

**NEVADA LEGISLATURE'S  
INTERIM FINANCE COMMITTEE'S  
COMMITTEE ON INDUSTRIAL PROGRAMS**

**(NRS 209.4817)**



**Friday, March 28, 2014  
2:00 p.m.**

*Grant Sawyer State Office Building  
Room 4401  
555 East Washington Avenue  
Las Vegas, Nevada*

*Videoconference to:*

Legislative Building  
Room 3137  
401 South Carson Street  
Carson City, Nevada



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**MEETING NOTICE AND AGENDA**

Name of Organization: NEVADA LEGISLATURE'S INTERIM FINANCE  
COMMITTEE'S COMMITTEE ON INDUSTRIAL  
PROGRAMS (NRS 209.4817)

Date and Time of Meeting: March 28, 2014 – 2:00 p.m.

Place of Meeting: Grant Sawyer State Office Building  
Room 4401  
555 East Washington Avenue  
Las Vegas, Nevada

Note: Some members of the committee may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location:

Legislative Building  
Room 3137  
401 S Carson Street  
Carson City, Nevada

*If you cannot attend the meeting, you can listen to it live over the Internet. The address for the legislative Web site is <http://www.leg.state.nv.us>. For audio broadcasts, click on the link "Calendar of Meetings - View."*

**Note: Please provide the secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes.**

**A G E N D A**

**Note:**

**Items on this agenda may be taken in a different order than listed. Two or more agenda items may be combined for consideration. An item may be removed from this agenda or discussion relating to an item on this agenda may be delayed at any time.**

I. ROLL CALL.

II. PUBLIC COMMENT.

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

*For  
Possible  
Action*

III. APPROVAL OF MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR NOVEMBER 22, 2013.

*For  
Possible  
Action*

IV. STATUS REPORT ON THE CONSTRUCTION OF THE NEW LICENSE PLATE FACTORY.

*For  
Possible  
Action*

V. REVIEW OF NEVADA DEPARTMENT OF CORRECTIONS' RESPONSE TO QUESTIONS FROM THE NOVEMBER 22, 2013, MEETING RELATED TO:

1. Products and services provided by prison industry programs operated by other states.
2. Silver State Industries' depreciation expenditures.
3. How "Other Expenditures" within Silver State Industries' year-end financial statements were derived.
4. Outstanding debt owed to Prison Industries.
5. The average number of inmates the Division of Forestry deploys to each county for services provided by its inmate work crews.
6. A summary of services provided by inmates to Republic Services Inc. and an account of any reimbursements Prison Industries has received from the company.
7. How the National Correctional Industries Association, in its 2011 report, derived the number of inmates working in Nevada's Prison Industries program.

*For  
Possible  
Action*

VI. REVIEW OF WORK PROGRAM C28574 TO INCREASE PROJECTED REVENUE AND EXPENDITURE AUTHORITY TO COVER INMATE PAYROLL THROUGH THE END OF FY 2014.

*For  
Possible  
Action*

VII. REVIEW THE NEVADA DEPARTMENT OF CORRECTIONS' RESPONSE TO THE 2013 MONEY COMMITTEES' LETTER OF INTENT REGARDING THE PRISON INDUSTRIES' MISCELLANEOUS SALES AND RETAINED EARNINGS FOR THE QUARTER ENDING DECEMBER 31, 2013.

*For  
Possible  
Action*

VIII. REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2011 THROUGH FEBRUARY 28, 2014.

*For  
Possible  
Action*

IX. REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISON INDUSTRY CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2012, FY 2013 AND FY 2014 YEAR-TO-DATE.

*For  
Possible  
Action*

X. STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES – NRS 209.192.

*For  
Possible  
Action*

XI. REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE SIX-MONTHS ENDING DECEMBER 31, 2013.

*For  
Possible  
Action*

XII. DISCUSSION OF OTHER POTENTIAL PRISON INDUSTRY PROGRAMS AND COMMITTEE RECOMMENDATIONS (NRS 209.4818).

### XIII. PUBLIC COMMENT.

(Because of time considerations, the period for public comment by each speaker may be limited, and speakers are urged to avoid repetition of comments made by previous speakers.)

### XIV. ADJOURNMENT.

Note: We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Fiscal Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call Cheryl Harvey, Management Assistant at (775) 684-6872 as soon as possible.

Notice of this meeting was posted in the following Carson City, Nevada, locations: Blasdel Building, 209 East Musser Street; Capitol Press Corps, Basement, Capitol Building; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Nevada State Library, 100 Stewart Street. Notice of this meeting was faxed for posting to the following Las Vegas, Nevada, locations: Clark County Office, 500 South Grand Central Parkway; and Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was posted on the Internet through the Nevada Legislature's website at [www.leg.state.nv.us](http://www.leg.state.nv.us)

Supporting public material provided to Committee members for this meeting may be requested from Cheryl Harvey, Committee Secretary, Fiscal Analysis Division of the Legislative Counsel Bureau at 775-684-6872 and is/will be available at the following locations: Meeting locations and the Nevada Legislature's website at [www.leg.state.nv.us](http://www.leg.state.nv.us)



MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S  
INTERIM FINANCE COMMITTEE'S COMMITTEE ON  
INDUSTRIAL PROGRAMS FOR NOVEMBER 22, 2013



**MINUTES OF THE  
NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S  
COMMITTEE ON INDUSTRIAL PROGRAMS  
(NRS 209.4817)  
November 22, 2013**

**SUMMARY OF MINUTES**

The second meeting of the 2013–2014 Interim for the Nevada Legislature's Interim Finance Committee's Committee on Industrial Programs was held at 1:00 p.m. on Friday, November 22, 2013, in Room 4401 of the Grant Sawyer State Office Building in Las Vegas, Nevada. The meeting was simultaneously video conferenced to Room 3137 of the Legislative Building in Carson City.

**COMMITTEE MEMBERS PRESENT IN LAS VEGAS:**

Senator David R. Parks, Chairman  
Assemblyman Crescent Hardy, Vice Chairman  
Bruce Aguilera, Representing Business  
Robert Conway, Representing Organized Labor  
Mike Magnani, Representing Organized Labor  
Allen J. Puliz, Representing Manufacturing  
Greg Cox, Director, Nevada Department of Corrections  
Greg Smith, Administrator, Purchasing Division, Department of Administration

**COMMITTEE MEMBERS PRESENT IN CARSON CITY:**

Senator Ben Kieckhefer  
Assemblyman Michael Sprinkle  
Tom Dickman, Representing Business

**COMMITTEE MEMBERS ABSENT:**

None

**STAFF MEMBERS PRESENT IN CARSON CITY:**

Mark Krmpotic, Senate Fiscal Analyst, Fiscal Analysis Division  
Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division  
James Penrose, Senior Principal Deputy Legislative Counsel, Legal Division  
Victor Salcido, Deputy Legislative Counsel, Legal Division  
Cheryl Harvey, Committee Secretary, Fiscal Analysis Division

**OTHERS PRESENT IN LAS VEGAS:**

Brian Connett, Deputy Director, Industrial Programs, Nevada Department of Corrections  
Diane Dastal, Administrative Services Officer II, Nevada Department of Corrections

**EXHIBITS:**

Exhibit A – Agenda and Meeting Packet

**I. CALL TO ORDER.**

Chairman Parks called the meeting of the Nevada Legislature's Interim Finance Committee's Committee on Industrial Programs to order at 1:00 p.m.. The secretary called roll and all members were present.

**II. PUBLIC COMMENT.**

There was no public comment.

**III. APPROVAL OF MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR SEPTEMBER 20, 2013.**

Senator Parks requested a motion for approval of the minutes from the September 20, 2013, meeting.

BRUCE AGUILERA MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 20, 2013, MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS.

ASSEMBLYMAN HARDY SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

**IV. REVIEW OF NEVADA DEPARTMENT OF CORRECTIONS' RESPONSE TO QUESTIONS FROM THE SEPTEMBER 20, 2013, MEETING RELATED TO:**

Brian Connett, Deputy Director, Industrial Programs, Nevada Department of Corrections, introduced himself and reviewed the following items:

1. The Nevada Department of Corrections' operating capacity – Mr. Connett reviewed the operating capacity for each of the Nevada Department of Corrections (NDOC) facilities on page 15 of the meeting packet (Exhibit A).
2. Inmates employed by the Division of Forestry – Mr. Connett reviewed the number of NDOC inmates that worked for the Division of Forestry on page 16 of the meeting packet (Exhibit A).

Bruce Aguilera asked what the inmates duties were for the Division of Forestry. Mr. Connett responded the inmates were trained to fight fires. He further explained that the Division of Forestry trained male and female inmates to fight fires during non-fire season with controlled fires throughout the state. Mr. Aguilera asked if the inmates were involved in fighting fires in other states. Greg Cox, Director, NDOC, responded the inmates were allowed to go fight fires in other states such as California and Utah. Director Cox also informed the Committee that the inmates provided community service work in the rural areas of Nevada, such as, cutting wood for seniors and clearing walkways of snow.

Senator Parks asked if the inmates received formal training from the Division of Forestry to fight the fires. Mr. Connett said he was not specifically involved in the training.

Assemblyman Hardy noted inmates were working on the I-15 corridor. He inquired how the inmate program interacted with the Nevada Department of Transportation (NDOT). Director Cox explained the inmates picked up litter throughout the state, including on the I-15 corridor. Director Cox further explained NDOT was reimbursed by the county or city for the litter pick-up. While uncertain, Director Cox believed Republic Services of Las Vegas also reimbursed the state when inmates were used to pick up litter. Senator Parks asked Mr. Connett to confirm this information concerning the reimbursements from Republic Services and report his findings to the Committee at a subsequent meeting.

Senator Parks asked of the 819 inmates that worked with the Division of Forestry, what was the distribution across the state. Mr. Connett said he would provide that information to the Committee at a subsequent meeting.

3. Eligibility requirements for inmates to participate in Prison Industries programs – Continuing, Mr. Connett reviewed the inmates participation on page 16 of the meeting packet (Exhibit A).

Additionally, Director Cox noted Elko county school district would soon be educating inmates at Carlin Conservation Camp and Wells Conservation Camp, so the inmates would have the opportunity to earn their GED. Senator Parks asked if the GED program also applied for Ely Conservation Camp in White Pine County. Director Cox replied White Pine County already had been operating a GED program. The GED program was also available at the Jean Conservation Camp. Director Cox testified that Clark County School District was working very closely with the NDOC in educational services at the camps and facilities. The school district had provided the NDOC with modular classrooms in order to expand the GED program at Jean Conservation Camp.

Senator Parks asked if inmates convicted of violent crimes were precluded from participating in the industrial programs. Mr. Connett indicated that inmates convicted of violent crimes were not precluded from working in a prison industry; however, all inmates who wish to participate in prison industries must first seek approval from the classification committee before they can be considered for employment.

4. A comparison of the percentage of inmates working for prison industries in other states – Mr. Connett reviewed the comparison of inmates working in other states from page 16 of the meeting packet (Exhibit A).

Senator Parks asked if the 7.3 percent was inclusive of the inmates that worked in the culinary. Mr. Connett explained the total population included all the inmates, but the precluded inmates ineligible to work based on their classification.

5. An update on the Nevada Department of Corrections' progress in obtaining an appraisal of the equipment left behind by Alpine Steel – Mr. Connett reported on the progress made in obtaining appraisals for the equipment from page 17 of the meeting packet (Exhibit A). He further explained most of the equipment was leased by Alpine Steel. The lease contract holder's made claims on the property. The Attorney General's Office continued to work on the claims.

Responding to a question from Robert Conway, Mr. Connett informed the Committee no appraisals on equipment would be performed until it was determined what equipment was owned by Alpine Steel. Mr. Connett estimated that by the end of the year all claims would be submitted and reviewed. Mr. Conway asked how many claims had been submitted. Mr. Connett said he believed there were four companies that had submitted claims. Mr. Conway stated he hoped Prison Industries could recoup as much as it could from the amount Alpine Steel owed. Director Cox concurred, he hoped the claims would be concluded by the end of the calendar year so that an appraisal could be performed on the remaining equipment.

Mr. Aguilera asked if there would be an auction to sell the equipment and recoup some of the funds due to Prison Industries after the equipment was appraised. Mr. Connett responded that an auction would likely be held to liquidate the equipment. Greg Smith added the state contracted auctioneer, TNT actions, would assist in the appraisal process and it would conduct the public auction for the remaining property.

Mike Magnani asked if Alpine Steel had made any effort to refund the state the monies due. Mr. Connett replied all of the debt had been turned over to the State Controller's Office, and he did not know the status of the debt. Mr. Conway informed the Committee that a newspaper article reported that Alpine Steel had defaulted on its commitment to pay back the debt. It was also reported that Alpine Steel voluntarily surrendered its contractors license to the State Contractors Board. The article further indicated that Alpine Steel also owed the federal government back taxes.

Chairman Parks informed the Committee that in recent legislative sessions, statutes had been enacted that provided the State Controller the authority to pursue collection of debts on behalf of various state agencies, streamlining the process. Mr. Magnani said he understood that Alpine Steel had made an agreement to pay the debt owed to Prison Industries on a monthly payment. He wondered if that obligation was upheld. Mr. Connett confirmed that a forbearance agreement with Alpine Steel was drafted by the Attorney General's office. Alpine Steel made several payments, but eventually defaulted on the

agreement. After defaulting, the First Judicial District Court of Nevada awarded a summary judgment to the Attorney General's Office against Alpine Steel. Senator Parks stated the Attorney General's Office worked diligently on the judgment against Alpine Steel.

6. The cost of Prison Industries security-related expenditures for FY 2013 – Mr. Connett continued to inform the Committee about the security related expenditures in FY 2013 from page 17 of the meeting packet (Exhibit A).

**V. REVIEW THE NEVADA DEPARTMENT OF CORRECTIONS' OCTOBER 4, 2013, RESPONSE TO THE 2013 MONEY COMMITTEES' LETTER OF INTENT REGARDING THE PRISON INDUSTRIES' MISCELLANEOUS SALES AND RETAINED EARNINGS FOR THE QUARTER ENDING SEPTEMBER 30, 2013.**

Diane Dastal, Administrative Services Officer II, Nevada Department of Corrections, reviewed the Department of Corrections response, on page 19 of the meeting packet (Exhibit A), to a letter of intent issued by the 2013 Legislature.

Chairman Parks said the amounts looked very good in comparison with the previous quarter. He asked what was driving the larger than anticipated retained earnings in FY 2014. Mr. Connett said Prison Industries had negotiated a new contract with the Bureau of Land Management (BLM) which changed the per diem rates to correlate with the price of hay.

Assemblyman Sprinkle asked if Prison Industries anticipated if retained earnings would continue to increase throughout FY 2014. Mr. Connett replied there was an anticipation that Prison Industries would be able to sustain its retained earnings, as long as the department of corrections, which is Prison Industries biggest customer, maintained its demand for Prison Industry products.

Assemblyman Sprinkle asked if the Prison Industries was going to increase its cash balance. Mr. Connett responded it was Prison Industries plan to increase its reserve. It had been very difficult in the past four years to increase profitability due to the recession. He wanted a comfortable reserve to help continue the operations of the Prison Industries programs. Assemblyman Sprinkle also asked what marketing strategies were used to attract new industries. Mr. Connett said there were no new program opportunities at this time.

Mr. Smith congratulated the Prison Industry Ranch program for working with the Purchasing Division to implement new guidelines for the purchase of hay. Mr. Smith further explained that the new hay contract was flexible so that more bidders were interested selling hay to Prison Industries at a competitive price. Mr. Connett added it was an extreme pleasure to work the Purchasing Division's staff.

## **VI. UPDATE ON THE CONSTRUCTION OF THE NEW LICENSE PLATE FACTORY.**

Gus Nunez, Administrator, State Public Works Division, introduced himself and updated the Committee on the progress of the new license plate factory in Carson City. Mr. Nunez informed the Committee to date they were in the process of selecting an architectural engineer to design the new facility. There had been an interview with three firms, and a selection had been made. State Public Works Division (SPWD) had negotiated a contract which was pending the Board of Examiner's approval on December 3, 2013. Mr. Nunez estimated the construction documents would be completed by October 31, 2014. After the construction documents were completed, Public Works would advertise for companies to submit bids on the construction of the facility. The SPWD was scheduled to issue orders to proceed with the construction contract by March 12, 2015. Substantial completion of the project was anticipated by February 15, 2016. Mr. Nunez anticipated the agency would be moved into the facility by March 4, 2016. In the Executive Budget, some of the funding for the furniture, fixtures and equipment (FF&E) for the facility was included in the budget for Capital Improvements. However, the Legislature moved the funding for FF&E to the Department of Motor Vehicles' (DMV) budget. The SPWD would be coordinating the construction process, while the agency would assist in overseeing the design process. The FF&E should be in place as soon as construction was completed. The construction schedule for the facility was tentative; however, Mr. Nunez felt certain they would meet the provided schedule.

Addressing a question from Mr. Puliz, Mr. Nunez said he did not know the square footage of the proposed tag plant facility, but he could provide the Committee with the information at a later date.

Assemblyman Hardy asked if the inmate labor would increase upon completion of the project, or decrease with the DMV's use of more advanced technology. Sean McDonald, Division Administrator, Central Services and Records Division, Department of Motor Vehicles, introduced himself, and replied the DMV's plan was to have the same number of inmates working in the new facility. The vendor contract for existing equipment would expire around the same time as when the agency was projected to move into the new facility. Based on the new contract and type of equipment, the number of inmates working at the license plate facility may change.

Senator Parks asked if the DMV was planning to expand its services to other states. Mr. McDonald said there was interest in the past of producing personalized license plates for the State of California. The license plate factory in Folsom, California was running at capacity.

## **VII. REVIEW ACCOUNTS RECEIVABLE AGING REPORT ON OUTSTANDING DEBT OWED TO PRISON INDUSTRIES.**

Ms. Dastal summarized the report on aging and outstanding debt (page 21, Exhibit A).

Senator Ben Kieckhefer said the report indicated a customer that owed \$11,721 was out of the country and Prison Industry still had the vehicle he brought in for repairs. He questioned how old was the debt. Mr. Connett explained the customer was back in the country, but there had been mechanical issues with the engine of the vehicle. The work on the engine work was contracted out to a third party. After receiving the engine back from the third party, it still did not perform correctly. The inmates had to remove the engine and send it back to the third party to repair the problem. The engine repair still had not been completed. Senator Kieckhefer questioned the job's inclusion as an accounts receivable if the work had not been completed. Mr. Connett respond it was an account receivable because the work from the body shop was complete.

#### **VIII. REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2011 THROUGH OCTOBER 2013.**

Ms. Dastal summarized the report on the number of inmates that worked from July 2011 through October 2013 ( page 23, Exhibit A).

Senator Parks asked which vendors purchased the furniture produced by the inmates. Mr. Connett said the wood furniture business was custom work that was based on outside orders. Most of business customers were cities, counties, and school districts. Mr. Connett also explained in the past, the inmates had refurbished furniture for court houses.

Mr. Aguilera said on page 16 (Exhibit A) there was an indication that the inmate population in Nevada was 12,748, while the percent employed in prison industries was 7.30 percent. However, on page 25 (Exhibit A), FY 2014 through October, the inmate population was 12,786 but the percent employed in prison industries was only 3.8 percent. Mr. Connett explained he would have to research why the numbers were inconsistent. Senator Parks wondered if the percent of inmates employed by prison industries reported on page 16 included the inmates who worked in the culinary or with the Division of Forestry.

#### **IX. REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISON INDUSTRY CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2012, FY 2013 AND FY 2014 YEAR-TO-DATE.**

Ms. Dastal reviewed the deductions from the inmate wages for room and board, the Prison Industry Capital Improvement Fund (CIP), and the victims of crime on page 27 (Exhibit A).

Senator Parks asked if the inmate deductions were consistent month-to-month. Ms. Dastal replied most of the programs were consistent with exception of the furniture shop.

**X. REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2013.**

Ms. Dastal reviewed the financial statements for the year ending June 30, 2013 (page 31, Exhibit A).

Senator Kieckhefer asked what was included in the \$963,146, Other Income and Expenses category (page 32, Exhibit A). Ms. Dastal stated it included finance charges, interest income, rental income, and the revenue from the license plate factory. Ms. Dastal noted she would provide a detailed list to the Committee.

Assemblyman Sprinkle wanted to confirm that the 300 percent change in net income was primarily due to the BLM contract at the ranch. Mr. Connett said a large percentage of the funding increase was due to the contract with BLM.

Mr. Aguilera questioned the \$5,000 loss in freight charges on page 33, Exhibit A. Mr. Connett said freight cost came in higher than what was charged to customers.

Mr. Puliz asked if Prison Industries had stopped billing Alpine Steel for rent. Ms. Dastal confirmed rent had stopped accruing from Alpine Steel.

Mr. Puliz asked if the drapery shop and garment factory financial statements should be consolidated, since the shops were located in the same facility and use the same resources. Mr. Connett replied the idea had been explored because both shops were under the same supervision.

Assemblyman Sprinkle was opposed to combining the financial statements of the garment factory and the drapery shop, since the garment factory was profitable and the drapery shop was not. It would be difficult to analyze the performance of the two programs on an individual basis. Mr. Connett responded both industries could be identified in a separate fashion. Assemblyman Sprinkle understood why combining the programs made sense, but he preferred to view the line items of the two programs separately, since he questioned if the drapery shop should stay open due to its poor performance. Mr. Puliz clarified that shared costs should be allocated to both programs. If the drapery shop was closed completely the management costs remained the same. Mr. Connett said the financial statements could be prepared both ways. Senator Parks said that would be helpful.

Senator Parks asked what was the department's plan of action to transition the drapery shop into a self-sustaining program. Mr. Connett said a past client was planning a large order; however the order had been delayed.

Mr. Puliz asked if there were other industries at Lovelock Correctional Center (LCC) besides the garment and drapery shop. Mr. Connett said those were the only two industries.

Senator Parks asked if any inmates were relocated when the drapery shop was moved from Ely State Prison (ESP) to the LCC. Mr. Connett said there were very few inmates that were moved with the industry because of the classification level of the prisons. It was the responsibility of the Department of Corrections to move the inmates. The industry manager at LCC was able to find new workers to work the drapery shop.

