



FY17

ANNUAL
REPORT



PHEASANTLAND
INDUSTRIES



PHEASANTLAND INDUSTRIES

State of South Dakota
Department of Corrections
Pheasantland Industries

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January 9, 2018

Dear Governor Dennis Daugaard and Members of the 2018 Legislature:

Pursuant to the SDCL 24-7-37, Pheasantland Industries has published its Annual Report for Fiscal Year 2017. This report provides a general overview of Pheasantland Industries as well as summaries of activities and notable production numbers for the year. The complete report is accessible for your viewing on the world-wide web at <http://doc.sd.gov/about/publications/>. If you would like a printed copy of the complete report, please let me know and I will be happy to have one delivered to you. A synopsis of the year's activities can be found on the pages below.

Pheasantland Industries recorded operating income of \$426,530 on sales of \$4,050,679 for Fiscal Year 2017. Profits from Pheasantland Industries are used to fund programs and services designed to enhance inmates' ability to lead productive lives upon their release from prison.

Our focus continues to be on developing a solid work ethic, enhancing inmates' opportunities for employment upon their release from prison and on producing high quality goods and services for South Dakota governmental entities, federal agencies and nonprofit organizations.

Sincerely,

Denny Kaemingk
Secretary of Corrections

Mission

To provide products and services to South Dakota governmental entities, federal agencies, non-profit organizations and state employees. To provide work opportunities for inmates and prepare them for successful return to their communities.

Outlook for FY 2018

Pheasantland Industries will continue to look for new industries that will provide more opportunity for inmate employment. As always, we will not expand to any industry that would be in direct competition with the local private sector. Introducing any new trades to Pheasantland Industries would require the approval of the Corrections Commission.

Traditional Industries

At the close of Fiscal Year 2017, the Pheasantland Industries staff consisted of 16 FTE. The inmate work force totaled 216 inmates. In Fiscal Year 2017, Pheasantland Industries consisted of traditional prison industries: License Plates/Decals, Carpentry, Upholstery, Print/Bookbinding, Braille Shop/Tactile Graphics, Sign, Machine, Garments/Screen Printing and Data Entry. Industries in a prison environment operate differently than businesses in a free society. Strict security procedures and scheduling are set by prison officials. Industry shops operate Monday through Friday from 7:30 a.m. to 3:30 p.m.

Inmates earn between \$.25 and \$.50 per hour. We strive to teach the inmates a tangible skill they can use upon release, but just as important, we try to teach them “soft skills”. Those skills include a good work ethic, interaction with other employees and pride in their work.

All traditional industries operate at the State Penitentiary in Sioux Falls, except the Garment/Screen Print shop which is located at the Mike Durfee State Prison in Springfield and the Data Entry and scanning project which is located at the Women’s Prison in Pierre. Prison industry shops are designed to meet standards established by the Occupational Safety and Health Administration. They are also inspected annually by the State Fire Marshal and Risk Management and must meet all standards established by those offices.

By policy, traditional prison industries can provide work only for government agencies, non profit organizations and employees of the State of South Dakota.

Industry Descriptions:

License Plates/Decal Shop: Produces auto and truck, motorcycle, trailer, apportioned vehicle, tribal and state vehicle plates and license decals for mobile homes, boats and snowmobiles.

Carpentry Shop: Cabinet shop builds kitchen and bathroom cabinets and vanities, counter tops, linen cabinets and trim. Custom furniture builds desks, credenzas, conference tables, bookshelves, chairs, bed frames and wardrobes. They also refurbish pews for churches.

Upholstery Shop: Provides a full line of office seating, reupholsters all types of furniture in fabric, vinyl and leather, manufactures mattresses, sound proofing panels and pillows.

Print/Bindery Shop: Prints business cards, envelopes, brochures, letterhead, and business forms. Repairs and binds books, magazines and meeting minutes.

Braille/Tactile Graphic Shop: Workers are individually certified by the Library of Congress for transcription. Transcribe books, magazines, greeting cards, business cards, and brochures into Braille. Large print books are also produced for those with limited sight. The services of the Braille unit are available to the South Dakota State Library, students and teachers nationwide. Tactile Graphics includes the production of maps, graphs, and science pictures for all textbooks. The Tactile Graphics Shop is setting the standards for graphics and is well known nationally for its quality of work.

Sign Shop: Produces highway and road signs for the South Dakota Department of Transportation and other local governments, as well as decals for county sheriffs, city police departments, South Dakota Highway Patrol and state and local government vehicles.

Machine Shop: Provides metal fabrication and welding services to state and federal governments and non-profit organizations. Current products include steel bed frames, belly chains, inmate clothing lockers, live traps and hazardous materials cabinets.

