



Annual Plan

Fiscal Year 2013-2014



Adopted by the California Prison Industry Authority Board
on June 21, 2013



Annual Plan



The Financial Plan is CALPIA's estimate of revenues and expenses for the Fiscal Year beginning July 1, 2013. The Plan projects an overall net gain of \$0.2 million.

Revenues (In Thousands)				
	FY 10-11 Audited Actual*	FY 11-12 Audited Actual*	FY 12-13 Mid-Year Revise	FY 13-14 Approved Annual Plan
Manufacturing	\$71,250	\$78,038	\$72,680	\$75,271
Services	63,889	66,342	65,230	69,087
Agricultural	29,259	28,290	27,216	27,110
Total Revenue	\$164,398	\$172,670	\$165,126	\$171,468
Expenses (In Thousands)				
Cost of Goods Sold				
Manufacturing	\$56,896	\$65,183	\$55,253	\$54,879
Services	47,395	49,072	48,477	50,642
Agricultural	25,542	26,468	24,014	22,877
Total Cost of Goods Sold	\$129,833	\$140,723	\$127,744	\$128,398
Gross Profit				
	\$34,565	\$31,947	\$37,382	\$43,070
Selling & Administration				
Prison Industry Board	\$153	\$136	\$127	\$167
Executive Division				
Executive Management	360	273	276	292
Legal	534	590	712	742
External Affairs	139	142	136	144
Operations Division	3,699	3,819	3,228	3,579
Inmate Employability Program (IEP)	675	746	697	756
Marketing Division	3,392	3,497	3,348	3,876
Joint Venture/Free Venture (JV/FV)	354	395	664	668
Administration Division				
Administration Mgmt	238	207	166	196
Business Services	993	1,116	986	1,037
MIS	4,041	3,138	3,112	3,429
Human Resources	886	972	977	1,115
Staff Development	750	745	679	735
Fiscal Services Bureau	2,386	2,488	2,641	2,838
Career Technical Education Programs (CTE)	1,348	1,265	1,171	1,010
Reimbursements				
CTE	(800)	0	0	0
Joint/Free (JV/FV)	(671)	(652)	(664)	(668)
IEP	(253)	(104)	0	0
Total Central Office	18,224	18,773	18,256	19,916
Distribution/Transportation	11,597	11,888	11,073	11,488
State Pro Rata	3,511	3,798	4,789	4,269
Other Post Employment Benefits	6,270	7,034	7,034	7,034
Furlough Expense	8,619	0	0	0
Total Selling and Administration	\$48,221	\$41,493	\$41,152	\$42,707
Operating Income/(Loss)	(\$13,656)	(\$9,546)	(\$3,770)	\$363
Non-Operating Revenues/Expenses	(\$1,620)	\$688	(\$344)	(\$181)
Net Gain/(Loss)	(\$15,276)	(\$8,858)	(\$4,114)	\$182

*For the purpose of this section, the display of audited financial information was re-configured to remove Pro Rata costs for each category. A State Pro Rata category was added to display associated costs. The Net Gain/(Loss) of the fiscal year equals the audited financial statement.

Enterprise Overview



CALPIA projects a gross profit in enterprises of \$43.1 million (M) in FY 2013-14. Although revenues are projected to increase \$6.3 M from FY 2012-13 Mid-Year Revise (MYR), increases to cost of goods sold were minimized through the implementation of various cost savings measures resulting in a \$5.7 M gross profit increase from the MYR.

Enterprise	FY 2013-14 Approved Annual Plan		
	Revenue	Cost of Goods Sold	Gross Profit/(Loss)
(In Thousands)			
Manufacturing			
Furniture	\$10,500	\$8,696	\$1,804
Metal Products	7,000	5,430	1,570
License Plates	13,600	6,536	7,064
General Fabrication (Century Systems)	6,600	5,788	812
Bindery	1,750	1,422	328
Knitting Mill	1,273	880	393
Fabric Products	21,942	16,773	5,169
Shoes	4,106	3,140	966
Mattresses	2,400	1,884	516
Cleaning Products	6,000	4,034	1,966
Modular Construction	100	296	(196)
Sub-total Manufacturing	\$75,271	\$54,879	\$20,392
Services			
Meat Cutting	\$10,460	\$8,816	\$1,644
Bakery	3,252	2,127	1,125
Coffee Roasting	1,836	1,519	317
Food & Beverage Packaging	20,489	17,589	2,900
Metal Signs	1,300	926	374
Printing	5,000	2,900	2,100
Dental Lab	700	427	273
Digital Services	400	389	11
Laundry	14,572	9,948	4,624
Optical	10,000	5,075	4,925
Construction Services & Facilities Maintenance	1,078	926	152
Sub-total Services	\$69,087	\$50,642	\$18,445
Agricultural			
Dairy/Farm	\$14,142	\$11,889	\$2,253
Crops	379	389	(10)
Poultry	6,483	5,549	934
Egg Production	6,106	5,050	1,056
Sub-total Agricultural	\$27,110	\$22,877	\$4,233
Total	\$171,468	\$128,398	\$43,070

