

PHEASANTLAND INDUSTRIES

# FY 2022 ANNUAL REPORT



*Made with Pride on the Inside.*



## OUR MISSION

A self-supporting program within the South Dakota Department of Corrections that provides training and employment to offenders, instills marketable job skills, and creates unique, valued products for our customers.



## From the Secretary

Thank you for taking the time to review the Pheasantland Industries (PI) 2022 Annual Report. It's been a busy year at PI and I am happy to report on the significant improvements we have made to our business practices to better serve the State of South Dakota, the Department of Corrections (DOC), and our offender workforce. We've continued to build partnerships and have worked collaboratively with others to positively contribute to our community. In addition, PI continues to enhance our reentry initiatives and promote long term change for offenders. I look forward to strengthening our efforts in these areas in coming years.



**Enhanced business practices.** PI was centralized under the Finance & Administration division in the DOC's organizational structure in late Spring of 2022. This change facilitates effective and efficient operational performance that benefits the entire department. We also purchased an enterprise resource planning system, Global Shop Solutions, to provide shops with greater efficiencies across the board. This will replace the outdated accounting system that has been in place for decades. Another equally important change includes updates to our policies. Our existing policies were rewritten to reflect sound financial and business practice and we created two new policies to outline purchasing guidelines and expectations for existing, expanded, or new shops.

**Continued partnerships.** We continue to work collaboratively to provide products and services to our communities. The Department of Revenue, Motor Vehicle Division is scheduled to reissue the largest number of standard county-numbered license plates this year. The license plate shop has been working diligently to produce the plates for the reissuance. This is just one example of the partnerships that PI is involved with that benefits the state, as well as the offender workforce.

**Focus on reentry.** I believe that employment is a critical factor in successful reentry. PI will continue to focus on being an effective model to prepare offenders for employment upon their release from prison. This, ultimately, will lead to successful workforce development and meaningful work opportunities for offenders. When an offender releases, we work to ensure they have the skills needed to maintain employment and reduce the likelihood of a return to prison. We look forward to expanding and enhancing these opportunities.

Sincerely,

A handwritten signature in black ink that reads "Kellie R. Wasko".

Kellie Wasko  
Secretary, Department of Corrections

# ABOUT US

Pheasantland Industries, the work skills program of the South Dakota Department of Corrections, can trace its roots back to 1890, when funds were appropriated by the new State Legislature to establish the first permanent correctional industry in South Dakota, a knitting shop.



## INDUSTRIES

Pheasantland Industries has grown to include the following shops: Braille, Cabinets, Custom Carpentry, Garment and Embroidery, License Plates, Metal, Pawsitive Prep, Print, Sign and Upholstery. With the exception being the Garment shop in Springfield, its embroidery operation in Pierre, and the relocation of Cabinets to Springfield, all of our traditional industries and the main office are based at the State Penitentiary campus in Sioux Falls.

**At the close of Fiscal Year 2022,** our team consisted of 18 full-time employees and 227 offenders working across the ten traditional shops listed above 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.

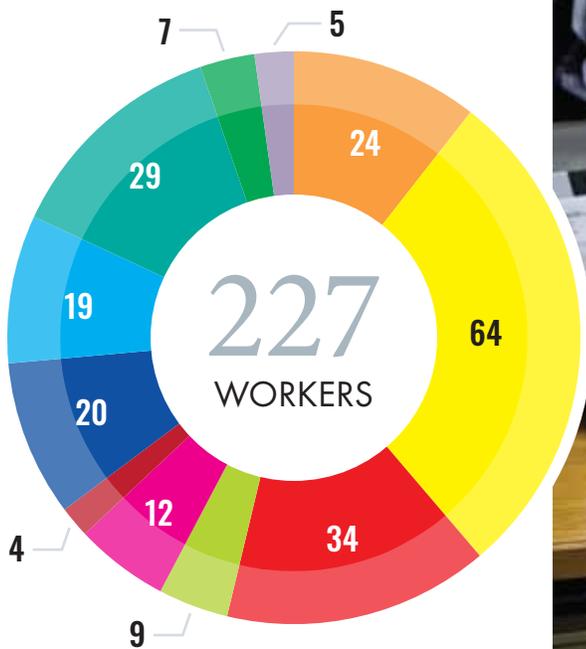
Even though Pheasantland operates as a business within a secure environment, we are committed to supporting a diverse workforce that produces high-quality products and services for our customers. We also strive to provide offenders with marketable job skills and a solid work ethic that will prove useful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



## 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.

# OUR TEAM



- BRAILLE
- CARPENTRY/UPHOLSTERY/CABINETS
- GARMENT/EMBROIDERY
- LICENSE PLATES
- METAL
- PAWSITIVE PREP
- PRINT
- SIGNS
- METALCRAFT\*
- BADLANDS QUILTING
- PI SUPPORT



## BENEFITS

### PATHWAYS TO OPPORTUNITY

Through on-the-job training our workers develop tangible skills they can use upon release, but just as important, we teach them "soft skills." Those skills include communication, teamwork, dependability, flexibility, integrity, creativity, and ability to self-start.

### EARLY RELEASE

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

### PAY SCALE\*

Traditional shops: \$0.25/hr to \$0.70/hr  
 Private industry shops: Prevailing wage

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



# PRIVATE INDUSTRY

## Private Industry Enhancement

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.



## OUTSIDE CONTRACTS

### In FY22 Pheasantland Industries contracted with:

- **Metalcraft Industries**  
(PS/PIE program)- Welding and machine tool operations at the Jameson Annex in Sioux Falls.
- **Hope Haven Ministries**  
(Community Service Program)- Wheelchair restoration non-profit program at the SD State Penitentiary in Sioux Falls.
- **Badlands Quilting**  
(PS/PIE program)- Custom quilting production at the SD Women's Prison in Pierre.



