

January 9, 2001

Dear Governor Janklow and Members of the 2001 Legislature:

Pursuant to SDCL 24-7-37, Pheasantland Industries presents its Annual Report for Fiscal Year 2000.

This report provides a general overview of Pheasantland Industries and its mission. Summaries of activities during the past fiscal year and financial statements are also included in this report.

Pheasantland Industries generated \$2.6 million in sales during FY2000, which resulted in a net income of \$156,000. Improvements were made in various shops, and private sector businesses continued providing additional work opportunities for inmates.

Sincerely,

Jeff Stroup  
Director

## **Mission**

*To provide products and services for the State of South Dakota and its political subdivision, to provide work opportunities for inmates, and to be a self-supporting entity.*

## **Unique Employment**

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. Inmate count procedures and staff scheduling usually prohibit overtime and weekend work.

Inmates in traditional prison industries earn between 40 and 70 cents per hour. Federal law requires that inmates working for private industry must be paid prevailing, local market wages for the type of work performed. Inmates typically use their wages to buy toiletries, food stuffs, and craft materials. A percentage is also retained in an inmate worker's reserve account for use upon release or parole. Inmates working for private industry jobs must also use their wages to pay for incarceration costs, victim compensation funds, and family support.

At the close of Fiscal Year 2000, the Pheasantland Industries Staff consisted of 14 employees. The work force totaled 120 inmates in traditional industries and 65 inmates in private sector industries.

## **Traditional Industries**

In Fiscal Year 2000, traditional prison industries consisted of 11 industries: upholstery, printing, sign, decal, book bindery, braille unit, license plates, carpentry, machine, garments, and data entry.

All traditional industries operate at the State Penitentiary in Sioux Falls, except the garment industry which is located at the Mike Durfee State Prison in Springfield and the data entry 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 must meet all standards established by that office.

By law, traditional prison industries can provide work only for government agencies and non-profit organizations.

## **Industry Descriptions:**

**Carpenter Shop:** Custom made furniture including desks, credenzas, conference tables, bookshelves, and chairs.

**Upholstery Shop:** Recovers and repairs various types of furniture, manufactures mattresses and boxer shorts, and assembles chairs.

**Print Shop:** Business cards, envelopes, brochures, and business forms.

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

**Decals:** Validation tags for vehicles.

**Book Bindery:** Repairs and binds books and magazines.

**Braille Unit:** Transcribes books, magazines, greeting cards, business cards, and brochures into braille or large print. Maps and photographs are also produced for the visually impaired. The services of the Braille unit are available to the State Library and schools, organizations, and private individuals nationwide.

**License Plates:** Auto and truck, motorcycle, trailer, apportioned vehicle, tribal, and state vehicle plates.

**Machine Shop:** Manufactures belly chains for law enforcement agencies throughout the United States.

**Garment Shop:** Manufactures blue jeans, jackets, and t-shirts; and screen prints various clothing articles.

**Data Entry:** Provides data entry services for various state agencies.

## **Private Industry Enhancement**

As the inmate population of adult corrections system grows, so does the need to provide more work opportunities for inmates. Traditional industries also have a very limited market in which to sell its 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.

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.

### **FY 2000 Activities**

Inmate wages paid in the private sector for FY 2000 were \$442,482. Inmates employed in these industries paid \$26,549 to the South Dakota Crime Victims' Compensation fund, \$132,745 for incarceration costs, \$26,549 in family support obligation, \$35,950 in federal taxes, and \$33,840 in social security.

Private sector businesses operating during FY2000 included Metalcraft Industries which has welding and machine tool operations at the Jameson Annex, M-Tron which assembles electronic components at the Mike Durfee State Prison, and C. R., Inc. which inspects and packages rubber gaskets and seals at the Mike Durfee State Prison.

## FINANCIAL SUMMARIES

Since FY91, Pheasantland Industries' total sales and net income is as follows:

FY91	---	Total sales	.....	\$ 2,786,277
		Net income	.....	\$ 97,870
FY92	---	Total sales	.....	\$ 1,607,012
		Net income	.....	\$ (43,833)
FY93	---	Total sales	.....	\$ 1,431,378
		Net income	.....	\$ 95,577
FY94	---	Total sales	.....	\$ 1,624,301
		Net income	.....	\$ (34,624)
FY95	---	Total sales	.....	\$ 1,762,135
		Net income	.....	\$ 33,645
FY96	---	Total sales	.....	\$ 2,398,031
		Net Income	.....	\$ 260,372
FY97	---	Total sales	.....	\$ 1,588,700
		Net Income	.....	\$ 145,002
FY98	---	Total sales	.....	\$ 1,925,971
		Net Income	.....	\$ 248,416
FY99	---	Total sales	.....	\$ 2,001,053
		Net Income	.....	\$ 154,575
FY2000	---	Total sales	.....	\$ 2,678,927
		Net Income	.....	\$ 156,370

