

Pheasantland

I N D U S T R I E S



2018

Annual Report



January 8, 2019

Dear Governor Kristi Noem and Members of the 2019 Legislature:

Pursuant to SDCL 24-7-37, Pheasantland Industries has published its Annual Report for Fiscal Year 2018. 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 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 \$289,095 on sales of \$2,990,450 for Fiscal Year 2018. 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,

A handwritten signature in black ink that reads "Laurie Feiler". The signature is written in a cursive, flowing style.

Laurie Feiler
Interim 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 FY2019

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 2018, the Pheasantland Industries staff consisted of 16 FTE. The inmate work force totaled 217 inmates. In Fiscal Year 2018, Pheasantland Industries consisted of traditional prison industries: License Plates/Decals, Carpentry, Upholstery, Print/Bookbinding, Braille Shop/Tactile Graphics, Sign, Machine and Garments/Screen Printing. 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 \$.25-\$.80 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. 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: Builds kitchen and bathroom cabinets, vanities, counter tops, linen cabinets, trim, desks, credenzas, conference tables, bookshelves, chairs, bed frames and wardrobes. They also refurbish wood items such as church pews or antique furniture.

Upholstery Shop: Provides a full line of office seating, reupholsters all types of furniture in fabric, vinyl and leather, manufactures mattresses, sound proofing panels, towels, pet harnesses, sensory items 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/Laser Engraving 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 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. Current products include steel bed frames, belly chains, inmate clothing lockers, live traps, hand rails and hazardous materials cabinets.

Garment Shop: Manufactures khaki trousers and shirts, jackets, coveralls, boxers, blankets, sheets, safety green garments and T-shirts. They also offer silk screening and embroidery.

Data Entry Shop The shop closed at the end of the fiscal year 2017.

Shop Production Numbers for FY2017/FY2018

	FY2017	FY2018
License Plate Shop (SDSP)		
Decals for boats, snowmobiles, prorated tags and housing	45,471	15,135
Individual license plates	606,265	310,539
Carpentry Shop (SDSP)		
Sets of cabinets for the Governor's Housing Program and daycare centers	89	80
Faith Chests	133	146
Upholstery Shop (SDSP)		
Mattresses	1,104	1,400
Pillows	1,198	1,320
Bath towels	12,560	6,900
Chairs, recliners and sofas reupholstered	54	264
Stackable chairs assembled	12	0
Weight bench pads reupholstered	47	66
New office chairs assembled and upholstered	19	7
Print/Book Bindery Shop (SDSP)		
Printing impressions	6,412,593	6,808,107
Books refurbished	1,105	978
Individual business cards	697,040	455,600
Braille Transcription/Graphics Shop (SDSP)		
Pages of Braille, transcribed and printed	53,257	92,732
Tactile pages of graphics produced	1,245	3,859
Large print pages printed	133,821	9,280
Sign Shop (SDSP)		
Square feet of signage	89,166	87,683
Garment/Screen Print Shop (MDSP)		
Garments screened	26,058	25,667
Khaki pants	7,620	8,280
Khaki shirts	948	1,014
T-shirts	17,712	21,376
Boxer shorts	20,895	25,488
Fleece blankets, pillowcases, sheets	2,774	7,551
Kitchen pants, shirts and jackets	1,656	290
Navy pants	2,233	1,931
Safety green clothing	4,065	5,353
Black & white uniform	77	934
Data Entry and Scan Shop (Women's Prison)		
Keystrokes	204,988,205	0
Pages scanned	1,119,322	0
Machine Shop		
Beds	30	12
Flammable Cabinets	4	10
Live Trap	77	168

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 2018 Activities

Inmate wages paid in the private sector for FY 2018 was \$802,271. Fifty-five inmates employed in these industries paid out of their wages \$48,136 to the South Dakota Crime Victims' Compensation Fund, \$320,908 for incarceration costs, \$48,136 in a family support account, \$64,537 in federal taxes and \$61,371 in social security.

