



2014 ANNUAL REPORT





2014 ANNUAL REPORT

## TABLE OF CONTENTS

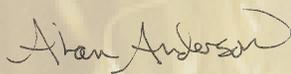
- 3 • Welcome
- 4 • Mission, Vision, Values
- 5 • Frequently Asked Questions
- 6 • Recidivism
- 7-10 • Financial Statements
- 11 • What's New
- 12 • Training Statistics and Enrollment
- 13 • Chain of Command
- 14 • State Facilities
- 15-16 • ICI Staff
- 17 • Re-Entry Statement

## WELCOME TO IDAHO CORRECTIONAL INDUSTRIES!

We are pleased to present to you our 2014 Annual Report. This report is designed to reflect the many aspects of what ICI is all about. From a Certified Training Program to reducing recidivism; to a little insight into what the future may hold for ICI, to a closer look at the teams that comprise Idaho Correctional Industries. We hope this glimpse into ICI helps you to see what an extraordinary program we have and the supportive and cohesive team we have behind it.

Many thanks to all of our Staff, Business Partners and Supporters,

Alan Anderson



General Manager

Idaho Correctional Industries

### DID YOU KNOW?

Teach, Track, Train – each of these are very important parts of what ICI is proud to do. Our team of training and admin professionals take great measures to document, review and continually learn ways to make our programs better.



## MISSION

To promote a safer Idaho by reducing recidivism.

## VISION

Correctional Industries will provide life skills and marketable work opportunities that allow offenders a successful re-entry into society.

## VALUES

We value customer satisfaction.  
We value production of quality products and services.  
We value our staff.  
We value a safe and professional environment that promotes dignity and respect for staff, the public and offenders.

## WHAT IS IDAHO CORRECTIONAL INDUSTRIES?

Idaho Correctional Industries is an offender training program. It teaches marketable work and life skills. Idaho Correctional Industries is committed to training offenders to successfully re-enter society. The skills attained help offenders obtain gainful employment.

## HOW MUCH DOES IDAHO CORRECTIONAL INDUSTRIES COST IDAHO TAXPAYERS?

Not a dime. Idaho Correctional Industries is a self-funding, self-sustaining program. Proceeds generated are invested in current market technology for the highest quality offender training and industry standards that promote the most efficient manufacturing.

## WHO CAN PURCHASE FROM IDAHO CORRECTIONAL INDUSTRIES?

By law, Idaho Correctional Industries can sell to what are called "Authorized Markets." Those markets include city, state and government agencies; non-profits; secondary schools, colleges and universities. In addition to those markets are approved retailers and wholesalers that resell Idaho Correctional Industries products.

## DOES IDAHO CORRECTIONAL INDUSTRIES COMPETE WITH THE PRIVATE SECTOR?

State statute limits Idaho Correctional Industries to sell only to the authorized markets listed above. Some states require those markets to purchase from their own state Correctional Industries, Idaho does not.

## WHAT PRODUCTS DOES IDAHO CORRECTIONAL INDUSTRIES MAKE?

The offender trainee program manufactures both standard products and custom items. These products include office and lounge furniture; executive, task and guest chairs; license plates and new or refurbished panel systems. Other services include upholstery, printing, garments and metal fabrication.

The offender trainees also provide services including drafting with CAD and CNC programming, agricultural labor and moving & office set up services.

# IDAHO CORRECTIONAL INDUSTRIES RECIDIVISM

Idaho Correctional Industries (ICI) program participants released between the years of 2011 - 2013 and who completed a minimum of one year of training in ICI programs have a recidivism rate of 26.3%.

## METHODOLOGY

To be considered for this analysis, program participants must have met the following criteria:

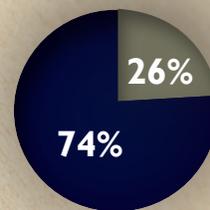
Released from an Idaho Department of Correction (IDOC) correctional institution between the years of 2011-2013

- Received at least twelve months of training in ICI programs

## THE NUMBERS

- There were 38 offenders that met the criteria for this analysis.
- Of these offenders, 10, (26.3%) experienced a recidivism event, while 28, (73.7%) did not recidivate.

**N=38**



- **Recidivism Event**
- **No Recidivism Event**

A comparison group of 5,933 offenders released between the years of 2011 – 2013 and who did not receive an ICI training program intervention have a recidivism rate of 27.6%.

- A recidivism event does include offenders who violate their parole but may not be sent back to term incarceration.

