

# Triumph Gulf Coast, Inc. Application for Funds

November 2022



## **Triumph Gulf Coast, Inc. Trust Fund Application for Funds**

Proposal Instructions: The Triumph Gulf Coast, Inc. Trust Fund Grant Application (this document) must be completed by the entity applying for the grant and signed, as applicable, by either the individual applying for funds, an individual authorized to bind the entity applying for funds, a chief elected official, the administrator for the governmental entity or their designee. Please read the Application carefully as some questions may require a separate narrative to be completed. In addition, please complete all Addendums that may be applicable to the proposed project or program.

Triumph Gulf Coast, Inc. will make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. Triumph Gulf Coast, Inc. may make awards for:

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education; encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.

Pursuant to Florida Law, Triumph Gulf Coast, Inc. will provide priority consideration to Applications for projects or programs that:

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.
- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

Additionally, the Board of Triumph Gulf Coast, Inc. may provide discretionary priority to consideration of Applications for projects and programs that:

- Are considered transformational for the future of the Northwest Florida region.
- May be consummated quickly and efficiently.
- Promote net-new jobs in the private sector with an income above regional average household income.
- Align with Northwest Florida FORWARD, the regional strategic initiative for Northwest Florida economic transformation.
- Create net-new jobs in targeted industries to include: aerospace and defense, financial services/shared services, water transportation, artificial intelligence, cybersecurity, information technology, manufacturing, and robotics.
- Promote industry cluster impact for unique targeted industries.
- Create net-new jobs with wages above national average wage (*e.g.*, similar to EFI QTI program, measured on graduated scale).
- Are located in Rural Area of Opportunity as defined by the State of Florida (DEO).
- Provide a wider regional impact versus solely local impact.
- Align with other similar programs across the regions for greater regional impact, and not be duplicative of other existing projects or programs.
- Enhance research and innovative technologies in the region.
- Enhance a targeted industry cluster or create a Center of Excellence unique to Northwest Florida.
- Create a unique asset in the region that can be leveraged for regional growth of targeted industries.

- Demonstrate long-term financial sustainability following Triumph Gulf Coast, Inc. funding.
- Leverage funding from other government and private entity sources.
- Provide local investment and spending.
- Are supported by more than one governmental entity and/or private sector companies, in particular proposed projects or programs supported by more than one county in the region.
- Provide clear performance metrics over duration of project or program.
- Include deliverables-based payment system dependent upon achievement of interim performance metrics.
- Provide capacity building support for regional economic growth.
- Are environmentally conscious and business focused.
- Include Applicant and selected partners/vendors located in Northwest Florida.

Applications will be evaluated and scored based on compliance with the statutory requirements of the Triumph Gulf Coast legislation, including but not limited to the priorities identified therein and the geographic region served by the proposed project or program.

**Applicant Information**

Name of Individual (if applying in individual capacity): N/A

Name of Entity/Organization: Pride Rehabilitative Industries and Diversified Enterprises, Inc. (dba: PRIDE Enterprises)

Background of Applicant Individual/Entity/Organization: See attachment

(If additional space is needed, please attach a Word document with your entire answer.)

Federal Employer Identification Number: 59-2167018

Contact Information:

Primary Contact Information: Jack Edgemon/ Blake Brown

Title: President/ President-Elect

Mailing Address: P.O. Box 44800

Brandon, Florida 33509

Phone: 813-324-8700

Email: jedgemon@pride-enterprises.org

Website: https://pride-enterprises.org

Identify any co-applicants, partners, or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.

See attachment

(If additional space is needed, please attach a Word document with your entire answer.)

Total amount of funding requested from Triumph Gulf Coast: \$1,000,000

Has the applicant in the past requested or applied for funds for all or part of the proposed project/program?

Yes       No

If yes, please provide detailed information concerning the prior request for funding, including:

- the date the request/application for funding was made;
- the source to which the request/application for funding was made,
- the results of the request/application for funding, and
- projected or realized results and/or outcomes from prior funding.

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(If additional space is needed, please attach a Word document with your entire answer.)

Describe the financial status of the applicant and any co-applicants or partners:

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

In a separate attachment, please provide financial statements or information that details the financial status of the applicant and any co-applicants or partners.

Has the applicant or any co-applicants, partners or any associated or affiliated entities or individuals filed for bankruptcy in the last ten (10) years?

Yes       No

If yes, please identify the entity or individual that filed for bankruptcy and the date of filing.

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(If additional space is needed, please attach a Word document with your entire answer.)

## **Eligibility**

Pursuant to Section 288.8017, Triumph Gulf Coast, Inc. was created to make awards from available funds to projects or programs that meet the priorities for economic recovery, diversification, and enhancement of the disproportionately affected counties. The disproportionately affected counties are: Bay County, Escambia County, Franklin County, Gulf County, Okaloosa County, Santa Rosa County, Walton County, or Wakulla County. *See*, Section 288.08012.

1. From the choices below, please check the box that describes the purpose of the proposed project or program (check all that apply):

- Ad valorem tax rate reduction within disproportionately affected counties;
- Local match requirements of s. 288.0655 for projects in the disproportionately affected counties;
- Public infrastructure projects for construction, expansion, or maintenance which are shown to enhance economic recovery, diversification, and enhancement of the disproportionately affected counties;
- Grants to local governments in the disproportionately affected counties to establish and maintain equipment and trained personnel for local action plans of response to respond to disasters, such as plans created for the Coastal Impacts Assistance Program;
- Grants to support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties. Eligible programs include those that increase students' technology skills and knowledge; encourage industry certifications; provide rigorous, alternative pathways for students to meet high school graduation requirements; strengthen career readiness initiatives; fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors; and, similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission of Education, encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties;
- Grants to support programs that provide participants in the disproportionately affected counties with transferable, sustainable workforce skills that are not confined to a single employer; and
- Grants to the tourism entity created under s. 288.1226 for the purpose of advertising and promoting tourism and Fresh From Florida, and grants to promote workforce and infrastructure, on behalf of all of the disproportionately affected counties.





3. Explain how the proposed project or program is considered transformational and how it will effect the disproportionately affected counties in the next ten (10) years.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

4. Describe data or information available to demonstrate the viability of the proposed project or program.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

5. Describe how the impacts to the disproportionately affected counties will be measured long term.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

6. Describe how the proposed project or program is sustainable. (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

7. Describe how the deliverables for the proposed project or program will be measured.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

### **Priorities**

1. Please check the box if the proposed project or program will meet any of the following priorities (check all that apply):

- Generate maximum estimated economic benefits, based on tools and models not generally employed by economic input-output analyses, including cost-benefit, return-on-investment, or dynamic scoring techniques to determine how the long-term economic growth potential of the disproportionately affected counties may be enhanced by the investment.
- Increase household income in the disproportionately affected counties above national average household income.
- Leverage or further enhance key regional assets, including educational institutions, research facilities, and military bases.