Private sector businesses operating during FY2018 included Metalcraft Industries, which has welding and machine tool operations at the Jameson Annex and a window component assembly line at the Penitentiary and Badlands Quilting, which does quilting operations at the Women's Prison in Pierre, SD. Metalcraft Industries and Badlands Quilting are a Prison Industries Enhanced Program so they must pay their inmate employees' wages that are comparable to local industry.

Outside FY 2018 Contracts

Pheasantland Industries during FY2018 contracted with:

- Metalcraft Industries for the Private Industries Enhancement Program
- Hope Haven Ministries for the Wheelchair Restoration Program (Community Service Program)
- Badlands Quilting for the Private Industries Enhancement Program

Pheasantland Industries’ total sales, operating income and net income (does not include non-operating revenue, i.e. interest income) since FY 2009 is as follows:

<u>Fiscal Year</u>			<u>Amount</u>	<u>% Income to Sales</u>
2018	Total Sales	\$	2,990,450	
	Operating Income	\$	289,095	9.67%
	Net Income	\$	86,238	

Transferred \$206,864 to General Fund

2017	Total Sales	\$	4,050,679	
	Operating Income	\$	426,530	10.53%
	Net Income	\$	(927,322)	

Transferred \$1,354,954 to General Fund

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

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

<u>Fiscal Year</u>			<u>Amount</u>	<u>% Income to Sales</u>
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

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

Statement of Net Position

STATE OF SOUTH DAKOTA						
DEPARTMENT OF CORRECTIONS						
PHEASANTLAND INDUSTRIES						
STATEMENT OF NET POSITION						
June 30, 2018						
	Admin. Office	License Plate	Carpentry	Upholstery	Books/ Print	Braille Unit
ASSETS						
Current Assets:						
Cash and Cash equivalents	\$ 290.13	\$ 501,037.01	\$ -	\$ 72.19	\$ 7.51	\$ -
Receivables:						
Interest and Dividends	157.20	1,808.66	-	125.90	13.10	-
Other Funds	288,325.87	316,118.25	14,239.14	84,796.85	43,449.04	4,340.74
Component Units	210.00	-	21,742.85	4.00	-	-
Other	5.09	-	2,317.55	7,012.42	4,390.10	31,219.32
Other Governments	211.72	95,341.55	1,159.00	3,063.23	1,395.08	65.00
Inventory	-	35,388.85	112,454.36	114,691.68	56,638.30	18,857.58
