



# 2019

*Annual Report*



# Our Mission

## Our Mission

Pheasantland Industries is an enterprise fund within the South Dakota Department of Corrections that offers more than just great products and exceptional service. We take pride in our workforce by supporting pathways to instill marketable job skills by providing the training, development and dedication required in creating unique products for our customers.



*Made with Pride on the Inside.*



January 14, 2020

Dear Governor Kristi Noem and Members of the 2020 Legislature:

Pursuant to SDCL 24-7-37, Pheasantland Industries has published its Annual Report for Fiscal Year 2019. 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 \$354,705 on sales of \$3,607,335 for Fiscal Year 2019. 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 blue ink that reads "Mike Leidholt". The signature is written in a cursive, flowing style.

Mike Leidholt  
Secretary of Corrections

## Pheasantland Industries

can trace its roots back to 1890, when funds were appropriated to establish the first permanent correctional industry in South Dakota, a knitting shop.

# About Us

**At the close of Fiscal Year 2019,** our team consisted of 16 full-time employees, an inmate workforce of 247, eight traditional prison industries, and three private industry partnerships at the South Dakota State Penitentiary in Sioux Falls, Mike Durfee State Prison in Springfield, and the South Dakota Women's Prison in Pierre.

Even though Pheasantland operates as a business within a secure environment, we are committed to supporting a diverse workforce with marketable job skills and a solid work ethic learned here that will prove useful for successful reentry into their communities, and to producing high-quality products and services for our customers.



## Industries

Today, Pheasantland Industries oversees the following shops: Braille, Carpentry, Garment and Embroidery, License Plates, Metal, Print, Sign and Upholstery. Except for the Garment shop in Springfield and the recently expanded embroidery operation in Pierre, all traditional industries and our main office are based at the State Penitentiary campus in Sioux Falls.



**Our hours of operation are Monday through Friday, 7:30 am to 3:30 pm.**



## Customers

By policy, products and services of Pheasantland Industries are available for sale only to government entities, state employees, schools, churches, and other non-profit organizations operating in South Dakota.

# Workers



- BRILLE
- CARPENTRY/UPHOLSTERY
- GARMENT/EMBROIDERY
- LICENSE PLATES
- METAL
- PRINT
- SIGNS
- METALCRAFT\*
- BADLANDS QUILTING
- PI SUPPORT

\*Under the federal guidelines, inmates who work in PS/PIE programs must be paid the prevailing wage.



## Benefits

### PATHWAYS TO OPPORTUNITY

Through on-the-job training our workers develop tangible skills they can use upon release, but just as important, we strive to teach them "soft skills." Those skills include a good work ethic, interaction with other employees and pride in their work.

### EARLY RELEASE

With the establishment of Early Discharge Credits (EDCs) in 2018, Pheasantland workers were given an additional incentive to work by actually earning time off their sentence.

### PAY SCALE\*

- All workers start at \$0.25/hr.
- \$0.30/hr.- After 90 days.
- \$0.40/hr.- After 6 months.
- \$0.50/hr.- Selection as a lead worker.
- \$0.70/hr.- Top hourly rate under previous policy.

\*All workers hired after December 2001 earn \$0.25-\$0.50/hr.

# Private Industry

## 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 (PS/PIE). 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.



### FY 19 Numbers

**3** number of contracts with outside enterprises

**59** number of workers employed by PS/PIE program contracts

**\$59,290**

contributed to the South Dakota Crime Victims' Compensation Fund from private sector workers' wages

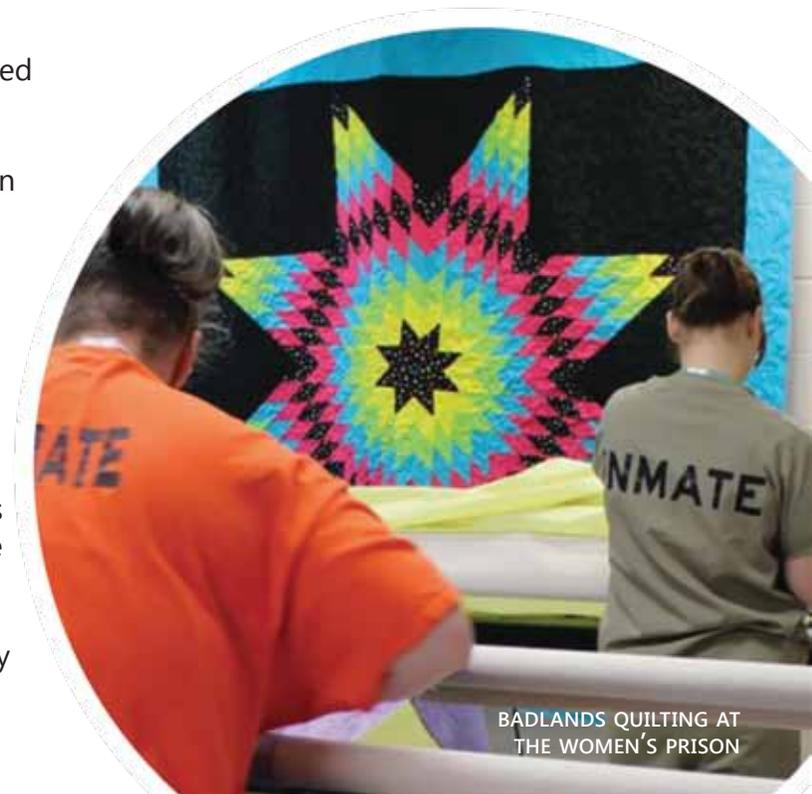
## Ⓢ Prevailing Wage

Federal law requires that inmates working for private industry must be paid prevailing, local market wages for the type of work performed.

