

2015 Annual Report





TRAINING OFFENDERS TO SUCCEED SUCCESSFULLY
RE-ENTER SOCIETY

Building Partnerships Building Lives

Idaho Correctional Industries

EST. 1974

2015 Annual Report



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WELCOME TO IDAHO CORRECTIONAL INDUSTRIES

We are pleased to present to you our 2015 Annual Report. This year has brought new challenges, new possibilities, new industries, new training opportunities and a new and updated production area located at the Idaho State Correctional Institution south of Boise! Together these changes and improvements provide a better “real-world” work environment and a better opportunity for Idaho’s incarcerated inmates to learn and achieve vocational skills and experience.

Idaho Correctional Industries strives every day to provide rehabilitation through vocational education, training and real-world work life in a verity of industries and technical occupations. In addition, inmate trainees provide a very high level of customer satisfaction and value with the products they create, the services they provide and the high standards of quality in everything they do.

Trained and rehabilitated inmates who are prepared to make positive impacts with their families and the communities they are released into is not only our key goal, it is what drives our everyday decisions, core processes, business practices and measures for success.

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

Regards,

Alan Anderson

General Manager

Idaho Correctional Industries

CHAIN OF COMMAND

GOVERNOR

C.L. Butch Otter

BOARD OF CORRECTION

Chair-Debbie Field
 Vice Chair-David McClusky
 Secretary-Cindy Wilson

DIRECTOR IDAHO DEPARTMENT OF CORRECTION

Kevin Kempf

DIVISION CHIEF

Alan Anderson

FINANCIAL MANAGER

Andrea Sprengel

SALES & MARKETING MANAGER

Roger Deobald

OPERATIONS MANAGER

Scott Walden





Mission

To promote a safer Idaho by:

Reducing inmate idleness in Idaho's prison system

Providing diversified training opportunities focused on vocational education and rehabilitation

Maintaining independent financial sustainability

Vision

Correctional Industries provides life skills and marketable training opportunities to inmates which enable a better chance at a successful reentry into society.

Values

* Respect * Positive Attitude * Integrity



IDAHO CORRECTIONAL INDUSTRIES RECIDIVISM

Program	Not released	No recidivism	PV to re-instatement	Parole Revocation	Total	% Successful
Cabinet Maker	41	26	2	3	72	83.90%
Apparel Workers	23	22	1	2	48	88.00%
Metal Fabricator-Assembler-Welder	14	3	1	2	20	50.00%
Upholsterer	11	7	0	0	18	100.00%
Material Movers & Industrial Truck & Tractor Operators	3	7	2	1	13	70.00%
Screen Printer/Bindery/Printing Press	3	9	0	1	13	90.00%
Embosseser	5	5	1	0	11	83.30%
Drafter	4	4	1	0	9	80.00%
File & Stock Clerk	4	0	0	0	4	*
Screen Printer/Bindery/Graphic Designer/Printing Press	3	1	0	0	4	100.00%
Electric Tool Repair	2	0	0	0	2	*
Folk Lift & Material Movers	2	0	0	0	2	*
Forklift Operators	1	1	0	0	2	100.00%
Janitor	1	1	0	0	2	100.00%
Bindery	0	1	0	0	1	100.00%
Bindery/File & Stock Clerk	1	0	0	0	1	*
Drafting	0	1	0	0	1	100.00%
Painter-Industrial	0	1	0	0	1	100.00%
Screen Printer	1	0	0	0	1	*
Total	119	89	8	9	225	84.00%



ICI FINANCIAL REPORT

Statement of Net Assets

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
ASSETS		
Current Assets		
Cash	\$4,029,254	\$4,415,490
Accounts Receivable, Net	480,153	619,730
Prepaid Expenses	209,705	20,080
Inventory, Net	1,497,903	1,331,278
Construction in Progress	22,881	17,820
Total Current Assets	<u>6,239,897</u>	<u>6,404,398</u>
Noncurrent Assets		
Capital Assets, Net	3,188,228	3,194,433
Total Assets	<u>9,428,125</u>	<u>9,598,831</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	158,411.21	262,936.58
Other Payables	75,641	68,257
Payroll and Benefits Payable	120,685	149,069
Compensated Absences Payable	33,926	38,619
Warranty and Showroom Reserve	5,352	5,352
Unearned Revenue	79,908	63,812
Total Current Liabilities	<u>473,923</u>	<u>588,045</u>
Noncurrent Liabilities		
Compensated Absences Payable	41,465	47,201
Total Liabilities	<u>515,388</u>	<u>635,246</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	3,188,228	3,194,433
Unrestricted	5,724,509	5,769,153
Total Net Assets	<u>8,912,738</u>	<u>8,963,585</u>
Total Liabilities and Net Assets	<u>\$9,428,125</u>	<u>\$9,598,831</u>