Senator Parks requested an update on the debt collection from Alpine Steel at the Committee's next meeting.

Assemblyman Hardy asked for clarification on the depreciation values for the equipment. Mr. Connett said Prison Industries reported a straight line depreciation based on the state's requirements. Most of the equipment was old and had been fully depreciated. Ms. Dastal directed the Committee to pages 48 – 49 of the meeting packet (Exhibit A). It showed what depreciation was applied to each program. Assemblyman Hardy said he would appreciate more detailed depreciation expenses for equipment. Mr. Connett responded he would be happy to provide more detail.

#### **XI. DISCUSSION OF OTHER POTENTIAL PRISON INDUSTRY PROGRAMS AND COMMITTEE RECOMMENDATIONS (NRS 209.4818).**

Mr. Connett said he was inquiring about a permit to expand the number horses boarded at the prison ranch. Currently, Prison Industries boarded 1,500 horses and would like to expand the operation to accommodate 2,000 horse.

Mr. Connett informed the Committee he had been advertising the products and services provided by Prison Industries on Craigslist and EBay.

Mr. Aguilera ask Mr. Connett to provide a report at the next meeting regarding prison industries operated by other states.

Mr. Aguilera had a follow-up question regarding the horses at the ranch. He asked who paid the veterinary bills for the horses. Mr. Connett said the veterinary bills were charged to the BLM.

Senator Parks asked if the motorcycles that the Prison Industries manufactured had been sold. Mr. Connett said he thought they had sold one, but the individual had not showed up. There were still two motorcycles for sale.

#### **XII. PUBLIC COMMENT**

No public comment.

**XIII. ADJOURNMENT**

The meeting was adjourned at 2:45 p.m..

Respectfully submitted,

\_\_\_\_\_  
Cheryl Harvey, Committee Secretary

APPROVED:

\_\_\_\_\_  
Senator David Parks

Date:\_\_\_\_\_

**V.**

REVIEW OF NEVADA DEPARTMENT OF CORRECTIONS' RESPONSE TO QUESTIONS FROM THE NOVEMBER 22, 2013, MEETING RELATED TO:

1. Products and services provided by prison industry programs operated by other states.
2. Silver State Industries' depreciation expenditures.
3. How "Other Expenditures" within Silver State Industries' year-end financial statements were derived.
4. Outstanding debt owed to Prison Industries.
5. The average number of inmates the Division of Forestry deploys to each county for services provided by its inmate work crews.
6. A summary of services provided by inmates to Republic Services Inc. and an account of any reimbursements Prison Industries has received from the company.
7. How the National Correctional Industries Association, in its 2011 report, derived the number of inmates working in Nevada's Prison Industries program.





STATE OF NEVADA  
DEPARTMENT OF CORRECTIONS



Silver State Industries  
3955 W Russell Rd  
Las Vegas, NV 89118  
(702) 486-9991 phone  
(702) 486-9908 fax

1. In FY 2012, you provided the Committee with a copy of the National Correctional Industries Association's (NCIA) 2012 Directory, which contained a summary of the Products and Services (pages 148 – 156) provided by all state prison industries. Do you have an updated directory for FY 2013 or FY 2014? If so, could you provide the Committee with an updated copy of the Products and Services table by state?

Response: Attached is a Products and Service spreadsheet from the National Correctional Industries Association's 2014 Directory.

2. Please provide a detailed listing of the assets included in the depreciation expense described in Note 2 of Silver State Industries' 2013 Year-End Financial Statements.

Response: Please see the attached Depreciation Expense worksheet.

3. Please provide a summary of how the \$963,147 in other income and expenses was derived on page 2 of Silver State Industries' 2013 Year-end Financial Statements.

Response:

Other Income and Expenses  
FY 13

|                              |            |
|------------------------------|------------|
| Interest Revenue             | \$ 1,351   |
| Finance Charges              | \$ 30,352  |
| License Plate Fees           | \$ 524,853 |
| Capital Improvement<br>(net) | \$ 64,986  |
| Rental Income                | \$ 69,700  |
| Administrative Fees          | \$ 266,685 |
| Miscellaneous Revenue        | \$ 508     |
| Excess Property Sales        | \$ 4,712   |
| Total                        | \$ 963,147 |

4. **The Fiscal Analysis Division contacted the Controller's Office on January 16, 2014, to determine if Alpine Steel had attempted to pay down its debt owed to Prison Industries. The Controller's Office indicated that it had received no additional payments from Alpine Steel and turned the debt over to a collection agency; however, the Attorney General was still actively pursuing liens against the equipment Alpine Steel left behind at High Desert State Prison. Please provide an update on any progress that has been made by the Attorney General in attempting to liquidate Alpine Steel's equipment.**

Response: The Attorney General's office has given Prison Industries permission to dispose of the items that Alpine Steel left behind. We are in the process of working with Nevada State Purchasing to have an auction, possibly in May or June.

5. **The 2013 Legislature approved the construction of a new 12,300 square foot License Plate Factory for the Department of Motor Vehicles (DMV). In accordance with NRS 341.145, the State Public Works Division must receive prior approval from the Interim Finance Committee before authorizing any change in the scope or the design on construction of a project. Accordingly, are you aware of any changes the DMV may be considering to the scope of the Tag Plant construction?**

Response: Prison Industries is not aware of any changes DMV may be considering to the Tag Plant scope. We checked with Gus Nunez, Administrator of the State Public Works Division. He stated that he is not aware of any changes in the scope of this project either.

6. **During the November 22, 2013 meeting, the NDOC indicated that approximately 819 inmates worked with the Division of Forestry through its conservation camps. Please indicate how the services provided by these 819 inmates are distributed among southern, rural, and northern Nevada?**

Response: Offender Management had provided those figures. Their numbers change somewhat every time they execute a query so they were not able to provide a breakdown of the regions for that time. However, on March 13, 2014, NDOC had 874 inmates working for the Division of Forestry. Of those 874 inmates, 131 were assigned to the north, 208 to the south, and 535 to rural areas.

7. **During the November 22, 2013 meeting, Director Cox indicated that NDOC may have received reimbursements in the past by Republic Services, a Las Vegas waste disposal company, in exchange for work performed by inmates who picked up trash along southern Nevada's highways. Please confirm if NDOC received such reimbursements. If so, please indicate how much the NDOC has received from Republic Services for inmate services in the past five years.**

Response: The Department of Transportation pays the Nevada Division of Forestry work crews throughout the state to pick up trash along the highways. NDOC's inmates are not involved in the trash pickup.

- 8. On page 23 of the November 22, 2013 meeting packet, the table indicates that Prison Industries employed an average of 3.3 percent, or 410, of NDOC's inmates in FY 2012. However, on page 16 (question 4) a report from the NCIA Directory indicates that Prison Industries employed 7.3 percent, or 930, of NDOC's inmates in FY 2011. While these reports are comparing two different fiscal years, please indicate if there were any other factors that contributed to the 4.0 percent variation between the two reported amounts.**

Response: The amounts from the NCIA Directory were mistakenly reported and are actually 2001 numbers instead of 2011 amounts. The table for fiscal year 2012 in the November 2013 meeting packet is correct in stating that an average of 410 inmates or 3.3 percent of the inmate population worked for Prison Industries in FY 2012. In FY 2013, Prison Industries worked an average of 503 inmates, or four percent of the inmates incarcerated in Nevada's prisons.

# Products and Services

| Jurisdiction | Air Filters | Animal Training | Architectural/Engineering | Asbestos Abatement | Athletic Products/Recreational Equipment | Bags   | Bakery | Beef Cattle | Beverages | Bioparty |
|--------------|-------------|-----------------|---------------------------|--------------------|--|--------|--------|-------------|-----------|----------|
| AL           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| AK           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| AZ           | No          | Yes             | No                        | No                 | Yes                                      | Yes    | Yes    | Yes         | No        | No       |
| AR           | No          | No              | No                        | No                 | Yes                                      | No     | No     | No          | No        | Yes      |
| CA           | No          | No              | Yes                       | Yes                | No                                       | No     | Yes    | No          | Yes       | Yes      |
| CO           | Yes         | Yes             | No                        | No                 | No                                       | No     | No     | Yes         | No        | Yes      |
| CT           | No          | No              | No                        | No                 | No                                       | Yes    | No     | No          | No        | No       |
| DE           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| FL           | No          | No              | No                        | No                 | No                                       | No     | No     | Yes         | No        | Yes      |
| GA           | No          | Yes             | No                        | No                 | Yes                                      | No     | Yes    | Yes         | Yes       | Yes      |
| HI           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| ID           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| IL           | No          | Yes             | No                        | No                 | No                                       | No     | Yes    | No          | Yes       | No       |
| IN           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| IA           | Yes         | No              | No                        | No                 | Yes                                      | Yes    | No     | Yes         | No        | Yes      |
| KS           | No          | Yes             | No                        | No                 | No                                       | No     | No     | Yes         | No        | No       |
| KY           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| LA           | No          | Yes             | No                        | No                 | No                                       | No     | No     | Yes         | No        | No       |
| ME           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| MD           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| MA           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| MI           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | Yes       | No       |
| MN           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| MS           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| MO           | Yes         | No              | No                        | No                 | Yes                                      | Yes    | No     | No          | No        | No       |
| MT           | No          | Yes             | No                        | No                 | No                                       | No     | Yes    | Yes         | No        | Yes      |
| NE           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| NV           | No          | Yes             | No                        | No                 | No                                       | No     | No     | Yes         | No        | Yes      |
| NH           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| NJ           | No          | No              | No                        | No                 | No                                       | No     | Yes    | No          | No        | No       |
| NM           | No          | No              | No                        | No                 | No                                       | Yes    | No     | No          | No        | Yes      |
| NY           | No          | No              | No                        | Yes                | No                                       | No     | No     | No          | No        | No       |
| NC           | No          | No              | No                        | No                 | Yes                                      | Yes    | No     | No          | Yes       | Yes      |
| ND           | No          | No              | No                        | No                 | Yes                                      | No     | No     | No          | No        | No       |
| OH           | No          | No              | No                        | Yes                | No                                       | Yes    | No     | Yes         | Yes       | Yes      |
| OK           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| OR           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| PA           | No          | No              | No                        | No                 | Yes                                      | No     | No     | No          | No        | No       |
| RI           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| SC           | Yes         | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| SD           | No          | No              | No                        | No                 | Yes                                      | No     | No     | No          | No        | Yes      |
| TN           | No          | No              | No                        | No                 | No                                       | Yes    | Yes    | Yes         | Yes       | No       |
| TX           | No          | No              | No                        | No                 | Yes                                      | No     | No     | No          | No        | Yes      |
| UT           | No          | No              | No                        | Yes                | No                                       | No     | No     | No          | Yes       | Yes      |
| VT           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | Yes      |
| VA           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| WA           | No          | No              | No                        | Yes                | No                                       | No     | Yes    | No          | No        | Yes      |
| WV           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| WI           | No          | No              | No                        | No                 | No                                       | No     | No     | Yes         | No        | No       |
| WY           | No          | No              | No                        | No                 | No                                       | No     | No     | No          | No        | No       |
| FBOP         | Yes         | No              | Yes                       | No                 | No                                       | No     | No     | No          | No        | Yes      |
| CanFed       | No          | No              | Yes                       | No                 | No                                       | No     | No     | No          | No        | No       |
| Total        | Y5/N47      | Y8/N44          | Y3/N49                    | Y5/N47             | Y10/N42                                  | Y8/N44 | Y8/N44 | Y12/N40     | Y8/N44    | Y26/N26  |

# Products and Services

| Jurisdiction | Hand Carbons | Braille | Printing<br>or<br>Waste-Management | Computer<br>Software | Computer<br>Hardware | Computer<br>Peripherals | Computer<br>Services/Support | Concrete<br>Modular<br>Construction | Concrete<br>Products |        |
|--------------|--------------|---------|------------------------------------|----------------------|----------------------|-------------------------|------------------------------|-------------------------------------|----------------------|--------|
| AL           | No           | No      | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | No     |
| AK           | No           | No      | No                                 | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| AZ           | Yes          | Yes     | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | Yes    |
| AR           | No           | No      | No                                 | Yes                  | No                   | Yes                     | Yes                          | No                                  | No                   | No     |
| CA           | No           | Yes     | No                                 | Yes                  | No                   | Yes                     | No                           | Yes                                 | No                   | Yes    |
| CO           | No           | No      | No                                 | Yes                  | Yes                  | No                      | No                           | Yes                                 | No                   | No     |
| CT           | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| DE           | No           | No      | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | Yes    |
| FL           | Yes          | No      | Yes                                | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | No     |
| GA           | No           | No      | Yes                                | Yes                  | No                   | Yes                     | Yes                          | No                                  | No                   | No     |
| HI           | No           | No      | No                                 | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| IL           | No           | No      | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | No     |
| IN           | Yes          | No      | Yes                                | Yes                  | Yes                  | No                      | No                           | No                                  | No                   | No     |
| IA           | No           | Yes     | No                                 | No                   | Yes                  | Yes                     | No                           | No                                  | No                   | No     |
| KS           | No           | Yes     | No                                 | Yes                  | Yes                  | Yes                     | Yes                          | No                                  | No                   | No     |
| KY           | No           | No      | Yes                                | Yes                  | No                   | Yes                     | No                           | No                                  | No                   | No     |
| LA           | No           | Yes     | No                                 | Yes                  | Yes                  | Yes                     | Yes                          | No                                  | No                   | No     |
| ME           | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| MD           | Yes          | No      | Yes                                | Yes                  | No                   | Yes                     | Yes                          | No                                  | No                   | No     |
| MA           | No           | Yes     | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| MI           | No           | No      | Yes                                | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| MN           | No           | No      | No                                 | Yes                  | Yes                  | Yes                     | Yes                          | No                                  | No                   | No     |
| MS           | No           | No      | No                                 | No                   | No                   | No                      | No                           | No                                  | Yes                  | Yes    |
| MO           | No           | No      | Yes                                | Yes                  | No                   | Yes                     | No                           | No                                  | No                   | No     |
| MT           | No           | No      | No                                 | Yes                  | Yes                  | No                      | Yes                          | No                                  | No                   | No     |
| NE           | No           | Yes     | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| NV           | No           | No      | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | No     |
| NH           | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| NJ           | No           | No      | Yes                                | No                   | No                   | No                      | No                           | No                                  | Yes                  | Yes    |
| NM           | No           | No      | Yes                                | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| NY           | No           | No      | Yes                                | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| NC           | No           | Yes     | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | No     |
| ND           | No           | No      | No                                 | Yes                  | Yes                  | No                      | No                           | No                                  | No                   | No     |
| OH           | Yes          | Yes     | Yes                                | No                   | No                   | Yes                     | Yes                          | Yes                                 | No                   | No     |
| OK           | Yes          | No      | No                                 | Yes                  | Yes                  | Yes                     | No                           | No                                  | No                   | No     |
| OR           | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| PA           | No           | No      | No                                 | Yes                  | Yes                  | No                      | No                           | No                                  | No                   | No     |
| RI           | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| SC           | No           | No      | No                                 | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| SD           | No           | Yes     | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| TN           | No           | No      | Yes                                | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| TX           | Yes          | Yes     | Yes                                | Yes                  | No                   | No                      | Yes                          | Yes                                 | No                   | No     |
| UT           | No           | No      | No                                 | Yes                  | Yes                  | No                      | Yes                          | No                                  | No                   | No     |
| VT           | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | No                   | No     |
| VA           | No           | Yes     | No                                 | Yes                  | No                   | No                      | Yes                          | No                                  | No                   | No     |
| WA           | Yes          | Yes     | No                                 | Yes                  | Yes                  | No                      | No                           | No                                  | No                   | No     |
| WV           | Yes          | Yes     | No                                 | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| WI           | No           | No      | No                                 | Yes                  | No                   | No                      | Yes                          | Yes                                 | No                   | No     |
| WY           | No           | Yes     | No                                 | No                   | No                   | No                      | No                           | No                                  | No                   | No     |
| FBOP         | No           | No      | No                                 | Yes                  | No                   | No                      | Yes                          | Yes                                 | No                   | No     |
| CanFed       | No           | No      | No                                 | Yes                  | No                   | No                      | No                           | No                                  | Yes                  | No     |
| Total        | Y9/N43       | Y15/N37 | Y14/N38                            | Y40/N12              | Y12/N40              | Y12/N40                 | Y20/N32                      | Y6/N46                              | Y3/N49               | Y5/N47 |

# Products and Services

| Jurisdiction | Construction | Contract Labor | Customized Packaging | Dairy  | Data Entry/Processing/Stamping | Database Management | Debris  | Dental | Desktop Publishing | Document/Ink Management |
|--------------|--------------|----------------|----------------------|--------|--------------------------------|---------------------|---------|--------|--------------------|-------------------------|
| AL           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| AK           | No           | No             | No                   | No     | No                             | No                  | No      | No     | No                 | No                      |
| AZ           | Yes          | Yes            | Yes                  | No     | Yes                            | No                  | Yes     | No     | No                 | Yes                     |
| AR           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | Yes                | Yes                     |
| CA           | Yes          | Yes            | Yes                  | Yes    | Yes                            | No                  | Yes     | Yes    | No                 | No                      |
| CO           | Yes          | Yes            | No                   | Yes    | No                             | No                  | Yes     | No     | Yes                | Yes                     |
| CT           | No           | No             | No                   | No     | Yes                            | No                  | No      | No     | No                 | No                      |
| DE           | Yes          | No             | No                   | No     | No                             | No                  | Yes     | No     | Yes                | No                      |
| FL           | No           | No             | No                   | No     | Yes                            | Yes                 | Yes     | Yes    | Yes                | Yes                     |
| GA           | No           | Yes            | No                   | Yes    | No                             | No                  | Yes     | No     | No                 | No                      |
| HI           | No           | No             | No                   | No     | No                             | No                  | No      | No     | No                 | No                      |
| ID           | No           | Yes            | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| IL           | No           | No             | No                   | No     | No                             | Yes                 | Yes     | No     | No                 | No                      |
| IN           | No           | Yes            | Yes                  | No     | No                             | No                  | No      | No     | No                 | No                      |
| IA           | No           | Yes            | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | No                      |
| KS           | No           | No             | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | Yes                     |
| KY           | Yes          | No             | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | No                      |
| LA           | No           | No             | Yes                  | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| ME           | No           | No             | No                   | No     | No                             | No                  | No      | No     | No                 | No                      |
| MD           | Yes          | Yes            | Yes                  | No     | Yes                            | Yes                 | Yes     | No     | No                 | Yes                     |
| MA           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | Yes                | No                      |
| MI           | No           | No             | No                   | Yes    | No                             | No                  | Yes     | Yes    | No                 | No                      |
| MN           | No           | Yes            | No                   | No     | No                             | No                  | No      | No     | No                 | No                      |
| MS           | No           | Yes            | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| MO           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| MT           | No           | No             | Yes                  | Yes    | Yes                            | Yes                 | Yes     | No     | No                 | No                      |
| NE           | No           | Yes            | No                   | No     | No                             | No                  | Yes     | No     | Yes                | No                      |
| NY           | No           | No             | No                   | Yes    | No                             | No                  | No      | No     | No                 | No                      |
| NH           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | Yes                | No                      |
| NJ           | Yes          | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| NM           | No           | No             | No                   | No     | Yes                            | No                  | No      | No     | Yes                | No                      |
| NY           | No           | No             | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | No                      |
| NC           | No           | No             | Yes                  | No     | No                             | No                  | Yes     | Yes    | No                 | No                      |
| ND           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| OH           | Yes          | Yes            | No                   | Yes    | Yes                            | No                  | No      | Yes    | No                 | No                      |
| OK           | No           | Yes            | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | No                      |
| OR           | No           | No             | No                   | No     | Yes                            | No                  | No      | No     | No                 | Yes                     |
| PA           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| RI           | No           | Yes            | No                   | No     | No                             | No                  | Yes     | No     | Yes                | No                      |
| SC           | No           | No             | No                   | No     | Yes                            | No                  | No      | No     | Yes                | No                      |
| SD           | No           | No             | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | No                      |
| TN           | No           | Yes            | No                   | Yes    | Yes                            | Yes                 | Yes     | No     | No                 | Yes                     |
| TX           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| UT           | Yes          | Yes            | No                   | No     | Yes                            | No                  | Yes     | No     | Yes                | Yes                     |
| VT           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| VA           | No           | No             | No                   | No     | Yes                            | Yes                 | No      | Yes    | No                 | Yes                     |
| WA           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| WV           | No           | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| WI           | No           | No             | No                   | Yes    | No                             | No                  | No      | No     | No                 | No                      |
| WY           | No           | No             | No                   | No     | Yes                            | No                  | No      | No     | No                 | No                      |
| FBOP         | No           | No             | No                   | No     | Yes                            | No                  | Yes     | No     | No                 | No                      |
| CanFed       | Yes          | No             | No                   | No     | No                             | No                  | Yes     | No     | No                 | No                      |
| Total        | Y10/N42      | Y16/N36        | Y7/N45               | Y9/N43 | Y21/N31                        | Y6/N46              | Y38/N14 | Y6/N46 | Y11/N41            | Y10/N42                 |