Total Current Assets	<u>289,200.01</u>	<u>949,694.32</u>	<u>151,912.90</u>	<u>209,766.27</u>	<u>105,893.13</u>	<u>54,482.64</u>
Other Restricted Assets	754.00	340.00	255.00	45.00	250.00	205.00
Capital Assets:						
Property, Plant and Equipment	801,612.16	276,273.38	135,299.96	-	169,643.39	58,165.13
Accumulated Deprecation	(489,722.18)	(252,941.38)	(76,598.02)	-	(107,519.09)	(25,158.18)
Total Capital Assets	<u>311,889.98</u>	<u>23,332.00</u>	<u>58,701.94</u>	<u>-</u>	<u>62,124.30</u>	<u>33,006.95</u>
Other Noncurrent Assets	4,942.60	68,524.05	-	-	-	-
Total Assets	<u>606,786.59</u>	<u>1,041,890.37</u>	<u>210,869.84</u>	<u>209,811.27</u>	<u>168,267.43</u>	<u>87,694.59</u>
Deferred Outflows of Resources						
Deferred Amount from Refunding of Bonds	12,092.00	5,446.00	4,089.00	713.00	4,002.00	3,289.00
Deferred Outflow Related to Pensions	70,217.00	31,632.00	23,743.00	4,141.00	23,238.00	19,100.00
Total Deferred Outflows or Resources	<u>82,309.00</u>	<u>37,078.00</u>	<u>27,832.00</u>	<u>4,854.00</u>	<u>27,240.00</u>	<u>22,389.00</u>
Liabilities						
Current Liabilities						
Accounts Payable	823.22	1,711.98	9,306.29	9,746.38	5,169.64	1,436.22
Due to Other Funds	725,277.34	98,642.50	145,787.12	25,465.57	38,193.84	46,314.33
Component Units	4,660.90	1,050.01	3,810.73	1,791.82	4,025.92	6,133.36
Salaries Payable	13,094.78	3,992.04	4,163.61	2,921.71	4,191.27	4,559.98
Benefits Payable	20,190.57	11,405.26	3,815.28	1,410.13	3,635.57	57.43
Deferred Revenue	-	-	-	7,500.00	-	-
Net Pension Liability	-	-	-	-	-	-
Total Current Liabilities	<u>764,046.81</u>	<u>116,801.79</u>	<u>166,883.03</u>	<u>48,835.61</u>	<u>55,216.24</u>	<u>58,501.32</u>
Noncurrent Liabilities						
Accrued Employee Benefits - LT	17,840.26	10,077.61	3,371.15	1,245.98	3,212.37	50.74
Total Liabilities	<u>781,887.07</u>	<u>126,879.40</u>	<u>170,254.18</u>	<u>50,081.59</u>	<u>58,428.61</u>	<u>58,552.06</u>
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	14,707.00	6,625.00	4,973.00	868.00	4,868.00	3,999.00
Total Deferred Inflows or Resources	<u>14,707.00</u>	<u>6,625.00</u>	<u>4,973.00</u>	<u>868.00</u>	<u>4,868.00</u>	<u>3,999.00</u>
Net Position						
Unreserved Retained Earnings	(107,498.48)	945,463.97	63,474.66	163,715.68	132,210.82	47,532.53
Total Net Position	<u>\$(107,498.48)</u>	<u>\$ 945,463.97</u>	<u>\$ 63,474.66</u>	<u>\$ 163,715.68</u>	<u>\$ 132,210.82</u>	<u>\$ 47,532.53</u>