Vicky Calderón, Principal Research Analyst  
Idaho Department of Correction December 23, 2014  
mcaldero@idoc.idaho.gov

## ICI FINANCIAL REPORT STATEMENT OF NET ASSETS

	<u>June 30, 2013</u>	<u>June 30, 2014</u>
<b>ASSETS</b>		
Current Assets		
Cash	\$3,323,188	\$4,029,254
Accounts Receivable, Net	457,093	480,153
Prepaid Expenses	450,408	209,705
Inventory, Net	1,624,218	1,497,903
Construction in Progress	739	22,881
Total Current Assets	<u>5,855,646</u>	<u>6,239,897</u>
Noncurrent Assets		
Capital Assets, Net	<u>3,540,872</u>	<u>3,188,228</u>
Total Assets	<u><u>\$9,396,518</u></u>	<u><u>\$9,428,125</u></u>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$113,135	\$158,411
Other Payables	61,154	75,641
Payroll and Benefits Payable	101,448	120,685
Compensated Absences Payable	37,370	33,926
Warranty and Showroom Reserve	1,265	5,352
Unearned Revenue	39,165	79,908
Total Current Liabilities	<u>353,537</u>	<u>473,923</u>
Noncurrent Liabilities		
Compensated Absences Payable	<u>45,675</u>	<u>41,465</u>
Total Liabilities	<u>399,212</u>	<u>515,388</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	3,540,872	3,188,228
Unrestricted	<u>5,456,433</u>	<u>5,724,509</u>
Total Net Assets	<u>8,997,306</u>	<u>8,912,738</u>
Total Liabilities and Net Assets	<u><u>\$9,396,518</u></u>	<u><u>\$9,428,125</u></u>

# ICI FINANCIAL REPORT

## STATEMENT OF REVENUES, EXPENSES & CHANGES IN FUND NET ASSETS

	<u>June 30, 2013</u>	<u>June 30, 2014</u>
<b>OPERATING REVENUES</b>		
Sales	\$8,086,510	\$7,784,370
Total Operating Revenues	<u>\$8,086,510</u>	<u>\$7,784,370</u>
<b>OPERATING EXPENSES</b>		
Cost of Goods Sold	\$3,724,128	\$3,692,991
Personnel Costs	1,983,992	2,098,371
Indirect Inmate Labor	91,381	92,277
Travel and Training	61,934	45,647
Supplies	38,711	43,137
Depreciation Expense	429,981	484,010
Building, Equipment, and Maintenance	770,103	743,800
Utilities	184,005	227,190
Advertising, Insurance, and Professional Fees	86,892	114,710
Other Expenses	278,691	371,238
Total Operating Expenses	<u>\$7,649,818</u>	<u>\$7,913,371</u>
Operating Income (Loss)	\$436,692	(\$129,002)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Revenue	\$16,445	\$10,271
Contribution to DOC	\$0	\$0
Total Non-Operating Revenues (Expenses)	<u>\$16,445</u>	<u>\$10,271</u>
NET INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	\$453,137	(\$118,731)
<b>DISCONTINUED OPERATIONS</b>		
Gain from discontinued operations	<u>0</u>	<u>0</u>
NET INCOME (LOSS) BEFORE SPECIAL ITEMS	\$453,137	(\$118,731)
<b>SPECIAL ITEMS</b>		
Gain on the sale of fixed assets		9,000
Miscellaneous Income		25,163
		<u>34,163</u>
INCREASE (DECREASE) IN NET ASSETS	\$453,137	(\$84,568)
BEGINNING NET ASSETS, AS RESTATED	<u>8,544,169</u>	<u>8,997,306</u>
ENDING NET ASSETS	<u>\$8,997,306</u>	<u>\$8,912,738</u>