<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>BALANCE SHEET</b>					
<b>06/30/2000</b>					
	<b>Admin.</b>	<b>License</b>		<b>Book-</b>	<b>Braille</b>
<b>ASSETS</b>	<b>Office</b>	<b>Plate</b>	<b>Furniture</b>	<b>Bindery</b>	<b>Unit</b>
Cash and Cash equivalents	\$(305,617.52)	\$1,358,938.85	\$114,683.91	\$17,588.00	\$55,932.18
Accounts Receivable			13,770.89	1,653.11	253.09
Due from other Agencies	24.55	306,397.93	85,887.75	162.55	6,628.95
Interest Receivable		43,785.36	4,750.76	780.70	1,944.75
Due from other Funds	268,947.36		3,775.55	4,623.86	
Prepaid Expense			-		495.42
Inventory		285,347.33	173,486.53	13,787.64	3,868.88
Land			-		
Buildings and Improvements	124,455.34		96,371.71		
Accum Depreciation - Bldg.	(49,918.61)		(24,072.53)		
Equipment	101,944.76	473,860.90	56,921.17	107,867.68	41,555.56
Accum Depreciation - Equipment	(80,928.03)	(355,026.56)	(33,098.22)	(88,919.53)	(41,386.94)
<b>TOTAL ASSETS</b>	<b>\$ 58,907.85</b>	<b>\$2,113,303.81</b>	<b>\$492,477.52</b>	<b>\$57,544.01</b>	<b>\$69,291.89</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts Payable	\$ 321.00	\$ 164,525.13	\$ 33,588.76	\$ 51.76	\$ 1,223.27
Due to Other Funds	1,095.82	124,801.36	70,893.11	2,055.00	4,494.84
Due to Other Agencies	6,942.61	3,440.07	9,348.62	1,274.41	1,573.78
Salaries Payable	12,333.36	2,143.84	6,852.53	1,733.78	
Deferred Revenue			-		
Accrued Employee Benefits - LT	37,803.39	11,317.47	26,346.29	7,485.78	-
Total Liabilities	58,496.18	306,227.87	147,029.31	12,600.73	7,291.89
Fund Equity:					
Contributions	411.67	68,162.01	2,130.39	4,833.94	119.02
Unreserved Retained Earnings	-	1,738,913.93	343,317.82	40,109.34	61,880.98
Total Fund Equity	411.67	1,807,075.94	345,448.21	44,943.28	62,000.00
Total Liabilities and Fund Equity	<b>\$ 58,907.85</b>	<b>\$2,113,303.81</b>	<b>\$492,477.52</b>	<b>\$57,544.01</b>	<b>\$69,291.89</b>

<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>BALANCE SHEET</b>					
<b>06/30/2000</b>					
		<b>Machine</b>	<b>Agri-</b>		
<b>ASSETS</b>	<b>Sign</b>	<b>Shop</b>	<b>culture</b>	<b>Print</b>	<b>Garment</b>
Cash and Cash equivalents	\$224,657.23	\$(3,455.16)	\$227,177.18	\$(12,947.89)	\$(211,968.35)
Accounts Receivable	1,956.31	2,556.49	5,617.98	1,465.70	379.07
Due from other Agencies	14,893.69			4,495.86	13,116.25
Interest Receivable	7,432.21		7,475.15		
Due from other Funds	237.05			2,019.24	1,017.89
Prepaid Expense	73.97			620.01	
Inventory	16,766.23	4,660.42		15,554.44	81,455.89
Land			185,550.00		
Buildings and Improvements					15,274.90
Accum Depreciation - Bldg.					(15,274.90)
Equipment	36,135.63	5,647.00		157,136.81	60,040.85
Accum Depreciation - Equipment	(33,757.69)	(5,117.12)		(113,644.46)	(43,316.85)
<b>TOTAL ASSETS</b>	<b>\$268,394.63</b>	<b>\$ 4,291.63</b>	<b>\$425,820.31</b>	<b>\$ 54,699.71</b>	<b>\$ (99,275.25)</b>
<b>LIABILITIES AND FUND EQUITY</b>					
Liabilities:					
Accounts Payable	\$ 378.82	\$ 54.63		\$ 3,765.71	\$ 413.45
Due to Other Funds	6,105.64	810.12	3,934.01	13,716.06	20,773.82
Due to Other Agencies	4,217.87	433.14	67.50	2,101.07	2,203.55
Salaries Payable	2,865.78			422.28	1,794.30
Deferred Revenue			21,290.27		
Accrued Employee Benefits - LT	11,413.04	-	-	624.42	2,059.09
Total Liabilities	24,981.15	1,297.89	25,291.78	20,629.54	27,244.21
Fund Equity:					
Contributions			185,550.00	20,151.84	
Unreserved Retained Earnings	243,413.48	2,993.74	214,978.53	13,918.33	(126,519.46)
Total Fund Equity	243,413.48	2,993.74	400,528.53	34,070.17	(126,519.46)
<b>Total Liabilities and Fund Equity</b>	<b>\$268,394.63</b>	<b>\$ 4,291.63</b>	<b>\$425,820.31</b>	<b>\$ 54,699.71</b>	<b>\$ (99,275.25)</b>

