



Interstate Commission for Adult Offender Supervision
Ensuring Public Safety for the 21st Century



2007 Annual Report

Letter from the Chairman



Warren R. Emmer - ND
Chairman



Genie Powers - LA
Vice-Chairman



Scott Taylor - OR
Treasurer

Now that the Commission is in its fifth year, I am amazed at how much the organization has grown and accomplished in a short period of time. The Executive Committee is much more comfortable with its role in governing ICAOS as seen by the business conducted in 2007.

In May 2007, Don Blackburn resigned his position in the National Office and the Executive Committee expeditiously appointed a Search Committee and a strategy to hire a new Executive Director. The Search Committee selected Harry Hageman to be the second Executive Director to the National Office and I am pleased with the initiatives and programs moving forward under his leadership. Under Harry's administration, the National Office has maintained its commitment to excellence with one less staff member, no turnover and a high level of morale. The National Office continues to provide quality services to the Commission and is working well with the Executive Committee ensuring the Interstate Compact Offender Tracking System continues to move forward and the Commission's budget is managed appropriately.

In June 2007, the Executive Committee participated in a strategic planning session and began laying plans for the immediate future. During the planning, the Committee updated the mission statement, set goals for delivering training and technical assistance to the States, created a fiscal plan and discussed at length the problems created by frequent rule changes. The results of the planning session were delivered to Commissioners and acted upon at the 2007 Annual Business Meeting.

The plan to implement a national information system for tracking compact offenders in 2008 is exciting and I am confident it will greatly improve the Commission's ability to fulfill its commitment to public safety. Anyone who has experience implementing large information systems knows the complexity of the task and I continue to appreciate the Technology Committee's ability to keep it on track and deliver a robust system that will meet the Commission's needs for many years to come.

I am pleased that the make up of the Commission is balanced by Commissioners with various levels of experience, are comfortable with the rule making process and have the foresight to plan the Commission's budget with the future in mind. Because of all our strengths, the Commission is well positioned to embrace new challenges with confidence and determination. As you read this report, I hope you too are inspired by all that was accomplished this year and I thank each and every member of the Commission for their continued support, assistance and cooperation.



Harry Hagemen
Executive Director

Letter from the Executive Director

The big news for the National Office in 2007 is the change in leadership. Don Blackburn retired from the Commission after four years of outstanding service. His accomplishments and dedication to the Commission are well known and will be an important part of the history of the Compact. As the second Executive Director, I am pleased to be working for the Commission and I am excited about the opportunities that lie ahead.

The implementation of a national offender tracking system is by far the most immediate and difficult challenge for the national office and the states. Automating the Compact processes is likely to be a reality in fiscal year 2009 and has the potential to profoundly change the way the Compact conducts its business. States who are concerned about being ready for a fall launch should contact the national office and take advantage of the available support and expertise being offered by both the national office and the vendor.

In fiscal year 2008, the Commission re-engineered its website and added many new and useful tools to an already dynamic application. The new site is easy to use and has too many features to list. The number of people that visit and take advantage of the Commission's website is truly extraordinary and increases daily. I encourage you to visit the site and experience for yourself the added benefits, www.interstatecompact.org.

Online training took on a new look this fiscal year and continues to be a popular forum for delivering training to parole and probation officers, judges, prosecutors and others. In fiscal year 2008, the National Office began scheduling two live WebEx trainings per month and every session was filled to capacity resulting in the training of more than 2000 individuals. The WebEx training is popular because the participants have the freedom to ask questions and interact with each other. At the same time, the On-Demand training products have also been reworked and many states are using these self paced learning tools to supplement their in-service training requirements. You may also be pleased to know that a number of states currently offer continuing education credits to judges and lawyers that complete the On-Demand training.

The highlights of the 2007 Annual Business Meeting included a new format for the Commissioner Training, the approval of a three year budget plan to ensure fiscal stability for the future and a lively discussion and passage of a sex offender rule. With the election of new officers, the unveiling of the Interstate Compact Offender Management System (ICOTS) and the addition of in-service training for Commissioners and Deputy Compact Administrators the 2008 Annual Business Meeting is likely to be equally productive. I truly enjoyed serving the members of the Commission in FY 2007 and I look forward to seeing everyone at the 2008 meeting as I conclude my first year of service.