Garment/Screen Print Shop: Manufactures khaki trousers and shirts, jackets, coveralls, boxers, blankets, sheets, safety green garments and T-shirts and prints for governmental and non-profit agencies.

Data Entry Shop: Provides data entry and scanning services for the Department of Social Services. Due to changes within internal operations of Department of Social Services, the workload diminished throughout the fiscal year of 2017 to a level that no longer sustained the Data Entry shop in the Women's Prison. The shop closed at the end of the fiscal year. Pheasantland Industries is currently seeking a new industry to fill the void.

Shop Production Numbers for FY2016/FY2017

	FY2016	FY2017
License Plate Shop (SDSP)		
Decals for boats, snowmobiles, prorated tags and housing	58,350	45,471
Individual license plates	2,088,640	606,265
Carpentry Shop (SDSP)		
Sets of cabinets for the Governor's Housing Program and daycare centers	137	89
Upholstery Shop (SDSP)		
Mattresses	436	1,104
Pillows	950	1,198
Bath towels	6,672	12,560
Chairs, recliners and sofas reupholstered	76	54
Stackable chairs assembled	0	12
Weight bench pads reupholstered	61	47
New office chairs assembled and upholstered	6	19
Print/Book Bindery Shop (SDSP)		
Printing impressions	6,288,511	6,412,593
Books refurbished	1,170	1,105
Individual business cards	419,200	697,040
Braille Transcription/Graphics Shop (SDSP)		
Pages of Braille, transcribed and printed	136,488	53,257
Tactile pages of graphics produced	7,908	1,245
Large print pages printed	2,704	133,821
Sign Shop (SDSP)		
Square feet of signage	205,644	89,166
Garment/Screen Print Shop (MDSP)		
Garments screened	20,790	26,058
Khaki pants	5,945	7,620
Khaki shirts	948	948
T-shirts	19,620	17,712
Boxer shorts	24,519	20,895
Fleece blankets, pillowcases, sheets	4,910	2,774
Kitchen pants, shirts and jackets	871	1,656
Navy pants	2,352	2,233
Safety green clothing	3,070	4,065
Black & white uniform	0	77
Data Entry and Scan Shop (Women's Prison)		
Keystrokes	215,320,774	204,988,205
Pages scanned	1,726,980	1,119,322
Machine Shop		
Beds	21	30
Flammable Cabinets	11	4
Live Trap	290	77

Private Industry Enhancement

There is always a demand for more work opportunities for inmates. Traditional industries also have a very limited market in which to sell their goods. These two facts prompted the decision to explore private sector industry possibilities. In June of 1989, the Department of Corrections applied for certification in the Private Sector/Prison Industries Enhancement Program. This application was forwarded to the United States Bureau of Justice Assistance after the South Dakota Legislature passed legislation permitting private sector involvement in prison industries. South Dakota was granted certification in 1990.

Federal law requires that inmates working for private industry must be paid prevailing, local market wages for the type of work performed. Payroll deductions for inmates working at private industry jobs include social security, federal income taxes, incarceration fees, victim compensation and family support. A percentage of their wage is also retained in an inmate account for use upon release or parole.

In addition to the State's certification, each private sector enterprise must be approved by the federal government. The application for each enterprise must include the enterprise market, the number of inmates to be employed, the wages to be paid, and verification that the venture will not impact the local market.

Private Industry FY 2017 Activities

Inmate wages paid in the private sector for FY 2017 was \$811,360. Fifty inmates employed in these industries paid out of their wages \$48,640 to the South Dakota Crime Victims' Compensation Fund, \$290,402 for incarceration costs, \$48,640 in a family support account, \$72,107 in federal taxes and \$62,069 in social security.

Private sector businesses operating during FY2017 included Metalcraft Industries, which has welding and machine tool operations at the Jameson Annex and a window component assembly line at the Penitentiary. Metalcraft Industries is a Prison Industries Enhanced Program so they must pay their inmate employees' wages that are comparable to local industry.

Outside FY 2017 Contracts

Pheasantland Industries during FY2017 contracted with:

- Metalcraft Industries for the Private Industries Enhancement Program
- Hope Haven Ministries for the Wheelchair Restoration Program
- Personal Group for the Data Entry & Scanning Program at the Women's Prison

Pheasantland Industries' total sales, operating income and net income (does not include non-operating revenue, i.e. interest income) since FY 2008 is as follows:

<u>Fiscal Year</u>			<u>Amount</u>	<u>% Income to Sales</u>
2017	Total Sales	\$	4,050,679	
	Operating Income	\$	426,530	10.53%
	Net Income	\$	(927,322)	