Offender Assignments by Enterprise

Enterprise	FY 10-11 Actuals	FY 11-12 Actuals	FY 12-13 Mid -Year Revise	FY 13-14 Approved Annual Plan
Manufacturing				
Furniture	476	416	483	508
Metal Products	220	214	227	230
License Plates	102	106	105	116
General Fabrication (Century Systems)	133	133	134	138
Bindery	102	87	105	105
Knitting Mill	95	101	91	120
Fabric Products	1,273	1,245	1,316	1,461
Shoe	170	154	173	170
Mattress	92	61	102	111
Cleaning Products	49	50	50	54
Modular Construction	66	70	66	66
Sub-total Manufacturing	2,778	2,637	2,852	3,079
Services				
Meat Cutting	60	67	68	75
Bakery	66	62	66	52
Coffee Roasting	23	23	25	25
Food & Beverage Packaging	115	158	132	147
Metal Signs	28	32	28	33
Printing	131	138	131	131
Dental Lab	58	56	56	56
Digital Services	13	14	18	18
Laundry	794	750	786	787
Optical	176	185	183	190
Construction Services & Facilities Maintenance	0	29	43	58
Sub-total Services	1,464	1,514	1,536	1,572
Agricultural				
Dairy/Farm	224	227	222	236
Crops	35	31	48	48
Poultry	32	37	81	31
Egg Production	77	60	96	48
Sub-total Agricultural	368	355	447	363
Selling and Administration				
Statewide Administrative Support	292	261	357	368
On-Time Delivery	23	29	25	25
Central Office	27	24	42	43
Career Technical Education Programs	87	50	140	110
Sub-total Selling and Administration	429	364	564	546
Total	5,039	4,870	5,399	5,560



CALPIA continues to dedicate efforts toward reducing recidivism through increasing opportunities that foster offender success through CALPIA's Career Technical Education programs such as E-Waste, Carpentry, Laborers and Marine Technology Training. The Annual Plan anticipates an increase of 161 offender assignments.