ICI FINANCIAL REPORT

Statement of Revenues, Expenses & Changes in Fund Net Assets

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
OPERATING REVENUES		
Sales	\$7,784,370	\$8,599,862
Total Operating Revenues	<u>7,784,370</u>	<u>8,599,862</u>
OPERATING EXPENSES		
Cost of Goods Sold	3,692,991	4,078,407
Personnel Costs	2,098,371	2,307,854
Indirect Inmate Labor	92,277	78,911
Travel and Training	45,647	47,903
Supplies	43,137	34,472
Depreciation Expense	484,010	487,002
Building, Equipment, and Maintenance	743,800	696,825
Utilities	227,190	198,320
Advertising, Insurance, and Professional Fees	114,710	111,556
Other Expenses	371,238	518,958
Total Operating Expenses	<u>7,913,371</u>	<u>8,560,208</u>
Operating Income (Loss)	(129,002)	39,654
NON-OPERATING REVENUES (EXPENSES)		
Interest Revenue	10,271	11,784
Miscellaneous Income	25,163	13,330
Total Non-Operating Revenues (Expenses)	<u>10,271</u>	<u>25,114</u>
NET INCOME (LOSS) BEFORE DISCONTINUED OPERATIONS	(118,731)	64,768
DISCONTINUED OPERATIONS		
Gain from discontinued operations	0	0
NET INCOME (LOSS) BEFORE SPECIAL ITEMS	(118,731)	64,768
SPECIAL ITEMS		
Gain on the sale of fixed assets	9,000	0
	<u>34,163</u>	<u>0</u>
INCREASE (DECREASE) IN NET ASSETS	(84,568)	64,768
BEGINNING NET ASSETS, AS RESTATED	<u>8,997,306</u>	<u>8,898,818</u>
ENDING NET ASSETS	<u>\$8,912,738</u>	<u>\$8,963,585</u>



ICI FINANCIAL REPORT

Statement of Cash Flows

	<u>June 30, 2014</u>	<u>June 30, 2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and other departments	\$7,802,052	\$8,444,189
Cash Payments to Suppliers for Goods and Services	(4,922,265)	(5,306,899)
Cash Payments to Employees for Services	(2,086,789)	(2,269,042)
Net Cash Provided (Used) by Continuing Operating Activities	<u>792,999</u>	<u>868,248</u>
Net Cash Provided (Used) by Discontinued Operating Activities		
Net Cash Provided (Used) by Contributions		
Net Cash Provided (Used) by Operating Activities	<u>792,999</u>	<u>868,248</u>
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES		
Transfers To Other Funds		
Net Cash Provided (Used) for Non Capital Financing Activities	<u>0</u>	<u>0</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Cash Proceeds from the Sale of Capital Assets		
Cash Payments for Purchase of Capital Assets	(131,366)	(493,207)
Net Cash From Capital Financing Activities	<u>(131,366)</u>	<u>(493,207)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Received for Special Items	34,163	13,330
Cash Received for Interest	10,271	11,784
Net Cash From Investing Activities	<u>44,434</u>	<u>25,114</u>
Net Increase (Decrease) in Cash	706,067	400,156
Cash at Beginning of Year	3,323,187	4,029,254
Cash at End of Year	<u>4,029,254</u>	<u>4,415,490</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss) From Operating Activities	(129,002)	39,654
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	484,010	487,002
Changes in Accounts Receivable	(23,061)	(139,577)
Change in Prepaid Expense	240,703	189,625
Changes in Inventory	126,314	166,625
Changes in Construction in Progress	(22,141)	5,061
Changes in Payables	116,176	119,858
Inventory Write-down		
Education Program Expenses		
Gain on Discontinued Operations, Net of Depreciation		
Net Cash Provided (Used) By Operating Activities	<u>\$792,999</u>	<u>\$868,248</u>