Statement of Net Position (continued)

STATE OF SOUTH DAKOTA DEPARTMENT OF CORRECTIONS PHEASANTLAND INDUSTRIES STATEMENT OF NET POSITION June 30, 2018						
	Sign	Machine Shop	Garment	Private Sector	Data Entry	Total
ASSETS						
Current Assets:						
Cash and Cash equivalents	\$ 77.83	\$ -	\$ 135.93	\$ 424.95	\$ -	\$ 502,045.55
Receivables:						
Interest and Dividends	135.75	-	237.08	741.17	-	3,218.86
Other Funds	80,225.03	4,074.79	210,983.72	478,389.54	-	1,524,942.97
Component Units	-	-	90.74	-	-	22,047.59
Other	4,464.04	1,077.82	8,436.42	11,633.73	-	70,556.49
Other Governments	4,763.88	5,709.90	5,792.64	47,963.75	-	165,465.75
Inventory	47,165.16	34,657.29	369,774.70	-	-	789,627.92
Total Current Assets	<u>136,831.69</u>	<u>45,519.80</u>	<u>595,451.23</u>	<u>539,153.14</u>	<u>-</u>	<u>3,077,905.13</u>
Other Restricted Assets	80.00	254.00	194.00	650.00	-	3,027.00
Capital Assets:						
Property, Plant and Equipment	5,215.00	20,725.50	17,275.00	801,320.63	-	2,285,530.15
Accumulated Depreciation	<u>(5,215.00)</u>	<u>(15,882.39)</u>	<u>(17,275.00)</u>	<u>(612,581.56)</u>	<u>-</u>	<u>(1,602,892.80)</u>
Total Capital Assets	<u>-</u>	<u>4,843.11</u>	<u>-</u>	<u>188,739.07</u>	<u>-</u>	<u>682,637.35</u>
Other Noncurrent Assets	-	-	-	-	-	73,466.65
Total Assets	<u>136,911.69</u>	<u>50,616.91</u>	<u>595,645.23</u>	<u>728,542.21</u>	<u>-</u>	<u>3,837,036.13</u>
Deferred Outflows of Resources						
Deferred Amount from Refunding of Bonds	1,281.00	4,075.00	3,109.00	10,409.00	-	48,505.00
Deferred Outflow Related to Pensions	<u>7,436.00</u>	<u>23,661.00</u>	<u>18,054.00</u>	<u>60,444.00</u>	<u>-</u>	<u>281,666.00</u>
Total Deferred Outflows or Resources	<u>8,717.00</u>	<u>27,736.00</u>	<u>21,163.00</u>	<u>70,853.00</u>	<u>-</u>	<u>330,171.00</u>
Liabilities						
Current Liabilities						
Accounts Payable	391.49	3,078.99	3,504.70	-	-	35,168.91
Due to Other Funds	20,119.10	271,684.01	64,622.97	88,836.19	-	1,524,942.97
Component Units	4,475.77	2,085.09	3,838.71	1,735.01	-	33,607.32
Salaries Payable	4,103.91	5,389.67	3,180.05	5,048.64	-	50,645.66
Benefits Payable	1,586.16	3,358.90	4,367.77	6,746.99	-	56,574.06
Deferred Revenue	-	-	-	-	-	7,500.00
Net Pension Liability	-	-	-	-	-	-
Total Current Liabilities	<u>30,676.43</u>	<u>285,596.66</u>	<u>79,514.20</u>	<u>102,366.83</u>	<u>-</u>	<u>1,708,438.92</u>
Noncurrent Liabilities						
Accrued Employee Benefits - LT	<u>1,401.52</u>	<u>2,967.90</u>	<u>3,859.33</u>	<u>5,961.59</u>	<u>-</u>	<u>49,988.45</u>
Total Liabilities	<u>32,077.95</u>	<u>288,564.56</u>	<u>83,373.53</u>	<u>108,328.42</u>	<u>-</u>	<u>1,758,427.37</u>
Deferred Inflows of Resources						
Deferred Inflow Related to Pensions	<u>1,558.00</u>	<u>4,956.00</u>	<u>3,782.00</u>	<u>12,662.00</u>	<u>-</u>	<u>58,998.00</u>
Total Deferred Inflows or Resources	<u>1,558.00</u>	<u>4,956.00</u>	<u>3,782.00</u>	<u>12,662.00</u>	<u>-</u>	<u>58,998.00</u>
Net Position						
Unreserved Retained Earnings	111,992.74	(215,167.65)	529,652.70	678,404.79	-	2,349,781.76
Total Net Position	<u>\$ 111,992.74</u>	<u>\$ (215,167.65)</u>	<u>\$ 529,652.70</u>	<u>\$ 678,404.79</u>	<u>\$ -</u>	<u>\$ 2,349,781.76</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, 2018						