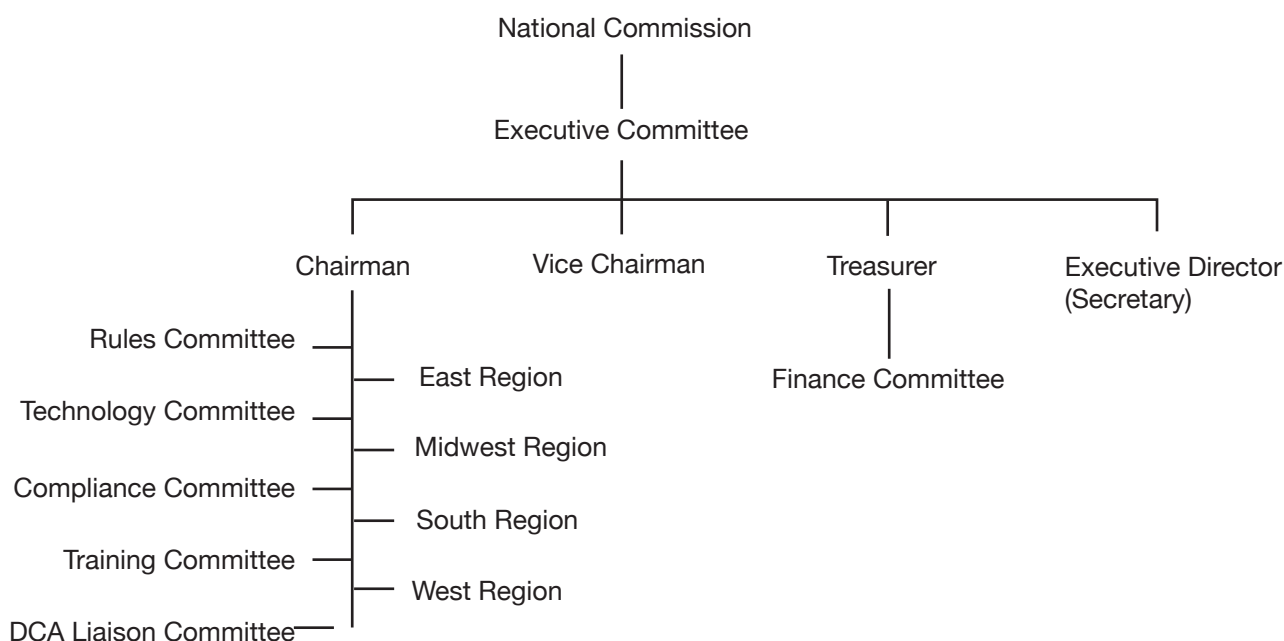
The ICAOS Mission:

The Interstate Commission for Adult Offender Supervision will guide the transfer of offenders in a manner that promotes effective supervision strategies consistent with public safety, offender accountability, and victim's rights.

Acknowledgements

The 2007 Interstate Commission for Adult Offender Supervision's Annual Report is the result of many hours of research and review of current interstate operations. ICAOS acknowledges the vision and leadership provided by its Executive Committee, Region Chairs and Committee Chairs-past, present and future. All Compact Commissioners, administrators and practitioners in the 50 States, U.S. Territories of Puerto Rico, Virgin Islands and the District of Columbia comprise the experienced, dedicated and talented membership of the Interstate Commission for Adult Offender Supervision.

Commission Structure



Richard L. Masters
ICAOS General Counsel

General Counsel for the Interstate Commission

Since the last annual report, in addition to day to day advice and counsel furnished to the Commission's Executive Director and the Executive Committee, the General Counsel's Office in conjunction with the Executive Director has issued four advisory opinions concerning the interpretation and application of various provisions of the Compact and its administrative rules and assisted with a number of informal requests for guidance and dispute resolutions from member states. The advisory opinions are public record and are available on the Commission's website.

During the past year, the general counsel has also provided advice and legal guidance to the Executive Committee and Rules Committee and consulted with other ICAOS Committees as directed including the Compliance Committee, Training Committee and the Ad Hoc Committee on Treatment Programs. Judicial training concerning the Compact and its administrative rules was also provided in a number of states including Idaho and Illinois at the invitation of the Administrative Office of the Courts for the State Judicial Conference in Chicago as well as Compact legal presentations at the Commission's Annual Business Meeting to both New Commissioners and Deputy Compact Administrators. Other activities included assistance in the revision of the On-Demand Judicial Training Modules now available on the ICAOS website, assisting in the update of the 2008 Bench Book and review and update of various training materials.

National Victims' Representative for the Interstate Commission

The purpose of the Interstate Compact is to ensure public safety and protect the rights of victims by establishing continuous supervision of offenders who are authorized to travel across state lines. Offenders, who are not transferred and supervised properly through the Compact, pose a serious threat to public safety. Victim interests are best served when all stakeholders are informed and public awareness is provided.

In addition to serving as the Ex-officio Victims Representative to ICAOS, I also serve as a representative of the American Parole and Probation Association (APPA) Victims' Issues Committee, as well as a member of the National Organization of Victims' Assistance (NOVA) and Parents of Murdered Children (POMC).

The National Commission continues its outreach support across the country to victims and criminal justice professionals by conducting national training. Commission Chair, Warren Emmer and I presented at the annual North Carolina Probation Association Conference. Executive Director Harry Hageman and I presented to the Georgia Criminal Justice Coordinating Council. Furthermore, in the past 12 months, I provided training for judges at the Arizona Judicial College and with Ex-Officio member Chief Justice Gerald VandeWalle at the APPA in Philadelphia.