## PREVAILING WAGE

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



## FY22 NUMBERS

# 36

WORKERS EMPLOYED BY THE THREE (3)  
OUTSIDE ENTERPRISES PS/PIE PROGRAM  
CONTRACTS PAID OUT OF THEIR WAGES:

- **\$54,790** to child and family support payments
- **\$54,790** to the South Dakota Crime Victims' Compensation Fund
- **\$68,938** in Social Security deductions
- **\$70,390** in federal income taxes
- **\$365,268** contributed for Cost of Incarceration
- **\$897,952** paid in private sector offenders' wages



BADLANDS QUILTING AT  
THE WOMEN'S PRISON



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 INDUSTRIES

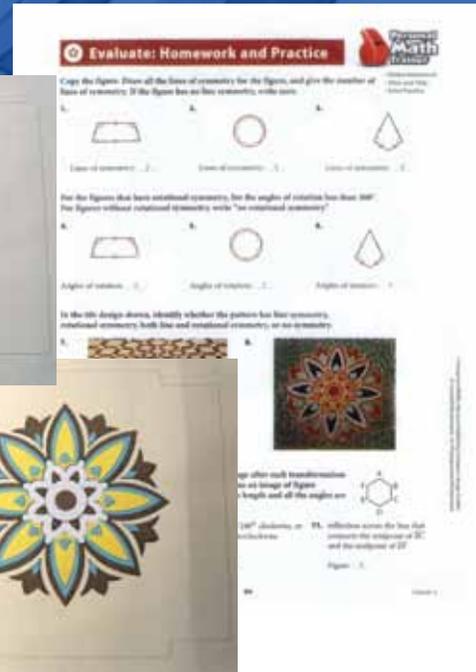
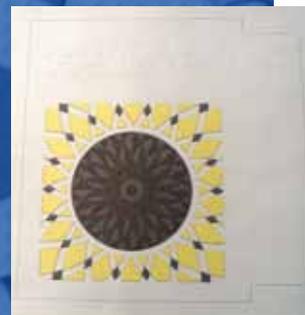


## BRAILLE SHOP

Our nationally-recognized team of transcribers and graphic artists turn printed materials, including 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 22 REVENUES

**\$123,522**

\$135,848 (FY 21)

\$127,710 (FY 20)

**24**



WORKERS

### BY THE NUMBERS

**48,218**

NUMBER OF BRAILLE PAGES  
TRANSCRIBED AND PRINTED

**8,732**

NUMBER OF TACTILE GRAPHICS  
PRODUCED

**4,175**

NUMBER OF BRAILLE BUSINESS  
CARDS PRODUCED



# CARPENTRY SHOP

Our workers 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.

## FY 22 REVENUES\*

**\$723,276**

\$776,348 (FY 21)

\$810,713 (FY 20)

**64**

 WORKERS\*

## BY THE NUMBERS

**58**

NUMBER OF FULL CABINET SETS BUILT FOR THE SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY'S GOVERNOR'S HOUSE PROGRAM

**74**

NUMBER OF FAITH CHESTS PRODUCED



\* Carpentry and Upholstery Shops figures shown are combined.



## GARMENT SHOP

The Garment and Embroidery 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. It also supplies the South Dakota DOT and many communities with ANSI Class 2-approved safety garments for their employees.



### FY 22 REVENUES

**\$584,567**

\$459,696 (FY 21)

\$516,036 (FY 20)

**34**



WORKERS

### BY THE NUMBERS

**37,031**

NUMBER OF ITEMS SCREEN PRINTED

**7,423**

NUMBER OF ITEMS EMBROIDERED

**7,777**

NUMBER OF SAFETY GREENS PRODUCED

**20,768**

NUMBER OF FACE MASKS PRODUCED

**300**

NUMBER OF GOWNS PRODUCED



# LICENSE PLATE SHOP

While our License Plate and Decal Shop may be one of the oldest correctional industries, it utilizes the latest technology to print all the motor vehicle tags issued by the state and produces souvenir plates to commemorate special events.



### FY 22 REVENUES

# \$1,312,218

\$1,515,209 (FY 21)

\$1,238,994 (FY 20)

# 9

 WORKERS

### BY THE NUMBERS

# 361,536

NUMBER OF LICENSE PLATES PRODUCED

# 75,000

NUMBER OF DECALS (SNOW, BOAT, IFTA, TRAIL PASS) PRODUCED



## METAL SHOP

If it's made of metal the Metal Shop can most likely build or repair it. Our fabricators and welders work to ensure that all projects meet and exceed our customers' specifications and satisfaction.



### FY 22 REVENUES

**\$120,912**

\$168,574 (FY 21)

\$200,394 (FY 20)

**12**



WORKERS

### BY THE NUMBERS

**9**

NUMBER OF FLAMMABLE STORAGE  
CABINETS PRODUCED

**143**

NUMBER OF HUMANE LIVE  
TRAPS PRODUCED



## PRINT SHOP

From business cards, brochures and banners to laser-engraved custom awards, the Print Shop offers every customer the same commitment to quality, regardless of the size of their order.

### FY 22 REVENUES

**\$354,751**

\$405,782 (FY 21)

\$370,348 (FY 20)