	Admin.	License			Books/	Braille
	Office	Plate	Carpentry	Upholstery	Print	Unit
Operating Revenue:						
Sales and Services	\$ 21,681.61	\$ 1,093,877.43	\$ 370,443.94	\$ 161,947.65	\$ 274,545.46	\$ 112,557.69
Rent Revenue		-	-	-	-	-
Total Operating Revenue:	<u>21,681.61</u>	<u>1,093,877.43</u>	<u>370,443.94</u>	<u>161,947.65</u>	<u>274,545.46</u>	<u>112,557.69</u>
Operating Expenses:						
Personal Services and Benefits	231,818.45	63,652.16	101,895.54	25,087.63	63,218.90	67,159.99
Travel	11,950.59	-	-	-	-	-
Contractual Services	38,473.07	10,707.68	23,213.67	11,498.59	52,105.90	47,817.03
Supplies	15,280.22	776,451.36	233,851.40	115,304.59	91,899.78	37,979.25
Depreciation	27,510.87	1,744.06	7,574.44	-	962.70	2,089.05
Other Expense	(286,753.24)	98,642.50	37,270.58	16,293.65	27,622.18	11,324.50
Total Operating Expenses	<u>38,279.96</u>	<u>951,197.76</u>	<u>403,805.63</u>	<u>168,184.46</u>	<u>235,809.46</u>	<u>166,369.82</u>
Operating Income (Loss)	(16,598.35)	142,679.67	(33,361.69)	(6,236.81)	38,736.00	(53,812.13)
Nonoperating Revenue (Expenses):						
Interest Income	137.32	2,409.20	-	167.14	9.56	(64.76)
Other Income (Expense)	(7.76)	(89.32)	-	(6.21)	(0.64)	-
Total Nonoperating Revenue (Expenses)	<u>129.56</u>	<u>2,319.88</u>	<u>-</u>	<u>160.93</u>	<u>8.92</u>	<u>(64.76)</u>
Income (Loss) Before Transfers	(16,468.79)	144,999.55	(33,361.69)	(6,075.88)	38,744.92	(53,876.89)
Transfers:						
Transfers In	434.73	37,686.14	14,239.14	6,224.95	10,552.99	4,326.50
Transfers Out	-	(106,266.06)	-	(9,171.92)	(3,052.31)	-
Net Transfers in (Out)	<u>434.73</u>	<u>(68,579.92)</u>	<u>14,239.14</u>	<u>(2,946.97)</u>	<u>7,500.68</u>	<u>4,326.50</u>
Change in Net Position	(16,034.06)	76,419.63	(19,122.55)	(9,022.85)	46,245.60	(49,550.39)
Net Position at Beginning of Year	(91,464.42)	869,044.34	82,597.21	172,738.53	85,965.22	97,082.92
Net Position at End of Year	<u>\$ (107,498.48)</u>	<u>\$ 945,463.97</u>	<u>\$ 63,474.66</u>	<u>\$ 163,715.68</u>	<u>\$ 132,210.82</u>	<u>\$ 47,532.53</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, 2018						
	Sign	Machine Shop	Garment	Private Sector	Data Entry	Total
Operating Revenue:						
Sales and Services	\$ 108,495.58	\$ 104,023.83	\$ 410,841.24	\$ 326,420.85	\$ 5,200.00	\$ 2,990,035.28
Rent Revenue	-	-	-	415.00	-	415.00
Total Operating Revenue:	<u>108,495.58</u>	<u>104,023.83</u>	<u>410,841.24</u>	<u>326,835.85</u>	<u>5,200.00</u>	<u>2,990,450.28</u>
Operating Expenses:						
Personal Services and Benefits	14,559.96	67,565.13	42,402.32	78,249.53	-	755,609.61
Travel	-	-	-	-	-	11,950.59
Contractual Services	11,971.48	12,071.52	22,364.51	7,989.70	5,200.00	243,413.15
Supplies	66,360.44	62,962.92	214,972.94	4,549.06	-	1,619,611.96
Depreciation	-	1,210.79	-	29,678.53	-	70,770.44
Other Expense	10,915.80	10,465.90	41,334.98	32,883.15	-	-
Total Operating Expenses	<u>103,807.68</u>	<u>154,276.26</u>	<u>321,074.75</u>	<u>153,349.97</u>	<u>5,200.00</u>	<u>2,701,355.75</u>
Operating Income (Loss)	4,687.90	(50,252.43)	89,766.49	173,485.88	-	289,094.53
