



Oklahoma Board of Corrections
REGULAR MEETING

January 7, 2016

Oklahoma State Penitentiary
McAlester, Oklahoma

OKLAHOMA BOARD OF CORRECTIONS REGULAR MEETING

Oklahoma State Penitentiary
1301 N West Street
McAlester, Oklahoma
1:00 p.m., January 7, 2016



AMENDED AGENDA

Members of the Board of Corrections will be dining together before the Board meeting.
No business will be conducted during this time period.

| ITEM | PRESENTER |
|---|---|
| 1. Call to Order and Roll Call | Kevin Gross, Chair |
| 2. Welcome/Remarks | Jerry Chrisman, Interim Warden Oklahoma State Penitentiary |
| 3. Old Business | Kevin Gross, Chair |
| 4. Discussion and Approval of Board of Corrections Meeting Minutes <ul style="list-style-type: none">Regular Meeting on November 5, 2015 | Kevin Gross, Chair |
| 5. Acting Director's Comments with Possible Discussion <ul style="list-style-type: none">FY 2016 Revenue FailureSenate Budget Hearing | David Cincotta, Acting Director |
| 6. Monthly Update and Discussion of FY 2016 Agency Budget | Ashlee Clemmons, Chief Administrator Business Services |
| 7. Discussion and Approval of Budgeted Average Daily Cost | Ashlee Clemmons, Chief Administrator Business Services |
| <i>"The Department shall present to the Board of Corrections at its January meeting comparative data on budgeted daily cost versus actual daily cost, and, after appropriate review and analysis, the Board shall adopt as a final action of the Board an average daily cost per inmate by facility category for the immediately preceding fiscal year." 57 O.S. § 561.1 ¶ E.</i> | |
| 8. Quarterly Update and Discussion of Oklahoma Correctional Industries and Agri-Services Budget <ul style="list-style-type: none">FY 2016, 1st Quarter | Charles Groves, Business Services Coordinator Oklahoma Correctional Industries and Agri-Services |
| 9. Quarterly Update and Discussion of Financial Internal Audits <ul style="list-style-type: none">FY 2016, 1st Quarter | Gharzuddin Baksh, Auditor IV Auditing and Compliance |
| 10. Update and Discussion of Offender Population | Laura Pitman, Ph.D., Division Manager Field Support |

OKLAHOMA BOARD OF CORRECTIONS

Mission Statement

We are a select group of Governor-appointed, politically diverse volunteers which directs, advocates, and holds accountable stakeholders to effect best correctional practices.

"Advocating Correctional Excellence"

11. Committee Reports Committee Chairs
 Standing Committees:
- Audit/Finance – Chair Frazier Henke, Members Gene Haynes and Michael Roach
 - Female Offender – Chair Irma Newburn, Members Frazier Henke and Todd Holder
 - Public Policy/Affairs – Chair Gene Haynes and Member Irma Newburn
 - Population/Private Prisons – Chair Michael Roach and Member Todd Holder
 - Executive – Chair Kevin Gross, Members Michael Roach and Frazier Henke
12. New Business Kevin Gross, Chair
13. Announcements Kevin Gross, Chair
14. Approval to Adjourn for Executive Session for: Gary Elliott, Acting General Counsel
- Discussion of Pending Investigation:
 - Suicide of David Wines #501175 at Dick Conner Correctional Center (case number IG 15-0196)
 - Discussion of Pending Litigation:
 - *Alpin et al v. Avalon Correctional Services, Inc., et al*, Tulsa County District Court, case number CJ-2015-1344
 - Discussion of Director of Corrections:
 - Appointment and Salary of Interim Director of Corrections
- “Confidential communications between a public body and its attorney concerning a pending investigation, claim, or action if the public body, with the advice of its attorney, determines that disclosure will seriously impair the ability of the public body to process the claim or conduct a pending investigation, litigation, or proceeding in the public interest.” 25 O.S. § 307.B.4.*
- “Discussing the employment, hiring, appointment, promotion, demotion, disciplining or resignation of any salaried public officer or employee.” 25 O.S. § 307.B.1*
15. Approval to Return from Executive Session Gary Elliott, Acting General Counsel
16. Discussion and Approval of Appointment and Salary of Interim Director of Corrections Kevin Gross, Chair
17. Adjournment Kevin Gross, Chair

The next regular meeting of the Board of Corrections is scheduled for 1:00 p.m. on Thursday, February 4, 2016, at the Lawton Correctional Facility in Lawton, Oklahoma.

Updated on 1/5/2016 1:30:53 PM

OKLAHOMA BOARD OF CORRECTIONS

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**Meeting Minutes
November 5, 2015**

**OKLAHOMA BOARD OF CORRECTIONS
REGULAR MEETING**

Oklahoma Department of Corrections
North Conference Room
3400 N Martin Luther King Ave
Oklahoma City, Oklahoma
November 5, 2015

1. Call to Order and Roll Call

Kevin Gross, Chair

Chair Gross called the regular meeting of the Oklahoma Board of Corrections (BOC) to order at 1:01 p.m. on Thursday, November 5, 2015, in the North Conference Room of the Oklahoma Department of Corrections (ODOC). The final agenda was posted at 12:00 p.m. on Wednesday, November 4, 2015, at the ODOC, which is at least twenty-four hours prior to the commencement of the meeting. Chair Gross asked the clerk to call the roll:

| | | | |
|--------------------------|---------|---------------------------|---------|
| Kevin Gross, Chair | Present | Todd Holder, Member | Present |
| Gene Haynes, Member | Present | Irma Newburn, Member | Absent |
| Frazier Henke, Secretary | Present | Michael Roach, Vice Chair | Present |

Calling of the roll reflected a quorum was present.

2. Old Business

Kevin Gross, Chair

Chair Gross announced the resignation of BOC member Matt Tilly for personal reasons. He thanked Mr. Tilly for his service to the State of Oklahoma and the ODOC. Chair Gross stated the BOC is waiting for the governor to appoint a new member to finish out Mr. Tilly's term.

Chair Gross stated the Attorney General has launched an inquiry into the recent events surrounding executions and the ODOC is fully cooperating in this matter. He stated the director and staff are responding directly to questions from the Attorney General and providing related documentation. However, for the purpose of the meeting this date, the BOC will not be discussing past or pending executions, the Attorney General's inquiry or any topic that could be interpreted as a hindrance to the inquiry.

Chair Gross reiterated the BOC fully supports Director Patton and his continued tenure as the director of the ODOC. He stated since coming to the agency, Director Patton has solved many of the ongoing challenges that met him when he assumed the position. He has addressed spending issues, reduced redundancies, and has supported initiatives to better protect ODOC employees and offenders as well as the communities. Chair Gross stated Director Patton has been a true champion for the ODOC and he will continue to have the unwavering support of the BOC.

3. Discussion and Approval of Board of Corrections Meeting Minutes

Kevin Gross, Chair

- Regular Meeting on October 1, 2015

Chair Gross stated the BOC had previously received the meeting minutes from October 1, 2015, for review.

Motion: Mr. Roach made a motion to approve the minutes and Mr. Haynes seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Roach – yes.

The minutes were approved by majority vote and there was no further discussion.

- 4. Director's Comments with possible discussion on the following:** **Robert Patton, Director**
- Southern Oklahoma Resource Center (SORC)
 - Employee Recognition Ceremony
 - Prison Rape Elimination Act (PREA) Audits for Southeast District Community Corrections

Director Patton stated he would like to begin his comments with information on the Southern Oklahoma Resource Center (SORC). He and several of his staff toured the SORC in Pauls Valley in October and were very impressed with the possibilities it has to offer the department. The SORC facility was recently closed by the Department of Human Services. This property, with its proximity and existing infrastructure, offers the ODOC a rare and viable opportunity to expand offender infirmary care and offender housing. It also presents possibilities for consolidation and centralization of other necessary populations and services.

Director Patton noted that prior to occupancy, some modifications and repairs would be required to meet code and safety standards throughout the property. A phased approach would be necessary to utilize offender crews to accomplish work that is required and to avoid requests for additional funding.

With extensive consideration of the benefits for the agency, the state of Oklahoma and the Pauls Valley community, the agency submitted a request to the Office of Management and Enterprise Services to consider transfer of the (SORC) property, which consists of 590 acres and twenty-nine structures, to the ODOC. Director Patton stated he would continue to keep the BOC updated about the SORC property.

Director Patton stated that each year, employees and volunteers throughout the agency are recognized at various levels within the organization for their outstanding contributions and dedication in completing their division's goals. At the conclusion of each calendar year, nominations for employee and volunteer recognition awards are put forward through the chain of command and, ultimately, for executive staff review to determine which individuals most deservedly have met established criteria for each award category. The selection process is difficult at all levels, as we have many hardworking and dedicated employees and volunteers within our agency. Director Patton stated these individuals will be honored at the Annual Employee Awards Ceremony to be held on November 10, 2015 at the Sheraton Reed Center in Midwest City. He noted the BOC had received invitations to the event and he looked forward to them joining staff for this special recognition event.

Finally, the Southeast District Community Corrections and the Jackie Brannon Correctional Center recently received Prison Rape Elimination Act (PREA) Audits. The Southeast District work centers in Ardmore, Madill, Carter County, Idabel and Davis met all of the standards. Jackie Brannon was also PREA compliant, receiving exceeds standards in two areas.

With the floor open for questions or comments, Chair Gross inquired about the timing for obtaining the SORC property. Director Patton stated the agency had submitted a request for the property to the Office of Management and Enterprise Services (OMES). OMES responded with several questions about the agency's intent to use the property. Director Patton stated Ms. Hicks had submitted responses to their questions and he expected to hear from OMES by mid-December.

Mr. Haynes inquired if the agency had costs connected with converting the property to ODOC use. Director Patton stated the first year would be little cost, with offender labor being utilized to clean up and provide general maintenance to the property and buildings. He stated once utility service was reestablished at the property, the agency would have a better estimate of how much funding would be needed to refurbish the buildings for use.

5. Recognition of Staff

Terri Watkins, Director

- Helping Hands, Certificate of Appreciation

Internal/External Communications

Ms. Watkins stated she would like to introduce Mr. Clark Reinhart, James Crabtree Correctional Center, to the BOC as a recipient of the Helping Hands Certificate of Appreciation. Ms. Watkins stated Mr. Reinhart and his sons were present at the Oklahoma State University homecoming parade crash in Stillwater on October 24, 2015. Ms. Watkins asked Mr. Reinhart to describe their participation in the events of the crash for the BOC.

Mr. Reinhart stated he and his sons were one of many who helped the injured parade attendees after the crash. He provided details on the assistance provided to the crash victims, specifically Ms. Lucas whose son, Nash Lucas, was killed in the crash. Mr. Reinhart stated he was proud of his son's efforts to assist the crash victims. Chair Gross thanked Mr. Reinhart, expressing his pride of Mr. Reinhart and his family.

Ms. Watkins presented the Helping Hands Certificate to Mr. Reinhart. In addition, Ms. Watkins presented a commendation from Governor Mary Fallin for the family's actions during the parade crash.