- Partner with local governments to provide funds, infrastructure, land, or other assistance for the project.
- Benefit the environment, in addition to the economy.
- Provide outcome measures.
- Partner with K-20 educational institutions or school districts located within the disproportionately affected counties as of January 1, 2017.
- Are recommended by the board of county commissioners of the county in which the project or program will be located.
- Partner with convention and visitor bureaus, tourist development councils, or chambers of commerce located within the disproportionately affected counties.

2. Please explain how the proposed project meets the priorities identified above.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

3. Please explain how the proposed project or program meets the discretionary priorities identified by the Board.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

4. In which of the eight disproportionately affected county/counties is the proposed project or program located? (Circle all that apply)

**Escambia** Santa Rosa Okaloosa Walton Bay Gulf Franklin Wakulla

5. Was this proposed project or program on a list of proposed projects and programs submitted to Triumph Gulf Coast, Inc., by one (or more) of the eight disproportionately affected Counties as a project and program located within its county?  
 Yes  No

If yes, list all Counties that apply: \_\_\_\_\_  
\_\_\_\_\_

6. Does the Board of County Commissioners for each County listed in response to question 5, above, recommend this project or program to Triumph?  
 Yes  No

\*\*Please attach proof of recommendation(s) from each County identified.

**Approvals and Authority**

1. If the Applicant is awarded grant funds based on this proposal, what approvals must be obtained before Applicant can execute an agreement with Triumph Gulf Coast, Inc.?  
No approvals are needed for this project to proceed.  
(If additional space is needed, please attach a Word document with your entire answer.)

2. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the entity and Triumph Gulf Coast:  
A. Provide the schedule of upcoming meetings for the group for a period of at least six months.  
B. State whether that group can hold special meetings, and if so, upon how many days' notice.  
N/A  
(If additional space is needed, please attach a Word document with your entire answer.)

3. Describe the timeline for the proposed project or program if an award of funding is approved, including milestones that will be achieved following an award through completion of the proposed project or program.  
The first classroom instruction for a class of 15 commenced on June 12, 2023.  
(If additional space is needed, please attach a Word document with your entire answer.)

4. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the entity applying for funding. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc. In addition, please attach any support letters from partners.

**Funding and Budget:**

Pursuant to Section 288.8017, awards may not be used to finance 100 percent of any project or program. An awardee may not receive all of the funds available in any given year.

1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.  
\$1,000,000 is requested in total, which will be used over a five-year period.  
\_\_\_\_\_  
(If additional space is needed, please attach a Word document with your entire answer.)

2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award of funding will be for a defined monetary amount and will not be based on percentage of projected project costs.)  
See attachment  
\_\_\_\_\_  
(If additional space is needed, please attach a Word document with your entire answer.)

3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.  
Total number of jobs expected in five years: 200 Average starting salary: \$18.90/hour  
\_\_\_\_\_  
(If additional space is needed, please attach a Word document with your entire answer.)

4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.  
 Yes  No  
See attachment  
\_\_\_\_\_  
(If additional space is needed, please attach a Word document with your entire answer.)

5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.

See Attachment

A. Project/Program Costs:

Example Costs (Note: Not exhaustive list of possible Cost categories.)

Construction	\$ _____
Reconstruction	\$ _____
Design & Engineering	\$ _____
Land Acquisition	\$ _____
Land Improvement	\$ _____
Equipment	\$ _____
Supplies	\$ _____
Salaries	\$ _____

Other (specify)	\$ _____
Total Project Costs:	\$ <u>1,992,000</u>

B. Other Project Funding Sources:

Example Funding Sources (Note: Not an exhaustive list of possible Funding Sources.)

<del>City/County</del> FDC	\$ <u>702,000</u>
Private Sources	\$ _____
Other ( <del>e.g., grants, etc.</del> ) FDC	\$ <u>290,000</u> (Imputed Land & Building Space Cost)
Total Other Funding	\$ <u>992,000</u>
<b>Total Amount Requested:</b>	<b>\$ <u>1,000,000</u> (33.5%)</b>

Note: The total amount requested must equal the difference between the costs in 3A. and the other project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

The PRIDE Enterprises Board of Directors approved funding in March 2023 for the NCCER Level 1 Caprentry Program, taught by Pensacola State College. The PRIDE Board also approved funding for The Micro-Home Construction Program during the June 22, 2023 Board Meeting. Course instruction commenced on June 12, 2023. Drawings and Permits are in progress for the Production Facility.

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(If additional space is needed, please attach a Word document with your entire answer.)

Applicant understands that the Triumph Gulf Coast, Inc. statute requires that the award contract must include provisions requiring a performance report on the contracted activities, must account for the proper use of funds provided under the contract, and must include provisions for recovery of awards in the event the award was based upon fraudulent information or the awardee is not meeting the performance requirements of the award.

Yes       No

Applicant understands that awardees must regularly report to Triumph Gulf Coast, Inc. the expenditure of funds and the status of the project or program on a schedule determined by Triumph Gulf Coast, Inc.

Yes       No

Applicant acknowledges that Applicant and any co-Applicants will make books and records and other financial data available to Triumph Gulf Coast, Inc. as necessary to measure and confirm performance metrics and deliverables.

Yes       No

Applicant acknowledges that Triumph Gulf Coast, Inc. reserves the right to request additional information from Applicant concerning the proposed project or program.

Yes       No

**ADDENDUM FOR INFRASTRUCTURE PROPOSALS:**

1. Program Requirements

A. Is the infrastructure owned by the public?

Yes       No

B. Is the infrastructure for public use or does it predominately benefit the public?

Yes       No

C. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?

Yes       No

D. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current and future businesses.

See attachment

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(If additional space is needed please attach a Word document with your entire answer.)

E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

A. Is this project an expansion of existing infrastructure project?

Yes       No

B. Provide the proposed beginning commencement date and number of days required to complete construction of the infrastructure project.

Classroom instruction began June 12th, 2023. Construction of Facilities should take 6-9 months



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(If additional space is needed, please attach a Word document with your entire answer.)

- C. What is the location of the public infrastructure? (Provide the road number, if applicable.)

Century Correctional Institution

400 Tedder Road. Century, FL 32525

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

PRIDE Enterprises, Inc., Florida Department of Corrections, & Pensacola State College

are responsible for maintenance and upkeep.

(If additional space is needed, please attach a Word document with your entire answer.)

- E. What permits are necessary for the infrastructure project?

Building Permits must be submitted to Florida Department of Corrections and the Florida State

Fire Marshall.