Nonoperating Revenue (Expenses):						
Interest Income	169.51	-	326.86	1,011.35	-	4,166.18
Other Income (Expense)	(6.70)	-	(11.70)	(36.63)	-	(158.96)
Total Nonoperating Revenue (Expenses)	<u>162.81</u>	<u>-</u>	<u>315.16</u>	<u>974.72</u>	<u>-</u>	<u>4,007.22</u>
Income (Loss) Before Transfers	4,850.71	(50,252.43)	90,081.65	174,460.60	-	293,101.75
Transfers:						
Transfers In	4,170.36	3,998.47	15,791.93	12,562.93		109,988.14
Transfers Out	(9,132.90)	-	(23,287.99)	(55,953.04)	(109,988.14)	(316,852.36)
Net Transfers in (Out)	<u>(4,962.54)</u>	<u>3,998.47</u>	<u>(7,496.06)</u>	<u>(43,390.11)</u>	<u>(109,988.14)</u>	<u>(206,864.22)</u>
Change in Net Position	(111.83)	(46,253.96)	82,585.59	131,070.49	(109,988.14)	86,237.53
Net Position at Beginning of Year	112,104.57	(168,913.69)	447,067.11	547,334.30	109,988.14	2,263,544.23
Net Position at End of Year	<u>\$ 111,992.74</u>	<u>\$ (215,167.65)</u>	<u>\$ 529,652.70</u>	<u>\$ 678,404.79</u>	<u>\$ -</u>	<u>\$ 2,349,781.76</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, 2018						
	Admin.	License			Books/	
	Office	Plate	Carpentry	Upholstery	Print	Braille
Cash Flows From Operating Activities						
Receipts From Customers And Users	\$ 14,508.60	\$ -	\$ 363,434.05	\$ 39,946.91	\$ 82,067.28	\$ 83,869.62
Receipts from Interfund Services Provided	351,506.97	2,700,249.40	121,334.16	184,702.11	226,556.00	119,364.47
Payments to Supplies	(32,376.35)	(825,443.39)	(217,960.41)	(109,101.50)	(132,241.07)	(63,138.50)
Payments for Employee Services	(285,167.28)	(74,486.78)	(114,462.44)	(24,267.88)	(72,143.19)	(78,271.87)
Payments for Interfund Services Used	(36,499.49)	(1,742,571.70)	(166,918.40)	(89,098.24)	(60,618.18)	(36,408.00)
Net Cash Provided (Used) by Operating Activities	<u>11,972.45</u>	<u>57,747.53</u>	<u>(14,573.04)</u>	<u>2,181.40</u>	<u>43,620.84</u>	<u>25,415.72</u>
Cash Flows From Capital And Related Financing Activities:						
Purchase of Fixed Assets	(13,051.00)	-	-	-	(52,183.00)	(35,096.00)
Sales of Fixed Assets	-	-	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(13,051.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,183.00)</u>	<u>(35,096.00)</u>
Cash Flows from Noncapital Financing Activities						
Transfers In	434.73	37,686.14	14,239.14	6,224.95	10,552.99	4,326.50
Transfers Out	-	(106,266.06)	-	(9,171.92)	(3,052.31)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>434.73</u>	<u>(68,579.92)</u>	<u>14,239.14</u>	<u>(2,946.97)</u>	<u>7,500.68</u>	<u>4,326.50</u>
Cash Flows From Investing Activities						
Investment Income	159.49	3,275.59	-	230.30	55.95	264.69
Investment Expense	(7.76)	(89.32)	-	(6.21)	(0.64)	-
Net Cash Provided (Used) by Investing Activities	<u>151.73</u>	<u>3,186.27</u>	<u>-</u>	<u>224.09</u>	<u>55.31</u>	<u>264.69</u>
Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year	(492.09)	(7,646.12)	(333.90)	(541.48)	(1,006.17)	(5,089.09)
Cash and Cash Equivalents at Beginning of Year	782.22	508,683.13	333.90	613.67	1,013.68	5,089.09
Cash and Cash Equivalents at End of Year	<u>\$ 290.13</u>	<u>\$ 501,037.01</u>	<u>\$ -</u>	<u>\$ 72.19</u>	<u>\$ 7.51</u>	<u>\$ -</u>