6. Monthly Update and Discussion of FY 2016 Agency Budget

**Ashlee Clemmons, Chief Administrator
Business Services**

Ms. Clemmons provided the following budget update as of September 30, 2015:

| | |
|---|-----------------|
| FY2016 Budget Work Program | |
| Appropriated | \$484,900,943 |
| 200 Fund | \$15,010,643 |
| 205 Fund | \$4,642,977 |
| 280 Fund | \$1,500,000 |
| Total – Budget Work Program | \$506,054,563* |
| <i>As of September 30, 2015 budget; Community Sentencing and Federal funds.</i> | |
| Y-T-D Expenditures | \$(103,542,488) |
| Appropriated | \$(102,492,846) |
| 200 Fund FY 16 | \$(865,092) |

| | |
|--------------------------|---------------------|
| 205 Fund FY 16 | \$(184,550) |
| 280 Fund FY 16 | - |
| Encumbrances | \$(181,375,020) |
| Committed | \$(204,024) |
| Remaining Payroll | \$(189,279,534) |
| Available Balance | \$31,653,497 |

Comment:

Revision 1 increase to 200 Fund of \$75,329

Appropriated Operating Funds

| | |
|-----------------------|--------------------|
| Budgeted | \$484,900,943 |
| Expenditures Y-T-D | \$(102,492,846) |
| Encumbrance Y-T-D | \$(175,478,992) |
| Total Committed Y-T-D | <u>\$(203,109)</u> |
| Available Balance | \$206,725,996 |
| Less: | |
| Payroll | \$(189,279,534) |
| Available Balance | \$17,446,462 |

200 Revolving Fund

| | |
|---------------------------------|--------------------|
| Beginning Cash Balance 7/1/2015 | \$754,680 |
| Revenue Received Y-T-D | \$3,760,055 |
| Expenditures Y-T-D | \$(2,868,405) |
| Adjustments Y-T-D | <u>\$(120,989)</u> |
| Ending Balance | \$1,525,341 |

205 Revolving Fund

| | |
|---------------------------------|-------------------|
| Beginning Cash Balance 7/1/2015 | \$1,070,058 |
| Revenue Received Y-T-D | \$1,233,524 |
| Expenditures Y-T-D | \$(1,182,590) |
| Adjustments Y-T-D | <u>\$(23,948)</u> |
| Ending Balance | \$1,097,044 |

280 Revolving Fund

| | |
|---------------------------------|--------------------|
| Beginning Cash Balance 7/1/2015 | \$2,462,065 |
| Revenue Received Y-T-D | \$7,048,892 |
| Expenditures Y-T-D | \$(5,650,114) |
| Adjustments Y-T-D | <u>\$(190,333)</u> |
| Ending Balance | \$3,670,510 |

With the floor open for questions, Chair Gross inquired about the impact of the recent ruling by FCC on telephone charges. Ms. Clemmons stated the highest impact the ruling could have on the budget would be approximately \$3 million annually. No further questions or comments were made.

7. Discussion and Approval of FY 2017 Budget Request Ashlee Clemmons, Chief Administrator Business Services

Ms. Clemmons presented for approval the proposed FY 2017 Budget Request. In anticipation of funding challenges the state will be facing, the agency has isolated the four most critical needs in

two separate areas. The primary area will be submitted as the agency's budget request and the secondary area will be submitted as an addendum for additional consideration. Ms. Clemmons stated the agency is requesting the following:

| Priority | Item | Total | Addendum Total |
|--|--|----------------------|----------------------|
| A | Offender Growth | \$17,410,500 | \$17,410,500 |
| B | Health Services | \$2,385,086 | \$2,385,086 |
| Addendum | | | |
| C | Infrastructure Replacement | | \$5,000,000 |
| D | Market Adjustment for Classified Employees | | \$6,694,120 |
| | Total Requested Appropriation Increase | \$19,795,586 | \$31,489,706 |
| | + FY 2016 Appropriation | \$484,900,943 | \$484,900,943 |
| TOTAL REQUESTED APPROPRIATION FOR FY 2017 | | \$504,696,529 | \$516,390,649 |

Ms. Clemmons stated the agency is requesting an additional \$19.7 million over the FY 2016 appropriation for a total of \$504.6 million. Priority A is to fund the estimated offender growth for FY 2017, which is approximately 900 offenders. Priority B funds are necessary to maintain a sustained level of performance and constitutionally-compliant health care which consistently increases each year.

Ms. Clemmons stated funding Addendum C would replace critical infrastructure at William S. Key Correctional Center (WSKCC). She noted funding would first be requested by capital outlay and/or bond issue; however, if neither occurs, then appropriated funds would be requested. Addendum D is requested for salary increases of all classified employees. These funds are needed to retain staff who are essential in ensuring public safety is not compromised.

Ms. Clemmons asked the BOC to approve the FY 2017 Budget Request as presented. Mr. Henke stated the Audit/Finance Committee met several times to discuss the budget request. He stated the committee is mindful of the challenges that the state faces but offender growth and health care costs are outside the control of the agency. The agency has a constitutional obligation to house and provide medical care to the offenders sentenced to its custody. He stated everyone is aware of rising healthcare costs so this is not an unexpected increase. Mr. Henke stated the first two priorities are critical for the agency and will require appropriations to cover those expenses. Mr. Henke complimented Director Patton, Ms. Clemmons and other staff involved in the budgeting process. He noted the agency has cut as much as it can from the budget.

Referring to Addendum C, Mr. Henke stated WKCC is in dire need of infrastructure replacement for: the existing electrical distribution infrastructure; the central power plant that currently provides the primary source of hot water and steam heat; the removal and disposal of existing transformers; and the retirement of equipment in the existing power plant. He noted the agency has identified and put forth these items for funding consideration on previous occasions. If these items went down, the agency would be forced to relocate over 1,000 offenders to another facility. He stated housing the offenders at another facility would cost the agency approximately \$55,000 per day or \$10 million for a six-month period.

Mr. Henke stated Addendum D would help retain staff. Current staffing levels are at 62% with our facilities at 118% capacity. He stated the committee felt this was a very critical item for the legislators to consider moving forward. Mr. Henke stated the committee hopes this request is favorably considered.

Mr. Henke indicated he would be happy to answer any questions but recommended the BOC approve the budget request as presented.

Motion: Mr. Henke made a motion to approve the FY 2017 Budget Request and Mr. Haynes seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Roach – yes.

The budget request was approved by majority vote and there was no further discussion.

8. Update and Discussion of Offender Population **Laura Pitman, Ph.D., Division Manager**
Field Support

Dr. Pitman provided the population update as of September 30, 2015:

| Committed Offender Population | Community Supervised Offender Population |
|--|---|
| Total System Population = 28,025 | Total System Population = 27,048 |
| DOC Facilities = 19,754 | Probation Supervision = 23,351 |
| Private Prisons = 5,827 | Parole Supervision Offenders = 2,877 |
| County Jails with Contracts = 675 | GPS = 749 |
| Halfway Houses = 1,358 | EMP = 14 |
| Out Count (jails, hospitals, etc.) = 411 | PPCS = 1 |
| | Community Program Failures = 56 |
| TOTAL SYSTEM POPULATION = 55,073 | |
| County Jail Backup = 322 | |

| State Facility Capacity Percentages | |
|--|-------------|
| Assessment & Reception Centers | 96% |
| Institutions | 122% |
| Community Corrections Centers | 99% |
| Community Work Centers | 105% |
| TOTAL STATE BEDS | 118% |

Director Patton asked Dr. Pitman to advise the BOC of the number of offenders in county jail backup as of this date. Dr. Pitman responded as of 5:00 p.m. on November 4, county jail backup was at 837 offenders. Dr. Pitman noted the recent changes to state statute became effective on November 1, 2015, which requires counties to submit documentation within three days of sentencing. Director Patton stated county jail backup had been down to 87 offenders at one point. Chair Gross noted moving backwards on county jail backup is not good. Chair Gross asked for information on the state statute changes. Dr. Pitman stated the changes give the ODOC authority to pay only for the days the offender is held in county jail pending transfer when sentencing documents have been received. Prior to the changes in statute, the ODOC paid for all days the offender was held in county jail regardless of sentencing documents having been

received. Dr. Pitman stated this allowed the ODOC, for the first time, to truly know how many offenders are pending reception to the agency's custody.

Mr. Haynes stated the agency mostly focuses on incarcerated offenders but there is also the probation population to consider. He noted the agency is supervising almost 1,600 more offenders this year than at the same time last year which has increased costs as well. Dr. Pitman agreed with his comment.

There were no further comments or questions from the BOC.

9. Committee Reports

Committee Chairs

Chair Gross asked the committee chairs for their reports.

- **Audit/Finance Committee**
Nothing further to report.
- **Female Offender Committee**
Nothing to report.
- **Public Policy/Public Affairs Committee**
Nothing to report.

- **Population/Private Prisons Committee**

Mr. Roach stated the committee had met and he had spoken with Dr. Pitman on a couple of occasions since the last BOC meeting. Mr. Roach stated the committee was particularly interested in the number of offenders released due to the changes to the application of earned credits on the 85% sentences. Mr. Roach stated the actual numbers of releases was very close to the projected numbers when the changes were first discussed. He stated the committee also discussed roadblocks and other anticipated issues with the changes.

Mr. Roach stated the other topic of discussion had already been discussed by Dr. Pitman, referencing the statute changes for sentencing documents which went into effect on November 1, 2015. Mr. Roach noted the number of offenders sentenced is not controlled by the ODOC but the agency must receive them. He stated he felt Dr. Pitman and staff do an outstanding job managing the offender population day-to-day.

- **Executive Committee**

Chair Gross stated the committee met on October 23, 2015, to review and approve the agenda for the meeting this date.

10. New Business

Kevin Gross, Chair

Director Patton stated he had received word late on November 4, 2015, that a boiler in the minimum-security housing unit at the Lexington Assessment and Reception Center failed, causing the housing unit to be without hot water in the showers, sinks, and laundry. The facility made several attempts over the last several months to repair the boiler but the equipment has deteriorated to the point that repair is no longer an option. The life expectancy of the boiler was 15-20 years and had been installed in 1999. The impact of the outage affects the minimum-security unit only which houses approximately 270 offenders. Under the provisions of Title 61, Director Patton declared an emergency to authorize replacement of the boiler. The estimated

cost to replace the boiler is \$46,000. Installation of the new boiler is anticipated to occur as early as the following week. A contingency plan for use of showers and sinks has been implemented at the facility to accommodate needs of the minimum-security unit until the new boiler has been installed.

11. Announcements

Kevin Gross, Chair

There was no announcements to make.

12. Approval to Adjourn for Executive Session

Gary Elliott, Assistant General Counsel

- Discussion of Pending Investigation:
 - Homicides of Fulwilder #452600, Mayden #628166, Tiffie #657391, and Tignor #631266 at Cimarron Correctional Facility (Case number IG 15-0157)
- Discussion of Pending Litigation:
 - *Alpin et al v. Avalon Correctional Services, Inc., et al*, Tulsa County District Court, case number CJ-2015-1344
 - *Glossip et al v. Gross et al*, Oklahoma Western District Court, case number 2014-CV-00665

Mr. Elliott advised the items listed on the agenda would require adjournment to Executive Session for engaging in confidential communication between the BOC and its attorney. He recommended Chair Gross entertain motions to adjourn.

Motion: Mr. Roach made a motion to adjourn to Executive Session and Mr. Holder seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Roach – yes.

The adjournment to Executive Session was approved by majority vote and the BOC adjourned at 1:34 p.m.

13. Approval to Return from Executive Session

Gary Elliott, Assistant General Counsel

The BOC returned to the meeting room at 2:14 p.m. Mr. Elliott advised the BOC of the approval needed to return from Executive Session.

Motion: Mr. Henke made a motion to return from Executive Session and Mr. Haynes seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Roach – yes.

The return was approved by majority vote and the BOC resumed the meeting at 2:16 p.m. Chair Gross advised there were not any actions to take after Executive Session.

14. Adjournment

Kevin Gross, Chair

There being no further business to come before the BOC, Chair Gross requested a motion to adjourn the meeting.

Motion: Mr. Haynes made a motion to adjourn the meeting and Mr. Roach seconded the motion. The results of the roll call were: Mr. Gross – yes; Mr. Haynes – yes; Mr. Henke – yes; Mr. Holder – yes; Mr. Roach – yes.