## Private Industry FY 2019 Activities

Inmate wages paid in the private sector for FY 2019 was \$990,331. Fifty-nine inmates employed in these industries paid out of their wages \$59,290 to the South Dakota Crime Victims' Compensation Fund, \$396,132 for incarceration costs, \$59,290 in a family support account, \$72,145 in federal taxes and \$75,739 in social security.

Private sector businesses operating during FY2019 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.



BADLANDS QUILTING AT THE WOMEN'S PRISON

## Outside Contracts

### In FY19 Pheasantland Industries contracted with:

- Metalcraft Industries for the PS/PIE program
- Hope Haven Ministries for the Wheelchair Restoration Program (Community Service Program)
- Badlands Quilting for the PS/PIE program

### ▲ EXHIBIT SET PIECES

Badlands Quilting was approved as a PS/PIE program in December 2017. Here, inmates at the Women's Prison cut fabric that is sewn together to complete star quilts for the company based in Martin, SD.



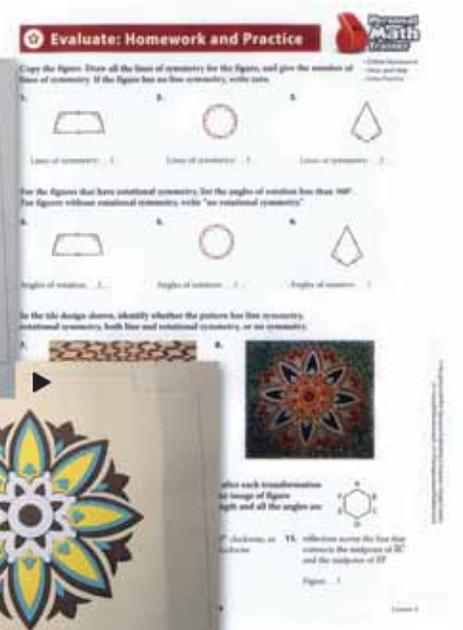
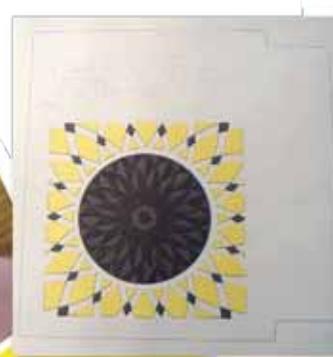
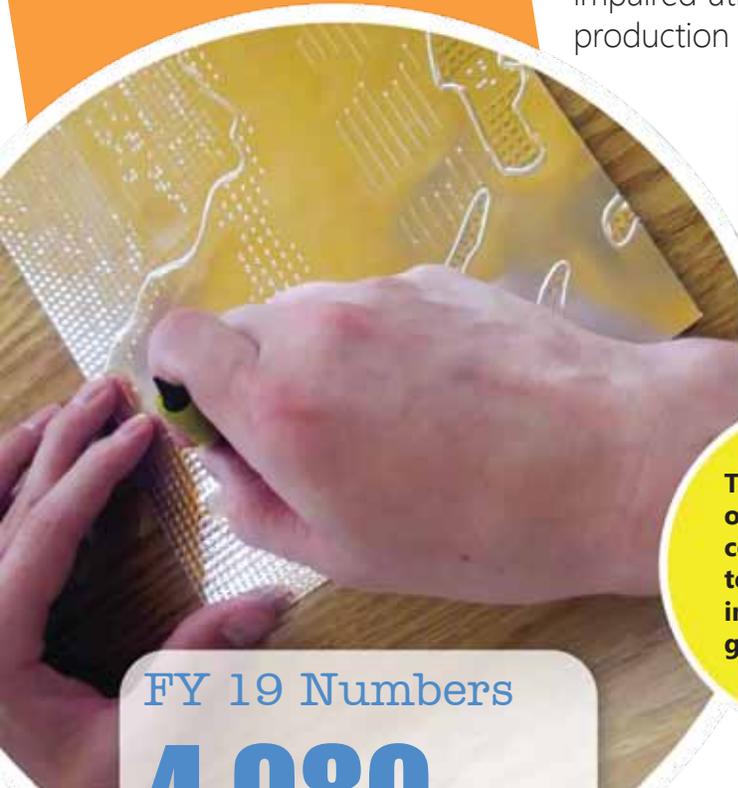
HOPE HAVEN MINISTRIES WHEELCHAIR RESTORATION AT THE STATE PENITENTIARY

# Traditional Industry

BookShops

## Braille

Our nationally-recognized team of transcribers and graphic artists turn printed materials, including magazines, greeting cards, business cards, brochures, and kindergarten to college-level books, into Braille for the blind and visually impaired utilizing Unified English Braille code and the production of tactile graphics.



To illustrate our work we converted this textbook page into these tactile graphics.



### FY 19 Numbers

**4,980**

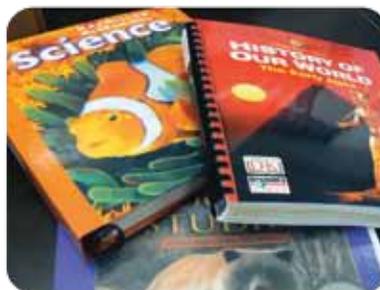
number of pages of Braille, transcribed and printed

**18,926**

number of large print pages produced

**11,910**

number of pages of tactile graphics produced



### LARGE PRINT BOOKS

In addition to our Braille products, we also adapt printed books into large print publications, including new cover art, for the visually impaired. From orders numbering several dozen to just a single copy, we are able to meet our customers' needs.