# Products and Services

| Jurisdiction | Electronics Assembly | Embroidery | Emergency/Safety Products | Engraving | Equine Tack | Farm/Agriculture | Feeding | Fish Farming/Aquaculture | Flags   | Flat Goods |
|--------------|----------------------|------------|---------------------------|-----------|-------------|------------------|---------|--------------------------|---------|------------|
| AL           | No                   | No         | No                        | Yes       | No          | No               | No      | No                       | No      | Yes        |
| AK           | No                   | No         | No                        | No        | No          | No               | No      | No                       | No      | No         |
| AZ           | No                   | No         | No                        | Yes       | Yes         | Yes              | Yes     | Yes                      | No      | No         |
| AR           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | Yes     | No         |
| CA           | Yes                  | Yes        | Yes                       | Yes       | No          | Yes              | No      | No                       | Yes     | No         |
| CO           | No                   | Yes        | No                        | Yes       | Yes         | Yes              | No      | Yes                      | Yes     | Yes        |
| CT           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| DE           | No                   | Yes        | No                        | No        | No          | No               | No      | No                       | No      | Yes        |
| FL           | No                   | Yes        | No                        | Yes       | No          | Yes              | Yes     | No                       | Yes     | Yes        |
| GA           | No                   | Yes        | Yes                       | Yes       | No          | Yes              | No      | No                       | No      | Yes        |
| HI           | No                   | No         | No                        | No        | No          | No               | No      | No                       | No      | No         |
| ID           | No                   | Yes        | No                        | No        | No          | No               | No      | No                       | No      | No         |
| IL           | No                   | Yes        | Yes                       | Yes       | No          | No               | No      | No                       | No      | Yes        |
| IN           | No                   | Yes        | No                        | No        | No          | No               | No      | No                       | No      | No         |
| IA           | No                   | Yes        | No                        | Yes       | No          | Yes              | No      | No                       | Yes     | Yes        |
| KS           | No                   | No         | No                        | Yes       | No          | Yes              | No      | No                       | No      | Yes        |
| KY           | No                   | Yes        | No                        | No        | No          | No               | No      | No                       | No      | No         |
| LA           | No                   | Yes        | No                        | Yes       | No          | Yes              | Yes     | No                       | No      | Yes        |
| ME           | No                   | No         | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| MD           | Yes                  | Yes        | No                        | Yes       | No          | Yes              | No      | No                       | Yes     | Yes        |
| MA           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | Yes     | No         |
| MI           | No                   | Yes        | Yes                       | Yes       | No          | No               | No      | No                       | Yes     | Yes        |
| MN           | No                   | Yes        | Yes                       | No        | No          | No               | No      | No                       | No      | No         |
| MS           | No                   | Yes        | No                        | No        | No          | No               | No      | No                       | No      | Yes        |
| MO           | No                   | Yes        | Yes                       | Yes       | No          | No               | No      | No                       | Yes     | Yes        |
| MT           | No                   | Yes        | No                        | No        | No          | Yes              | Yes     | No                       | No      | No         |
| NE           | Yes                  | No         | No                        | Yes       | No          | No               | No      | No                       | No      | Yes        |
| NV           | No                   | Yes        | No                        | Yes       | No          | Yes              | No      | No                       | No      | No         |
| NH           | No                   | No         | No                        | Yes       | No          | Yes              | No      | No                       | No      | No         |
| NJ           | No                   | Yes        | Yes                       | No        | No          | No               | No      | No                       | Yes     | No         |
| NM           | No                   | Yes        | No                        | No        | No          | Yes              | No      | No                       | No      | No         |
| NY           | No                   | No         | No                        | Yes       | No          | No               | No      | No                       | No      | Yes        |
| NC           | No                   | Yes        | Yes                       | Yes       | No          | Yes              | No      | No                       | No      | No         |
| ND           | No                   | No         | No                        | No        | No          | No               | No      | No                       | No      | No         |
| OH           | No                   | Yes        | No                        | Yes       | No          | Yes              | No      | No                       | Yes     | Yes        |
| OK           | No                   | Yes        | No                        | No        | No          | No               | Yes     | No                       | No      | No         |
| OR           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| PA           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | Yes     | No         |
| RI           | No                   | No         | No                        | No        | No          | No               | No      | No                       | No      | No         |
| SC           | No                   | No         | No                        | No        | No          | No               | No      | No                       | No      | No         |
| SD           | Yes                  | No         | Yes                       | Yes       | No          | No               | Yes     | No                       | No      | Yes        |
| TN           | No                   | Yes        | No                        | No        | No          | Yes              | No      | No                       | No      | No         |
| TX           | No                   | Yes        | Yes                       | Yes       | Yes         | No               | Yes     | No                       | Yes     | No         |
| UT           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| VT           | No                   | No         | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| VA           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| WA           | No                   | Yes        | Yes                       | Yes       | No          | Yes              | No      | Yes                      | No      | Yes        |
| WV           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | No      | No         |
| WI           | No                   | Yes        | No                        | Yes       | No          | Yes              | No      | No                       | No      | Yes        |
| WY           | No                   | Yes        | No                        | Yes       | No          | No               | No      | No                       | No      | Yes        |
| FBOP         | Yes                  | Yes        | Yes                       | Yes       | No          | No               | Yes     | No                       | No      | Yes        |
| CanFed       | No                   | Yes        | No                        | Yes       | No          | No               | Yes     | No                       | No      | Yes        |
| Total        | Y5/N47               | Y38/N14    | Y12/N40                   | Y36/N16   | Y3/N49      | Y18/N34          | Y9/N43  | Y3/N49                   | Y13/N39 | Y22/N30    |

# Products and Services

| Jurisdiction | Food Processing | Food Warehousing & Distribution | Footwear/Shoes | Furniture & Assembly | Garbage Bags | Garments/Apparel | GIS/CADD | Graphics | Healthcare Products | Other  |
|--------------|-----------------|---------------------------------|----------------|----------------------|--------------|------------------|----------|----------|---------------------|--------|
| AL           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| AK           | No              | No                              | No             | No                   | No           | No               | No       | No       | No                  | No     |
| AZ           | Yes             | Yes                             | Yes            | Yes                  | Yes          | Yes              | No       | No       | No                  | No     |
| AR           | No              | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| CA           | Yes             | Yes                             | Yes            | Yes                  | No           | Yes              | No       | Yes      | Yes                 | Yes    |
| CO           | Yes             | Yes                             | No             | Yes                  | Yes          | Yes              | Yes      | Yes      | No                  | No     |
| CT           | No              | No                              | No             | Yes                  | Yes          | Yes              | No       | Yes      | No                  | No     |
| DE           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| FL           | Yes             | Yes                             | Yes            | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| GA           | Yes             | Yes                             | Yes            | Yes                  | No           | Yes              | No       | No       | No                  | No     |
| HI           | No              | No                              | No             | Yes                  | No           | No               | No       | No       | No                  | No     |
| ID           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| IL           | Yes             | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| IN           | No              | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| IA           | No              | Yes                             | No             | Yes                  | Yes          | Yes              | No       | No       | No                  | No     |
| KS           | No              | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| KY           | No              | No                              | No             | No                   | No           | Yes              | No       | No       | No                  | No     |
| LA           | Yes             | Yes                             | Yes            | Yes                  | No           | Yes              | No       | No       | Yes                 | No     |
| ME           | No              | No                              | No             | Yes                  | No           | No               | No       | No       | No                  | No     |
| MD           | Yes             | Yes                             | Yes            | Yes                  | No           | Yes              | Yes      | Yes      | No                  | Yes    |
| MA           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| MI           | Yes             | Yes                             | Yes            | No                   | No           | Yes              | No       | No       | No                  | No     |
| MN           | Yes             | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| MS           | No              | No                              | No             | No                   | No           | Yes              | No       | No       | No                  | No     |
| MO           | No              | No                              | Yes            | Yes                  | Yes          | Yes              | Yes      | Yes      | No                  | Yes    |
| MT           | Yes             | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| NE           | No              | No                              | No             | Yes                  | No           | Yes              | Yes      | No       | No                  | Yes    |
| NV           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| NH           | No              | No                              | No             | Yes                  | No           | No               | No       | Yes      | No                  | No     |
| NJ           | No              | Yes                             | Yes            | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| NM           | No              | No                              | Yes            | Yes                  | Yes          | Yes              | No       | Yes      | No                  | No     |
| NY           | No              | No                              | No             | Yes                  | No           | Yes              | No       | No       | Yes                 | No     |
| NC           | Yes             | Yes                             | No             | Yes                  | Yes          | Yes              | No       | Yes      | Yes                 | No     |
| ND           | No              | No                              | No             | Yes                  | No           | Yes              | No       | No       | No                  | No     |
| OH           | No              | No                              | No             | Yes                  | Yes          | Yes              | Yes      | No       | Yes                 | No     |
| OK           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | Yes    |
| OR           | No              | No                              | No             | Yes                  | No           | Yes              | Yes      | No       | No                  | No     |
| PA           | No              | No                              | Yes            | Yes                  | No           | Yes              | No       | No       | No                  | No     |
| RI           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| SC           | No              | No                              | No             | Yes                  | No           | No               | No       | No       | No                  | No     |
| SD           | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| TN           | Yes             | Yes                             | Yes            | No                   | Yes          | Yes              | No       | No       | No                  | No     |
| TX           | No              | No                              | Yes            | Yes                  | No           | Yes              | Yes      | Yes      | Yes                 | No     |
| UT           | Yes             | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| VT           | No              | No                              | No             | Yes                  | No           | No               | No       | No       | No                  | No     |
| VA           | No              | No                              | Yes            | Yes                  | No           | Yes              | No       | No       | No                  | No     |
| WA           | Yes             | Yes                             | Yes            | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| WV           | No              | No                              | No             | Yes                  | No           | No               | No       | No       | No                  | No     |
| WI           | No              | Yes                             | No             | Yes                  | No           | Yes              | No       | No       | No                  | No     |
| WY           | No              | No                              | No             | No                   | No           | Yes              | No       | Yes      | No                  | No     |
| FBOP         | No              | No                              | No             | Yes                  | No           | Yes              | Yes      | Yes      | No                  | No     |
| CanFed       | No              | No                              | No             | Yes                  | No           | Yes              | No       | Yes      | No                  | No     |
| Total        | Y15/N37         | Y14/N38                         | Y15/N37        | Y46/N6               | Y9/N43       | Y45/N7           | Y15/N37  | Y30/N22  | Y6/N46              | Y5/N47 |

# Products and Services

| Jurisdiction | Inventory Management & Storage | Janitorial/Cleaning/Soap Products | Landscaping | Laundry Services | License Plates | Literature/Publication Fulfillment | Lumber | Machine Shop Services | Mattresses | Metal Products |
|--------------|--------------------------------|-----------------------------------|-------------|------------------|----------------|------------------------------------|--------|-----------------------|------------|----------------|
| AL           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | No                    | Yes        | No             |
| AK           | No                             | No                                | No          | No               | No             | No                                 | No     | No                    | No         | No             |
| AZ           | Yes                            | No                                | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| AR           | No                             | Yes                               | No          | No               | No             | No                                 | No     | Yes                   | Yes        | Yes            |
| CA           | No                             | Yes                               | Yes         | Yes              | Yes            | Yes                                | No     | Yes                   | Yes        | Yes            |
| CO           | No                             | No                                | No          | No               | Yes            | Yes                                | No     | Yes                   | Yes        | Yes            |
| CT           | No                             | No                                | No          | Yes              | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| DE           | No                             | No                                | No          | No               | No             | Yes                                | No     | No                    | Yes        | Yes            |
| FL           | No                             | Yes                               | No          | No               | Yes            | Yes                                | Yes    | Yes                   | No         | No             |
| GA           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| HI           | No                             | No                                | No          | No               | No             | No                                 | No     | No                    | Yes        | Yes            |
| ID           | No                             | No                                | No          | No               | Yes            | Yes                                | No     | No                    | Yes        | No             |
| IL           | No                             | Yes                               | No          | Yes              | No             | No                                 | No     | No                    | No         | Yes            |
| IN           | No                             | Yes                               | No          | Yes              | Yes            | Yes                                | No     | Yes                   | Yes        | Yes            |
| IA           | No                             | Yes                               | No          | Yes              | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| KS           | No                             | Yes                               | No          | No               | No             | No                                 | Yes    | Yes                   | Yes        | Yes            |
| KY           | Yes                            | Yes                               | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| LA           | No                             | Yes                               | Yes         | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| ME           | No                             | Yes                               | No          | Yes              | Yes            | No                                 | Yes    | Yes                   | No         | Yes            |
| MD           | No                             | Yes                               | Yes         | Yes              | Yes            | Yes                                | No     | No                    | Yes        | Yes            |
| MA           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| MI           | Yes                            | Yes                               | No          | Yes              | Yes            | No                                 | No     | No                    | Yes        | No             |
| MN           | No                             | Yes                               | No          | Yes              | Yes            | Yes                                | No     | Yes                   | Yes        | Yes            |
| MS           | No                             | No                                | No          | No               | No             | No                                 | No     | No                    | Yes        | Yes            |
| MO           | No                             | Yes                               | No          | Yes              | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| MT           | Yes                            | No                                | No          | Yes              | Yes            | No                                 | Yes    | Yes                   | Yes        | Yes            |
| NE           | Yes                            | Yes                               | No          | Yes              | Yes            | Yes                                | No     | Yes                   | Yes        | Yes            |
| NV           | No                             | No                                | No          | No               | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| NH           | No                             | No                                | No          | No               | Yes            | Yes                                | No     | Yes                   | Yes        | No             |
| NJ           | Yes                            | No                                | No          | No               | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| NM           | Yes                            | Yes                               | No          | No               | No             | Yes                                | No     | No                    | Yes        | No             |
| NY           | No                             | Yes                               | No          | No               | Yes            | Yes                                | No     | No                    | Yes        | Yes            |
| NC           | No                             | Yes                               | No          | Yes              | Yes            | Yes                                | Yes    | No                    | Yes        | Yes            |
| ND           | No                             | No                                | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| OH           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| OK           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| OR           | No                             | No                                | No          | Yes              | No             | No                                 | No     | Yes                   | Yes        | Yes            |
| PA           | No                             | Yes                               | No          | Yes              | Yes            | Yes                                | No     | No                    | Yes        | Yes            |
| RI           | No                             | No                                | Yes         | No               | Yes            | No                                 | No     | No                    | No         | No             |
| SC           | No                             | No                                | No          | No               | No             | No                                 | Yes    | No                    | Yes        | Yes            |
| SD           | No                             | No                                | No          | No               | Yes            | No                                 | No     | Yes                   | Yes        | Yes            |
| TN           | Yes                            | Yes                               | No          | No               | Yes            | Yes                                | No     | No                    | Yes        | No             |
| TX           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| UT           | No                             | No                                | No          | No               | Yes            | Yes                                | No     | No                    | Yes        | No             |
| VT           | No                             | No                                | No          | No               | Yes            | No                                 | No     | No                    | No         | No             |
| VA           | Yes                            | Yes                               | No          | Yes              | Yes            | No                                 | No     | Yes                   | No         | Yes            |
| WA           | No                             | Yes                               | No          | Yes              | Yes            | No                                 | No     | No                    | Yes        | Yes            |
| WV           | No                             | Yes                               | No          | No               | Yes            | No                                 | No     | No                    | Yes        | No             |
| WI           | No                             | No                                | No          | Yes              | Yes            | Yes                                | No     | No                    | Yes        | Yes            |
| WY           | No                             | Yes                               | No          | Yes              | No             | No                                 | No     | No                    | Yes        | No             |
| FBOP         | Yes                            | No                                | No          | Yes              | Yes            | Yes                                | No     | No                    | Yes        | Yes            |
| CanFed       | No                             | No                                | No          | Yes              | No             | No                                 | Yes    | No                    | Yes        | Yes            |
| Total        | Y10/N42                        | Y30/N22                           | Y4/N48      | Y21/N31          | Y40/N12        | Y18/N34                            | Y7/N45 | Y19/N33               | Y45/N7     | Y39/N13        |

# Products and Services

| Jurisdiction | Modular Housing | Modular Office Systems & Furniture | Moving  | Optical/Eyewear | Painting | Pillows | Plaques/Awards/Recognition Products | Plastics | Poultry | Printing |
|--------------|-----------------|------------------------------------|---------|-----------------|----------|---------|-------------------------------------|----------|---------|----------|
| AL           | No              | Yes                                | Yes     | No              | Yes      | Yes     | Yes                                 | No       | No      | Yes      |
| AK           | No              | No                                 | No      | No              | No       | No      | No                                  | No       | No      | No       |
| AZ           | No              | Yes                                | Yes     | No              | Yes      | Yes     | Yes                                 | Yes      | Yes     | Yes      |
| AR           | No              | Yes                                | Yes     | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| CA           | Yes             | Yes                                | No      | Yes             | Yes      | Yes     | Yes                                 | No       | Yes     | Yes      |
| CO           | No              | Yes                                | Yes     | No              | Yes      | Yes     | Yes                                 | No       | Yes     | Yes      |
| CT           | No              | No                                 | No      | No              | No       | No      | Yes                                 | No       | No      | Yes      |
| DE           | No              | No                                 | No      | No              | No       | No      | No                                  | No       | No      | Yes      |
| FL           | No              | Yes                                | No      | Yes             | No       | Yes     | Yes                                 | No       | No      | Yes      |
| GA           | No              | Yes                                | Yes     | Yes             | No       | Yes     | Yes                                 | No       | Yes     | Yes      |
| HI           | No              | Yes                                | No      | No              | No       | No      | No                                  | No       | No      | Yes      |
| ID           | No              | Yes                                | Yes     | No              | No       | No      | Yes                                 | No       | No      | Yes      |
| IL           | No              | Yes                                | No      | Yes             | No       | Yes     | Yes                                 | No       | No      | No       |
| IN           | No              | Yes                                | Yes     | No              | No       | Yes     | No                                  | No       | No      | Yes      |
| IA           | No              | Yes                                | Yes     | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| KS           | No              | Yes                                | No      | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| KY           | No              | Yes                                | Yes     | No              | No       | No      | No                                  | No       | No      | Yes      |
| LA           | No              | No                                 | No      | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| ME           | No              | No                                 | No      | No              | No       | No      | No                                  | No       | Yes     | No       |
| MD           | No              | Yes                                | Yes     | No              | Yes      | Yes     | Yes                                 | No       | No      | Yes      |
| MA           | No              | Yes                                | No      | Yes             | No       | No      | Yes                                 | No       | No      | Yes      |
| MI           | No              | No                                 | No      | Yes             | No       | Yes     | Yes                                 | No       | No      | Yes      |
| MN           | No              | No                                 | No      | No              | Yes      | No      | No                                  | No       | No      | Yes      |
| MS           | No              | Yes                                | No      | No              | No       | No      | No                                  | No       | No      | Yes      |
| MO           | No              | Yes                                | No      | No              | Yes      | Yes     | Yes                                 | No       | No      | Yes      |
| MT           | No              | Yes                                | No      | No              | No       | Yes     | Yes                                 | Yes      | No      | Yes      |
| NE           | Yes             | Yes                                | Yes     | No              | Yes      | Yes     | Yes                                 | No       | No      | Yes      |
| NV           | No              | Yes                                | Yes     | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| NH           | No              | No                                 | Yes     | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| NJ           | No              | Yes                                | No      | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| NM           | No              | Yes                                | Yes     | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| NY           | No              | Yes                                | No      | Yes             | No       | Yes     | Yes                                 | No       | No      | Yes      |
| NC           | No              | No                                 | Yes     | Yes             | No       | Yes     | Yes                                 | No       | No      | Yes      |
| ND           | No              | Yes                                | No      | No              | No       | No      | No                                  | No       | Yes     | Yes      |
| OH           | No              | Yes                                | Yes     | Yes             | Yes      | Yes     | Yes                                 | No       | No      | No       |
| OK           | Yes             | Yes                                | Yes     | No              | No       | Yes     | No                                  | No       | No      | Yes      |
| OR           | No              | Yes                                | Yes     | No              | No       | No      | No                                  | No       | No      | No       |
| PA           | No              | Yes                                | No      | Yes             | No       | Yes     | Yes                                 | No       | No      | Yes      |
| RI           | No              | Yes                                | Yes     | No              | Yes      | No      | No                                  | No       | No      | Yes      |
| SC           | No              | Yes                                | No      | No              | No       | No      | No                                  | No       | No      | Yes      |
| SD           | No              | No                                 | No      | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| TN           | No              | No                                 | No      | No              | No       | Yes     | No                                  | No       | No      | Yes      |
| TX           | Yes             | Yes                                | No      | No              | No       | Yes     | Yes                                 | Yes      | No      | Yes      |
| UT           | No              | Yes                                | Yes     | No              | Yes      | No      | Yes                                 | No       | No      | Yes      |
| VT           | No              | No                                 | No      | No              | No       | No      | Yes                                 | No       | No      | Yes      |
| VA           | No              | Yes                                | No      | Yes             | Yes      | No      | Yes                                 | No       | No      | Yes      |
| WA           | No              | Yes                                | No      | Yes             | No       | No      | No                                  | No       | No      | Yes      |
| WY           | No              | No                                 | No      | No              | No       | Yes     | No                                  | No       | No      | Yes      |
| WI           | No              | Yes                                | No      | No              | No       | Yes     | No                                  | No       | No      | Yes      |
| WV           | No              | No                                 | No      | No              | No       | Yes     | Yes                                 | No       | No      | Yes      |
| FBOP         | No              | Yes                                | No      | Yes             | No       | No      | Yes                                 | Yes      | No      | Yes      |
| CanFed       | Yes             | Yes                                | No      | Yes             | No       | Yes     | No                                  | No       | No      | Yes      |
| Total        | Y5/N47          | Y38/N14                            | Y20/N32 | Y14/N38         | Y12/N40  | Y33/N19 | Y34/N18                             | Y4/N48   | Y6/N46  | Y47/N5   |