**20**

 WORKERS

### BY THE NUMBERS

**376,000**

NUMBER OF INDIVIDUAL BUSINESS CARDS PRINTED

**1,060**

NUMBER OF BOOKS REFURBISHED

**1,716**

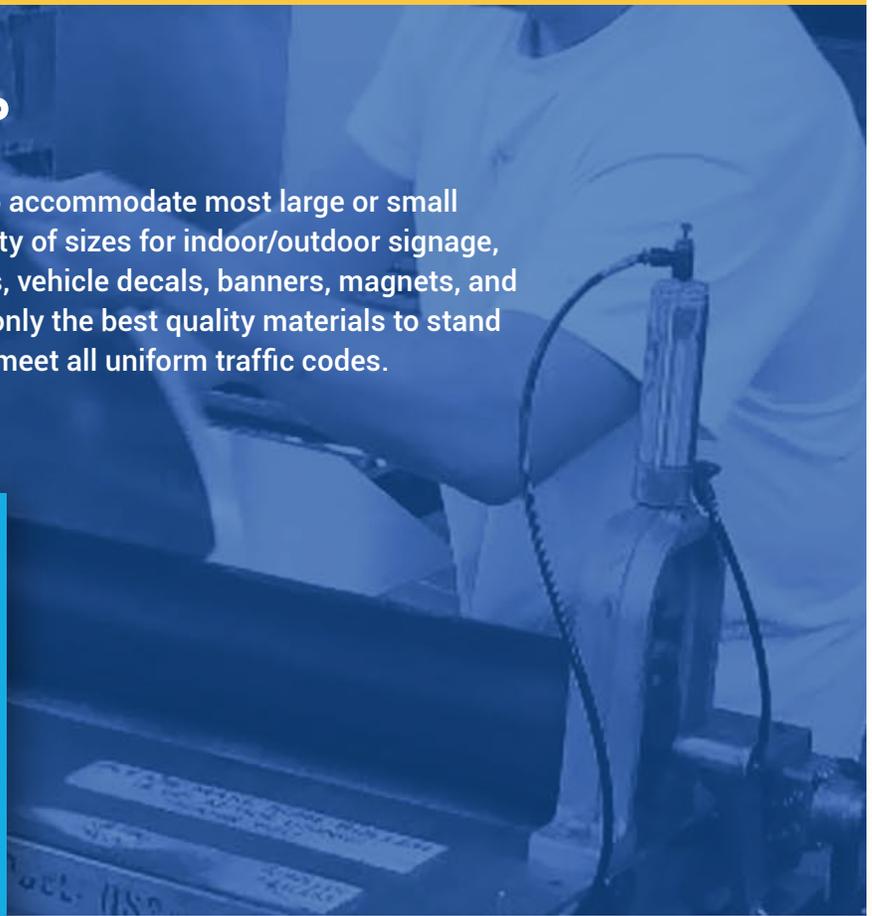
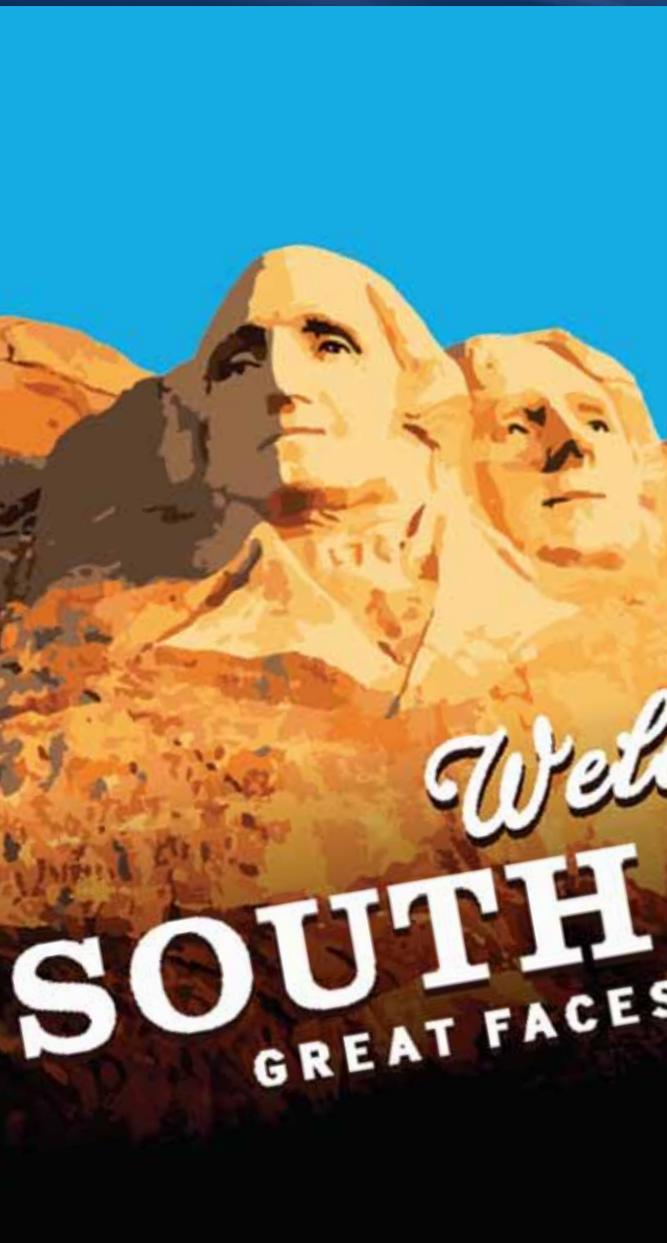
NUMBER OF AWARDS/PROMOTIONAL ITEMS LASER ENGRAVED/SUBLIMATED





## SIGN SHOP

The Sign Shop is able to accommodate most large or small volume orders in a variety of sizes for indoor/outdoor signage, parking and street signs, vehicle decals, banners, magnets, and window clings. We use only the best quality materials to stand up to the elements and meet all uniform traffic codes.



### FY 22 REVENUES

**\$632,321**

\$478,612 (FY 21)

\$157,033 (FY 20)

**19**



WORKERS

### BY THE NUMBERS

**90,679**

SQUARE FEET OF SIGNAGE PRODUCED

**8,451**

SQUARE FEET OF DECALS, BANNERS,  
AND CUSTOM PROJECTS PRODUCED



## UPHOLSTERY SHOP

We refurbish home and office furniture and produce an assortment of items such as institutional mattresses, pillows, towels, and our new popular line of sensory items.