(If additional space is needed, please attach a Word document with your entire answer.)

Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?

N/A Drawing preparation is underway. Expect permit approval within 8 weeks.

(If additional space is needed, please attach a Word document with your entire answer.)

- F. What is the future land use and zoning designation on the proposed site of the Infrastructure improvement, and will the improvements conform to those uses?

N/A

(If additional space is needed, please attach a Word document with your entire answer.)

- G. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline  
 Yes       No

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(If additional space is needed, please attach a Word document with your entire answer.)

- H. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.  
 Yes       No

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

- I. Provide any additional information or attachments to be considered for this proposal.

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(If additional space is needed, please attach a Word document with your entire answer.)

**ADDENDUM FOR WORKFORCE TRAINING PROPOSALS**

1. Program Requirements

- A. Will this proposal supports programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.

Yes       No

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Will the proposed program (check all that apply):

- Increase students' technology skills and knowledge
- Encourage industry certifications
- Provide rigorous, alternative pathways for students to meet high school graduation requirements
- Strengthen career readiness initiatives
- Fund high-demand programs of emphasis at the bachelor's and master's level designated by the Board of Governors
- Encourage students with interest or aptitude for science, technology, engineering, mathematics, and medical disciplines to pursue postsecondary education at a state university or a Florida College System institution within the disproportionately affected counties (similar to or the same as talent retention programs created by the Chancellor of the State University System and the Commission on Education)

For each item checked above, describe how the proposed program will achieve these goals

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer? If yes, please provide details.

Yes       No

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

- D. Identify the disproportionately affected counties where the proposed programs will operate or provide participants with workforce skills.

Escambia and Santa Rosa County

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(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

See answer page 14 Paragraph 1.E.

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(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Is this an expansion of an existing training program? If yes, describe how the proposed program will enhance or improve the existing program and how the proposal program will supplement but not supplant existing funding sources.

Yes       No

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Indicate how the training will be delivered (e.g., classroom-based, computer based, other).

If in-person, identify the location(s) (e.g., city, campus, etc.) where the training will be available.

If computer-based, identify the targeted location(s) (e.g., city, county) where the training will be available.

The training will be in-person in a classroom setting with computer access and hands-on

lab training at Century Correctional Institution

(If additional space is needed, please attach a Word document with your entire answer.)

- C. Identify the number of anticipated enrolled students and completers.

We anticipate 45 enrolled students per year. The projected number of program completions

is 40 per year.

(If additional space is needed, please attach a Word document with your entire answer.)

- D. Indicate the length of the program (e.g, quarters, semesters, weeks, months, etc.) including anticipated beginning and ending dates.

The program will consist of 450 hours or approximately 15 weeks, with 3 sessions per year.

~~(If additional space is needed, please attach a Word document with your entire answer.)~~

- E. Describe the plan to support the sustainability of the proposed program.

See attachment

(If additional space is needed, please attach a Word document with your entire answer.)

- F. Identify any certifications, degrees, etc. that will result from the completion of the program.

NCCER CORE and Level 1 Carpentry Certifications

G. Does this project have a local match amount? If yes, please describe the entity providing the match and the amount.

Yes                       No

See attachment

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(If additional space is needed, please attach a Word document with your entire answer.)

H. Provide any additional information or attachments to be considered for this proposal.

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(If additional space is needed, please attach a Word document with your entire answer.)

**ADDENDUM FOR AD VALOREM TAX RATE REDUCTION:**

1. Program Requirements

- A. Describe the property or transaction that will be supported by the ad valorem tax rate reduction.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the ad valorem tax rate reduction will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of the quantitative evidence demonstrating how the proposed ad valorem tax reduction will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the ad valorem tax rate reduction?

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the ad valorem tax rate reduction and provide a detailed description of when and how the ad valorem tax rate reduction will be implemented.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Does this proposed project have a local match amount? If yes, please describe the entity providing the match and the amount.

Yes       No

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- D. Provide any additional information or attachments to be considered for this proposal.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)



**ADDENDUM FOR LOCAL MATCH REQUIREMENTS OF SECTION 288.0655,  
FLORIDA STATUTES**

1. Program Requirements

- A. Describe the local match requirements of Section 288.0655 and the underlying project, program or transaction that will be funded by the proposed award.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Provide a detailed explanation of how the local match requirements and the underlying project or program will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide a detailed description of, and quantitative evidence demonstrating how the proposed local match requirements will promote:
- Economic recovery,
  - Economic Diversification,
  - Enhancement of the disproportionately affected counties,
  - Enhancement of a Targeted Industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. What is the location of the property or transaction that will be supported by the local match requirements?

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the property or transaction that will be supported by the local match requirement and provide a detailed description of when and how the local match requirement will be implemented.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

## ADDENDUM FOR LOCAL ACTION PLAN

### 1. Program Requirements

- A. Describe how the proposed award will establish and maintain equipment and trained personnel for local action plans of response to respond to disasters.

N/A

- B. Describe the type and amount of equipment and trained personnel that will be established or maintained by the proposed award.

N/A

- C. Identify the specific local action plans (*e.g.*, Coastal Impacts Assistance Program) that will benefit from the proposed award.

N/A

- D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

### 2. Additional Information

- A. What is the location of the local action program that will be supported by the proposed award?

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the local action plans (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

**ADDENDUM FOR ADVERTISING/PROMOTION**

1. Program Requirements

A. Is the applicant a tourism entity created under s. 288.1226, Florida Statutes?  
 Yes  No

B. Does the applicant advertise and promote tourism and Fresh From Florida? If yes, provide details on how it advertises and promotes tourism and Fresh From Florida.  
 Yes  No

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

C. Does the proposed award promote workforce and infrastructure on behalf of the disproportionately affected counties? If yes, describe how workforce and infrastructure is promoted on behalf of the disproportionately affected counties.  
 Yes  No

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

D. Provide a detailed explanation of how the proposed award will connect to a broader economic recovery, diversification, enhancement of the disproportionately affected counties and/or enhancement of a targeted industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

E. Provide a detailed description of the quantitative evidence demonstrating how the proposed will promote:

- Economic recovery,
- Economic Diversification,
- Enhancement of the disproportionately affected counties,
- Enhancement of a Targeted Industry.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

2. Additional Information

- A. Describe the advertising and promotion mediums and locations where the advertising and promotion will occur.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- B. Detail the current status of the advertising and promotion (*e.g.*, new plans, existing plans, etc.) that will be supported by the proposed award and provide a detailed description of when and how the proposed award will be implemented.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

- C. Provide any additional information or attachments to be considered for this proposal.

N/A

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(If additional space is needed, please attach a Word document with your entire answer.)