Commissioners and victims must continue to collaborate in addressing public safety for our communities. States that have a State Council should enable victim representatives to share concerns and discuss issues regarding victim protections and public safety. As an activist and advocate for victims and public safety, it is an honor to serve as the ex-officio victim representative with a seat on the Executive and Rules Committees ensuring that victims have a voice in the process governing how offenders are allowed to relocate, travel, and be supervised across state borders.



*Ex-Officio Victims'
Representative
Pat Tuthill*

National Office Structure

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Mindy Spring
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REGIONS

East Region Report

The East Region met in January, May and June of 2008 to discuss issues that affected each state and territory in the Region. The January meeting focused on the implementation of the new sex offender rule and the steps each state took to be in compliance. The May meeting discussion centered on the sex offender rule, ICOTS and probation supervision issues. The June meeting was a two day face to face meeting which discussed transferring probation cases and their jurisdiction, ICOTS, Lexmark presentations and compliance issues.

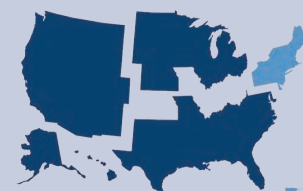
Meetings are well attended which leads to open and frequent communication between our Region members and neighboring states. The Region will continue to work together to answer the new challenges it will face in the coming year.

East Region Member States:

Connecticut • Delaware • Maine • Massachusetts • New Hampshire • New Jersey • New York • Pennsylvania • Puerto Rico • Rhode Island • Vermont • Virgin Islands



Chair: Rich Bitel, NY



Midwest Region Report

The Midwest Region met face to face on September 24-26, 2007 during the Annual Business Meeting in Orlando, Florida. Ken Merz, Commissioner from Minnesota was re-elected Chair of the Region for another two year term. Additionally, the region met via teleconference on November 8, 2007; January 10, 2008; March 14, 2008 and May 8, 2008. The region made the decision to switch from meeting quarterly to meeting every other month. The majority of these meetings centered on the updates from member states.

It was decided that each meeting would have two or three specific items that would be discussed in more detail. Topics such as implementation of the sex offender rule; reply to transfers; committee participation; file closure with issuance of a warrant and a proposed amendment to Rule 3.101-3(c) have been addressed to date. Throughout the year, the region was updated on the status of the ICOTS information system, which received favorable reviews from all member states that are eager for final implementation.

During the May 8, 2008 meeting, the Region referred Rule 3.101-3(c) to the Rules Committee for amendment and consideration. This amendment limits the scope of Rule 3.101-3 (c) to those offenders newly convicted of offenses requiring registration.

In Fiscal Year 2008, the Region was pleased to welcome new Commissioners Linda Janes, Ohio and Ellen Brokofsky, Nebraska.

Midwest Region Member States:

Illinois • Indiana • Iowa • Kansas • Michigan • Minnesota • Nebraska • North Dakota • Ohio • South Dakota • Wisconsin



Chair: Ken Merz, MN



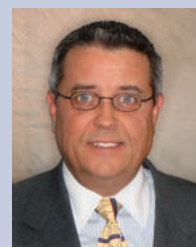
South Region Report

The South Region conducted quarterly meetings which were well attended with representatives from every state including Deputy Compact Administrators. In 2007, states worked to come into compliance on the submission of data collection and the establishment of State Councils. Several states have considerable difficulty getting Council members appointed therefore, some Commissioners volunteered to work with those states having problems. Executive Director Harry Hageman volunteered to personally provide or supply a trainer to train new Council members. Commissioners with active Councils also offered motivating methods and innovations that keep their Councils active. The discussions were a great example of Commissioners helping each other and exemplified the Spirit of the Compact.

Two South Region states continue to lead the Compact in the use of On-Demand training for staff, especially new staff. Commissioners from those states established policies requiring mandatory On-Demand and WebEx training for all new officers and annual On-Demand training of the ICAOS Rules for existing staff. Both states had noticeable reductions in errors by field staff as a result of these policies.

South Region Member States:

Alabama • Arkansas • District of Columbia • Florida • Georgia • Kentucky • Louisiana • Maryland • Mississippi • Missouri • North Carolina • Oklahoma • South Carolina • Tennessee • Texas • Virginia • West Virginia



Chair: Gary Tullock - TN



West Region Report

The West Region attempts to meet every 60 days to provide an opportunity for Commissioners, Deputy Compact Administrators, Compact Coordinators, Staff, and guests to discuss current Compact issues facing individual states, the region, and the nation. Our meetings provide for open and frequent communication between our neighboring states. It is the goal of the West Region to cooperate and assist one another in an effort to fulfill the mission and purpose of the Interstate Compact for Adult Offender Supervision.