Transferred \$1,354,954 to General Fund per SB48

2016	Total Sales	\$	9,604,953	
	Operating Income	\$	1,443,419	15.03%
	Net Income	\$	(650,051)	

Transferred \$444,340 to Department of Corrections

Transferred \$1,698,380 to General Fund per SB48

2015	Total Sales	\$	2,740,892	
	Operating Income	\$	351,772	12.83%
	Net Income	\$	(425,584)	

Transferred \$806,168 to Department of Corrections

2014	Total Sales	\$	2,584,148	
	Operating Income	\$	176,698	6.84%
	Net Income	\$	3,517	

Transferred \$204,918 to Department of Corrections

2013	Total Sales	\$	2,561,878	
	Operating Income	\$	212,915	8.31%
	Net Income	\$	(693,107)	

Transferred \$920,295 to Department of Corrections

2012	Total Sales	\$	2,605,355	
	Operating Income	\$	220,539	8.46%
	Net Income	\$	(1,054,955)	

Transferred \$1,341,848 to Department of Corrections

<u>Fiscal Year</u>			<u>Amount</u>	<u>% Income to Sales</u>
2011	Total Sales	\$	2,682,130	
	Operating Income	\$	283,091	10.55%
	Net Income	\$	186,066	

Transferred \$107,204 to Department of Corrections

2010	Total Sales	\$	2,402,787	
	Operating Income	\$	287,135	11.95%
	Net Income	\$	1,280,126	

Transferred \$1,000,000 from the Department of Revenue due to delaying the re-issuance of license plates and \$110,033 was transferred to Department of Corrections

2009	Total Sales	\$	2,541,571	
	Operating Income	\$	133,438	5.25%
	Net Income	\$	(883,267)	

Transferred \$1,000,000 to the General Fund per General Appropriations Act and transferred \$96,342 to Department of Corrections

2008	Total Sales	\$	2,808,433	
	Operating Income	\$	257,936	9.18%
	Net Income	\$	278,602	

Transferred \$94,106 to Department of Corrections

Statement of Net Position

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF NET POSITION						
June 30, 2017						
	Admin. Office	License Plate	Carpentry	Upholstery	Books/ Print	Braille Unit
ASSETS						
Current Assets:						
Cash and Cash equivalents	\$ 782.22	\$ 508,683.13	\$ 333.90	\$ 613.67	\$ 1,013.68	\$ 5,089.09
Receivables:						
Interest and Dividends	179.37	2,675.05	-	189.06	59.49	329.45
Other Funds	344,157.18	1,023,896.67	-	60,020.31	49,604.02	79,815.92
Component Units	1,059.88	-	48,723.57	-	202.50	-
Other	-	-	4,074.61	9,333.56	6,023.83	12,349.07
Other Governments	-	215,502.99	-	9,516.00	1,084.76	-
Inventory	-	34,709.70	122,761.64	114,688.72	51,308.97	16,985.70
Total Current Assets	<u>346,178.65</u>	<u>1,785,467.54</u>	<u>175,893.72</u>	<u>194,361.32</u>	<u>109,297.25</u>	<u>114,569.23</u>
Other Restricted Assets						
Capital Assets:						
Property, Plant and Equipment	788,561.16	276,273.38	135,299.96	-	147,869.76	42,167.13
Accumulated Deprecation	(462,211.31)	(251,197.32)	(69,023.58)	-	(136,965.76)	(42,167.13)
Total Capital Assets	<u>326,349.85</u>	<u>25,076.06</u>	<u>66,276.38</u>	<u>-</u>	<u>10,904.00</u>	<u>-</u>
Other Noncurrent Assets	5,038.93	-	-	-	-	-
Total Assets	<u>677,567.43</u>	<u>1,810,543.60</u>	<u>242,170.10</u>	<u>194,361.32</u>	<u>120,201.25</u>	<u>114,569.23</u>
Deferred Outflows of Resources						
Deferred Amount from Refunding of Bonds	9,428.00	4,247.00	3,188.00	556.00	3,121.00	2,565.00
Deferred Outflow Related to Pensions	56,608.00	25,499.00	19,141.00	3,338.00	18,732.00	15,399.00
Total Deferred Outflows or Resources	<u>66,036.00</u>	<u>29,746.00</u>	<u>22,329.00</u>	<u>3,894.00</u>	<u>21,853.00</u>	<u>17,964.00</u>
Liabilities						
Current Liabilities						
Accounts Payable	1,626.30	(20,925.26)	4,554.06	62.42	5,568.49	7,306.68
Due to Other Funds	727,523.64	955,985.02	143,316.34	13,872.70	28,657.56	17,136.63
Component Units	3,763.47	922.97	3,711.15	1,406.58	2,668.48	3,104.00
Salaries Payable	15,260.71	4,177.78	7,394.18	5,841.90	3,879.38	414.00
Benefits Payable	31,570.69	9,937.08	4,370.42	1,441.28	3,300.41	-
Deferred Revenue			5,400.00			
Net Pension Liability	27,084.00	12,200.00	9,158.00	1,597.00	8,962.00	7,368.00
Total Current Liabilities	<u>806,828.81</u>	<u>962,297.59</u>	<u>177,904.15</u>	<u>24,221.88</u>	<u>53,036.32</u>	<u>35,329.31</u>
Noncurrent Liabilities						
Accrued Employee Benefits - LT	27,795.04	8,748.67	3,847.74	1,268.91	2,905.71	-
Total Liabilities	<u>834,623.85</u>	<u>971,046.26</u>	<u>181,751.89</u>	<u>25,490.79</u>	<u>55,942.03</u>	<u>35,329.31</u>
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	444.00	199.00	150.00	26.00	147.00	121.00
Total Deferred Inflows or Resources	<u>444.00</u>	<u>199.00</u>	<u>150.00</u>	<u>26.00</u>	<u>147.00</u>	<u>121.00</u>
Net Position						
Unreserved Retained Earnings	(91,464.42)	869,044.34	82,597.21	172,738.53	85,965.22	97,082.92
Total Net Position	<u>\$ (91,464.42)</u>	<u>\$ 869,044.34</u>	<u>\$ 82,597.21</u>	<u>\$ 172,738.53</u>	<u>\$ 85,965.22</u>	<u>\$ 97,082.92</u>