The adjournment was approved by majority vote and the meeting ended at 2:16 p.m.

Submitted to the Board of Corrections by:

Kimberley Owen, Minutes Clerk

Date

I hereby certify that these minutes were duly approved by the Board of Corrections on the seventh day of January 2016, in which a quorum was present and voting.

Approved by:

Frank X. Henke IV, Secretary
Board of Corrections

Date



FY 2016 Agency Budget Update

Department of Corrections
FY-16 Summary of Budget Projections
As of November 30, 2015

FY2016 Budget Work Program

| | | |
|--------------|----|---------------|
| Appropriated | \$ | 484,900,943 |
| 200 Fund | \$ | 15,010,643 |
| 205 Fund | \$ | 4,642,977 |
| 280 Fund | \$ | 1,500,000 |
| Total - BWP | \$ | 506,054,563 * |

** Excludes Prison Industries funds not part of the D.O.C operating budget; Community Sentencing and Federal funds.*

| | | |
|--------------------------|-----------|-------------------|
| Y-T-D Expenditures | \$ | (186,463,349) |
| Appropriated | \$ | (182,844,024) |
| 200 Fund FY 16 | \$ | (3,016,213) |
| 205 Fund FY 16 | \$ | (603,112) |
| 280 Fund FY 16 | \$ | - |
| Encumbrances | \$ | (145,248,068) |
| Committed | \$ | (701,949) |
| Remaining Payroll | \$ | (147,125,792) |
| Available Balance | \$ | 26,515,405 |

Department of Corrections
Appropriated Operating Funds
As of 11/30/2015

| | | |
|-----------------------|----|--------------------------|
| Budgeted | \$ | 484,900,943 |
| Expenditures Y-T-D | \$ | (182,844,024) |
| Encumbrance Y-T-D | \$ | (139,539,999) |
| Total Committed Y-T-D | \$ | <u>(172,354)</u> |
| Available Balance | \$ | 162,344,566 |
| Less: | | |
| Payroll | \$ | (147,125,792) |
| Available Balance | \$ | <u><u>15,218,774</u></u> |

Department of Corrections
200 Revolving Fund Summary
As of 11/30/2015

| | | |
|-----------------------------------|----|-------------|
| Beginning Cash Balance 07/01/2015 | \$ | 754,680 |
| Revenue Received Y-T-D | \$ | 6,893,237 |
| Expenditures Y-T-D | \$ | (5,230,561) |
| Adjustments Y-T-D | \$ | (121,093) |
| Ending Balance 11/30/2015 | \$ | 2,296,263 |

Description of Fund:

Revolving fund that uses revenues in conjunction with appropriated funds to maintain the Department's operating budget. Revenue comes from a variety of sources:

Program Support

Offenders on work release give up to 50% of their net pay or the per diem rate, whichever comes first to supplement the cost of their incarceration.

Probation & Parole Fees

Probationers & Parolees pay a court ordered supervision fee of up to \$40.00 a month. The fee is used toward probation officers' salaries.

Medical Co pays

Inmates are required to pay a co pay of \$4.00 for medical treatment

Prisoner Public Work Crews

Facilities receive payment from federal, state, and local government entities for inmate labor, officer supervision when applicable, and transportation charges.

State Criminal Alien Assistance Funding

Federal Funds for the reimbursement of expenses for incarcerated aliens

Other Reimbursed Amounts

Funds from overpayments, returns, copies, FEMA, GPS, Private Prison monitoring (Non Oklahoma used facilities) and other miscellaneous reimbursements.

Misc. - Vendors, Copies, Notary, Rent, Sales, Refunds etc.

Department of Corrections
205 Revolving Fund Summary
As of 11/30/2015

| | | |
|-----------------------------------|----|----------------|
| Beginning Cash Balance 07/01/2015 | \$ | 1,070,058 |
| Revenue Received Y-T-D | \$ | 1,716,989 |
| Expenditures Y-T-D | \$ | (1,840,097) |
| Adjustments Y-T-D | \$ | (23,948) |
| Ending Balance 11/30/2015 | \$ | <u>923,002</u> |

Description of Fund:

Funds are generated through Canteen sales and a portion of telephone revenues, along with other miscellaneous sources (i.e. vending machines and crafts). This revenue provides funding for Offender and Staff needs, maintains the canteens and Offender Banking System.

Department of Corrections
280 Revolving Fund Summary
As of 11/30/2015

| | | |
|-----------------------------------|----|------------------|
| Beginning Cash Balance 07/01/2015 | \$ | 2,462,065 |
| Revenue Received Y-T-D | \$ | 12,300,144 |
| Expenditures Y-T-D | \$ | (9,299,952) |
| Adjustments Y-T-D | \$ | <u>(190,333)</u> |
| Ending Balance 11/30/2015 | \$ | 5,271,924 |

Description of Fund

Revenue received from Manufactured and Agricultural goods and services for services for use by the department, other State Agencies and for sale to other not-for-profit entities. Funds received from sale of products are used for labor costs and materials.

Oklahoma Department of Corrections
FY 2016 Appropriated Operating Budget through November 2015

| Account Code | Budgeted | Expenditures | Encumbered | Pre-Encumbered | Total Committed | Available Balance |
|--|--------------------------|--------------------------|--------------------------|----------------------|--------------------------|--------------------------|
| 11,12,13 Payroll | \$ 256,296,818.00 | \$ 106,768,398.46 | \$ 2,461,801.93 | | \$ 109,230,200.39 | \$ 147,066,617.61 |
| 15 Professional Services | 136,262,978.00 | 44,815,028.54 | 83,422,299.16 | 89,126.00 | 128,326,453.70 | 7,936,524.30 |
| 17 Moving Expenses | | | | | | |
| 19 Inter/Intra Agency Payments | 100,000.00 | 37,571.65 | 52,428.35 | | 90,000.00 | 10,000.00 |
| 21, 22 Travel | 557,754.00 | 162,557.39 | 76,099.54 | | 238,656.93 | 319,097.07 |
| 31 Misc. Admin. Expenses | 14,563,163.00 | 4,118,246.37 | 9,140,849.06 | 64,676.04 | 13,323,771.47 | 1,239,391.53 |
| 32 Rent | 3,253,701.00 | 1,179,010.64 | 1,629,175.68 | 1,852.47 | 2,810,038.79 | 443,662.21 |
| 33 Maintenance and Repair | 4,544,231.00 | 2,229,170.56 | 1,314,406.03 | 16,669.51 | 3,560,246.10 | 983,984.90 |
| 34 Specialized Supplies and Materials | 35,450,049.00 | 12,978,492.10 | 20,279,746.25 | | 33,258,238.35 | 2,191,810.65 |
| 35 Production, Safety and Security | 2,044,555.00 | 689,772.88 | 656,588.77 | | 1,346,361.65 | 698,193.35 |
| 36 General Operating Expenses | 954,547.00 | 208,323.41 | 70,957.04 | | 279,280.45 | 675,266.55 |
| 37 Shop Expense | 1,321,450.00 | 543,510.29 | 1,131,381.75 | | 1,674,892.04 | (353,442.04) |
| 41 Furniture and Equipment | 1,238,252.00 | 245,714.19 | 203,960.09 | 30.04 | 449,704.32 | 788,547.68 |
| 42 Library Equipment and Resources | 105,192.00 | 175.89 | | | 175.89 | 105,016.11 |
| 43 Lease Purchases | 2,322,000.00 | 883,903.04 | 1,313,995.20 | | 2,197,898.24 | 124,101.76 |
| 44 Livestock - Poultry | | | | | | |
| 45,46,47 Building, Construction and Renovation | 16,797.00 | 72,471.68 | 58,030.59 | | 130,502.27 | (113,705.27) |
| 48 Debt Service | 3,000,000.00 | 1,239,294.35 | 1,717,499.57 | | 2,956,793.92 | 43,206.08 |
| 51 Offender Pay and Health Services | 3,143,356.00 | 901,716.08 | 1,771,881.03 | | 2,673,597.11 | 469,758.89 |
| 52 Tuitions, Awards and Incentives | 5,000.00 | 1,664.13 | | | 1,664.13 | 3,335.87 |
| 53 Refunds and Restitutions | 6,521,000.00 | 1,949,065.05 | 3,029,863.52 | | 150,000.00 | (150,000.00) |
| 54 Jail Backup, County Jails and Other | | | | | 4,978,928.57 | 1,542,071.43 |
| 55,59 Assistance Payments to Agencies | | | | | | |
| 60 Authority Orders | | | 5,378,187.51 | | 5,378,187.51 | (5,378,187.51) |
| 61 Loans, Taxes and Other Disbursements | 100.00 | 785.50 | | | 785.50 | (685.50) |
| 62 Transfers - Out Sourced Health Care | 13,200,000.00 | 3,486,920.17 | 5,513,079.83 | | 9,000,000.00 | 4,200,000.00 |
| 64 Merchandise for Resale | | 182,232.00 | 317,768.00 | | 500,000.00 | (500,000.00) |
| TOTAL | \$ 484,900,943.00 | \$ 182,844,024.37 | \$ 139,539,998.90 | \$ 172,354.06 | \$ 322,556,377.33 | \$ 162,344,565.67 |

| | | | | | | |
|--------------------|--------------------------|--------------------------|--------------------------|----------------------|--------------------------|--------------------------|
| Funding | | | | | | |
| 19630 GRF - Duties | \$ 393,994,578.00 | \$ 151,552,071.87 | \$ 79,925,586.40 | \$ 172,354.06 | \$ 231,650,012.33 | \$ 162,344,565.67 |
| 10001 GRF - Duties | 75,000,000.00 | 31,291,952.50 | 43,708,047.50 | | 75,000,000.00 | - |
| 57601 Duties | 15,906,365.00 | | 15,906,365.00 | | 15,906,365.00 | - |
| TOTAL | \$ 484,900,943.00 | \$ 182,844,024.37 | \$ 139,539,998.90 | \$ 172,354.06 | \$ 322,556,377.33 | \$ 162,344,565.67 |
| | | | | Remaining Payroll | | 147,125,792.04 |
| | | | | | | 15,218,773.63 |