### FY 22 REVENUES\*

**\$723,276**

\$776,348 (FY 21)

\$810,713 (FY 20)

**64**

 WORKERS\*

### BY THE NUMBERS

**275**

NUMBER OF CHAIRS, RECLINERS,  
AND SOFAS REUPHOLSTERED

**945**

NUMBER OF INSTITUTIONAL  
PILLOWS PRODUCED

**1,342**

NUMBER OF INSTITUTIONAL  
MATTRESSES PRODUCED

\* Carpentry and Upholstery Shops figures shown are combined.



**For Fiscal Year 2022,**  
Pheasantland Industries  
recorded sales of  
**\$4,249,219.**



**Pheasantland Industries' total sales, operating income and net income (does not include non-operating revenue, i.e. interest income) since FY 2014 is as follows:**

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

FISCAL YEAR		AMOUNT	% INCOME TO SALES
<b>FY 2022</b>	<b>Total Sales</b>	\$ 4,249,219	
	<b>Operating Income</b>	\$ (2,193)	*0.00%
	<b>Net Income</b>	\$ (22,478)	
*0.0% is primarily a result of having negative operating income due to transfer of the cabinet shop to Springfield.			
<b>FY 2021</b>	<b>Total Sales</b>	\$ 4,391,119	
	<b>Operating Income</b>	\$ 453,592	10.33%
	<b>Net Income</b>	\$ (377,754)	
Transferred \$471,889 to the General Fund			
<b>FY 2020</b>	<b>Total Sales</b>	\$ 3,780,161	
	<b>Operating Income</b>	\$ 290,649	7.69%
	<b>Net Income</b>	\$ 147,701	
Transferred \$179,908 to the General Fund			

FISCAL YEAR		AMOUNT	% INCOME TO SALES
<b>FY 2019</b>	<b>Total Sales</b>	\$ 3,607,335	
	<b>Operating Income</b>	\$ 354,705	9.83%
	<b>Net Income</b>	\$ (97,605)	
Transferred \$492,294 to the General Fund			
<b>FY 2018</b>	<b>Total Sales</b>	\$ 2,990,450	
	<b>Operating Income</b>	\$ 289,095	9.67%
	<b>Net Income</b>	\$ 86,238	
Transferred \$206,864 to the General Fund			
<b>FY 2017</b>	<b>Total Sales</b>	\$ 4,050,679	
	<b>Operating Income</b>	\$ 426,530	10.53%
	<b>Net Income</b>	\$ (927,322)	
Transferred \$1,354,954 to the General Fund			
<b>FY 2016</b>	<b>Total Sales</b>	\$ 9,604,953	
	<b>Operating Income</b>	\$ 1,443,419	15.03%
	<b>Net Income</b>	\$ (605,051)	
Transferred \$444,340 to the Department of Corrections Transferred \$1,698,380 to the General Fund			
<b>FY 2015</b>	<b>Total Sales</b>	\$ 2,740,892	
	<b>Operating Income</b>	\$ 351,772	12.83%
	<b>Net Income</b>	\$ (425,584)	
Transferred \$806,168 to the Department of Corrections			
<b>FY 2014</b>	<b>Total Sales</b>	\$ 2,584,148	
	<b>Operating Income</b>	\$ 176,698	6.84%
	<b>Net Income</b>	\$ 3,517	
Transferred \$204,918 to the Department of Corrections			