Statement of Net Position (continued)

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF NET POSITION						
June 30, 2017						
	Sign	Machine Shop	Garment	Private Sector	Data Entry	Total
ASSETS						
Current Assets:						
Cash and Cash equivalents	\$ 1,212.64	\$ -	\$ 5,748.31	\$ 7,185.28	\$ 1,362.54	\$ 532,024.46
Receivables:						
Interest and Dividends	258.28	-	294.32	973.80	419.76	5,378.58
Other Funds	74,199.86	-	132,649.89	289,023.59	118,411.32	2,171,778.76
Component Units	6.70	-	-	-	-	49,992.65
Other	4,386.55	-	3,217.68	12,996.02	-	52,381.32
Other Governments	4,153.53	36.24	12,075.34	36,447.72	19,778.08	298,594.66
Inventory	<u>47,376.58</u>	<u>37,442.10</u>	<u>335,410.86</u>	<u>-</u>	<u>-</u>	<u>760,684.27</u>
Total Current Assets	<u>131,594.14</u>	<u>37,478.34</u>	<u>489,396.40</u>	<u>346,626.41</u>	<u>139,971.70</u>	<u>3,870,834.70</u>
Other Restricted Assets						-
Capital Assets:						
Property, Plant and Equipment	5,215.00	20,725.50	17,275.00	801,320.63	-	2,234,707.52
Accumulated Depreciation	<u>(5,215.00)</u>	<u>(14,671.60)</u>	<u>(17,275.00)</u>	<u>(582,903.03)</u>	<u>-</u>	<u>(1,581,629.73)</u>
Total Capital Assets	<u>-</u>	<u>6,053.90</u>	<u>-</u>	<u>218,417.60</u>	<u>-</u>	<u>653,077.79</u>
Other Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,038.93</u>
Total Assets	<u>131,594.14</u>	<u>43,532.24</u>	<u>489,396.40</u>	<u>565,044.01</u>	<u>139,971.70</u>	<u>4,528,951.42</u>
Deferred Outflows of Resources						
Deferred Amount from Refunding of Bonds	998.00	3,177.00	2,424.00	8,116.00	-	37,820.00
Deferred Outflow Related to Pensions	<u>5,995.00</u>	<u>19,074.00</u>	<u>14,554.00</u>	<u>48,728.00</u>	<u>-</u>	<u>227,068.00</u>
Total Deferred Outflows or Resources	<u>6,993.00</u>	<u>22,251.00</u>	<u>16,978.00</u>	<u>56,844.00</u>	<u>-</u>	<u>264,888.00</u>
Liabilities						
Current Liabilities						
Accounts Payable	144.03	486.99	4,559.67	2,320.79	8,348.65	14,052.82
Due to Other Funds	8,866.94	196,624.99	33,438.37	28,605.12	17,751.45	2,171,778.76
Component Units	4,583.74	1,398.71	2,951.34	1,264.64	3,883.46	29,658.54
Salaries Payable	4,196.77	5,186.16	3,323.74	5,863.22	-	55,537.84
Benefits Payable	1,561.42	4,425.13	4,231.62	6,809.14	-	67,647.19
Deferred Revenue	2,839.98	13,404.04				
Net Pension Liability	<u>2,868.00</u>	<u>9,126.00</u>	<u>6,963.00</u>	<u>23,314.00</u>	<u>-</u>	<u>108,640.00</u>
Total Current Liabilities	<u>25,060.88</u>	<u>230,652.02</u>	<u>55,467.74</u>	<u>68,176.91</u>	<u>29,983.56</u>	<u>2,447,315.15</u>
Noncurrent Liabilities						
Accrued Employee Benefits - LT	<u>1,374.69</u>	<u>3,895.91</u>	<u>3,725.55</u>	<u>5,994.80</u>	<u>-</u>	<u>59,557.02</u>
Total Liabilities	<u>26,435.57</u>	<u>234,547.93</u>	<u>59,193.29</u>	<u>74,171.71</u>	<u>29,983.56</u>	<u>2,506,872.17</u>
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	<u>47.00</u>	<u>149.00</u>	<u>114.00</u>	<u>382.00</u>	<u>-</u>	<u>1,779.00</u>
Total Deferred Inflows or Resources	<u>47.00</u>	<u>149.00</u>	<u>114.00</u>	<u>382.00</u>	<u>-</u>	<u>1,779.00</u>
Net Position						
Unreserved Retained Earnings	<u>112,104.57</u>	<u>(168,913.69)</u>	<u>447,067.11</u>	<u>547,334.30</u>	<u>109,988.14</u>	<u>2,263,544.23</u>
Total Net Position	<u>\$ 112,104.57</u>	<u>\$ (168,913.69)</u>	<u>\$ 447,067.11</u>	<u>\$ 547,334.30</u>	<u>\$ 109,988.14</u>	<u>\$ 2,263,544.23</u>