ICI FINANCIAL REPORT

Statement of Fixed Assets

	Beginning Balance	Additions	Retirements	Ending Balance
Construction in Process	\$ 22,881	\$ 357,664	\$ 362,724	\$ 17,820
Assets				
Building	2,650,682	230,482		2,881,163
Equipment and other	4,759,156	262,650		5,021,806
Total Historic Cost	7,409,837	493,132	0	7,902,969
Less Accumulated Depreciation				
Building	(928,936)	(72,424)		(1,001,359)
Equipment and other	(3,292,673)	(414,504)		(3,707,177)
Total Accumulated Depreciation	(4,221,609)	(486,928)	0	(4,708,537)
Net Capital Assets	\$ 3,188,228			\$ 3,194,433



HIGHLIGHTS FROM THE SALES DEPARTMENT

Idaho Correctional Industries experienced substantial growth in:

Quality Office Chairs - Executive, Task, Conference, Guest and Stack.

Sit/Stand (Height Adjustable) Work Stations and Desks.

New Panel Systems with cutting edge industry enhancements.

Refurbished Systems stretching investment dollars through this Green Program.

Many of these products help to provide ergonomics bettering the workplace and creating higher productivity.

All product categories teach skill sets to CI Trainees to help them successfully re-enter society.

AGRICULTURE PROGRAM

Idaho Correctional Industries implemented a new agriculture work program in FY 2015 which allows inmates to work in various agricultural projects related to the harvesting and processing of perishable food items. This program provides a stable and reliable work force when non-inmate workers are unavailable. It also teaches marketable work skills to offenders preparing to re-enter society. At the end of FY 2015, we had 5 participating agricultural employers and 175 participating offenders.

Between the Prison Industry Enhancement (PIE) and Agriculture work programs, \$121,280 was sent to the Victim's Compensation fund in FY 2015.



WHAT'S NEW AT ICI?

In 2015 Idaho Correctional Industries expanded Offender Training opportunities and furniture capacities through:

A revised Furniture Shop Floor Layout that provides greater efficiencies

New state of the art Edge Bander, Case Clamp and Contour Bander driving higher production levels

This is the first Contour Bander at ICI creating a new cutting edge training and manufacturing benefit

Adding a second Loading Dock providing up to three semi-trailers to load simultaneously

Idaho Correctional Industries converted from florescent lighting in our largest manufacturing plant to cost effective LED high bat lighting that are a 10 year maintenance free system.

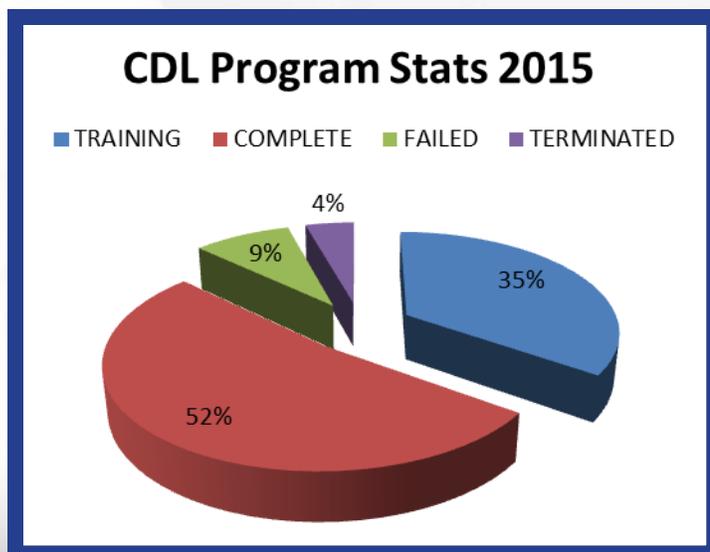
The estimated annual cost savings of \$ 21,000 provide a 1.5 year payback and an investment rate of 67%

CDL TRAINING PROGRAM

Correctional Industries started a CDL Training Program in 2015. It has proven to be very successful. Of the 23 Offenders who have started the program, 12 have successfully passed the program and obtained their CDL and eight are still in the course.

With a CDL license and upon release, the offenders will have a viable skill to help them obtain gainful employment and be a productive member of society.

Correctional Industries has also made contact with transportation companies in Idaho that are in the habit of offering jobs and second chances to those who have made poor decisions in their past. This is an added advantage for the people working through the CDL Training Program.





