

| STATE OF SOUTH DAKOTA                   |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
|---|--------------------------|--------------------------|--------------------------|----------------------|--------------------------|-------------------------|----------------------|-------------------------|-----------------------|---------------------|
| DEPARTMENT OF CORRECTIONS               |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| PHEASANTLAND INDUSTRIES                 |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| STATEMENT OF NET ASSETS                 |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| 6/30/2004                               |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| <b>ASSETS</b>                           | <b>Admin.<br/>Office</b> | <b>Building<br/>Fund</b> | <b>License<br/>Plate</b> | <b>Furniture</b>     | <b>Book-<br/>Bindery</b> | <b>Braille<br/>Unit</b> | <b>Sign</b>          | <b>Machine<br/>Shop</b> | <b>Print</b>          | <b>Garment</b>      |
| Current Assets:                         |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Cash and Cash equivalents               | \$ (209,518.36)          | \$ (616,492.56)          | \$ 1,721,037.41          | \$ 292,845.87        | \$ 35,690.93             | \$ 83,994.30            | \$ 322,055.83        | \$ 26,750.54            | \$ (82,103.76)        | \$ (140,941.43)     |
| Receivables:                            |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Interest and Dividends                  |                          |                          | 32,126.74                | 5,843.46             | 518.07                   | 1,299.63                | 5,813.90             | 412.39                  |                       |                     |
| Other Funds                             | 258,597.15               |                          | -                        | 18,033.96            | 4,675.11                 |                         | 177.92               | -                       |                       | 9,442.70            |
| Component Units                         |                          | 2.61                     |                          | 36,628.00            |                          |                         | 171.53               |                         |                       |                     |
| Other                                   |                          | 382.25                   | -                        | 4,189.08             | 2,881.24                 | 9,736.13                | 1,672.41             | -                       | 2,519.41              | 1,033.53            |
| Other Governments                       | 33.76                    | 517.01                   | 82,723.11                | 7,541.14             | 209.41                   | 5,814.45                | 8,465.32             | 2,500.00                | 7,619.03              | 28,180.74           |
| Inventory                               | -                        | -                        | 241,447.31               | 129,093.91           | 11,729.25                | 5,779.10                | 21,157.06            | 2,754.53                | 25,700.17             | 150,839.26          |
| <b>Total Current Assets</b>             | <b>\$ 49,112.55</b>      | <b>\$ (615,590.69)</b>   | <b>\$ 2,077,334.57</b>   | <b>\$ 494,175.42</b> | <b>\$ 55,704.01</b>      | <b>\$ 106,623.61</b>    | <b>\$ 359,513.97</b> | <b>\$ 32,417.46</b>     | <b>\$ (46,265.15)</b> | <b>\$ 48,554.80</b> |
| Capital Assets:                         |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Construction In Progress                |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Buildings and Improvements              |                          | 719,301.72               | -                        | -                    |                          |                         |                      |                         |                       |                     |
| Accum Depreciation - Bldg.              |                          | (45,773.74)              | -                        | -                    |                          |                         |                      |                         |                       |                     |
| Equipment                               | 19,322.00                |                          | 461,231.50               | 50,389.00            | 36,536.75                | 5,215.00                | 15,490.00            |                         | 173,933.39            | 18,444.00           |
| Accum Depreciation - Equipment          | (19,322.00)              | -                        | (387,574.14)             | (11,538.93)          | (35,356.75)              | (2,173.00)              | (15,490.00)          | -                       | (91,437.73)           | (12,150.00)         |
| <b>Total Capital Assets</b>             | <b>-</b>                 | <b>673,527.98</b>        | <b>73,657.36</b>         | <b>38,850.07</b>     | <b>1,180.00</b>          | <b>3,042.00</b>         | <b>-</b>             | <b>-</b>                | <b>82,495.66</b>      | <b>6,294.00</b>     |
| Other Noncurrent Assets                 |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
|   | -                        | -                        | -                        | -                    | -                        | -                       | -                    | -                       | -                     | -                   |