Statement of Revenues, Expenses and Changes in Fund Net Position

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF REVENUES, EXPENSES						
AND CHANGES IN FUND NET POSITION						
FOR THE FISCAL YEAR ENDED JUNE 30, 2017						
	Admin.	License			Books/	Braille
	Office	Plate	Carpentry	Upholstery	Print	Unit
Operating Revenue:						
Sales and Services	\$ 29,249.74	\$ 2,048,362.62	\$ 409,606.10	\$ 154,477.02	\$ 247,588.01	\$ 101,438.01
Rent Revenue		-	-	-	-	-
Total Operating Revenue:	<u>29,249.74</u>	<u>2,048,362.62</u>	<u>409,606.10</u>	<u>154,477.02</u>	<u>247,588.01</u>	<u>101,438.01</u>
Operating Expenses:						
Personal Services and Benefits	240,713.12	80,966.80	139,229.91	13,121.07	74,182.78	74,315.47
Travel	15,281.20	-	185.72	-	-	-
Contractual Services	80,983.13	8,496.44	18,531.52	8,304.85	47,498.82	33,924.17
Supplies	23,534.70	1,517,322.03	246,136.67	114,621.02	71,981.96	22,105.46
Depreciation	26,640.82	2,616.12	7,574.45	-	-	1,266.73
Other Expense	(342,820.14)	166,732.51	36,784.40	13,872.70	22,234.47	9,109.57
Total Operating Expenses	<u>44,332.83</u>	<u>1,776,133.90</u>	<u>448,442.67</u>	<u>149,919.64</u>	<u>215,898.03</u>	<u>140,721.40</u>
Operating Income (Loss)	(15,083.09)	272,228.72	(38,836.57)	4,557.38	31,689.98	(39,283.39)
Nonoperating Revenue (Expenses):						
Interest Income	168.42	4,569.93	-	(265.91)	181.42	(608.87)
Other Income (Expense)	(10.97)	(163.55)	-	(11.56)	(3.64)	(20.14)
Total Nonoperating Revenue (Expenses)	<u>157.45</u>	<u>4,406.38</u>	<u>-</u>	<u>(277.47)</u>	<u>177.78</u>	<u>(629.01)</u>
Income (Loss) Before Transfers	(14,925.64)	276,635.10	(38,836.57)	4,279.91	31,867.76	(39,912.40)
Transfers:						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(653,199.87)	-	(46,667.19)	(38,544.73)	(70,967.36)
Net Transfers in (Out)	-	(653,199.87)	-	(46,667.19)	(38,544.73)	(70,967.36)
Change in Net Position	(14,925.64)	(376,564.77)	(38,836.57)	(42,387.28)	(6,676.97)	(110,879.76)
Net Position at Beginning of Year	(76,538.78)	1,245,609.11	121,433.78	215,125.81	92,642.19	207,962.68
Net Position at End of Year	<u>\$ (91,464.42)</u>	<u>\$ 869,044.34</u>	<u>\$ 82,597.21</u>	<u>\$ 172,738.53</u>	<u>\$ 85,965.22</u>	<u>\$ 97,082.92</u>