I, the undersigned, do hereby certify that I have express authority to sign this proposal on my behalf or on behalf of the above-described entity, organization, or governmental entity:

Name of Applicant: Prison Rehabilitative Industries and Diversified Enterprises, INC.

Name and Title of Authorized Representative: Jack Edgemon (President)

Representative Signature: *Jack Edgemon*

Signature Date: July 14, 2023

# Triumph Gulf Coast, Inc.

## Application for Funds

### Attachment for Specific Application Sections

#### Applicant Information

#### Page 4

**Name of Entity/Organization:** Prison Rehabilitative Industries and Diversified Enterprises (dba: PRIDE Enterprises)

**Background of Applicant:** PRIDE Enterprises is a 501 (c) 3 Not-For-Profit corporation that manages correctional work programs in Florida Department of Corrections (FDC) Institutions and receives no tax appropriated funding. PRIDE's work programs provide education and vocational training to its inmate workers. Former PRIDE workers are placed in jobs upon release; collectively they have a low recidivism rate (less than 4%), which makes Florida communities safer and saves taxpayers millions of dollars every year in criminal justice costs.

**Identify any co-applicants, partners or other entities or organizations that will have a role in the proposed project or program and such partners proposed roles.**

1. Pensacola State College

Role:

- a. Provide NCCER Carpentry Level 1 course curriculum and materials/tools.
- b. Course instruction.

2. Florida Department of Corrections (FDC)

Role:

- a. Provide classroom space and security.
- b. Assign inmate students in accordance with eligibility profile.

3. PRIDE Enterprises

Role:

- a. Assist in selection of inmate students.
- b. Provide 16 computer workstations with internet access via the PRIDE IT infrastructure.
- c. Provide standard Transition Program services:
  - i. Job placement
  - ii. Relocation assistance
  - iii. Social services
  - iv. Case management
- d. Program accounting and performance monitoring



## Page 5

### **Describe the financial status of the applicant or any co-applicants or partners:**

PRIDE Enterprises is a financially solid 42-year-old NFP corporation that exhibits strong liquidity ratios and is at an exceedingly low risk of default. It has a strong D&B rating and has never had an unfavorable opinion in any of its annual financial audits, which are conducted by independent CPA firms. In December 2019 PRIDE experienced a ransomware attack that crippled its ERP and information network. In 2020 and 2021 it experienced significant operational and financial hardships because of the pandemic. However, during this time, PRIDE never missed a financial obligation, nor did it lay off any employees.

Attached is the PRIDE Enterprises' 2022 Financial Audit Report from CRI (Unqualified Clean Audit Opinion)

## Page 7

### Eligibility

**2. Provide the title and detailed description of the proposed project or program, including the location of the proposed project or program, a detailed description of, and quantitative evidence demonstrating how the proposed project or program will promote economic recovery, diversification, and enhancement of the disproportionately affected counties, a proposed timeline for the proposed project or program and the disproportionately affected counties that will be impacted by the proposed project or program:**

The program title is Construction Trades Vocational Training Program, which will be located in the Century Correctional Institution in Century, Florida. The program is composed of two elements: 1) a vocational education course provided by Pensacola State College, and 2) a micro-home construction industry provided by PRIDE Enterprises. The vocational education curriculum is derived from the National Center for Construction Education and Research (NCCER) Level 1 Carpentry Course (Curriculum is attached). It is taught by Pensacola State College and is 450 hours in duration and consists of classroom, computer, and lab sessions. Each course will last approximately 15 weeks, have a cohort of 15 students, and be scheduled 3 times per year. Inmate students who successfully complete the course can earn an NCCER Core certification and an NCCER Level 1 Carpentry certification; both certifications are nationally recognized by the home/commercial building industries. Graduates of the program will be placed in jobs with gulf coast commercial/residential builders, providing a much-needed infusion of skilled labor into the construction trades.

High performing graduates of the NCCER course may have the opportunity to work in PRIDE's Micro-Home Construction Program, which will also be located at Century CI. The construction program will provide inmates with on-the-job training in constructing micro-homes, which are intended to be sold to NFP, city, or county government entities to help alleviate the demand for affordable housing in gulf coast communities. The construction program is entirely funded by

PRIDE and the profits derived from micro-home sales will be used to sustain the Construction Trades Vocational Training Program in the future.

Upon release from prison, graduates of the NCCER course will be enrolled in PRIDE's Transition Program, which will provide job placement, relocation assistance, and 12-month case management services. Job placement efforts will be focused on commercial/residential building contractors in Escambia and Santa Rosa Counties. Likewise, marketing of affordable micro-home units will be directed at Century, Florida, and generally in Santa Rosa and Escambia Counties.

The timeline for the program is as follows:

- 1) Funding for the vocational training course provided by PSC was approved by the PRIDE Board of Directors during their quarterly meeting on March 23, 2023.
- 2) PSC's NCCER Level 1 Carpentry class commenced on 6-12-23. It is anticipated that the course offering will be expanded to include plumbing and electrical training after the first year. Requested funding will subsidize the PSC courses for approximately four years. At that time, we expect the micro-home construction program to be a viable program that can financially sustain the entire Construction Trades Vocational Training Program.
- 3) At the PRIDE Board of Directors meeting on June 22, 2023, funding for the micro-home construction industry at Century CI was approved by the PRIDE Board of Directors.
- 4) Construction of a 75' x 150' building with security fencing is projected to be completed during the first quarter of 2024.
- 5) Full production of micro-homes will commence during the first quarter of 2024.

## **Page 8**

### **Eligibility**

#### **3. Explain how the proposed program or project is considered transformational and how it will affect the disproportionately affected counties in the next ten (10) years.**

The program is unique in that it incorporates a nationally recognized construction trades course with a highly focused prison construction industry. The combination of education and actual production yield a transformational program that provides exceptional construction skills training for its inmate students and real-world construction experience. Escambia and Santa Rosa Counties will reap the benefit from this unique program for years by having a continual influx of skilled construction workers into their labor market, as well as by having a continual source of affordable quality housing. The program is intended to be self-sustaining and, therefore, could be scalable to other correctional institutions in gulf coast counties.

**4. Describe data or information available to demonstrate the viability of the proposed project or program.**

The following is information from the Home Builders Institute's Spring 2023 Construction Labor Market Analysis. Although the analysis is based upon national data, the trends are certainly applicable to Florida, which is experiencing a residential building boom.

- a. The construction industry needs approximately 723,000 new workers each year.
- b. The average number of unfilled construction jobs is between 300,000 to 400,000 every month.
- c. 90% of single-family builders report a shortage of carpenters.