# STATEMENT OF NET POSITION

STATE OF SOUTH DAKOTA  
DEPARTMENT OF CORRECTIONS  
PHEASANTLAND INDUSTRIES  
STATEMENT OF NET POSITION  
June 30, 2022

	Admin. Office	License Plate	Carpentry	Books/ Print	Braille Unit	Sign
<b><u>ASSETS</u></b>						
<b>Current Assets:</b>						
Cash and Cash equivalents	\$(899,777.75)	\$1,183,603.67	\$(691,512.55)	\$129,404.89	\$ 60,829.40	\$(41,159.88)
Receivables:						
Interest and Dividends	27.10	546.31	86.43	109.11	5.68	146.03
Other Funds	457,205.35	-	7,524.67	1,309.93	-	435.78
Component Units	-	-	63,824.44	-	-	45.94
Other	0.02	-	9,732.48	9,114.62	3,389.00	3,963.36
Other Governments	363.85	139,873.76	10,770.69	4,723.12	-	3,986.72
Inventory	-	29,141.93	313,039.60	69,094.68	9,878.67	397,382.76
<b>Total Current Assets</b>	<b><u>(442,181.43)</u></b>	<b><u>1,353,165.67</u></b>	<b><u>(286,534.24)</u></b>	<b><u>213,756.35</u></b>	<b><u>74,102.75</u></b>	<b><u>364,800.71</u></b>
Other Restricted Assets	63,274.00	15,460.00	51,895.00	16,067.00	5,384.00	17,488.00
<b>Capital Assets:</b>						
Property, Plant and Equipment	829,139.55	261,893.38	306,988.96	214,784.39	23,069.13	118,499.20
Accumulated Deprecation	<u>(610,745.67)</u>	<u>(241,437.38)</u>	<u>(125,222.27)</u>	<u>(160,722.39)</u>	<u>(23,069.13)</u>	<u>(98,362.68)</u>
<b>Total Capital Assets</b>	<b><u>218,393.88</u></b>	<b><u>20,456.00</u></b>	<b><u>181,766.69</u></b>	<b><u>54,062.00</u></b>	<b><u>-</u></b>	<b><u>20,136.52</u></b>
Other Noncurrent Assets	<u>139,775.00</u>	-	-	-	-	34,770.00
<b>Total Assets</b>	<b><u>(20,738.55)</u></b>	<b><u>1,389,081.67</u></b>	<b><u>(52,872.55)</u></b>	<b><u>283,885.35</u></b>	<b><u>79,486.75</u></b>	<b><u>437,195.23</u></b>
<b><u>Deferred Outflows of Resources</u></b>						
Deferred Amount from Refunding of Bonds	2,272.00	555.00	1,863.00	577.00	193.00	628.00
Deferred Outflow Related to Pensions	<u>85,810.00</u>	<u>20,966.00</u>	<u>70,374.00</u>	<u>21,787.00</u>	<u>7,301.00</u>	<u>23,715.00</u>
<b>Total Deferred Outflows or Resources</b>	<b><u>88,082.00</u></b>	<b><u>21,521.00</u></b>	<b><u>72,237.00</u></b>	<b><u>22,364.00</u></b>	<b><u>7,494.00</u></b>	<b><u>24,343.00</u></b>
<b><u>Liabilities</u></b>						
<b>Current Liabilities</b>						
Accounts Payable	3,472.86	125,138.83	18,606.79	925.30	78.39	83,721.06
Due to Other Funds	4,083.23	129,024.17	80,348.27	39,790.26	14,279.94	70,249.44
Due to Other Governments	22.99	-	-	-	-	-
Component Units	5,174.89	1,089.52	8,642.01	3,909.61	3,255.68	3,605.35
Salaries Payable	22,614.87	5,771.88	15,254.80	4,874.35	1,174.37	5,260.42
Benefits Payable	37,130.17	2,177.75	2,568.48	367.00	-	2,475.72
Deferred Revenue	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b><u>72,499.01</u></b>	<b><u>263,202.15</u></b>	<b><u>125,420.35</u></b>	<b><u>49,866.52</u></b>	<b><u>18,788.38</u></b>	<b><u>165,311.99</u></b>
<b>Noncurrent Liabilities</b>						
Accrued Employee Benefits - LT	<u>32,311.09</u>	<u>1,895.11</u>	<u>2,234.58</u>	<u>301.36</u>	-	<u>2,154.40</u>
<b>Total Liabilities</b>	<b>104,810.10</b>	<b>265,097.26</b>	<b>127,654.93</b>	<b>50,167.88</b>	<b>18,788.38</b>	<b>167,466.39</b>
<b>Deferred Inflows of Resources</b>						
Deferred Inflow Related to Pensions	<u>138,612.00</u>	<u>33,867.00</u>	<u>113,678.00</u>	<u>35,195.00</u>	<u>11,793.00</u>	<u>38,308.00</u>
<b>Total Deferred Inflows or Resources</b>	<b><u>138,612.00</u></b>	<b><u>33,867.00</u></b>	<b><u>113,678.00</u></b>	<b><u>35,195.00</u></b>	<b><u>11,793.00</u></b>	<b><u>38,308.00</u></b>
<b><u>Net Position</u></b>						
Unreserved Retained Earnings	<u>(176,078.65)</u>	<u>1,111,638.41</u>	<u>(221,968.48)</u>	<u>220,886.47</u>	<u>56,399.37</u>	<u>255,763.84</u>
<b>Total Net Position</b>	<b><u>\$(176,078.65)</u></b>	<b><u>\$1,111,638.41</u></b>	<b><u>\$(221,968.48)</u></b>	<b><u>\$220,886.47</u></b>	<b><u>\$ 56,399.37</u></b>	<b><u>\$255,763.84</u></b>

# STATEMENT OF NET POSITION

(continued)

	Machine Shop	Pawsitive Pups	Garment	Private Sector	Total
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and Cash equivalents	\$(526,947.21)	\$ (21,105.12)	\$446,256.77	\$ 776,448.96	\$ 416,041.18
Receivables:					
Interest and Dividends	-	-	428.18	-	1,348.84
Other Funds	338.40	26.00	206.00	85.00	467,131.13
Component Units	-	-	22.75	-	63,893.13
Other	3,631.72	187.01	6,669.95	1,285.40	37,973.56
Other Governments	4,239.85	-	7,525.56	43,228.26	214,711.81
Inventory	65,894.50	-	428,173.77	-	1,312,605.91
<b>Total Current Assets</b>	<u>(452,842.74)</u>	<u>(20,892.11)</u>	<u>889,282.98</u>	<u>821,047.62</u>	<u>2,513,705.56</u>
Other Restricted Assets	17,641.00	-	14,916.00	33,797.00	235,922.00
<b>Capital Assets:</b>					
Property, Plant and Equipment	37,933.67	-	73,825.00	806,737.88	2,672,871.16
Accumulated Deprecation	(25,365.44)	-	(45,990.91)	(691,502.12)	(2,022,417.99)
<b>Total Capital Assets</b>	<u>12,568.23</u>	<u>-</u>	<u>27,834.09</u>	<u>115,235.76</u>	<u>650,453.17</u>
Other Noncurrent Assets	-	-	-	-	174,545.00
<b>Total Assets</b>	<u>(422,633.51)</u>	<u>(20,892.11)</u>	<u>932,033.07</u>	<u>970,080.38</u>	<u>3,574,625.73</u>
<b>Deferred Outflows of Resources</b>					
Deferred Amount from Refunding of Bonds	633.00	-	536.00	1,213.00	8,470.00
Deferred Outflow Related to Pensions	23,922.00	-	20,227.00	45,832.00	319,934.00
<b>Total Deferred Outflows or Resources</b>	<u>24,555.00</u>	<u>-</u>	<u>20,763.00</u>	<u>47,045.00</u>	<u>328,404.00</u>
<b>Liabilities</b>					
<b>Current Liabilities</b>					
Accounts Payable	2,822.07	-	8,774.96	-	243,540.26
Due to Other Funds	13,390.00	377.21	65,928.70	49,659.91	467,131.13
Due to Other Governments	-	-	-	-	22.99
Component Units	2,171.86	487.83	5,092.56	1,329.87	34,759.18
Salaries Payable	4,629.55	-	4,359.75	9,224.81	73,164.80
Benefits Payable	1,740.62	-	6,493.63	7,583.73	60,537.10
Deferred Revenue	-	533.34	-	-	533.34
Net Pension Liability	-	-	-	-	-
<b>Total Current Liabilities</b>	<u>24,754.10</u>	<u>1,398.38</u>	<u>90,649.60</u>	<u>67,798.32</u>	<u>879,688.80</u>
<b>Noncurrent Liabilities</b>					
Accrued Employee Benefits - LT	1,514.70	-	5,650.83	6,617.80	52,679.87
<b>Total Liabilities</b>	<u>26,268.80</u>	<u>1,398.38</u>	<u>96,300.43</u>	<u>74,416.12</u>	<u>932,368.67</u>
<b>Deferred Inflows of Resources</b>					
Deferred Inflow Related to Pensions	38,643.00	-	32,674.00	74,034.00	516,804.00
<b>Total Deferred Inflows or Resources</b>	<u>38,643.00</u>	<u>-</u>	<u>32,674.00</u>	<u>74,034.00</u>	<u>516,804.00</u>
<b>Net Position</b>					
Unreserved Retained Earnings	(462,990.31)	(22,290.49)	823,821.64	868,675.26	2,453,857.06
<b>Total Net Position</b>	<u>\$(462,990.31)</u>	<u>\$ (22,290.49)</u>	<u>\$823,821.64</u>	<u>\$ 868,675.26</u>	<u>\$2,453,857.06</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, 2022

