



Annual Report 2013

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Dear Director Ryan:

Fiscal Year 2013 proved to be another very strong year for ACI as the State of Arizona continued to climb out of recession. Sales increased 5% to \$40.4 million with a net income of \$3.0 million. Inmate hours increased by nearly 300,000 to a record 4.1 million total inmate hours worked. Our net income would have been even better had Eurofresh, our largest customer, not declared bankruptcy. Fortunately, NatureSweet USA, LLC., the new owner, is still employing our inmates and we are making every effort to ensure that this important partnership continues to grow in the coming years.

In last year's report, we reflected on ACI's history and the great accomplishments made over the last 25 years. We talked about the unique challenges we faced and the solid foundation we built for future growth. Among the highlights were proposed programs in wild horse and burro care and training and fish farming. We are excited to report that these programs were successfully launched this year, promising strong growth opportunities.

In our efforts to significantly expand the business and inmate employment, we recognized the need for a comprehensive marketing strategy. To address this need, we hired an experienced marketing professional to take responsibility for our website, branding, advertising, communications, new product generation and private industry partnership development. This position has never existed at ACI and will prove to be very beneficial. The 2014 marketing plans are detailed later in this report.

To support our new programs and initiatives, ACI staff continued to grow this year. We now have more than 140 associates and 2,001 inmates dedicated to the success of ACI shops, private industry partnerships and inmate work programs.

Our commitment to quality improvement continues throughout all our operations. A Six Sigma Black Belt certification program is underway to improve our sign shop order entry process. Better organization and security in our shops remains an integral part of our improved quality efforts. New procedures will enhance our tool and key control, safety training, audit performance, visual surveillance, AIMS input and overall security of our operations.

We are proud, once again, to share the findings of the Arizona State University WP Carey School of Business, Seidman Research Institute study. The study estimates the economic impact from ACI to the State of Arizona, including the creation of private sector jobs.

As we conclude our 26th year, mindful of the unique challenges and responsibilities of this business, we sincerely thank you for your leadership. Our continued success depends on support from you, the ADC executive staff, the ACI Advisory Board, associates, business partners, customers and suppliers throughout the year. Together we do great things.

Sincerely,



Brian Radecki
CEO/General Manager

Aerial view of Florence Fish Farm May, 2013

Mission Statement

To create opportunities for offenders to develop marketable skills and good work habits through enterprises that produce quality products and services for our customers while achieving our revenue, profit and inmate work increase objectives.

WHO WE ARE

A unique self-funded business within the Arizona Department of Corrections

A team that enjoys celebrating personal and company achievements

A staff that possesses the highest ethical standards

Individuals who enjoy our work and are honest, hardworking and dependable

WHAT WE DO

Employ inmates to gain job knowledge and be productive

Provide a safe and secure environment for our workers

Strive for constant improvement

Be accountable for our actions

Make a difference EVERY DAY

HOW WE DO IT

Provide a positive learning experience for all our workers

Continually seek and evaluate new business opportunities

Utilize Lean Continuous Improvement to improve quality in all areas

Focus on customer service with passion, diligence and follow through

Insight FY 2013

There are many aspects of ACI and its business areas that contribute to its success in growth, profitability, and increased inmate employment. The most important aspect remains our dedicated employees that continually go above and beyond to improve ACI's products, processes, quality, security, safety and service. A variety of staff were involved in winning new business for ACI, including our sales team who continued to demonstrate excellent performance. In addition, significant new business was won by our regional managers in the bakery, recycling and metal fabrication areas.

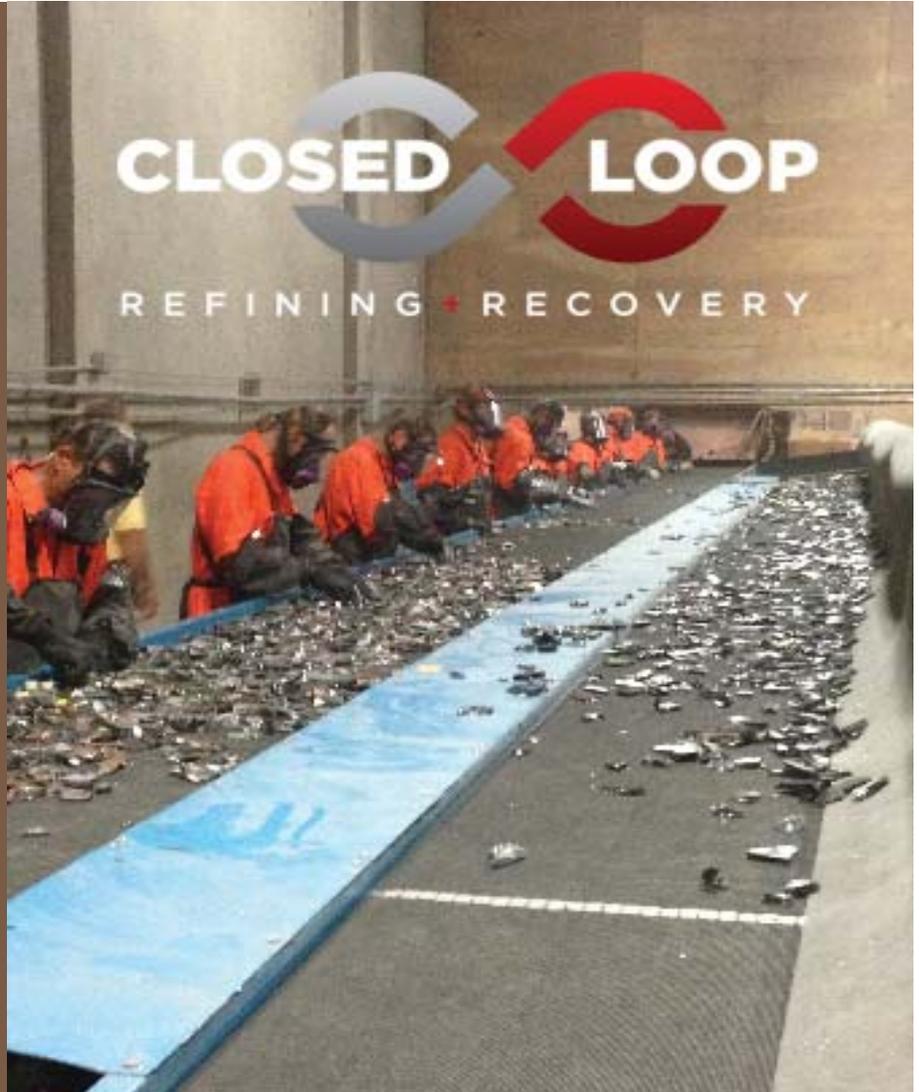
During FY 2013, ACI managed fifteen Owned and Operated shops including, but not limited to, a wild horse and burro program, fish farm, bakery, metal and wood fabrication, recycling, printing, signs, and license plate manufacturing in addition to twenty-two private sector partnerships that provide labor for telemarketing and agricultural services. We continually seek new opportunities to expand our Owned and Operated businesses as well as our private sector partnerships, so that we can profitably grow our business with special focus on significantly increasing overall inmate employment.