### FY 19 Revenues

**\$149,418**

\$112,558 (FY 18)

\$101,438 (FY 17)

**44** Workers

Our talented team of craftsmen build all of the cabinetry featured in the Governor's House program construction and undertake a wide range of projects built to our customers' specifications, including kitchen and bathroom cabinets, vanities, counter tops, linen cabinets, trim, desks, credenzas, conference tables, bookshelves, chairs, bed frames and wardrobes.

# Carpentry



EXHIBIT SET PIECES



FY 19 Revenues\*

**\$682,834**

\$532,392 (FY 18)

\$564,083 (FY 17)

**44** Workers\*

\* Figures for the Carpentry and Upholstery shops are combined.

## FY 19 Numbers

**89**

number of full cabinet sets built for the South Dakota Housing Development Authority's Governor's House program.

**146**

number of Faith Chests produced in FY 19.



COMMISSION MEETING DESK

3-D imaging with our CNC technology enables us to offer custom awards such as this.



# Garment

The Garment Shop offers custom screen-printed and embroidered products, such as t-shirts, sweatshirts, and athletic team uniforms, as well as a full line of institutional clothing, sheets, and blankets. It also supplies the South Dakota DOT and many communities with ANSI Class 2-approved safety garments for their employees.



FY 19 Revenues

**\$416,212**

\$410,841 (FY 18)

\$372,347 (FY 17)

**39** Workers

FY 19 Numbers

**22,746**

number of items screen printed

**6,645**

number of items embroidered

**3,813**

number of safety greens produced



To provide more employment opportunities for our workforce, the Garment Shop expanded its embroidery operation to the Women's Prison in Pierre.



While our License Plate and Decal Shop may be one of the oldest correctional industries, it utilizes the latest technology to produce auto, truck, motorcycle, trailer, apportioned vehicle, tribal and state vehicle plates issued by the state and license decals for mobile homes, boats and snowmobiles. It also produces souvenir plates to commemorate special events.

# License Plates



FY 19 Revenues  
**\$1,331,330**  
 \$1,105,985 (FY 18)  
 \$2,048,363 (FY 17)  
**2** Workers

## FY 19 Numbers

**375,128**

number of license plates produced

**55,175**

number of decals (snowmobile, boat, IFta, trail pass, housing, etc.) produced



# Metal

Our welders and fabricators produce items such as live traps, steel bed frames, lockers, and hazardous materials cabinets, and we work to ensure that all projects meet and exceed our customers' specifications and satisfaction.



FY 19 Numbers

## \$56,545

cost avoidance (savings) to South Dakota Game, Fish & Parks for purchasing 4,300 live traps from Pheasantland Industries.

## 102.11%

percent increase in revenues this year (FY 19) compared with last year's (FY 18).



TOOL BENCH



FLAMMABLE MATERIALS CABINETS

FY 19 Revenues  
**\$210,241**  
\$104,024 (FY 18)  
\$60,405 (FY 17)  
**22** Workers



# Print

From business cards, forms and stationery to refurbishing and binding books and printed materials, to laser-engraved custom awards, the Print Shop and Book Bindery offers every customer the same commitment to quality, regardless of the size of their order.



FY 19 Revenues  
**\$294,765**  
 \$274,545 (FY 18)  
 \$274,588 (FY 17)

**19** Workers

FY 19 Numbers

**453,850**

number of individual business cards printed

**828** number of books refurbished

**3,938,553**

number of printing impressions

CUSTOM AWARDS



**LASER ENGRAVING**

These are a few of the items we produced to help commemorate the commissioning of the new USS South Dakota submarine.



TUMBLER



ORNAMENTS

PLAQUE

BEFORE

AFTER

## BOOK BINDING

Organize and archive loose publications and paper records or refurbish a family heirloom.



# Sign

Using only the best quality materials to stand up to the elements and meet all uniform traffic codes, the Sign Shop produces indoor/outdoor signage, state highway and road signs for the South Dakota DOT and local governments, as well as law enforcement and government vehicle decals, banners, magnets, and window clings.



## FY 19 Numbers

# 131,965

square feet of signage produced for the South Dakota DOT.

# \$171,240

cost avoidance (savings) to the South Dakota DOT using a heavier gauge aluminum, our prices approximately 30% lower than a competitor.



## FY 19 Revenues

# \$98,890

\$108,496 (FY 18)

\$98,736 (FY 17)

**14** Workers

CUSTOM SIGNS



VEHICLE DECALS



WALL MOUNTED DECALS



◀ We turned this classic police decal into a display item.

# Upholstery

The Upholstery Shop refurbishes home and office furniture and produces a wide assortment of items such as institutional mattresses, pillows, towels, office chairs, and our popular new line of sensory items.



**FURNITURE RESTORATION**

## FY 19 Numbers

**476** number of Furry Friends sold since our first batch of sensory products was rolled out.

**130** number of chairs, recliners, and sofas reupholstered.

**728** number of institutional mattresses produced in FY 19.



Furry Friends are scented with a mixture of lavender, orange, and rosemary mixed with flax seed.