	Admin. Office	License Plate	Carpentry	Books/ Print	Braille Unit	Sign
<b>Operating Revenue:</b>						
Sales and Services	\$ 28,843.85	\$ 1,312,218.21	\$ 723,276.41	\$ 354,750.95	\$ 123,522.39	\$ 632,320.56
Rent Revenue	-	-	-	-	-	-
<b>Total Operating Revenue:</b>	<u>28,843.85</u>	<u>1,312,218.21</u>	<u>723,276.41</u>	<u>354,750.95</u>	<u>123,522.39</u>	<u>632,320.56</u>
<b>Operating Expenses:</b>						
Personal Services and Benefits	293,831.28	79,891.32	212,945.65	71,231.86	19,954.10	79,352.73
Travel	17,752.08	-	42.00	-	-	-
Contractual Services	127,024.19	7,282.08	54,462.77	92,960.78	30,766.26	35,411.95
Supplies	26,708.80	922,071.30	643,381.58	100,182.80	12,425.73	439,908.88
Capital expense (under 5000)	-	-	82,964.69	3,096.04	-	-
Interest expense	6.12	-	294.11	-	-	-
Depreciation	31,480.35	-	19,285.79	15,081.96	-	3,586.32
Other Expense	(450,924.73)	128,901.35	80,096.88	39,198.70	13,679.04	70,080.36
<b>Total Operating Expenses</b>	<u>45,878.09</u>	<u>1,138,146.05</u>	<u>1,093,473.47</u>	<u>321,752.14</u>	<u>76,825.13</u>	<u>628,340.24</u>
<b>Operating Income (Loss)</b>	(17,034.24)	174,072.16	(370,197.06)	32,998.81	46,697.26	3,980.32
<b>Nonoperating Revenue (Expenses):</b>						
Loss on Disposal of Assets	-	(2,876.00)	-	-	-	-
Sale of Surplus Property	-	-	-	-	-	-
Interest Income	(101.67)	(6,872.19)	(1,651.19)	(1,319.09)	(148.92)	(1,435.45)
Other Income (Expense)	(1.85)	(37.26)	(5.90)	(7.44)	(0.39)	(9.96)
<b>Total Nonoperating Revenue (Expenses)</b>	<u>(103.52)</u>	<u>(9,785.45)</u>	<u>(1,657.09)</u>	<u>(1,326.53)</u>	<u>(149.31)</u>	<u>(1,445.41)</u>
<b>Income (Loss) Before Transfers</b>	(17,137.76)	164,286.71	(371,854.15)	31,672.28	46,547.95	2,534.91
<b>Transfers:</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Net Transfers in (Out)</b>	-	-	-	-	-	-
<b>Change in Net Position</b>	(17,137.76)	164,286.71	(371,854.15)	31,672.28	46,547.95	2,534.91
Net Position at Beginning of Year	(158,940.89)	947,351.70	149,885.67	189,214.19	9,851.42	253,228.93
<b>Net Position at End of Year</b>	<u>\$ (176,078.65)</u>	<u>\$ 1,111,638.41</u>	<u>\$ (221,968.48)</u>	<u>\$ 220,886.47</u>	<u>\$ 56,399.37</u>	<u>\$ 255,763.84</u>

# STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

(continued)

	Machine Shop	Pawsitive Pups	Garment	Private Sector	Total
<b>Operating Revenue:</b>					
Sales and Services	\$ 120,911.83	\$ 3,261.34	\$584,566.72	\$365,087.10	\$ 4,248,759.36
Rent Revenue	-	-	-	460.00	460.00
<b>Total Operating Revenue:</b>	<u>120,911.83</u>	<u>3,261.34</u>	<u>584,566.72</u>	<u>365,547.10</u>	<u>4,249,219.36</u>
<b>Operating Expenses:</b>					
Personal Services and Benefits	77,117.51	-	75,157.65	124,255.57	1,033,737.67
Travel	-	-	-	-	17,794.08
Contractual Services	15,013.87	1,853.05	36,326.36	10,242.55	411,343.86
Supplies	111,708.90	20,551.87	313,136.36	13,018.43	2,603,094.65
Capital expense (under 5000)	2,155.00	2,377.80	-	-	90,593.53
Interest expense	-	-	-	-	300.23
Depreciation	3,235.34	-	8,078.52	13,799.81	94,548.09
Other Expense	13,390.00	361.13	64,735.96	40,481.31	-
<b>Total Operating Expenses</b>	<u>222,620.62</u>	<u>25,143.85</u>	<u>497,434.85</u>	<u>201,797.67</u>	<u>4,251,412.11</u>
<b>Operating Income (Loss)</b>	(101,708.79)	(21,882.51)	87,131.87	163,749.43	(2,192.75)
<b>Nonoperating Revenue (Expenses):</b>					
Loss on Disposal of Assets	-	-	-	-	(2,876.00)
Sale of Surplus Property	-	-	-	-	-
Interest Income	-	-	(5,788.68)	-	(17,317.19)
Other Income (Expense)	-	-	(29.21)	-	(92.01)
<b>Total Nonoperating Revenue (Expenses)</b>	<u>-</u>	<u>-</u>	<u>(5,817.89)</u>	<u>-</u>	<u>(20,285.20)</u>
<b>Income (Loss) Before Transfers</b>	(101,708.79)	(21,882.51)	81,313.98	163,749.43	(22,477.95)
<b>Transfers:</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
<b>Net Transfers in (Out)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in Net Position</b>	(101,708.79)	(21,882.51)	81,313.98	163,749.43	(22,477.95)
Net Position at Beginning of Year	(361,281.52)	(407.98)	742,507.66	704,925.83	2,476,335.01
<b>Net Position at End of Year</b>	<u>\$(462,990.31)</u>	<u>\$ (22,290.49)</u>	<u>\$823,821.64</u>	<u>\$868,675.26</u>	<u>\$ 2,453,857.06</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, 2022