Oklahoma Department of Corrections
Statement of Revenues, Expenditures and Changes in Fund Balances
Non- Appropriated Funds
July 1, 2015 through November 30, 2015

| | | 200 Fund | 205 Fund | 280 Fund | Funds |
|--|---|------------------------|----------------------|------------------------|------------------------|
| Revenue Revenues | | | | | |
| Code | Current: | | | | |
| 331 | Other Fines, Forfeits, Penalties | \$ 151,950.20 | \$ - | \$ - | \$ 151,950.20 |
| 431 | Rent from Land | 19,900.05 | - | - | 19,900.05 |
| 520 | Reimbursement for Administrative Expense | 240,946.23 | - | - | 240,946.23 |
| 521 | Reimbursement for Data Processing Expense | 5,130.00 | - | - | 5,130.00 |
| 522 | Reimbursement for Telecommunication Exp. | - | - | - | - |
| 530 | Reimbursement for Travel Expense | 636.87 | - | - | 636.87 |
| 541 | Reimbursement of Funds Spent | 352,250.00 | - | - | 352,250.00 |
| 552 | Reimbursement of Federal Payroll | 58,202.47 | - | - | 58,202.47 |
| 556 | Federal Funds from Other State Agency | - | - | - | - |
| 581 | Reimbursement for Funds Expended | 553,365.66 | - | 31,818.51 | 585,184.17 |
| 711 | Farm Products General | - | - | 4,368,657.76 | 4,368,657.76 |
| 731 | Laboratory and Medical Services | 74,557.25 | - | - | 74,557.25 |
| 741 | Canteen and Concession Income | 3,537.93 | 1,461,812.36 | 7,846,610.24 | 9,311,960.53 |
| 791 | Other Sales and Services | 680.12 | - | 1,075.00 | 1,755.12 |
| 811 | Offender Medical Co-pays and Judgments | 2,145,834.39 | - | - | 2,145,834.39 |
| 821 | Deposits by Patients and Offenders | 3,280,562.18 | 255,176.23 | 51,983.02 | 3,587,721.43 |
| 836 | Sale of Salvage | 4,148.58 | - | - | 4,148.58 |
| 881 | Purchase Card Payments | 1,535.25 | - | - | 1,535.25 |
| | <i>Total Revenues</i> | <u>6,893,237.18</u> | <u>1,716,988.59</u> | <u>12,300,144.53</u> | <u>20,910,370.30</u> |
| Account Expenditures | | | | | |
| Code | Current: | | | | |
| 11,12,13 | Payroll | 589,925.51 | - | 2,685,987.78 | 3,275,913.29 |
| 15 | Professional Services | 2,147,402.42 | 78,481.63 | 290,624.43 | 2,516,508.48 |
| 21, 22 | Travel | 23,955.00 | 3,692.00 | 24,320.35 | 51,967.35 |
| 31 | Misc. Admin. Expenses | 17,865.81 | 92,789.27 | 382,113.90 | 492,768.98 |
| 32 | Rent | 31,641.86 | 75,898.86 | 9,423.40 | 116,964.12 |
| 33 | Maintenance and Repair | 251,588.18 | 131,515.49 | 432,003.51 | 815,107.18 |
| 34 | Specialized Supplies and Materials | 84,891.54 | 296,852.95 | 242,998.61 | 624,743.10 |
| 35 | Production, Safety and Security | 152,281.48 | 11,479.54 | 285,821.35 | 449,582.37 |
| 36 | General Operating Expenses | 7,061.17 | 35,872.12 | 50,850.43 | 93,783.72 |
| 37 | Shop Expense | 94,048.28 | 7,803.39 | 374,727.76 | 476,579.43 |
| 41 | Furniture and Equipment | 110,653.26 | 30,897.62 | 132,125.75 | 273,676.63 |
| 42 | Library Equipment and Resources | - | - | 117.82 | 117.82 |
| 43 | Lease Purchases | - | - | - | - |
| 44 | Livestock and Poultry | - | - | 9,150.00 | 9,150.00 |
| 45 | Land and Right-of-way | - | - | - | - |
| 46 | Building, Construction and Renovation | 299,883.83 | 172,376.09 | 21,000.00 | 493,259.92 |
| 48 | Debt Service | - | - | - | - |
| 51 | Offender Pay and Health Services | 2,997.54 | 224,875.65 | 685,249.75 | 913,122.94 |
| 52 | Tuitions, Awards and Incentives | - | 19.50 | - | 19.50 |
| 53 | Refunds and Restitutions | 2,659.80 | - | - | 2,659.80 |
| 54 | Jail Backup, County Jails and Other | 1,275,940.28 | - | 19,035.00 | 1,294,975.28 |
| 55 | Payment to Gov. Sub-Division | - | - | - | - |
| 59 | Assistance Payments to Agencies | 233,700.32 | - | - | 233,700.32 |
| 61 | Loans, Taxes and other Disbursements | - | - | 101.50 | 101.50 |
| 62 | Transfers - Out Sourced Health Care | (97,092.15) | 677,542.51 | - | 580,450.36 |
| 64 | Merchandise for Resale | 1,156.43 | - | 3,654,300.91 | 3,655,457.34 |
| | <i>Total Expenditures</i> | <u>5,230,560.56</u> | <u>1,840,096.62</u> | <u>9,299,952.25</u> | <u>16,370,609.43</u> |
| | <i>Excess of Revenues Over (Under) Expenditures</i> | <u>1,662,676.62</u> | <u>(123,108.03)</u> | <u>3,000,192.28</u> | <u>4,539,760.87</u> |
| Special and Extraordinary Items | | | | | |
| | Carried Over Cash | - | - | - | - |
| | <i>Total Special and Extraordinary Items</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <i>Net Change in Fund Balances</i> | 1,662,676.62 | (123,108.03) | 3,000,192.28 | 4,539,760.87 |
| Cash | | | | | |
| | Beginning Cash Balance | 754,679.89 | 1,070,058.49 | 2,462,065.26 | 4,286,803.64 |
| | Revenue Received this Year | 6,893,237.18 | 1,716,988.59 | 12,300,144.53 | 20,910,370.30 |
| | Expenditures made this Year | (5,230,560.56) | (1,840,096.62) | (9,299,952.25) | (16,370,609.43) |
| | Beginning Change in Liabilities | (120,986.62) | (23,948.04) | (190,333.07) | (335,267.73) |
| | Transfers | - | - | - | - |
| | Adjustments | (106.80) | - | - | (106.80) |
| | <i>Ending Cash Balance</i> | <u>\$ 2,296,263.09</u> | <u>\$ 923,002.42</u> | <u>\$ 5,271,924.47</u> | <u>\$ 8,491,189.98</u> |

Oklahoma Department of Corrections
Statement of Revenues, Expenditures and Changes in Fund Balances
Non- Appropriated Funds
For the Month of November 2015

| | 200 Fund | 205 Fund | 280 Fund | Funds |
|---|------------------------|----------------------|------------------------|------------------------|
| Revenue Revenues | | | | |
| <i>Code Current:</i> | | | | |
| 331 Other Fines, Forfeits, Penalties | \$ 25,912.35 | \$ - | \$ - | \$ 25,912.35 |
| 431 Rent from Land | 3,650.52 | - | - | 3,650.52 |
| 520 Reimbursement for Administrative Expense | 69,594.79 | - | - | 69,594.79 |
| 521 Reimbursement for Data Processing Expense | 1,330.00 | - | - | 1,330.00 |
| 522 Reimbursement for Telecommunication Exp. | - | - | - | - |
| 530 Reimbursement for Travel Expense | - | - | - | - |
| 541 Reimbursement of Funds Spent | - | - | - | - |
| 552 Reimbursement of Federal Payroll | - | - | - | - |
| 556 Federal Funds from Other State Agency | - | - | - | - |
| 581 Reimbursement for Funds Expended | 377,586.03 | - | - | 377,586.03 |
| 711 Farm Products General | - | - | 884,485.91 | 884,485.91 |
| 731 Laboratory and Medical Services | 14,302.37 | - | - | 14,302.37 |
| 741 Canteen and Concession Income | 658.79 | 241,102.13 | 1,651,292.98 | 1,893,053.90 |
| 791 Other Sales and Services | 92.07 | - | 985.00 | 1,077.07 |
| 811 Offender Medical Co-pays and Judgments | 295,737.47 | - | - | 295,737.47 |
| 821 Deposits by Patients and Offenders | 985,699.60 | - | 7,600.83 | 993,300.43 |
| 836 Sale of Salvage | 286.10 | - | - | 286.10 |
| 881 Purchase Card Payments | 215.39 | - | - | 215.39 |
| <i>Total Revenues</i> | <u>1,775,065.48</u> | <u>241,102.13</u> | <u>2,544,364.72</u> | <u>4,560,532.33</u> |
| Account Expenditures | | | | |
| <i>Code Current:</i> | | | | |
| 11,12,13 Payroll | 256,621.43 | - | 540,624.01 | 797,245.44 |
| 15 Professional Services | 363,831.83 | 14,581.06 | 42,458.04 | 420,870.93 |
| 21, 22 Travel | - | - | 2,909.20 | 2,909.20 |
| 31 Misc. Admin. Expenses | - | 15,282.91 | 60,898.65 | 76,181.56 |
| 32 Rent | 19.12 | 12,407.37 | 2,353.31 | 14,779.80 |
| 33 Maintenance and Repair | 769.89 | 32,982.87 | 64,485.08 | 98,237.84 |
| 34 Specialized Supplies and Materials | 836.30 | 107,328.85 | 20,229.90 | 128,395.05 |
| 35 Production, Safety and Security | 4,949.69 | 2,161.90 | 70,614.70 | 77,726.29 |
| 36 General Operating Expenses | - | 5,708.74 | 4,104.94 | 9,813.68 |
| 37 Shop Expense | - | - | 87,343.73 | 87,343.73 |
| 41 Furniture and Equipment | 4,815.00 | 11,056.75 | 49,387.98 | 65,259.73 |
| 42 Library Equipment and Resources | - | - | - | - |
| 43 Lease Purchases | - | - | - | - |
| 44 Livestock and Poultry | - | - | 9,150.00 | 9,150.00 |
| 45 Land and Right-of-way | - | - | - | - |
| 46 Building, Construction and Renovation | 541.80 | 172,376.09 | 1,870.00 | 174,787.89 |
| 48 Debt Service | - | - | - | - |
| 51 Offender Pay and Health Services | - | 49,095.49 | 153,317.47 | 202,412.96 |
| 52 Tuitions, Awards and Incentives | - | 19.50 | - | 19.50 |
| 53 Refunds and Restitutions | 2,659.80 | - | - | 2,659.80 |
| 54 Jail Backup, County Jails and Other | 922,914.00 | - | - | 922,914.00 |
| 55 Payment to Gov. Sub-Division | - | - | - | - |
| 59 Assistance Payments to Agencies | - | - | - | - |
| 61 Loans, Taxes and other Disbursements | (109,628.57) | - | - | (109,628.57) |
| 62 Transfers - Out Sourced Health Care | - | - | - | - |
| 64 Merchandise for Resale | 83.96 | - | 562,352.84 | 562,436.80 |
| <i>Total Expenditures</i> | <u>1,448,414.25</u> | <u>423,001.53</u> | <u>1,672,099.85</u> | <u>3,543,515.63</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>326,651.23</u> | <u>(181,899.40)</u> | <u>872,264.87</u> | <u>1,017,016.70</u> |
| Special and Extraordinary Items | | | | |
| Carried Over Cash | - | - | - | - |
| <i>Total Special and Extraordinary Items</i> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <i>Net Change in Fund Balances</i> | 326,651.23 | (181,899.40) | 872,264.87 | 1,017,016.70 |
| Cash | | | | |
| Beginning Cash Balance | 2,024,827.82 | 1,135,725.15 | 4,535,435.29 | 7,695,988.26 |
| Revenue Received this Month | 1,775,065.48 | 241,102.13 | 2,544,364.72 | 4,560,532.33 |
| Expenditures made this Month | (1,448,414.25) | (423,001.53) | (1,672,099.85) | (3,543,515.63) |
| Beginning Change in Liabilities | (55,111.96) | (30,823.33) | (135,775.69) | (221,710.98) |
| Transfers | - | - | - | - |
| Adjustments | (104.00) | - | - | (104.00) |
| <i>Ending Cash Balance</i> | <u>\$ 2,296,263.09</u> | <u>\$ 923,002.42</u> | <u>\$ 5,271,924.47</u> | <u>\$ 8,491,189.98</u> |

Budgeted Average Daily Cost

Budgeted Average Daily Cost

Statutory Requirement

Title 57 § 561.1 ¶ E.

