

Annual Report

2020

Michigan State Industries

Building Bridges to Success

Michigan Department of Corrections



Mackinac Island, Michigan

FROM *the* ADMINISTRATOR

From all of us who work hard to bring you quality products and service, let me thank you for your support of Michigan State Industries (MSI). Whether you are an employee, a customer, a partner, or a supplier I want to ensure you are aware of how much you are appreciated for all that you do for MSI, especially during these last 14 months as the world stood still and we all hunkered down to help reduce the spread of COVID-19. It has been one crazy year and we are all looking forward to the return of normality.

It is the intent of this annual report to share a little more with you about who we are and what we do. I am passionate about our people and our program, as you'll see as you make your way through our Annual Report. Yes, we have factories that make things, but those are byproducts of our real mission here.

MSI has just 43 full-time employees to support our 12 operations. Our employees are exceptional not only in what they do, but in how they strive to do it better. They have been recognized for their outstanding service at every level this year. Internally, the MSI Administrators Coin has been awarded to three staff members (Chad Guthrie, Deann Gallagher, TJ White). Our staff works with more than 550 Michigan offenders daily to turn out quality products while keeping our operations safe and secure. Most importantly we are preparing our prisoner workforce to be successful in real world working environments so that they can be productive, contributing members of society as soon as they are released.



MSI Operations staff are ambitious, driven, and passionate about their work. During the ongoing response to the COVID-19 pandemic, staff at every level in the organization formed invaluable bonds, trust, cooperation, and collaboration by manufacturing and shipping enormous quantities of PPE and other essential items for MDOC and outside customers.

Each factory operation instills the same core values and team concept while motivating and developing work skills training for their prisoner workers.

As the MSI Administrator I am extremely proud of the individuals who choose to work for this organization, and I count those blessings each day. People make the difference in any organization and in the MSI organization, people are making a difference.

Thank you for your continued support of MSI.

Christopher J. Kamrada
Administrator, Michigan State Industries

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MANAGEMENT Discussion & Analysis

This Annual Report provides an analysis and evaluation of the current and prospective restructuring, cost reductions, asset management and progress towards the financial stability of Michigan State Industries while preparing prisoners for their return to society.

Restructuring

Michigan State Industries (MSI) is continually evolving the organizational plan that will streamline operations and improve efficiency allowing us to better serve MSI customers, the Department, and the Michigan taxpayer. MSI is working to assess current operations as it aligns with the core mission of prisoner success while restructuring the business model and operations to become fiscally solvent. The MSI organization structure made several changes such as reclassifying state administrative manager positions to Garment Manager and Operation Manager, which then evolved into the Production Manager, Sales & Service Manager and Administrative Manager. In addition, MSI invested capital in the implementation of a new ERP system to replace its legacy system, Syteline, to Global Shop Solutions. The new ERP system will allow for a more accurate method to develop product cost.

Closures

Within the last few years many operations that annually resulted in deficit spending have been discontinued. In October 2019, due to the external expansion of the Metropolitan Detroit Area Hospital Laundry Services, Henry Ford Hospital was required to consolidate their laundry services with MDAHLS, causing the closure of the Thumb Laundry.

Successes

MSI's management team remains committed to working with the Department of Corrections to identify and collaborate with other key stakeholders, and to help meet its mission of protecting public safety and improving parolee recidivism. During this reporting period, we recaptured business lost to private contracts including prisoner blues, thermals, t-shirts, pants, prisoner jackets and kitchen janitorial supplies. This resulted in revenues in excess of 2M. MSI transitioned from the oxford shoes to rocky boots, now available to all uniform staff.

Contributions

MSI is an effective management tool for reducing inmate idleness, providing structured training programs, instilling transferrable job skills, a positive work ethic, social management skills and personal responsibility. Approximately 550 prisoners per day are employed with MSI engaged in 12 factory operations to meet the needs of government and select nonprofit organizations. These prisoners are accountable daily for being on time, meeting production goals and working as a team. In 2020 MSI responded to the needs of the department related to the COVID-19 pandemic by making PPE, such as masks, gowns, and isolation suits.

Results to Date

In FY 2018 MSI posted its first positive cash position in over 10 years, an \$8 MILLION-dollar improvement. MSI has concluded the last three fiscal years with a positive cash position.

Moving Forward

MSI will continue to use LEAN business processes throughout its organization. MSI staff is involved in the department's EPIC efforts. Collaboration began with Education and Prisoner Success to more fully integrate services relating to preparing prisoners for their return to society. MSI's management team is committed to working with the Department of Corrections and other key stakeholders in utilizing collaborative efforts to refine its operations and utilize assets for the maximum benefit of the State.



MICHIGAN STATE INDUSTRIES

Building Bridges to Success

MISSION

“Building Bridges to Success” by educating and empowering Michigan Offenders to become law-abiding, tax paying citizens through successful work skills training and real opportunities.

VALUES

PERSEVERANCE – to keep working to make things better for our customers, our co-workers and our staff and toward getting the job done!

ACCOUNTABILITY – Both for ourselves, our co-workers, our staff and others to ensure excellence

RESPECT – In how we treat co-workers, staff, and customers at all times

TRUST – in our co-workers and staff that we can do this together when we work together in a blame-free environment

NET INCOME – achieving the objective to provide quality goods and services to our customers at zero cost to the taxpayers of the State of Michigan and high-quality job skills for our co-workers and staff.

EXCELLENCE – In how we train our staff and co-workers, in our work, our products and services

RESOURCEFULNESS - to try something new, to do something different, to think outside the box, to seek solutions

SERVANT LEADERSHIP – ensuring management exists to support staff in accomplishing the objectives of the organization

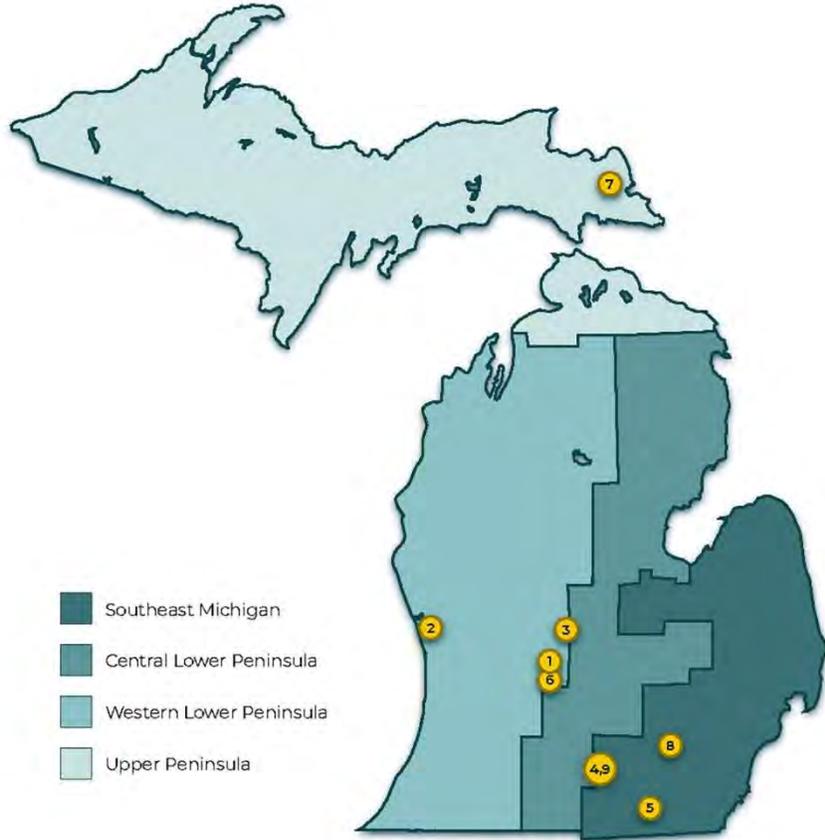
HONESTY – Being truthful in all things

INTEGRITY – Doing the right thing, not necessarily the easy thing

PROFESSIONALISM – Conducting business in advance, openly, always seeking solutions to problems, respecting others’ time and business confidentiality, communicating timely using oral or written means, utilizing appropriate language, grammar and spelling to best represent MSI and MDOC.

LOCATIONS

Michigan State Industries operates 12 factories at 9 locations across the state. Logistics and resource availability play a significant role in the location of each factory. Each factory is supervised by a plant manager, operates either one or two shifts, and employs prisoners as required to meet customer demands.