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, 2018						
	Sign	Machine	Garment	Private Sector	Data Entry	Total
Cash Flows From Operating Activities						
Receipts From Customers And Users	\$ 49,171.28	\$ 41,881.54	\$ 87,057.73	\$ 12,039.05	\$ -	\$ 773,976.06
Receipts from Interfund Services Provided	125,480.31	299,120.29	440,658.70	585,937.98	143,389.40	5,298,299.79
Payments to Supplies	(60,897.25)	(57,603.87)	(252,671.62)	(11,283.27)	(13,548.65)	(1,776,265.88)
Payments for Employee Services	(16,838.69)	(79,413.86)	(50,046.47)	(104,852.47)	-	(899,950.93)
Payments for Interfund Services Used	(93,373.26)	(207,982.57)	(223,487.06)	(446,418.86)	(21,634.91)	(3,125,010.67)
Net Cash Provided (Used) by Operating Activities	<u>3,542.39</u>	<u>(3,998.47)</u>	<u>1,511.28</u>	<u>35,422.43</u>	<u>108,205.84</u>	<u>271,048.37</u>
Cash Flows From Capital And Related Financing Activities:						
Purchase of Fixed Assets	-	-	-	-	-	(100,330.00)
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>(100,330.00)</u>
Cash Flows from Noncapital Financing Activities						
Transfers In	4,170.36	3,998.47	15,791.93	12,562.93	-	109,988.14
Transfers Out	(9,132.90)	-	(23,287.99)	(55,953.04)	(109,988.14)	(316,852.36)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(4,962.54)</u>	<u>3,998.47</u>	<u>(7,496.06)</u>	<u>(43,390.11)</u>	<u>(109,988.14)</u>	<u>(206,864.22)</u>
Cash Flows From Investing Activities						
Investment Income	292.04	-	384.10	1,243.98	419.76	6,325.90
Investment Expense	(6.70)	-	(11.70)	(36.63)	-	(158.96)
Net Cash Provided (Used) by Investing Activities	<u>285.34</u>	<u>-</u>	<u>372.40</u>	<u>1,207.35</u>	<u>419.76</u>	<u>6,166.94</u>
Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year	<u>(1,134.81)</u>	<u>-</u>	<u>(5,612.38)</u>	<u>(6,760.33)</u>	<u>(1,362.54)</u>	<u>(29,978.91)</u>
Cash and Cash Equivalents at Beginning of Year	1,212.64	-	5,748.31	7,185.28	1,362.54	532,024.46
Cash and Cash Equivalents at End of Year	<u>\$ 77.83</u>	<u>\$ -</u>	<u>\$ 135.93</u>	<u>\$ 424.95</u>	<u>\$ -</u>	<u>\$ 502,045.55</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, 2018						
	Admin.	License			Books/	
	Office	Plate	Carpentry	Upholstery	Print	Braille
Reconciliation of Operating Income (Loss) To						
Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ (16,598.35)	\$ 142,679.67	\$ (33,361.69)	\$ (6,236.81)	\$ 38,736.00	\$ (53,812.13)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation Expense	27,510.87	1,744.06	7,574.44	-	962.70	2,089.05
Miscellaneous Non Operating Revenue	-	-	-	-	-	-
Decrease/(Increase) in Assets:						
Accounts Receivable	(5.09)		1,757.06	2,321.14	1,633.73	(18,870.25)
Due From Other Funds	55,831.31	707,778.42	(14,239.14)	(24,776.54)	6,154.98	75,475.18
Due From Component	849.88	-	26,980.72	(4.00)	202.50	-
Due From other Agency	(211.72)	120,161.44	(1,159.00)	6,452.77	(310.32)	(65.00)
Prepaid Expense	96.33	(68,524.05)	-	-	-	-
Decrease In Inventory	-	(679.15)	10,307.28	(2.96)	(5,329.33)	(1,871.88)
Decrease In Net Pension Asset	(754.00)	(340.00)	(255.00)	(45.00)	(250.00)	(205.00)
Increase/(Decrease) in Deferred Outflow of Resources						
Deferred Amount from Refunding of Bonds	(2,664.00)	(1,199.00)	(901.00)	(157.00)	(881.00)	(724.00)
Deferred outflow of Resources Related to Pensions	(13,609.00)	(6,133.00)	(4,602.00)	(803.00)	(4,506.00)	(3,701.00)
Increase/(Decrease) in Liabilities:						
Accounts Payable	(803.08)	22,637.24	4,752.23	9,683.96	(398.85)	(5,870.46)
Accrued Liabilities	(2,165.93)	(185.74)	(3,230.57)	(2,920.19)	311.89	4,145.98
Compensated Absences Payable	(21,334.90)	2,797.12	(1,031.73)	(54.08)	641.82	108.17
Deferred Revenue	-	-	(5,400.00)	7,500.00	-	-
Due to other funds	(2,246.30)	(857,342.52)	2,470.78	11,592.87	9,536.28	29,177.70
Due to Other Agencies	897.43	127.04	99.58	385.24	1,357.44	3,029.36
Net Pension Liability	-	-	-	-	-	-
Deferred Inflow	(12,821.00)	(5,774.00)	(4,335.00)	(755.00)	(4,241.00)	(3,490.00)
Net Cash Provided (Used) by Operating						
Activities	\$ 11,972.45	\$ 57,747.53	\$ (14,573.04)	\$ 2,181.40	\$ 43,620.84	\$ 25,415.72