“At the beginning of each fiscal year, the Department of Corrections shall determine the budgeted average daily cost per inmate. The budgeted average daily cost per inmate shall include all direct and indirect costs incurred by the Department. There shall be a separate computation of budgeted average daily cost for maximum security, medium security, minimum security, and community facilities. This information shall be presented to the State Board of Corrections for informational purposes only. After the close of each fiscal year, the Department shall determine the actual average daily cost per inmate for the operational costs at each major category of correctional facility. The actual average daily cost per inmate shall include all direct and indirect costs incurred by the Department. There shall be a separate computation of the average daily rate for maximum security, medium security, minimum security, and community facilities. The Department shall present to the Board of Corrections at its January meeting comparative data on budgeted daily cost versus actual daily cost, and, after appropriate review and analysis, the Board shall adopt as a final action of the Board an average daily cost per inmate by facility category for the immediately preceding fiscal year.”

| Public Only | | | |
|--|-----------------------------|---------------------------|-----------------------------|
| Facility Type | FY 2015 Budgeted | FY 2015 Actual | FY 2016 Budgeted |
| Maximum Security | \$85.15 | \$87.20 | \$84.01 |
| Medium Security – Male | \$47.94 | \$42.10 | \$44.88 |
| Medium Security – Female | \$47.95 | \$47.11 | \$48.77 |
| Medium Security – Combined Average | \$47.94 | \$42.83 | \$45.46 |
| Minimum Security – Male | \$44.73 | \$42.14 | \$44.56 |
| Minimum Security – Female | \$41.92 | \$39.06 | \$40.99 |
| Minimum Security – Combined Average | \$44.36 | \$41.75 | \$44.10 |
| Community Correction Centers - Average | \$45.20 | \$47.07 | \$45.96 |
| Community Work Centers - Average | \$37.57 | \$42.35 | \$43.52 |

Submitted to the Board of Corrections January 7, 2016

OKLAHOMA DEPARTMENT OF CORRECTIONS TOTAL COST TO STATE STATEMENT OF OPERATING COST PER INMATE BASED ON FY 2015 ACTUALS (7)

Table with columns: Unit, Actual Costs, Administrative Costs (1), Medical Services Costs, Total Direct Cost, Total Indirect Cost (2), Total Cost, Inmates or Clients/Year (3), Annual, Per Day, Annual, Per Day, Indirect Cost Per Inmate (9), Annual, Per Day, Total Cost Per Inmate, Annual, Per Day. Rows include Institutions, Work Centers, Probation and Parole, and Grand Total.

Notes: (1) Includes divisional and contract administration costs and are allocated based on inmate count. (2) Costs allocated based on inmate count. (3) Average count at facility. (4) Excludes costs of central pharmacy and services not utilized by contract inmates. (5) Includes only indirect costs applicable to inmates in contract beds. (6) Total of inmates and clients. (7) Consists of operating costs, debt and capital outlay. (8) Due to combined metering. OSP pays utility costs for JBCC approximate utility costs \$391,818 of OSP's actual facility costs were moved to that facility. (9) Annual debt service specific to a facility has been applied to that facility. (10) All contracted costs include per diem, medical and administrative costs.

**FY 2016 OCI & Agri-Services
Budget Update**

Oklahoma Correctional Industries
Income Statement for FY 2016
July 1, 2015 through October 31, 2015

| | |
|----------------------------------|--------------------------|
| Sales Revenue | \$ 6,663,489 |
| Cost of Goods Sold | <u>\$ (3,256,555)</u> |
| Gross Profit or (Loss) | \$ 3,406,935 |
| Overhead Expense | \$ (2,141,979) |
| General and Administrative Costs | <u>\$ (526,878)</u> |
| Net Income or (Loss) | <u><u>\$ 738,078</u></u> |

Revenues - derived from our traditional industries, private partnerships, and our Private Industry Enterprise program

Cost of Goods Sold (COGS) - production costs for goods sold during a specified period

Overhead Expense - expenses incurred other than raw materials (labor, travel, supplies, maintenance, depreciation, etc.)

General & Administrative Costs - allocation of expenses not directly related to production

Oklahoma Correctional Industries
Balance Sheet for FY 2016
July 1, 2015 through October 31, 2015

| | |
|------------------------------------|-----------------------------|
| Current Assets | \$ 15,509,295 |
| Fixed Assets | <u>4,489,061</u> |
| Total Assets | <u><u>\$ 19,998,356</u></u> |
| <hr/> | |
| Liabilities | \$ 1,521,268 |
| Fund Balance | <u>18,477,087</u> |
| Total Liabilities and Fund Balance | <u><u>\$ 19,998,356</u></u> |

Equation:

assets= liability + owners equity (fund balance in government accounting)

Current Assets - cash, accounts receivable, and inventories

Fixed Assets - office equipment, factory equipment, vehicles, and buildings net of depreciation

Liabilities - accounts payable and sales tax payable

Agri - Services
Income Statement for FY 2016
July 1, 2015 through October 31, 2015

| | | |
|------------------------|----|--------------------|
| Sales Revenue | \$ | 3,625,222 |
| Cost of Goods Sold | | <u>(1,562,761)</u> |
| Gross Profit or (Loss) | | 2,062,461 |
| Expenses | | <u>(1,936,039)</u> |
| Net Income or (Loss) | \$ | <u>126,422</u> |
| Net Income | | 126,422 |
| Cost Avoidance | | <u>1,142,288</u> |
| Agency Benefit | \$ | 1,268,710 |

Revenues - derived from sales of products: meat, milk, and cattle

Cost of Goods Sold (COGS) - production costs for goods sold during a specified period

Expenses - expenses incurred other than raw materials (labor, travel, supplies, maintenance, depreciation, etc.)

****Cost Avoidance - other services, and products provided to DOC at no cost****

| | | |
|---|----|--------------|
| FY Cost Savings to the Agency - meat, milk (Prime Vendor vs Agri-Services Pricing) | \$ | 1,013,465 |
| FY Cost Savings to the Agency - opportunity buys (Prime Vendor vs Opportunity Buy Pricing) | \$ | 119,259 |
| Services provided to DOC (brush hogging county road right of way, applying herbicide to lagoons, etc) | \$ | <u>9,564</u> |
| Total Savings | \$ | 1,142,288 |

Agri - Services
Balance Sheet for FY 2016
July 1, 2015 through October 31, 2015

| | |
|------------------------------------|-----------------------------|
| Current Assets | \$ 9,905,399 |
| Fixed Assets | <u>1,799,307</u> |
| Total Assets | <u><u>\$ 11,704,706</u></u> |
| <hr/> | |
| Liabilities | \$ 868,575 |
| Fund Balance | 10,836,131 |
| Total Liabilities and Fund Balance | <u><u>\$ 11,704,706</u></u> |

Equation

assets= liability + owners equity (fund balance in government accounting)

Current Assets - cash, accounts receivables, inventories, live stock, and prepaid land leases

Fixed Assets - office equipment, farm and factory equipment, vehicles and buildings net of depreciation

Liabilities - accounts payable and sales tax payable

Department of Corrections
Oklahoma Correctional Industries
Balance Sheet
As of October 31, 2015

| | | |
|--------------------------------------|-------------------------|---------------------------------|
| Cash | 2,388,939.87 | |
| Restricted cash -1131 | 1,543,588.03 | |
| Accounts Receivables | 3,366,670.24 | |
| Raw Materials Inventory | 5,800,109.51 | |
| Finished Goods Inventory | 1,667,889.70 | |
| Goods In Transit | 4,905.96 | |
| Work In Process Inventory | <u>737,191.82</u> | |
| Total Current Assets | | 15,509,295.13 |
| Fixed Assets | | |
| Office equipment | 1,858,396.68 | |
| Factory equipment | 6,357,158.54 | |
| Vehicles | 2,539,540.06 | |
| Buildings | 7,579,149.41 | |
| Accumulated Depreciation Buildings | (5,124,687.77) | |
| Accumulated Depreciation Equipment | <u>(8,720,496.35)</u> | |
| Total Fixed Assets | | <u>4,489,060.57</u> |
| Total Assets | | <u><u>19,998,355.70</u></u> |
| Liabilities and Fund Balance | | |
| Accounts Payable | 296,617.26 | |
| Sales tax Payable | 5,145.54 | |
| Goods Received Suspense | <u>1,219,505.57</u> | |
| Total Liabilities | | 1,521,268.37 |
| Fund Balance | | |
| Reserved: | | |
| Reserved for Fixed Assets | 4,489,060.57 | |
| Reserved for Inventories | 8,210,096.99 | |
| Unreserved, undesignated | <u>5,777,929.77</u> | |
| Total Fund Balance | | <u>18,477,087.33</u> |
| Total Liabilities & Fund Balance | | <u><u>19,998,355.70</u></u> |

OKLAHOMA CORRECTIONAL INDUSTRIES
CONSOLIDATED MANUFACTURING INCOME STATEMENT FY 2016
SUMMARY

| | October 2015 | 2016 Fiscal YTD |
|--------------------------------|-------------------------|--------------------------|
| Revenue | | |
| Sales | 845,885.19 | 4,830,641.77 |
| Miscellaneous Sales | | 0.00 |
| Miscellaneous Income | 3,963.47 | 5,542.17 |
| PPI Program Support | 9,070.70 | 40,396.77 |
| Private Industry Income | 120,684.86 | 579,703.85 |
| Private Partnership Income | <u>258,833.50</u> | <u>1,207,204.68</u> |
| Total Revenue | <u>1,238,437.72</u> | <u>6,663,489.24</u> |
| Cost of Goods Sold | | |
| Cost of Goods Sold | (519,478.98) | (3,255,998.00) |
| Cost of Goods Sold Adjustment | <u>(431.68)</u> | <u>(556.54)</u> |
| Total Cost of Goods Sold | <u>(519,910.66)</u> | <u>(3,256,554.54)</u> |
| Gross Profit or (Loss) | <u>718,527.06</u> | <u>3,406,934.70</u> |
| Overhead | | |
| WIP Factory Overhead | (49,597.54) | (247,627.93) |
| Inventory Overhead | (37,700.94) | (30,463.42) |
| Factory Overhead | <u>606,910.54</u> | <u>2,420,070.12</u> |
| Total Overhead Variance | <u>519,612.06</u> | <u>2,141,978.77</u> |
| Operating Profit or (Loss) | <u>198,915.00</u> | <u>1,264,955.93</u> |
| General & Administrative Costs | | |
| WIP G & A Overhead | (32,940.11) | (152,931.31) |
| Accounting | 20,355.46 | 81,744.71 |
| Administration | 59,994.59 | 251,065.74 |
| Computer Operations | 32,059.53 | 146,234.92 |
| Customer Service | 7,419.33 | 35,346.04 |
| Sales & Marketing | <u>46,951.57</u> | <u>165,417.45</u> |
| Total G & A Variance | <u>133,840.37</u> | <u>526,877.55</u> |
| Net Income or (Loss) | <u><u>65,074.63</u></u> | <u><u>738,078.38</u></u> |

Notes:

Miscellaneous sales - Sales of other than products or services (pallet and paper recycling)

Private Prison Income - Program Support returned to OCI from PIE employees

Cost of Goods Sold - Cost of Goods Sold (COGS) is the total of all the cost of all goods invoiced during a specific period. This total includes all value added to materials during the manufacturing process (Pre-determined Overhead Rate and Fixed Overhead Rate). The POHR is comprised of Estimated / Budgeted Production related Labor and expenses divided by estimated / budgeted total of labor hours. The Fixed Overhead Rate includes all estimated / budgeted General & Administrative expenses divided by estimated / budgeted total of labor hours.

WIP Factory Overhead- Total of all actual production hours "times" the Pre-determined Overhead Rate. This offsets the value added from Budgeted labor and expenses in COGS to actual expenses posted for the period. "Production Credits"

Inventory Overhead - adjustments to inventory due to cost or quantity changes, loss, scrap etc.

Factory Overhead - Expenses incurred other than raw materials (labor, travel, supplies, maintenance, depreciation, etc.)