ACI staff continually evaluates new business opportunities created by voids in free market labor, or as an alternative to outsourcing labor to foreign countries.



New Programs

ACI works with Closed Loop Refining and Recovery to process old Cathode Ray Tubes where lead is extracted from funnel glass through a proprietary technology. Due to their high lead content, CRTs pose a serious risk for the environment. Closed Loop's new technology will ensure that CRT glass can be managed economically and safely in North America.



ACI partners with Earth Friendly Block (EF Block) in transforming recycled polystyrene into durable, fire-resistant, insulative blocks that are easily stacked and shaped into almost every possible construction design.

The finished blocks are seven times as strong as wood-frame construction and take various types of coatings and finishes. These blocks will soon be manufactured at our Kingman facility.

Wild Horse & Burro Program



In February 2013, the Federal Bureau of Land Management (BLM) finalized an agreement with Arizona Correctional Industries and the Arizona Department of Corrections where ACI staff and ADC inmates would train and provide housing and care for wild horses and burros.

These magnificent animals, considered a national treasure, were taken off Federal lands by the BLM due to inadequate food and water.



ACI will have a model facility, focused on care and training with a goal to have a large number of animals adopted by ranchers, police forces, border patrol and private citizens.





Construction of corrals and training facilities at our Florence complex has been ongoing since February. Currently, we have 321 horses and burros with the plan to have over 2,000 under our care by the end of 2015.



The ACI farm in Florence benefits from this new endeavor as most of the alfalfa grown at our farm will be used to feed the animals throughout the year.

ACI has received positive recognition concerning this program, we are proud to say that we have already successfully trained and adopted horses into the local community.



Fish Farming

Expanding ACI's Owned and Operated businesses takes time, capital and significant research. These efforts are for the prospect of creating jobs for inmates to learn skills and receive training that can be used upon their release.

After touring a successful fish farming operation run by the Colorado Department of Corrections in Canon City, Colorado, ACI began its own feasibility study. With approval from leadership, fish farming has now come to the Arizona desert. After careful analysis as to where to locate its initial operation, ACI chose land outside the prison at Florence, Arizona. Once the site of the ACI Hog Farm, this land had two functioning wells and an abundance of effluent water. This combination of abundant water, land, existing building infrastructure and current crops that could be irrigated with the flow water, was determined to be the best initial site for the project. Once established, ACI has future plans to build a second farm in Yuma, Arizona.

The Florence farm will be responsible for the breeding and raising of tilapia from babies to fingerlings (small young, baby fish). The fingerlings will be sold to a fish farm company for further raising and ultimately sold to an end user. Tilapia are hardy, disease-resistant fish that can survive in water with low oxygen levels and a wide range of salinity and water temperature. Catfish will also be raised until maturity and sold at approximately nine months. In future phases, ACI will explore other varieties of fish such as striped bass to determine the best possible mix.





Construction of the earthen ponds began in March 2013. Pond 1 was finished and stocked with 32,000 catfish in May 2013. Pond 2 was completed and stocked with 32,000 additional catfish in June 2013.

Construction of the raceways started in January 2013. The raceways are twenty feet wide and one hundred-eight feet long. In total there are twelve raceways and two earthen ponds making up this phase. In May 2013, the raceways were completed and the first test batch of one thousand catfish were placed into raceway 1 with another thousand tilapia placed into raceway 2.



The initial one thousand tilapia are continuing to grow and breed very successfully. In September 2013, ACI is expecting the arrival of 50,000 more neon (baby) fish approximately one inch in size for raceways 9 through 12 with another 50,000 delivered by October 2013 to fill up raceways 5 through 8.



CEO/GENERAL MANAGER



Management Team

Brian Radecki

CEO/General Manager
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Glen Davis

Sr. VP Labor Contracts &
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Mario Diaz