<b>STATE OF SOUTH DAKOTA</b>						
<b>DEPARTMENT OF CORRECTIONS</b>						
<b>PHEASANTLAND INDUSTRIES</b>						
<b>BALANCE SHEET</b>						
<b>06/30/2000</b>						
	<b>Private</b>		<b>Hous-</b>	<b>Customer</b>	<b>Tuck-</b>	<b>Data</b>
<b>ASSETS</b>	<b>Sector</b>	<b>Decals</b>	<b>ing</b>	<b>Model</b>	<b>Point</b>	<b>Entry</b>
Cash and Cash equivalents	\$236,980.96	\$127,124.42		\$(10,511.40)		\$(114,388.65)
Accounts Receivable	14,407.36			11,915.55		
Due from other Agencies	19,491.32	8,812.69				16,183.40
Interest Receivable	7,696.87	3,270.58				
Due from other Funds						
Prepaid Expense	8,946.55					
Inventory		29,629.41				
Land						
Buildings and Improvements	81,600.35					
Accum Depreciation - Bldg.	(30,323.22)					
Equipment						71,635.54
Accum Depreciation - Equipment	_____	_____	___			(15,279.59)
<b>TOTAL ASSETS</b>	<b>\$338,800.19</b>	<b>\$168,837.10</b>	<b>\$ -</b>	<b>\$ 1,404.15</b>	<b>\$ -</b>	<b>\$ (41,849.30)</b>
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts Payable	\$ 3,203.76	\$ 28.28				\$ 14,020.31
Due to Other Funds	13,994.46	6,848.98				11,097.73
Due to Other Agencies	1,328.05	602.73		306.09		3,156.64
Salaries Payable	4,774.21	126.24		1,098.06		
Deferred Revenue						
Accrued Employee Benefits - LT	___ 10,888.03	___ 343.34				_____
Total Liabilities	34,188.51	7,949.57	-	1,404.15	-	28,274.68
Fund Equity:						
Contributions	18,345.53					
Unreserved Retained Earnings	___ 286,266.15	___ 160,887.53	___			___ (70,123.98)
Total Fund Equity	___ 304,611.68	___ 160,887.53	___	_____	_____	___ (70,123.98)
<b>Total Liabilities and Fund Equity</b>	<b>\$338,800.19</b>	<b>\$168,837.10</b>	<b>\$ -</b>	<b>\$ 1,404.15</b>	<b>\$ -</b>	<b>\$ (41,849.30)</b>



<b>STATE OF SOUTH DAKOTA</b>		
<b>DEPARTMENT OF CORRECTIONS</b>		
<b>PHEASANTLAND INDUSTRIES</b>		
<b>BALANCE SHEET</b>		
<b>06/30/2000</b>		
<b>ASSETS</b>	<b>Embroidery</b>	<b>Total</b>
Cash and Cash equivalents	\$(10,915.00)	\$1,693,278.76
Accounts Receivable		53,975.55
Due from other Agencies		476,094.94
Interest Receivable		77,136.38
Due from other Funds		280,620.95
Prepaid Expense		10,135.95
Inventory		624,556.77
Land		185,550.00
Buildings and Improvements		317,702.30
Accum Depreciation - Bldg.		(119,589.26)
Equipment	10,932.82	1,123,678.72
Accum Depreciation - Equipment		(810,474.99)
<b>TOTAL ASSETS</b>	<b>\$ 17.82</b>	<b>\$3,912,666.07</b>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts Payable		\$ 221,574.88
Due to Other Funds		280,620.95
Due to Other Agencies	17.82	37,013.95
Salaries Payable		34,144.38
Deferred Revenue		21,290.27
Accrued Employee Benefits - LT	_____ -	108,280.85
Total Liabilities	17.82	702,925.28
Fund Equity:		
Contributions		299,704.40
Unreserved Retained Earnings		2,910,036.39
Total Fund Equity	_____ -	3,209,740.79
Total Liabilities and Fund Equity	<b>\$ 17.82</b>	<b>\$3,912,666.07</b>