	Admin. Office	License Plate	Carpentry	Books/ Print	Braille	Sign
<b>Cash Flows From Operating Activities</b>						
Receipts From Customers And Users	\$ 13,589.89	\$ -	\$ 558,974.61	\$ 109,903.91	\$ 143,558.30	\$ 81,303.00
Receipts from Interfund Services Provided	487,115.25	1,576,612.61	137,197.39	260,470.08	487.04	593,926.30
Payments to Supplies	(267,685.15)	(929,871.56)	(789,289.96)	(196,731.18)	(22,683.26)	(517,547.53)
Payments for Employee Services	(277,340.32)	(92,408.61)	(229,520.99)	(70,778.64)	(20,816.72)	(77,329.55)
Payments for Interfund Services Used	(44,205.93)	(146,599.88)	(135,657.34)	(63,047.86)	(36,314.48)	(68,299.98)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(88,526.26)</u>	<u>407,732.56</u>	<u>(458,296.29)</u>	<u>39,816.31</u>	<u>64,230.88</u>	<u>12,052.24</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>						
Purchase of Fixed Assets	(9,285.00)	-	(147,529.00)	-	-	-
Sales of Fixed Assets	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(9,285.00)</u>	<u>-</u>	<u>(147,529.00)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>						
Investment Income	(128.77)	(6,702.48)	(1,540.61)	(1,293.13)	(135.65)	(1,449.70)
Investment Expense	(1.85)	(37.26)	(5.90)	(7.44)	(0.39)	(9.96)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>(130.62)</u>	<u>(6,739.74)</u>	<u>(1,546.51)</u>	<u>(1,300.57)</u>	<u>(136.04)</u>	<u>(1,459.66)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year</b>	<u>(97,941.88)</u>	<u>400,992.82</u>	<u>(607,371.80)</u>	<u>38,515.74</u>	<u>64,094.84</u>	<u>10,592.58</u>
Cash and Cash Equivalents at Beginning of Year	<u>(801,835.87)</u>	<u>782,610.85</u>	<u>(84,140.75)</u>	<u>90,889.15</u>	<u>(3,265.44)</u>	<u>(51,752.46)</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ (899,777.75)</u>	<u>\$ 1,183,603.67</u>	<u>\$ (691,512.55)</u>	<u>\$ 129,404.89</u>	<u>\$ 60,829.40</u>	<u>\$ (41,159.88)</u>

# STATEMENT OF CASH FLOWS

(continued)

	Machine	Pawsitive Pups	Garment	Private Sector	Inter office	Total
<b>Cash Flows From Operating Activities</b>						
Receipts From Customers And Users	\$ 36,097.23	\$ 3,630.09	\$ 152,065.02	\$ 17,703.89		\$ 1,116,825.94
Receipts from Interfund Services Provided	87,313.25	-	444,177.84	358,413.38	\$ (479,942.78)	3,465,770.36
Payments to Supplies	(135,534.76)	(14,489.52)	(400,839.01)	(13,650.80)		(3,288,322.73)
Payments for Employee Services	(75,267.34)	-	(73,083.03)	(121,661.66)		(1,038,206.86)
Payments for Interfund Services Used	(31,862.17)	(1,821.62)	(76,311.19)	(73,917.56)	\$ 479,942.78	(198,095.23)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(119,253.79)</u>	<u>(12,681.05)</u>	<u>46,009.63</u>	<u>166,887.25</u>	<u>-</u>	<u>57,971.48</u>
<b>Cash Flows From Capital And Related Financing Activities:</b>						
Purchase of Fixed Assets	-	-	-	(5,417.25)		(162,231.25)
Sales of Fixed Assets	-	-	-	-		-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,417.25)</u>	<u>-</u>	<u>(162,231.25)</u>
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers In	-	-	-	-		-
Transfers Out	-	-	-	-		-
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash Flows From Investing Activities</b>						
Investment Income	-	-	(5,595.90)	-		(16,846.24)
Investment Expense	-	-	(29.21)	-		(92.01)
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>-</u>	<u>-</u>	<u>(5,625.11)</u>	<u>-</u>	<u>-</u>	<u>(16,938.25)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents during the Fiscal Year</b>	<u>(119,253.79)</u>	<u>(12,681.05)</u>	<u>40,384.52</u>	<u>161,470.00</u>	<u>-</u>	<u>(121,198.02)</u>
Cash and Cash Equivalents at Beginning of Year	<u>(407,693.42)</u>	<u>(8,424.07)</u>	<u>405,872.25</u>	<u>614,978.96</u>	<u>-</u>	<u>537,239.20</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ (526,947.21)</u>	<u>\$ (21,105.12)</u>	<u>\$ 446,256.77</u>	<u>\$ 776,448.96</u>	<u>-</u>	<u>\$ 416,041.18</u>

