatment process, including mailing good faith letters to former inmates pursuant to state laws.

Recommendations

We recommend that the George W. Hill Correctional Facility management:

Establish a Robust Escheatment Framework

1. **Formalize Written Policy:** Develop and adopt a written escheatment policy outlining procedures for identifying and processing unclaimed inmate funds. Integrate automated tracking for dormancy periods and deliver targeted staff training to ensure compliance and consistency.
2. **Standardize Outreach Procedures:** Create formalized protocols for contacting former inmates prior to fund escheatment. Require detailed documentation of outreach efforts, including dates, methods, and results, to ensure due diligence is consistently performed.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The report is intended solely for the information and use by the County of Delaware's Jail Oversight Board, the management of the George W. Hill Correctional Facility and other affected County offices, and is not intended to be, and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Joanne Phillips, Esq.
Controller