**SENSORY TOOLS**

FY 19 Revenues\*

**\$682,834**

\$532,392 (FY 18)

\$564,083 (FY 17)

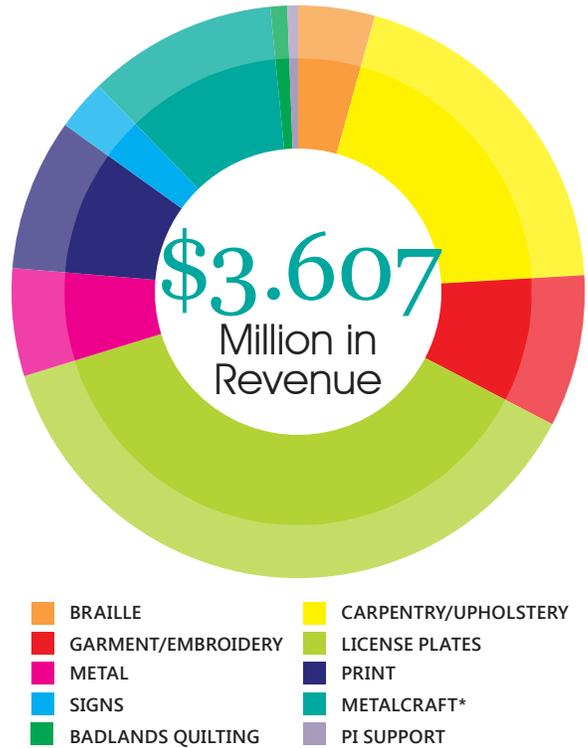
**44** Workers\*

\* Figures for the Carpentry and Upholstery shops are combined.



# Financial Report FY2019

For Fiscal Year 2019, Pheasantland Industries recorded operating income of **\$354,705** on sales of **\$3,607,335**.



**Pheasantland Industries' total sales, operating income and net income (does not include non-operating revenue, i.e. interest income) since FY 2010 is as follows:**

FISCAL YEAR	AMOUNT	% INCOME TO SALES
FY 2019	Total Sales	\$ 3,607,335
	Operating Income	\$ 354,705
	Net Income	\$ (97,605)
	Transferred \$492,294 to the General Fund	
FY 2018	Total Sales	\$ 2,990,450
	Operating Income	\$ 289,095
	Net Income	\$ 86,238
	Transferred \$206,864 to the General Fund	
FY 2017	Total Sales	\$ 4,050,679
	Operating Income	\$ 426,530
	Net Income	\$ (927,322)
	Transferred \$1,354,954 to the General Fund	

FISCAL YEAR		AMOUNT	% INCOME TO SALES
FY 2016	Total Sales	\$ 9,604,953	15.03%
	Operating Income	\$ 1,443,419	
	Net Income	\$ (605,051)	
	Transferred \$444,340 to the Department of Corrections Transferred \$1,698,380 to the General Fund		
FY 2015	Total Sales	\$ 2,740,892	12.83%
	Operating Income	\$ 351,772	
	Net Income	\$ (425,584)	
	Transferred \$806,168 to the Department of Corrections		
FY 2014	Total Sales	\$ 2,584,148	6.84%
	Operating Income	\$ 176,698	
	Net Income	\$ 3,517	
	Transferred \$204,918 to the Department of Corrections		
FY 2013	Total Sales	\$ 2,561,878	8.31%
	Operating Income	\$ 212,915	
	Net Income	\$ (693,107)	
	Transferred \$920,295 to the Department of Corrections		
FY 2012	Total Sales	\$ 2,605,355	8.46%
	Operating Income	\$ 220,539	
	Net Income	\$ (1,054,955)	
	Transferred \$1,341,848 to the Department of Corrections		
FY 2010	Total Sales	\$ 2,402,787	11.95%
	Operating Income	\$ 287,135	
	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 the Department of Corrections		