Change in Cash



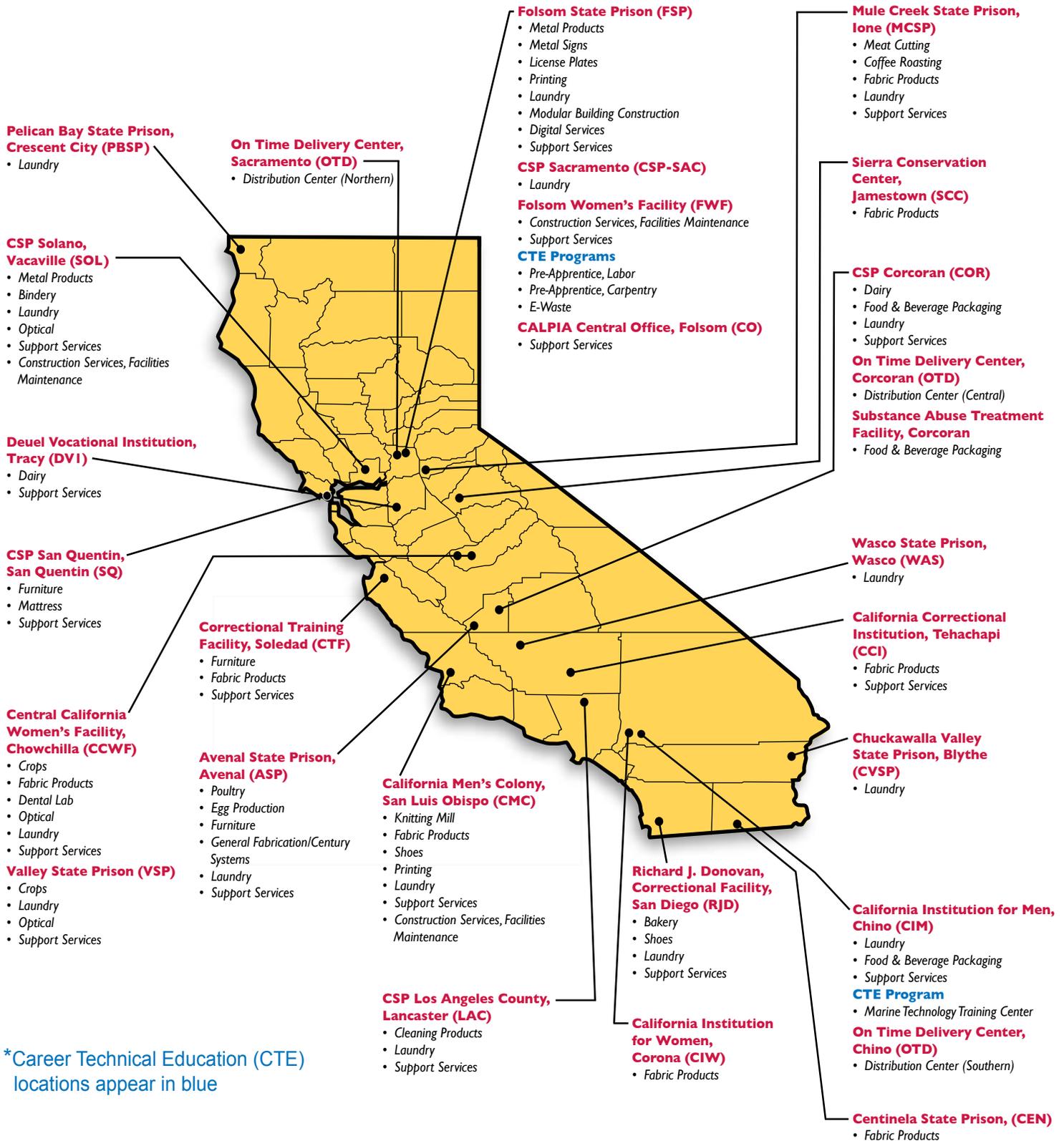
	FY 10-11 Actuals Audited	FY 11-12 Actuals Audited	FY 12-13 Mid -Year Revise	FY 13-14 Approved Annual Plan
Cash - Beginning of the Year (In Thousands)				
Cash - Beginning of Year ^{1,2}	\$75,884	\$83,083	\$70,839	\$62,249
Penal Code 2806 Transfer	\$0	\$0	\$0	(\$13,000)
Net Cash-Beginning of Year	\$75,884	\$83,083	\$70,839	\$49,249
Cash Flows - Operating Activities				
Revenues	\$164,398	\$172,670	\$165,126	\$171,468
Operating Expenses	(\$178,054)	(\$182,216)	(\$168,896)	(\$171,105)
Total Operating Income (Loss)	(\$13,656)	(\$9,546)	(\$3,770)	\$363
Adjustments to reconcile operating income/(loss) to cash:				
Depreciation	\$7,453	\$6,261	\$6,642	\$6,641
Net Effect - Changes in:				
Inventory	\$331	\$1,033	\$120	\$0
Deferred Revenue	(\$2,194)	(\$873)	\$0	\$0
Net OPEB Obligation	\$6,270	\$7,034	\$7,034	\$7,034
Accrued Furlough Liability	\$8,619	(\$7,683)	\$0	\$0
Other Assets/Liabilities	\$8,132	(\$2,870)	\$0	\$0
Net Cash Flows - Operating Activities	\$14,955	(\$6,644)	\$10,026	\$14,038
Net Cash Flows - Other				
Capital Expenditures ³	(\$6,137)	(\$6,288)	(\$18,272)	(\$15,425)
State General Fund:				
Loan	(\$23,400)	(\$23,400)	\$0	\$0
Repayment	\$0	\$23,400	\$0	\$0
Non-Operating Revenues/(Expenses)	(\$1,620)	\$688	(\$344)	(\$181)
Net Cash Flows - Other	(\$31,157)	(\$5,600)	(\$18,616)	(\$15,606)
Net Change in Cash	(\$16,202)	(\$12,244)	(\$8,590)	(\$1,568)
Cash - End of Year	\$59,682	\$70,839	\$62,249	\$47,681

¹ Approved Mid-Year Revise "Cash - Beginning of Year" updated to reflect the Audited FY 2011-12 "Cash - End of Year". Since the Audited financial statements were not available in time for the Prison Industry Board meeting, an estimated cash balance was used.

² Reflects the starting cash balance including the loan to the State General Fund. Loan amount is reflected in the State General Fund heading under the Net Cash Flows - Other section.

³ The budgeted years include capital funding for items previously approved by the Prison Industry Board, but not purchased.

CALPIA Enterprises & Career Technical Education Locations (CTE)*



*Career Technical Education (CTE) locations appear in blue



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