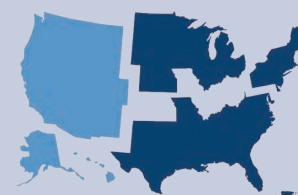
Four teleconference meetings were held since the September 2007 annual meeting; November 6, January 15, March 11 and June 10. Topics discussed include ICOTS 2008 rule changes, training issues, compliance and communication issues and unsupervised cases as they relate to the current definition of Supervision. The region agreed that the current definition needs to be studied and revised.

West Region Member States:

Alaska • Arizona • California • Colorado • Hawaii • Idaho • Montana • Nevada • New Mexico • Oregon • Utah • Washington • Wyoming



Chair: Dori Ege, AZ



State Structure

State Council

- Governor Representative
- Legislative Representative
- Judicial Representative
- Victims Advocate
- Other Appointed Members

Committees

Training, Education & Public Relations Committee

Mission

Responsible for developing educational resources and training materials for use in the member states to help ensure awareness of, and compliance with, the terms of the Compact and the Commission's rules.

The utilization of the web application WebEx is the primary method for the delivery of training throughout the year. Two live sessions per month are provided for probation and parole officers, with more than 1,000 participants in attendance. In addition to WebEx, training via the On-Demand modules dramatically increased. Since June 2007, more than 3,000 individuals have logged more than 3,300 hours of viewing time. Six On-Demand modules are available: Introduction & Eligibility, Transfer of Supervision, Types of Transfers, Supervision in the Receiving State, Retaking & Closing Supervision and Judicial Issues.

National onsite training was provided for the Judiciary, State Councils, probation and parole officers and others throughout the year in Alaska, the District of Columbia, Georgia, Illinois, Massachusetts, Missouri and North Carolina. Additionally, workshops were conducted at the American Probation and Parole Association (APPA) Training Institutes (Philadelphia and Phoenix) and the Council of State Governments' Sex Offender Symposium.

All publications and curriculum were modified pursuant to the rule amendments which were effective on January 1, 2008. These publications include PowerPoint presentations, the Bench Book for Judges and Court Personnel, and the Commissioner Handbook and Presentation. The Bench Book, which is available for purchase through the website in three different formats, now contains a "quick reference guide" to assist judges and court personnel. Additionally, a publication guide to assist states in conducting probable cause hearings and formatting the results in a report for the sending state was created.

The Training Committee also provided support to the National Office staff in preparing the strategy for national database training for member states to be delivered in late summer 2008.



Chair: Ann Clarke, SC

Jane Seigal, IN Vice Chair
Dori Ege, AZ
Edward Gonzales, NM
Milt Gilliam, OK
Wayne Theriault, ME
Rose Ann Bisch, MN Ex Officio
Anne Precythe, NC Ex Officio

Information and Technology Committee

Mission

Responsible for identifying and developing appropriate information technology resources to facilitate the tracking of offenders and the administration of Commission activities, and for developing recommendations for the Commission's consideration as appropriate.



Chair: G. David Guntharp, AR

Dori Ege, AZ
Ashbel T. Wall, II, RI
Joe Kuebler, GA Ex Officio
Charles Placek, ND Ex Officio
John Gusz, NJ Ex Officio

The Commission website continues to be popular communication tool for the Commission, practitioners, victims and others with an interest in Compact business. In 2007, the Commission upgraded its web technology and delivered a totally new web experience to better serve the Commission. If you have not yet experienced what the new site has to offer I encourage you and your staff to visit the site today, www.interstatecompact.org. You will be amazed at how easy it is to use and what it has to offer.

In 2007, the Commission engaged Appriss, Inc. to build a national database for processing transfers and tracking offenders. Many states are already familiar with Appriss, Inc as a result of their work in the victim notification arena (VINE) and their JusticeXchange application. Since signing an agreement, Appriss, Inc. has worked diligently to develop the Interstate Compact Offender Tracking System (ICOTS) and the Technology Committee is pleased with their progress.

Over the course of the year we have seen the ICOTS application go from concept to reality. While we are still in the development and testing phase of the project we have seen functionality developed that will automate the Interstate Compact workflow in the coming year. During the summer of 2008 we will begin to transition from the development phase of the project to the implementation phase. Before the planned implementation in the fall of 2008, states will hear more from the National Office concerning legacy data upload, user identification, and training.

In the meantime, if you still have unanswered questions don't hesitate to call Sam Razor, ICOTS Project Manager at the National Office.

Compliance Committee

Mission

Responsible for monitoring compliance by member states with the terms of the Compact and the Commission's rules, and for developing appropriate enforcement procedures for the Commission's consideration.



Chair: Robert Guy, NC

Maureen Walsh, MA Vice Chair
Jane Seigal, IN
Genie Powers, LA
John Rubitschun, MI
Chris Norman, AL
Ben Martinez, PA
Victoria Jakes, SC Ex Officio
Tracy Johnson, CT Ex Officio

The Compliance Committee is closing in on a very active fiscal year. In 2007, the Committee completed its review of the corrective action against the state of Texas and the state of Pennsylvania. Both previously found in default on two separate complaints filed by the state of Ohio, were cured of their default as agreed upon by the full Commission at the Annual Business Meeting, September 26, 2007.