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Rick Kahn

VP Sales
rkahn@azcorrections.gov

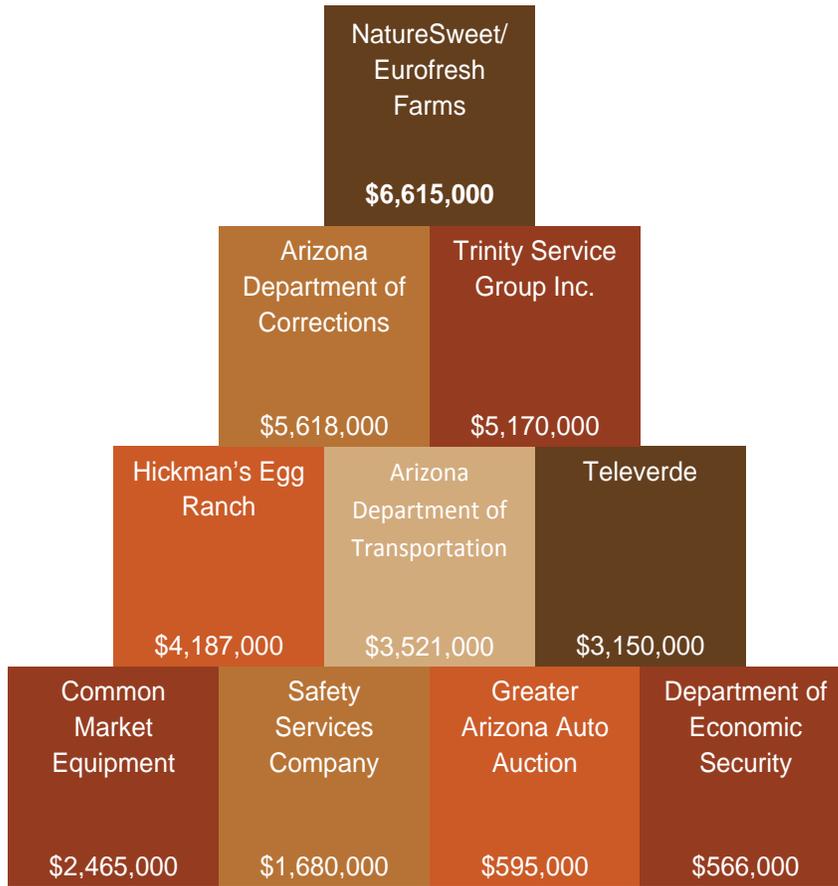
Anil Shukla

Materials Manager
ashukla@azcorrections.gov

Malinda Strom

ESA/HR Liaison, Administration
mstrom@azcorrections.gov

TOP TEN ACCOUNTS



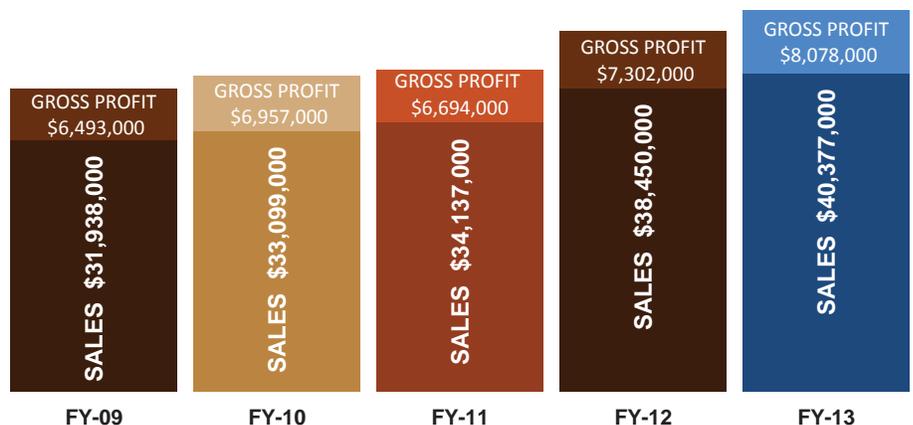
ACI's top ten accounts represent our diverse mix of Owned & Operated and Labor Contract customers.

ACI continuously develops new products and new services while maintaining a 95 - 98% customer satisfaction rating for the past two years.



\$40,377,000 SALES

ACI sales in FY 2013 exceeded \$40 million representing a 5.0% increase from FY 2012.

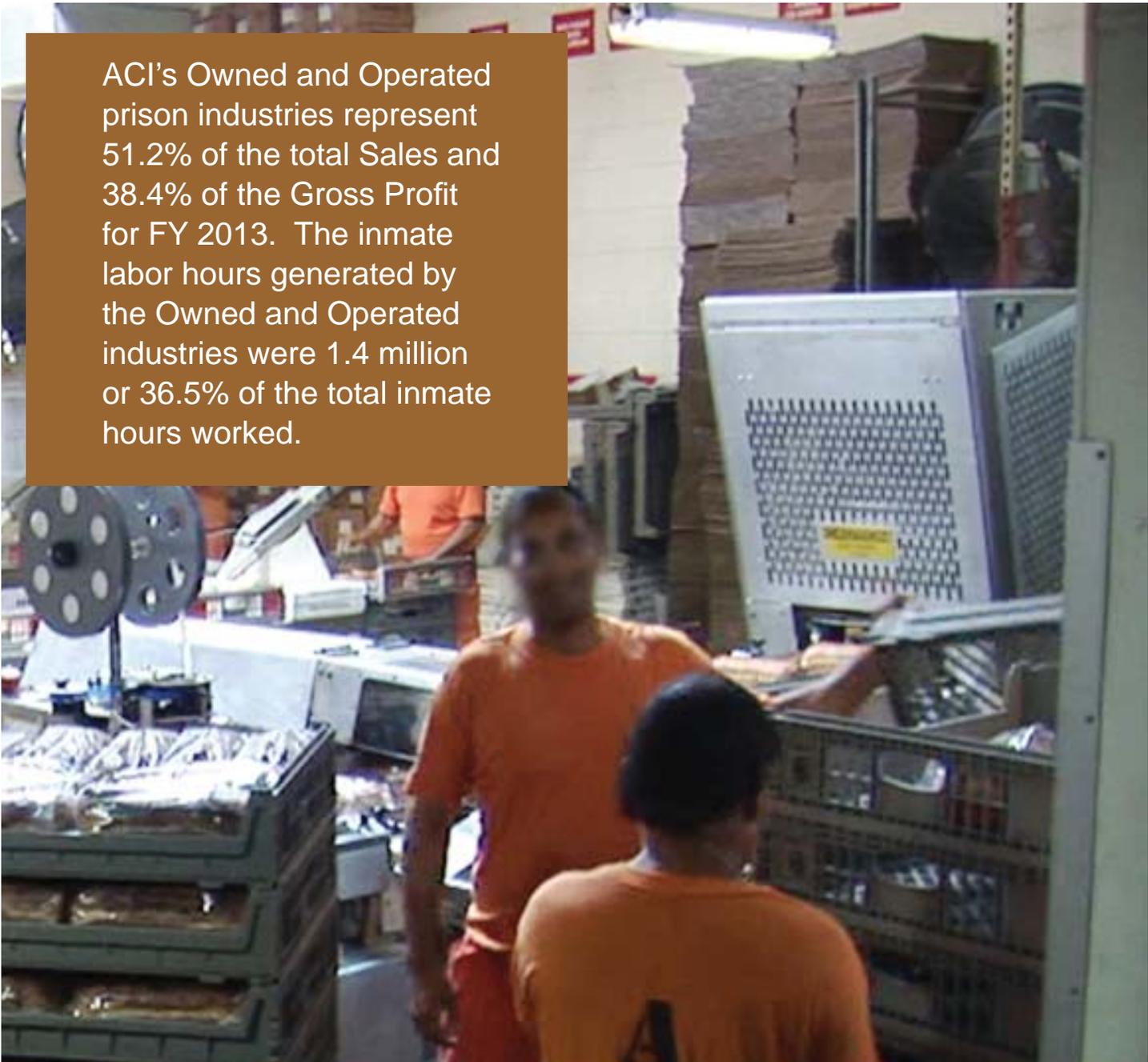




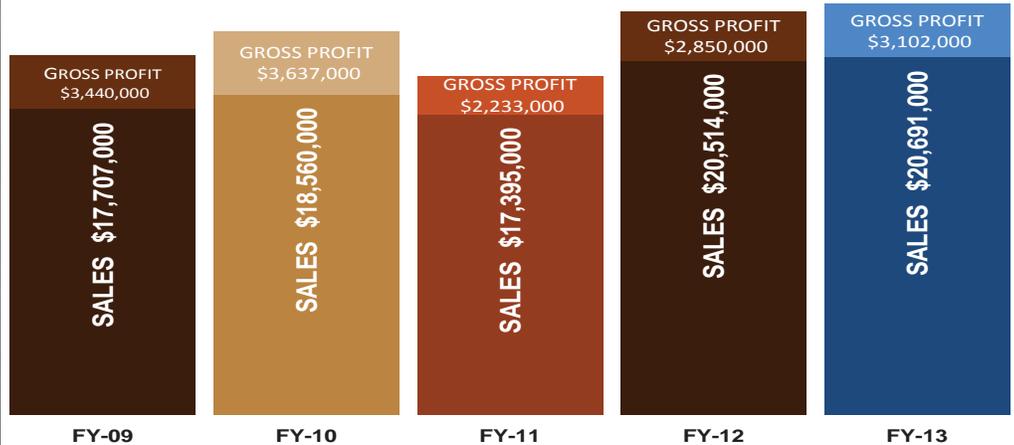
The administrative offices of ACI consist of Finance and Accounting, Purchasing, Inmate Payroll, IT, Customer Service, Sales and Marketing, Business Development, Human Resources and two installation teams which install furniture and millwork. Sublimation, a division of the ACI Sign Shop and AquaChill, a water purification company, are also housed here. Thirty-eight office and clerical positions within ACI's Central Office are staffed with female inmates from the Arizona State Prison at Perryville. These positions range from receptionist to customer service, accounts payable, purchasing, cost accounting, telemarketing, secretarial and the computer design work of Sublimation.