Our Facilities

1. Bellamy Creek

Ionia, Michigan

- Shoes
- Sign Shop

2. Brooks

Muskegon, Michigan

- Laundry

3. Carson City

Carson City, Michigan

- Garment

4. Cotton

Jackson, Michigan

- Print Shop
- Mattress

5. Gus Harrison

Madison Charter Twp, Michigan

- License Plate
- Optical Lab

6. Ionia Maximum

Ionia, Michigan

- Garment

7. Chippewa

Kincheloe, Michigan

- Garment

8. Huron Valley

Pittsfield Twp, Michigan

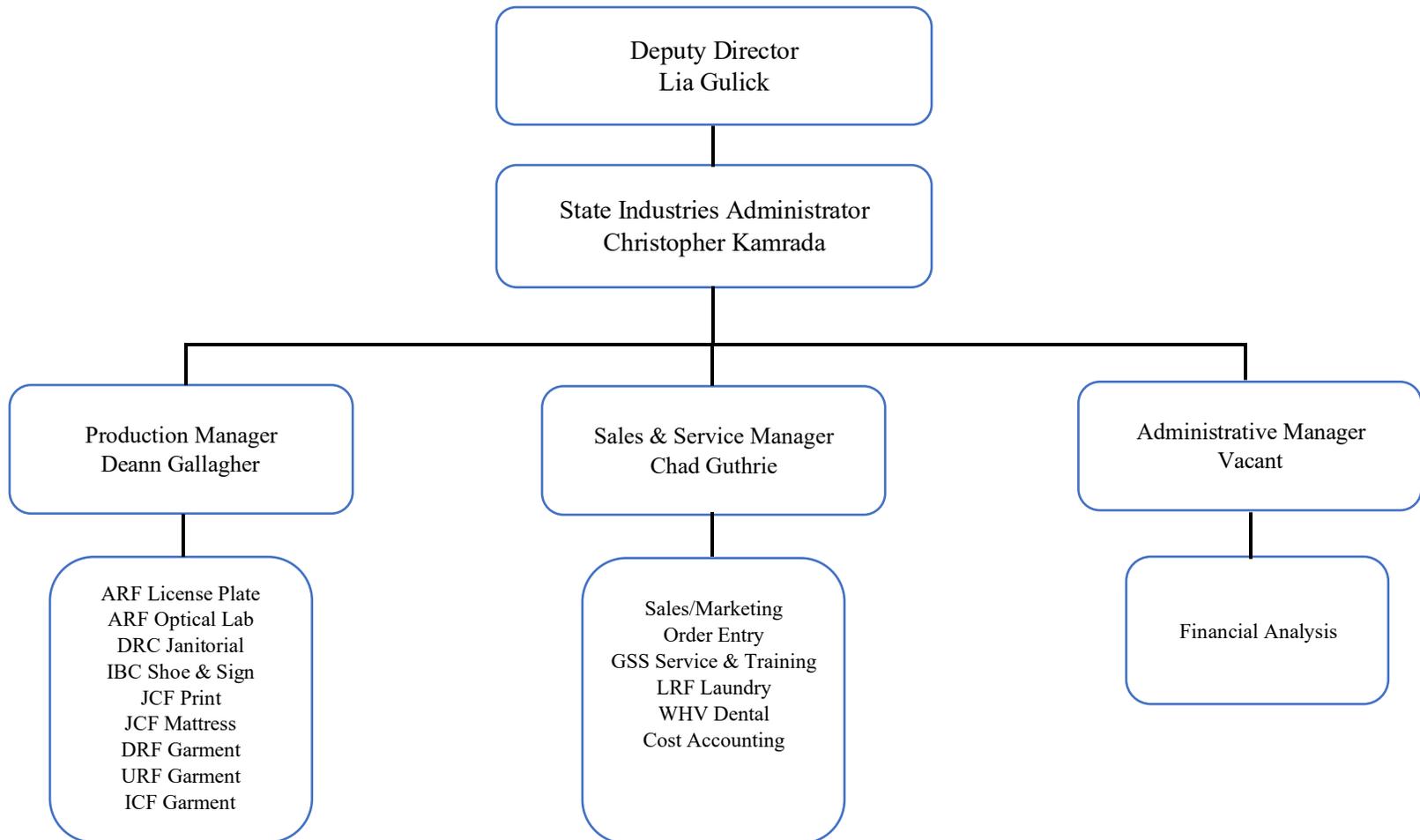
- Dental Lab

9. Parnall

Jackson, Michigan

- Janitorial

Michigan Department of Corrections
Budget and Operations Administration
Michigan State Industries
Administration / Operations



The Carson City Garment Factory

Located at the Carson City Correctional Facility (DRF) 10274 Boyer Road in Carson City, Michigan 48811. DRF houses Level IV, II and I prisoners, with a net operating capacity of 2,226 beds and supervised by Warden Randy Rewerts. This factory operates 5 days per week and inmates are scheduled to work from 6:30am to 1:42pm. The Carson City Garment Factory employs Level I prisoners only and manufactures all Michigan correctional officer uniform pants, Emergency Response pants, new officer employee school PT wear, various custody belt device holders such as radio, personal protection device, handcuff cases, etc... It also manufactures prisoner purchased athletic wear (shorts, sweatshirts, sweatpants) prisoner uniform shirts and pants and prisoner pajamas. Carson City was also responsible for manufacturing large quantities of PPE to help in the fight against COVID 19.

This factory employs a total of four civilian employees and 118 prisoner workers.

Marketable Skills:

Job skills such as sewing machine operators, machine repair and maintenance, patternmakers, cutters, physical and raw goods clerks, shipping and receiving duties, trimmers, order fulfillment, crew leaders.



The Chippewa Garment Factory

Located at the Chippewa Correctional Facility (URF) W. M-80 in Kincheloe, Michigan 49784 which houses Level IV, II and I prisoners, with a net operating capacity of 2,339 beds and supervised by Warden Connie Horton. This factory operates five days a week and inmates are scheduled to work from 6:00am to 2:00pm. The Chippewa Garment Factory employs Level II prisoners only and manufactures all Michigan correctional officer winter wear (coats, bib overalls, vests, caps) and officer shirts, prisoner purchased winter coats, food service chef shirts, ANSI safety wear and various other items. Chippewa was also responsible for manufacturing large quantities of PPE to help in the fight against COVID 19.

This factory employs a total of four civilian employees and 95 prisoner workers.

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, crew leaders, shipping and receiving duties. Specialty skills to the garment industry includes pressers, sewing machine operator, patternmakers, cutters, trimmers, and embroidering skills.



The Ionia Garment Factory

Located at the Ionia Correctional Facility (ICF) 1576 W. Bluewater Hwy. in Ionia, Michigan 48846. ICF houses Level V and II prisoners only, with a net operating capacity of 643 beds and supervised by Warden John Davids. This factory operates 5 days per week and inmates are scheduled to work from 7:15 am to 2:15 pm. The Ionia Garment Factory Incubator employs Level II prisoners only and manufactures American flags and scrub suits for MDOC staff, as well as the assembly of garments for private individuals and organizations. Currently, products being produced for specific entrepreneurs includes robotic arm covers, baby blankets, diaper bags, bibs and other infant supplies, as well as active t-shirts with smart technology. Ionia was also responsible for manufacturing large quantities of PPE to help in the fight against COVID 19.

This factory employs a total of three civilian employees and 82 prisoner workers.

Marketable Skills:

Job skills such as sewing machine operators, machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, pattern- makers, inventory control, crew leaders, quality control inspectors.



The Mattress Factory

Located at the G. Robert Cotton Correctional Facility (JCF) 3500 N. Elm Road in Jackson, Michigan 49201. JCF houses Level I, II and IV prisoners, with a net operating capacity of 1,811 beds and supervised by Warden Noah Nagy. The factory operates five days a week and inmates are scheduled to work from 6:30 am to 2:30 pm. Only level I and II prisoners are employed in the Mattress Factory. This factory produces mattresses, pillows, laundry bags, shower curtains and non-custody outerwear for the MDOC. Its customer base also includes many of the State's county jail programs, DNR campgrounds, and has begun exploring the non-profit hospital markets. The Jackson Mattress Factory was also responsible for manufacturing large quantities of PPE to help in the fight against COVID 19.

This factory employs two civilian employees and a total of 58 prisoner workers.



Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, quality assurance managers, stock clerks, order fulfillment, crew leaders, sewing machine operators, stock clerks, order fillers,

The License Plate Factory

Located at the Gus Harrison Correctional Facility (ARF) 2727 East Beecher Street in Adrian, Michigan 49221. ARF houses Level IV, II and I prisoners, with a net operating capacity of 2,203 beds and is supervised by Warden Sherman Campbell. The License Plate Factory operates four days a week and inmates are scheduled to work from 6:05 am to 3:35 pm. The License Plate Factory employs Level I prisoners only and provides both license plate manufacturing services for the Michigan Secretary of State and custom fund-raising plates for individual groups. It also produces acrylic awards, a large array of custom vinyl products, a variety of laser cut wood products such as cutting boards, mitten clocks, Lazy Susan and of course the famous license plate birdhouses.

This factory employs a total of six civilian employees and 48 prisoner workers.

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, silk screen operators, forklift operators, mixing of inks, computer design, carpentry skills, crew leaders, press machine setters, stock handlers.



The Print Factory

Located at the G. Robert Cotton Correctional Facility (JCF) 3500 N. Elm Road, Jackson, Michigan, 49201. JCF houses Level IV, II and I prisoners, with a net operating capacity of 1,811 beds and supervised by Warden Noah Nagy. The Print Shop operates 5 days per week, from 6:30 am to 2:30 pm. Level I and II prisoners are employed by the print shop which produces thousands of forms, booklets, brochures, posters, business cards and envelopes for MDOC, other state agencies, and non-profit customers throughout the state of Michigan.

This factory employs a total of one civilian employee and 7 prisoner workers.

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, digital press-operation, finishing/bindery, printing press operator, teamwork.



The Shoe Factory

Located at the Bellamy Creek Correctional Facility (IBC) 1727 West Bluewater Hwy. in Ionia, Michigan 48846. IBC houses Level IV, II and I prisoners, with a net operating capacity of 1,835 beds and supervised by Acting Warden Matt Macauley. This factory operates five days per week and inmates are scheduled to work from 6:45 am to 1:29 pm. The Shoe Factory employs Level II prisoners only and manufactures leather oxford shoes and boots for both prisoners and MDOC custody staff. It also produces orthopedic shoes as directed from a prescription from MDOC Health Care staff and athletic shoes for prisoner purchase. Officer leather belts are also manufactured at this facility.

This factory employs a total of two civilian employees and 46 prisoner workers.

Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, shoe and leather production, office clerks, shipping and receiving duties, inventory control, machine operation, safety skills, quality control, production manufacturing, stock clerk/order fulfillment, time and attendance, teamwork.



The Sign Factory

Located at the Bellamy Creek Correctional Facility (IBC) 1727 West Bluewater Hwy. in Ionia, Michigan 48846. IBC houses Level IV, II and I prisoners, with a net operating capacity of 1,835 beds and supervised by Acting Warden Matt Macauley. The factory operates 5 days per week and inmates are scheduled to work from 6:45am to 1:29pm. The Sign Shop Employs Level II prisoners only and provides road signs to customers across the state of Michigan, both within the MDOC and throughout state government, county road commissions and others. Additional products include Trail Signs, Labels, Decals, Banners, Recycle Signage, Wooden Signage and Apparel Screening.

This factory employs a total of two civilian employees and 25 prisoner workers.



Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, CNC programmers, graphic designers, press machine setters/operators, painting, coating and decorating workers, photographic process workers/processors, office clerks, stock handlers, shipping and receiving duties.

The Janitorial Factory

Located at the Parnall Correctional Facility (SMT) 1780 East Parnall Road in Jackson, Michigan 49201. SMT houses nearly 1,700 level I adult male prisoners ranging from 18 years of age and older. The SMT facility serves as an in-reach site for the entire state of Michigan, as an in-reach facility, they are charged with the task of readying prisoners for a successful transition to their community. SMT is supervised by Acting Warden Dave Shaver. The Janitorial Factory operates 5 days a week and inmates are scheduled to work from 6:30 am to 1:30 pm. Production includes the mixing and packaging of numerous cleaning supplies, as well as the skills obtained in receiving/shipping and inventory control. Inmates at the janitorial factory understand the concept of inventory and material control, which assist them in obtaining employment in the community upon release. The Janitorial Factory was also a key operation making and supplying cleaning supplies to the MDOC during the COVID 19 pandemic.

This factory employs a total of five civilian employees and 25 prisoner workers.



Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, basic training of forklift operations/trainers and concept of inventory and material control, setters, compactors, mixing and packaging of numerous cleaning supplies.

Brooks Laundry

Located at the E. C. Brooks Correctional Facility (LRF) 2500 S. Sheridan Drive in Muskegon Heights, Michigan 49444. LRF houses Level IV, II and I prisoners with a net operating capacity of 1,238 beds and supervised by Warden Shane Jackson. This factory operates 5 days a week and inmates are scheduled to work from 7:30am to 3:30pm. The Brooks Laundry Factory employs Level II prisoners only and provides laundry services for the two Muskegon area correctional facilities as well as the Grand Rapids Veterans' Facility, Walter Reuther, Hawthorn Center, Livingston County Animal Control, Livingston County EMS, Center for Forensic Psych, Kalamazoo Psychiatric Hospital, Michigan State Police. Brooks Laundry was a very important operation during the COVID 19 pandemic, processing laundry for two MDOC facilities and five state/county hospitals.

This factory employs a total of four civilian employees and 40 prisoner workers.

Marketable Skills:

Inmates learn the soft skills needed to be successful in today's job market. Job skills such as machine operators, machine repair and maintenance, office clerks, sewing, shipping, and receiving duties, crew leaders and assistant crew leaders, laundry and dry-cleaning workers, pressers, teamwork, accountability.



The Dental Laboratory

Located at the Women's Huron Valley Correctional Facility (WHV) 3201 Bemis Road in Ypsilanti, Michigan 48197. WHV houses Level IV, II and I prisoners, with a net operating capacity of 2,367 beds. The facility is supervised by Warden Jeremy Howard. Only Level I and II prisoners are employed in the dental laboratory, which has a very long training period and a very high employment rate upon release. The factory operates 5 days a week and inmates are scheduled to work from 7:20am to 2:48pm. This factory provides all dentures, bite splints, and dental repairs for MDOC prisoners. As the MDOC prisoner population is the only customer for this service, which are under the medical jurisdiction of the MDOC Health Care Division, all costs of the program are paid directly by MDOC Health Care based on historical cost estimates. Actual cost and a reconciliation to estimates are performed at year end.

This Laboratory employs a total of one civilian employee and 7 prisoner workers.



Marketable Skills:

Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, dental lab technicians, removable partial and full denture product manufacturing, quality control and crew leader.

The Optical Laboratory

 is a co-operative operation between MDOC Education and MSI.

It is located at the Gus Harrison Correctional Facility (ARF) 2727 E. Beecher St., Adrian, Michigan 49221. The facility is supervised by Warden Sherman Campbell. ARF houses prisoners in Level IV, II and I and inmates are scheduled to work from 7:00 am to 3:30 pm. The Optical Lab is supervised by a Trades Instructor under agreement with MSI that MSI will provide all equipment and materials required for the manufacture and distribution of optical wear to MDOC prisoners and staff. In addition, MSI has also agreed to pay one time for the prisoners to take the test necessary to earn their American Board of Opticianry Certification.

This laboratory employs 2 civilian employees funded through Education. It has 6 board-certified prisoners and 7 currently in training for certification in the optical lab. This group, as well as students in the program, also work to sort donated glasses for redistribution to the needy in Michigan and donated glasses are used to help the needy in third world countries such as Dominica, Libera and Mozambique.