Since the Commission's 2007 Annual Business Meeting, the Committee has met twice one of which was face to face in Lexington, KY. The Committee's focus this year is on the Self Assessment and investigative process in addition to the role of the National Office in the complaint process. A progress report and work product will be presented at the 2008 Annual Business Meeting in Palm Springs.

Additionally, through the assistance of the National Office, the Committee is focusing on states submitting their data collection numbers and forming their State Councils. These are two fundamental areas of vital importance as a Commission with governing authority. We encourage all jurisdictions to comply with data collection and the establishment of a State Council as required. Finally, our annual survey is completed and will be used as a tool to assess compliance problems as well as identify those rules which present the most difficulty for states.

DCA Liaison Committee

Mission

Responsible to act as the liaison between the Commissioners and The Deputy Compact Administrators. Ensure communication and feedback is forwarded appropriately and provide training opportunities for the Deputy Compact Administrators.

The DCA Liaison Committee was proposed and approved as a standing committee by the ICAOS Executive Committee in November, 2006. The Committee's function is to act as liaison between Commissioners and Deputy Compact Administrators to ensure communication and feedback is forwarded appropriately and to provide training opportunities for the Deputy Compact Administrators.

Goals and Objectives were developed for the committee based on comments from the members and by feedback from Commissioners and DCA's during the last ICAOS Annual Business Meeting, they include:

1. Provide a link for communication between Commissioners and DCA's. The methods proposed to accomplish this include regional teleconferences, periodic written updates, and a DCA page on the ICAOS Website.
2. Continue DCA involvement in the Commission. The DCA Committee encourages the Commission to involve the DCA's in standing committees and use them to prepare and provide training around the country.
3. Training for new DCA's and consistent updates on changes which ensure consistency throughout the country. The Committee recommended that DCA's have their expenses paid to come to the ICAOS Annual Business Meeting each year for training and to assist their Commissioner during the meeting.

The DCA Committee met three times by teleconference in the last year to establish direction and purpose. Regional teleconferences were conducted August 28 and 30, 2007 to disseminate information and to lay the groundwork for a DCA Conference. The DCA Conference was held in conjunction with the ICAOS Annual Business Meeting in Orlando, FL which included training for the DCA's and working groups to discuss issues surrounding the Compact. Topics included retaking, timeliness, offenders in receiving state without permission, and communication.

Rules Committee

Mission

Responsible for administering the Commission's rulemaking procedures, and for developing proposed rules for the Commission's consideration as appropriate.

At the 2007 Annual Business Meeting, the Rules Committee presented a full slate of proposals for action by the Commission. Despite the volume of proposals, the Commission completed its business efficiently and expediently. This was due in large measure to the advance preparation and deliberations occurring among regions and states.

The Committee adopted a detailed business calendar, setting a timeline for action on proposals. The primary consideration in developing the schedule was to assure that Commissioners and Compact staff had sufficient time to review and discuss proposals well in advance of taking final action at the Annual Business Meeting. Emphasis was placed on promoting discussions within ICAOS regions and soliciting comments on the ICAOS website. A total of 39 states posted comments and suggestions at one or more points during the rule-making process. At the 2007 Annual Business Meeting, the Commission adopted nineteen new or revised rules and rejected four proposals. While some proposals were more controversial than others, it was clear that the Commissioners came to the business meeting informed and ready to vote.

Among its actions, the Commission adopted an amendment to Rule 2.109, charging the Rules Committee with bringing proposals to the full Commission "not later than the next annual meeting falling in an odd-numbered year". The amendment is expected to reduce the frequency of rule changes. In accordance with the Commission's intent, the Rules Committee adopted a two-year business calendar, with new rule proposals scheduled for presentation to the Commission at the 2009 Annual Business Meeting.

The Rules Committee welcomed Commissioners Paul Quander (District of Columbia) and Wayne Theriault (Maine) to the committee in 2008, as well as Ex Officio member Patricia Malone (DCA-Massachusetts). The Rules Committee also wishes to acknowledge the efforts of several members who left the Committee during the year: Commissioners John D'Amico (New Jersey), Doreen Geiger (Washington) and Frank Herman (New York) and Ex Officios Kevin Dunphy (DCA-Rhode Island) and Karen Tucker (DCA-Florida). Their contributions are appreciated.