<b>STATE OF SOUTH DAKOTA</b>				
<b>DEPARTMENT OF CORRECTIONS</b>				
<b>PHEASANTLAND INDUSTRIES</b>				
<b>BALANCE SHEET</b>				
<b>06/30/2000</b>				
<b>ASSETS</b>	<b>Carpentry</b>	<b>Upholstery</b>	<b>Truck</b>	<b>Total</b>
Cash and Cash equivalents	\$ 15,434.12	102,044.24	(2,794.45)	114,683.91
Accounts Receivable	13,740.96	29.93		13,770.89
Due from other Agencies	78,417.75	6,360.00	1,110.00	85,887.75
Interest Receivable	2,228.44	2,522.32		4,750.76
Due from other Funds	312.46		3,463.09	3,775.55
Prepaid Expense				-
Inventory	114,838.88	58,647.65		173,486.53
Land				-
Buildings and Improvements	96,371.71			96,371.71
Accum Depreciation - Bldg.	(24,072.53)			(24,072.53)
Equipment	45,090.00	11,831.17		56,921.17
Accum Depreciation - Equipment	(23,313.70)	(9,784.52)	-	(33,098.22)
<b>TOTAL ASSETS</b>	<b>\$ 319,048.09</b>	<b>\$ 171,650.79</b>	<b>\$ 1,778.64</b>	<b>\$ 492,477.52</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts Payable	\$ 29,826.11	3,724.98	37.67	33,588.76
Due to Other Funds	49,725.12	20,096.61	1,071.38	70,893.11
Due to Other Agencies	6,823.00	1,856.03	669.59	9,348.62
Salaries Payable	4,603.54	2,248.99		6,852.53
Deferred Revenue				-
Accrued Employee Benefits - LT	12,374.96	13,971.33	-	26,346.29
Total Liabilities	103,352.73	41,897.94	1,778.64	147,029.31
Fund Equity:				
Contributions	1,892.89	237.50		2,130.39
Unreserved Retained Earnings	213,802.47	129,515.35		343,317.82
Total Fund Equity	215,695.36	129,752.85	-	345,448.21
Total Liabilities and Fund Equity	\$ 319,048.09	\$ 171,650.79	\$ 1,778.64	\$ 492,477.52

<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF REVENUES, EXPENSES</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Admin.</b>	<b>License</b>		<b>Book-</b>	<b>Braille</b>
	<b>Office</b>	<b>Plate</b>	<b>Furniture</b>	<b>Bindery</b>	<b>Unit</b>
Operating Revenue:					
Sales and Services	\$ -	\$1,324,509.90	\$632,971.96	\$19,448.23	28,305.84
Rent Income	11,088.00		-		
Other Revenue	3,335.99	160.35	-		-
Total Operating Revenue:	14,423.99	1,324,670.25	632,971.96	19,448.23	28,305.84
Cost of Goods Sold		1,121,267.32	561,734.99	20,490.17	23,689.84
Gross Profit	14,423.99	203,402.93	71,236.97	(1,041.94)	4,616.00
Operating Expenses:					
Personal Services and Benefits	200,747.36	37,551.88	185,055.10	12,833.04	
Travel	1,084.65		7,247.38		
Inmate Labor	3,404.35	1,293.66	3,251.11	3,234.51	4,526.59
Contractual Services	45,503.15	70,515.17	16,384.05	2,125.39	1,196.41
Supplies	6,729.68	4,785.75	9,950.54	1,764.85	3,749.70
Depreciation	26,604.84	20,634.49	5,737.46	5,620.62	5,483.60
Other Expense	(269,114.43)	124,790.60	66,883.07	2,055.00	2,990.94
Fixed overhead Absorbed	-	(229,091.13)	(244,903.59)	(14,778.23)	(14,016.47)
Total Operating Expenses	14,959.60	30,480.42	49,605.12	12,855.18	3,930.77
Operating Income (Loss)	(535.61)	172,922.51	21,631.85	(13,897.12)	685.23
Nonoperating Revenue (Expenses):					
Loss on Disposal of Assets					
Interest Income		43,785.36	4,750.76	780.7	1944.75
Other Income (Expense)			-		
Total Nonoperating Revenue (Expenses)	-	43,785.36	4,750.76	780.70	1,944.75
Net Income (Loss) Before Operating Transfers	(535.61)	216,707.87	26,382.61	(13,116.42)	2,629.98
Operating Transfers In (Out)					
Net Operating Transfers	-	-	-	-	-
Net Income (Loss)	(535.61)	216,707.87	26,382.61	(13,116.42)	2,629.98
Retained Earnings at Beginning of Year	-	1,519,575.90	316,466.21	51,651.77	54405.24
Decrease in Contributed Capital	535.61	2,630.16	469.00	1,573.99	4,845.76