Marketable Skills:

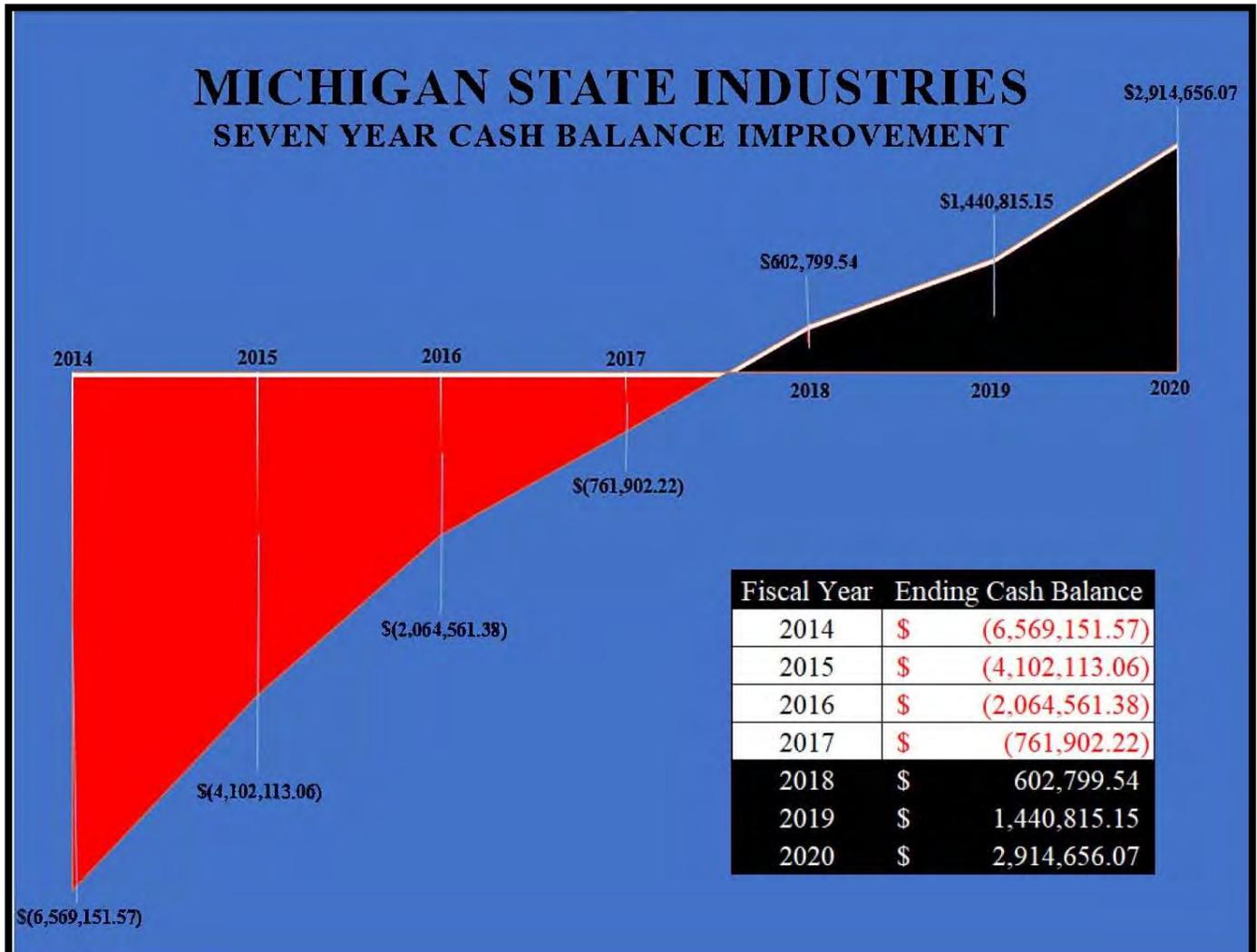
Job skills such as machine operators, machine repair and maintenance, office clerks, shipping and receiving duties, health care support worker, stock clerk/order fulfillment, edger, quality control inspection, lens finisher, polisher and coater, ophthalmic lab technician, step 1 blocker, generator, stock handler.





MSI at a glance:

TOTAL NET SALES THROUGH FISCAL YEAR 2020	\$16,674,190
PERCENTAGE OF TOTAL SALES TO DEPT. OF CORRECTIONS	69%
NUMBER OF INDUSTRY FACTORIES	12
NUMBER OF NEW INDUSTRIES PLANNED	0
WAGES PAID TO PRISONER WORKERS FISCAL YEAR 2020	\$599,617
NUMBER OF CIVILIAN STAFF	43
AMOUNT EXPENSED FROM RAW MATERIALS FISCAL YEAR 2020	\$6,861,666



Monthly Financial Summary

Year to Date as of September 30, 2020

	Month Ended: 9/30/2020			Month Ended: 9/30/2019		
	Sales & Transfers	Cost of Sales	Gross Margin	Sales & Transfers	Cost of Sales	Gross Margin
Administration	\$ -	\$ 52,821	\$ (52,821)	\$ -	\$ -	\$ -
Shoe	\$ 1,073,333	\$ 1,037,244	\$ 36,089	\$ 1,371,629	\$ 1,129,475	\$ 242,153
License Plate	\$ 3,282,501	\$ 2,420,095	\$ 862,406	\$ 3,893,581	\$ 2,659,277	\$ 1,234,304
Sign Shop	\$ 918,946	\$ 876,329	\$ 42,616	\$ 693,081	\$ 648,499	\$ 44,582
Mattress	\$ 1,192,097	\$ 847,437	\$ 344,661	\$ 1,030,266	\$ 821,393	\$ 208,873
Janitorial Products	\$ 2,796,159	\$ 1,917,268	\$ 878,891	\$ 1,937,843	\$ 1,547,102	\$ 390,740
Thumb Laundry	\$ -	\$ -	\$ -	\$ 1,535,144	\$ 1,198,669	\$ 336,474
Chippewa Garment	\$ 1,695,113	\$ 1,207,426	\$ 487,687	\$ 1,528,007	\$ 947,960	\$ 580,046
Carson City Garment	\$ 2,801,877	\$ 2,191,438	\$ 610,439	\$ 2,077,276	\$ 1,689,309	\$ 387,967
Brooks Laundry	\$ 1,100,923	\$ 840,607	\$ 260,317	\$ 1,016,733	\$ 841,403	\$ 175,330
Dental Lab	\$ 314,160	\$ 181,939	\$ 132,221	\$ 350,000	\$ 247,804	\$ 102,196
Print Shop	\$ 528,722	\$ 667,991	\$ (139,269)	\$ 585,473	\$ 607,434	\$ (21,961)
Optical Lab	\$ 130,985	\$ 82,439	\$ 48,545	\$ 275,752	\$ 220,501	\$ 55,252
I-Max Garment	\$ 839,374	\$ 691,269	\$ 148,105	\$ 344,775	\$ 467,249	\$ (122,474)
TOTAL ALL FACTORIES	\$ 16,674,190	\$ 13,014,305	\$ 3,659,886	\$ 16,639,558	\$ 13,026,077	\$ 3,613,482
Business Office						
Selling & Admin Expenses			\$ 3,057,320			\$ 3,543,625
Loss on Discontinued Operations			\$ (130,304)			\$ -
Miscellaneous Revenue			\$ 25,523			\$ 39,328
MSI NET MARGIN			\$ 497,785			\$ 109,185
NPL Balance Adjustment included in Selling & Admin Expenses			\$ 456,854			\$ 1,030,245
Adjusted Fiscal Year MSI Net Margin			\$ 954,639			\$ 1,139,430

State of Michigan
Michigan State Industries
Comparative Statement of Operations
Year to Date as of: 9/30/2020
Consolidated: Garment Operations