The demand for affordable housing in Florida is tremendous:

- a. 26% of all Florida households expend more than 30% of their income on housing; 15% (or 945,687 households) spend more than 50% of their family income on housing (Florida Housing Coalition).
- b. Florida has the third highest homeless population in the country. 28,328 people are homeless.

The Florida Legislature in the 2023 session approved the appropriation of \$711 million in multiple programs to address the need for affordable housing. This was the state's largest investment in affordable housing programs in history.

The demand for skilled construction workers in Florida is intense and will not likely subside in the foreseeable future. Affordable housing needs in Florida equate to millions of units needed as soon as possible; in the best-case scenario, a multi-year intense building focus is required. State legislators recognize the critical need for affordable housing and have appropriated the largest housing fund program in the state's history. All of these factors contribute to the demand side of PRIDE's Construction Trades Program. Viability will be determined by meeting this solid demand with quality affordable housing that can generate sufficient revenues to offset the total cost of the program. Based upon our market and cost analysis, we believe program sustainability can be achieved in four years. PRIDE has 42 years of manufacturing and inmate training experience.

**5. Describe how the impacts to the disproportionately affected counties will be measured long term.**

Metrics:

- a. Number of certifications awarded compared to plan.
- b. Number of job placements compared to program graduates.
- c. Number of micro-homes sold compared to plan.
- d. The recidivism rate of program participants compared to general population recidivism rate.

**6. Describe how the proposed project or program is sustainable (Note: Sustainable means how the proposed project or program will remain financially viable and continue to perform in the long-term after Triumph Gulf Coast, Inc. funding.)**

See paragraph 4. Essentially the sustainability of the program, given that there is long-term strong demand for labor and housing, depends upon the ability to manufacture quality micro-homes at an affordable price that is sufficient to cover total costs. Based upon our preliminary net income pro forma, we believe sustainability can be achieved in four years. The projected time to establish solid sales channels.

**7. Describe how the deliverables for the proposed project or program will be measured.**

Metrics:

- a. Number of certifications awarded compared to plan.
- b. Number of job placements compared to program graduates.
- c. Number of micro-homes sold compared to plan.

**Page 9**

**Priorities**

**2. Please explain how the proposed project meets the priorities identified above.**

The program will generate economic benefits for Escambia and Santa Rosa Counties, as well as for other gulf coast counties by infusing skilled workers into the local building industry. A shortage of skilled labor reduces productivity, increases the cost of construction, and limits economic growth. The program will also provide low-cost housing, which will mitigate the tremendous cost of homelessness. Lastly the program will reduce the recidivism rate for released inmates, which historically has been in excess of 21% for general population inmates (e.g. PRIDE average rate for 2021 was 4.2%). This is important when the cost of incarceration in 2023 is estimated to be approximately \$41,000 per inmate per year.

**3. Please explain how proposed project or program meets the discretionary priorities identified by the Board.**

- a. The Construction Trades Programs is transformational in that it meshes the vocational training of inmate students with “real world” production of micro-homes in a prison environment at Century CI.
- b. The program will positively impact commercial/residential building industry growth in the gulf coast counties by providing much needed skilled construction labor.
- c. The Construction Trades Program will enable program graduates, with building industry recognized certifications, to be employed shortly after release from prison, and earn a sustainable living wage.

d. The program is supported by Pensacola State College, Florida Department of Corrections, and PRIDE Enterprises.

**Page 11**

**Funding and Budget:**

**1. Identify the amount of funding sought from Triumph Gulf Coast, Inc. and the time period over which funding is requested.**

\$1,000,000 is requested in total, which will be used over a five-year period.

**2. What percentage of total program or project costs does the requested award from Triumph Gulf Coast, Inc. represent? (Please note that an award funding will be for the defined monetary amount and will not be based on percentage of projected project cost.)**

33.5% (Total cost computation does not include direct material costs required to produce micro-homes. It does include imputed market cost for land, infrastructure, and existing building space.)

**3. Please describe the types and number of jobs expected from the proposed project or program and the expected average wage.**

Total number of jobs expected in five years: 200

Average starting salary: \$18.90/hour

**4. Does the potential award supplement but not supplant existing funding sources? If yes, describe how the potential award supplements existing funding sources.**

Yes-Supplements. PRIDE is funding the Construction Trades Program. The award will supplement funding for the cost of instruction. However, PRIDE will fund the computer workstations, internet access, software/security, certifications, production materials, production facility, supervision, equipment, utilities, insurance, etc.

**5. Please provide a Project/Program Budget. Include all applicable costs and other funding sources available to support the proposal.**

NCCER Course Instruction :	\$765,000
Infrastructure & Certifications :	\$158,000
Production Facility Construction:	\$521,000
Operating Expenses:	\$ 82,000
Overhead Expenses:	\$466,000
Total Project Costs:	\$1,992,000

**ADDENDUM FOR INFRASTRUCTURE PROPOSALS**

**1.D. Provide a detailed explanation of how the public infrastructure will connect to a broader economic development vision for the community and benefit additional current and future businesses.**

PRIDE will construct a 75' x 150' building on land inside the Century Correctional Institution that FDC allocated for a vocational training industry purpose at the time the institution was opened in 1991. The approximate \$520,000 capital improvement to Century CI will provide a building that can be used for future educational/vocational training purposes. Since about 35% of the inmate population is released every year, the more education/vocational training that can be provided to inmates, the better prepared they will be to become productive citizens when released. Infusion of skilled workers into the local economies benefits businesses as well as communities.

**1.E. Provide a detailed description of, and quantitative evidence demonstrating how the proposed public infrastructure project will promote:**

- **Economic recovery**
- **Economic Diversification**
- **Enhancement of the disproportionately affected counties.**
- **Enhancement of a Targeted Industry**

The NCCER Carpentry Vocational Training program, in conjunction with the micro-home construction program, will help stimulate the local economy with the production of affordable housing. The housing production will utilize local materials/supplies; micro-homes will be placed on home sites prepared by local contractors with foundations, water, sewer, electrical infrastructure.

The infrastructure improvement will enable the training of inmates who can earn nationally recognized carpentry certifications. Upon their release from prison, they will enhance the supply of skilled workers in the targeted commercial/residential building industry in the gulf coast region, specifically Escambia and Santa Rosa Counties.

**2H. Does this project have a local match amount? If yes please describe the entity providing the match and the amount.**

Fl. Dept. of Corrections-

- Infrastructure, land for projects buildings, and classroom/lab space: \$290,000

PRIDE Entreprises

- Building (75'-150') slab, electrical, plumbing- \$375,000
- Security cameras and fence \$50,000

- Infrastructure (road, cable, water, and sewer)-\$96,000
  - Total: \$521,000

Pensacola State College

- Curriculum, books, materials, computer programs- \$35,000 est.