# Products and Services

| Jurisdiction | Product Assembly | Recycled Products | Refurbishing | Sanitary/Janitorial Maintenance | Screen Printing | Security Products | Sheet & Towel Finishing | Signs  | Telemarketing/Call Center | Textile Sewing & Assembly |
|--------------|------------------|-------------------|--------------|---------------------------------|-----------------|-------------------|-------------------------|--------|---------------------------|---------------------------|
| AL           | No               | No                | Yes          | No                              | No              | No                | No                      | Yes    | No                        | Yes                       |
| AK           | No               | No                | No           | No                              | No              | No                | No                      | No     | No                        | No                        |
| AZ           | Yes              | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | Yes                       | Yes                       |
| AR           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| CA           | Yes              | Yes               | Yes          | Yes                             | Yes             | Yes               | No                      | Yes    | No                        | Yes                       |
| CO           | No               | Yes               | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | Yes                       | Yes                       |
| CT           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| DE           | No               | No                | No           | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| FL           | Yes              | Yes               | Yes          | Yes                             | Yes             | No                | Yes                     | Yes    | Yes                       | Yes                       |
| GA           | No               | No                | No           | No                              | Yes             | Yes               | No                      | Yes    | No                        | Yes                       |
| HI           | No               | No                | Yes          | No                              | No              | No                | No                      | No     | No                        | No                        |
| ID           | Yes              | Yes               | Yes          | No                              | No              | No                | No                      | Yes    | No                        | Yes                       |
| IL           | No               | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| IN           | Yes              | Yes               | Yes          | Yes                             | Yes             | Yes               | No                      | Yes    | No                        | Yes                       |
| IA           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | Yes                       | Yes                       |
| KS           | Yes              | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| KY           | No               | Yes               | Yes          | No                              | No              | No                | No                      | No     | No                        | No                        |
| LA           | Yes              | No                | Yes          | Yes                             | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| ME           | No               | No                | Yes          | No                              | No              | No                | No                      | No     | No                        | No                        |
| MD           | Yes              | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| MA           | Yes              | No                | No           | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| MI           | Yes              | Yes               | Yes          | Yes                             | No              | No                | Yes                     | Yes    | No                        | Yes                       |
| MN           | Yes              | No                | No           | No                              | No              | No                | Yes                     | No     | No                        | Yes                       |
| MS           | Yes              | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| MO           | Yes              | Yes               | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| MT           | Yes              | No                | Yes          | No                              | Yes             | Yes               | No                      | Yes    | No                        | Yes                       |
| NE           | Yes              | No                | Yes          | No                              | No              | No                | Yes                     | Yes    | No                        | Yes                       |
| NV           | No               | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| NH           | No               | No                | Yes          | No                              | No              | No                | No                      | Yes    | No                        | No                        |
| NJ           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| NM           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | Yes                       | Yes                       |
| NY           | No               | No                | No           | No                              | Yes             | No                | No                      | Yes    | Yes                       | No                        |
| NC           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| ND           | Yes              | No                | Yes          | No                              | No              | No                | No                      | Yes    | No                        | Yes                       |
| OH           | No               | No                | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| OK           | No               | Yes               | Yes          | No                              | Yes             | No                | No                      | Yes    | Yes                       | No                        |
| OR           | Yes              | No                | No           | No                              | Yes             | No                | No                      | Yes    | Yes                       | Yes                       |
| PA           | No               | No                | No           | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| RI           | Yes              | No                | Yes          | Yes                             | No              | No                | Yes                     | No     | No                        | Yes                       |
| SC           | Yes              | No                | No           | No                              | No              | No                | No                      | Yes    | No                        | Yes                       |
| SD           | Yes              | No                | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| TN           | Yes              | No                | No           | No                              | Yes             | No                | Yes                     | No     | Yes                       | Yes                       |
| TX           | Yes              | No                | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| UT           | No               | No                | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| VA           | No               | No                | No           | No                              | No              | No                | No                      | Yes    | Yes                       | Yes                       |
| VA           | No               | No                | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| VIA          | Yes              | Yes               | Yes          | Yes                             | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| WY           | No               | No                | Yes          | No                              | No              | No                | No                      | Yes    | No                        | No                        |
| WI           | No               | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | No                        | Yes                       |
| WV           | Yes              | No                | Yes          | No                              | No              | No                | Yes                     | Yes    | No                        | Yes                       |
| WY           | Yes              | Yes               | Yes          | No                              | Yes             | No                | Yes                     | Yes    | Yes                       | Yes                       |
| Unaffiliated | Yes              | Yes               | Yes          | No                              | Yes             | Yes               | Yes                     | Yes    | No                        | Yes                       |
| Total        | Y26/N26          | Y19/N33           | Y41/N11      | Y7/N45                          | Y36/N16         | Y11/N41           | Y34/N18                 | Y45/N7 | Y11/N41                   | Y44/N8                    |

# Products and Services

| Jurisdiction | Tires  | Titration and Chemical Formula Blending | Upholstery | Validation Stickers | Vehicle Repair and Refurbishing | Vinyl Products | Welding | Wood Production/ Carpentry | Other   |
|--------------|--------|---|------------|---------------------|---------------------------------|----------------|---------|----------------------------|---------|
| AL           | No     | No                                      | Yes        | Yes                 | Yes                             | No             | No      | No                         | No      |
| AK           | No     | No                                      | No         | No                  | No                              | No             | No      | No                         | No      |
| AZ           | No     | No                                      | Yes        | No                  | Yes                             | Yes            | Yes     | Yes                        | Yes     |
| AR           | No     | No                                      | Yes        | No                  | Yes                             | Yes            | Yes     | Yes                        | No      |
| CA           | No     | Yes                                     | Yes        | Yes                 | Yes                             | No             | Yes     | Yes                        | No      |
| CO           | No     | No                                      | Yes        | Yes                 | Yes                             | No             | Yes     | Yes                        | No      |
| CT           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | Yes                        | Yes     |
| DE           | No     | No                                      | Yes        | No                  | Yes                             | No             | Yes     | Yes                        | No      |
| FL           | Yes    | No                                      | Yes        | No                  | Yes                             | Yes            | Yes     | Yes                        | No      |
| GA           | No     | No                                      | Yes        | Yes                 | Yes                             | Yes            | Yes     | Yes                        | Yes     |
| HI           | No     | No                                      | No         | No                  | No                              | No             | No      | No                         | No      |
| ID           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| IL           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | No                         | Yes     |
| IN           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | No                         | No      |
| IA           | No     | Yes                                     | Yes        | Yes                 | Yes                             | Yes            | Yes     | Yes                        | No      |
| KS           | No     | Yes                                     | Yes        | No                  | No                              | No             | Yes     | Yes                        | No      |
| KY           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| LA           | No     | Yes                                     | Yes        | No                  | No                              | No             | Yes     | Yes                        | No      |
| ME           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | Yes                        | Yes     |
| MD           | No     | No                                      | Yes        | Yes                 | No                              | Yes            | Yes     | Yes                        | No      |
| MA           | No     | No                                      | Yes        | Yes                 | No                              | Yes            | Yes     | Yes                        | No      |
| MI           | No     | No                                      | No         | No                  | No                              | Yes            | No      | No                         | No      |
| MN           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| MS           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | Yes     |
| MO           | Yes    | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | Yes     |
| MT           | No     | No                                      | Yes        | No                  | Yes                             | Yes            | Yes     | No                         | No      |
| NE           | No     | Yes                                     | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | Yes     |
| NV           | No     | No                                      | Yes        | No                  | Yes                             | No             | Yes     | Yes                        | No      |
| NH           | No     | No                                      | Yes        | Yes                 | No                              | No             | No      | No                         | No      |
| NJ           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | Yes                        | Yes     |
| NM           | No     | No                                      | Yes        | No                  | No                              | No             | No      | Yes                        | No      |
| NY           | No     | No                                      | No         | No                  | No                              | No             | No      | Yes                        | No      |
| NC           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| ND           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | Yes                        | No      |
| OH           | No     | No                                      | Yes        | Yes                 | Yes                             | No             | Yes     | No                         | Yes     |
| OK           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | No                         | No      |
| OR           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | Yes                        | No      |
| PA           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| RI           | No     | No                                      | Yes        | Yes                 | Yes                             | Yes            | No      | No                         | No      |
| SC           | Yes    | No                                      | Yes        | No                  | Yes                             | No             | No      | No                         | No      |
| SD           | No     | No                                      | Yes        | Yes                 | No                              | Yes            | Yes     | Yes                        | Yes     |
| TN           | No     | No                                      | No         | Yes                 | No                              | No             | No      | No                         | Yes     |
| TX           | Yes    | No                                      | Yes        | Yes                 | Yes                             | Yes            | Yes     | Yes                        | Yes     |
| UT           | No     | No                                      | Yes        | No                  | No                              | Yes            | No      | Yes                        | No      |
| VT           | No     | No                                      | Yes        | No                  | No                              | No             | No      | No                         | No      |
| VA           | No     | No                                      | Yes        | No                  | No                              | No             | Yes     | Yes                        | No      |
| WA           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| WV           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | Yes                        | No      |
| WI           | No     | No                                      | Yes        | Yes                 | No                              | No             | Yes     | No                         | No      |
| WY           | No     | No                                      | Yes        | No                  | No                              | No             | No      | No                         | No      |
| FBOP         | No     | No                                      | Yes        | No                  | Yes                             | No             | Yes     | Yes                        | No      |
| CanFed       | No     | No                                      | Yes        | No                  | Yes                             | No             | Yes     | Yes                        | Yes     |
| Total        | Y4/N48 | Y5/N47                                  | Y47/N5     | Y23/N29             | Y17/N35                         | Y13/N39        | Y38/N14 | Y36/N16                    | Y14/N38 |

**Silver State Industries Depreciation  
Fiscal Year 2013**

| TAG NUMBER | LOCATION                   | DISCRIPTION                 | PURCHASE DATE | COST         | LIFE YEARS | 2012 ACCUM DEPR | 2013 DEPR  |
|------------|----------------------------|-----------------------------|---------------|--------------|------------|-----------------|------------|
| PRIND002   | NNCC Ranch Crops           | Irrigation Sys              | FY 83         | \$ 1,982,000 | 40         | \$ 1,436,950    | \$ 49,550  |
| SPRUNG     | SDCC                       | Sprung Building             | 7/1/01        | \$ 740,576   | 20         | \$ 407,317      | \$ 37,029  |
|            | Total Central Office       |                             |               | \$ 2,722,576 |            | \$ 1,844,267    | \$ 86,579  |
| 291507     | LCC Mattress               | Serfe/Flange sewing machine | 03/07/11      | \$ 8,950     | 5          | \$ 2,238        | \$ 1,790   |
|            | Total LCC Mattress         |                             |               | \$ 8,950     |            | \$ 2,238        | \$ 1,790   |
| 308858     | NNCC Print                 | Embroidery Machine: Borthor | 07/29/08      | \$ 17,500    | 6          | \$ 11,667       | \$ 2,917   |
| 310860     | NNCC Print                 | 15 Head Embroidery Machine  | 12/24/08      | \$ 13,000    | 6          | \$ 7,583        | \$ 2,167   |
|            | Total NNCC Print           |                             |               | \$ 30,500    |            | \$ 19,250       | \$ 5,083   |
| 275341     | NNCC Metal                 | Stud Welder                 | 7/22/04       | \$ 9,070     | 10         | \$ 7,256        | \$ 907     |
|            | Total NNCC Metal           |                             |               | \$ 9,070     |            | \$ 7,256        | \$ 907     |
| 269083     | NNCC Livestock             | Trailer, 18' Gooseneck      | 6/12/03       | \$ 5,000     | 15         | \$ 3,000        | \$ 333     |
|            | Total NNCC Ranch Livestock |                             |               | \$ 5,000     |            | \$ 3,000        | \$ 333     |
| 285462     | NNCC Crops                 | Ford 9000 Tractor           | 3/15/06       | \$ 7,500     | 10         | \$ 4,688        | \$ 750     |
|            | Total NNCC Ranch Crops     |                             |               | \$ 7,500     |            | \$ 4,688        | \$ 750     |
| PRIND004   | NNCC Milk                  | Dairy barn                  | 1/1/84        | \$ 167,651   | 40         | \$ 119,451      | \$ 4,191   |
| 296420     | NNCC Milk                  | Boiler                      | 7/1/06        | \$ 56,976    | 10         | \$ 34,186       | \$ 5,698   |
|            | Total NNCC Ranch Dairy     |                             |               | \$ 224,627   |            | \$ 153,637      | \$ 9,889   |
|            | Industries Total           |                             |               | \$ 3,008,223 |            | \$ 2,034,335    | \$ 105,331 |

## Silver State Industries

## AR Customer Aging by Due Date (Summary)

Report Date: 3/17/14

| Cust ID | Customer Name               | Days Old                |                          |                          |                           |                            | Balance       |
|---------|-----------------------------|-------------------------|--------------------------|--------------------------|---------------------------|----------------------------|---------------|
|         |                             | 0 - 30<br>02/15 - 03/17 | 31 - 60<br>01/16 - 02/14 | 61 - 90<br>12/17 - 01/15 | 91 - 120<br>11/17 - 12/16 | 121 +<br>all prior - 11/16 |               |
| BR1043  | BRISTLECONE CONVENTION      | \$182.70                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$182.70      |
| CA1025  | CARSON JUVENILE CENTER      | \$432.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$432.00      |
| DE1000  | DEC-ART DESIGNS INC         | \$1,618.16              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$1,618.16    |
| DE1010  | DECORATING WITH FABRIC      | \$559.13                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$559.13      |
| DI1025  | DIAMOND MOUNTAIN            | \$35,497.49             | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$35,497.49 * |
| DI1030  | DIVAN, L.L.C.               | \$10,911.10             | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$10,911.10 * |
| DO1010  | D C NINTH JUDICIAL DISTRICT | \$90.50                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$90.50       |
| DY1001  | DYNAMIC DRAPERIES INC       | \$143.98                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$143.98      |
| EM1005  | ELY EMPLOYEES'              | \$36.00                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$36.00       |
| EM1006  | EMPLOYEES'ASSN- SDCC &      | \$48.00                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$48.00       |
| FE1020  | FERGUSON SAFETY             | \$300.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$300.00      |
| FU1020  | FULL CIRCLE COMPOST         | \$7,144.43              | \$1,621.08               | \$0.00                   | \$0.00                    | \$0.00                     | \$8,765.51 *  |
| GE1015  | GENOA LIVESTOCK             | \$521.37                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$521.37      |
| LI1035  | LITTLE SMUDGEZ LLC          | \$496.80                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$496.80      |
| MI1050  | MINI BLIND KING             | \$131.82                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$131.82      |
| MT1020  | M TRUSS & COMPONENTS, LLC   | \$10.27                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$10.27       |
| OP1020  | OPPORTUNITY VILLIAGE ARC    | \$5,068.80              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$5,068.80 *  |
| SL1020  | SLOBOGIN STEEL &            | \$5,475.00              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$5,475.00 *  |
| VA1003  | VARIOUS CUSTOMERS-COD       | \$1,793.80              | \$26.75                  | \$605.00                 | \$0.00                    | \$674.00                   | \$3,099.55    |
| VI1000  | VINYL PRODUCTS              | \$228.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$228.00      |
| WE1009  | WESTERN NEVADA COLLEGE      | \$6,340.00              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$6,340.00 *  |
| WI1002  | WITTENBERG HALL             | \$504.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$504.00      |
| WO1035  | WORLD CLASS EQUINE          | \$5,427.72              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$5,427.72 *  |
| YY1000  | NDOC ADMIN NORTH            | \$100.10                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$100.10      |
| YY1011  | ELY STATE PRISON            | \$804.09                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$804.09      |
| YY1018  | NDOC INSPECTOR GENERAL'S    | \$1,331.00              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$1,331.00    |
| YY1020  | JEAN CONSERVATION CAMP      | \$116.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$116.00      |
| YY1021  | HIGH DESERT STATE PRISON    | \$2,220.00              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$2,220.00 *  |
| YY1027  | LOVELOCK CORR CTR-          | \$178.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$178.00      |
| YY1045  | WARM SPRINGS                | \$2,015.20              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$2,015.20    |
| YY1050  | PURCHASING - NDOC OFFICE    | \$8,846.80              | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$8,846.80 *  |
| YY1051  | SO DESERT CORR CTR          | \$76.50                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$76.50       |
| YY1056  | FMWCC - CANTEEN             | \$349.00                | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$349.00      |
| YY1063  | WELLS CONSERVATION CAMP     | \$72.50                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$72.50       |
| YY1064  | PIOCHE CON CAMP - CANTEEN   | \$17.00                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$17.00       |
| YY1072  | PI CASA GRANDE STORE        | \$24.00                 | \$0.00                   | \$0.00                   | \$0.00                    | \$0.00                     | \$24.00       |

|                      |                          |                            |                          |                        |                      |                        |                            |
|----------------------|--------------------------|----------------------------|--------------------------|------------------------|----------------------|------------------------|----------------------------|
| YY1120               | ELY STATE PRISON CANTEEN | \$334.00                   | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$334.00                   |
| YY1135               | NDOC INMATE PURCHASES    | \$84.50                    | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$84.50                    |
| ZZ1000               | ADMINISTRATION           | \$0.00                     | \$234.00                 | \$0.00                 | \$0.00               | \$0.00                 | \$234.00                   |
| ZZ1003               | AGING DIVISION           | \$513.75                   | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$513.75                   |
| ZZ1026               | COMMISSION ON P.O.S.T.   | \$159.00                   | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$159.00                   |
| ZZ1055               | GAMING CONTROL BOARD     | \$45.75                    | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$45.75                    |
| ZZ1089               | LEGISLATIVE COUNSEL      | \$1,120.81                 | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$1,120.81                 |
| ZZ1178               | OFFICE OF VETERANS'      | \$0.00                     | \$0.00                   | \$0.00                 | \$0.00               | \$264.00               | \$264.00                   |
| ZZ1203               | AGRICULTURE ESTRAY HORSE | \$4,095.30                 | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$4,095.30 *               |
| ZZ1500               | NEVADA 150 COMMITTEE     | \$642.32                   | \$0.00                   | \$0.00                 | \$0.00               | \$0.00                 | \$642.32                   |
| <b>AGING TOTALS:</b> |                          | <b><u>\$106,106.69</u></b> | <b><u>\$1,881.83</u></b> | <b><u>\$605.00</u></b> | <b><u>\$0.00</u></b> | <b><u>\$938.00</u></b> | <b><u>\$109,531.52</u></b> |
| AGING PERCENTAGES:   |                          | 96.87%                     | 1.72%                    | 0.55%                  | 0.00%                | 0.86%                  | 100.00%                    |

\* Represents top ten customers.

Note: Report does not include Alpine Steel.



REVIEW OF WORK PROGRAM C28574 TO INCREASE PROJECTED  
REVENUE AND EXPENDITURE AUTHORITY TO COVER INMATE  
PAYROLL THROUGH THE END OF FY 2014





## Department of Administration Work Program Packet Checklist

- ✓ Work program form
- ✓ Work program packet checklist
- ✓ Cumulative modification worksheet
- ✓ Cover Page detailing the reasons for the revision, benefits to the division, department and state and consequences if not approved
- ✓ Financial/Budget Status Reports (current)
- ✓ Budget projections with corresponding detail
- ✓ Fund map reflecting amounts before and after the revision
- NPD 19 (If requesting new position) **include copy of current organizational chart w/proposed change**
- Quotes for the purchase of unbudgeted items (i.e., equipment, computers, etc.)
- ✓ Spreadsheets/detailed calculations supporting request

### WORK PROGRAM REVISIONS INVOLVING GRANTS MUST ALSO INCLUDE

- Grant history/reconciliation form for grants
- Copies of all grant awards for the current year listed on the grant reconciliation form
- Copy of grant budget - if applicable
- Summary of the grant program and purpose if not included in the grant award document

### IFC determination evaluation (reason work program does or does not require IFC approval indicated with an X)

#### Requires IFC approval because

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> \$75,000 or more cumulative for an expenditure category   | <input type="checkbox"/> Exceeds \$30,000 cumulative and is 10% or more cumulative for an expenditure category |
| <input type="checkbox"/> Involves the allocation of block grant funds and the agency is choosing to use the IFC meeting for the required public hearing per NRS 353.337 | <input type="checkbox"/> Non-governmental grant or gift in excess of \$20,000                                  |
| <input type="checkbox"/> Includes new positions   | <input type="checkbox"/> Other:  |

#### Does not require IFC approval because

- |  |  |
|--|--|
| <input type="checkbox"/> \$30,000 or less cumulative for each expenditure category   | <input type="checkbox"/> Places funds in Reserves, Reserve for Reversion, or Retained Earnings categories only |
| <input type="checkbox"/> Less than \$75,000 cumulative and 10% cumulative for each expenditure category  | <input type="checkbox"/> Non-executive budget  |
| <input type="checkbox"/> \$5,000 or less for expenditure categories 02, 03, 05, & 30 and \$10,000 or less for any other expenditure categories | <input type="checkbox"/> Other:  |
| <input type="checkbox"/> Implements general/highway fund salary adjustments approved by the BOE  | Approved by:<br>Date:  |

**STATE OF NEVADA  
DEPARTMENT OF CORRECTIONS**

**Budget Account 3719 - NDOC - PRISON INDUSTRY  
Work Program C28574  
Fiscal Year 2014**

Submitted December 20, 2013

**Budget Account's Primary Purpose, Function and Statutory Authority**

The mission of Prison Industries (Silver State Industries) is to reduce government operating costs, provide inmates the skills necessary to successfully re-enter society, and enhance the safe operation of correctional facilities. To fulfill its mission, Prison Industries operates as a self-supporting operation, providing meaningful work and job training for prison inmates in the production of goods and services at little or no direct cost to the taxpayer. Operations include furniture and metal fabrication shops at Northern Nevada Correctional Center (NNCC), a printing/bindery shop at NNCC, a garment sewing factory and mattress factory at Lovelock Correctional Center, a drapery sewing shop at Ely State Prison, and an automobile refurbishing/repair and motorcycle manufacturing/repair shop at Southern Desert Correctional Center (SDCC). Prison Industries also operates used playing card recycling operations at Warm Springs Correctional Center, High Desert State Prison (HDSP), and SDCC. In addition, the Department of Motor Vehicles operates a license plate plant at the Nevada State Prison. Private businesses utilize inmates as part of the Prison Industries program. Approximately 570 inmates work in Prison Industries' programs.

**Purpose of Work Program**

This work program augments authority in Revenue General Ledger 4021, Miscellaneous Sales by \$534,528 and increases expenditure authority in Category 04, Operating by \$524,402 to pay projected inmate payroll through the end of the fiscal year, and Category 60 Retained Earnings by \$10,126. Requires Interim Finance approval since the Operating category is increased by more than \$75,000.

**Justification**

Jacobs Trading operates out of Florence McClure Women's Correctional Center and is expanding to a third shift. Jacobs is planning on working 25 more inmates on this additional shift resulting in increased inmate payroll expenditures. Also, card sorting at High Desert State Prison is expanding their operations. This will result in more reimbursable revenue that Prison Industries will receive from the card sorting operations resulting in increased inmate payroll expenditures. These payroll expenditures are recorded in Category 04, Operating. The anticipated difference between the expected revenues and expenditures is being placed in retained earnings to be balanced forward to future years.

**Expected Benefits to be Realized**

This work program will provide the necessary authority for Jacobs Trading and Card Sorting to provide work for more inmates which will in turn result in more room and board revenue at both FMWCC and HDSP. Additionally, it will create enough revenue authority for Prison Industries to collect the reimbursements for inmate payroll and add to the profitability of Prison Industries.