	Mattress	Chippewa	Carson City	Ionia	Total
General Sales	\$ 1,189,672	\$ 1,695,108	\$ 2,801,867	\$ 839,341	\$ 6,525,988
Transfers	\$ 2,425	\$ 5	\$ 11	\$ 33	\$ 2,474
Sales Returns & Allowances	\$ -	\$ -	\$ -	\$ -	\$ -
Net Sales and Transfers	\$ 1,192,097	\$ 1,695,113	\$ 2,801,878	\$ 839,374	\$ 6,528,462
Costs of Goods Sold:					
Direct Materials	\$ 560,833	\$ 468,425	\$ 1,299,561	\$ 158,963	\$ 2,487,782
Direct Prisoner Labor	\$ 60,558	\$ 94,326	\$ 94,831	\$ 68,230	\$ 317,945
Indirect Prisoner Labor	\$ 6,692	\$ 9,392	\$ 12,711	\$ 15,766	\$ 44,561
Heat, Light & Power	\$ -	\$ 7	\$ 88,933	\$ 39,590	\$ 128,530
Maintenance of Assets	\$ 12,149	\$ 2,021	\$ 24,695	\$ 10,473	\$ 49,338
Equipment Less than \$1000	\$ -	\$ 3,837	\$ 3,075	\$ 1,548	\$ 8,460
Inventory Adjustments	\$ (5,457)	\$ 31,391	\$ 94,072	\$ (10,920)	\$ 109,086
Building Depreciation	\$ 2,576	\$ 1,685	\$ 23,263	\$ 26,868	\$ 54,392
Equipment Depreciation	\$ 8,256	\$ 14,077	\$ 14,091	\$ 4,899	\$ 41,323
Other Manufacturing Expenses	\$ 34,060	\$ 86,252	\$ 103,594	\$ 46,713	\$ 270,619
Factory Supervision	\$ 167,768	\$ 496,013	\$ 432,612	\$ 329,140	\$ 1,425,533
Total Cost of Goods Sold	\$ 847,437	\$ 1,207,426	\$ 2,191,438	\$ 691,269	\$ 4,937,568
Gross Margin	\$ 344,661	\$ 487,687	\$ 610,439	\$ 148,105	\$ 1,590,894
Selling & Administrative Expenses:					
Selling Expenses	\$ 38,534	\$ 72,254	\$ 63,470	\$ 52,832	\$ 227,090
Administration Expenses	\$ 88,832	\$ 227,016	\$ 194,321	\$ 177,665	\$ 687,834
Total Selling & Admin. Expenses	\$ 127,366	\$ 299,270	\$ 257,791	\$ 230,497	\$ 914,924
Miscellaneous Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (loss) From Discontinued Operations	\$ -	\$ -	\$ -	\$ -	\$ -
Net Margin	\$ 217,295	\$ 188,417	\$ 352,648	\$ (82,393)	\$ 675,969

State of Michigan
Michigan State Industries
Comparative Statement of Operations
Year to Date as of: 9/30/2020
Consolidated: Laundry Operations

	Thumb	Brooks	Total
General Sales	\$ -	\$ 1,100,923	\$ 1,100,923
Transfers	\$ -	\$ -	\$ -
Sales Returns & Allowances	\$ -	\$ -	\$ -
	<hr/>	<hr/>	<hr/>
Net Sales and Transfers	\$ -	\$ 1,100,923	\$ 1,100,923
Prime Expenses:			
Direct Materials	\$ -	\$ 30,506	\$ 30,506
Direct Prisoner Labor	\$ -	\$ 41,576	\$ 41,576
Indirect Prisoner Labor	\$ -	\$ 6,950	\$ 6,950
Heat, Light & Power	\$ -	\$ 128,479	\$ 128,479
Maintenance of Assets	\$ -	\$ 17,690	\$ 17,690
Equipment Less than \$1000	\$ -	\$ -	\$ -
Inventory Adjustments	\$ -	\$ (32,470)	\$ (32,470)
Building Depreciation	\$ -	\$ 21,081	\$ 21,081
Equipment Depreciation	\$ -	\$ 3,615	\$ 3,615
Other Manufacturing Expenses	\$ -	\$ 156,722	\$ 156,722
Factory Supervision	\$ -	\$ 466,456	\$ 466,456
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Total Cost of Goods Sold	\$ -	\$ 840,607	\$ 840,607
Gross Margin	\$ -	\$ 260,317	\$ 260,317
Selling & Administrative Expenses:			
Selling Expenses	\$ -	\$ 164,561	\$ 164,561
Administration Expenses	\$ -	\$ 222,081	\$ 222,081
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Total Selling & Admin. Expenses	\$ -	\$ 386,642	\$ 386,642
Miscellaneous Revenues	\$ -	\$ 337	\$ 337
Gain (loss) From Discontinued Operations	\$ 130,304	\$ -	\$ 130,304
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Net Margin	\$ (130,304)	\$ (125,989)	\$ (256,293)

State of Michigan
Michigan State Industries
Comparative Statement of Operations
Year to Date as of: 9/30/2020
Consolidated: All Other Operations

	Shoe	License Plate	Sign Shop	Janitorial	Dental Lab	Print Shop	Optical Lab	Total
General Sales	\$ 1,063,626	\$ 3,280,961	\$ 916,878	\$ 2,792,023	\$ 314,160	\$ 519,081	\$ 130,688	\$ 9,017,417
Transfers	\$ 9,707	\$ 1,540	\$ 2,068	\$ 4,137	\$ -	\$ 9,641	\$ 297	\$ 27,390
Sales Returns & Allowances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Sales and Transfers	\$ 1,073,333	\$ 3,282,501	\$ 918,946	\$ 2,796,160	\$ 314,160	\$ 528,722	\$ 130,985	\$ 9,044,807
Prime Expenses:								
Direct Materials	\$ 582,096	\$ 1,447,678	\$ 450,245	\$ 1,165,809	\$ -	\$ 355,234	\$ -	\$ 4,001,062
Direct Prisoner Labor	\$ 22,942	\$ 32,116	\$ 12,773	\$ 15,204	\$ 9,065	\$ 7,509	\$ 9,588	\$ 109,197
Indirect Prisoner Labor	\$ 13,521	\$ 12,401	\$ 7,277	\$ 3,704	\$ 4,312	\$ 2,760	\$ 7,708	\$ 51,683
Heat, Light & Power	\$ 89,393	\$ 71,267	\$ 48,025	\$ 631	\$ -	\$ -	\$ -	\$ 209,316
Maintenance of Assets	\$ 3,973	\$ 38,168	\$ 5,316	\$ 8,828	\$ 1,785	\$ 2,402	\$ 1,479	\$ 61,951
Equipment Less than \$1000	\$ 218	\$ 249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 467
Inventory Adjustments	\$ (45,424)	\$ (20,572)	\$ 8,063	\$ 1,975	\$ -	\$ 30,749	\$ 2,354	\$ (22,855)
Building Depreciation	\$ 60,658	\$ 35,964	\$ 32,475	\$ 105,391	\$ -	\$ 345	\$ -	\$ 234,833
Equipment Depreciation	\$ 14,462	\$ 6,859	\$ 40,938	\$ 6,336	\$ -	\$ 6,491	\$ -	\$ 75,086
Other Manufacturing Expenses	\$ 59,033	\$ 144,843	\$ 62,697	\$ 133,655	\$ 17,273	\$ 52,951	\$ 61,310	\$ 531,762
Factory Supervision	\$ 236,371	\$ 651,122	\$ 208,520	\$ 475,737	\$ 149,504	\$ 209,550	\$ -	\$ 1,930,804
Total Cost of Goods Sold	\$ 1,037,244	\$ 2,420,095	\$ 876,329	\$ 1,917,268	\$ 181,939	\$ 667,991	\$ 82,439	\$ 7,183,306
Gross Margin	\$ 36,089	\$ 862,406	\$ 42,616	\$ 878,891	\$ 132,221	\$ (139,269)	\$ 48,545	\$ 1,861,500
Selling & Administrative Expenses:								
Selling Expenses	\$ 38,443	\$ 124,825	\$ 39,687	\$ 102,917	\$ 12,842	\$ 28,237	\$ 2,725	\$ 349,676
Administration Expenses	\$ 104,635	\$ 331,327	\$ 117,987	\$ 275,929	\$ 57,915	\$ 84,623	\$ 19,623	\$ 992,039
Total Selling & Admin. Expenses	\$ 143,078	\$ 456,152	\$ 157,674	\$ 378,846	\$ 70,757	\$ 112,860	\$ 22,349	\$ 1,341,716
Miscellaneous Revenues	\$ -	\$ 9,630	\$ 5,550	\$ -	\$ -	\$ -	\$ -	\$ 15,180
Gain (loss) From Discontinued Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Margin	\$ (106,989)	\$ 415,884	\$ (109,508)	\$ 500,045	\$ 61,464	\$ (252,129)	\$ 26,197	\$ 534,964

State of Michigan
Michigan State Industries

Statement of non-Allocated **Administrative Overhead**
Year to Date as of: **9/30/2020**