**Page 17**

### **ADDENDUM FOR WORKPLACE TRAINING PROPOSALS**

**1.A. Will this proposal support programs that prepare students for future occupations and careers at K-20 institutions that have campuses in the disproportionately affected counties? If yes, please identify where the campuses are located and provide details on how the proposed programs will prepare students for future occupations and at which K-20 institutions that programs will be provided.**

Yes, this program will help prepare participants for future occupations. The NCCER carpentry course is administered from the PSC campus in Pensacola. Inmate students who successfully complete the course can continue their course work at PSC upon release from prison. The two NCCER certifications earned in the course at Century CI will assist job placement of the former program participants with commercial/residential builders in the gulf coast counties, should the program completers choose not to continue their education at PSC.

**1.B. For each item checked above, describe how the proposed program will achieve these goals.**

The NCCER course will provide classroom, computer, and hands-on lab training to inmate students. Inmates who successfully complete the 15-week course will earn NCCER Core and NCCER Level 1 Carpentry certifications, which are nationally recognized by the commercial/residential builders' industry.

The Construction Trades Program will absolutely strengthen an inmate's career readiness by giving them education, vocational training, and hands-on production experience as a career foundation when they are released from prison.

**1.C. Will this proposal provide participants in the disproportionately affected counties with transferable, sustainable workforce skills but not confined to a single employer?**

Program participants who successfully complete the NCCER Carpentry Course will earn two certifications (NCCER Core and Level 1 Carpentry certifications) that are nationally recognized in the commercial/residential building industry. Anyone with these certifications can successfully seek employment throughout the building industry. Starting wage for a worker with these certifications is approximately \$18.90/hour in Escambia County.

**Page 19**

**2.E. Describe the plan to support the sustainability of the program.**

The Construction Trades Program is an innovative model for prison work programs. It combines classroom, computer, and hands-on lab training in commercial/residential carpentry with a real-world micro-home production program. Program participants can earn nationally recognized vocational carpentry certifications and build micro-homes on a production line, all in one location (i.e., Century CI). The micro-homes that are produced at Century will be sold to NFP or government entities to address affordable housing issues. Once the program is fully operational and established in the market (estimate of four years for market establishment), the program will be sustained by the sale of its micro-homes.

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**ADDENDUM FOR WORKFORCE TRAINING PROPOSALS**

**2G. Does this project have a local match amount? If yes please describe the entity providing the match and the amount.**

Fl. Dept. of Corrections

- Infrastructure, land for projects buildings, and classroom/lab space: \$290,000

PRIDE Entreprises-

- Building (75'-150') slab, electrical, plumbing- \$375,000
- Security cameras and fence \$50,000
- Infrastructure (road, cable, water, and sewer)-\$96,000
  - Total: \$521,000

Pensacola State College

- Curriculum, books, materials, computer programs- \$35,000 est.



A decorative graphic on the left side of the page consists of several horizontal arrows pointing to the right. The arrows are arranged in two groups. The top group has two arrows: a black one on top and a blue one below it. The bottom group has two arrows: a brown one on top and a dark brown one below it. The arrows are of varying lengths and are positioned to the left of the main text.

**Prison Rehabilitative Industries and  
Diversified Enterprises, Inc.**

**FINANCIAL STATEMENTS**

**December 31, 2022 and 2021**

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
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**December 31, 2022 and 2021**



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**REPORT**





**Carr, Riggs & Ingram, LLC**  
2633 Centennial Boulevard  
Suite 200  
Tallahassee, Florida 32308

(850) 878-8777  
(850) 878-2344 (fax)  
CRLcpa.com

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Prison Rehabilitative Industries and Diversified Enterprises, Inc.  
Brandon, Florida

### **Opinion**

We have audited the accompanying financial statements of Prison Rehabilitative Industries and Diversified Enterprises, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prison Rehabilitative Industries and Diversified Enterprises, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Prison Rehabilitative Industries and Diversified Enterprises, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Effect of Adopting New Accounting Standard**

As discussed in Note 2, the Financial Accounting Standards Board issued ASU No. 2016-02, *Leases* (Topic 842), which supersedes the lease requirements in Topic 840, *Leases*. The standard requires recognition of leases on the Statement of Financial Position and note disclosure of certain information about lease arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2021. Our opinion is not modified with respect to that matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Prison Rehabilitative Industries and Diversified Enterprises, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Prison Rehabilitative Industries and Diversified Enterprises, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Prison Rehabilitative Industries and Diversified Enterprises, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Restriction on Use**

Our report is intended solely for the information and use of Prison Rehabilitative Industries and Diversified Enterprises, Inc. and the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Tallahassee, FL

May 11, 2023



**FINANCIAL STATEMENTS**



**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Statements of Financial Position**

<i>December 31,</i>	<b>2022</b>	2021
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 2,918,400	\$ 2,411,315
Investments in Special Purpose Investment Account	19,815,056	19,637,397
Accounts receivable, net	6,476,218	7,584,084
Lease receivable, current portion	138,249	38,111
Inventories, net	17,438,327	13,050,063
Prison Industry Trust Fund (PITF)	617,588	492,640
Other current assets	623,438	1,170,665
<b>Total current assets</b>	<b>48,027,276</b>	44,384,275
Non-current assets		
Lease receivable, less current portion	345,621	133,389
Operating lease right-of-use assets, net	2,174,073	-
Property, agricultural assets, and equipment, net	9,650,262	12,797,227
<b>Total non-current assets</b>	<b>12,169,956</b>	12,930,616
<b>Total assets</b>	<b>\$ 60,197,232</b>	\$ 57,314,891
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable	\$ 2,601,874	\$ 3,148,753
Accrued liabilities	1,464,902	1,593,092
Current portion of operating liabilities	510,773	-
<b>Total current liabilities</b>	<b>4,577,549</b>	4,741,845
<b>Long-term liabilities</b>		
Operating lease liabilities, less current portion	1,663,300	-
<b>Total long-term liabilities</b>	<b>1,663,300</b>	-
<b>Total liabilities</b>	<b>6,240,849</b>	4,741,845
Net assets without donor restrictions		
Undesignated	53,956,383	52,573,046
<b>Total net assets without donor restrictions</b>	<b>53,956,383</b>	52,573,046
<b>Total liabilities and net assets</b>	<b>\$ 60,197,232</b>	\$ 57,314,891