# Statement of Net Position

STATE OF SOUTH DAKOTA  
DEPARTMENT OF CORRECTIONS  
PHEASANTLAND INDUSTRIES  
STATEMENT OF NET POSITION  
June 30, 2019

	Admin. Office	License Plates	Carpentry	Upholstery	Print	Braille
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and Cash equivalents	\$ 2,582.67	\$ 463,010.13	\$ 20,300.41	\$ 2,295.71	\$ 7,015.29	\$ 21,799.51
Receivables:						
Interest and Dividends	188.80	1,835.63	123.23	317.85	256.69	92.29
Other Funds	334,703.39	1,238,358.24	-	66,664.21	22,190.31	8,014.67
Component Units	560.00	-	31,225.95	-	-	-
Other	-	-	228.60	7,632.29	10,359.79	18,260.63
Other Governments	45.85	153,962.20	-	-	2,105.28	-
Inventory	-	26,726.05	131,740.76	107,949.98	59,259.33	16,270.00
<b>Total Current Assets</b>	<u>338,080.71</u>	<u>1,883,892.25</u>	<u>183,618.95</u>	<u>184,860.04</u>	<u>101,186.69</u>	<u>64,437.10</u>
Other Restricted Assets	194.00	87.00	65.00	11.00	63.00	52.00
<b>Capital Assets:</b>						
Property, Plant and Equipment	801,612.16	276,273.38	135,299.96	-	187,938.39	58,165.13
Accumulated Deprecation	(518,973.26)	(252,941.38)	(84,172.42)	-	(114,973.74)	(30,171.90)
<b>Total Capital Assets</b>	<u>282,638.90</u>	<u>23,332.00</u>	<u>51,127.54</u>	<u>-</u>	<u>72,964.65</u>	<u>27,993.23</u>
Other Noncurrent Assets	9,276.96	-	-	-	-	-
<b>Total Assets</b>	<u>630,190.57</u>	<u>1,907,311.25</u>	<u>234,811.49</u>	<u>184,871.04</u>	<u>174,214.34</u>	<u>92,482.33</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amount from Refunding of Bonds	7,280.00	3,279.00	2,462.00	429.00	2,409.00	1,980.00
Deferred Outflow Related to Pensions	60,240.00	27,136.00	20,369.00	3,553.00	19,936.00	16,387.00
<b>Total Deferred Outflows or Resources</b>	<u>67,520.00</u>	<u>30,415.00</u>	<u>22,831.00</u>	<u>3,982.00</u>	<u>22,345.00</u>	<u>18,367.00</u>
<b>Liabilities</b>						
<b>Current Liabilities</b>						
Accounts Payable	3,936.96	91,043.09	4,042.08	11,876.11	4,843.62	1,624.27
Due to Other Funds	747,100.24	1,162,558.10	189,033.67	18,854.31	41,912.84	71,636.81
Component Units	3,874.37	979.04	5,378.70	2,106.32	4,268.24	6,435.71
Salaries Payable	14,823.88	3,950.06	2,354.01	4,122.89	3,892.23	4,010.47
Benefits Payable	21,752.32	11,782.10	-	652.48	762.53	1,749.67
Deferred Revenue	-	-	-	-	1,675.89	-
Net Pension Liability	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<u>791,487.77</u>	<u>1,270,312.39</u>	<u>200,808.46</u>	<u>37,612.11</u>	<u>57,355.35</u>	<u>85,456.93</u>
<b>Noncurrent Liabilities</b>						
Accrued Employee Benefits - LT	18,846.50	10,269.37	-	568.71	664.63	1,525.02
<b>Total Liabilities</b>	<u>810,334.27</u>	<u>1,280,581.76</u>	<u>200,808.46</u>	<u>38,180.82</u>	<u>58,019.98</u>	<u>86,981.95</u>
<b>Deferred Inflows of Resources</b>						
Deferred Inflow Related to Pensions	14,615.00	6,585.00	4,943.00	862.00	4,838.00	3,977.00
<b>Total Deferred Inflows or Resources</b>	<u>14,615.00</u>	<u>6,585.00</u>	<u>4,943.00</u>	<u>862.00</u>	<u>4,838.00</u>	<u>3,977.00</u>
<b>Net Position</b>						
Unreserved Retained Earnings	(127,238.70)	650,559.49	51,891.03	149,810.22	133,701.36	19,890.38
<b>Total Net Position</b>	<u>\$ (127,238.70)</u>	<u>\$ 650,559.49</u>	<u>\$ 51,891.03</u>	<u>\$ 149,810.22</u>	<u>\$ 133,701.36</u>	<u>\$ 19,890.38</u>

# Statement of Net Position

(continued)

	Sign	Metal	Garment	Private Sector	Total
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash equivalents	\$ 479.90	\$ 1,989.60	\$ 16,698.38	\$ 2,118.83	\$ 538,290.43
Receivables:					
Interest and Dividends	23.28	-	1,028.33		3,866.10
Other Funds	67,421.87	143.28	208,420.98	685,766.65	2,631,683.60
Component Units	-	-	-	-	31,785.95
Other	3,675.88	-	9,783.02	22,924.71	72,864.92
Other Governments	5,558.27	406.40	39.00	41,488.34	203,605.34
Inventory	51,423.41	46,098.15	417,000.98	-	856,468.66
<b>Total Current Assets</b>	<u>128,582.61</u>	<u>48,637.43</u>	<u>652,970.69</u>	<u>752,298.53</u>	<u>4,338,565.00</u>
Other Restricted Assets	20.00	65.00	50.00	166.00	773.00
<b>Capital Assets:</b>					
Property, Plant and Equipment	5,215.00	20,725.50	73,825.00	801,320.63	2,360,375.15
Accumulated Depreciation	(5,215.00)	(17,093.19)	(21,755.35)	(642,260.08)	(1,687,556.32)
<b>Total Capital Assets</b>	<u>-</u>	<u>3,632.31</u>	<u>52,069.65</u>	<u>159,060.55</u>	<u>672,818.83</u>
Other Noncurrent Assets	-	-	-	-	9,276.96
<b>Total Assets</b>	<u>128,602.61</u>	<u>52,334.74</u>	<u>705,090.34</u>	<u>911,525.08</u>	<u>5,021,433.79</u>
<b>Deferred Outflows of Resources</b>					
Deferred Amount from Refunding of Bonds	771.00	2,453.00	1,872.00	6,266.00	29,201.00
Deferred Outflow Related to Pensions	6,379.00	20,298.00	15,488.00	51,853.00	241,639.00
<b>Total Deferred Outflows or Resources</b>	<u>7,150.00</u>	<u>22,751.00</u>	<u>17,360.00</u>	<u>58,119.00</u>	<u>270,840.00</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	2,408.68	3,073.93	48,300.27	2,124.78	173,273.79
Due to Other Funds	9,720.39	311,615.22	40,284.16	38,967.86	2,631,683.60
Component Units	4,141.94	3,635.06	5,905.17	1,275.68	38,000.23
Salaries Payable	4,898.45	4,120.75	3,780.31	3,733.51	49,686.56
Benefits Payable	241.51	462.69	3,989.18	5,227.44	46,619.92
Deferred Revenue	-	-	-	-	1,675.89
Net Pension Liability	-	-	-	-	-
<b>Total Current Liabilities</b>	<u>21,410.97</u>	<u>322,907.65</u>	<u>102,259.09</u>	<u>51,329.27</u>	<u>2,940,939.99</u>
<b>Noncurrent Liabilities</b>					
Accrued Employee Benefits - LT	210.51	403.29	3,477.00	4,556.26	40,521.29
<b>Total Liabilities</b>	<u>21,621.48</u>	<u>323,310.94</u>	<u>105,736.09</u>	<u>55,885.53</u>	<u>2,981,461.28</u>
<b>Deferred Inflows of Resources</b>					
Deferred Inflow Related to Pensions	1,549.00	4,926.00	3,758.00	12,583.00	58,636.00
<b>Total Deferred Inflows or Resources</b>	<u>1,549.00</u>	<u>4,926.00</u>	<u>3,758.00</u>	<u>12,583.00</u>	<u>58,636.00</u>
<b>Net Position</b>					
Unreserved Retained Earnings	112,582.13	(253,151.20)	612,956.25	901,175.55	2,252,176.51
<b>Total Net Position</b>	<u>\$ 112,582.13</u>	<u>\$ (253,151.20)</u>	<u>\$ 612,956.25</u>	<u>\$ 901,175.55</u>	<u>\$ 2,252,176.51</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, 2019