General & Administrative Costs - allocation of expenses not directly related to production

OKLAHOMA CORRECTIONAL INDUSTRIES
CONSOLIDATED MANUFACTURING INCOME STATEMENT FY 2016
DETAIL

| | October 2015 | 2016 Fiscal YTD |
|--------------------------------|------------------------|-------------------------|
| WIP Production Credits | | |
| Set-up Time Productive WIP | | |
| Run Time Productive WIP | <u>(49,597.54)</u> | <u>(247,627.93)</u> |
| Total WIP Factory Overhead | <u>(49,597.54)</u> | <u>(247,627.93)</u> |
| Inventory Overhead | | |
| Inventory Cost Adjustments | 2,027.65 | 3,584.38 |
| Inventory Quantity Adjustment | (45,502.36) | (35,263.80) |
| Inventory Physical Count Adj | 5,773.77 | 251.24 |
| Raw Materials Variance | | 917.00 |
| Finished Goods Cost Variance | | 2.76 |
| WIP Variance | | <u>45.00</u> |
| Total Inventory Overhead | <u>(37,700.94)</u> | <u>(30,463.42)</u> |
| Factory Overhead | | |
| Labor Expense | | |
| Staff Salaries | | |
| Salaries Regular | <u>113,778.43</u> | <u>465,186.48</u> |
| Total Staff Salaries | <u>113,778.43</u> | <u>465,186.48</u> |
| Staff Benefits | | |
| Health & Life Insurance | 29,544.89 | 114,774.27 |
| State Share FICA | 8,580.35 | 35,094.91 |
| State Share OPERS | 16,913.31 | 68,850.87 |
| State Share Annuity | <u>719.61</u> | <u>2,771.64</u> |
| Total Staff Benefits | <u>55,758.16</u> | <u>221,491.69</u> |
| Engineering Services | | |
| Professional Services | | |
| Employment Services | 23,674.57 | 107,876.46 |
| Offender Labor | <u>155,136.87</u> | <u>579,107.55</u> |
| Total Labor Expense | <u>348,348.03</u> | <u>1,373,662.18</u> |
| Travel Expense | | |
| In State Travel | | |
| Per Diem | | 0.00 |
| Lodging | | 0.00 |
| Miscellaneous | | <u>0.00</u> |
| Total In State Travel | <u>0.00</u> | <u>0.00</u> |

| | | |
|---------------------------------------|-------------------|-------------------|
| Out of State Travel | | |
| Per Diem | | 0.00 |
| Miscellaneous | | |
| Lodging | | |
| Total Out of State Travel | <u>0.00</u> | <u>0.00</u> |
| Food & Lodging Agency Direct | | 0.00 |
| Total Travel Expenses | <u>0.00</u> | <u>0.00</u> |
| Utilities | | |
| Water & Waste | 82.60 | 495.60 |
| Natural Gas | 2,985.98 | 12,965.31 |
| Electricity | <u>20,631.73</u> | <u>92,499.17</u> |
| Total Utilities | <u>23,700.31</u> | <u>105,960.08</u> |
| Rent Expense | | |
| Building Space | | |
| Equipment & Machinery | 2,455.97 | 5,507.47 |
| Electronic Data Equipment | | <u>71.87</u> |
| Total Rent Expense | <u>2,455.97</u> | <u>5,579.34</u> |
| Maintenance & Repair - Outside Vendor | | |
| Buildings & Grounds | 7,035.84 | 14,799.16 |
| Equipment | 10,015.78 | 37,226.85 |
| Telecommunications Equipment | | 0.00 |
| Office Equipment | 71.87 | 181.85 |
| Data Processing Equipment | | |
| Total Maintenance & Repair | <u>17,123.49</u> | <u>52,207.86</u> |
| Supplies Expense | | |
| Housekeeping & Janitorial | 1,450.86 | 10,423.56 |
| Maintenance - Building & Ground | 2,193.16 | 8,475.45 |
| Maintenance - Equipment | 13,683.26 | 43,729.97 |
| Maintenance _ Telecommunications | | 0.00 |
| Maintenance _ Data Process Equipment | | 0.00 |
| Food & Kitchen | | 0.00 |
| Medical | | 0.00 |
| Motor Fuel - Common | 9,350.43 | 42,868.97 |
| Motor Fuel - Special | 480.29 | 2,695.82 |
| Uniform Clothing & Accessories | | 0.00 |
| Safety & Security | 942.32 | 6,288.30 |
| Packaging | | 0.00 |
| Shop | 110,804.33 | 516,157.68 |
| Meeting Refreshments | | 0.00 |
| Office - Non-expendable | | 11,878.32 |
| Office Expendable | 3,681.29 | 7,503.19 |
| Data Processing | | 2,301.41 |
| Motor Vehicle - Expendable | 1,260.55 | 3,249.37 |
| Motor Vehicle - Non-expendable | <u>1,369.06</u> | <u>5,134.24</u> |
| Total Supplies Expense | <u>145,215.55</u> | <u>660,706.28</u> |
| Depreciation Expense | | |
| Equipment | 16,899.67 | 67,738.65 |
| Building | <u>15,264.04</u> | <u>61,056.16</u> |
| Total Depreciation | <u>32,163.71</u> | <u>128,794.81</u> |

| | | |
|-----------------------------------|--------------------------|----------------------------|
| Other Expenses | | |
| Freight | 7,034.04 | 21,539.16 |
| Postage | 75.00 | 75.00 |
| Telecommunications Services | 8,768.13 | 36,783.46 |
| Printing & Binding Services | | 0.00 |
| Advertising/Prototypes | 6,521.22 | 12,305.30 |
| Licenses, Permits, etc | | 75.00 |
| Employee Reimbursement Non-travel | | 0.00 |
| Inter-Governmental Payments | | 0.00 |
| Damaged Merchandise | 1,030.96 | 3,231.77 |
| Warranty Repair Costs | <u>14,474.13</u> | <u>19,149.88</u> |
| Total Other Expenses | <u>37,903.48</u> | <u>93,159.57</u> |
| Total Factory Overhead | <u><u>606,910.54</u></u> | <u><u>2,420,070.12</u></u> |

Department of Corrections
Oklahoma Correctional Industries
Statement of Cash Flows
As of October 31, 2015

| | |
|--|--------------|
| Net Income/(Loss) | 738,078.38 |
| Cash Flows from Operating Activities | |
| Depreciation | |
| Buildings | 64,089.28 |
| Other | 97,272.98 |
| Adjustments to Reconcile | |
| (Increase)/Decrease in Operational Assets | |
| Accounts Receivable | (375,586.24) |
| Inventory | |
| Raw Materials | 181,361.49 |
| Work in Process | 211,364.17 |
| Finished Goods | 1,079,565.95 |
| Increase/(Decrease) in Operational Liabilities | |
| Accounts Payable | 1,179,687.72 |
| Net Cash Provided by Operating Activities | 3,175,833.73 |
| Cash Flow From Investing Activities | |
| Purchases of Equipment and Property | |
| Office Equipment | 0.00 |
| Factory Equipment | (58,731.41) |
| Vehicles | 0.00 |
| Buildings | (19,130.00) |
| Land | 0.00 |
| Net Cash Gained (used) in Investing Activities | (77,861.41) |
| Financing Activities | |
| Net Cash Gained (used) in Financing Activities | 0.00 |
| FY 15 Appropriated Funds | |
| FY 15 Adjustments | |
| Net Cash for Period | 3,097,972.32 |

Department of Corrections
Oklahoma Correctional Industries
Balance Sheet
As of October 31, 2015

| | | |
|--------------------------------------|-------------------------|---------------------------------|
| Cash | 2,388,939.87 | |
| Restricted cash -1131 | 1,543,588.03 | |
| Accounts Receivables | 3,366,670.24 | |
| Raw Materials Inventory | 5,800,109.51 | |
| Finished Goods Inventory | 1,667,889.70 | |
| Goods In Transit | 4,905.96 | |
| Work In Process Inventory | <u>737,191.82</u> | |
| Total Current Assets | | 15,509,295.13 |
| Fixed Assets | | |
| Office equipment | 1,858,396.68 | |
| Factory equipment | 6,357,158.54 | |
| Vehicles | 2,539,540.06 | |
| Buildings | 7,579,149.41 | |
| Accumulated Depreciation Buildings | (5,124,687.77) | |
| Accumulated Depreciation Equipment | <u>(8,720,496.35)</u> | |
| Total Fixed Assets | | <u>4,489,060.57</u> |
| Total Assets | | <u><u>19,998,355.70</u></u> |
| Liabilities and Fund Balance | | |
| Accounts Payable | 296,617.26 | |
| Sales tax Payable | 5,145.54 | |
| Goods Received Suspense | <u>1,219,505.57</u> | |
| Total Liabilities | | 1,521,268.37 |
| Fund Balance | | |
| Reserved: | | |
| Reserved for Fixed Assets | 4,489,060.57 | |
| Reserved for Inventories | 8,210,096.99 | |
| Unreserved, undesignated | <u>5,777,929.77</u> | |
| Total Fund Balance | | <u>18,477,087.33</u> |
| Total Liabilities & Fund Balance | | <u><u>19,998,355.70</u></u> |



**Oklahoma Correctional Industries
Manufacturing Statement for
All Factories**

For Period Ending October 31, 2015

| | <u>October, 2015</u> | <u>2016 Fiscal Year To Date</u> |
|--|----------------------|---------------------------------|
| <u>Direct Materials</u> | | |
| Beginning raw inventory | \$ 5,568,179.71 | \$ 5,970,437.59 |
| Purchases | 412,382.85 | 1,230,582.08 |
| Available For Use | 5,980,562.56 | 7,201,019.67 |
| Ending raw inventory | 5,789,076.10 | 5,789,076.10 |
| Direct Materials Used | \$ 191,486.46 | \$ 1,411,943.57 |
| <u>Offender (Direct) Labor</u> | 84,967.09 | 297,036.99 |
| <u>Factory Overhead</u> | | |
| Factory Staff | 169,829.36 | 699,217.68 |
| Travel Expenses | 0.00 | 0.00 |
| Utilities | 21,036.80 | 93,169.52 |
| Rentals | 2,455.97 | 5,579.34 |
| Maintenance & Repairs | 15,473.24 | 47,003.57 |
| Supplies | 125,779.45 | 583,514.43 |
| Depreciation | 32,163.71 | 128,794.81 |
| Other | 13,335.00 | 41,492.62 |
| Inventory Shrinkage | (37,610.55) | (30,153.26) |
| Total Factory Overhead | 342,462.98 | 1,568,618.71 |
| Total manufacturing costs | 618,916.53 | 3,277,599.27 |
| Work in progress beginning inventory | 728,326.71 | 882,486.81 |
| Total cost of work in progress | 1,347,243.24 | 4,160,086.08 |
| Work in progress ending inventory | 705,858.20 | 705,858.20 |
| <u>Cost of Goods Manufactured</u> | \$ 641,385.04 | \$ 3,454,227.88 |

Agri-Services
Income Statement
As of October 31, 2015

| | October 2015 | Fiscal Year 16 Year to Date |
|--|--------------------------|--------------------------------|
| SALES | 996,568.76 | 3,568,354.43 |
| IN KIND INCOME | 16,174.55 | 56,867.24 |
| COST OF GOODS | <u>(344,520.17)</u> | <u>(1,562,760.60)</u> |
| GROSS PROFIT | <u>668,223.14</u> | <u>2,062,461.07</u> |
| EXPENSES | | |
| SALARIES | 201,607.77 | 881,843.64 |
| OFFENDER PAYROLL | | 54,680.57 |
| OTHER SERVICES | 7,460.01 | 22,747.00 |
| FARM EXPENSES | 106,776.48 | 435,975.29 |
| FUEL | 14,141.78 | 75,377.90 |
| RENT | 5,903.03 | 22,662.97 |
| BUILDING, VEHICLE & EQUIPMENT REPAIR EXPENSE | 62,481.13 | 229,886.01 |
| UTILITIES | 13,507.12 | 40,669.88 |
| OTHER EXPENSE | 14,821.00 | 74,177.49 |
| DEPRECIATION | <u>24,218.88</u> | <u>98,018.41</u> |
| TOTAL EXPENSE | <u>450,917.20</u> | <u>1,936,039.16</u> |
| NET INCOME | <u><u>217,305.94</u></u> | <u><u>126,421.91</u></u> |