# STATEMENT OF CASH FLOWS

(continued)

	Admin. Office	License Plate	Carpentry	Books/ Print	Braille	Sign
<b>Reconciliation of Operating Income (Loss ) To</b>						
<b>Net Cash Provided by Operating Activities</b>						
Operating Income (Loss)	\$ (17,034.24)	\$ 174,072.16	\$(370,197.06)	\$ 32,998.81	\$ 46,697.26	\$ 3,980.32
Adjustments to Reconcile Operating Income (Loss):						
Depreciation Expense	31,480.35	-	19,285.79	15,081.96	-	3,586.32
Miscellaneous Non Operating Revenue	-	-	-	-	-	-
Decrease/(Increase) in Assets:						
Accounts Receivable	(0.02)	-	22,378.70	(4,091.24)	19,915.36	(672.07)
Due From Other Funds	31,520.41	1,366.63	(870.08)	379.83	8.16	972.73
Due From Component	315.00	-	(35,928.34)	35.63	-	(45.94)
Due From other Agency	(104.01)	264,394.40	(932.01)	20,349.68	-	47,059.39
Prepaid Expense	(139,775.00)	-	111,725.33	-	-	(34,770.00)
Decrease In Inventory	-	(24,164.04)	(124,702.39)	(5,662.95)	(397.20)	(94,129.23)
Decrease In Net Pension Asset	(62,895.00)	(15,351.00)	(51,699.00)	(15,953.00)	(5,370.00)	(17,424.00)
Increase/(Decrease) in Deferred Outflow of Resources						
Deferred Amount from Refunding of Bonds	(823.00)	(138.00)	(1,112.00)	(140.00)	(140.00)	(384.00)
Deferred outflow of Resources Related to Pensions	(25,524.00)	(3,623.00)	(39,126.00)	(3,597.00)	(5,107.00)	(13,581.00)
Increase/(Decrease) in Liabilities:						
Accounts Payable	447.86	16,679.78	(47,716.81)	(14,971.84)	(573.74)	67,357.31
Accrued Liabilities	2,598.67	223.05	577.54	178.01	(236.62)	1,694.27
Compensated Absences Payable	3,032.73	1,419.10	(9,864.02)	(842.43)	-	1,065.84
Deferred Revenue	-	-	(6,764.64)	-	-	-
Due to other funds	(1,232.92)	(26,970.04)	(10,470.69)	(4,454.37)	267.37	17,119.99
Due to other Governments	22.99	-	-	-	-	-
Due to Other Agencies	335.92	197.52	(898.61)	247.22	(823.71)	236.31
Net Pension Liability	-	-	-	-	-	-
Deferred Inflow	89,108.00	19,626.00	88,018.00	20,258.00	9,991.00	29,986.00
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ (88,526.26)</u>	<u>\$ 407,732.56</u>	<u>\$(458,296.29)</u>	<u>\$ 39,816.31</u>	<u>\$ 64,230.88</u>	<u>\$ 12,052.24</u>

# STATEMENT OF CASH FLOWS

(continued)

	Machine	Pawstive Pups	Garment	Private Sector	Total
<b>Reconciliation of Operating Income (Loss ) To Net Cash Provided by Operating Activities</b>					
Operating Income (Loss)	\$(101,708.79)	\$(21,882.51)	\$ 87,131.87	\$ 163,749.43	(2,192.75)
Adjustments to Reconcile Operating Income (Loss):					
Depreciation Expense	3,235.34	-	8,078.52	13,799.81	94,548.09
Miscellaneous Non Operating Revenue	-	-	-	-	-
Decrease/(Increase) in Assets:					
Accounts Receivable	(3,389.85)	(187.01)	(2,455.17)	13,841.17	45,339.87
Due From Other Funds	4,715.08	(26.00)	2,297.95	386.44	40,751.15
Due From Component	-	-	(22.75)	-	(35,646.40)
Due From other Agency	1,493.88	-	12,129.03	(787.58)	343,602.78
Prepaid Expense	-	20,568.13	1,177.04	-	(41,074.50)
Decrease In Inventory	(13,872.60)	-	(61,671.83)	-	(324,600.24)
Decrease In Net Pension Asset	(17,526.00)	-	(14,826.00)	(33,541.00)	(234,585.00)
Increase/(Decrease) in Deferred Outflow of Resources					
Deferred Amount from Refunding of Bonds	(194.00)	-	(190.00)	(232.00)	(3,353.00)
Deferred outflow of Resources Related to Pensions	(5,666.00)	-	(5,837.00)	(5,004.00)	(107,065.00)
Increase/(Decrease) in Liabilities:					
Accounts Payable	(6,461.96)	(11,472.14)	(19,718.89)	(2,336.30)	(18,766.73)
Accrued Liabilities	(43.58)	-	102.52	3,268.26	8,362.12
Compensated Absences Payable	838.23	-	887.53	2,166.29	(1,296.73)
Deferred Revenue	-	533.34	-	-	(6,231.30)
Due to other funds	(3,951.98)	(294.71)	18,196.79	(28,960.59)	(40,751.15)
Due to other Governments	-	-	-	-	22.99
Due to Other Agencies	(375.56)	79.85	(126.98)	30.32	(1,097.72)
Net Pension Liability	-	-	-	-	-
Deferred Inflow	23,654.00	-	20,857.00	40,507.00	342,005.00
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$(119,253.79)</u>	<u>\$(12,681.05)</u>	<u>\$ 46,009.63</u>	<u>\$ 166,887.25</u>	<u>\$ 57,971.48</u>

# 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.



# FY 2022 ANNUAL REPORT

South Dakota Department of Corrections  
Pheasantland Industries

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Layout, Design and Printing by Pheasantland Industries  
December 2022 | 25 copies | \$5.47 per copy