NEW TRAINING OPPORTUNITIES

Beginning in early 2015 Idaho Correctional Industries:

Began offering 22 Apprenticeship Programs which are registered with the U.S. Department of Labor with 56 actively registered

Once completed the Offender Trainees have enhanced certification to help them attain gainful employment upon being released from prison

Began partnering with the College of Western Idaho to provide basic entry level AutoCAD training based on workforce development for selected offenders

Upon completion the offenders are enrolled into the ICI Training Program to continue learning the basics of Furniture or Metal construction methods by on the job training

Selected offenders are given the opportunity to advance into the Idaho Correctional Industries AutoCAD Training Program

An even more select few Offender Trainees are trained in CNC Programming

APPRENTICESHIP PROGRAM

IDAHO CORRECTIONAL INDUSTRIES Offender Occupational Apprenticeship Program Report Date: 1/8/2016

Occupational Title	Training Hrs	Occupational Code	Trainees Registered	Apprenticeship Agreements Submitted	Apprenticeship Certification Received
Bindery Worker	8,000	0033			
Cabinet Maker	8,000	0055HY	21	21	3
CNC Operator	Competency Based	1097CB	5	5	
Drafter, Detailed	8,000	0130	8	8	2
Electric Appliance Repairer	6,000	0154			
Electric Tool PePAIRer	8,000	0150			
Estimator and Drafter	8,000	0965			
Graphic Designer	3,000	0010	2	2	
Industrial Truck & Tractor Operators (Heavy Truck Driver)	2,000	0980			
Janitors/Cleaners (Custodial Technicians)	2,000	0943			
Machine Cutter I	6,000	0511			
Metal Assembler	4,000	0877			
Metal Shop Assemblers & Fabricators	8,000	0325	7	7	
Milling Machine Set-Up Operator	4,000	0334			
Painter, Industrial Coating and Lining Applicator	4,632-6,032	2009HY	1	1	1
Printing Press Operator (Job Printer)	8,000	0262	2	2	
Quality Control Inspector	4,000	0936	2	2	2
Repairer, Hand tools	6,000	0421	1	1	
Screen Printer	4,000	0520			
Sheet Metal Worker	8,000	0510			
Upholsterer	4,000	0097	5	5	1
Welder, Arc	8,000	0620			1
Welder, Combination	6,000	0622			
Apprenticeship Status Totals			54	54	10



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

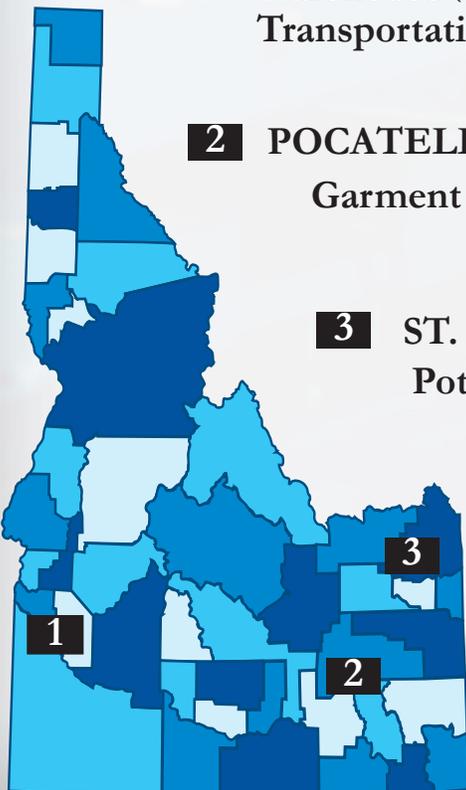
Warehouse (Including, Refurbished Panels)	Training Positions	4
Transportation	Training Positions	19

2 POCATELLO WOMEN'S CORRECTIONAL INSTITUTION

Garment Shop	Training Positions	19
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3 ST. ANTHONY'S WORK CAMP

Potato Packaging (PIECP)	Training Positions	122
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AGENCY OF GIVING 2015

For many years Idaho Correctional Industries has donated items produced by Offender Trainees. The items helped annually raise \$ 10,000 for many worthwhile organizations and their causes through live and silent auctions.

In 2015 fleece blankets created in IDOC PWCC Women's Facility have been donated to the following organizations helping better lives:

Women's Children's Alliance

Safe Place Ministries

City of Light

Jessie Tree

Idaho Falls Rescue Mission

Boise Rescue Mission

River of Life Men's Shelter

Lighthouse Men's Shelter

Valley Women & Children's Shelter

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