	Year to Date FY 2020
General Sales	\$ -
Transfers	\$ -
Sales Returns & Allowances	\$ -
	<hr/>
Net Sales and Transfers	\$ -
Prime Expenses:	
Direct Materials	\$ -
Direct Prisoner Labor	\$ -
Indirect Prisoner Labor	\$ -
Heat, Light & Power	\$ -
Maintenance of Assets	\$ 1,284
Equipment Less than \$1000	\$ 401
Inventory Adjustments	\$ -
Building Depreciation	\$ -
Equipment Depreciation	\$ 42,448
Other Manufacturing Expenses	\$ -
Factory Supervision	\$ 8,688
	<hr/>
Total Cost of Goods Sold	\$ 52,821
	<hr/>
Gross Margin	\$ (52,821)
Selling & Administrative Expenses:	
Selling Expenses	\$ 7,860
Administration Expenses	\$ 406,178
	<hr/>
Total Selling & Admin. Expenses	\$ 414,038
Miscellaneous Revenues	\$ 466,860
Gain (loss) From Discontinued Operations	\$ -
	<hr/>
Net Margin	\$ -
	<hr/> <hr/>

NOTES to the FINANCIAL STATEMENTS FISCAL YEAR 2020

Note #1

FINANCIAL REPORTING ENTITY:

Created by P.A. 210 of 1935 and continued by P.A. 15 of 1968, the Correctional Industries Revolving Fund accounts for the financial transactions of a manufacturing and processing industry, employing prisoners incarcerated in Michigan's correctional facilities. Public Act 245 of 1980 expanded the fund's sales market to include institutions of this or any other state or political subdivision thereof, the federal government or its agencies, and certain tax-exempt organizations. Public Act 102 of 2007 further expanded the fund's sales market to include the authority to sell cut and sewn textiles to private companies and individuals.

Note #2

BASIS OF PRESENTATION:

Proprietary Fund Financial Statements – The Correctional Industries Revolving Fund is a governmental agency engaged in business-type activities. The financial statements present comparative information for years ended September 30, 2019 and 2020. The statements include all financial activity of Correctional Industries. The activities are financed primarily by fees charged for goods provided to customers. Such fees are classified as General Sales. Transfers represent internal sales of products within factories and are sold at factory cost. Miscellaneous revenues consist of revenues primarily for the sale of recyclable materials to vendors who purchase such items as scrap metal and cardboard or the proceeds received from the sale of assets or vehicle auctions.

Note #3

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING:

Proprietary Funds, in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that Use Proprietary Fund Accounting*, are required to apply applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with, or contradict, GASB pronouncements: *Statements and Interpretations of Financial Accounting Standards Board (FASB)*; *Accounting Principles Board Opinions*; and *Accounting Research Bulletins of the Committee on Accounting Procedure*.

In addition, an enterprise activity may apply all FASB statements and interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements.

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

Note #4
INVENTORIES:

Inventories consist of raw materials, work-in-process, and finished goods inventory. Inventories are recorded as assets when purchased and expensed when consumed.

MSI total inventories consisted of the following values:

	<u>2018-19</u>	<u>2019-20</u>
Raw Materials	\$ 4,077,044	\$ 4,252,945
Work-in-Process	\$ 255,712	\$ 137,765
Finished Goods	<u>\$ 2,528,243</u>	<u>\$ 2,470,956</u>
	\$ 6,860,999	\$ 6,861,666

Note #5
CASH AND INVESTMENTS:

Cash on deposit is pooled with the State Treasurer and invested in pooled funds of all State Agencies. Interest earned from investments purchased with such pooled monies is deducted from the interest charges on the Correctional Industries Revolving Fund long term debt. See Note 7.

Note #6
CAPITAL ASSETS:

Capital assets are reported at cost. The capitalization threshold is \$1000 for Buildings & Building Improvements and Machinery & Equipment unless otherwise approved by the Business Office. Depreciation of such assets is charged as an expense against operations. These assets are depreciated over their useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings and Building Improvements	15 to 50 years
Equipment	2 to 25 years

Property and equipment balances consist of the following:

	<u>2018-19</u>	<u>2019-20</u>
Buildings & Building Improvements:	\$ 14,657,785	\$ 14,657,785
Construction in Progress:	\$ *	\$ *
Machinery & Equipment:	\$ 9,374,382	\$ 9,552,933
Less Accumulated Depreciation:	<u>\$ (15,214,318)</u>	<u>\$ (15,735,666)</u>
Net Value:	\$ 8,817,849	\$ 8,475,052

Depreciation expense was \$521,347 and \$433,002 for the fiscal years ended September 30, 2020 and 2019 respectively.

Note #7

ADVANCES FROM THE GENERAL FUND:

Public Act 205 of 1986 stipulates that the fund repay the General Fund for the cost of building and equipping prison factories included as part of new prison construction. The costs of buildings and equipment are to be repaid over 30 years and 10 years respectively.

Total Advances from the General Fund as of September 30, 2020 and 2019 consisted of the following balances:

	<u>2018-2019</u>	<u>2019-2020</u>
Buildings	\$ 1,300,509	\$ 1,044,483
Equipment	\$ *	\$ *
Accrued Interest	<u>\$ 2,150,273</u>	<u>\$ 2,150,273</u>
	\$ 3,450,782	\$ 3,194,756

The building and equipment notes payable are components of the Boilerplate language of the Capital Outlay Bill. Interest is calculated by applying the prevailing rates of interest for Commercial Paper exchanged on major markets by the Department of Treasury. Interest expense during the fiscal years ended September 30, 2020 and 2019 were \$1,038 and \$19,898 respectively.

A statutorily required principal payment of \$184,233 was paid during fiscal year 2020. A minimum principal payment must be paid by MSI on the advance each fiscal year until the advance has been paid in full in fiscal year 2022.

*To properly reflect the Legislative amortization schedule of the funds authorized by the advance, the Equipment balance was reallocated to the Buildings balance in 2014.

Note #8

ACCOUNTS RECEIVABLE:

At September 30, 2020, MSI's non-state agency accounts receivable balance totaled \$36,357. MSI uses the direct write off method for bad debt from uncollectible customer sales accounts. This method is used over the allowance method because bad debt accounts and subsequent write offs have been nominal for the previous five fiscal years.

Note #9**SELLING, ADMINISTRATIVE, AND MISCELLANEOUS EXPENSES:**

Prior to fiscal year 2017, MSI did not allocate all selling and administrative expenses among the various factories (administrative burden). Effective fiscal year 2017, MSI began to allocate administrative expenses to the appropriate factories.

Note #10**USE OF ESTIMATES:**

Preparation of financials statements in accordance with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions which affect the financial statements. The financials statements presented fiscal years 2019 and 2020 contain no material or significant estimates or assumptions.