Chair: Milt Gilliam, OK

Henry Lowery, WV Vice Chair
Rich Bitel, NY
Wayne Theriault, ME
Michelle Buscher, IL
Karen Tucker, FL
Gregg Smith, LA
Patricia Malone, MA
Wanda LaCour, MO



Chair: William Rankin, WI

Dori Ege, AZ
Jeanette Bucklew, IA
Paul Quander, Jr., DC
Ed Ligtenberg, SD
Kathie Winckler, TX
Wayne Theriault, ME
Gerald VandeWalle, Chief
Justice, ND Ex Officio
Pat Tuthill, Victims Advocate,
FL Ex Officio
Patricia Malone, MA Ex
Officio

Sex Offender Ad Hoc Committee

Mission

To address Compact issues concerning sex offenders, the Committee will develop a policy statement and proposed rules that will guide the transfer of sex offenders in a manner that promotes effective case management strategies and are consistent with public safety, risk reduction considerations, and victim's rights.

The Interstate Commission for Adult Offender Supervision appointed the Sex Offender Ad Hoc Committee to consider and respond to the challenges correctional systems face in the transfer of supervised sex offenders across state lines. The Committee recognized that transferring sex offenders is increasingly complex and difficult because of individual state laws regarding sex offender registries, residency restrictions and employment restrictions. The Committee believed a proactive approach to the issue of sex offenders would help the Interstate Commission further its broad goals of increasing public safety and offender accountability.

The Committee worked with the American Probation and Parole Association, the National Institute of Corrections, and the Center for Sex Offender Management to learn more about sex offenders and to define guiding principles for their interstate transfer. After multiple meetings and sub-committee work in the 2007, the Committee developed a problem statement, mission statement, goals and guiding principles which led to the drafting of two rules for the interstate management of sex offenders. The Committee's main guiding principle was ensuring that the transfer of a sex offender enhanced the offender's accountability and reduced the likelihood that offenders would recidivate. The rules drafted by the Committee were an important first step in realizing the goal for receiving states to have comprehensive information at the outset to determine the risk and appropriate supervision level for a sex offender.

The Sex offender Ad Hoc Committee was dissolved after the Committee report and passage of both rules at the 2007 Annual Meeting.



Chair: Robert Guy, NC

Genie Powers, LA
Jane Seigal, IN
Kevin Kempf, ID
Maureen Walsh, MA
Scott Taylor, OR
Gary Tullock, TN
James Camache, VA
Pat Tuthill, Victims Advocate, FL
Ex Officio
Jenny Bauer, IN Ex Officio
Patricia Malone, MA Ex Officio

Finance Committee

Mission

Responsible for monitoring the Commission's budget and financial practices, including the collection and expenditure of Commission revenues, and for developing recommendations for the Commission's consideration as appropriate.

At the Annual Business meeting, the Commission approved a plan to increase dues by 6% for the next three fiscal years. The added revenue is needed to pay expenses for the Deputy Compact Administrators attendance at the Annual Business Meetings, to maintain a healthy reserve fund and support the implementation and maintenance of the Interstate Compact Offender Tracking System (ICOTS) scheduled to be implemented in the fall of 2008. The costs of bringing the Deputy Compact Administrators to the Annual Meeting and the cost associated with maintaining ICOTS was not addressed in prior budgets.

During the 2007 Annual Business Meeting, the Commission also voted to form a Committee for the purpose of examining the dues structure as it relates to the smallest member states and territories. Shortly thereafter, the Finance Committee created an Ad Hoc Committee which included members of the Finance Committee as well as Commissioners from the Virgin Islands and Maine. The Ad Hoc Committee met twice and at the second meeting voted to recommend that the Commission consider adding an additional lower tier for member states and territories whose dues ratio falls below .001. The Commission will consider the Committee's recommendation at the 2008 Annual Business Meeting. The Finance Ad Hoc Committee may also revisit the dues formula after the implementation of ICOTS when better data is available.

Throughout Fiscal Year 2008, the Finance Committee, working with the National Office, implemented a variety of policies, practices and operational changes aimed at reducing expenses and ensuring fiscal responsibility. As a result of these and other changes, the Fiscal Year 2008 will close at an estimated 17% below budget. By reducing expenses this year and keeping a tight eye on expenses in future years the Commission will successfully reach its goal of maintaining a healthy fiscal environment.



Chair: Scott Taylor, OR

Wayne Theriault, ME
Jackie Kotkin, VT
Ken Merz, MN
Maureen Walsh, MA
Bobby Halliburton, TN Ex Officio

Financial Reports

Independent Auditor's Report



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Offices in Lexington and Louisville

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
The Council of State Governments
Lexington, Kentucky

We have audited the accompanying statements of financial position of The Council of State Governments as of June 30, 2007 and 2006, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Council's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Council of State Governments as of June 30, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2007 on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of The Council of State Governments taken as a whole. The supplemental information included on pages 13 through 18 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