Retained Earnings at End of Year	\$ (0.00)	\$1,738,913.93	\$343,317.82	\$40,109.34	\$61,880.98
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF REVENUES, EXPENSES</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Sign</b>	<b>Machine Shop</b>	<b>Agri-culture</b>	<b>Print</b>	<b>Garment</b>
Operating Revenue:					
Sales and Services	55,875.83	7,666.84		98,774.70	196,600.52
Rent Income			36,134.40		
Other Revenue	104.14	-	1,096.51		
Total Operating Revenue:	55,979.97	7,666.84	37,230.91	98,774.70	196,600.52
Cost of Goods Sold	41,466.11	4,566.69		82,237.90	173,806.72
Gross Profit	14,513.86	3,100.15	37,230.91	16,536.80	22,793.80
Operating Expenses:					
Personal Services and Benefits				19,515.21	29,100.00
Travel					147.33
Inmate Labor		1,741.53		2,452.46	3,261.72
Contractual Services	3,463.02	554.43	6,147.79	5,271.45	2,719.73
Supplies	3,416.36	266.62		14,425.15	6,220.61
Depreciation	3,298.46	235.45		13,074.38	5,952.44
Other Expense	5,915.13	810.12	3,934.01	10,437.04	20,773.82
Fixed overhead Absorbed	(14,607.85)	(1,429.32)	-	(52,989.79)	(51,821.88)
Total Operating Expenses	1,485.12	2,178.83	10,081.80	12,185.90	16,353.77
Operating Income (Loss)	13,028.74	921.32	27,149.11	4,350.90	6,440.03
Nonoperating Revenue (Expenses):					
Loss on Disposal of Assets			(134,413.69)		
Interest Income	7432.21		7,475.15		
Other Income (Expense)					
Total Nonoperating Revenue (Expenses)	7,432.21	-	(126,938.54)	-	-
Net Income (Loss) Before Operating Transfers	20,460.95	921.32	(99,789.43)	4,350.90	6,440.03
Operating Transfers In (Out)					
Net Operating Transfers	-	-	-	-	-
Net Income (Loss)	20,460.95	921.32	(99,789.43)	4,350.90	6,440.03
Retained Earnings at Beginning of Year	220,413.79	2,072.42	312,812.14	1,246.69	(132,959.49)
Decrease in Contributed Capital	2,538.74	-	1,955.82	8,320.74	-

Retained Earnings at End of Year	\$243,413.48	\$2,993.74	\$214,978.53	\$ 13,918.33	\$(126,519.46)
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF REVENUES, EXPENSES</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Private</b>			<b>Customer</b>	<b>Tuck-</b>
	<b>Sector</b>	<b>Decals</b>	<b>Housing</b>	<b>Model</b>	<b>Pointing</b>
Operating Revenue:					
Sales and Services	132,441.59	53,739.97		23,564.42	
Rent Income					
Other Revenue			-		-
Total Operating Revenue:	132,441.59	53,739.97	-	23,564.42	-
Cost of Goods Sold		38,312.91			
Gross Profit	132,441.59	15,427.06	-	23,564.42	-
Operating Expenses:					
Personal Services and Benefits	71,466.96	7,413.63		23,072.37	
Travel					
Inmate Labor	3,883.80	2,172.88			
Contractual Services	5,987.89	1,243.02		492.05	
Supplies	5,884.40	1,909.38			
Depreciation	8,160.04				
Other Expense	13,994.46	5,063.19			369.30
Fixed overhead Absorbed		(9,384.60)	_____	_____	_____
Total Operating Expenses	109,377.55	8,417.50	-	23,564.42	369.30
Operating Income (Loss)	23,064.04	7,009.56	-	-	(369.30)
Nonoperating Revenue (Expenses):					
Loss on Disposal of Assets	(23,899.15)				
Interest Income	7696.87	3,270.58			
Other Income (Expense)					
Total Nonoperating Revenue (Expenses)	(16,202.28)	3,270.58	_____	_____	_____
Net Income (Loss) Before Operating Transfers	6,861.76	10,280.14	-	-	(369.30)
Operating Transfers In (Out)					
Net Operating Transfers	_____	_____	_____	_____	_____
Net Income (Loss)	6,861.76	10,280.14	-	-	(369.30)
Retained Earnings at Beginning of Year	275,065.63	150,607.39			369.30
Decrease in Contributed Capital	4,338.76	_____	_____	_____	_____

Retained Earnings at End of Year	\$286,266.15	\$160,887.53	\$ -	\$ -	\$ -
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF REVENUES, EXPENSES</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Data</b>	<b>Embroi-</b>			
	<b>Entry</b>	<b>Dery</b>	<b>Total</b>		
Operating Revenue:					
Sales and Services	105,027.44		\$2,678,927.24		
Rent Income			\$ 47,222.40		
Other Revenue	-	-	\$ 4,696.99		
Total Operating Revenue:	105,027.44	-	2,730,846.63		
Cost of Goods Sold			2,067,572.65		
Gross Profit	105,027.44	-	663,273.98		
Operating Expenses:					
Personal Services and Benefits			586,755.55		
Travel			8,479.36		
Inmate Labor	12,944.03		42,166.64		
Contractual Services	96,141.22		257,744.77		
Supplies	900.45		60,003.49		
Depreciation	8,799.17		103,600.95		
Other Expense	11,097.73		(0.02)		
Fixed overhead Absorbed	_____	-	(633,022.86)		
Total Operating Expenses	129,882.60	-	425,727.88		
Operating Income (Loss)	(24,855.16)	-	237,546.10		
Nonoperating Revenue (Expenses):					
Loss on Disposal of Assets			(158,312.84)		
Interest Income			77,136.38		
Other Income (Expense)			_____		
Total Nonoperating Revenue (Expenses)	_____	-	(81,176.46)		
Net Income (Loss) Before Operating Transfers	(24,855.16)	-	156,369.64		
Operating Transfers In (Out)					
Net Operating Transfers			_____		
Net Income (Loss)	(24,855.16)	-	156,369.64		
Retained Earnings at Beginning of Year	(45,268.82)		2,726,458.17		
Decrease in Contributed Capital	_____	-	27,208.58		