Statement of Revenues, Expenses and Changes in Fund Net Position (continued)

STATE OF SOUTH DAKOTA DEPARTMENT OF CORRECTIONS PHEASANTLAND INDUSTRIES STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2017						
	Sign	Machine Shop	Garment	Private Sector	Data Entry	Total
Operating Revenue:						
Sales and Services	\$ 98,736.27	\$ 60,404.82	\$ 372,347.03	\$ 330,441.05	\$ 197,668.11	\$ 4,050,318.78
Rent Revenue	-	-	-	360.00	-	360.00
Total Operating Revenue:	<u>98,736.27</u>	<u>60,404.82</u>	<u>372,347.03</u>	<u>330,801.05</u>	<u>197,668.11</u>	<u>4,050,678.78</u>
Operating Expenses:						
Personal Services and Benefits	16,729.04	76,339.87	51,707.35	108,957.88	2,696.74	878,960.03
Travel	-	-	-	-	1,708.00	17,174.92
Contractual Services	12,308.88	8,268.35	18,312.12	7,106.08	139,650.48	383,384.84
Supplies	40,413.35	37,886.71	199,604.86	1,000.70	1,033.76	2,275,641.22
Depreciation	-	1,210.80	-	29,678.53	-	68,987.45
Other Expense	8,866.94	5,424.61	33,438.37	28,605.12	17,751.45	-
Total Operating Expenses	<u>78,318.21</u>	<u>129,130.34</u>	<u>303,062.70</u>	<u>175,348.31</u>	<u>162,840.43</u>	<u>3,624,148.46</u>
Operating Income (Loss)	20,418.06	(68,725.52)	69,284.33	155,452.74	34,827.68	426,530.32
Nonoperating Revenue (Expenses):						
Interest Income	(208.60)	-	(747.08)	(1,125.23)	(533.36)	1,430.72
Other Income (Expense)	(15.79)	-	(17.99)	(59.54)	(25.66)	(328.84)
Total Nonoperating Revenue (Expenses)	<u>(224.39)</u>	<u>-</u>	<u>(765.07)</u>	<u>(1,184.77)</u>	<u>(559.02)</u>	<u>1,101.88</u>
Income (Loss) Before Transfers	20,193.67	(68,725.52)	68,519.26	154,267.97	34,268.66	427,632.20
Transfers:						
Transfers In	-	-	-	-	-	-
Transfers Out	(65,973.91)	-	(117,335.30)	(256,981.80)	(105,283.98)	(1,354,954.14)
Net Transfers in (Out)	<u>(65,973.91)</u>	<u>-</u>	<u>(117,335.30)</u>	<u>(256,981.80)</u>	<u>(105,283.98)</u>	<u>(1,354,954.14)</u>
Change in Net Position	(45,780.24)	(68,725.52)	(48,816.04)	(102,713.83)	(71,015.32)	(927,321.94)
Net Position at Beginning of Year	157,884.81	(100,188.17)	495,883.15	650,048.13	181,003.46	3,190,866.17
Net Position at End of Year	<u>\$ 112,104.57</u>	<u>\$ (168,913.69)</u>	<u>\$ 447,067.11</u>	<u>\$ 547,334.30</u>	<u>\$ 109,988.14</u>	<u>\$ 2,263,544.23</u>

Statement of Cash Flows

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF CASH FLOWS						
FOR THE FISCAL YEAR ENDED JUNE 30, 2017						
	Admin.	License			Books/	
	Office	Plate	Carpentry	Upholstery	Print	Braille
Cash Flows From Operating Activities						
Receipts From Customers And Users	\$ 8,781.49	\$ 5,847.35	\$ 388,270.41	\$ 34,513.72	\$ 76,756.81	\$ 125,892.24
Receipts from Interfund Services Provided	2,778,231.14	3,082,729.26	131,209.94	286,847.40	228,528.44	362,569.90
Payments to Supplies	(87,766.14)	(1,825,899.50)	(266,533.74)	(97,279.58)	(108,629.53)	(50,701.28)
Payments for Employee Services	(237,151.34)	(79,677.14)	(133,982.02)	(11,923.45)	(71,569.36)	(69,799.11)
Payments for Interfund Services Used	(2,962,804.69)	(39,325.92)	(118,630.69)	(167,276.64)	(85,830.58)	(296,509.12)
Net Cash Provided (Used) by Operating Activities	(500,709.54)	1,143,674.05	333.90	44,881.45	39,255.78	71,452.63
Cash Flows From Capital And Related Financing Activities:						
Purchase of Fixed Assets	-	-	-	-	-	-
Sales of Fixed Assets	-	-	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-	-	-	-
Cash Flows from Noncapital Financing Activities						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(653,199.87)	-	(46,667.19)	(38,544.73)	(70,967.36)
Net Cash Provided (Used) by Noncapital Financing Activities	-	(653,199.87)	-	(46,667.19)	(38,544.73)	(70,967.36)
Cash Flows From Investing Activities						
Investment Income	242.13	4,117.26	-	(242.26)	140.59	(624.72)
Investment Expense	-	-	-	-	-	-
Net Cash Provided (Used) by Investing Activities	242.13	4,117.26	-	(242.26)	140.59	(624.72)
Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year	(500,467.41)	494,591.44	333.90	(2,028.00)	851.64	(139.45)
Cash and Cash Equivalents at Beginning of Year	501,249.63	14,091.69	-	2,641.67	162.04	5,228.54
Cash and Cash Equivalents at End of Year	\$ 782.22	\$ 508,683.13	\$ 333.90	\$ 613.67	\$ 1,013.68	\$ 5,089.09