ACI's Owned and Operated prison industries represent 51.2% of the total Sales and 38.4% of the Gross Profit for FY 2013. The inmate labor hours generated by the Owned and Operated industries were 1.4 million or 36.5% of the total inmate hours worked.



OWNED AND OPERATED SUMMARY



The Owned and Operated business of Arizona Correctional Industries consists of fifteen different business operations located throughout the state.



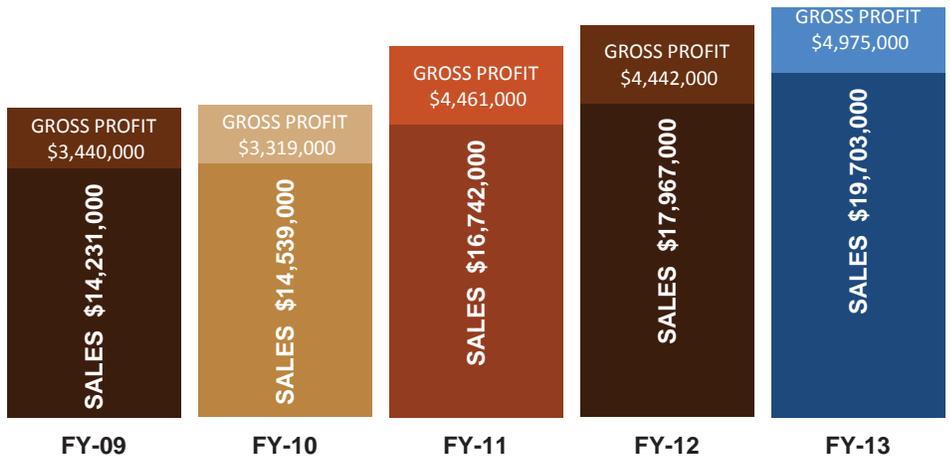
OWNED AND OPERATED INDUSTRIES EXCEEDING \$1 MILLION IN SALES

BAKERY	\$ 5,191,000	LICENSE PLATES	\$ 3,238,000
METAL FABRICATION	\$ 2,566,000	MATTRESS UPHOLSTERY	\$ 2,165,000
SEWING DOUGLAS	\$ 1,581,000	PRINTING	\$ 1,483,000

ACI's Labor Contract partnerships represent 48.8% of total Sales and 61.6% of Gross Profit for FY 2013. Inmate labor hours generated by these partnerships were 2.6 million or 63.5% of total inmate hours worked.



LABOR CONTRACT SUMMARY



The ACI Labor Contract Division manages twenty Private Sector Contracts, one Prison Industry Enhancement Certification Program (PIECP) that permits interstate commerce and one Inter-Government Agreement (IGA). The IGA program is with the Arizona Motor Vehicle Department (MVD) where inmates staff “level one” call centers for MVD to assist with requests for general information. Other partnerships include semi-truck and trailer refurbishing, agricultural, business-to-business call centers, trailer manufacturing, modular building construction, auto detailing and food processing.



**LABOR CONTRACTS
EXCEEDING \$1 MILLION IN SALES**

NATURE-SWEET/ EUROFRESH	\$ 6,615,000	HICKMAN'S EGG RANCH	\$ 4,187,000
TELEVERDE	\$ 3,175,000	SAFETY SERVICES	\$ 1,680,000
COMMON MARKET EQUIPMENT	\$2,465,000		

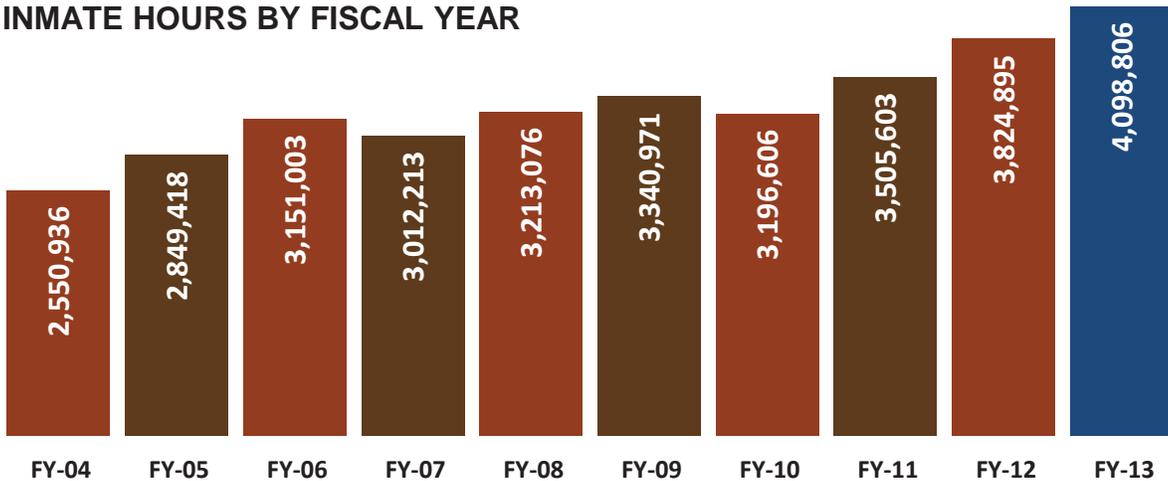


FY 2013 reflects the third consecutive fiscal year of increased inmate hours. ACI successfully increased the hours by 7.1% from FY 2012 to exceed over four million inmate hours worked during the year.