Retained Earnings at End of Year	\$(70,123.98)	\$ -	\$2,910,036.39	
<b>STATE OF SOUTH DAKOTA</b>				
<b>DEPARTMENT OF CORRECTIONS</b>				
<b>PHEASANTLAND INDUSTRIES</b>				
<b>STATEMENT OF REVENUES, EXPENSES</b>				
<b>AND CHANGES IN RETAINED EARNINGS</b>				
<b>TWELVE MONTHS ENDED 06/30/00</b>				
Operating Revenue:	<b>Carpentry</b>	<b>Upholstery</b>	<b>Truck</b>	<b>Total</b>
Sales and Services	\$446,755.37	178,057.49	8,159.10	\$632,971.96
Rent Income				\$ -
Other Revenue				\$ -
Total Operating Revenue:	446,755.37	178,057.49	8,159.10	632,971.96
Cost of Goods Sold	<u>398,478.37</u>	<u>163,256.62</u>	0	<u>561,734.99</u>
Gross Profit	48,277.00	14,800.87	8,159.10	71,236.97
Operating Expenses:				
Personal Services and Benefits	144,613.55	40,441.55		185,055.10
Travel	382.78		6,864.60	7,247.38
Inmate Labor	1,663.02	1,588.09		3,251.11
Contractual Services	9,956.04	2,721.96	3,706.05	16,384.05
Supplies	9,278.57	631.56	40.41	9,950.54
Depreciation	4,782.86	954.60		5,737.46
Other Expense	49,576.12	19,758.91	-2451.96	66,883.07
Fixed overhead Absorbed	<u>(168,543.83)</u>	<u>(76,359.76)</u>	-	<u>(244,903.59)</u>
Total Operating Expenses	<u>51,709.11</u>	<u>(10,263.09)</u>	<u>8,159.10</u>	<u>49,605.12</u>
Operating Income (Loss)	(3,432.11)	25,063.96	-	21,631.85
Nonoperating Revenue (Expenses):				
Interest Income	2,228.44	2,522.32		4,750.76
Other Income (Expense)				-
Total Nonoperating Revenue (Expenses)	2,228.44	2,522.32	-	4,750.76
Net Income (Loss) Before Operating Transfers	(1,203.67)	27,586.28	(0.00)	26,382.61
Operating Transfers:				
Operating Transfers In/(Out)				
Net Operating Transfers	-	-	-	-
Net Income (Loss)	(1,203.67)	27,586.28	(0.00)	26,382.61
Retained Earnings at Beginning of Year	214,612.14	101,854.07		316,466.21
Decrease in Contributed Capital	<u>394.00</u>	<u>75.00</u>	-	469.00

Retained Earnings at End of Year	\$213,802.47	\$ 129,515.35	\$ (0.00)	\$343,317.82	
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF CASH FLOWS</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>FOR THE TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Admin.</b>	<b>License</b>		<b>Book-</b>	<b>Braille</b>
	<b>Office</b>	<b>Plate</b>	<b>Furniture</b>	<b>Bindery</b>	<b>Unit</b>
Cash Flows from Operating Activities:					
Operating Income (Loss)	(535.61)	216,707.87	26,382.61	(13,116.42)	2,629.98
Adjustments to Reconcile Operating Income to					
Net Cash Provided by Operating Activities:					
Depreciation	26,604.84	20,634.49	5,737.46	5,620.62	5,483.60
Decrease/(Increase) in Assets:					
Receivable	4,979.33	(111,632.33)	(67,627.22)	1,846.71	(6,953.47)
Due From Other Funds	(19,371.33)		(811.52)	(2,397.05)	
Prepaid Expenses			-		(12.46)
Inventory		168,038.56	(35,712.12)	(2,585.13)	829.86
Increase (Decrease) in Liabilities:					
Accounts Payable	(14.59)	140,714.75	14,610.48	(519.32)	1,223.27
Due to other Funds	533.06	60,647.86	6,625.89	(1,194.48)	(404.79)
Due to other Agencies	2,226.78	989.47	3,647.46	247.29	47.96
Salaries Payable	2,612.48	364.51	1,195.58	175.46	
Accrued Leave Liability	1,308.63	(73.10)	6,090.56	417.43	
Deferred Revenue	-	(298,760.36)	(4,639.90)		
Net Cash Provided (Used) by Operating Activities	18,343.59	197,631.72	(44,500.72)	(11,504.89)	2,843.95
Cash Flows from Capital and Related Financing					
Activities:					
Purchases of Capital Assets			(25,395.69)		
Sale of Capital Assets		-	-	-	-
Net Cash Provided (Used) by Capital and Related					
Financing Activities	-	-	(25,395.69)	-	-
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In			-		
Operating Transfers Out			-		
Other Expense			-		
Net Cash Provided (Used) by Noncapital			-		
Financing Activities:	-	-	-	-	-
Cash flows from Investing Activities:	-	-	-	-	-
Net Increase (Decrease) in Cash and Cash					
Equivalents During the Fiscal Year	18,343.59	197,631.72	(69,896.41)	(11,504.89)	2,843.95
Cash and Cash Equivalents at Beginning of Year	(323,961.11)	1,161,307.13	184,580.32	29092.89	53,088.23