| <b>Total Assets</b>                     | <b>\$ 49,112.55</b>      | <b>\$ 57,937.29</b>      | <b>\$ 2,150,991.93</b>   | <b>\$ 533,025.49</b> | <b>\$ 56,884.01</b>      | <b>\$ 109,665.61</b>    | <b>\$ 359,513.97</b> | <b>\$ 32,417.46</b>     | <b>\$ 36,230.51</b>   | <b>\$ 54,848.80</b> |
| <b>Liabilities</b>                      |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Current Liabilities                     |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Accounts Payable                        | \$ 1,047.30              |                          | \$ 5,530.92              | \$ 26,645.01         | \$ 4,399.87              | \$ 901.51               | \$ 67.50             | \$ 5,720.03             | \$ 3,744.52           | \$ 8,141.54         |
| Due to Other Funds                      | 68.60                    | 854.03                   | 56,774.76                | 79,993.92            | 3,327.90                 | 23,535.25               | 6,612.56             | 4,492.23                | 20,328.02             | 41,779.47           |
| Component Units                         | 2,807.90                 |                          | 959.10                   | 5,747.37             | 834.98                   | 1,285.28                | 2,229.73             | 253.53                  | 1,247.69              | 3,388.64            |
| Salaries Payable                        | 12,117.01                |                          | 2,959.44                 | 9,050.39             | 2,779.94                 |                         | 2,272.68             |                         | -                     | 2,476.73            |
| Deferred Revenue                        | -                        | -                        | -                        | 5,447.60             | -                        | -                       | -                    | -                       | -                     | 15,191.75           |
| <b>Total Current Liabilities</b>        | <b>16,040.81</b>         | <b>854.03</b>            | <b>66,224.22</b>         | <b>126,884.29</b>    | <b>11,342.69</b>         | <b>25,722.04</b>        | <b>11,182.47</b>     | <b>10,465.79</b>        | <b>25,320.23</b>      | <b>70,978.13</b>    |
| Noncurrent Liabilities                  |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Accrued Employee Benefits - LT          | 33,071.74                | -                        | 9,327.91                 | 22,873.73            | 9,004.00                 | -                       | 2,977.05             | -                       | 2,571.25              | 5,550.09            |
| <b>Total Liabilities</b>                | <b>49,112.55</b>         | <b>854.03</b>            | <b>75,552.13</b>         | <b>149,758.02</b>    | <b>20,346.69</b>         | <b>25,722.04</b>        | <b>14,159.52</b>     | <b>10,465.79</b>        | <b>27,891.48</b>      | <b>76,528.22</b>    |
| <b>Net Assets</b>                       |                          |                          |                          |                      |                          |                         |                      |                         |                       |                     |
| Unreserved Retained Earnings            | -                        | 57,083.26                | 2,075,439.80             | 383,267.47           | 36,537.32                | 83,943.57               | 345,354.45           | 21,951.67               | 8,339.03              | (21,679.42)         |
| <b>Total Net Assets</b>                 | <b>-</b>                 | <b>57,083.26</b>         | <b>2,075,439.80</b>      | <b>383,267.47</b>    | <b>36,537.32</b>         | <b>83,943.57</b>        | <b>345,354.45</b>    | <b>21,951.67</b>        | <b>8,339.03</b>       | <b>(21,679.42)</b>  |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 49,112.55</b>      | <b>\$ 57,937.29</b>      | <b>\$ 2,150,991.93</b>   | <b>\$ 533,025.49</b> | <b>\$ 56,884.01</b>      | <b>\$ 109,665.61</b>    | <b>\$ 359,513.97</b> | <b>\$ 32,417.46</b>     | <b>\$ 36,230.51</b>   | <b>\$ 54,848.80</b> |

| <b>STATE OF SOUTH DAKOTA</b>            |                       |                      |                      |                        |
|---|-----------------------|----------------------|----------------------|------------------------|
| <b>DEPARTMENT OF CORRECTION:</b>        |                       |                      |                      |                        |
| <b>PHEASANTLAND INDUSTRIES</b>          |                       |                      |                      |                        |
| <b>STATEMENT OF NET ASSETS</b>          |                       |                      |                      |                        |
| <b>6/30/2004</b>                        |                       |                      |                      |                        |
| <b>ASSETS</b>                           | <b>Private Sector</b> | <b>Decals</b>        | <b>Data Entry</b>    | <b>Total</b>           |
| <b>Current Assets:</b>                  |                       |                      |                      |                        |
| Cash and Cash equivalents               | \$ 153,387.23         | \$ 181,437.17        | \$ 104,092.31        | \$ 1,872,235.48        |
| <b>Receivables:</b>                     |                       |                      |                      |                        |
| Interest and Dividends                  | 2,860.58              | 3,080.79             | 1,066.20             | 53,021.76              |
| Other Funds                             | -                     | -                    | 1,475.46             | 292,402.30             |