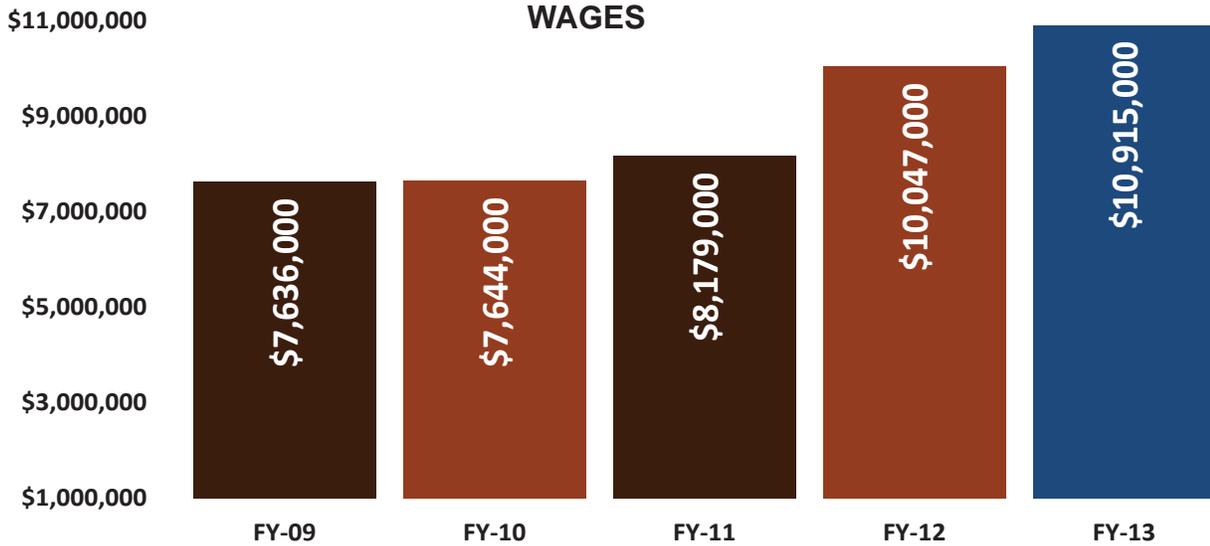
ACI was able to increase the average number of inmates employed per month to 2,001 for the year even as the Arizona prison population has remained static.



INMATE HOURS BY FISCAL YEAR

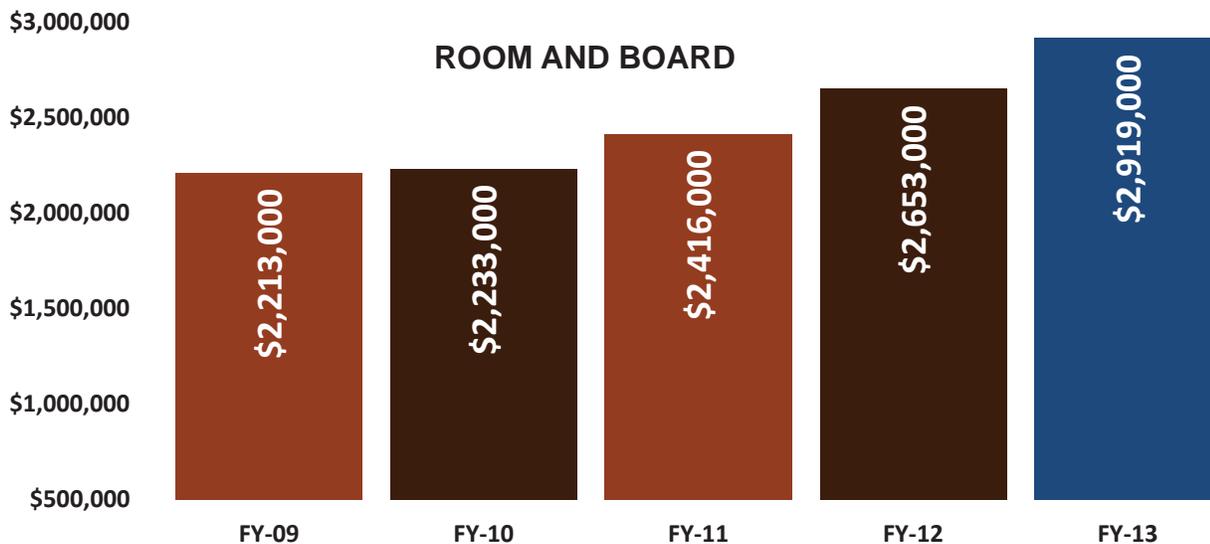


Financial Benefit to Arizona



Deductions from inmate wages reduce the cost of room and board, which contributes to the general fund. Total inmate contributions for room and board for FY 2013 were \$2,919,826 which is a 10.0% increase from FY 2012.

The Arizona State University WP Carey School of Business Seidman Research Institute, 2013 fiscal year study reports that Arizona Correctional Industries (ACI) contributed \$172,350,000 to Arizona's economy. More notable was the creation of an estimated 1,980 jobs within the State of Arizona's economy.



Marketing FY 2014

As a business operating within a large public agency, ACI faces many challenges structurally, operationally and visually. Most of this report outlines the changes we're making to our processes and operations to meet those challenges. The marketing department's goal is to clearly define how we want ACI to be seen by all of our constituencies such as law makers, taxpayers, public and private organizations, inmates and vendors.

Even after 40 years of operation, ARCOR (which is now ACI) is not widely known beyond our small core customer base of state agencies, schools, municipalities and private industry partners. The people we work with at these organizations see us as a:

Consistent supplier of printed materials

Indispensable source of garments, bedding and linens

Dependable provider of trainable workforces

Cost-effective office and institutional furnishings supplier

Reliable manufacturer of custom signs, plaques and tags

Flexible custom metal and wood fabricator

Most of these loyal customers also understand and support our greater mission to create training and work environments for inmates across

the state. But these views of ACI are focused on one or two areas. For instance, the organizations who use us regularly to print their forms don't necessarily know about the furnishings we can provide for their new offices.

Our goal is to broaden how everyone views ACI and the many diverse ways we can work together to meet their needs while providing an invaluable public service.

Though we don't anticipate we'll ever be as recognizable as Coke or Nike, (instantly associated with their leadership in their product categories), our goal will be to make ACI into a recognized brand with a clearly defined value statement to potential customers and partners. To that end we've created a tagline that incorporates all the ways we're currently seen into a broader definition of ACI as Quality Products – Productive Lives.

The ACI Brand: *Quality Products – Productive Lives*

Turning a 40-year-old institution into a public brand involves another set of unique challenges. But with a clear goal and an effective strategy, we believe we can accomplish it within a few years by implementing a series of targeted image campaigns. Both approaches will build our brand, associating ACI with Quality Products – Productive Lives, but the rest of the messaging will be targeted to clearly defined audiences:

Buyers: the front line people who initially recognize what they need and want to quickly and easily fill that need, will be given specific information about specific products and services that ACI can provide. They are interested in getting a good price and a simple purchasing process. We will remind them how ACI meets those requirements.

Executives: the ultimate decision makers will be told more of the ACI story, about how we're providing invaluable rehabilitative training to inmates, reducing recidivism, saving taxpayers money today and tomorrow and producing quality products. As the frontline administrators, purchasing or facility managers submit their ACI purchase orders, the GMs and CEOs will recognize these advantages to buying from ACI and quickly approve them.