*The accompanying notes are an integral part of these financial statements.*



**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Statements of Activities**

<i>For the years ended December 31,</i>	<b>2022</b>	<b>2021</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>Revenue and support</b>		
Revenue	\$ 65,748,887	\$ 59,470,755
Cost of sales	(55,265,689)	(51,611,382)
<b>Gross margin</b>	<b>10,483,198</b>	<b>7,859,373</b>
<b>Operating expenses</b>		
General and administrative	(5,634,041)	(5,170,929)
Distribution	(2,991,398)	(2,409,273)
Selling	(1,756,454)	(1,905,608)
Inmate services	(517,756)	(318,219)
Legal	(98,665)	(113,817)
Board	(88,146)	(87,533)
Victim restitution fund - traditional	(65,322)	(58,434)
Environmental contingency	(54,926)	975
<b>Total operating expenses</b>	<b>(11,206,708)</b>	<b>(10,062,838)</b>
 Change in net assets without donor restrictions due to operations	 <b>(723,510)</b>	 <b>(2,203,465)</b>
<b>Other revenue (expense)</b>		
Gain (loss) on property disposal	1,452,930	(289,770)
PITF income	478,306	482,952
Interest income	202,825	226,857
Interest expense	(27,214)	(18,165)
Other	-	-
<b>Total other revenue (expense)</b>	<b>2,106,847</b>	<b>401,874</b>
<b>Change in net assets without donor restrictions</b>	<b>1,383,337</b>	<b>(1,801,591)</b>
<b>Net assets without donor restrictions at beginning of year,</b>	<b>52,573,046</b>	<b>54,374,637</b>
<b>Net assets without donor restrictions at end of year</b>	<b>\$ 53,956,383</b>	<b>\$ 52,573,046</b>

*The accompanying notes are an integral part of these financial statements.*

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Statements of Cash Flows**

<i>For the years ended December 31,</i>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>		
Change in net assets without donor restrictions	\$ 1,383,337	\$ (1,801,591)
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,211,714	2,628,728
Amortization of right-of-use assets	322,439	-
(Gain) loss on disposal of assets	(1,452,930)	289,770
Provision (recovery) for doubtful accounts	(391,130)	225,249
Changes in operating assets and liabilities		
Accounts receivable	1,498,996	(2,048,349)
Inventories	(4,388,264)	(1,441,185)
Prison Industry Trust Fund	(124,948)	(311,503)
Other current assets	547,227	(391,042)
Accounts payable	(546,879)	981,782
Accrued liabilities	(128,190)	(29,143)
Operating lease liabilities	(322,439)	-
<b>Net cash provided by (used in) operating activities</b>	<b>(1,391,067)</b>	<b>(1,897,284)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, agricultural assets and equipment	(885,096)	(877,568)
Proceeds on disposal of assets	3,273,277	197,423
Purchase of equipment to be leased	(430,622)	(177,360)
Receipts related to leased equipment	118,252	5,860
Purchase of investments	(177,659)	(202,103)
<b>Net cash provided by (used in) investing activities</b>	<b>1,898,152</b>	<b>(1,053,748)</b>
<b>Net change in cash and cash equivalents</b>	<b>507,085</b>	<b>(2,951,032)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>2,411,315</b>	<b>5,362,347</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 2,918,400</b>	<b>\$ 2,411,315</b>

*The accompanying notes are an integral part of these financial statements.*

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Statements of Cash Flows**  
**(Continued)**

*For the years ended December 31,* **2022** **2021**

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**Schedule of Certain Cash Flow Information**

Cash paid for interest **\$ 27,214** **\$ 18,165**

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**Schedule of Noncash Transactions**

Lease liabilities arising from obtaining right-of-use assets  
Operating leases **\$ 1,631,065** **\$ -**

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*The accompanying notes are an integral part of these financial statements.*

## **Prison Rehabilitative Industries and Diversified Enterprises, Inc.**

### **Notes to Financial Statements**

#### **Note 1: DESCRIPTION OF THE ORGANIZATION**

The Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE) is a not-for-profit corporation authorized by the Florida Legislature to lease certain facilities and manage the correctional work programs of the Florida Department of Corrections (DC).

PRIDE was incorporated on December 14, 1981. The final transfer of the former correctional work programs was completed by July 1, 1984. The transfer included certain assets and liabilities of the DC correctional work program and was recorded by PRIDE at estimated fair value. In addition to these transfers, various lease agreements between PRIDE and DC provide for PRIDE to use certain land, buildings, and equipment in its operations.

PRIDE operates in a variety of industries including furniture manufacturing, agriculture, graphics and digital print technologies, sewn products, services and other general manufacturing. Through its operations in these industries, PRIDE teaches job skills, provides work training programs, and post release job placement to help reduce recommitment, inmate idleness, and provide incentive for good behavior in prison, through its Training and Mission Programs.

PRIDE receives no funding from the Florida Legislature and is totally supported by the earnings it generates from the sale of its products and services. A majority of PRIDE products are sold to state agencies and governmental entities or their contract vendors.

PRIDE has the following programs that are unique to its statutory mission:

- Inmate Re-Entry Services - Represents job training, vocational, and related training to assist inmates participating in PRIDE programs in acquiring job skills prior to release from incarceration.
- Transition Services - Represents post-release job placement support to ex-offenders who formerly participated in PRIDE programs, including both financial assistance and employment referral services.
- Victim Restitution Fund (traditional wages) - PRIDE voluntarily pays to DC ten cents for every dollar of inmate compensation earned by inmates that owe victim restitution.

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### ***Basis of Accounting***

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and in conformity with the financial reporting provisions of Section 946.516 of the Florida State Statutes (the Statute). The Statute requires PRIDE to prepare their financial statements in accordance with accounting principles established by the Financial Accounting Standards Board

## **Prison Rehabilitative Industries and Diversified Enterprises, Inc.**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Basis of Accounting (continued)***

(FASB). FASB provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

##### ***Use of Estimates***

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### ***Cash and Cash Equivalents***

Cash and cash equivalents include cash and all highly liquid investments with a maturity when acquired of 90 days or less.

##### ***Accounts Receivable***

Accounts receivable result from sales of products to a variety of customers. Credit is extended to customers after their financial condition has been evaluated. Generally, collateral is not required.

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. PRIDE provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of members to meet their obligations.

Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is PRIDE's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

The allowance for doubtful accounts was approximately \$59,869 and \$631,486 as of December 31, 2022 and 2021, respectively.

##### ***Inventory***

Manufactured inventories are stated at the lower of cost or net realizable value and are accounted for under the first-in, first-out method. Crops in process are stated at the lower of cost or net realizable value and include all direct and indirect costs of growing crops. An obsolescence reserve is established for slow moving and potentially obsolete inventory based on review of inventory components and market conditions. When evidence exists that the net realizable value of inventory is lower than its cost, the difference is recognized as a loss in the statements of activities in the period in which it occurs.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Property, Agricultural Assets, and Equipment***

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for maintenance, renewals, and betterments that materially prolong the useful lives of assets in excess of one year are capitalized. Repairs and maintenance are expensed as incurred. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation and amortization are computed using the straight-line method.