POTTER & COMPANY, LLP
October 19, 2007

The Council of State Governments

Schedule of Due to Managed Organizations

THE COUNCIL OF STATE GOVERNMENTS

SCHEDULE OF DUE TO MANAGED ORGANIZATIONS

June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
21st Century Fund	\$ 368,604	\$ 292,022
Bowhay Institute of Legislative Leadership Development	238,346	225,198
National Lieutenant Governors' Association	606,715	438,105
National Association of Government Labor Officials	75,558	80,100
Midwest Governors Conference	30,084	3
Southern Legislative Conference	399,582	293,603
Southern Legislative Conference - Host State Accounts	652,550	793,306
Legislative Service Agency Directors of Southern Legislative Conference	3,698	1,388
Council of State Governments - West	294,649	160,570
Midwest Legislative Conference	562,790	614,880
Eastern Regional Conference	164,505	167,973
Eastern Trade Council	62,960	59,116
Council of State Governments West Meetings	50,188	0
National Association of State Treasurers - Midwest	4,979	4,760
Southern Governor's Association	1,381,299	1,385,590
Midwest Passenger Rail Commission	38,780	73,297
National Emergency Management Association	638,126	577,166
National Association of State Personnel Executives, Inc.	346,254	217,658
National Association of State Treasurers - Northeast	88,510	106,613
National Association of State Treasurers - College Savings Plan	308,971	191,657
National Association of State Treasurers - State Debt Management Network	91,774	70,159
National Association of State Treasurers	996,128	1,423,819
National Association of State Treasurers - Western	4,123	3,942
National Association of Telecommunications Directors - Western	46,258	41,801
National Association of Telecommunications Directors - Southern	16,635	64,833
National Association of State Treasurers - Southern	78,287	88,159
National Association of Telecommunications Directors	990,416	876,592
National Association of Telecommunications Directors - Eastern	29,667	34,757
National Association of Telecommunications Directors - Midwest	54,743	62,841
American Probation and Parole Association	605,081	280,224
National Association of State Facilities Admin.- Great Plains	13,139	13,285
National Association of State Facilities Administrators	310,677	241,844
National Association of State Facilities Admin. - Southeast Region	3,898	3,378
National Association of State Facilities Admin. - Western Region	7,575	2,936
National Association of State Facilities Admin. - Eastern Region	2,321	2,354
National Association of Unclaimed Property Administrators	92,762	111,806
State International Development Organization	55,902	55,510
National Association of State Election Directors	0	601
National Hispanic Caucus of State Legislators	917,062	404,314
National Association of State Chief Administrators	162,608	130,981
Western Legislative Academy	283,447	152,413
Emergency Management Accreditation Program	171,415	90,778
Interstate Commission on Adult Offender Supervision	1,505,907	1,401,870
Total due to managed organizations	<u>\$ 12,756,973</u>	<u>\$ 11,242,202</u>

State Dues Assessment - FY'08

State	State Dues Ratio 2	State State Population 3	U.S. U.S. Population 3	Offender Transfers 4	Offender Tranfers 4	Dues per State 1,5
U.S. Virgin Islands (a)	0.000356	102000	285230516	83	234085	\$18,360
Alaska	0.002257	626932	285230516	542	234085	\$18,360
Wyoming	0.002559	493782	285230516	793	234085	\$18,360
North Dakota	0.003206	642200	285230516	974	234085	\$18,360
Vermont	0.003293	608827	285230516	1042	234085	\$18,360
South Dakota (b)	0.003662	754844	285230516	1095	234085	\$18,360
Maine	0.003687	1274923	285230516	680	234085	\$18,360
New Hampshire (b)	0.004067	1235786	285230516	890	234085	\$18,360
Rhode Island	0.004200	1048319	285230516	1106	234085	\$18,360
Hawaii	0.004249	1211537	285230516	995	234085	\$18,360
Montana	0.004337	902195	285230516	1290	234085	\$18,360
Delaware	0.004338	783600	285230516	1388	234085	\$18,360
Idaho	0.004953	1293953	285230516	1257	234085	\$18,360
West Virginia	0.005554	1808344	285230516	1116	234085	\$18,360
Dist. of Columbia (b)	0.005725	572059	285230516	2211	234085	\$18,360
Nebraska	0.005830	1711263	285230516	1325	234085	\$18,360
Utah	0.005901	2233169	285230516	930	234085	\$18,360
New Mexico	0.007157	1819046	285230516	1858	234085	\$18,360
Puerto Rico (a)	0.007744	3808610	285230516	500	234085	\$18,360
Nevada	0.009746	1998257	285230516	2923	234085	\$25,500
Kansas	0.009959	2688418	285230516	2456	234085	\$25,500
Iowa	0.010651	2926324	285230516	2585	234085	\$25,500
Mississippi	0.010668	2844658	285230516	2660	234085	\$25,500
Oregon	0.011248	3421399	285230516	2458	234085	\$25,500
Connecticut	0.011250	3405565	285230516	2472	234085	\$25,500
Arkansas	0.012090	2673400	285230516	3466	234085	\$25,500
Oklahoma	0.014729	3450654	285230516	4064	234085	\$25,500
Kentucky	0.014864	4041769	285230516	3642	234085	\$25,500
Colorado	0.014922	4301261	285230516	3456	234085	\$25,500
South Carolina	0.015931	4012012	285230516	4166	234085	\$25,500
Alabama	0.016621	4447100	285230516	4132	234085	\$25,500
Indiana (b)	0.016725	6080485	285230516	2840	234085	\$25,500
Washington	0.017050	5894121	285230516	3145	234085	\$25,500
Arizona	0.017079	5130632	285230516	3785	234085	\$25,500
Massachusetts (b)	0.017405	6349097	285230516	2938	234085	\$25,500
Tennessee	0.017614	5689283	285230516	3577	234085	\$25,500
Louisiana	0.018275	4468976	285230516	4888	234085	\$25,500
Minnesota	0.018665	4919479	285230516	4701	234085	\$25,500
Wisconsin	0.018668	5363675	285230516	4338	234085	\$25,500
Maryland	0.021496	5296486	285230516	5717	234085	\$32,640
New Jersey	0.024148	8414350	285230516	4400	234085	\$32,640
Michigan	0.025457	9938444	285230516	3762	234085	\$32,640
North Carolina	0.028784	8049313	285230516	6870	234085	\$32,640
Ohio	0.029452	11353140	285230516	4471	234085	\$32,640
Missouri	0.029649	5595211	285230516	9289	234085	\$32,640
Pennsylvania	0.031196	12281054	285230516	4526	234085	\$32,640
Georgia	0.032677	8186453	285230516	8580	234085	\$32,640
Virginia	0.035263	7078515	285230516	10700	234085	\$32,640
Florida	0.047751	15982378	285230516	9239	234085	\$39,780
New York	0.053217	18976457	285230516	9341	234085	\$39,780
Illinois	0.054220	12419293	285230516	15192	234085	\$39,780
Texas	0.088867	20851820	285230516	24492	234085	\$46,920
California	0.114864	33871648	285230516	25978	234085	\$46,920