**Explanation of Projections and Documentation**

Attached are projection worksheets detailing year-to-date expenditure projections to the end of the fiscal year, a revenue projection worksheet, and also an inmate payroll spreadsheet with inmate payroll projections.

**New Positions:** No

**Summary of Alternatives and Why Current Proposal is Preferred**

Prison Industries could advise both Jacobs Trading and Card Sorting that expanding their businesses is not feasible at this time. This would result in fewer inmates having work assignments and less room and board to be deducted from the inmates at these facilities. This would also decrease the ability for Prison Industries to increase their profitability from allowing these two businesses to expand.

The preferred alternative is to allow for the requested expansion so more inmates can improve their skills and increase the potential room and board reimbursements at both FMWCC and HDSP.

**STATE OF NEVADA WORK PROGRAM  
DEPARTMENT OF CORRECTIONS  
NDOC - PRISON INDUSTRY  
B/A 3719 SFY14**

| G.L.# | REVENUES<br>Description               | Original or<br>Legislatively<br>Approved<br>Work Program | APPROVED                                    |   |   | -----CUMULATIVE----- |                   | Total Amount     |
|-------|---------------------------------------|--|---|---|---|----------------------|-------------------|------------------|
|       |                                       |  | FIRST                                       | SECOND                                      | THIRD                                       | Dollar Change        | Percent<br>Change |                  |
|       |                                       |  | Work<br>Program<br>Change<br>WP #<br>C27733 | Work<br>Program<br>Change<br>WP #<br>C28574 | Work<br>Program<br>Change<br>WP #<br>C28787 |                      |                   |                  |
| 2511  | BALANCE FORWARD FROM PREVIOUS YEAR    | 251,840  | 289,538                                     |   |   | 289,538              | 115.0%            | 541,378          |
| 3893  | LICENSE PLATE CHARGE                  | 542,981  |   |   |   | 0                    | 0.0%              | 542,981          |
| 4021  | MISCELLANEOUS SALES                   | 3,478,583  |   | 534,528                                     |   | 534,528              | 15.4%             | 4,013,111        |
| 4201  | REIMBURSEMENT                         | 251,899  |   |   |   | 0                    | 0.0%              | 251,899          |
| 4252  | EXCESS PROPERTY SALES                 | 1,000  |   |   |   | 0                    | 0.0%              | 1,000            |
| 4301  | RENTAL INCOME - NON-EXECUTIVE BUDGETS | 105,000  |   |   |   | 0                    | 0.0%              | 105,000          |
| 4326  | TREASURER'S INTEREST DISTRIB          | 168  |   |   |   | 0                    | 0.0%              | 168              |
| 4669  | TRANS FROM OTHER B/A SAME FUND        | 48,000   |   |   |   | 0                    | 0.0%              | 48,000           |
|       | <b>Total Revenues</b>                 | <b>4,679,471</b>   | <b>289,538</b>                              | <b>534,528</b>                              | <b>0.00</b>                                 | <b>824,066</b>       | <b>17.6%</b>      | <b>5,503,537</b> |
|       | <b>EXPENDITURES</b>                   |  |   |   |   |                      |                   |                  |
| Cat   | Description                           |  |   |   |   |                      |                   |                  |
| 01    | PERSONNEL                             | 1,376,749  |   |   | -10,408                                     | -10,408              | -0.8%             | 1,366,341        |
| 02    | OUT-OF-STATE TRAVEL                   | 3,572  |   |   |   | 0                    | 0.0%              | 3,572            |
| 03    | IN-STATE TRAVEL                       | 5,250  |   |   |   | 0                    | 0.0%              | 5,250            |
| 04    | OPERATING EXPENSES                    | 764,553  |   | 524,402                                     |   | 524,402              | 68.6%             | 1,288,955        |
| 26    | INFORMATION SERVICES                  | 10,489   |   |   | 10,408                                      | 10,408               | 99.2%             | 20,897           |
| 41    | NNCC FURNITURE                        | 424,690  |   |   |   | 0                    | 0.0%              | 424,690          |
| 43    | NNCC MATTRESS                         | 224,819  |   |   |   | 0                    | 0.0%              | 224,819          |
| 44    | NNCC METAL SHOP                       | 395,823  |   |   |   | 0                    | 0.0%              | 395,823          |
| 45    | NNCC PRINTING/BINDERY SHOP            | 317,117  |   |   |   | 0                    | 0.0%              | 317,117          |
| 47    | SDCC AUTO/UPHOLSTERY SHOP             | 282,157  |   |   |   | 0                    | 0.0%              | 282,157          |
| 59    | UTILITIES                             | 75,607   |   |   |   | 0                    | 0.0%              | 75,607           |
| 60    | RETAINED EARNINGS                     | 262,982  | 289,538                                     | 10,126                                      |   | 299,664              | 113.9%            | 562,646          |
| 66    | ESP DRAPERY                           | 60,343   |   |   |   | 0                    | 0.0%              | 60,343           |
| 70    | LCC GARMENT FACTORY                   | 341,728  |   |   |   | 0                    | 0.0%              | 341,728          |
| 87    | PURCHASING ASSESSMENT                 | 4,393  |   |   |   | 0                    | 0.0%              | 4,393            |
| 88    | STATEWIDE COST ALLOC                  | 125,944  |   |   |   | 0                    | 0.0%              | 125,944          |
| 89    | AG COST ALLOCATION                    | 3,255  |   |   |   | 0                    | 0.0%              | 3,255            |
|       | <b>Total Expenditures</b>             | <b>4,679,471</b>   | <b>289,538</b>                              | <b>534,528</b>                              | <b>0.00</b>                                 | <b>824,066</b>       | <b>17.6%</b>      | <b>5,503,537</b> |

**STATE OF NEVADA  
 Office of the State Controller**

**Summary Budget Status Report**

**Fiscal Year:** 201  
4

**Fund:** 525 PRISON INDUSTRY  
FUND

**Agency:** 440 DEPARTMENT OF  
CORRECTIONS

**Budget Account:** 3719 PRISON INDUSTRY

**Organization:** 0000 DEPARTMENT OF  
CORRECTIONS

|                                   | <b>YTD Actual</b> | <b>Work Program</b> | <b>Difference</b> |
|-----------------------------------|-------------------|---------------------|-------------------|
| <b>Total Receipts/Funding</b>     | 2,521,022.08      | 4,969,009.00        | -2,447,986.92     |
| <b>Total Expenditures</b>         | 1,897,549.71      |                     |                   |
| <b>Total Encumbrances</b>         | .00               |                     |                   |
| <b>Total Pre-encumbrances</b>     | 15,017.75         |                     |                   |
| <b>Total Obligations</b>          | 1,912,567.46      | 4,969,009.00        | 3,056,441.54      |
| <b>Realized Funding Available</b> | 608,454.62        |                     |                   |

[Get Information About Receipts/Funding](#)

[Get Information About Obligations](#)

**STATE OF NEVADA  
 Office of the State Controller**

**Budget Status Report - Receipts/Funding**

**Fiscal Year:** 2014

**Fund:** 525 PRISON INDUSTRY FUND                      **Agency:** 440 DEPARTMENT OF CORRECTIONS  
**Budget Account:** 3719 PRISON INDUSTRY                      **Organization:** 0000 DEPARTMENT OF CORRECTIONS

|                               | YTD Actual   | Work Program | Difference    |
|-------------------------------|--------------|--------------|---------------|
| <b>Total Receipts/Funding</b> | 2,521,022.08 | 4,969,009.00 | -2,447,986.92 |

| Code                 | Description                    | YTD Actual   | Work Program | Difference    |
|----------------------|--------------------------------|--------------|--------------|---------------|
| <a href="#">47</a>   | BEGINNING CASH                 | 541,378.00   | 541,378.00   | .00           |
| <a href="#">3893</a> | LICENSE PLATE CHARGE           | 218,639.00   | 542,981.00   | -324,342.00   |
| <a href="#">4021</a> | MISCELLANEOUS SALES            | 1,449,201.78 | 3,478,583.00 | -2,029,381.22 |
| <a href="#">4201</a> | REIMBURSEMENT                  | 254,803.30   | 251,899.00   | 2,904.30      |
| <a href="#">4252</a> | EXCESS PROPERTY SALES          | .00          | 1,000.00     | -1,000.00     |
| <a href="#">4301</a> | RENTAL INCOME                  | 33,000.00    | 105,000.00   | -72,000.00    |
| <a href="#">4326</a> | TREASURER'S INTEREST DISTRIB   | .00          | 168.00       | -168.00       |
| <a href="#">4669</a> | TRANS FROM OTHER B/A SAME FUND | 24,000.00    | 48,000.00    | -24,000.00    |

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**STATE OF NEVADA  
 Office of the State Controller**

**Budget Status Report - Obligations**

**Fiscal Year:** 2014

**Fund:** 525 PRISON INDUSTRY FUND

**Agency:** 440 DEPARTMENT OF CORRECTIONS

**Budget Account:** 3719 PRISON INDUSTRY

**Organization:** 0000 DEPARTMENT OF CORRECTIONS

|                               | YTD Actual   | Work Program | Difference   |
|-------------------------------|--------------|--------------|--------------|
| <b>Total Expenditures</b>     | 1,897,549.71 |              |              |
| <b>Total Encumbrances</b>     | .00          |              |              |
| <b>Total Pre-encumbrances</b> | 15,017.75    |              |              |
| <b>Total Obligations</b>      | 1,912,567.46 | 4,969,009.00 | 3,056,441.54 |

| Category           | Description               | Expended   | Encumbered | Pre-encumbered | Obligated  | Work Program | Difference |
|--------------------|---------------------------|------------|------------|----------------|------------|--------------|------------|
| <a href="#">01</a> | PERSONNEL SERVICES        | 455,857.14 | .00        | .00            | 455,857.14 | 1,376,749.00 | 920,891.86 |
| <a href="#">02</a> | OUT OF STATE TRAVEL       | .00        | .00        | .00            | .00        | 3,572.00     | 3,572.00   |
| <a href="#">03</a> | IN STATE TRAVEL           | 774.59     | .00        | .00            | 774.59     | 5,250.00     | 4,475.41   |
| <a href="#">04</a> | OPERATING                 | 449,720.23 | .00        | .00            | 449,720.23 | 764,553.00   | 314,832.77 |
| <a href="#">26</a> | INFORMATION SERVICES      | 3,588.60   | .00        | .00            | 3,588.60   | 10,489.00    | 6,900.40   |
| <a href="#">41</a> | NNCC FURNITURE/UPHOLSTERY | 116,946.88 | .00        | .00            | 116,946.88 | 424,690.00   | 307,743.12 |
| <a href="#">43</a> | NNCC MATTRESS             | 119,243.01 | .00        | .00            | 119,243.01 | 224,819.00   | 105,575.99 |
| <a href="#">44</a> | NNCC METAL                | 114,269.16 | .00        | .00            | 114,269.16 | 395,823.00   | 281,553.84 |
| <a href="#">45</a> | NNCC                      | 161,826.   | .00        | .00            | 161,826.   | 317,117.0    | 155,290.   |

|                    |                           |            |     |           |            |            |            |
|--------------------|---------------------------|------------|-----|-----------|------------|------------|------------|
|                    | PRINTING/BINDERY SHOP     | 98         |     |           | 98         | 0          | 02         |
| <a href="#">47</a> | SDCC AUTO/UPHOLSTERY SHOP | 81,332.30  | .00 | .00       | 81,332.30  | 282,157.00 | 200,824.70 |
| <a href="#">59</a> | UTILITIES                 | 31,420.65  | .00 | .00       | 31,420.65  | 75,607.00  | 44,186.35  |
| <a href="#">60</a> | RETAINED EARNINGS         | .00        | .00 | .00       | .00        | 552,520.00 | 552,520.00 |
| <a href="#">66</a> | LCC DRAPERY               | 34,416.38  | .00 | .00       | 34,416.38  | 60,343.00  | 25,926.62  |
| <a href="#">70</a> | LCC GARMENT FACTORY       | 199,199.54 | .00 | 15,017.75 | 214,217.29 | 341,728.00 | 127,510.71 |
| <a href="#">87</a> | PURCHASING ASSESSMENT     | 2,196.50   | .00 | .00       | 2,196.50   | 4,393.00   | 2,196.50   |
| <a href="#">88</a> | STATE COST ALLOCATION     | 125,944.00 | .00 | .00       | 125,944.00 | 125,944.00 | .00        |
| <a href="#">89</a> | AG COST ALLOCATION        | 813.75     | .00 | .00       | 813.75     | 3,255.00   | 2,441.25   |

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| Operating Ledgers                           | FY14<br>Approved<br>Budget | Actual<br>YTD<br>12/13/13 | Encum<br>12/13/13  | Total<br>YTD<br>12/13/13 | Projected<br>Balance Of<br>FY14 | Notes | FY14 Total<br>Actual + Proj<br>(12 Month's) | (Over) /<br>Under<br>FY14 Budget | FY13<br>Actual       | FY12<br>Actual       | FY11<br>Actual       |
|---|----------------------------|---------------------------|--------------------|--------------------------|---------------------------------|-------|---|----------------------------------|----------------------|----------------------|----------------------|
| 7020-Operating Supplies                     | 93                         | -                         | -                  | -                        | -                               | -     | -   | 93.00                            | 267.46               | 93.22                | -                    |
| 7021-Operating Supplies - A                 | 1,545                      | 859.97                    | -                  | 859.97                   | 1,042.39                        | -     | 1,902.36                                    | (357.36)                         | 2271.83              | 1544.81              | 1471.52              |
| 7025-Operating Supplies - E                 | 936                        | 405.69                    | -                  | 405.69                   | 491.75                          | -     | 897.44                                      | 38.56                            | 900.00               | 936.01               | 954.31               |
| 7034-Freight Charges - D                    | 216                        | 90.50                     | -                  | 90.50                    | 109.70                          | -     | 200.20                                      | 15.80                            | 1261.94              | 215.9                | -                    |
| 7040-Non-State Printing Services            | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | 6.00                 |
| 7043-Printing and Copying - B               | 574                        | 98.96                     | -                  | 98.96                    | 119.95                          | -     | 218.91                                      | 355.09                           | 336.30               | 574.32               | 518.61               |
| 7044-Printing and Copying - C               | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | 0.88                 |
| 7050-Employee Bond Insurance                | 52                         | 52.00                     | -                  | 52.00                    | 63.03                           | -     | 115.03                                      | (63.03)                          | 62.00                | 62.00                | 69.00                |
| 7051-Agency Owned - Prop. & Cont. Insurance | 1,636                      | 1,789.00                  | -                  | 1,789.00                 | -                               | -     | 1,789.00                                    | (153.00)                         | 2181.00              | 2181.00              | 3699.00              |
| 7052-Vehicle Comp & Collision Ins           | 66                         | 132.96                    | -                  | 132.96                   | -                               | -     | 132.96                                      | (66.96)                          | 130.52               | 216.62               | 176.00               |
| 7053-Risk Mgt Misc Ins Policies             | 15,397                     | 3,737.56                  | 3,114.63           | 6,852.19                 | 16,574.68                       | -     | 23,426.87                                   | (8,029.87)                       | 12351.25             | 15397.04             | 24168.8              |
| 7054-AG Tort Claim Assessment               | 2,287                      | 2,287.22                  | -                  | 2,287.22                 | -                               | -     | 2,287.22                                    | (0.22)                           | 2833.38              | 2833.38              | 3277.00              |
| 7055-Other Misc Insurance Policies          | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 0.00                 | 0.00                 | 0.00                 |
| 7059-AG Vehicle Liability Insurance         | 1,246                      | 1,679.49                  | -                  | 1,679.49                 | -                               | -     | 1,679.49                                    | (433.49)                         | 1228.92              | 1053.36              | 1796.07              |
| 705B-B&G - Prop. & Cont. Insurance          | 153                        | -                         | -                  | -                        | -                               | -     | -   | 153.00                           | -                    | -                    | -                    |
| 7060-Contracts                              | 224                        | -                         | -                  | -                        | -                               | -     | -   | 224.00                           | 1,175.00             | -                    | -                    |
| 7092-Equipment Repair - B                   | 265                        | 125.00                    | -                  | 125.00                   | 151.52                          | -     | 276.52                                      | (11.52)                          | 0                    | 264.65               | -                    |
| 7093-Equipment Repair - C                   | 34                         | 171.21                    | -                  | 171.21                   | 207.53                          | -     | 378.74                                      | (344.74)                         | 424.00               | 33.75                | 99.79                |
| 7098-Equipment Repair Services - H          | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | -                    |
| 7100-State Owned Bldg Rent-B&G              | 22,488                     | 10,681.80                 | -                  | 10,681.80                | 12,947.64                       | -     | 23,629.44                                   | (1,141.44)                       | 21,584.24            | 21,588.48            | 19,114.00            |
| 7111-Non-State Owned Storage Rent           | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | 1,634.13             |
| 7120-Advertising & Public Relations         | 246                        | 40.00                     | -                  | 40.00                    | 48.48                           | -     | 88.48                                       | 157.52                           | 429.87               | 245.98               | -132.90              |
| 7141-Maintenance of Bldgs & Grounds - A     | 22                         | -                         | -                  | -                        | -                               | -     | -   | 22.00                            | 0                    | 22                   | -                    |
| 7151-Outside Maintenance of Vehicle         | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 0.00                 | 0.00                 | 78.90                |
| 7152-Diesel Fuel                            | -                          | 266.95                    | -                  | 266.95                   | 323.58                          | -     | 590.53                                      | (590.53)                         | 1.02                 | 0.00                 | 615.00               |
| 7153-Gasoline                               | 2,836                      | 482.68                    | -                  | 482.68                   | 585.07                          | -     | 1,067.75                                    | 1,768.25                         | 1,987.88             | 2,836.01             | 2,905.40             |
| 7154-Vehicle Operation - A                  | 25                         | -                         | -                  | -                        | -                               | -     | -   | 25.00                            | 668.67               | 24.95                | 575.71               |
| 7155-Vehicle Operation - B                  | 34                         | -                         | -                  | -                        | -                               | -     | -   | 34.00                            | 25.00                | 34.25                | 34.25                |
| 7156-Veh Repair & Replacement Parts         | 1,753                      | -                         | -                  | -                        | -                               | -     | -   | 1,753.00                         | 669.50               | 1752.71              | 827.61               |
| 7157-Vehicle Parts and Supplies             | 14                         | 823.42                    | -                  | 823.42                   | 998.08                          | -     | 1,821.50                                    | (1,807.50)                       | 238.11               | 14.37                | 70.81                |
| 7158-Compressed Natural Gas, Propane        | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | -                    |
| 7176-Protective Gear                        | 121                        | 162.28                    | -                  | 162.28                   | 196.70                          | -     | 358.98                                      | (237.98)                         | 467.04               | 121.44               | 154.47               |
| 7194-Inmate Payrolls                        | 652,716                    | 415,668.64                | -                  | 415,668.64               | 763,344.00                      | -     | 1,179,012.64                                | (526,296.64)                     | 871,128.12           | 652,715.88           | 653,956.62           |
| 7195-Commissions                            | 127                        | 11.60                     | -                  | 11.60                    | 14.06                           | -     | 25.66                                       | 101.34                           | 932.30               | 126.77               | -                    |
| 7280-Outside Postage                        | 146                        | -                         | -                  | -                        | -                               | -     | -   | 146.00                           | 0                    | 146.18               | 17.85                |
| 7285-Postage - State Mailroom               | 1,104                      | 345.74                    | -                  | 345.74                   | 419.08                          | -     | 764.82                                      | 339.18                           | 916.24               | 1,104.24             | 1,338.94             |
| 7290-Phone, Fax, Communication Line         | 1,227                      | 1,012.93                  | -                  | 1,012.93                 | 1,227.79                        | -     | 2,240.72                                    | (1,013.72)                       | 957.38               | 1226.52              | 461.93               |
| 7291-Cell Phone/Pager Charges               | 2,639                      | 1,029.19                  | -                  | 1,029.19                 | 1,247.50                        | -     | 2,276.69                                    | 362.31                           | 2,168.97             | 2,639.08             | 3,164.36             |
| 7296-DOIT Long Distance Charges             | 965                        | 701.34                    | -                  | 701.34                   | 850.11                          | -     | 1,551.45                                    | (586.45)                         | 1,330.77             | 964.63               | 1,128.94             |
| 7297-Dolt 800 Toll Free Charges             | 7                          | 1.54                      | -                  | 1.54                     | 1.87                            | -     | 3.41  | 3.59                             | 3.45                 | 7.24                 | 7.76                 |
| 7299-Telephone and Data Wiring              | 187                        | 230.86                    | -                  | 230.86                   | -                               | -     | 230.86                                      | (43.86)                          | 130.89               | 186.65               | 159.99               |
| 7300-Dues and Registrations                 | 1,863                      | -                         | -                  | -                        | -                               | -     | -   | 1,863.00                         | 380.00               | 1,839.00             | 2,352.10             |
| 7301-Membership Dues                        | 2,138                      | 1,275.00                  | -                  | 1,275.00                 | 1,545.45                        | -     | 2,820.45                                    | (682.45)                         | 1,854.00             | 1,368.00             | 1,735.00             |
| 7302-Registration Fees                      | -                          | 990.00                    | -                  | 990.00                   | 1,200.00                        | -     | 2,190.00                                    | (2,190.00)                       | 120.00               | -                    | -                    |
| 7306-Dues & Reg - Employee Reimburse        | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | -                    |
| 7330-Special Report Services & Fees         | 3                          | -                         | -                  | -                        | -                               | -     | -   | 3.00                             | 19.40                | 2.86                 | -                    |
| 7340-Inspections & Certifications           | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 74.00                | -                    | -                    |
| 7370-Publications/Periodicals               | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 0.00                 | 0.00                 | 595.00               |
| 7393-Purchasing Assessment                  | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 25.00                | 0.00                 | 0.00                 |
| 7460-Equipment Purchases < \$1,000          | 113                        | -                         | -                  | -                        | -                               | -     | -   | 113.00                           | 30.00                | 339.62               | -                    |
| 7500-Pymts To Individual F/Services         | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | 52.38                |
| 7545-Dolt Secure Link                       | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | -                    |
| 7551-Dolt Microwave Channel Rent            | 4,273                      | 4,366.86                  | -                  | 4,366.86                 | -                               | -     | 4,366.86                                    | (93.86)                          | 4,592.12             | 4,493.44             | 4,742.26             |
| 7630 Miscellaneous Goods, Mat               | 4                          | -                         | -                  | -                        | -                               | -     | -   | 4.00                             | 0.00                 | 4.34                 | -                    |
| 7631 Miscellaneous Goods, Mat - A           | 152                        | 134.84                    | -                  | 134.84                   | 163.44                          | -     | 298.28                                      | (146.28)                         | 157.91               | 152.30               | 252.45               |
| 7635 Miscellaneous Services                 | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 400.00               | -                    | -                    |
| 7638-Miscellaneous Services - B             | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | 1.69                 | -                    | -                    |
| 7960-Rentals for Land/Equipment             | 10,740                     | -                         | -                  | -                        | -                               | -     | -   | 10,740.00                        | (895.00)             | 10,740.00            | 10,740.00            |
| 7970-Materials                              | 267                        | -                         | -                  | -                        | -                               | -     | -   | 267.00                           | -                    | 266.91               | -                    |
| 7980-Operating Lease Payments               | 1,452                      | 65.00                     | -                  | 65.00                    | 78.79                           | -     | 143.79                                      | 1,308.21                         | 203.48               | 1,542.10             | 2,538.48             |
| 8381-Used Vehicles<\$5,000                  | -                          | -                         | -                  | -                        | -                               | -     | -   | -                                | -                    | -                    | 25.00                |
| 9116-Trans to Corrections                   | 32,167                     | -                         | -                  | -                        | 32,167.00                       | -     | 32,167.00                                   | -                                | 32,167.00            | 32,167.00            | 32,167.00            |
| <b>Total Operating Expenditures</b>         | <b>\$ 764,553</b>          | <b>\$ 449,720.23</b>      | <b>\$ 3,114.63</b> | <b>\$ 452,834.86</b>     | <b>\$ 836,119.18</b>            |       | <b>\$ 1,288,954.04</b>                      | <b>\$ (524,401.04)</b>           | <b>\$ 968,192.65</b> | <b>\$ 764,079.01</b> | <b>\$ 777,550.42</b> |