	Admin. Office	License Plates	Carpentry	Upholstery	Print	Braille
<b>Operating Revenue:</b>						
Sales and Services	\$ 21,032.16	\$ 1,331,330.33	\$ 488,032.87	\$ 194,800.92	\$ 294,764.71	\$ 149,418.21
Rent Revenue		-	-	-	-	-
<b>Total Operating Revenue:</b>	<u>21,032.16</u>	<u>1,331,330.33</u>	<u>488,032.87</u>	<u>194,800.92</u>	<u>294,764.71</u>	<u>149,418.21</u>
<b>Operating Expenses:</b>						
Personal Services and Benefits	240,901.24	78,069.69	88,108.34	68,804.35	69,161.41	83,308.03
Travel	18,914.16	-	-	-	-	-
Contractual Services	44,846.34	8,941.79	30,301.62	11,868.31	76,878.09	50,452.35
Supplies	42,755.70	952,558.94	327,369.72	112,150.07	113,445.36	24,602.74
Depreciation	29,251.08	-	7,574.40	-	7,454.65	5,013.72
Other Expense	(333,963.42)	115,710.13	47,301.78	18,854.31	28,529.57	14,461.83
<b>Total Operating Expenses</b>	<u>42,705.10</u>	<u>1,155,280.55</u>	<u>500,655.86</u>	<u>211,677.04</u>	<u>295,469.08</u>	<u>177,838.67</u>
<b>Operating Income (Loss)</b>	(21,672.94)	176,049.78	(12,622.99)	(16,876.12)	(704.37)	(28,420.46)
<b>Nonoperating Revenue (Expenses):</b>						
Interest Income	1,939.76	21,408.29	1,043.96	2,982.52	2,204.48	781.75
Other Income (Expense)	(7.04)	(68.44)	(4.60)	(11.86)	(9.57)	(3.44)
<b>Total Nonoperating Revenue (Expenses)</b>	<u>1,932.72</u>	<u>21,339.85</u>	<u>1,039.36</u>	<u>2,970.66</u>	<u>2,194.91</u>	<u>778.31</u>
<b>Income (Loss) Before Transfers</b>	(19,740.22)	197,389.63	(11,583.63)	(13,905.46)	1,490.54	(27,642.15)
<b>Transfers:</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(492,294.11)	-	-	-	-
<b>Net Transfers in (Out)</b>	-	(492,294.11)	-	-	-	-
<b>Change in Net Position</b>	(19,740.22)	(294,904.48)	(11,583.63)	(13,905.46)	1,490.54	(27,642.15)
Net Position at Beginning of Year	(107,498.48)	945,463.97	63,474.66	163,715.68	132,210.82	47,532.53
<b>Net Position at End of Year</b>	<u>\$ (127,238.70)</u>	<u>\$ 650,559.49</u>	<u>\$ 51,891.03</u>	<u>\$ 149,810.22</u>	<u>\$ 133,701.36</u>	<u>\$ 19,890.38</u>

# Statement of Revenues, Expenses and Changes in Fund Net Position

(continued)

	Sign	Metal	Garment	Private Sector	Total
<b>Operating Revenue:</b>					
Sales and Services	\$ 98,889.82	\$ 210,241.17	\$ 416,212.09	\$ 402,132.29	\$ 3,606,854.57
Rent Revenue	-	-	-	480.00	480.00
<b>Total Operating Revenue:</b>	<u>98,889.82</u>	<u>210,241.17</u>	<u>416,212.09</u>	<u>402,612.29</u>	<u>3,607,334.57</u>
<b>Operating Expenses:</b>					
Personal Services and Benefits	16,162.14	84,800.09	55,765.86	99,801.35	884,882.50
Travel	-	-	-	-	18,914.16
Contractual Services	11,537.22	14,770.37	29,340.69	8,008.09	286,944.87
Supplies	61,538.25	127,094.73	212,257.30	3,385.71	1,977,158.52
Depreciation	-	1,210.80	4,480.35	29,678.52	84,663.52
Other Expense	9,571.31	20,348.73	40,284.16	38,967.86	66.26
<b>Total Operating Expenses</b>	<u>98,808.92</u>	<u>248,224.72</u>	<u>342,128.36</u>	<u>179,841.53</u>	<u>3,252,629.83</u>
<b>Operating Income (Loss)</b>	80.90	(37,983.55)	74,083.73	222,770.76	354,704.74
<b>Nonoperating Revenue (Expenses):</b>					
Interest Income	509.35	-	9,258.16	-	40,128.27
Other Income (Expense)	(0.86)	-	(38.34)	-	(144.15)
<b>Total Nonoperating Revenue (Expenses)</b>	<u>508.49</u>	<u>-</u>	<u>9,219.82</u>	<u>-</u>	<u>39,984.12</u>
<b>Income (Loss) Before Transfers</b>	589.39	(37,983.55)	83,303.55	222,770.76	394,688.86
<b>Transfers:</b>					
Transfers In					-
Transfers Out					(492,294.11)
<b>Net Transfers in (Out)</b>	-	-	-	-	<u>(492,294.11)</u>
<b>Change in Net Position</b>	589.39	(37,983.55)	83,303.55	222,770.76	(97,605.25)
Net Position at Beginning of Year	11,992.74	(215,167.65)	529,652.70	678,404.79	2,249,781.76
<b>Net Position at End of Year</b>	<u>\$ 12,582.13</u>	<u>\$ (253,151.20)</u>	<u>\$ 612,956.25</u>	<u>\$ 901,175.55</u>	<u>\$ 2,152,176.51</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, 2019