## ICI FINANCIAL REPORT STATEMENT OF CASH FLOWS

	Enterprise Fund	
	June 30, 2013	June 30, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers and other departments	\$8,317,977	\$7,802,052
Cash Payments to Suppliers for Goods and Services	(5,639,385)	(4,922,265)
Cash Payments to Employees for Services	(2,052,012)	(2,086,789)
Net Cash Provided (Used) by Continuing Operating Activities	\$626,580	\$792,999
Net Cash Provided (Used) by Discontinued Operating Activities		
Net Cash Provided (Used) by Contributions		
Net Cash Provided (Used) by Operating Activities	\$626,580	\$792,999
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>		
Transfers To Other Funds		
Net Cash Provided (Used) for Non Capital Financing Activities	0	0
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Cash Proceeds from the Sale of Capital Assets		
Cash Payments for Purchase of Capital Assets	(1,626,631)	(131,366)
Net Cash From Capital Financing Activities	(\$1,626,631)	(\$131,366)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash Received for Special Items	0	34,163
Cash Received for Interest	\$16,445	\$10,271
Net Cash From Investing Activities	\$16,445	\$44,434
Net Increase (Decrease) in Cash	(\$983,691)	\$706,067
Cash at Beginning of Year	4,306,878	3,323,187
Cash at End of Year	\$3,323,187	\$4,029,254
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss) From Operating Activities	\$436,692	(\$129,002)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	429,981	484,010
Changes in Accounts Receivable	222,594	(23,061)
Change in Prepaid Expense	(189,142)	240,703
Changes in Inventory	(71,627)	126,314
Changes in Construction in Progress	5,634	(22,141)
Changes in Payables	(207,552)	116,176
Inventory Write-down		
Education Program Expenses		
Gain on Discontinued Operations, Net of Depreciation		
Net Cash Provided (Used) By Operating Activities	\$626,580	\$792,999

## ICI FINANCIAL REPORT STATEMENT OF FIXED ASSETS

	Beginning Balance	Additions	Retirements	Ending Balance
Construction in Process	739	22142	0	22881
<b>Assets</b>				
Building	2,650,682	0		2,650,682
Equipment and other	4,661,095	131,366	(33,305)	4,759,156
<b>Total Historic Cost</b>	<b>7,311,776</b>	<b>131,366</b>	<b>(33,305)</b>	<b>7,409,837</b>
<b>Less Accumulated Depreciation</b>				
Building	(855,513)	(73,422)		(928,936)
Equipment and other	(2,915,391)	(410,587)	33,305	(3,292,673)
<b>Total Accumulated Depreciation</b>	<b>(3,770,904)</b>	<b>(484,010)</b>	<b>33,305</b>	<b>(4,221,609)</b>
<b>Net Capital Assets</b>	<b>3,540,872</b>			<b>3,188,228</b>

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Enterprise Fund Financial Statements - Correctional Industries is a government entity engaged in business-type activities. The Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows display information about Correctional Industries' financial operations for the year end June 30, 2014. These statements include all financial activity of Correctional Industries. These activities are financed primarily by fees charged for goods provided to customers. Such fees are classified as operating revenues. All other revenue is classified as non-operating.

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets and liabilities are presented in the Statement of Net Assets. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

### CASH

The cash represents Correctional Industries' interest in an internal investment pool maintained by the State. The State Treasurer is the investment officer for the money on deposit in the State treasury. Idaho Code, Sections 67-1210 and 67-1210A, governs investment policies of the State Treasurer. Interest earned on Correctional Industries' portion of the investment pool is credited to Correctional Industries.

### ACCOUNTS RECEIVABLE

Receivables consist primarily of the sale of goods to customers and are referred to as "trade receivables." Trade receivables are accounted for net of an allowance for doubtful accounts.

### ACCOUNTS PAYABLE

Accounts payable are vendor-payment transactions occurring after the June 30 fiscal year-end for goods and services received by Correctional Industries prior to June 30.

### INVENTORY

Inventory consists of raw materials and supplies, work-in-process, and finished goods. Raw materials and supplies are valued at cost, less a reserve of \$46,704 for obsolete items. Correctional Industries has established a reserve for finished goods in the amount of \$16,294. Correctional Industries estimates that the cost, less the reserve, approximates market value. Work-in-process inventory is carried at actual accumulated cost. Finished goods inventory is carried at standard costs, with any actual cost variance expensed at the time of production.

### CAPITAL ASSETS

Capital assets are reported at cost, less any accumulated depreciation. Only assets with a value of \$5,000 or greater are capitalized.

Correctional Industries paid for the construction of a building. The value of this building is included in the financial statements as capital assets, and is depreciated over a 30-40 year period. The Department of Correction provides some buildings. The value of these buildings is not included in Correctional Industries' financial statements. Correctional Industries does not pay the Department of Correction for use of these buildings.

## WHAT'S NEW AT ICI?

FY14 brought some significant changes to ICI; first and foremost our new General Manager Alan Anderson. In his brief tenure Alan has proven to be a great fit for ICI and has our success and forward movement in mind. Alan believes in the program and is making great strides to enhance our training and capabilities.