| Component Units                         |                       |                      |                      | 36,802.14              |
| Other                                   | 64,900.66             | -                    |                      | 87,314.71              |
| Other Governments                       | 9,747.48              | 22,113.74            | 24,306.97            | 199,772.16             |
| Inventory                               | -                     | 6,283.17             | -                    | 594,783.76             |
| <b>Total Current Assets</b>             | <b>\$ 230,895.95</b>  | <b>\$ 212,914.87</b> | <b>\$ 130,940.94</b> | <b>\$ 3,136,332.31</b> |
| <b>Capital Assets:</b>                  |                       |                      |                      |                        |
| Construction In Progress                |                       |                      |                      | -                      |
| Buildings and Improvements              | 801,320.63            |                      |                      | 1,520,622.35           |
| Accum Depreciation - Bldg.              | (197,081.97)          |                      |                      | (242,855.71)           |
| Equipment                               |                       |                      |                      | 780,561.64             |
| Accum Depreciation - Equipment          | -                     | -                    | -                    | (575,042.55)           |
| <b>Total Capital Assets</b>             | <b>604,238.66</b>     | <b>-</b>             | <b>-</b>             | <b>1,483,285.73</b>    |
| <b>Other Noncurrent Assets</b>          | <b>3,093.97</b>       | <b>-</b>             | <b>-</b>             | <b>3,093.97</b>        |
| <b>Total Assets</b>                     | <b>\$ 838,228.58</b>  | <b>\$ 212,914.87</b> | <b>\$ 130,940.94</b> | <b>\$ 4,622,712.01</b> |
| <b>Liabilities</b>                      |                       |                      |                      |                        |
| <b>Current Liabilities</b>              |                       |                      |                      |                        |
| Accounts Payable                        | \$ 2,345.23           | \$ 9.30              | \$ 23,488.40         | \$ 82,041.13           |
| Due to Other Funds                      | 12,656.30             | 9,813.81             | 32,165.45            | 292,402.30             |
| Component Units                         | 984.47                | 429.85               | 4,414.44             | 24,582.98              |
| Salaries Payable                        | 5,198.34              |                      | -                    | 36,854.53              |
| Deferred Revenue                        | -                     | -                    | -                    | 20,639.35              |
| <b>Total Current Liabilities</b>        | <b>21,184.34</b>      | <b>10,252.96</b>     | <b>60,068.29</b>     | <b>456,520.29</b>      |
| <b>Noncurrent Liabilities</b>           |                       |                      |                      |                        |
| Accrued Employee Benefits - LT          | 13,075.24             | 1,268.14             | -                    | 99,719.15              |
| <b>Total Liabilities</b>                | <b>34,259.58</b>      | <b>11,521.10</b>     | <b>60,068.29</b>     | <b>556,239.44</b>      |
| <b>Net Assets</b>                       |                       |                      |                      |                        |
| Unreserved Retained Earnings            | 803,969.00            | 201,393.77           | 70,872.65            | 4,066,472.57           |
| <b>Total Net Assets</b>                 | <b>803,969.00</b>     | <b>201,393.77</b>    | <b>70,872.65</b>     | <b>4,066,472.57</b>    |
| <b>Total Liabilities and Net Assets</b> | <b>\$ 838,228.58</b>  | <b>\$ 212,914.87</b> | <b>\$ 130,940.94</b> | <b>\$ 4,622,712.01</b> |

| STATE OF SOUTH DAKOTA                    |                   |                 |                  |                  |                   |                |                 |                |              |                |
|--|-------------------|-----------------|------------------|------------------|-------------------|----------------|-----------------|----------------|--------------|----------------|
| DEPARTMENT OF CORRECTIONS                |                   |                 |                  |                  |                   |                |                 |                |              |                |
| PHEASANTLAND INDUSTRIES                  |                   |                 |                  |                  |                   |                |                 |                |              |                |
| STATEMENT OF REVENUES, EXPENSES          |                   |                 |                  |                  |                   |                |                 |                |              |                |
| AND CHANGES IN FUND NET ASSETS           |                   |                 |                  |                  |                   |                |                 |                |              |                |
| 6/30/2004                                |                   |                 |                  |                  |                   |                |                 |                |              |                |
|  | <u>Admin.</u>     | <u>Building</u> | <u>License</u>   |                  | <u>Book-</u>      | <u>Braille</u> |                 | <u>Machine</u> |              |                |