Statement of Cash Flows (continued)

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF CASH FLOWS						
FOR THE FISCAL YEAR ENDED JUNE 30, 2017						
	Sign	Machine	Garment	Private Sector	Data Entry	Total
Cash Flows From Operating Activities						
Receipts From Customers And Users	\$ 37,671.06	\$ 15,964.56	\$ 87,643.61	\$ 9,348.22	\$ -	\$ 790,689.47
Receipts from Interfund Services Provided	336,822.62	256,874.79	589,323.77	1,129,882.65	629,514.13	9,812,534.04
Payments to Supplies	(47,237.00)	(46,394.75)	(196,598.66)	(377.89)	(110,851.14)	(2,838,269.21)
Payments for Employee Services	(16,003.90)	(72,806.05)	(49,267.66)	(103,778.65)	(2,696.74)	(848,655.42)
Payments for Interfund Services Used	(247,560.87)	(153,638.55)	(311,461.51)	(781,217.13)	(414,469.55)	(5,578,725.25)
Net Cash Provided (Used) by Operating Activities	<u>63,691.91</u>	<u>-</u>	<u>119,639.55</u>	<u>253,857.20</u>	<u>101,496.70</u>	<u>1,337,573.63</u>
Cash Flows From Capital And Related Financing Activities:						
Purchase of Fixed Assets	-	-	-	-	-	-
Sales of Fixed Assets	-	-	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities						
Transfers In	-	-	-	-	-	-
Transfers Out	(65,973.91)	-	(117,335.30)	(256,981.80)	(105,283.98)	(1,354,954.14)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(65,973.91)</u>	<u>-</u>	<u>(117,335.30)</u>	<u>(256,981.80)</u>	<u>(105,283.98)</u>	<u>(1,354,954.14)</u>
Cash Flows From Investing Activities						
Investment Income	(434.83)	-	(237.56)	(265.70)	(452.77)	2,242.14
Investment Expense	-	-	-	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>(434.83)</u>	<u>-</u>	<u>(237.56)</u>	<u>(265.70)</u>	<u>(452.77)</u>	<u>2,242.14</u>
Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year	<u>(2,716.83)</u>	<u>-</u>	<u>2,066.69</u>	<u>(3,390.30)</u>	<u>(4,240.05)</u>	<u>(15,138.37)</u>
Cash and Cash Equivalents at Beginning of Year	3,929.47	-	3,681.62	10,575.58	5,602.59	547,162.83
Cash and Cash Equivalents at End of Year	<u>\$ 1,212.64</u>	<u>\$ -</u>	<u>\$ 5,748.31</u>	<u>\$ 7,185.28</u>	<u>\$ 1,362.54</u>	<u>\$ 532,024.46</u>

Statement of Cash Flows (continued)