ICI has also been fortunate to see an upswing in our metal shop training opportunities. New creative ideas and some supporters have enabled us to broaden the scope of training in this shop, enhancing the inmates opportunities in the work force upon their release.

ICI is always looking at new and different opportunities to enhance the training opportunities offered to our inmates. We know that the more training and skills a person leaves with, the greater chance we have to make a positive impact on recidivism rates in the great state of Idaho.

Projects we are currently exploring include:

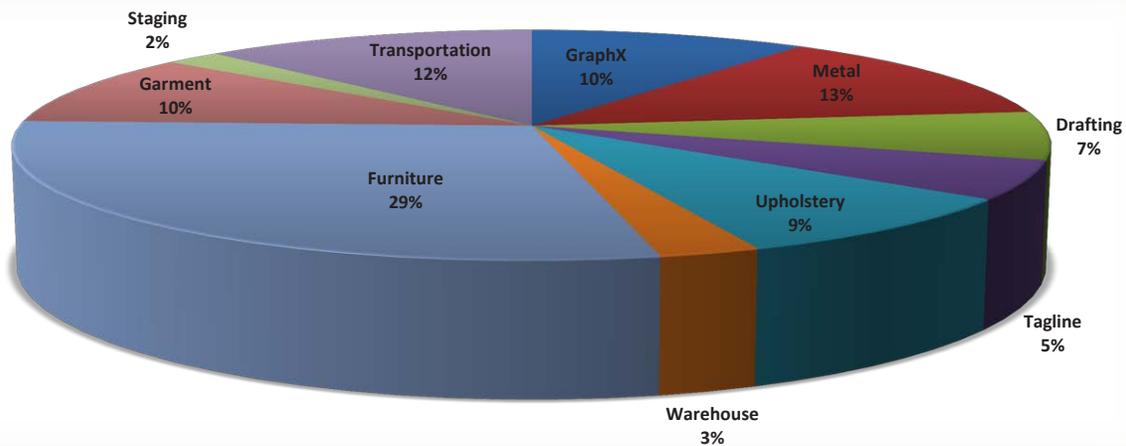
- Bee Boxes
- Bedding for State facilities
- Towels for State facilities

## DID YOU KNOW?

The PIE Certification Program was created by Congress in 1979 to encourage States and units of local government to establish employment opportunities for offenders that participate in private sector work opportunities.

# TRAINING STATISTICS

2014 PERCENTAGE OF TRAINEES PER SHOP



# TRAINING ENROLLMENT

August 2014 Through June 2014

Benchmark Attendance Percentages

10%	20%	30%	35%	5%
Attendance Timeline 0-12 Mos.	Attendance Timeline 13-25 Mos.	Attendance Timeline 26-38 Mos.	Attendance Timeline 39-51 Mos.	Attendance Timeline 52-64 Mos.
Actual 73%	Actual 13%	Actual 5%	Actual 5%	Actual 4%
Total for All Training Shops Combined 114	Total for All Training Shops Combined 24	Total for All Training Shops Combined 9	Total for All Training Shops Combined 6	Total for All Training Shops Combined 7

Total Offender Trainees  
160

## DID YOU KNOW?

With our state of the art machinery, including the addition of a new CNC Router, ICI is able to train offenders with up to date equipment ensuring them current knowledge and skills.

## CHAIN OF COMMAND

### BOARD OF CORRECTIONS

Chair - Debbie Field

Vice Chair - David McClusky

Secretary - "JR" Van Tassell

### IDAHO DEPARTMENT OF CORRECTION

Director - Kevin Kempf

Deputy Director - Henry Atencio

### IDAHO CORRECTIONAL INDUSTRIES

General Manager - Alan Anderson

### DID YOU KNOW?

Our Distribution Center enables us to house product, equipment and materials. Not only does this provide an opportunity to train on warehouse management skills, it provides highly efficient use of time and space.

# STATE FACILITIES WITH TRAINING CAMPUSES

## 1 IDAHO STATE CORRECTIONAL INSTITUTION

Carpentry Shop	Training Positions	43
Upholstery Shop	Training Positions	15
Drafting Shop	Training Positions	10
Metal Fabrication	Training Positions	19
License Plates	Training Positions	8
GraphX (Print, Sign, & Decal)	Training Positions	10