|  | <u>Office</u>     | <u>Fund</u>     | <u>Plate</u>     | <u>Furniture</u> | <u>Bindery</u>    | <u>Unit</u>    | <u>Sign</u>     | <u>Shop</u>    | <u>Print</u> | <u>Garment</u> |
| Operating Revenue:                       |                   |                 |                  |                  |                   |                |                 |                |              |                |
| Sales and Services                       | \$ 402.01         | \$ 7,046.98     | \$ 533,765.62    | \$ 554,251.41    | \$ 24,212.95      | 74,815.89      | 54,563.25       | 37,067.47      | 143,070.62   | 332,566.89     |
| Rent Income                              |                   |                 |                  | -                |                   |                |                 |                |              |                |
| Other Revenue                            | <u>259,273.42</u> | <u>-</u>        | <u>226.15</u>    | <u>2,783.44</u>  | <u>477.73</u>     | <u>-</u>       | <u>-</u>        | <u>-</u>       | <u>25.00</u> | <u>-</u>       |
| Total Operating Revenue:                 | 259,675.43        | 7,046.98        | 533,991.77       | 557,034.85       | 24,690.68         | 74,815.89      | 54,563.25       | 37,067.47      | 143,095.62   | 332,566.89     |
| Operating Expenses:                      |                   |                 |                  |                  |                   |                |                 |                |              |                |
| Personal Services and Benefits           | 199,053.72        |                 | 48,360.03        | 133,755.29       | 9,726.99          | 14,273.24      |                 |                | 28,186.54    | 40,160.31      |
| Travel                                   | 1,610.98          |                 |                  | 4,445.50         |                   |                |                 |                | -            | 277.54         |
| Inmate Labor                             | 3,384.01          |                 | 4,967.76         | 19,938.29        | 2,103.52          | 6,295.23       | 1240.98         | 1,758.96       | 5,091.08     | 14,002.14      |
| Contractual Services                     | 41,156.69         |                 | 17,136.60        | 12,660.90        | 2,379.67          | 1,681.41       | 4,286.65        | 244.22         | 9,000.65     | 2,750.74       |
| Supplies                                 | 12,859.81         |                 | 316,870.41       | 324,476.25       | 8,997.35          | 18,571.25      | 29,156.24       | 26,922.98      | 76,562.35    | 200,582.16     |
| Depreciation                             | 1,610.22          | 26,156.43       | 20,034.46        | 4,316.40         |                   | 1,043.04       |                 |                | 13,233.06    | -              |
| Other Expense                            | -                 | 854.03          | 56,774.76        | 69,844.56        | 2,934.38          | 9,066.99       | 6,612.56        | 4,492.23       | 17,338.83    | 40,304.01      |
| Fixed overhead Absorbed                  | <u>-</u>          |                 |                  | <u>-</u>         |                   |                |                 |                |              |                |
| Total Operating Expenses                 | 259,675.43        | 27,010.46       | 464,144.02       | 569,437.19       | 26,141.91         | 50,931.16      | 41,296.43       | 33,418.39      | 149,412.51   | 298,076.90     |
| Operating Income (Loss)                  | -                 | (19,963.48)     | 69,847.75        | (12,402.34)      | (1,451.23)        | 23,884.73      | 13,266.82       | 3,649.08       | (6,316.89)   | 34,489.99      |
| Nonoperating Revenue (Expenses):         |                   |                 |                  |                  |                   |                |                 |                |              |                |
| Loss on Disposal of Assets               |                   |                 |                  |                  | (4,750.00)        | (1,100.00)     |                 |                |              |                |
| Interest Income                          |                   |                 | 32,126.74        | 5,843.46         | 518.07            | 1,299.63       | 5,813.90        | 412.39         |              |                |
| Other Income (Expense)                   |                   |                 |                  | -                |                   |                |                 |                |              |                |
| Total Nonperating Revenue (Expenses)     | <u>-</u>          | <u>-</u>        | <u>32,126.74</u> | <u>5,843.46</u>  | <u>(4,231.93)</u> | <u>199.63</u>  | <u>5,813.90</u> | <u>412.39</u>  | <u>-</u>     | <u>-</u>       |
| Income (Loss) Before Operating Transfers | -                 | (19,963.48)     | 101,974.49       | (6,558.88)       | (5,683.16)        | 24,084.36      | 19,080.72       | 4,061.47       | (6,316.89)   | 34,489.99      |
| Transfers:                               |                   |                 |                  |                  |                   |                |                 |                |              |                |
| Transfers In                             |                   | 254,143.34      |                  |                  |                   |                |                 |                |              |                |
| Transfers Out                            |                   | -               | (242,802.70)     | (21,516.89)      | (2,965.23)        | (16,077.60)    | (28,611.56)     | (949.33)       | -            | -              |