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF CASH FLOWS (continued)						
FOR THE FISCAL YEAR ENDED JUNE 30, 2017						
	Admin.	License			Books/	
	Office	Plate	Carpentry	Upholstery	Print	Braille
Reconciliation of Operating Income (Loss) To						
Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ (15,083.09)	\$ 272,228.72	\$ (38,836.57)	\$ 4,557.38	\$ 31,689.98	\$ (39,283.39)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation Expense	26,640.82	2,616.12	7,574.45	-	-	1,266.73
Miscellaneous Non Operating Revenue	-	-	-	-	-	-
Decrease/(Increase) in Assets:						
Accounts Receivable	125.99	19,065.88	(2,407.46)	(8,800.87)	2,190.00	25,072.94
Due From Other Funds	1,687,894.74	(316,550.83)	58.69	125,439.19	7,964.18	282,135.27
Due From Component	(139.88)	-	(979.19)	-	(202.50)	-
Due From other Agency	254.41	1,040,175.26	1,280.45	(4,393.00)	2,666.42	-
Prepaid Expense	165.89	-	-	-	-	-
Decrease In Inventory	-	13,507.18	925.75	25,749.92	(722.47)	1,676.95
Decrease In Net Pension Asset	33,450.00	15,068.00	11,311.00	1,973.00	11,069.00	9,099.00
Increase/(Decrease) in Deferred Outflow of Resources						
Deferred Amount from Refunding of Bonds	(806.00)	(357.00)	(873.00)	(152.00)	(855.00)	(700.00)
Deferred outflow of Resources Related to Pensions	(1,897.00)	(864.00)	28.00	(108.00)	19.00	143.00
Increase/(Decrease) in Liabilities:						
Accounts Payable	960.16	(337,878.02)	(11,533.25)	(3,933.87)	3,325.96	(107.50)
Accrued Liabilities	1,126.89	(3,018.36)	213.50	1,463.62	(523.10)	(361.32)
Compensated Absences Payable	(4,807.43)	490.02	2,097.39	1,463.08	271.52	-
Deferred Revenue	-	-	5,400.00	-	-	-
Due to other funds	(2,206,292.07)	449,800.63	33,059.38	(97,406.80)	(10,235.33)	(201,660.66)
Due to Other Agencies	(41.97)	(580.55)	543.76	343.80	(33.88)	221.61
Net Pension Liability	27,084.00	12,200.00	9,158.00	1,597.00	8,962.00	7,368.00
Deferred Inflow	(49,345.00)	(22,229.00)	(16,687.00)	(2,911.00)	(16,330.00)	(13,418.00)
Net Cash Provided (Used) by Operating						
Activities	\$ (500,709.54)	\$ 1,143,674.05	\$ 333.90	\$ 44,881.45	\$ 39,255.78	\$ 71,452.63

Statement of Cash Flows (continued)

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF CASH FLOWS (continued)						
FOR THE FISCAL YEAR ENDED JUNE 30, 2017						
	Sign	Machine	Garment	Private Sector	Data Entry	Total
Reconciliation of Operating Income (Loss) To						
Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 20,418.06	\$ (68,725.52)	\$ 69,284.33	\$ 155,452.74	\$ 34,827.68	\$ 426,530.32
Adjustments to Reconcile Operating Income (Loss):						
Depreciation Expense	-	1,210.80	-	29,678.53	-	68,987.45
Miscellaneous Non Operating Revenue	-	-	-	-	-	-
Decrease/(Increase) in Assets:						
Accounts Receivable	1,158.47	-	4,047.21	3,169.07	-	43,621.23
Due From Other Funds	202,437.51	395.16	152,999.97	525,480.57	311,230.17	2,979,484.62
Due From Component	(6.70)	-	-	-	-	(1,328.27)
Due From other Agency	(3,047.16)	7,533.14	15,474.92	(9,173.35)	2,204.53	1,052,975.62
Prepaid Expense	-	-	-	-	-	165.89
Decrease In Inventory	(2,614.23)	(3,517.36)	14,069.49	-	-	49,075.23
Decrease In Net Pension Asset	3,542.00	11,271.00	8,600.00	28,794.00	-	134,177.00
Increase/(Decrease) in Deferred Outflow of Resources						
Deferred Amount from Refunding of Bonds	(273.00)	(870.00)	(663.00)	(2,221.00)	-	(7,770.00)
Deferred outflow of Resources Related to Pensions	(102.00)	20.00	(62.00)	(1,784.00)	-	(4,607.00)
Increase/(Decrease) in Liabilities:						
Accounts Payable	(1,322.23)	(1,439.11)	1,752.40	2,320.79	(5,971.56)	(353,826.23)
Accrued Liabilities	97.94	690.75	(390.42)	(420.06)	-	(1,120.56)
Compensated Absences Payable	835.29	(75.93)	937.71	(27.71)	-	1,183.94
Deferred Revenue	-	13,404.04	-	-	-	18,804.04
Due to other funds	(156,310.79)	47,632.76	(140,178.42)	(457,766.41)	(240,126.91)	(2,979,484.62)
Due to Other Agencies	1,236.75	(27.73)	(507.64)	(483.97)	(667.21)	2.97
Net Pension Liability	2,868.00	9,126.00	6,963.00	23,314.00	-	108,640.00
Deferred Inflow	(5,226.00)	(16,628.00)	(12,688.00)	(42,476.00)	-	(197,938.00)
Net Cash Provided (Used) by Operating						
Activities	\$ 63,691.91	\$ -	\$ 119,639.55	\$ 253,857.20	\$ 101,496.70	\$ 1,337,573.63

PHEASANTLAND INDUSTRIES

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