	Admin. Office	License Plates	Carpentry	Upholstery	Print	Braille
<b>Cash Flows From Operating Activities</b>						
Receipts From Customers And Users	\$ 8,626.54	\$ 2,757.70	\$ 411,347.82	\$ 82,996.19	\$ 83,844.25	\$ 150,479.78
Receipts from Interfund Services Provided	1,047,703.81	2,086,070.23	226,448.50	189,444.03	245,144.81	73,219.51
Payments to Supplies	(72,346.70)	(788,694.93)	(517,080.00)	(109,442.45)	(173,281.82)	(73,324.05)
Payments for Employee Services	(221,347.15)	(70,629.58)	(93,731.77)	(66,349.69)	(69,829.23)	(77,319.05)
Payments for Interfund Services Used	(762,245.08)	(796,549.07)	(7,600.27)	(97,203.27)	(62,526.55)	(51,942.70)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>391.42</u>	<u>432,954.35</u>	<u>19,384.28</u>	<u>(555.19)</u>	<u>23,351.46</u>	<u>21,113.49</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>						
Purchase of Fixed Assets	-	-	-	-	(18,295.00)	-
Sales of Fixed Assets	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,295.00)</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	(492,294.11)	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>-</u>	<u>(492,294.11)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>						
Investment Income	1,908.16	21,393.88	916.13	2,784.35	1,951.91	686.02
Investment Expense	(7.04)	(81.00)	-	(5.64)	(0.59)	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>1,901.12</u>	<u>21,312.88</u>	<u>916.13</u>	<u>2,778.71</u>	<u>1,951.32</u>	<u>686.02</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year</b>	2,292.54	(38,026.88)	20,300.41	2,223.52	7,007.78	21,799.51
Cash and Cash Equivalents at Beginning of Year	290.13	501,037.01	-	72.19	7.51	-
<b>Cash and Cash Equivalents at End of Year</b>	\$ 2,582.67	\$ 463,010.13	\$ 20,300.41	\$ 2,295.71	\$ 7,015.29	\$ 21,799.51

# Statement of Cash Flows

(continued)

	Sign	Metal	Garment	Private Sector	Total
<b>Cash Flows From Operating Activities</b>					
Receipts From Customers And Users	\$ 49,995.88	\$ 23,636.51	\$ 94,992.58	\$ 47,084.51	\$ 955,761.76
Receipts from Interfund Services Provided	127,878.49	488,333.39	535,958.96	848,861.15	5,869,062.88
Payments to Supplies	(67,104.31)	(145,910.85)	(239,224.12)	(18,014.66)	(2,204,423.89)
Payments for Employee Services	(17,365.19)	(86,385.83)	(51,222.49)	(90,902.36)	(845,082.34)
Payments for Interfund Services Used	(93,623.76)	(277,683.62)	(275,821.05)	(786,075.93)	(3,211,271.30)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(218.89)</u>	<u>1,989.60</u>	<u>64,683.88</u>	<u>952.71</u>	<u>564,047.11</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>					
Purchase of Fixed Assets	-	-	(56,550.00)	-	(74,845.00)
Sales of Fixed Assets	-	-	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>(56,550.00)</u>	<u>-</u>	<u>(74,845.00)</u>
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	(492,294.11)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(492,294.11)</u>
<b>Cash Flows From Investing Activities</b>					
Investment Income	627.04	-	8,572.72	774.35	39,614.56
Investment Expense	(6.08)	-	(144.15)	(33.18)	(277.68)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>620.96</u>	<u>-</u>	<u>8,428.57</u>	<u>741.17</u>	<u>39,336.88</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year</b>	402.07	1,989.60	16,562.45	1,693.88	36,244.88
Cash and Cash Equivalents at Beginning of Year	<u>77.83</u>	<u>-</u>	<u>135.93</u>	<u>424.95</u>	<u>502,045.55</u>
<b>Cash and Cash Equivalents at End of Year</b>	\$ 479.90	\$ 1,989.60	\$ 16,698.38	\$ 2,118.83	\$ 538,290.43

# Statement of Cash Flows

(continued)