Direct Marketing

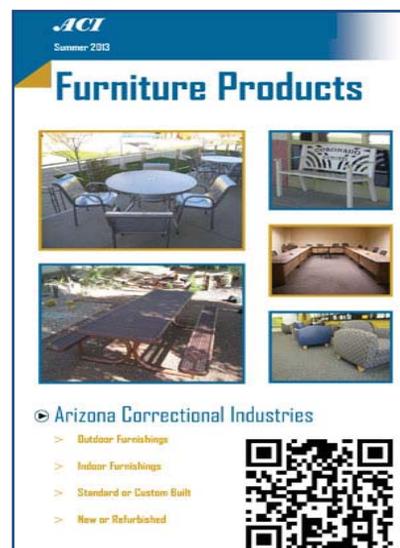
Direct Marketing refers to regular email and/or regular mail campaigns to targeted lists of individuals. The first step in designing an effective direct marketing campaign is defining whom we're attempting to reach. Though there could be many different people at different organizations who might make buying decisions, for these targeted efforts, we want to reach administrators, purchasing and facility managers throughout Arizona.

To find these "decision makers" we need to discover where they go to meet with their peers and obtain information on the latest industry trends. Fortunately, there are many local and online organizations serving the needs of these markets in Arizona with thousands of members from facility managers and school administrator groups through purchasing professional associations. We will be reviewing many of them in the coming months by participating in some of their events and meeting with their members. We're hoping that several of them will merit further involvement moving forward.

The Branding Strategy

Within ACI we need to ensure that all sales, customer service and product managers buy into this new brand concept. The message they relate to customers daily needs to reflect this new vision of the organization. Consistent reinforcement of the ACI brand is the first step toward our vision.

Outreach to our wider market will involve a number of different short-term, long-term and ongoing efforts.





Website Enhancements

To better illustrate the full extent of our offerings and make it easy for customers to shop online, we've already undergone a major renovation to the site. Adding interactive elements and a robust integrated database to automate pricing and content, this work in progress can become the main interface between customers and ACI as well as the various production facilities within ACI across the state.

The new interactive features of the site will help keep new potential customers engaged and allow us to attract online enthusiasts from the social media sites they frequent to our pages. The site will provide users the ability to leave comments and testimonials lending credibility to our brand.

Mass Media Communications

Some mass media advertising has been tried in the past primarily using trade print publications. As with direct marketing, this type of advertising is most effective when we have a clear understanding of what we're trying to accomplish and

whom we're trying to reach. Any mass media advertising we propose will be targeted to executive level managers in the public and private sectors relating how it just makes sound financial sense for their organization to work with ACI.

The messaging in our other mass media communications efforts can be targeted to either buyers or executives. We will reach out to potential customers with newsletters, emails, blogs, articles and social media postings that provide valuable information on how to obtain specifications for their next purchase including, better detailed information for sign orders; the difference between hardwoods and veneers; how long they can expect a custom metal fabrication project to take; some easy tips for estimating what a reupholstering job will cost.

In the marketing business this is called content marketing. It helps search engines find your site and, eventually, makes your organization the "go-to" source for useful information on the products and services you sell.

Branded Products

Over the years working with a variety of customers, our shops have created some truly unique products. Though many of these bus shelters, board room furnishings and prototypes were designed for specific locations and purchasers, the skills acquired by the people working in the respective shops have made it possible for ACI to start creating its own branded products.

Earlier this year we began actively selling our own line of bus shelters with options like logos and solar lighting to municipalities throughout Arizona.

In the coming months, we will be introducing a beautiful line of outdoor dining furniture that can withstand the extreme Arizona heat.



As new marketable ACI products are developed, we will continue to extend our brand.



Trade Show Events

ACI participates in trade shows throughout the year with numerous opportunities identified at these events.



Hickman Family Farms and ACI: An 18-Year Partnership

Now in its third generation as a family run business, Hickman Farms management strongly believes in giving back to the communities it serves. Every year they donate thousands of eggs to local food banks and homeless shelters, sponsoring several “Breakfast-for-Dinner” Events as well as the Governor’s annual Easter Egg Roll. They work with schools and the Farm Bureau to help educate the next generation of farmers and employ inmate labor on their farms and in their production facilities.



“We first partnered with ACI in 1995 when we learned about the program. It made sense, to us, that by teaching inmates employable skills we could help give them better choices once they were released,” said Billy Hickman, Vice President of Operations.

“It started small, we transported a work crew of 8 – 10 men from the Lewis prison down the road from our farm. We set them to work repairing and assembling cages,” Billy continued. “It’s tedious work, but they did it well so we felt confident enough to expand the program, bringing more and more inmates in daily to help fill in the gaps in our labor force.”



Billy Hickman,
Vice President
of Operations

“We’ve taught and trained thousands of inmates over the years in all aspects of our business from maintaining and repairing the coops and equipment, driving forklifts, moving pallets, welding, vaccinating and raising birds, working the production lines to helping with new building projects.”

The workers can earn certifications for some of the highly skilled positions they learn. “We regularly provide work references for former inmates,” volunteered Billy. “We help them write their resumes and provide referrals. And we are very open to hiring them after they’re released. In fact, many of our managers are former inmates who participated in ACI programs here and elsewhere.”

“For many of these inmates, coming here each day was their first experience in a real work environment. In addition to the skills they learn, they acquire good work habits,” added Bob Sheade, Inventory and Production Analyst. Bob supervises the inmate labor program at Hickman. He sees firsthand how, “they learn about taking responsibility for themselves and their vital roles on their work crews.”

“Until 2010, we exclusively used male inmates from Lewis, but that year began training female inmates from Perryville. Today we have 112 of them working directly with the birds, raising and caring for them.”

“We still employ male inmates, about 68 daily here and more at our facilities across the state. And we’ll be starting up a building project in the fall so we’ll be looking to add some more men then.”

The logistics in ACI labor contracts vary from partner to partner, but with Hickman Farms they transport the inmates each day in their vehicles. They are checked out of the prison gates in the morning at 6 am, report to work (just like the non-inmate laborers they work with) and get back on the bus at 4:30 pm to get dropped off at the prison.



Bob Sheade,
Inventory and
Production Analyst

“One of the big myths of the program,” Billy explained, “is our huge labor cost savings. We’ve done dozens of studies over the years and we’re not really seeing a significant financial benefit. But that’s OK with us. We believe in the program. We participate because we share ACI’s mission to contribute to the real rehabilitation of these men and women who somehow got onto the wrong path in life.”