Cash and Cash Equivalents at End of Year	(305,617.52)	1,358,938.85	114,683.91	17,588.00	55,932.18
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF CASH FLOWS</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>FOR THE TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Sign</b>	<b>Machine Shop</b>	<b>Agri-culture</b>	<b>Print</b>	<b>Garment</b>
Cash Flows from Operating Activities:					
Operating Income (Loss)	20,460.95	921.32	(99,789.43)	4,350.90	6,440.03
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	3,298.46	235.45	-	13,074.38	5,952.44
Decrease/(Increase) in Assets:					
Receivable	(1,619.96)	(2,444.99)	(335.67)	1,020.23	922.40
Due From Other Funds	829.35			(618.14)	1,352.47
Prepaid Expenses	(73.97)			(620.01)	
Inventory	3,859.66	1,957.53		(4,064.37)	23,130.40
Increase (Decrease) in Liabilities:					
Accounts Payable	(575.41)	(1,609.94)		410.96	(21,809.94)
Due to other Funds	(3,134.89)	(8.05)	(2,749.29)	(277.61)	(12,793.46)
Due to other Agencies	567.35	16.23	59.55	644.59	(259.25)
Salaries Payable	1,006.95			228.83	500.80
Accrued Leave Liability	1,420.04				1,668.20
Deferred Revenue					
Net Cash Provided (Used) by Operating Activities	26,038.53	(932.45)	(102,814.84)	14,149.76	5,104.09
Cash Flows from Capital and Related Financing Activities:					
Purchases of Capital Assets				(12,050.00)	
Sale of Capital Assets	-	-	-		
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	-	(12,050.00)	-
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In					
Operating Transfers Out			134,413.69		
Other Expense					
Net Cash Provided (Used) by Noncapital Financing Activities:			134,413.69		
Cash flows from Investing Activities:					
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	26,038.53	(932.45)	31,598.85	2,099.76	5,104.09
Cash and Cash Equivalents at Beginning of Year	198,618.70	(2,522.71)	195,578.33	(15,047.65)	(217,072.44)

Cash and Cash Equivalents at End of Year	<u>224,657.23</u>	<u>(3,455.16)</u>	<u>227,177.18</u>	<u>(12,947.89)</u>	<u>(211,968.35)</u>
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF CASH FLOWS</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>FOR THE TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Private</b>			<b>Customer</b>	<b>Tuck-</b>
	<b>Sector</b>	<b>Decals</b>	<b>Housing</b>	<b>Model</b>	<b>Pointing</b>
Cash Flows from Operating Activities:					
Operating Income (Loss)	6,861.76	10,280.14	-	-	(369.30)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	8,160.04	-	-	-	-
Decrease/(Increase) in Assets:					
Receivable	(12,058.43)	34,381.26	15,339.85	(11,915.55)	1,039.79
Due From Other Funds			38.50		
Prepaid Expenses	4,473.29				
Inventory		24,582.12			
Increase (Decrease) in Liabilities:					
Accounts Payable	(360.92)	5.27			
Due to other Funds	(131.23)	(16,977.44)			(13,169.30)
Due to other Agencies	169.14	(294.20)	(5,167.52)	306.09	
Salaries Payable	1,590.28	(18.02)		1,098.06	
Accrued Leave Liability	1,656.89				
Deferred Revenue					
Net Cash Provided (Used) by Operating Activities	<u>10,360.82</u>	<u>51,959.13</u>	<u>10,210.83</u>	<u>(10,511.40)</u>	<u>(12,498.81)</u>
Cash Flows from Capital and Related Financing Activities:					
Purchases of Capital Assets					
Sale of Capital Assets					
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In					
Operating Transfers Out	23899.15				
Other Expense					
Net Cash Provided (Used) by Noncapital Financing Activities:	<u>23,899.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from Investing Activities:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	34,259.97	51,959.13	10,210.83	(10,511.40)	(12,498.81)
Cash and Cash Equivalents at Beginning of Year	202,720.99	75,165.29	(10,210.83)		12,498.81