Cat 04 Authority Needed \$ 524,402.00  
 Retained Earnings \$ 10,126.00  
 Work Program Adjustment Needed \$ 534,528.00

Assuming Expenditures shown for: 165 Days % of Budget Expended 58.82%  
 Expenditures Projected for: 200 Days



| <b>Additional profit projection</b>     |                    |  |                     |             |
|---|--------------------|--|---------------------|-------------|
| Jacobs                                  | Inmate hours       | Card sorting                                     |                     |             |
| 07/15/13                                | 3,238.50           | Income based on cases produced,                  |                     |             |
| 07/31/13                                | 3,756.50           | not inmate hours.                                |                     |             |
| 08/15/13                                | 3,960.50           | Based on current income of \$3,882.77 per month  |                     |             |
| 08/31/13                                | 3,980.00           | 21% increase in payroll = 21% increase in income |                     |             |
| 09/15/13                                | 3,478.00           |  |                     |             |
| 09/30/13                                | 3,954.50           | December   | \$ 407.69           | (1/2 month) |
| 10/15/13                                | 3,243.00           | January  | \$ 815.38           |             |
| 10/31/13                                | 4,338.00           | February   | \$ 815.38           |             |
| 11/15/13                                | 3,940.00           | March  | \$ 815.38           |             |
| 11/30/13                                | 3,180.00           | April  | \$ 815.38           |             |
| 12/15/13                                | 3,769.00           | May  | \$ 815.38           |             |
| Total hours                             | 40,838.00          | June   | \$ 815.38           |             |
| Average                                 | 3712.55            | Total  | <u>\$ 5,299.98</u>  |             |
| Divide by 2                             | 1856.27            | card sorting                                     |                     |             |
| (Per shift 1/2 month)                   |                    | additional income                                |                     |             |
| December                                | 1,856.27           | (1/2 month)                                      |                     |             |
| January                                 | 3,712.55           |  |                     |             |
| February                                | 3,712.55           | Jacobs   | \$ 4,826.31         |             |
| March                                   | 3,712.55           | Card sorting                                     | \$ 5,299.98         |             |
| April                                   | 3,712.55           | Grand Total                                      | <u>\$ 10,126.29</u> |             |
| May                                     | 3,712.55           |  |                     |             |
| June                                    | 3,712.55           |  |                     |             |
| Total additional hours                  | 24,131.55          |  |                     |             |
| remainder of FY 14                      |                    |  |                     |             |
| Jacobs                                  |                    |  |                     |             |
| additional income                       | <u>\$ 4,826.31</u> |  |                     |             |
| (Additional hours times \$.20 per hour) |                    |  |                     |             |



| <b>Payrolls paid out of category 04</b> |  |                                     |                         |  |
|---|--|-------------------------------------|-------------------------|--|
| <b>Jacobs inmate payroll</b>            |  |                                     |                         |  |
| Payroll Amt                             | Period Ending  |                                     |                         |  |
| \$ 26,038                               | 7/15/13  |                                     |                         |  |
| \$ 30,202                               | 7/31/13  |                                     |                         |  |
| \$ 31,842                               | 8/15/13  |                                     |                         |  |
| \$ 31,999                               | 8/31/13  |                                     |                         |  |
| \$ 27,963                               | 9/15/13  |                                     |                         |  |
| \$ 31,794                               | 9/30/13  |                                     |                         |  |
| \$ 26,074                               | 10/15/13   |                                     |                         |  |
| \$ 34,878                               | 10/31/13   |                                     |                         |  |
| \$ 31,678                               | 11/15/13   |                                     | Monthly                 |  |
| \$ 25,567                               | 11/30/13   |                                     | average when            |  |
| \$ 298,035                              | Grand total processed                                      |                                     | add third shift         |  |
| \$ 59,607                               | Average monthly payroll                                    | \$ 89,410                           |                         |  |
|   |  |                                     |                         |  |
|   |  |                                     |                         |  |
| <b>HDSP Card Sorting</b>                |  | <b>WSCC Card Sorting</b>            |                         |  |
| Payroll Amt                             | Month  | Payroll Amt                         | Period Ending           |  |
| \$ 8,622                                | 7/3/13   | \$ 620                              | 7/7/13                  |  |
| \$ 6,437                                | 7/17/13  | \$ 730                              | 7/21/13                 |  |
| \$ 9,722                                | 7/31/13  | \$ 770                              | 8/15/13                 |  |
| \$ 8,907                                | 8/14/13  | \$ 280                              | 8/31/13                 |  |
| \$ 8,237                                | 8/28/13  | \$ 195                              | 9/15/13                 |  |
| \$ 6,861                                | 9/11/13  | \$ 190                              | 9/30/13                 |  |
| \$ 9,254                                | 9/25/13  | \$ 470                              | 10/15/13                |  |
| \$ 8,351                                | 10/1/13  | \$ 840                              | 10/31/13                |  |
| \$ 8,286                                | 10/9/13  | \$ 130                              | 11/15/13                |  |
| \$ 9,323                                | 10/23/13   | \$ 410                              | 11/10/13                |  |
| \$ 9,581                                | 11/6/13  | \$ 4,635                            | Grand total processed   |  |
| \$ 10,195                               | 11/20/13   | \$ 927                              | Average monthly payroll |  |
| \$ 9,224                                | 12/4/13  |                                     |                         |  |
| \$ 112,999                              | Grand total processed                                      |                                     |                         |  |
| \$ 17,384                               | Average monthly payroll                                    |                                     |                         |  |
| \$ 21,035.22                            | Average with 21% increase                                  |                                     |                         |  |
| \$ 111,373                              | Total adjusted monthly average payroll                     |                                     |                         |  |
| \$ 463                                  | Nov  |                                     |                         |  |
| \$ 94,645                               | Dec  | (Assuming increases start 12/15/13) |                         |  |
| \$ 111,373                              | Jan  |                                     |                         |  |
| \$ 111,373                              | Feb  |                                     |                         |  |
| \$ 111,373                              | Mar  |                                     |                         |  |
| \$ 111,373                              | Apr  |                                     |                         |  |
| \$ 111,373                              | May  |                                     |                         |  |
| \$ 111,373                              | June   |                                     |                         |  |
| \$ 763,344                              | Total projected inmate payrolls for the remainder of FY 14 |                                     |                         |  |

REVIEW THE NEVADA DEPARTMENT OF CORRECTIONS' RESPONSE TO THE  
2013 MONEY COMMITTEES' LETTER OF INTENT REGARDING THE PRISON INDUSTRIES'  
MISCELLANEOUS SALES AND RETAINED EARNINGS FOR THE QUARTER  
ENDING DECEMBER 31, 2013



**Board of State  
Prison Commissioners**

**BRIAN SANDOVAL**  
*Governor*  
**CATHERINE CORTEZ MASTO**  
*Attorney General*  
**ROSS MILLER**  
*Secretary of State*



**STATE OF NEVADA  
DEPARTMENT OF CORRECTIONS**



**BRIAN SANDOVAL**  
*Governor*

**JAMES G. COX**  
*Director*

**Silver State Industries**  
3955 W Russell Rd  
Las Vegas, NV 89118  
(702) 486-9991 phone  
(702) 486-9908 fax

Fiscal year 2014's second quarter encompassed the dates October 1 through December 31, 2013. Total miscellaneous sales for Prison Industries' budget account 3719 came to \$924,886. Sales for the quarter have exceeded budgeted sales by \$55,240. Retained earnings for that budget account were approximately \$669,593 on December 31, 2013.

The Ranch's budget account 3727 earned \$192,365 in miscellaneous sales for the same period. Quarterly miscellaneous sales exceeded the budgeted amount by \$38,631. The Ranch's retained earnings as of December 31, 2013, were approximately \$432,111.

Prison Industries has continued to pursue sales leads and look for other opportunities to contribute to our bottom line.



REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2011  
THROUGH FEBRUARY 28, 2014



| NDOC Industrial Programs<br>Report of Inmates Working |                          | FY 2012 |        |        |        |        |        |        |        |        |        |        |        |                    |
|---|--------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------|
| INST  | SHOP                     | Jul     | Aug    | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    | Mar    | Apr    | May    | Jun    | FY 2012<br>MO. AVG |
| ESP/LCC   | Drapery                  | 20      | 11     | 15     | 15     | 15     | 15     | 17     | 18     | 15     | 16     | 18     | 17     | 16                 |
| HDSP  | Alpine Steel (private)   | 6       | 12     | 16     | 21     | 22     | 22     | 19     | 18     | 22     | 15     | 16     | 13     | 17                 |
| HDSP  | DMD (private)            | 74      | 72     | 72     | 72     | 60     | 59     | 63     | 69     | 65     | 66     | 63     | 65     | 67                 |
| LCC   | Garment                  | 64      | 71     | 74     | 74     | 65     | 68     | 71     | 70     | 36     | 63     | 64     | 62     | 65                 |
| NNCC  | Metal                    | 23      | 22     | 19     | 19     | 17     | 20     | 6      | 16     | 16     | 15     | 13     | 19     | 17                 |
| NNCC  | Ranch                    | 34      | 27     | 27     | 27     | 27     | 21     | 23     | 23     | 24     | 25     | 25     | 25     | 26                 |
| NNCC  | Furniture                | 37      | 49     | 38     | 38     | 25     | 54     | 50     | 57     | 59     | 41     | 45     | 49     | 45                 |
| LCC   | Mattress                 | 18      | 21     | 21     | 21     | 21     | 20     | 21     | 19     | 20     | 19     | 15     | 16     | 19                 |
| NSP   | Tag Plant                | 13      | 14     | 14     | 14     | 14     | 13     | 13     | 13     | 13     | 12     | -      | -      | 11                 |
| NNCC  | Printing/Book Bindery    | 29      | 22     | 20     | 20     | 20     | 18     | 17     | 17     | 17     | 20     | 20     | 23     | 20                 |
| SDCC  | Auto/Upholstery          | 30      | 30     | 30     | 30     | 27     | 30     | 27     | 32     | 33     | 29     | 30     | 29     | 30                 |
| ISCC  | M-Truss (community)      | 11      | 10     | 6      | 6      | -      | -      | 4      | -      | 9      | 11     | -      | -      | 5                  |
| SDCC  | DMD (private)            | 1       | -      | -      | -      | -      | 4      | -      | -      | 1      | 2      | -      | -      | 1                  |
| SDCC  | Opportunity Village      |         |        |        |        |        |        |        |        |        |        |        |        |                    |
| FMWCC   | Jacobs Trading (private) | 41      | 42     | 41     | 41     | 41     | 39     | 39     | 43     | 48     | 41     | 40     | 38     | 41                 |
| NNCC  | Horses                   | 23      | 18     | 18     | 18     | 22     | 23     | 18     | 16     | 19     | 19     | 17     | 14     | 19                 |
| WSCC  | DMD (private)            | 13      | 13     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 12     | 10     | 8      | 12                 |
|   |                          |         |        |        |        |        |        |        |        |        |        |        |        |                    |
| Grand Total   |                          | 437     | 434    | 423    | 428    | 388    | 418    | 400    | 423    | 409    | 406    | 376    | 378    | 410                |
|   |                          |         |        |        |        |        |        |        |        |        |        |        |        |                    |
| Average Inmate Population                             |                          | 12,626  | 12,598 | 12,584 | 12,548 | 12,478 | 12,477 | 12,555 | 12,516 | 12,460 | 12,437 | 12,486 | 12,564 | 12,527             |
| Percent of Inmate Population Employed                 |                          | 3.5%    | 3.4%   | 3.4%   | 3.4%   | 3.1%   | 3.4%   | 3.2%   | 3.4%   | 3.3%   | 3.3%   | 3.0%   | 3.0%   | 3.3%               |

| NDOC Industrial Programs<br>Report of Inmates Working |                          | FY 2013 |        |        |        |        |        |        |        |        |        |        |        |                    |
|---|--------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------|
| INST  | SHOP                     | Jul     | Aug    | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    | Mar    | Apr    | May    | Jun    | FY 2013<br>MO. AVG |
| ESP/LCC   | Drapery                  | 16      | 19     | 18     | 16     | 17     | 16     | 16     | 13     | 10     | 30     | 24     | 40     | 20                 |
| HDSP  | Alpine Steel (private)   | 13      | 13     | 15     | 15     | 15     | 15     | -      | -      | -      | -      | -      | -      | 7                  |
| HDSP  | DMD (private)            | 100     | 99     | 98     | 100    | 101    | 99     | 124    | 127    | 125    | 125    | 125    | 125    | 112                |
| LCC   | Garment                  | 57      | 66     | 78     | 85     | 92     | 78     | 82     | 82     | 82     | 75     | 57     | 73     | 76                 |
| NNCC  | Metal                    | 18      | 15     | 23     | 20     | 13     | 13     | 12     | 15     | 20     | 14     | 17     | 18     | 17                 |
| NNCC  | Ranch                    | 26      | 25     | 24     | 24     | 23     | 24     | 21     | 23     | 27     | 26     | 27     | 27     | 25                 |
| NNCC  | Furniture                | 38      | 34     | 43     | 41     | 32     | 29     | 50     | 29     | 37     | 31     | 42     | 55     | 38                 |
| LCC   | Mattress                 | 15      | 20     | 21     | 14     | -      | 11     | 11     | 10     | 10     | 10     | 10     | 11     | 12                 |
| NSP   | Tag Plant                | 12      | 8      | 7      | 12     | 10     | 9      | 8      | 8      | 8      | 13     | 13     | 12     | 10                 |
| NNCC  | Printing/Book Bindery    | 25      | 25     | 25     | 26     | 26     | 28     | 28     | 27     | 32     | 34     | 28     | 27     | 28                 |
| SDCC  | Auto/Upholstery          | 29      | 29     | 24     | 24     | 26     | 25     | 25     | 23     | 23     | 22     | 22     | 24     | 25                 |
| ISCC  | M-Truss (community)      | -       | 11     | 10     | 10     | 9      | -      | 4      | 4      | 4      | 4      | 8      | -      | 5                  |
| SDCC  | DMD (private)            | -       | -      | -      | -      | 58     | 45     | 45     | -      | -      | -      | -      | -      | 12                 |
| SDCC  | Opportunity Village      | 33      | 49     | 19     | 28     | 18     | 55     | 55     | 66     | 57     | 55     | 48     | 48     | 44                 |
| FMWCC   | Jacobs Trading (private) | 38      | 46     | 46     | 47     | 48     | 47     | 47     | 47     | 47     | 47     | 43     | 44     | 46                 |
| NNCC  | Horses                   | 16      | 17     | 16     | 17     | 20     | 24     | 21     | 20     | 20     | 18     | 20     | 19     | 19                 |
| WSCC  | DMD (private)            | 8       | 8      | 8      | 8      | 7      | 7      | 7      | 7      | 8      | 10     | 10     | 10     | 8                  |
|   |                          |         |        |        |        |        |        |        |        |        |        |        |        |                    |
| Grand Total   |                          | 444     | 484    | 475    | 487    | 515    | 525    | 556    | 501    | 510    | 514    | 494    | 533    | 503                |
|   |                          |         |        |        |        |        |        |        |        |        |        |        |        |                    |
| Average Inmate Population                             |                          | 12,543  | 12,625 | 12,646 | 12,619 | 12,565 | 12,535 | 12,562 | 12,586 | 12,643 | 12,665 | 12,650 | 12,644 | 12,607             |
| Percent of Inmate Population Employed                 |                          | 3.5%    | 3.8%   | 3.8%   | 3.9%   | 4.1%   | 4.2%   | 4.4%   | 4.0%   | 4.0%   | 4.1%   | 3.9%   | 4.2%   | 4.0%               |

| NDOC Industrial Programs<br>Report of Inmates Working |                          | FY 2014 |        |        |        |        |        |        |        |     |     |     |     |                       |
|---|--------------------------|---------|--------|--------|--------|--------|--------|--------|--------|-----|-----|-----|-----|-----------------------|
| INST  | SHOP                     | Jul     | Aug    | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    | Mar | Apr | May | Jun | FY 2014<br>MO.<br>AVG |
| ESP/LCC   | Drapery                  | 23      | 21     | 21     | 32     | 20     | 22     | 21     | 26     |     |     |     |     | 23                    |
| HDSP  | Alpine Steel (private)   | -       | -      | -      | -      | -      | -      | -      | -      |     |     |     |     | -                     |
| HDSP  | DMD (private)            | 125     | 123    | 120    | 124    | 122    | 135    | 135    | 138    |     |     |     |     | 128                   |
| LCC   | Garment                  | 72      | 77     | 71     | 76     | 67     | 67     | 69     | 67     |     |     |     |     | 71                    |
| NNCC  | Metal                    | 17      | 16     | 18     | 21     | 16     | 20     | 18     | 13     |     |     |     |     | 17                    |
| NNCC  | Ranch                    | 28      | 26     | 25     | 26     | 25     | 23     | 23     | 21     |     |     |     |     | 25                    |
| NNCC  | Furniture                | 42      | 38     | 38     | 22     | 47     | 41     | 38     | 31     |     |     |     |     | 37                    |
| LCC   | Mattress                 | 11      | 11     | 12     | 12     | 12     | 12     | 12     | 12     |     |     |     |     | 12                    |
| NSP   | Tag Plant                | 12      | 12     | 12     | 12     | 13     | 13     | 13     | 12     |     |     |     |     | 12                    |
| NNCC  | Printing/Book Bindery    | 28      | 27     | 26     | 25     | 24     | 23     | 23     | 24     |     |     |     |     | 25                    |
| SDCC  | Auto/Upholstery          | 22      | 35     | 25     | 24     | 23     | 25     | 25     | 25     |     |     |     |     | 26                    |
| ISCC  | M-Truss (community)      | -       | -      | -      | -      | -      | -      | -      | 4      |     |     |     |     | 1                     |
| SDCC  | DMD (private)            | -       | -      | -      | -      | 14     | 23     | 28     | 35     |     |     |     |     | 13                    |
| SDCC  | Opportunity Village      | 43      | 35     | 45     | 44     | 42     | 29     | 23     | 21     |     |     |     |     | 35                    |
| FMWCC   | Jacobs Trading (private) | 42      | 48     | 47     | 47     | 48     | 49     | 62     | 62     |     |     |     |     | 51                    |
| NNCC  | Horses                   | 20      | 17     | 18     | 16     | 22     | 25     | 21     | 24     |     |     |     |     | 20                    |
| WSCC  | DMD (private)            | 9       | 9      | 9      | 9      | 9      | 9      | 7      | 5      |     |     |     |     | 8                     |
|   |                          |         |        |        |        |        |        |        |        |     |     |     |     |                       |
| Grand Total   |                          | 494     | 495    | 487    | 490    | 504    | 516    | 518    | 520    |     |     |     |     | 503                   |
|   |                          |         |        |        |        |        |        |        |        |     |     |     |     |                       |
| Average Inmate Population                             |                          | 12,713  | 12,790 | 12,740 | 12,808 | 12,808 | 12,745 | 12,699 | 12,680 |     |     |     |     |                       |
| Percent of Inmate Population Employed                 |                          | 3.9%    | 3.9%   | 3.8%   | 3.8%   | 3.9%   | 4.0%   | 4.1%   | 4.1%   |     |     |     |     | 3.9%                  |



REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISON INDUSTRY CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2012, FY 2013 AND FY 2014 YEAR TO-DATE



**NEVADA DEPARTMENT OF CORRECTIONS  
Prison Industries Payroll Assessments**

|   | FY 2012          |                 |                 |                  | FY 2013          |                 |                 |                  | FY 2014 YTD - February 28, 2014 |                 |                 |                  |
|---|------------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|------------------|---------------------------------|-----------------|-----------------|------------------|
|   | (a) R & B        | (b) PICI        | (c) VCF         | TOTAL            | (a) R & B        | (b) PICI        | (c) VCF         | TOTAL            | (a) R & B                       | (b) PICI        | (c) VCF         | TOTAL            |
| Northern Nevada Correctional Ctr.         | 62,828           | 12,822          | 12,822          | 88,472           | 54,636           | 11,150          | 11,150          | 76,936           | 38,022                          | 7,760           | 7,760           | 53,542           |
| Stewart Conservation Camp                 | 41,106           | 8,389           | 8,389           | 57,884           | 41,776           | 8,526           | 8,526           | 58,828           | 29,749                          | 6,071           | 6,071           | 41,891           |
| Lovelock Correctional Ctr.                | 37,307           | 7,614           | 7,614           | 52,535           | 60,241           | 12,294          | 12,294          | 84,829           | 35,646                          | 7,275           | 7,275           | 50,196           |
| Florence McClure Womens Correctional Ctr. | 131,319          | 26,800          | 26,800          | 184,919          | 147,919          | 30,188          | 30,188          | 208,295          | 125,830                         | 25,680          | 25,680          | 177,190          |
| Southern Desert Correctional Ctr.         | 30,103           | 6,143           | 6,143           | 42,389           | 30,669           | 6,259           | 6,259           | 43,187           | 17,907                          | 3,655           | 3,655           | 25,217           |
| Warm Springs Correctional Ctr.            | 5,142            | 1,049           | 1,049           | 7,240            | 3,295            | 672             | 672             | 4,639            | 1,842                           | 376             | 376             | 2,594            |
| Three Lakes Valley Conservation Camp      | 4,599            | 938             | 938             | 6,475            | 6,906            | 1,409           | 1,409           | 9,724            | 199                             | 40              | 40              | 279              |
| High Desert State Prison                  | 71,138           | 14,518          | 14,518          | 100,174          | 86,368           | 17,626          | 17,626          | 121,620          | 37,923                          | 7,739           | 7,739           | 53,401           |
| Ely State Prison                          | 7,270            | 1,484           | 1,484           | 10,238           | 0                | 0               | 0               | 0                | 0                               | 0               | 0               | 0                |
| <b>Total</b>                              | <b>\$390,812</b> | <b>\$79,757</b> | <b>\$79,757</b> | <b>\$550,326</b> | <b>\$431,810</b> | <b>\$88,124</b> | <b>\$88,124</b> | <b>\$608,058</b> | <b>\$287,118</b>                | <b>\$58,596</b> | <b>\$58,596</b> | <b>\$404,310</b> |

**(a) Room and Board (R & B)**

Twenty-four and one-half percent of the inmate's gross wages are assessed to defray some of the costs incurred by the State to house the inmates.