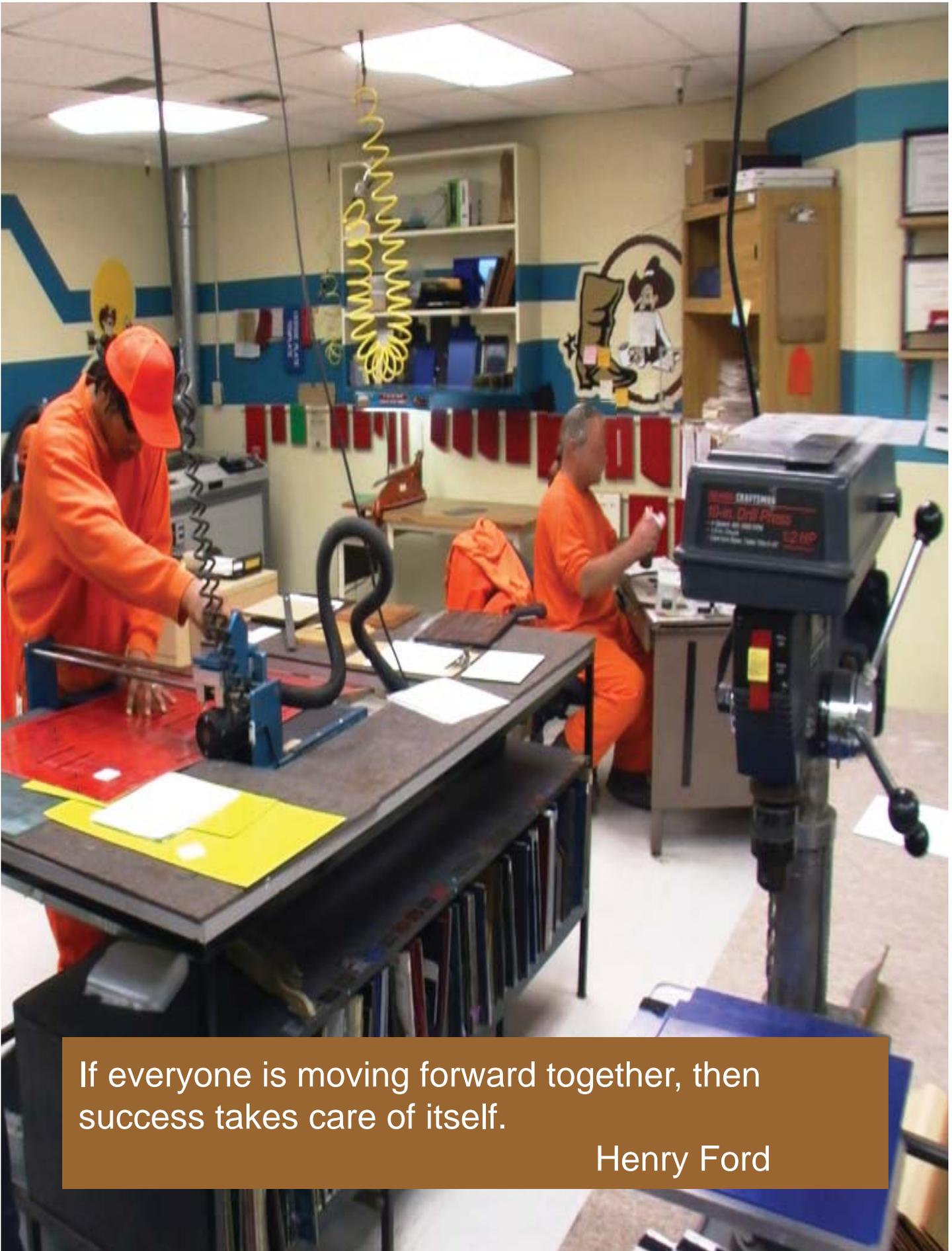
“Recently a business partner took exception to our participation in the program,” Billy confessed. “But we stood firmly with it and, in the end, she stuck with us. Right, Bob?”

“Oh yes. We’re still working with them,” confirmed Bob. “We explained to her that inmate labor is not replacing ‘legitimate’ workers.”

“You see, we’re hiring constantly through our new office next door to the unemployment office. There’s a steady stream of people filling out applications, coming in for interviews and starting one of our training programs. But, frankly, this kind of work is not for everyone. Turnover is very high, so we depend on the inmate labor to keep everything running.”

Picking up the thread, Billy summed up Hickman’s commitment to the ACI labor program, “For us it all comes back to giving back to the community—the state, being good corporate citizens.”

“Sure, we’re in business to make money and provide a comfortable life for our families. But we can do that while we also do our part to help our neighbors, those less fortunate than us, those who’ve made mistakes. Ultimately that brings comfort to all of us, because a neighbor who’s well-fed, employed and comfortably well off themselves, can also contribute positively to the community—and become a good customer!”



If everyone is moving forward together, then success takes care of itself.

Henry Ford



**DEPARTMENT OF CORRECTIONS
ARIZONA CORRECTIONAL INDUSTRIES**

**FINANCIAL STATEMENTS
(unaudited)**

Year Ending June 30, 2013



STATEMENT ON NET ASSETS - ENTERPRISE FUND

	2013	2012
Assets		
Current assets		
Cash and cash equivalents	\$ 7,904,870	\$ 5,039,864
Accounts receivable, net	3,708,236	4,891,011
Inventories	3,861,565	3,100,759
Prepaid expenses	145,059	192,695
Total current assets	15,619,730	13,224,329
Long-term assets		
Land	692,438	692,438
Capital Assets, net of depreciation	3,155,651	2,400,080
Total Long-term assets	3,848,089	3,092,518
Total assets	19,467,819	16,316,847
Liabilities		
Current liabilities		
Accounts payable	1,173,744	348,997
Accrued payroll and benefits	1,114,873	842,244
Deferred revenue	22,550	18,426
Other accrued liabilities	654,518	676,082
Capital lease	-	18,588
Total liabilities	2,965,685	1,904,337
Net assets		
Invested in capital assets, net of related debt	3,848,089	3,073,930
Unrestricted	12,654,045	11,338,580
Total net assets	\$ 16,502,134	\$ 14,412,510



STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET ASSETS

	2013	2012
Sales	\$ 40,377,111	\$ 38,452,326
Cost of goods sold	32,299,401	31,137,644
Gross profit	8,077,710	7,314,682
Operating expenses		
Selling	871,172	1,055,118
General and administrative	4,223,347	3,084,898
Total operating expenses	5,094,519	4,140,016
Operating income	2,983,191	3,174,666
Non-operating revenue (expenses)		
Investment income	36,486	19,974
Net gain/(loss) on disposal of equipment	17,463	(519)
Interest expense	(116)	(9,968)
Net non-operating revenues (expenses)	53,833	9,487
Income before transfers	3,037,024	3,184,153
Transfers to State of Arizona funds	(947,400)	(1,407,600)
Increase in net assets	2,089,624	1,776,553
Total net assets, July 1	14,412,510	12,635,957
Total net assets, June 30	\$ 16,502,134	\$ 14,412,510

STATEMENT OF CASH FLOWS

	2013	2012
Net cash provide by operating activities	\$ 5,062,006	\$ 3,032,817
Net cash used for noncapital financing activities	(952,400)	(1,407,600)
Net cash used for capital and financing activities	(1,284,216)	(524,644)
Net cash provided by investing activities	39,616	20,002
Net increase in cash and cash equivalents	2,865,006	1,120,575
Cash and cash equivalents, July 1	5,039,864	3,919,289
Cash and cash equivalents, June 30	\$ 7,904,870	\$ 5,039,864



RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES

	2013	2012
Operating Income	\$ 3,186,305	\$ 3,174,666
Adjustment to reconcile operating income to net cash provided for operating activities		
Depreciation	543,795	518,045
(Increase)/decrease in accounts receivable	1,243,548	(463,070)
Increase/(decrease) in accounts payable	824,748	(19,478)
Increase in inventories	(776,433)	(117,122)
(Increase)/decrease in prepaid expenses	63,237	(65,747)
Increase/(decrease) in accrued payroll & benefits	73,632	(211,396)
Increase in deferred income	4,124	4,231
Decrease in current portion of lease	(18,588)	-
Increased/(decrease) in accrued liabilities	(82,362)	212,688
Net cash provided by operating activities	\$ 5,062,006	\$ 3,032,817

SCHEDULE OF CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

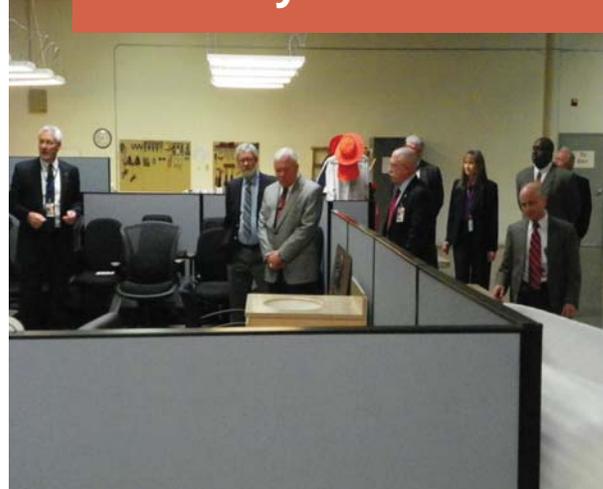
	2013	2012
Schedule of capital assets		
Cost of goods sold	\$ 692,438	\$ 692,438
Land Improvements	391,016	240,438
Building	787,797	782,799
Building Improvements	1,150,620	1,141,634
Equipment	8,116,202	7,486,027
General and administrative	369,178	-
Total capital assets	\$ 11,507,251	\$ 10,343,336
Schedule of accumulated depreciation		
Land improvements	243,397	239,685
Building	497,154	467,645
Building improvements	635,840	586,033
Equipment	6,282,771	5,957,455
Total accumulated depreciation	\$ 7,659,162	\$ 7,250,818
Capital assets, net	\$ 3,848,089	\$ 3,092,518

Annual Company Meeting 2012

ACI celebrated its 25th anniversary at its annual meeting at the Windmill Event Center in Florence, Arizona on September 20th, 2012 recognizing the past 25 years and looking ahead to future programs and endeavors.



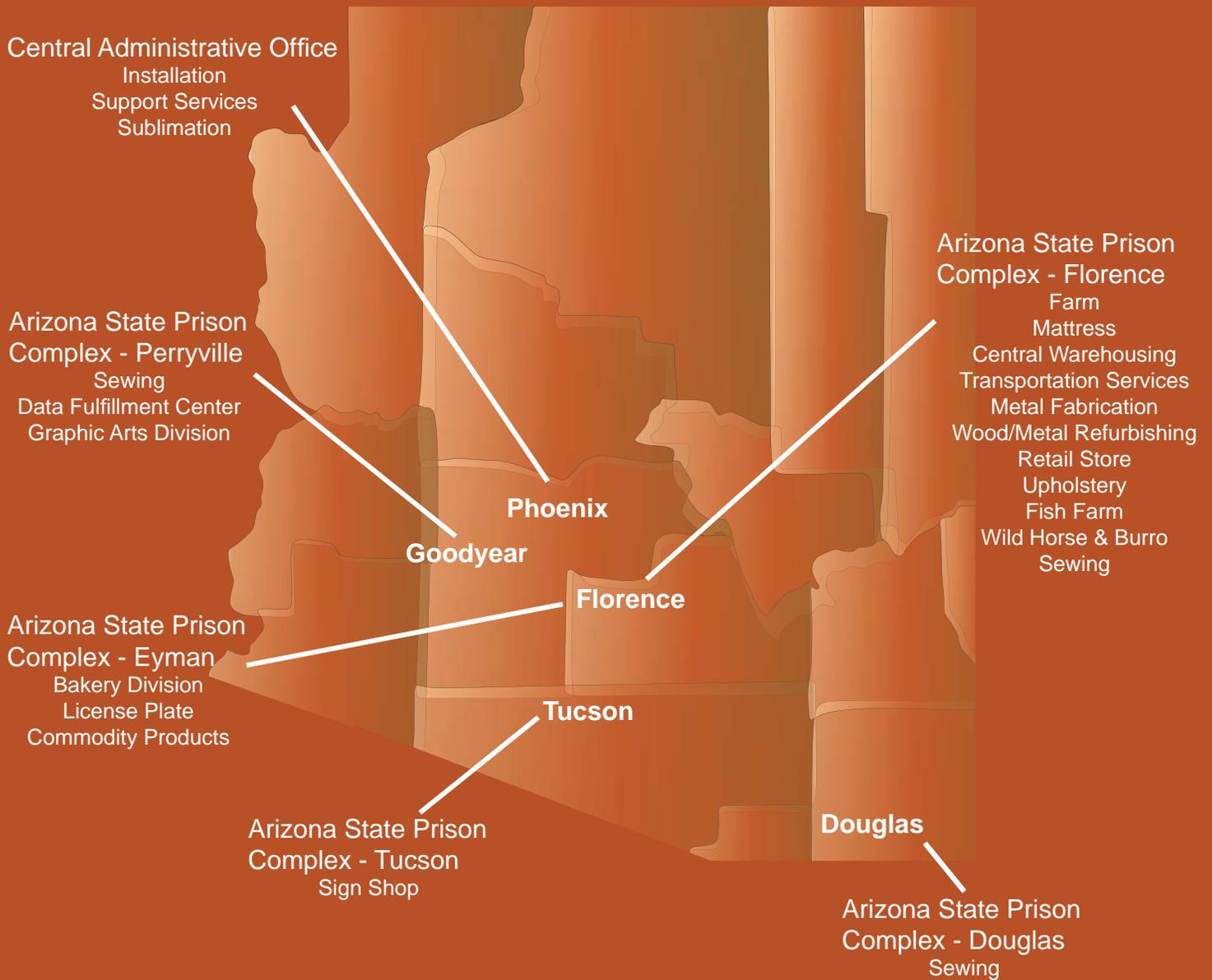
Advisory Board Meeting



On March 11, 2013 an ACI Advisory Board meeting and tour were held at ACI's administrative offices. Members attending included Senator Al Melvin, Director Charles L. Ryan, Deputy Director Jeff Hood, Division Director Gail Rittenhouse, Division Director Michael Kearns, Bureau Administrator John Kinton, and Paul Winslow, Architect and Owner of Winslow & Partners Ideas for the Changing World.



ACI Owned and Operated Prison Industry Enterprises



ACI

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ASPC Perryville, Goodyear AZ
www.aci-adc.com