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, 2018						
	Sign	Machine	Garment	Private Sector	Data Entry	Total
Reconciliation of Operating Income (Loss) To						
Net Cash Provided by Operating Activities						
Operating Income (Loss)	\$ 4,687.90	\$ (50,252.43)	\$ 89,766.49	\$173,485.88	\$ -	289,094.53
Adjustments to Reconcile Operating Income (Loss):						
Depreciation Expense	-	1,210.79	-	29,678.53	-	70,770.44
Miscellaneous Non Operating Revenue	-	-	-	-	-	-
Decrease/(Increase) in Assets:						
Accounts Receivable	(77.49)	(1,077.82)	(5,218.74)	1,362.29	-	(18,175.17)
Due From Other Funds	(6,025.17)	(4,074.79)	(78,333.83)	(189,365.95)	118,411.32	646,835.79
Due From Component	6.70	-	(90.74)	-	-	27,945.06
Due From other Agency	(610.35)	(5,673.66)	6,282.70	(11,516.03)	19,778.08	133,128.91
Prepaid Expense	-	-	-	-	-	(68,427.72)
Decrease In Inventory	211.42	2,784.81	(34,363.84)	-	-	(28,943.65)
Decrease In Net Pension Asset	(80.00)	(254.00)	(194.00)	(650.00)	-	(3,027.00)
Increase/(Decrease) in Deferred Outflow of Resources						
Deferred Amount from Refunding of Bonds	(283.00)	(898.00)	(685.00)	(2,293.00)	-	(10,685.00)
Deferred outflow of Resources Related to Pensions	(1,441.00)	(4,587.00)	(3,500.00)	(11,716.00)	-	(54,598.00)
Increase/(Decrease) in Liabilities:						
Accounts Payable	247.46	2,592.00	(1,054.97)	(2,320.79)	(8,348.65)	21,116.09
Accrued Liabilities	(92.86)	203.51	(143.69)	(814.58)	-	(4,892.18)
Compensated Absences Payable	51.57	(1,994.24)	269.93	(95.36)	-	(20,641.70)
Deferred Revenue	(2,839.98)	(13,404.04)	-	-	-	(14,144.02)
Due to other funds	11,252.16	75,059.02	31,184.60	60,231.07	(17,751.45)	(646,835.79)
Due to Other Agencies	(107.97)	686.38	887.37	470.37	(3,883.46)	3,948.78
Net Pension Liability	-	-	-	-	-	-
Deferred Inflow	(1,357.00)	(4,319.00)	(3,295.00)	(11,034.00)	-	(51,421.00)
Net Cash Provided (Used) by Operating Activities	\$ 3,542.39	\$ (3,998.47)	\$ 1,511.28	\$ 35,422.43	\$108,205.84	\$ 271,048.37



15 copies of this publication were printed at a cost of \$2.90 per copy.
Design and Printing by Pheasantland Industries at the South Dakota State Penitentiary.