**(b) Prison Industries Capital Improvement Fund (PICI)**

Five percent of the inmates gross wages are assessed for capital projects to house new or expanded Prison Industry programs.

**(c) Victims of Crime Fund (VCF)**

Five percent of the inmate's gross wages are assessed for the Fund for Compensation of Victims of Crime.



**X.**

**STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR  
PRISON INDUSTRIES – NRS 209.192**



**FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES**  
 Historical Revenues and Expenditures for FY 2010 through FY 2014 YTD 3/11/14

|                           | FY 2010                  | FY 2011                 | FY 2012                 | FY 2013                 | FY 2014<br>YTD<br>3/11/14 |
|---------------------------|--------------------------|-------------------------|-------------------------|-------------------------|---------------------------|
| <i>Beginning Balance:</i> | \$987,434                | \$151,902               | \$235,168               | \$308,619               | \$373,827                 |
| Revenue:                  |                          |                         |                         |                         |                           |
| Inmate Wage Assessments:  | \$104,409                | \$83,082                | \$73,419                | \$91,420                | \$55,485                  |
| Interest Income:          | \$8,059                  | \$184                   | \$32                    | \$221                   | \$290                     |
| <i>Total Revenue:</i>     | <u>\$112,468</u>         | <u>\$83,266</u>         | <u>\$73,451</u>         | <u>\$91,641</u>         | <u>\$55,775</u>           |
| Expenditures:             | \$0                      | \$0                     | \$0                     | \$26,433                | \$0                       |
| Transfer to General Fund: | \$948,000 <sup>(a)</sup> |                         |                         |                         |                           |
| <i>Ending Balance:</i>    | <u><u>\$151,902</u></u>  | <u><u>\$235,168</u></u> | <u><u>\$308,619</u></u> | <u><u>\$373,827</u></u> | <u><u>\$429,602</u></u>   |

Notes:

<sup>(a)</sup> Section 44 of Assembly Bill 3 of the 26th Special Session provided for the transfer of \$948,000 from the Fund For New Construction of Facilities for Prison Industries to the General Fund to offset the difference between projected revenues and actual collections in the General Fund for FY 2010.

**NRS 209.192 Fund for New Construction of Facilities for Prison Industries.**

1. There is hereby created in the State Treasury a Fund for New Construction of Facilities for Prison Industries as a capital projects fund. The Director shall deposit in the Fund the deductions made pursuant to paragraph (c) of subsection 1 or paragraph (b) of subsection 2 of [NRS 209.463](#). The money in the Fund must only be expended to house new industries or expand existing industries in the industrial program to provide additional employment of offenders or for any other purpose authorized by the Legislature. The money in the Fund must not be expended for relocating an existing industry in the industrial program unless the existing industry is being expanded to provide additional employment of offenders.

2. Before money in the Fund may be expended for construction, the Director shall submit a proposal for the expenditure to the State Board of Examiners. Upon making a determination that the proposed expenditure is appropriate and necessary, the State Board of Examiners shall recommend to the Interim Finance Committee, or the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means when the Legislature is in general session, that the expenditure be approved. Upon approval of the appropriate committee or committees, the money may be so expended.

3. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

(Added to NRS by [1991, 1586](#); A [1993, 422](#); [1995, 2591](#); [1997, 3177](#); [2001, 2391](#); [2010, 26th Special Session, 5](#))

REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE  
SIX-MONTHS ENDING DECEMBER 31, 2013



**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES**

**FINANCIAL STATEMENTS  
FOR THE HALF YEAR ENDING  
DECEMBER 31, 2013  
WITH COMPARATIVE DECEMBER 31, 2012  
FINANCIAL STATEMENTS**

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES**

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**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
CONSOLIDATED BALANCE SHEETS**

As of December 31, 2013 and 2012

**ASSETS**

| <b>Current Assets:</b>   | <b>2013</b>         | <b>2012</b>         |
|--|---------------------|---------------------|
| Cash - Unrestricted  |                     |                     |
| Prison Industries  | \$ 669,725          | \$ 331,093          |
| Prison Ranch   | 432,111             | 441,237             |
| Total Unrestricted Cash  | \$ 1,101,836        | 772,330             |
| Accounts Receivable  | 948,159             | 1,121,208           |
| Less Allowance for Doubtful Accounts                               | (2,657)             | (9,235)             |
| Net Accounts Receivable  | 945,502             | 1,111,973           |
| Treasurer's Interest Receivable                                    | 1,310               | 428                 |
| Prepaid Expenses   | 80,884              | 51,628              |
| PI Capital Revenue Receivable                                      | 14,166              | 7,434               |
| Deposits - Business Licenses                                       | 15,000              | 15,000              |
| Livestock  | 206,170             | 194,070             |
| Inventories  | 806,892             | 902,582             |
| Harvested Crops  | 306,752             | 235,407             |
| Total Current Assets   | 3,478,512           | 3,290,852           |
| <b>Land, land improvements, property and equipment<br/>at cost</b> | 4,016,161           | 4,016,161           |
| Less accumulated depreciation                                      | (3,272,378)         | (3,167,047)         |
| Net Property and Equipment   | 743,783             | 849,114             |
| <b>Other Assets:</b>   |                     |                     |
| Cash - Restricted - PI Capital                                     | 407,737             | 352,925             |
| Total Other Assets   | 407,737             | 352,925             |
| <b>Total Assets</b>  | <b>\$ 4,630,032</b> | <b>\$ 4,492,891</b> |

**LIABILITIES AND CAPITAL BALANCE**

|  |                     |                     |
|--|---------------------|---------------------|
| <b>Current Liabilities:</b>                  |                     |                     |
| Accounts Payable                             | \$ 301,878          | \$ 264,974          |
| Unearned Revenue                             | 134,261             | 268,214             |
| Rent and Other Deposits                      | 10,000              | 10,000              |
| Wages Payable                                | 62,031              | 62,968              |
| Current Accrued Compensated Absences         | 92,834              | 103,402             |
| Total Current Liabilities                    | 601,004             | 709,558             |
| <b>Long-Term Liabilities:</b>                |                     |                     |
| Accrued Compensated Absences                 | 87,457              | 90,943              |
| Total Long-Term Liabilities                  | 87,457              | 90,943              |
| Total Liabilities                            | 688,461             | 800,501             |
| <b>Capital:</b>                              |                     |                     |
| Contributed Capital                          | \$ 2,193,440        | 2,193,440           |
| Retained Earnings                            | 1,748,132           | 1,498,951           |
| Total Capital                                | 3,941,572           | 3,692,391           |
| <b>Total Liabilities and Capital Balance</b> | <b>\$ 4,630,032</b> | <b>\$ 4,492,891</b> |

**NEVADA DEPARTMENT OF CORRECTIONS**  
**SILVER STATE INDUSTRIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(With Interfund Sales Eliminated)  
For the half year ending December 31, 2013 and 2012

|   | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Revenue from Operations:</b>             |                   |                      |
| <b>Industry Sales</b>                       | \$ 1,007,808      | \$ 1,061,490         |
| Less Cost of Sales                          | (743,833)         | (825,938)            |
| Gross Profit from Industry sales            | \$ 263,975        | 235,552              |
| <b>Ranch Sales</b>                          | 1,310,655         | 1,287,456            |
| Less Cost of Sales                          | (1,051,053)       | (743,844)            |
| Gross Profit from Ranch sales               | 259,602           | 543,612              |
| <b>Industry Freight</b>                     | (4,483)           | (11,448)             |
| <b>General Manufacturing Expenses:</b>      | (525,604)         | (538,643)            |
| <b>Net Income from Operations:</b>          | <b>(6,510)</b>    | <b>229,074</b>       |
| <b>General and Administrative Expenses:</b> | (433,443)         | (430,573)            |
| <b>Other Income and Expenses</b>            | 522,341           | 446,493              |
| <b>Net Income</b>                           | <b>\$ 82,388</b>  | <b>\$ 244,994</b>    |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
CONSOLIDATED STATEMENTS OF OPERATIONS**

**By Budget Account**

(With Interfund Sales Eliminated)

For the half year ending December 31, 2013 and 2012

**Budget Account 3719 - Prison Industries**

|   | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Revenue from Operations:</b>             |                   |                      |
| <b>Industry Sales</b>                       | \$ 1,007,808      | \$ 1,061,490         |
| Less Cost of Sales                          | (743,833)         | (825,938)            |
| Gross Profit from Industry sales            | \$ 263,975        | 235,552              |
| <b>Industry Freight</b>                     | (4,483)           | (11,448)             |
| <b>Institutional Overhead Expenses:</b>     | (272,914)         | (276,076)            |
| <b>Net Income from Operations:</b>          | <b>(13,422)</b>   | <b>(51,971)</b>      |
| <b>General and Administrative Expenses:</b> | (433,443)         | (430,573)            |
| <b>Other Income and Expenses</b>            | 473,972           | 394,605              |
| <b>Net Income (Loss)</b>                    | <b>\$ 27,107</b>  | <b>\$ (87,939)</b>   |

**Budget Account 3727 - Prison Ranch**

|   | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Revenue from Operations:</b>         |                   |                      |
| <b>Ranch Sales</b>                      | \$ 1,310,655      | \$ 1,287,456         |
| Less Cost of Sales                      | (1,051,053)       | (743,844)            |
| Gross Profit from Ranch sales           | \$ 259,602        | 543,612              |
| <b>Institutional Overhead Expenses:</b> | (252,690)         | (262,567)            |
| <b>Net Income</b>                       | <b>\$ 6,912</b>   | <b>\$ 281,045</b>    |

**Budget Account 3728 - P I Capital Projects**

|                                | December 31, 2013 | December 31,<br>2012 |
|--------------------------------|-------------------|----------------------|
| <b>Revenue:</b>                |                   |                      |
| <b>Inmate Wage Assessments</b> | \$ 48,078         | \$ 51,739            |
| <b>Other Income (Interest)</b> | 291               | 149                  |
| <b>Net Income</b>              | <b>\$ 48,369</b>  | <b>\$ 51,888</b>     |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
CONSOLIDATED STATEMENTS OF CHANGES IN RETAINED EARNINGS**  
For the half year ending December 31, 2013 and 2012

|  | December 31,<br>2013 | December 31,<br>2012 |
|--|----------------------|----------------------|
| <b>Unreserved Retained Earnings at Beginning of Year</b> | \$ 1,665,744         | \$ 1,253,957         |
| Current Period Net Income                                | 82,388               | 244,994              |
| Prior Period Adjustment                                  |                      |                      |
| <b>Unreserved Retained Earnings at End of Year</b>       | <u>1,748,132</u>     | <u>1,498,951</u>     |
| <b>Contributed Capital</b>                               | <u>2,193,440</u>     | <u>2,193,440</u>     |
| <b>Total Fund Equity</b>                                 | <u>\$ 3,941,572</u>  | <u>\$ 3,692,391</u>  |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
CENTRAL ADMINISTRATION**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012

| Revenue:  | December 31, 2013 | 2012              |
|---|-------------------|-------------------|
| <b>License Plate Fees</b>                           | \$ 252,419        | \$ 243,776        |
| <b>Capital Improvement</b>                          | 48,078            | 51,739            |
| <b>Rental Income:</b>                               |                   |                   |
| Jacob's Trading Company                             | 3,600             | 3,600             |
| Alpine Steel  | -                 | 15,000            |
| Diamond Mountain Distributors at HDSP               | 30,000            | 17,500            |
| Total Rental Income                                 | 33,600            | 36,100            |
| <b>Administrative Fees: (Net of reimbursements)</b> |                   |                   |
| Jacob's Trading Company                             | 42,527            | 18,916            |
| Miscellaneous Programs                              | 9,752             | 6,079             |
| Diamond Mountain Distributors                       | 12,762            | 2,944             |
| Alpine Steel  | -                 | 9,032             |
| Most Wanted   | -                 | (239)             |
| Unallocated C/O Costs                               | -                 | (19,499)          |
| Prison Ranch  | 24,000            | 18,000            |
| Total Administrative Fees                           | 89,041            | 35,233            |
| Miscellaneous Revenue                               | -                 | 879               |
| <b>Total Revenue</b>                                | <b>\$ 423,138</b> | <b>\$ 367,727</b> |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
CENTRAL ADMINISTRATION**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012  
(Continued)

| <b>General and Administrative Expenses:</b>              | <b>December 31, 2013</b> | <b>2012</b>        |
|--|--------------------------|--------------------|
| Staff Salaries   | \$ 193,556               | \$ 203,502         |
| Staff Fringe Benefits and other Payroll expenses         | 74,673                   | 92,118             |
| Travel expenses  | 1,416                    | 4,630              |
| Rent   | 26,766                   | 26,874             |
| Office expenses  | 1,131                    | 1,692              |
| Telephone  | 5,419                    | 5,294              |
| Postage and Mailing                                      | 325                      | 337                |
| Advertising/Public Relations                             | 92                       | 23,606             |
| General Insurance  | 3,050                    | 3,142              |
| Vehicle Operating expenses                               | 1,972                    | 862                |
| Dues and Subscriptions                                   | 2,438                    | 1,824              |
| Depreciation expense                                     | 43,289                   | 43,289             |
| Improvements and Small Equipment                         | -                        | 173                |
| Miscellaneous expenses                                   | 77,730                   | 46,145             |
| <b>Total General and Administrative Expenses</b>         | <b>\$ (433,684)</b>      | <b>(453,488)</b>   |
| <b>Net Loss from Operations</b>                          | <b>(10,546)</b>          | <b>(85,761)</b>    |
| <b>Other Income</b>                                      |                          |                    |
| Interest Revenue   | 1,358                    | 986                |
| Finance Charges  | 131                      | 30,032             |
| <b>Earnings available for program support (Net Loss)</b> | <b>\$ (9,057)</b>        | <b>\$ (54,743)</b> |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
NNCC MATTRESS SHOP  
Statements of Operations  
For the half year ending December 31, 2013 and 2012**

|   | <b>December 31, 2013</b> | <b>December 31,<br/>2012</b> |
|---|--------------------------|------------------------------|
| <b>Revenue:</b>   |                          |                              |
| <b>Sales - Mattress</b>                                       | \$ 147,577               | \$ 62,105                    |
| Less Cost of Sales:   |                          |                              |
| Direct Labor  | \$ 4,380                 | 1,567                        |
| Materials   | 72,465                   | 42,997                       |
| Overhead  | 7,217                    | 7,030                        |
| Total Cost of Sales   | (84,062)                 | (61,594)                     |
| Gross Profit  | 63,515                   | 10,511                       |
| Freight Revenues  | 7,410                    | 2,886                        |
| Freight Expenses  | (3,884)                  | (4,560)                      |
| Freight (Net of Revenues/Expenses)                            | 3,526                    | (1,674)                      |
| <b>Contribution to G &amp; A expenses - Mattress</b>          | <b>\$ 67,041</b>         | <b>8,837</b>                 |
| <br><b>General and Administrative Manufacturing Expenses:</b> |                          |                              |
| Salaries  | 6,865                    | 17,777                       |
| Fringe Benefits and other Payroll expenses                    | 2,695                    | 6,071                        |
| Inmate Labor - Office   | 3,120                    | 2,498                        |
| Inmate Workers' Compensation Insurance                        | 292                      | 143                          |
| Miscellaneous Office expenses                                 | 1,366                    | 622                          |
| Telephone   | 98                       | 447                          |
| Postage and Mailing   | -                        | 30                           |
| Dues and Subscriptions  | -                        | 650                          |
| Building & Grounds Improvements                               | 35                       | -                            |
| Utilities   | 1,280                    | 3,471                        |
| Miscellaneous expenses  | 586                      | 240                          |
| Capitalized Institutional Overhead                            | (10,816)                 | (495)                        |
| Total General and Administrative Manufacturing Expenses       | (5,521)                  | (31,454)                     |
| <b>Earnings available for program support</b>                 | <b>\$ 61,520</b>         | <b>\$ (22,617)</b>           |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
NNCC PRINTING/BINDERY SHOP**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012

|   | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Revenue:</b>   |                   |                      |
| <b>Sales</b>  | \$ 268,622        | \$ 284,805           |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | \$ 16,250         | 19,358               |
| Materials   | 141,921           | 154,277              |
| Overhead  | 22,534            | 26,988               |
| Total Cost of Sales   | (180,705)         | (200,623)            |
| Gross Profit  | 87,917            | 84,182               |
| Freight Revenues  | 7,668             | 6,080                |
| Freight Expenses  | (5,994)           | (4,917)              |
| Freight (Net of Revenues/Expenses)                            | 1,674             | 1,163                |
| <b>Contribution to G &amp; A expenses</b>                     | <b>\$ 89,591</b>  | <b>\$ 85,345</b>     |
| <br><b>General and Administrative Manufacturing Expenses:</b> |                   |                      |
| Salaries  | 32,906            | 32,116               |
| Fringe Benefits and other Payroll expenses                    | 10,012            | 9,893                |
| Inmate Labor - Office   | 4,369             | 3,914                |
| Inmate Workers' Compensation Insurance                        | 388               | 423                  |
| Travel  | -                 | (9)                  |
| Office expenses   | 162               | 89                   |
| Telephone   | 98                | 125                  |
| Advertising/Public Relations                                  | -                 | 25                   |
| Commissions   | 3,004             | -                    |
| Dues and Subscriptions  | 67                | 178                  |
| Buildings & Grounds Improvements                              | 10                | 139                  |
| Utilities   | 2,828             | 3,084                |
| Miscellaneous expenses  | 761               | 1,651                |
| Capitalized Institutional Overhead                            | (144)             | 239                  |
| Warranty expense  | -                 | 111                  |
| Total General and Administrative Manufacturing Expenses       | (54,460)          | (51,978)             |
| <b>Earnings available for program support</b>                 | <b>\$ 35,131</b>  | <b>\$ 33,367</b>     |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
NNCC FURNITURE AND METAL  
Statements of Operations**