Notes:

- In Kind Income - Market value (Sysco Price) of vegetables raised and provided to facilities at no cost.
- Cost of Goods Sold - Our cost of raw materials needed to produce the goods for sale
- Other Services - Testing done by outside sources (soil, ecoli, food) Does not include veterinary services.
- Farm Expense - Agricultural supplies, feed, vet supplies and services, seed, fertilizer, etc.
- Rent - Rental of equipment and land
- Other Expense - Office supplies, shop supplies, travel, fees, licenses, etc
- Depreciation - based on straight line method.

| | |
|--|----------------------------|
| * FY Cost Savings to the Agency - Meat, Milk(Prime Vendor vs Agri-Services Pricing) | 1,013,464.67 |
| * FY Cost Savings to the Agency - Opportunity Buys (Prime Vendor vs Opportunity Buy Pricing) | 119,258.80 |
| * Services provided to DOC(brush hogging county road right of way, applying herbicide to lagoons, etc) | <u>9,564.35</u> |
| | <u><u>1,142,287.82</u></u> |

Department of Corrections
 Agri-Services
 Balance Sheet
 As of October 31, 2015

Current Assets

| | |
|--|---------------------|
| Cash | \$ 1,605,689.33 |
| Restricted Cash -1131 | \$ 960,323.49 |
| Accounts Receivables | \$ 823,901.87 |
| Due to/From OCI | |
| Raw Materials Inventory | \$ 873,810.36 |
| Finished Goods Inventory | \$ 475,575.08 |
| Work In Process Inventory | |
| Live Stock | \$ 4,549,135.00 |
| Stock Feed | \$ 521,910.56 |
| Semen | \$ 12,070.55 |
| Wood | \$ 11,625.00 |
| Prepaid Land Leases (Commissioner of the Land) | \$ 10,450.81 |
| Bulk Fuel | <u>\$ 60,907.04</u> |
| Other Current Assets | |

Total Current Assets \$ 9,905,399.09

Fixed Assets

| | |
|------------------------------------|-------------------|
| Office equipment | \$ 123,529.59 |
| Factory equipment | \$ 1,354,733.03 |
| Vehicles | \$ 1,533,952.19 |
| Farm Equipment | \$ 3,952,449.80 |
| Buildings | \$ 2,319,960.47 |
| Land | \$ 319,684.69 |
| Accumulated Depreciation Buildings | \$ (1,402,847.13) |
| Accumulated Depreciation Equipment | \$ (6,402,155.54) |

Total Fixed Assets \$ 1,799,307.10

Total Assets \$ 11,704,706.19

Liabilities and Fund Balance

| | |
|-------------------------|---------------|
| Accounts Payable | \$ 394,781.45 |
| Sales tax Payable | \$ 102.29 |
| Goods Received Suspense | \$ 473,691.70 |

Total Liabilities \$ 868,575.44

Fund Balance

Reserved:

| | |
|---------------------------|-----------------|
| Reserved for Fixed Assets | \$ 1,799,307.10 |
| Reserved for Inventories | \$ 6,515,484.40 |

Unreserved, undesignated \$ 2,521,339.25

Total Fund Balance \$ 10,836,130.75

Total Liabilities & Fund Balance \$ 11,704,706.19

Department of Corrections
 Agri-Services
 Statement of Cash Flows
 As October 31, 2015

| | |
|--|--------------|
| Net Income/(Loss) | 126,421.91 |
| Cash Flows from Operating Activities | |
| Depreciation | |
| Buildings | 29,711.76 |
| Other | 68,306.65 |
| Adjustments to Reconcile | |
| (Increase)/Decrease in Operational Assets | |
| Accounts Receivable | 90,817.92 |
| Sales Tax Payable | 74.22 |
| Inventory | |
| Raw Materials | (58,763.09) |
| Finished Goods | (265,808.71) |
| Stock Feed | (189,085.62) |
| Semen | 676.98 |
| Bulk Fuel | (56,414.67) |
| Prepaid Leases | 20,901.68 |
| Packaging Materials | 0.00 |
| Increase/(Decrease) in Operational Liabilities | |
| Accounts Payable | 48,203.64 |
| Net Cash Provided by Operating Activities | |
| Purchases of Equipment and Property | |
| Office Equipment | 0.00 |
| Agricultural Equipment | 0.00 |
| Factory Equipment | 0.00 |
| Vehicles | 0.00 |
| Buildings | 0.00 |
| Land | 0.00 |
| Cash Flow From Investing Activities | |
| Net Cash for Period | (184,957.33) |

**FY 2016 Financial Internal
Audits Update**

Oklahoma Department of Corrections

Internal Audit Summary Report

First Quarter FY 16

During the first quarter of FY 2016, the internal audit team closed and submitted nine (9) audit reports to the director and, after his approval, those reports were submitted to the State Auditor and Inspector office. The units/facilities audited were:

1. Bill Johnson Correctional Center
2. Oklahoma Correctional Industries (OCI) at Joseph Harp Correctional Center
3. James Crabtree Correctional Center
4. Jim E. Hamilton Correctional Center
5. Agri-Services at Northeast Oklahoma Correctional Center
6. Northeast Oklahoma Correctional Center
7. Mack Alford Correctional Center
8. Lexington Assessment and Reception Center
9. William S. Key Correctional Center

The Fiscal Management compliance and Internal Controls over the following financial activities were examined, to include Accounts Payables, Accounts Receivables (Prisoner Public Works Projects and Private Industry Enterprises), Purchasing, Receiving, Purchase Cards, Express Checks, Debit Cards, Canteen (OBS and Inventory), Trust Fund, Warehouse Inventory, OCI Factory Inventory, Agri-Services Livestock, Feedstock, Woodstock and Fixed Assets Management System.

Summary of Internal Control Weaknesses

Canteen Inventory at Northeast Oklahoma Correctional Center – Twenty-four percent (24.0%) of the shelf items sampled (17 of 72) were not in agreement with the OBS closing inventory balances.

Warehouse Inventory at James Crabtree Correctional Center – Thirty three percent (32.39%) of the shelf items sampled (23 of 71) were not in agreement with the facility closing inventory balances.

Warehouse Inventory at Bill Johnson Correctional Center – Seventy percent (69.84%) of the shelf items sampled (44 of 63) were not in agreement with the facility closing inventory balances.

Kitchen Food Inventory at William S. Key Correctional Center –The kitchen did not have an inventory control system of food items in place to monitor food inventory.

- RISKS** (1) Theft of Inventory may go undetected.
(2) Loss of revenue.
(3) Inadequate supplies to meet demand.
(4) Inaccurate disclosed Balance Sheet valuation (CAFR).

To mitigate these risks, the plan of corrective action for the Canteen, Warehouse and Kitchen Inventories included a comprehensive review and implementation of controls over receiving, recording issuing, pat down searches of offender workers and random inventory audits to be conducted by a team appointed by the warden.

Canteen Petty Cash Fund at Northeast Oklahoma Correctional Center – There was a \$37.77 cash shortage from the fund.

- Risks** (1) Canteen fund may be compromised.

To mitigate this risk, the plan of corrective action is for a tighter cash control policy.

Express Check at James Crabtree Correctional Center – One Check for \$15.00 only had one authorized signature.

Express Check at Mack Alford Correctional Center – One check for \$219.50 was not signed by anyone.

Express Check at William S. Key Correctional Center – One check for \$15.00 was not signed by anyone.

Express Checks at William S. Key Correctional Center – A total of four checks \$15.00, \$15.00, \$220.00, and \$20.00 only had one signature.

Express Check at Mack Alford Correctional Center – One check for \$219.50 was not signed by anyone.

- Risks** Disbursing checks without the required authorized signatures circumvents the internal controls and may result in opportunities for unauthorized expenditures and personal gain.

Corrective action requires office staff to verify the required two signatures.

Trust Fund Mack Alford Correctional Center – A total of nineteen offenders “Request for Disbursement” of \$500.00 or more were not interviewed by any of the designated staff required to do so prior to disbursement of the funds.

- Risk** (1) Unauthorized disbursements
(2) Fiduciary responsibility of the department may be compromised

Corrective action dictates proper training and understanding of the operating procedure in place to insure the fiduciary responsibility.

Fixed Assets Management System

Safeguarding and Accountability

There were no discrepancies noted to report in the first quarter of FY 16.

The Internal Audit Team continues to complete a 100% inventory of weapons, vehicles, vests and radios as part of our audit procedures, as well as a large sampling of other inventory.

Offender Population Update

Population Update

Population Information as of November 30, 2015

Compared to November 26, 2014

| Total System Committed Offender Population | Females | Males | Total |
|--|---------|--------|--------|
| Current Population | 3,016 | 25,005 | 28,021 |
| Population Last Year | 2,805 | 24,604 | 27,409 |
| Change from last year | 211 | 401 | 612 |

| DOC Facilities | Females | Males | Total |
|----------------------|---------|--------|--------|
| Current Population | 2,639 | 17,078 | 19,717 |
| Population Last Year | 2,445 | 16,734 | 19,179 |
| Change | 194 | 344 | 538 |

| Private Prisons | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 0 | 5,917 | 5,917 |
| Population Last Year | 0 | 5,811 | 5,811 |
| Change | 0 | 106 | 106 |

| County Jail Contracts | Females | Males | Total |
|-----------------------|---------|-------|-------|
| Current Population | 0 | 580 | 580 |
| Population Last Year | 0 | 563 | 563 |
| Change | 0 | 17 | 17 |

| Halfway Houses | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 337 | 1,035 | 1,372 |
| Population Last Year | 315 | 1,159 | 1,474 |
| Change | 22 | (124) | (102) |

| Out Count | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 40 | 395 | 435 |
| Population Last Year | 45 | 337 | 382 |
| Change | (5) | 58 | 53 |

| Total System Community Supervised Offender Population | Females | Males | Total |
|---|---------|--------|--------|
| Current Population | 6,386 | 20,837 | 27,223 |
| Population Last Year | 5,908 | 19,544 | 25,452 |
| Change from last year | 478 | 1,293 | 1,771 |

| Probation Supervision | Females | Males | Total |
|-----------------------|---------|--------|--------|
| Current Population | 5,753 | 17,880 | 23,633 |
| Population Last Year | 5,235 | 16,338 | 21,573 |
| Change | 518 | 1,542 | 2,060 |

| Parole Supervision | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 397 | 2,424 | 2,821 |
| Population Last Year | 460 | 2,715 | 3,175 |
| Change | (63) | (291) | (354) |

| GPS | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 215 | 473 | 688 |
| Population Last Year | 207 | 451 | 658 |
| Change | 8 | 22 | 30 |

| EMP | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 0 | 12 | 12 |
| Population Last Year | 0 | 20 | 20 |
| Change | 0 | (8) | (8) |

| PPCS | Females | Males | Total |
|----------------------|---------|-------|-------|
| Current Population | 0 | 1 | 1 |
| Population Last Year | 0 | 1 | 1 |
| Change | 0 | 0 | 0 |

| Community Program Failures | Females | Males | Total |
|----------------------------|---------|-------|-------|
| Current Population | 21 | 47 | 68 |
| Population Last Year | 6 | 19 | 25 |
| Change | 15 | 28 | 43 |

| Total System Population | Females | Males | Total |
|---------------------------|---------|--------|--------|
| Current System Population | 9,402 | 45,842 | 55,244 |
| Population Last Year | 8,713 | 44,148 | 52,861 |
| Change | 689 | 1,694 | 2,383 |