	Admin. Office	License Plates	Carpentry	Upholstery	Print	Braille
<b>Reconciliation of Operating Income (Loss ) To</b>						
<b>Net Cash Provided by Operating Activities</b>						
Operating Income (Loss)	\$ (21,672.94)	\$ 176,049.78	\$ (12,622.99)	\$ (16,876.12)	\$ (704.37)	\$ (28,420.46)
Adjustments to Reconcile Operating Income (Loss):						
Depreciation Expense	29,251.08	-	7,574.40	-	7,454.65	5,013.72
Miscellaneous Non Operating Revenue	-	-	-	-	-	-
Decrease/(Increase) in Assets:						
Accounts Receivable	5.09	-	2,088.95	(619.87)	(5,969.69)	12,958.69
Due From Other Funds	(46,377.52)	184,500.64	14,239.14	18,132.64	21,258.73	(3,673.93)
Due From Component	(350.00)	-	(9,483.10)	4.00	-	-
Due From other Agency	165.87	(58,620.65)	1,159.00	3,063.23	(710.20)	65.00
Prepaid Expense	(4,334.36)	68,524.05	-	-	-	-
Decrease In Inventory	-	8,662.80	(19,286.40)	6,741.70	(2,621.03)	2,587.58
Decrease In Net Pension Asset	1,333.00	253.00	190.00	34.00	187.00	153.00
Increase/(Decrease) in Deferred Outflow of Resources						
Deferred Amount from Refunding of Bonds	(15,265.00)	2,167.00	1,627.00	284.00	1,593.00	1,309.00
Deferred outflow of Resources Related to Pensions	29,281.00	4,496.00	3,374.00	588.00	3,302.00	2,713.00
Increase/(Decrease) in Liabilities:						
Accounts Payable	3,113.74	89,331.11	(5,264.21)	2,129.73	(326.02)	188.05
Accrued Liabilities	1,729.10	(41.98)	(1,809.60)	1,201.18	(299.04)	(549.51)
Compensated Absences Payable	2,567.99	568.60	(7,186.43)	(1,434.92)	(5,420.78)	3,166.52
Deferred Revenue	-	-	-	(7,500.00)	1,675.89	-
Due to other funds	21,822.90	(42,825.53)	43,246.55	(6,611.26)	3,719.00	25,322.48
Due to Other Agencies	(786.53)	(70.97)	1,567.97	314.50	242.32	302.35
Net Pension Liability	-	-	-	-	-	-
Deferred Inflow	(92.00)	(40.00)	(30.00)	(6.00)	(30.00)	(22.00)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 391.42</u>	<u>\$ 432,953.85</u>	<u>\$ 19,384.28</u>	<u>\$ (555.19)</u>	<u>\$ 23,351.46</u>	<u>\$ 21,113.49</u>

# Statement of Cash Flows

(continued)

	Sign	Metal	Garment	Private Sector	Total
<b>Reconciliation of Operating Income (Loss) To</b>					
<b>Net Cash Provided by Operating Activities</b>					
Operating Income (Loss)	\$ 80.90	\$ (37,983.55)	\$ 74,083.73	\$ 222,770.76	354,704.74
Adjustments to Reconcile Operating Income (Loss):					
Depreciation Expense	-	1,210.80	4,480.35	29,678.52	84,663.52
Miscellaneous Non Operating Revenue	-	-	-	-	-
Decrease/(Increase) in Assets:					
Accounts Receivable	788.16	1,077.82	(1,346.60)	(11,290.98)	(2,308.43)
Due From Other Funds	12,803.16	3,931.51	2,562.74	(207,377.11)	-
Due From Component	-	-	90.74	-	(9,738.36)
Due From other Agency	(794.39)	5,303.50	5,753.64	6,475.41	(38,139.59)
Prepaid Expense	-	-	-	-	64,189.69
Decrease In Inventory	(4,258.25)	(11,440.86)	(47,226.28)	-	(66,840.74)
Decrease In Net Pension Asset	60.00	189.00	144.00	484.00	3,027.00
Increase/(Decrease) in Deferred Outflow of Resources					
Deferred Amount from Refunding of Bonds	510.00	1,622.00	1,237.00	4,143.00	(773.00)
Deferred outflow of Resources Related to Pensions	1,057.00	3,363.00	2,566.00	8,591.00	59,331.00
Increase/(Decrease) in Liabilities:					
Accounts Payable	2,017.19	(5.06)	44,795.57	2,124.78	138,104.88
Accrued Liabilities	794.54	(1,268.92)	600.26	(1,315.13)	(959.10)
Compensated Absences Payable	(2,535.66)	(5,460.82)	(760.92)	(2,924.88)	(19,421.30)
Deferred Revenue	-	-	-	-	(5,824.11)
Due to other funds	(10,398.71)	39,931.21	(24,338.31)	(49,868.33)	-
Due to Other Agencies	(333.83)	1,549.97	2,066.46	(459.33)	4,392.91
Net Pension Liability	-	-	-	-	-
Deferred Inflow	(9.00)	(30.00)	(24.00)	(79.00)	(362.00)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ (218.89)</b>	<b>\$ 1,989.60</b>	<b>\$ 64,684.38</b>	<b>\$ 952.71</b>	<b>\$ 564,047.11</b>

# *Our Vision*

## **Our Vision**

A nationally recognized leader in correctional industries that is setting the standard and redefining incarceration with its team approach in providing purpose to its workforce while leveraging community-based partnerships to maximize potential for their success.

# Our Values

## **PEOPLE**

We value our workforce, customers, and community partners, and will devote the resources to develop strong bonds with each.

## **HARD WORK**

We value hard work and the rewards that come with going beyond what is expected.

## **DEDICATION**

We value enthusiasm in and commitment to everything we do.

## **TEAMWORK**

We value a collaborative workplace where our strengths and talents are harnessed to achieve success and support our mission.

## **CREATIVITY**

We value creativity and promote an environment where inspiration and ingenuity flourish.

## **QUALITY**

We recognize excellence and pride as our hallmarks.

## **TALENT**

We encourage an environment where hidden abilities are recognized and cultivated into valuable skills.

## **DIVERSITY**

We celebrate diversity and value the contributions and experiences of our workforce.

*“More than just  
**great** products.”*

*Welcome to*  
**SOUTH DAKOTA**  
GREAT FACES • GREAT PLACES



South Dakota Department of Corrections  
Pheasantland Industries

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