For the half year ending December 31, 2013 and 2012

| Revenue:  | December 31, 2013   | December 31,<br>2012 |
|---|---------------------|----------------------|
| <b>Sales - Furniture</b>                                  | \$ 113,351          | \$ 107,835           |
| Less Cost of Sales:                                       |                     |                      |
| Direct Labor  | \$ 15,277           | 12,645               |
| Materials   | 69,870              | 53,022               |
| Overhead  | 48,540              | 69,210               |
| Total Cost of Sales                                       | (133,687)           | (134,877)            |
| Gross Profit  | (20,336)            | (27,042)             |
| Freight Revenues  | 4,863               | 4,816                |
| Freight Expenses  | (10,619)            | (16,307)             |
| Freight (Net of Revenues/Expenses)                        | (5,756)             | (11,491)             |
| <b>Contribution to G &amp; A expenses</b>                 | <b>\$ (26,092)</b>  | <b>(38,533)</b>      |
| <br>  |                     |                      |
| <b>Sales - Metal</b>                                      | 137,810             | 159,992              |
| Less Cost of Sales:                                       |                     |                      |
| Direct Labor  | 27,421              | 21,984               |
| Materials   | 52,799              | 70,144               |
| Overhead  | 41,074              | 39,446               |
| Total Cost of Sales                                       | (121,294)           | (131,574)            |
| Gross Profit - Metal                                      | 16,516              | 28,418               |
| Freight Revenues  | -                   | 9,000                |
| Freight Expenses  | -                   | -                    |
| Freight (Net of Revenues/Expenses)                        | -                   | 9,000                |
| <b>Contribution to G &amp; A expenses</b>                 | <b>16,516</b>       | <b>37,418</b>        |
| <br>  |                     |                      |
| <b>General and Administrative Manufacturing Expenses:</b> |                     |                      |
| Salaries  | 40,014              | 25,585               |
| Fringe Benefits and other Payroll expenses                | 9,843               | 4,144                |
| Inmate Labor - Office                                     | 11,884              | 14,098               |
| Inmate Workers' Compensation Insurance                    | 1,269               | 1,314                |
| Travel expenses   | 1,491               | 715                  |
| Miscellaneous Office expenses                             | 3,229               | 2,755                |
| Telephone   | 196                 | 251                  |
| Dues and Subscriptions                                    | 11                  | -                    |
| Buildings & Grounds Improvements                          | 146                 | 859                  |
| Utilities   | 15,559              | 16,673               |
| Capitalized Institutional Overhead                        | 17,823              | 7,128                |
| Total General and Administrative Manufacturing Expenses   | (101,465)           | (73,522)             |
| <b>Earnings available for program support (Net Loss)</b>  | <b>\$ (111,041)</b> | <b>\$ (74,637)</b>   |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
SDCC AUTO AND UPHOLSTERY SHOP  
Statements of Operations  
For the half year ending December 31, 2013 and 2012**

| Revenue:  | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Sales From Auto/Upholstery</b>                               | \$ 81,362         | \$ 149,151           |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | 4,669             | 14,712               |
| Materials   | 21,831            | 52,552               |
| Overhead  | 15,866            | 26,542               |
| Total Cost of Sales   | (42,366)          | (93,806)             |
| Gross Profit  | 38,996            | 55,345               |
| <b>Contribution to G &amp; A expenses - Auto/Upholstery</b>     | <b>\$ 38,996</b>  | <b>55,345</b>        |
| <b>Net Proceeds from Manpower Operations:</b>                   |                   |                      |
| Diamond Mountain Distributors                                   | 345               | 5,742                |
| Opportunity Village   | 97,369            | 42,006               |
| <b>Contribution to G &amp; A expenses - Manpower Operations</b> | <b>97,714</b>     | <b>47,748</b>        |
| <b>General and Administrative Manufacturing Expenses:</b>       |                   |                      |
| Salaries  | 20,123            | 19,719               |
| Fringe Benefits and other Payroll expenses                      | 13,170            | 13,133               |
| Inmate Labor - Office   | 3,904             | 2,594                |
| Insurance Expense--Other  | 200               | -                    |
| Inmate Workers' Compensation Insurance                          | 375               | 501                  |
| Miscellaneous Office expenses                                   | 2,386             | 2,400                |
| Telephone   | 660               | 713                  |
| Dues and Subscriptions  | 25                | 32                   |
| Buildings and Grounds Improvements                              | -                 | 1,337                |
| Utilities   | 8,206             | 7,895                |
| Miscellaneous expenses  | 2,625             | 2,254                |
| Capitalized Institutional Overhead                              | (3,970)           | 2,183                |
| Warranty expense  | 609               | 13,992               |
| Total General and Administrative Manufacturing Expenses         | (48,313)          | (66,753)             |
| <b>Earnings available for program support</b>                   | <b>\$ 88,397</b>  | <b>\$ 36,340</b>     |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
LCC GARMENT FACTORY  
Statements of Operations**

For the half year ending December 31, 2013 and 2012

| Revenue:  | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Sales</b>  | \$ 257,452        | \$ 296,551           |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | \$ 57,037         | 73,866               |
| Materials   | 93,584            | 97,302               |
| Overhead  | 30,308            | 18,472               |
| Total Cost of Sales   | (180,929)         | (189,640)            |
| Gross Profit  | 76,523            | 106,911              |
| Freight Revenues  | 178               | 10,448               |
| Freight Expenses  | (5,361)           | (18,847)             |
| Freight (Net of Revenues/Expenses)                            | (5,183)           | (8,399)              |
| <b>Contribution to G &amp; A expenses</b>                     | <b>\$ 71,340</b>  | <b>98,512</b>        |
| <br><b>General and Administrative Manufacturing Expenses:</b> |                   |                      |
| Salaries  | 13,673            | 17,777               |
| Fringe Benefits and other Payroll expenses                    | 8,374             | 6,071                |
| Inmate Labor - Office   | 4,170             | 5,702                |
| Inmate Workers' Compensation Insurance                        | 1,370             | 1,516                |
| Miscellaneous Office expenses                                 | 1,846             | 2,813                |
| Telephone   | 386               | 447                  |
| Postage and Mailing   | 197               | 155                  |
| Dues and Subscriptions  | 103               | -                    |
| Improvements and Small Equipment                              | -                 | 10,312               |
| Building and Grounds Improvements                             | 67                | 929                  |
| Utilities   | 3,897             | 5,514                |
| Miscellaneous expenses  | 1,887             | 1,053                |
| Capitalized Institutional Overhead                            | (2,392)           | (4,462)              |
| Total General and Administrative Manufacturing Expenses       | (33,578)          | (47,827)             |
| <b>Earnings available for program support</b>                 | <b>\$ 37,762</b>  | <b>\$ 50,685</b>     |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
LCC DRAPERY**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012

| Revenue:  | December 31, 2013  | December 31,<br>2012 |
|---|--------------------|----------------------|
| <b>Sales</b>  | \$ 26,972          | \$ 24,926            |
| Less Cost of Sales:   |                    |                      |
| Direct Labor  | \$ 8,094           | 14,028               |
| Materials   | 1,113              | 3,023                |
| Overhead  | 14,840             | 7,461                |
| Total Cost of Sales   | (24,047)           | (24,512)             |
| Gross Profit  | 2,925              | 414                  |
| Freight Revenues  | 6,351              | 3,702                |
| Freight Expenses  | (5,095)            | (3,964)              |
| Freight (Net of Revenues/Expenses)                            | 1,256              | (262)                |
| <b>Contribution to G &amp; A expenses</b>                     | <b>\$ 4,181</b>    | <b>152</b>           |
| <br><b>General and Administrative Manufacturing Expenses:</b> |                    |                      |
| Salaries  | 13,673             | 0                    |
| Fringe Benefits and other Payroll expenses                    | 8,374              | 0                    |
| Inmate Labor - Office   | 4,587              | 0                    |
| Inmate Workers' Compensation Insurance                        | 307                | 249                  |
| Miscellaneous Office expenses                                 | 1,072              | 1,516                |
| Telephone Expenses  | 386                | 316                  |
| Postage and Mailing   | 26                 | 58                   |
| Utilities   | 2,652              | 2,001                |
| Miscellaneous expenses  | 340                | 458                  |
| Total General and Administrative Manufacturing Expenses       | (31,417)           | (4,598)              |
| <b>(Net Loss)</b>   | <b>\$ (27,236)</b> | <b>\$ (4,446)</b>    |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
PRISON RANCH**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012

| Revenue:  | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>Revenue - Livestock</b>  |                   |                      |
| Cash Sales  | \$ 66,836         | \$ 97,208            |
| Non-Cash Inventory Adjustments                                      | (11,160)          | (47,960)             |
| Total Revenue   | \$ 55,676         | 49,248               |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | 11,965            | 6,856                |
| Materials   | 16,761            | 10,436               |
| Overhead  | 3,048             | 2,247                |
| Total Cost of Sales   | (31,774)          | (19,539)             |
| <b>Contribution to G &amp; A expenses - Livestock</b>               | <b>\$ 23,902</b>  | <b>29,709</b>        |
| <b>Sales - Dairy</b>  |                   |                      |
|   | 268,405           | 287,524              |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | 22,801            | 16,918               |
| Materials   | 104,316           | 126,460              |
| Overhead  | 48,722            | 61,541               |
| Total Cost of Sales   | (175,839)         | (204,919)            |
| <b>Contribution to G &amp; A expenses - Dairy</b>                   | <b>92,566</b>     | <b>82,605</b>        |
| <b>Revenue - Crops</b>  |                   |                      |
| Sales   | 51,255            | 244,486              |
| Non-Cash Inventory Adjustments                                      | (5,787)           | (9,903)              |
| Total Revenue   | 45,468            | 234,584              |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | 11,429            | 15,979               |
| Materials   | 11,046            | 8,601                |
| Overhead  | 18,784            | 61,577               |
| Total Cost of Sales   | (41,259)          | (86,157)             |
| <b>Contribution to G &amp; A expenses - Crops</b>                   | <b>4,209</b>      | <b>148,427</b>       |
| <b>Boarding Fees - Estray Horses</b>                                |                   |                      |
|   | 11,829            | 19,305               |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | -                 | -                    |
| Materials   | 8,459             | 6,382                |
| Overhead  | -                 | -                    |
| Total Cost of Sales   | (8,459)           | (6,382)              |
| <b>Contribution to G &amp; A expenses - Estray Horse Boarding</b>   | <b>3,370</b>      | <b>12,923</b>        |
| <b>Boarding Fees - BLM (Wild) Horses</b>                            |                   |                      |
|   | 971,588           | 961,980              |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | 24,505            | 26,395               |
| Materials   | 635,117           | 609,548              |
| Overhead  | 189,256           | 69,686               |
| Total Cost of Sales   | (848,878)         | (705,629)            |
| <b>Contribution to G &amp; A expenses - BLM Wild Horse Boarding</b> | <b>122,710</b>    | <b>256,351</b>       |
| <b>Composting Project</b>   |                   |                      |
|   | 22,960            | 24,285               |
| Less Cost of Sales:   |                   |                      |
| Direct Labor  | 10,115            | 10,688               |
| Materials   | -                 | -                    |
| Overhead  | -                 | -                    |
| Total Cost of Sales   | (10,115)          | (10,688)             |
| <b>Contribution to G &amp; A expenses - Composting Project</b>      | <b>\$ 12,845</b>  | <b>\$ 13,597</b>     |

These financial statements were compiled from unaudited accounting data and without footnotes, as such, its use is intended for informec users only.

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
PRISON RANCH**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012

(Continued)

|   | December 31, 2013 | December 31,<br>2012 |
|---|-------------------|----------------------|
| <b>General and Administrative Ranch Expenses:</b>       |                   |                      |
| Salaries - Staff  | \$ 122,294        | \$ 132,231           |
| Fringe Benefits and other Payroll expenses              | 43,182            | 53,345               |
| Inmate Labor - Office                                   | 12,106            | 4,626                |
| Inmate Worker's Compensation Insurance                  | 1,440             | 1,263                |
| Miscellaneous Office expenses                           | 990               | 1,499                |
| Telephone Expenses                                      | 98                | 125                  |
| Postage and Mailing                                     | 28                | 137                  |
| Advertising/Public Relations                            | 333               | -                    |
| Insurance   | 3,153             | 3,296                |
| Dues and Subscriptions                                  | -                 | 50                   |
| Buildings and Grounds Improvements                      | 1,222             | 4,966                |
| Utilities   | 34,683            | 31,343               |
| Miscellaneous expenses                                  | 33,161            | 29,686               |
| Total General and Administrative Manufacturing Expenses | \$ (252,690)      | \$ (262,567)         |
| <b>Earnings available for program support</b>           | <b>\$ 6,912</b>   | <b>\$ 281,045</b>    |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
SCHEDULE OF INTERFUND SALES**

For the half year ending December 31, 2013 and 2012

|   | PER<br>STATEMENTS<br>OF<br>OPERATIONS |                | INTERFUND<br>SALES |                      | AFTER<br>REMOVING<br>INTERFUND SALES |  |
|---|---------------------------------------|----------------|--------------------|----------------------|--------------------------------------|--|
|   | December 31, 2013                     |                |                    | December 31,<br>2012 |                                      |  |
| <b>Revenue:</b>   |                                       |                |                    |                      |                                      |  |
| <b>Industry Sales</b>   | \$ 1,033,146                          | \$ (25,338)    | \$ 1,007,808       |                      | \$ 1,061,490                         |  |
| Less Cost of Sales  | <u>(767,090)</u>                      | <u>23,257</u>  | <u>(743,833)</u>   |                      | <u>(825,938)</u>                     |  |
| Gross Profit from<br>Industry Sales                                     | <u>266,056</u>                        | <u>(2,081)</u> | <u>263,975</u>     | \$ 263,975           | <u>235,552</u>                       |  |
| <b>Ranch Sales</b>  | 1,375,926                             | (65,271)       | 1,310,655          |                      | 1,287,456                            |  |
| Less Cost of Sales  | <u>(1,116,324)</u>                    | <u>65,271</u>  | <u>(1,051,053)</u> |                      | <u>(743,844)</u>                     |  |
| Gross Profit from<br>Ranch Sales  | 259,602                               | -              |                    | 259,602              | 543,612                              |  |
| Freight (Net of Revenues/Expenses)                                      | <u>(4,483)</u>                        |                |                    | <u>(4,483)</u>       | <u>(11,448)</u>                      |  |
| <b>General Manufacturing<br/>Expenses:</b>                              |                                       |                |                    |                      |                                      |  |
| Staff Salaries  | 249,548                               |                | 249,548            |                      | 245,205                              |  |
| Staff Fringe Benefits and<br>other Payroll expenses                     | 95,650                                |                | 95,650             |                      | 92,657                               |  |
| Inmate Labor  | 44,140                                |                | 44,140             |                      | 33,432                               |  |
| Inmate Worker's Compensation Ins.                                       | 5,441                                 |                | 5,441              |                      | 5,409                                |  |
| Travel expenses   | 1,491                                 |                | 1,491              |                      | 706                                  |  |
| Commissions   | 3,004                                 |                | 3,004              |                      | -                                    |  |
| Office expenses   | 11,051                                | (1,507)        | 9,544              |                      | 11,638                               |  |
| Telephone   | 1,922                                 |                | 1,922              |                      | 2,424                                |  |
| Postage and Mailing   | 251                                   |                | 251                |                      | 380                                  |  |
| Advertising/Public<br>Relations   | 333                                   | (333)          | -                  |                      | 25                                   |  |
| General Insurance   | 3,353                                 |                | 3,353              |                      | 3,296                                |  |
| Dues and Subscriptions  | 206                                   |                | 206                |                      | 910                                  |  |
| Improvements and Small Equipment<br>Buildings & Grounds<br>Improvements | 1,480                                 |                | 1,480              |                      | 8,230                                |  |
| Utilities   | 69,105                                |                | 69,105             |                      | 69,981                               |  |
| Administrative Fees   | -                                     |                | -                  |                      | -                                    |  |
| Miscellaneous expenses  | 39,360                                |                | 39,360             |                      | 35,342                               |  |
| Capitalized Institutional Overhead                                      | 501                                   |                | 501                |                      | 4,593                                |  |
| Warranty expense  | <u>609</u>                            |                | <u>609</u>         |                      | <u>14,103</u>                        |  |
| Total General Manufacturing<br>Expenses:                                | <u>(527,444)</u>                      | <u>(1,840)</u> |                    | <u>(525,604)</u>     | <u>(538,643)</u>                     |  |
| <b>Net Income from<br/>Operations:</b>                                  | <u>\$ (6,269)</u>                     | <u>\$ 241</u>  |                    | <u>\$ (6,510)</u>    | <u>\$ 229,074</u>                    |  |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES  
SCHEDULE OF INTERFUND SALES**

For the half year ending December 31, 2013 and 2012  
(Continued)

|   | PER<br>STATEMENTS<br>OF<br>OPERATIONS | ELIMINATION<br>ENTRIES | AFTER<br>REMOVING<br>INTERFUND SALES |                   |
|---|---------------------------------------|------------------------|--------------------------------------|-------------------|
|   | December 31, 2013                     |                        | December 31,<br>2012                 |                   |
| <b>General and</b>                                  |                                       |                        |                                      |                   |
| <b>Administrative Expenses:</b>                     |                                       |                        |                                      |                   |
| Staff Salaries                                      | \$ 193,556                            |                        | \$ 193,556                           | \$ 203,502        |
| Staff Fringe Benefits and<br>other Payroll expenses | 74,673                                |                        | 74,673                               | 92,118            |
| Travel expenses                                     | 1,416                                 |                        | 1,416                                | 4,630             |
| Rent  | 26,766                                |                        | 26,766                               | 26,874            |
| Office expenses                                     | 1,131                                 | \$ (189)               | 942                                  | 1,692             |
| Telephone   | 5,419                                 |                        | 5,419                                | 5,294             |
| Postage and Mailing                                 | 325                                   |                        | 325                                  | 337               |
| Advertising/Public<br>Relations                     | 92                                    | \$ (52)                | 40                                   | 691               |
| General Insurance                                   | 3,050                                 |                        | 3,050                                | 3,142             |
| Vehicle expenses                                    | 1,972                                 |                        | 1,972                                | 862               |
| Dues and Subscriptions                              | 2,438                                 |                        | 2,438                                | 1,824             |
| Depreciation expense                                | 43,289                                |                        | 43,289                               | 43,289            |
| Improvements and<br>Small Equipment                 | -                                     |                        | -                                    | 173               |
| Miscellaneous expenses                              | 77,730                                |                        | 77,730                               | 46,145            |
| Total General and<br>Administrative Expenses        | <u>(433,684)</u>                      | <u>(241)</u>           | <u>\$ (433,443)</u>                  | <u>(430,573)</u>  |
| <b>Other Income (Expenses)</b>                      |                                       |                        |                                      |                   |
| Interest Revenue                                    | 1,358                                 |                        | 1,358                                | 986               |
| Finance Charges                                     | 131                                   |                        | 131                                  | 30,032            |
| License Plate Fees                                  | 252,419                               |                        | 252,419                              | 243,776           |
| Capital Improvement                                 | 48,078                                |                        | 48,078                               | 51,739            |
| Rental Income                                       | 33,600                                |                        | 33,600                               | 36,100            |
| Administrative Fees                                 | 186,755                               |                        | 186,755                              | 82,981            |
| Miscellaneous Revenue                               | -                                     |                        | -                                    | 879               |
| <b>Net Income</b>                                   | <u>\$ 82,388</u>                      | <u>\$ -</u>            | <u>\$ 82,388</u>                     | <u>\$ 244,994</u> |

**NEVADA DEPARTMENT OF CORRECTIONS  
SILVER STATE INDUSTRIES**

**LCC DRAPERY AND GARMENT COMBINED**

**Statements of Operations**

For the half year ending December 31, 2013 and 2012

| Revenue:  | December 31, 2013 | December 31<br>2012 |
|---|-------------------|---------------------|
| <b>Sales - Drapery</b>                                    | \$ 26,972         | \$ 24,926           |
| Less Cost of Sales:                                       |                   |                     |
| Direct Labor  | \$ 8,094          | 14,028              |
| Materials   | 1,113             | 3,023               |
| Overhead  | 14,840            | 7,461               |
| Total Cost of Sales                                       | (24,047)          | (24,512)            |
| Gross Profit  | 2,925             | 414                 |
| Freight Revenues  | 6,351             | 3,702               |
| Freight Expenses  | (5,095)           | (3,964)             |
| Freight (Net of Revenues/Expenses)                        | 1,256             | (262)               |
| <b>Contribution to G &amp; A expenses</b>                 | <b>\$ 4,181</b>   | <b>152</b>          |
| <br>  |                   |                     |
| <b>Sales - Garment</b>                                    | 257,452           | 296,551             |
| Less Cost of Sales:                                       |                   |                     |
| Direct Labor  | 57,037            | 73,866              |
| Materials   | 93,584            | 97,302              |
| Overhead  | 30,308            | 18,472              |
| Total Cost of Sales                                       | (180,929)         | (189,640)           |
| Gross Profit - Metal                                      | 76,523            | 106,911             |
| Freight Revenues  | 178               | 10,448              |
| Freight Expenses  | (5,361)           | (18,847)            |
| Freight (Net of Revenues/Expenses)                        | (5,183)           | (8,399)             |
| <b>Contribution to G &amp; A expenses</b>                 | <b>71,340</b>     | <b>98,512</b>       |
| <br>  |                   |                     |
| <b>General and Administrative Manufacturing Expenses:</b> |                   |                     |
| Salaries  | 27,346            | 17,777              |
| Fringe Benefits and other Payroll expenses                | 16,748            | 6,071               |
| Inmate Labor - Office                                     | 8,757             | 5,702               |
| Inmate Workers' Compensation Insurance                    | 1,677             | 1,765               |
| Miscellaneous Office expenses                             | 2,918             | 4,329               |
| Telephone   | 772               | 763                 |
| Postage and Mailing                                       | 223               | 213                 |
| Dues and Subscriptions                                    | 103               | 0                   |
| Improvements and Small Equipment                          | -                 | 10,312              |
| Buildings and Grounds Improvements                        | 67                | 929                 |
| Utilities   | 6,549             | 7,515               |
| Miscellaneous expenses                                    | 2,227             | 1,511               |
| Capitalized Institutional Overhead                        | (2,392)           | (4,462)             |
| Total General and Administrative Manufacturing Expenses   | (64,995)          | (52,425)            |
| <b>Earnings available for program support</b>             | <b>\$ 10,526</b>  | <b>\$ 46,239</b>    |



DISCUSSION OF OTHER POTENTIAL PRISON INDUSTRY PROGRAMS AND  
COMMITTEE RECOMMENDATIONS (NRS 209.4818)



**NRS 209.4818 Committee on Industrial Programs: Duties.**

1. The Committee on Industrial Programs shall:

- (a) Be informed on issues and developments relating to industrial programs for correctional institutions;
- (b) Submit a semiannual report to the Interim Finance Committee before July 1 and December 1 of each year on the status of current and proposed industrial programs for correctional institutions;
- (c) Report to the Legislature on any other matter relating to industrial programs for correctional institutions that it deems appropriate;
- (d) Meet at least quarterly and at the call of the Chair to review the operation of current and proposed industrial programs;
- (e) Recommend three persons to the Director for appointment as the Deputy Director for Industrial Programs whenever a vacancy exists;
- (f) Before any new industrial program is established by the Director, review the proposed program for compliance with the requirements of subsections 2, 3, 4 and 7 of [NRS 209.461](#) and submit to the Director its recommendations concerning the proposed program; and
- (g) Review each state-sponsored industry program established pursuant to subsection 2 of [NRS 209.461](#) to determine whether the program is operating profitably. If the Committee determines that a program has incurred a net loss in 3 consecutive fiscal years, the Committee shall report its finding to the Director with a recommendation regarding whether the program should be continued or terminated. If the Director does not accept the recommendation of the Committee, the Director shall submit a written report to the Committee setting forth his or her reasons for rejecting the recommendation.

2. Upon the request of the Committee on Industrial Programs, the Director and the Deputy Director for Industrial Programs shall provide to the Committee any information that the Committee determines is relevant to the performance of the duties of the Committee.

3. As used in this section, "state-sponsored industry program" means a program for the vocational training or employment of offenders which does not include a contract of employment with a private employer.

(Added to NRS by [2001, 2391](#); A [2007, 68](#); [2013, 1806](#))