Cash and Cash Equivalents at End of Year	<u>236,980.96</u>	<u>127,124.42</u>	<u>-</u>	<u>(10,511.40)</u>	<u>-</u>
<b>STATE OF SOUTH DAKOTA</b>					
<b>DEPARTMENT OF CORRECTIONS</b>					
<b>PHEASANTLAND INDUSTRIES</b>					
<b>STATEMENT OF CASH FLOWS</b>					
<b>AND CHANGES IN RETAINED EARNINGS</b>					
<b>FOR THE TWELVE MONTHS ENDED 06/30/00</b>					
	<b>Data</b>				
	<b>Entry</b>	<b>Embroidery</b>	<b>Total</b>		
Cash Flows from Operating Activities:					
Operating Income (Loss)	(24,855.16)	-	156,369.64		
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
Depreciation	8,799.17	-	103,600.95		
Decrease/(Increase) in Assets:					
Receivable	2,511.15		(152,546.90)		
Due From Other Funds	979.37		(19,998.35)		
Prepaid Expenses			3,766.85		
Inventory			180,036.51		
Increase (Decrease) in Liabilities:					
Accounts Payable	20.31		132,094.92		
Due to other Funds	3,032.08		19,998.35		
Due to other Agencies	(837.39)	17.82	2,381.37		
Salaries Payable			8,754.93		
Accrued Leave Liability			12,488.65		
Deferred Revenue			(303,400.26)		
Net Cash Provided (Used) by Operating Activities	<u>(10,350.47)</u>	<u>17.82</u>	<u>143,546.66</u>		
Cash Flows from Capital and Related Financing Activities:					
Purchases of Capital Assets	(5,785.00)	(10,932.82)	(54,163.51)		
Sale of Capital Assets			-		
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,785.00)</u>	<u>(10,932.82)</u>	<u>(54,163.51)</u>		
Cash Flows from Noncapital Financing Activities:					
Operating Transfers In			-		
Operating Transfers Out			158,312.84		
Other Expense			-		
Net Cash Provided (Used) by Noncapital Financing Activities:	<u>-</u>	<u>-</u>	<u>158,312.84</u>		
Cash flows from Investing Activities:	<u>-</u>	<u>-</u>	<u>-</u>		
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(16,135.47)	(10,915.00)	247,695.99		
Cash and Cash Equivalents at Beginning of Year	(98,253.18)		1,445,582.77		

Cash and Cash Equivalents at End of Year	(114,388.65)	(10,915.00)	1,693,278.76	
<b>STATE OF SOUTH DAKOTA</b>				
<b>DEPARTMENT OF CORRECTIONS</b>				
<b>PHEASANTLAND INDUSTRIES</b>				
<b>STATEMENT OF CASH FLOWS</b>				
<b>AND CHANGES IN RETAINED EARNINGS</b>				
<b>FOR THE TWELVE MONTHS ENDED 06/30/00</b>				
	<b>Carpentry</b>	<b>Upholstery</b>	<b>Truck</b>	<b>Total</b>
Cash Flows from Operating Activities:				
Operating Income (Loss)	(1,203.67)	27,586.28	(0.00)	26,382.61
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	4,782.86	954.60	-	5,737.46
Decrease/(Increase) in Assets:				
Receivable	(75,913.99)	9,396.77	(1,110.00)	(67,627.22)
Due From Other Funds	(168.96)	1,086.79	(1,729.35)	(811.52)
Prepaid Expenses				-
Inventory	(31,146.22)	(4,565.90)		(35,712.12)
Increase (Decrease) in Liabilities:				
Accounts Payable	12,467.55	2,125.93	17.00	14,610.48
Due to other Funds	11,620.31	(4,970.01)	(24.41)	6,625.89
Due to other Agencies	3,189.62	177.23	280.61	3,647.46
Salaries Payable	814.39	381.19		1,195.58
Accrued Leave Liability	4,765.75	1,324.81		6,090.56
Deferred Revenue	(4,639.90)	-	0	(4,639.90)
Net Cash Provided (Used) by Operating Activities	(75,432.26)	33,497.69	(2,566.15)	(44,500.72)
Cash Flows from Capital and Related Financing Activities:				
Purchases of Capital Assets	(25,395.69)			(25,395.69)
Sale of Capital Assets				-
Net Cash Provided (Used) by Capital and Related Financing Activities	(25,395.69)	-	-	(25,395.69)
Cash Flows from Noncapital Financing Activities:				
Operating Transfers In				
Operating Transfers Out				
Other Expense				
Net Cash Provided (Used) by Noncapital Financing Activities:	-	-	-	-
Cash flows from Investing Activities:	-	-	-	-
Net Increase (Decrease) in Cash and Cash Equivalents During the Fiscal Year	(100,827.95)	33,497.69	(2,566.15)	(69,896.41)
Cash and Cash Equivalents at Beginning of Year	116,262.07	68,546.55	(228.30)	184,580.32

Cash and Cash Equivalents at End of Year	15,434.12	102,044.24	(2,794.45)	114,683.91