**SALES BY CUSTOMER
FY 2020**

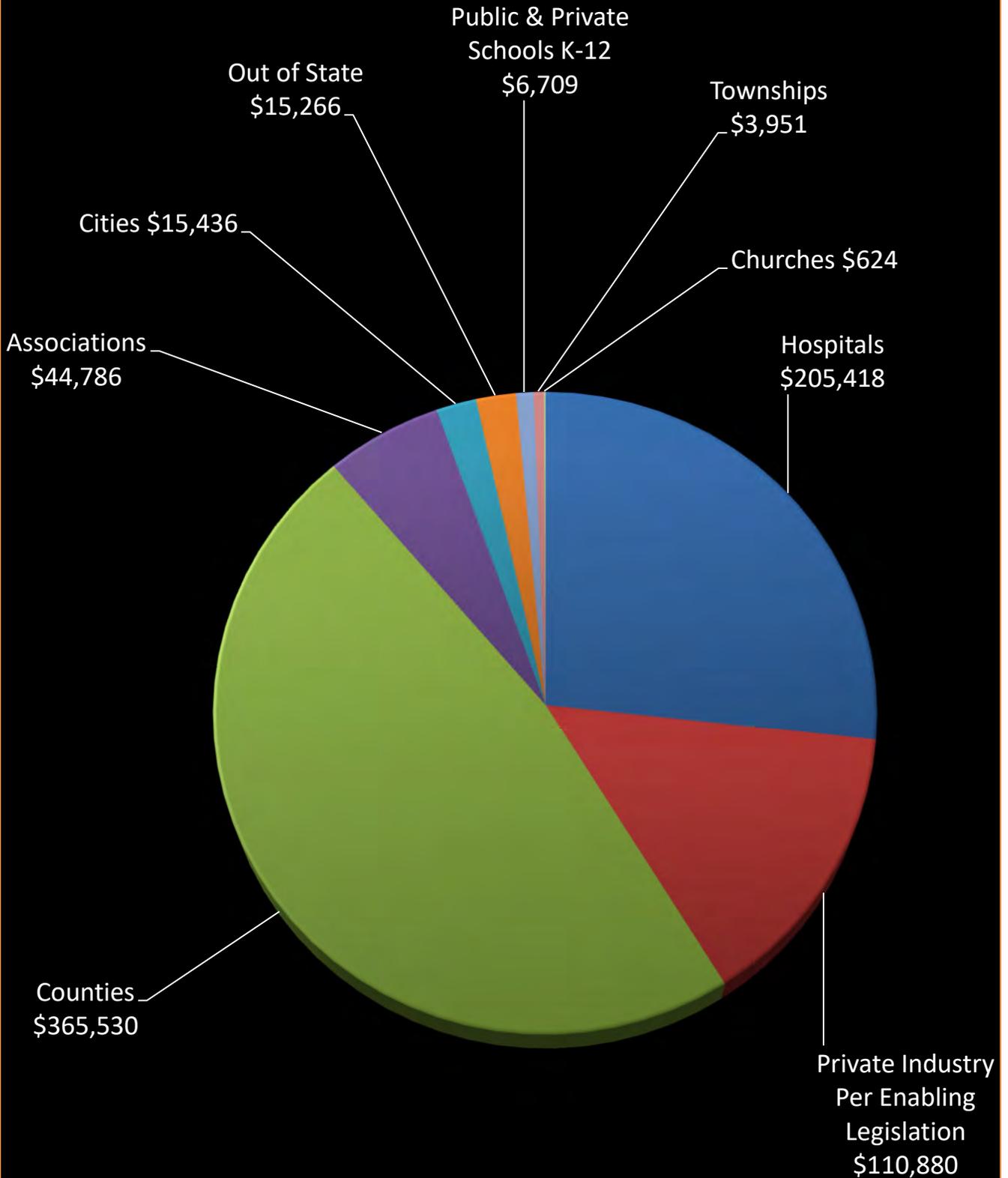
NET OPERATING REVENUES

<u>NON-STATE AGENCIES</u>	<u>NET SALES</u>	<u>% OF TOTAL SALES</u>
Hospitals	\$205,418	1.25%
Private Industry Per Enabling Legislation	\$110,880	0.67%
Counties	\$365,530	2.22%
Associations	\$44,786	0.27%
Cities	\$15,436	0.09%
Out of State	\$15,266	0.09%
Public & Private Schools K-12	\$6,709	0.04%
Townships	\$3,951	0.02%
Churches	\$624	0.00%
SUBTOTAL	<u><u>\$768,599</u></u>	<u><u>4.68%</u></u>

<u>STATE AGENCIES</u>	<u>NET SALES</u>	<u>% OF TOTAL SALES</u>
Corrections	\$11,421,718	69.52%
Department of State	\$3,212,760	19.55%
Transportation	\$469,529	2.86%
Military & Veterans	\$27,889	0.17%
Community Health	\$276,019	1.68%
Natural Resources	\$165,902	1.01%
Agriculture	\$5,668	0.03%
DTMB	\$38,256	0.23%
State Police	\$35,335	0.22%
Environmental Quality	\$0	0.00%
LARA	\$6,616	0.04%
Education	\$167	0.00%
Treasury	\$248	0.00%
Universities & Colleges	\$937	0.01%
Michigan Lottery	\$83	0.00%
DIT	\$0	0.00%
SUBTOTAL	<u><u>\$15,661,127</u></u>	<u><u>95.32%</u></u>

TOTAL OPERATING REVENUES	<u><u>\$16,429,726</u></u>	<u><u>100.00%</u></u>
MI-GA-0037 TIMESTAMPED 12/11/2020 7:46:30 AM	<u><u>\$16,429,726</u></u>	

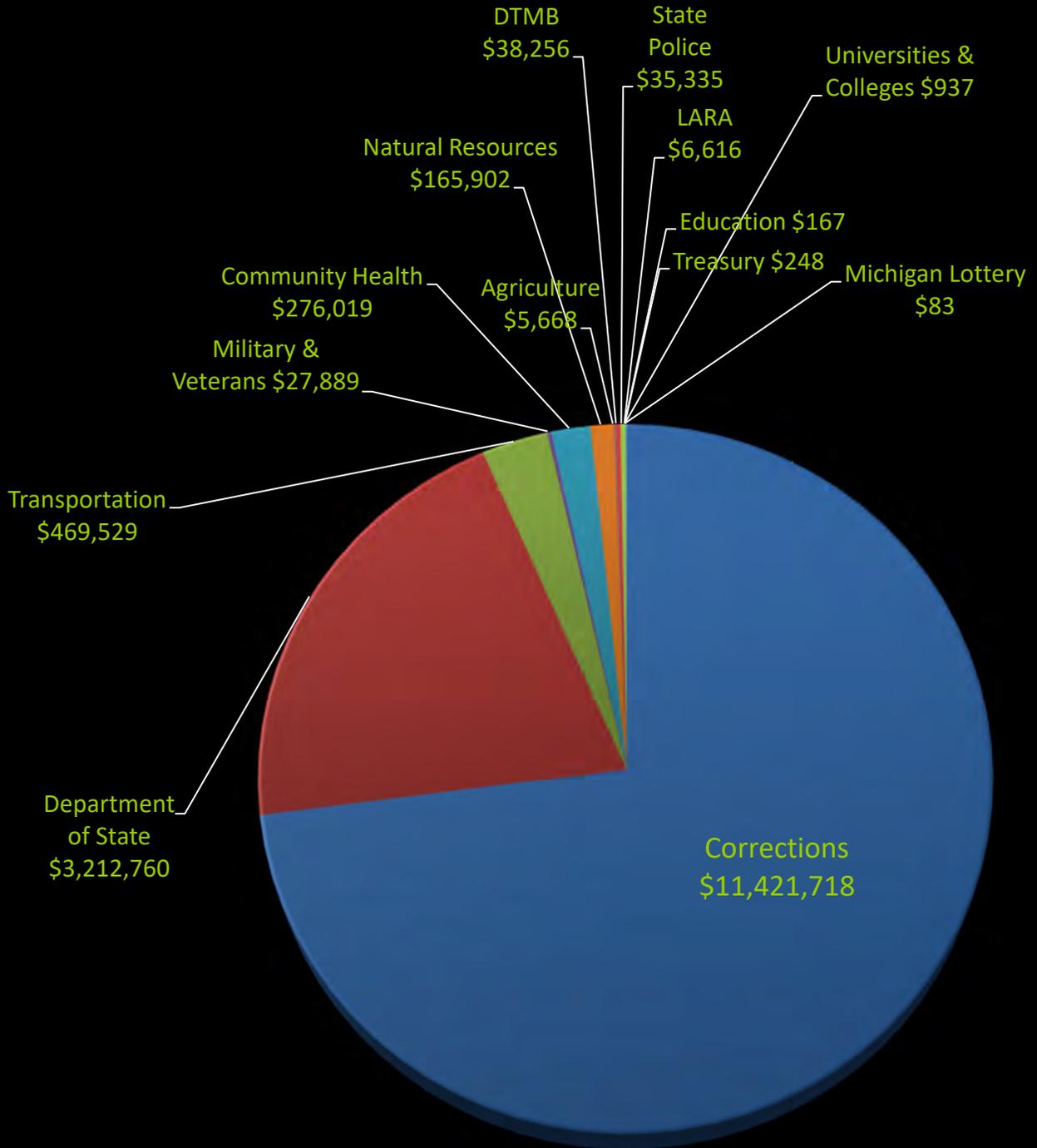
MSI Non-State Agency Revenues FY 2020 Total \$768,599