## 1 SOUTH IDAHO CORRECTIONAL INSTITUTION

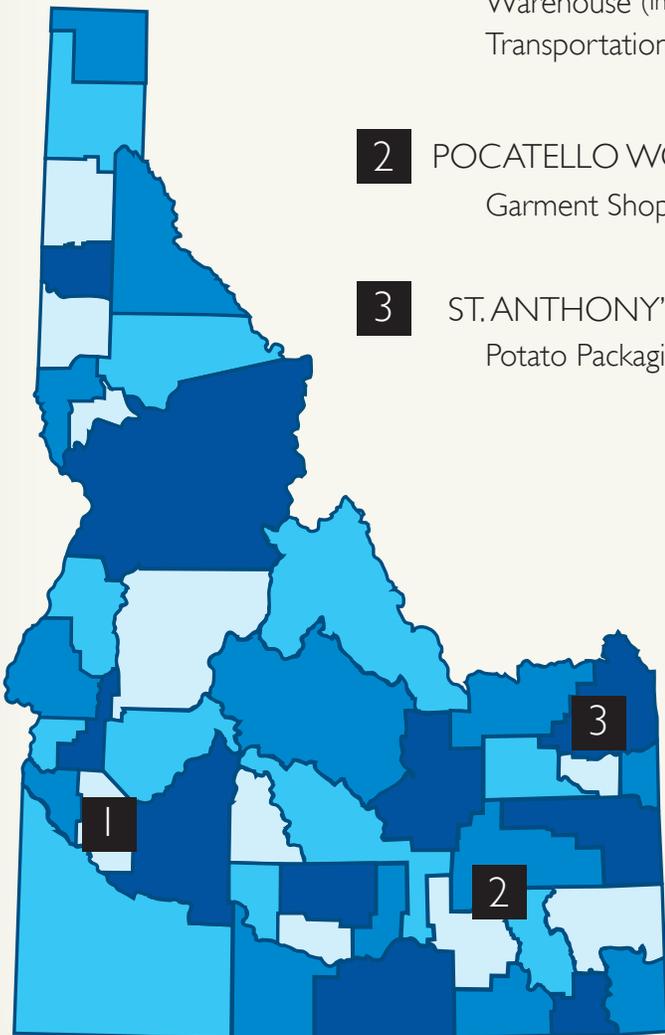
Warehouse (Including, Refurbished Panels)	Training Positions	4
Transportation	Training Positions	19

## 2 POCATELLO WOMEN'S CORRECTIONAL INSTITUTION

Garment Shop	Training Positions	19
--------------	--------------------	----

## 3 ST. ANTHONY'S WORK CAMP

Potato Packaging (PIECP)	Training Positions	122
--------------------------	--------------------	-----





ACCOUNTING



MANAGEMENT



PRODUCTION



SALES

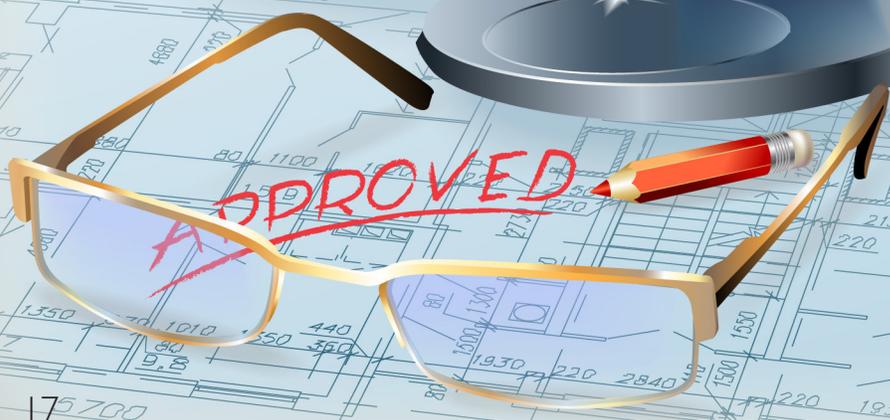


SUPPLY CHAIN OPERATIONS

# TRAINING OFFENDERS TO SUCCESSFULLY RE-ENTER SOCIETY

Idaho Correctional Industries (ICI) was established as a self-sustaining agency with the intent of teaching marketable employment skills and pro-social life skills to offenders. In addition, ICI's purpose is to develop a safer prison population.

With our roots in mind, our training focus at ICI is to provide the highest quality training for those skills necessary to obtain gainful employment. We have also created an extensive tracking system to ensure that not only are offenders getting the most out of their time in the training program, but that our training modules are up to date and providing the best education possible.





2014 ANNUAL REPORT



1301 N. ORCHARD STREET, SUITE 110, BOISE, IDAHO 83706  
SHOWROOM: (208) 577-5555