\$1,365,780

1 - Based on total projected operating budget

2 - (State population / U.S. Population) + (State Offender Transfers / Total U.S. Offender Transfers) / 2

3 - Population data; U.S. Dept. of Commerce & U.S. Census Bureau; Census 2000

4 - Compact populations as of April 1, 2002; annual number of offender transfers both into and out of the state

5 - Dues increase voted on and approved at the 2005 Annual Business Meeting

(a) - Territory data is projected based on an average state offender transfers to population ratio (1:1236)

(b) - Projected state transfer numbers; actual numbers not available

Awards



Executive Chair Award

The Executive Chair's Award is presented to the Commissioner who made an outstanding contribution to the Interstate Commission. It recognizes a Commissioner who makes fundamental and enduring contributions to the success and advancement of the Interstate Commission for Adult Offender Supervision. Individuals presented with this award exemplify the mission of the Compact with such qualities as leadership, service, dedication and influence.

At the 2007 Annual Business Meeting, the Executive Chair Award was presented to D. Ann Clarke from Columbia, South Carolina, for the lasting contributions she made to the success and advancement of training and education. Her dedication was instrumental in the Commission's efforts to ensure individuals across the country understand the Rules and processes of the Compact.



Peyton Tuthill Award

The Peyton Tuthill Award is presented to a legislator, victims' advocate, law enforcement officer or other individual who demonstrates exceptional leadership and service to the Interstate Compact. The Commission recognizes individuals who are not involved professionally in the Compact, but whose outstanding contributions promote the mission of the Compact.

Peyton Tuthill became an unfortunate symbol during the development of the Compact. Her tragic death serves as a daily reminder to policymakers across the country of why this Compact and its tenets are critical to the preservation of public safety. This Award honors not only an individual who has provided dedicated service to the success of the Compact and its mission, but also honors Peyton and her family.

At the 2007 Annual Business Meeting, the Peyton Tuthill Award was presented to Anna Gustafson from Madison, Wisconsin, in recognition of her long career of service which is distinguished by her commitment to victims of violence and other crimes. Her persistence and diligence substantially contribute to the security and peace of mind for victims, exemplify the spirit of this Award and make the Compact a safer and friendlier process for victims.



Executive Directors Award

The Executive Director's Award is presented to the Compact Administrator, Deputy Compact Administrator or Compact Coordinator who exhibits commitment and dedication to the Interstate Commission through outstanding service. It recognizes the tremendous role these individuals play in the success of the Compact and honors their contribution to the accomplishment of the Compact's mission. Through their dedicated service not only are people across the country better protected, but offenders are granted a better opportunity for successful reintegration into society.

At the 2007 Annual Business Meeting, the Executive Director's Award was presented to Milt Gilliam from Oklahoma City, Oklahoma, for his extensive field experience and leadership which benefit the Commission in countless ways. He is a role model for his willingness to serve on a variety of Committee's as well as a National Trainer. His dedication, leadership and influence exemplify this Award.



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