MSI State Agency Revenues

FY 2020 Total

\$15,661,127



Comparative Statement of Net Assets

Michigan State Industries

For Fiscal Year FY 2019 and FY 2020

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Equity in state common cash	\$ 2,914,656.07	\$ 1,440,815.15
Accounts receivable	\$ 36,356.70	\$ 431,214.62
Inventories	\$ 6,861,666.09	\$ 6,860,998.72
Subtotal	<u>\$ 9,812,678.86</u>	<u>\$ 8,733,028.49</u>
Capital Assets:		
Buildings & equipment	\$ 24,210,718.69	\$ 24,032,167.22
Allowance for depreciation	\$ (15,735,665.82)	\$ (15,214,318.44)
Construction in Progress	\$ -	\$ -
Subtotal	<u>\$ 8,475,052.87</u>	<u>\$ 8,817,848.78</u>
TOTAL ASSETS	<u><u>\$ 18,287,731.73</u></u>	<u><u>\$ 17,550,877.27</u></u>
Deferred Outflow of Resources (Pension Related)	<u>\$ 2,351,352.00</u>	<u>\$ 2,036,276.00</u>
LIABILITIES		
Current Liabilities:		
Warrants outstanding	\$ 8,266.73	\$ 57,429.58
Disbursement Payable	\$ -	\$ -
Accounts payable	\$ 1,180,054.96	\$ 768,356.67
Amounts due to other funds	\$ 5,948.00	\$ -
Interest Payable	\$ 2,150,273.52	\$ 2,150,273.52
Current portion of long-term obligations	\$ 253,417.75	\$ 299,320.05
Total Current Liabilities	<u>\$ 3,597,960.96</u>	<u>\$ 3,275,379.82</u>
Long-Term Liabilities		
Advance from the general fund	\$ -	\$ -
Advances from other funds	\$ 860,250.00	\$ 1,044,482.95
Amounts due to other funds	\$ -	\$ -
Compensated absences- long term	\$ 163,309.95	\$ 156,748.98
Noncurrent portion of long-term obligations	<u>\$ 15,374,543.00</u>	<u>\$ 15,762,668.00</u>
Total Non-Current Liabilities	<u>\$ 16,398,102.95</u>	<u>\$ 16,963,899.93</u>
TOTAL LIABILITIES	<u><u>\$ 19,996,063.91</u></u>	<u><u>\$ 20,239,279.75</u></u>
Deferred Inflow of Resources (Pension Related)	<u>\$ 2,573,232.00</u>	<u>\$ 1,898,519.00</u>
NET ASSETS		
Investments in capital assets	\$ 8,475,052.87	\$ 8,817,848.78
Retained earnings	<u>\$ 10,405,265.05</u>	<u>\$ 11,368,494.26</u>
TOTAL NET ASSETS	<u><u>\$ (1,930,212.18)</u></u>	<u><u>\$ (2,550,645.48)</u></u>

THE POWER OF RECOGNITION – EMPOWERING YOUR DREAM TEAM

BY **TUJAUNA WHITE**, MARKETING SPECIALIST/INTERNET/COMMUNICATIONS, SALES DEPARTMENT,
MICHIGAN STATE INDUSTRIES



Above: Administrator Coin Award-Image

There is nothing like a team that is ambitious, driven, and passionate about what they are doing. When team members give 100%, are ambitious, and driven ... the result is a dream-team ... one that will drive forward core projects for the business, as well as take the most complex problems and provide the best solutions. So, how do you get the right people and build such a team? Michigan State Industries (MSI) Administrator, Christopher Kamrada, implemented an Employee Recognition Program in January 2019 to award and recognize those staff who take ownership of their role and the organization as a whole. This program acknowledges commitment to the mission of MSI and rewards team members who embody the core values that have been created by the culture of the team.

MSI Core Values:

- **P**erseverance - Work to get the job done for our customers, co-workers, and staff.
- **A**ccountability - Hold ourselves, co-workers, and staff accountable.
- **R**espect - Show respect to all stakeholders.
- **T**rust - Accomplish great things by trusting our co-workers and staff.
- **N**et Income - Provide goods and services sufficient to support our operations.
- **E**xcellence - Demonstrate excellence in everything we do.
- **R**esourcefulness - Encourage "Outside-The-Box" thinking to find solutions.
- **S**ervant Leadership - Effective management to support staff and meet objectives.
- **H**onesty - Be truthful in all endeavors.
- **I**ntegrity - Strive to do the right thing.
- **P**rofessionalism - Conduct business openly, respect confidentiality, communicate timely.

The Administrator Coin Award was born out of Kamrada's desire and foresight to ensure that all staff that exemplify the qualities of a good leader are recognized. Everyone in our organization wholeheartedly believes in MSI's Mission, Vision, and Core Values. When team members are faced with immense project challenges, MSI is known to step up to the plate and hit a home run almost every time. During the recent and ongoing response to the COVID-19 pandemic, the staff at every level in the organization formed invaluable bonds, trust, cooperation, and collaboration to push through these challenging events. Various factory operations were manufacturing and shipping products in enormous quantities. The amount

of appreciation communicated by the Michigan Department of Corrections (MDOC) and other MSI customers during this pandemic was abundant. In moments like these, as well as other noteworthy accomplishments, an awards recognition program can empower staff to feel like they belong to a supportive team.

Building a dream team of engaged employees who can propel a business forward requires management to create a team-based organization that fosters trust and cooperation. Within our CI program, this concept is instilled at all levels of the organization and more importantly at each factory operation where staff provide the same team concept while motivating and developing work skills training for their incarcerated workers. MSI's Core Values are always front and center when on-boarding new team members and are reviewed multiple times throughout the employees first year. These core values represent our vision and partnership with MDOC, customers, and stakeholders.

Concise communication is a "must" for effectiveness. Successful teams communicate consistently to stay focused and on track to complete individual and organizational goals. Weekly conference calls are held with factory managers and staff to stay ahead of any issues, such as the new ERP system, interruptions in the supply chain, inventory discrepancies, work orders, and more. Open communication weekly among factory staff is an effective way to build trust and camaraderie while offering ideas, suggestions, assistance, and resources that may be helpful in future collaborative efforts. It also allows for an open dialog, where team members can hold meaningful discussions and resolve issues weekly as they arise instead of waiting for an issue to become an emergency.

Annual manager meetings also take place each year ... these highlight the staff training program and provide an opportunity for factory operations staff to come together in an off-site conference setting at various locations of interest. The most recent managers meeting took place at Michigan's Prison Museum located within the State Prison



Above: Chris Kamrada shakes hands with Chad Guthrie, Admin Coin Award recipient

of Southern Michigan. Another meeting was held at the R. E. Oldsmobile Transportation Museum in Lansing, MI. During the roundtable sessions, held at the manager meetings, operations staff review and discuss new training materials, motivational presentations, operational accomplishments, along with discussions on innovation and new product development. Meeting participants also present their takeaways and lessons learned from previous NCIA National Training Conferences, and awards are presented for staff recognition.

Maintaining a positive attitude is necessary to minimizing dissatisfaction among team members working with MSI. Possessing a positive attitude, focusing on finding solutions to issues, building respect for each other, creating supportive working relationships, and encouraging an environment of collaboration ... these are all essential for building a strong team.

If trust has been established and positive attitudes exist within the team, cooperation falls into place and ensures that the team will work well together. A certain amount of

conflict may arise, but this conflict is not always negative in nature. Additionally, working through conflict in a professional way can help a team learn to resolve differences, compromise, and improve team performance through better cooperation. Team members must be committed to the organization and team goals to deliver on expectations. A favorite banner quote we have here at MSI reads, "Commitment is not measured by hours contributed but by the dedication team members show for the work, for each other achieving results, and milestones when expected."

The Administrator Coin Award represents leadership, and is a valuable attribute to help the team stay focused on the big picture and shared goals. A team leader must be able to delegate effectively and follow up to ensure that objectives are completed on time. It is the

responsibility of the team leader to build on the team's strengths as they emerge and facilitate communication, collaboration, cooperation, and commitment among all team members.

Each team member should be empowered to feel like they are working in a meaningful and active environment, as well as engaged in the team's goals. Empowerment is critical for learning and performance. Individuals, and even a team, that does not feel empowered are more likely to become passive and perform at a lower level. It is the leader's role to empower team members through individual communication and mentoring.

Teams must produce desired results and when a results-oriented culture is apparent across the team, its members are motivated to produce what is expected through team effort and collaboration. A well-established dream team within your organization can build trust and inspire teamwork among employees by enabling and empowering them to accomplish quality work that contributes to the overall business objectives.

Organizational success is linked to the quality of employees. By cultivating employees into dream team members, the result can be much greater than the individual parts and that's a big part of MSI's motto 'Building Bridges to Success.'



Left:
Deann Gallagher,
Operations
Manager, Admin
Coin Award
Recipient, with
Director Chris
Kamrada and
Chuck Beltz
(now retired)

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Texas Department of Criminal Justice

We instill and promote
positive work ethics.

We provide
opportunity for prisoners
to learn marketable skills and experience.

We contribute to the
economic self-sufficiency
of working prisoners and their families.

We actively explore joint ventures
with private vendors and manufactures.

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View from overlook, Tahquamenon Falls State Park, Michigan