| Net Transfers in (Out)                   | -                 | 254,143.34      | (242,802.70)     | (21,516.89)      | (2,965.23)        | (16,077.60)    | (28,611.56)     | (949.33)       | -            | -              |
| Change in Net Assets                     | -                 | 234,179.86      | (140,828.21)     | (28,075.77)      | (8,648.39)        | 8,006.76       | (9,530.84)      | 3,112.14       | (6,316.89)   | 34,489.99      |
| Net Assets at Beginning of Year          | -                 | (177,096.60)    | 2,216,268.01     | 411,343.24       | 45,185.71         | 75,936.81      | 354,885.29      | 18,839.53      | 14,655.92    | (56,169.41)    |
| Net Assets at End of Year                | \$ -              | \$ 57,083.26    | \$ 2,075,439.80  | \$ 383,267.47    | \$ 36,537.32      | \$ 83,943.57   | \$ 345,354.45   | \$ 21,951.67   | \$ 8,339.03  | \$ (21,679.42) |

|  |                      |                      |                     |                        |
|--|----------------------|----------------------|---------------------|------------------------|
| <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 FUND NET ASSETS</b>    |                      |                      |                     |                        |
| <b>6/30/2004</b>                         |                      |                      |                     |                        |
|  | <b>Private</b>       |                      | <b>Data</b>         |                        |
|  | <b>Sector</b>        | <b>Decals</b>        | <b>Entry</b>        | <b>Total</b>           |
| Operating Revenue:                       |                      |                      |                     |                        |
| Sales and Services                       | 104,432.95           | \$ 77,350.22         | 265,411.92          | \$ 2,208,958.18        |
| Rent Income                              |                      |                      |                     | \$ -                   |
| Other Revenue                            |                      |                      |                     | \$ 262,785.74          |
| Total Operating Revenue:                 | 104,432.95           | 77,350.22            | 265,411.92          | 2,471,743.92           |
| Operating Expenses:                      |                      |                      |                     |                        |
| Personal Services and Benefits           | 91,428.62            | 14,344.44            | -                   | 579,289.18             |
| Travel                                   |                      |                      | -                   | 6,334.02               |
| Inmate Labor                             |                      | 2,301.91             | 10,809.62           | 71,893.50              |
| Contractual Services                     | 1,711.70             | 2,676.31             | 154,539.45          | 250,224.99             |
| Supplies                                 | 13,051.77            | 39,710.91            | 502.36              | 1,068,263.84           |
| Depreciation                             | 29,678.52            |                      | -                   | 96,072.13              |
| Other Expense                            | 12,656.30            | 8,227.49             | 32,165.45           | 261,271.59             |
| Fixed overhead Absorbed                  |                      |                      | -                   | -                      |
| Total Operating Expenses                 | 148,526.91           | 67,261.06            | 198,016.88          | 2,333,349.25           |
| Operating Income (Loss)                  | (44,093.96)          | 10,089.16            | 67,395.04           | 138,394.67             |
| Nonoperating Revenue (Expenses):         |                      |                      |                     |                        |
| Loss on Disposal of Assets               |                      |                      |                     | (5,850.00)             |
| Interest Income                          | 2,860.58             | 3,080.79             | 1,066.20            | 53,021.76              |
| Other Income (Expense)                   |                      |                      |                     | -                      |
| Total Nonperating Revenue (Expenses)     | <u>2,860.58</u>      | <u>3,080.79</u>      | <u>1,066.20</u>     | <u>47,171.76</u>       |
| Income (Loss) Before Operating Transfers | (41,233.38)          | 13,169.95            | 68,461.24           | 185,566.43             |
| Transfers:                               |                      |                      |                     |                        |
| Transfers In                             |                      |                      |                     | 254,143.34             |
| Transfers Out                            | <u>(13,424.90)</u>   | <u>(14,864.41)</u>   | <u>(613.22)</u>     | <u>(341,825.84)</u>    |
| Net Transfers in (Out)                   | (13,424.90)          | (14,864.41)          | (613.22)            | (87,682.50)            |
| Change in Net Assets                     | (54,658.28)          | (1,694.46)           | 67,848.02           | 97,883.93              |
| Net Assets at Beginning of Year          | 858,627.28           | 203,088.23           | 3,024.63            | 3,968,588.64           |
| Net Assets at End of Year                | <u>\$ 803,969.00</u> | <u>\$ 201,393.77</u> | <u>\$ 70,872.65</u> | <u>\$ 4,066,472.57</u> |