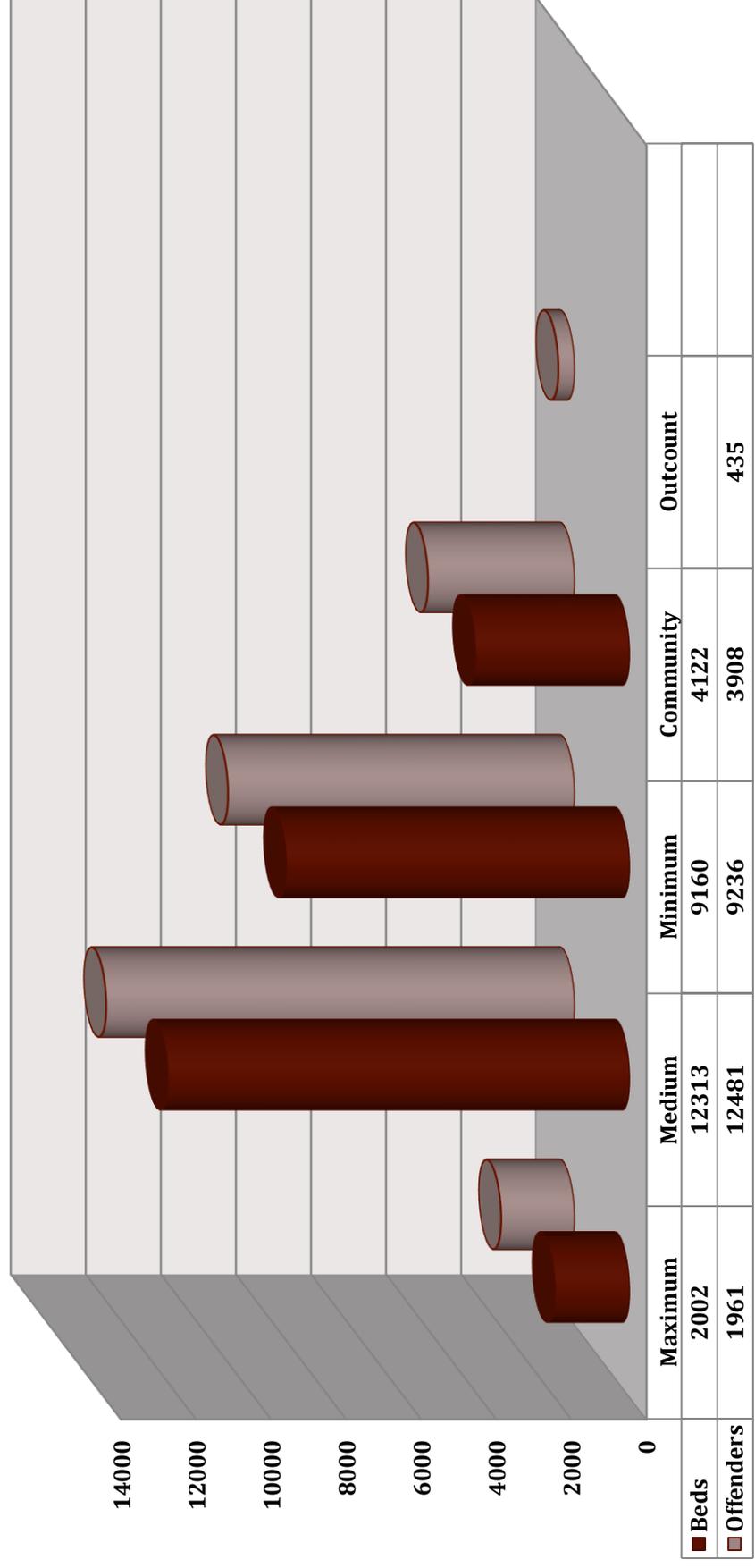
| County Jail Inmate Backup | Females | Males | Total |
|---------------------------|---------|-------|-------|
| November 30, 2015 | 127 | 724 | 851 |
| Population Last Year | 42 | 207 | 249 |
| Change | 85 | 517 | 602 |

| State Facility Capacity Percentages | | |
|-------------------------------------|--|-------------|
| Assessment & Reception Centers | | 96% |
| Institutions | | 122% |
| Community Corrections Centers | | 99% |
| Community Work Centers | | 105% |
| TOTAL STATE BEDS | | 118% |

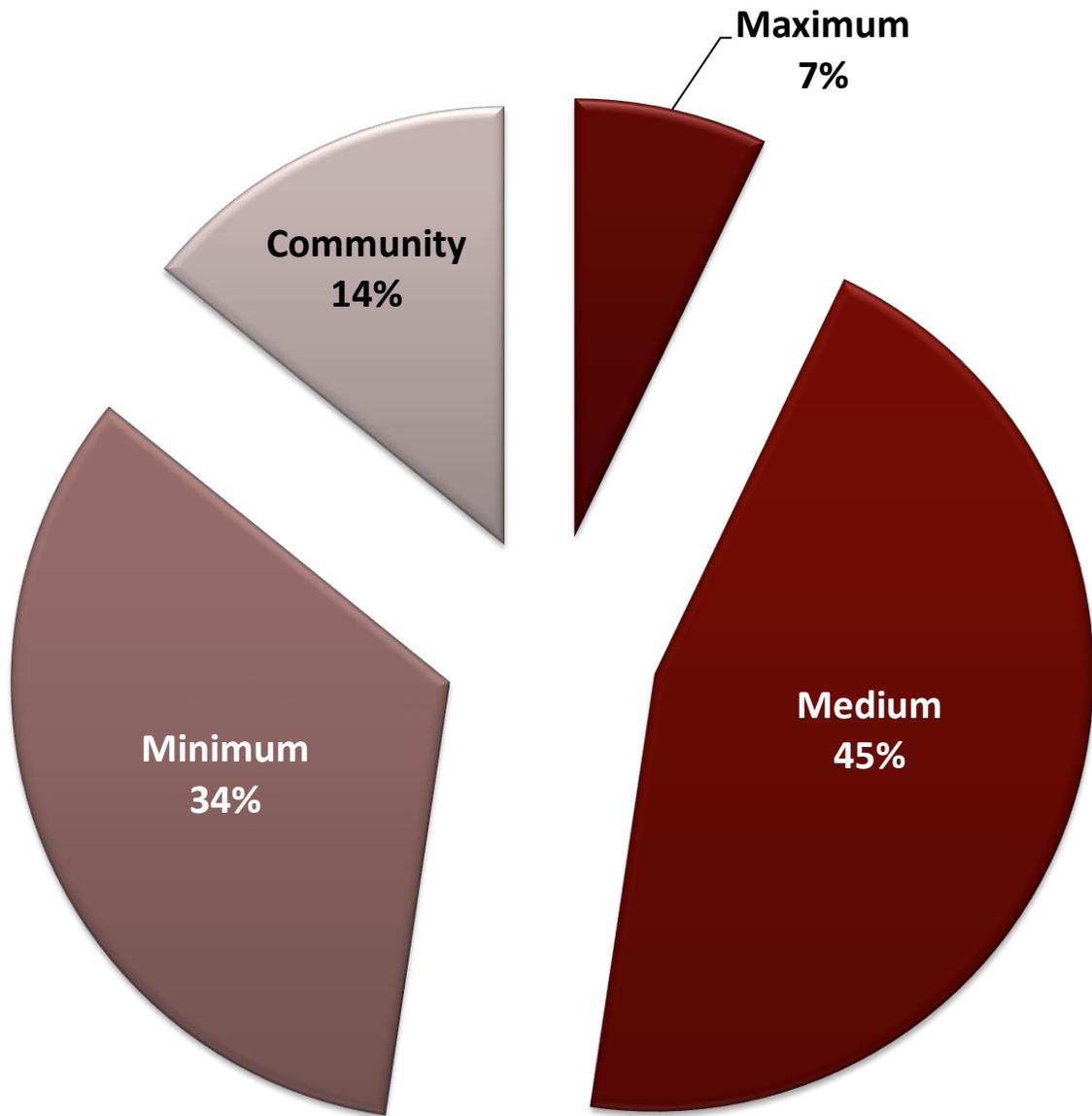
| Pardon & Parole Board Results | Females | Males | Total |
|-------------------------------|---------|--------|--------|
| Month: November 2015 | | | |
| Considered | 22 | 312 | 334 |
| Denied | 14 | 263 | 277 |
| Recommended | 8 | 49 | 57 |
| Percentage Recommended | 36.36% | 15.71% | 17.07% |

| Governor's Actions | Females | Males | Total |
|-----------------------------|---------|-------|-------|
| Month: November 2015 | | | |
| Reviewed | 0 | 0 | 0 |
| Approved | 0 | 0 | 0 |
| Denied | 0 | 0 | 0 |
| Percentage Approved | 0.00% | 0.00% | 0.00% |

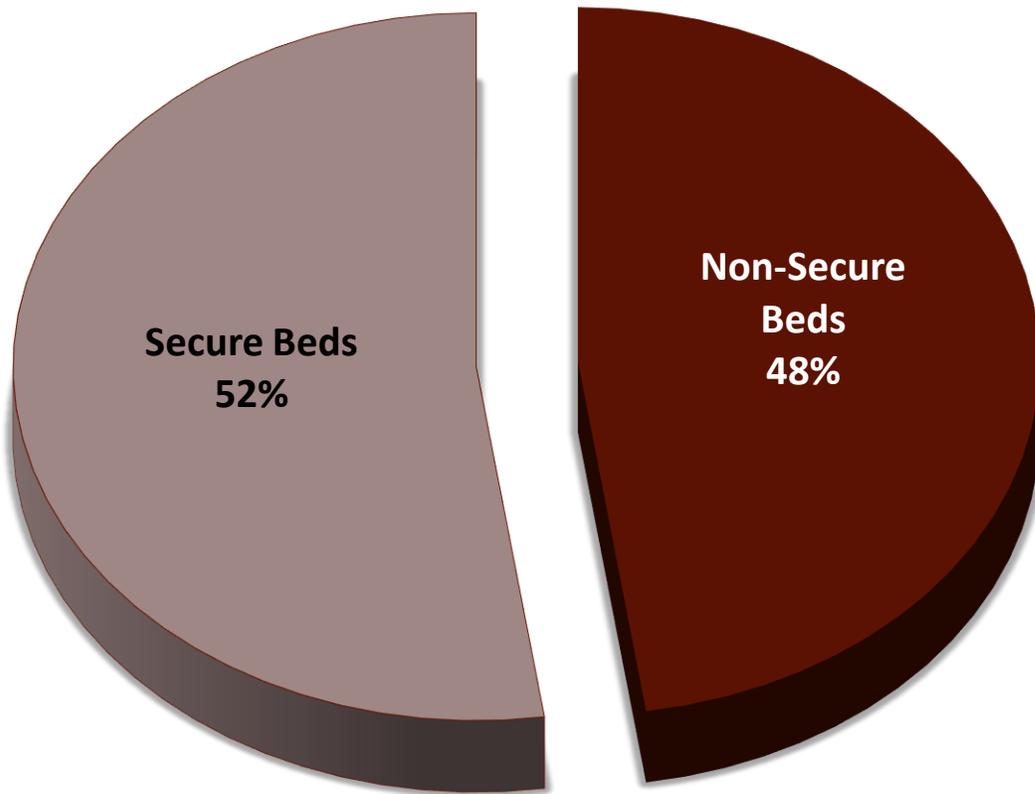
Offender and Bed Distribution November 30, 2015



**Offender Distribution by Security Level
November 30, 2015**



**Percentage of Offenders in Secure
and Non-Secure Beds
November 30, 2015**



Offenders in DOC Facilities v. Contract Facilities November 30, 2015