***Leases***

PRIDE leases office space and equipment. PRIDE determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets, other current liabilities, and operating lease liabilities in the statements of financial position.

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, PRIDE uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that PRIDE will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

PRIDE's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

***Net Assets***

PRIDE reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of PRIDE, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

## **Prison Rehabilitative Industries and Diversified Enterprises, Inc.**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Net Assets (continued)***

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

As of December 31, 2022 and 2021, PRIDE has no net assets with donor restrictions.

##### ***Revenue Recognition***

Revenue is recognized when performance obligations under the terms of the contracts with customers are satisfied.

Revenue is recognized on sales in PRIDE's manufacturing and service operations when control of these products are transferred or services are provided to its customers, in an amount that reflects the consideration PRIDE expects to be entitled to in exchange for those products and services. PRIDE's principal terms of sale are FOB shipping point and PRIDE recognizes revenue for product sales upon shipment.

Revenue is recognized in PRIDE's agricultural operations, including citrus, sugarcane, cattle and timber products, as crops, cattle and cut timber are delivered and title passes to the customer in an amount that reflects the consideration PRIDE expects to be entitled to in exchange for those products and services. Certain of PRIDE's crops are harvested by customers. Revenue is recognized on these crops at the time of harvest. PRIDE initially recognizes revenue in an amount which is estimated based on contractual and market prices, if such market price falls within the range identified in the specific contract. Differences between the estimates and the final realization of revenues at the close of the harvesting season can result in either an increase or decrease to revenues. During the periods presented, no material adjustments were made to citrus or sugarcane revenues.

##### ***Shipping Costs***

PRIDE treats shipping and handling activities after the customer obtains control of the goods as a fulfillment cost and not as a promised good or service. As such, shipping costs are included in distribution expenses.

##### ***Functional Allocation of Expenses***

Directly identifiable expenses are charged to programs and supporting services. Expenses related to payroll, payroll taxes, and employee benefits are allocated based on actual percentages of time spent in each functional area. Other expenses are allocated across functional areas based on a fixed percentage.

## **Prison Rehabilitative Industries and Diversified Enterprises, Inc.**

### **Notes to Financial Statements**

#### **Note 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

##### ***Federal and State Income Taxes***

PRIDE is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) as an organization described in section 501(a)(1) and 170(b)(1)(A)(vi) and Chapter 617, Florida Statutes. Accordingly, no provision for income taxes has been made.

The Internal Revenue Service (IRS) has determined that PRIDE is not required to file a Form 990 because PRIDE is classified as an affiliate of a governmental unit under Section 1.6033-2(g)(6) of the *Income Tax Regulations*.

Contributions to PRIDE are tax deductible under Section 170 of the Code. PRIDE is also qualified to receive tax deductible bequests, transfers or gifts under Sections 2055, 2106, and 2522 of the Code.

##### ***Certain Other Taxes***

PRIDE collects various taxes from customers and remits those amounts to applicable taxing authorities. PRIDE's policy is to exclude those taxes from sales and cost of sales.

##### ***Recent Accounting Pronouncements***

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The adoption of FASB ASC 842 resulted in the recognition of right-of-use assets and operating lease liabilities of \$865,447 as of January 1, 2022. Results for years beginning prior to January 1, 2022 continue to be reported in accordance with historical accounting treatment. The adoption of FASB ASC 842 did not have a material impact on PRIDE's statements of activities or cash flows. See Note 8.

##### ***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, May 11, 2023. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.



**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 3: LIQUIDITY AND AVAILABILITY OF RESOURCES**

PRIDE maintains its financial assets primarily in cash and the Special Purpose Investment Account to provide liquidity to ensure funds are available as PRIDE's expenditures come due. The following reflects PRIDE's financial assets as of the statement of financial position dates, reduced by amounts not available for general use within one year of the statements of financial position date because of contractual or donor-imposed restrictions.

The following represents PRIDE's financial assets at December 31:

<i>December 31,</i>	<b>2022</b>	<b>2021</b>
Financial assets, at year-end:		
Cash and cash equivalents	\$ 2,918,400	\$ 2,411,315
Investments in SPIA	19,815,056	19,637,397
Accounts receivable, net	6,476,218	7,584,084
Financial assets available to meet cash needs for general expenditures within one year	<b>\$ 29,209,674</b>	<b>\$ 29,632,796</b>

PRIDE's board has authorized management to invest 75% of PRIDE's cash assets in the Special Purpose Investment Account.

**Note 4: INVESTMENTS**

The Florida State Treasury operates a special investment program for public entities. This program is authorized in Section 17.61(1), Florida Statutes, and is called the Special Purpose Investment Account (SPIA). Component units of the state, universities and colleges created by the Florida Constitution or Florida Statutes are eligible to invest in the SPIA.

Investments in the SPIA are valued at their estimated fair values in the accompanying statement of financial position. PRIDE held investments in SPIA of \$19,815,056 and \$19,637,397 at December 31, 2022 and 2021, respectively.

SPIA funds are combined with state funds and are invested as part of the Treasury Investment Pool. The Treasury Investment Pool invests in a combination of short-term liquid instruments and intermediate term fixed income securities.

Earnings are posted monthly based on a pro-rata share of total Treasury earnings. Each SPIA participant is assessed a monthly administrative fee of 0.12% of their average daily balance.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 5: INVENTORIES**

Inventories consist of the following at December 31:

<i>December 31,</i>	<b>2022</b>	<b>2021</b>
Raw materials and supplies	\$ 9,699,366	\$ 6,886,025
Work in process	476,640	489,656
Subassemblies	1,059,148	722,790
Finished goods	4,697,029	4,170,383
Crops in process	2,144,274	1,360,817
Total inventory	18,076,457	13,629,671
Reserve for inventory obsolescence and other	(638,130)	(579,608)
Inventory, net	<b>\$ 17,438,327</b>	<b>\$ 13,050,063</b>

**Note 6: PRISON INDUSTRIES TRUST FUND**

PRIDE is authorized by state law to hold the PIE Program Certificate for the State of Florida. PRIDE is authorized to manage and operate correctional work programs under Section 946.504 of the Florida Statutes and is authorized to deposit and withdraw funds from the Prison Industries Trust Fund (PITF).

Deposits to PITF are generated through a 50% withholding on all PIE inmate wages. The amount withheld and remitted to PITF and recognized as income was \$473,538 and \$523,191 for the years ended December 31, 2022 and 2021, respectively.

PITF consists of cash. Withdrawals from PITF are authorized by the PRIDE board of directors. The withdrawn funds are to be used by PRIDE for purposes of construction or renovation of its facilities, for the expansion or establishment of correctional work programs as described in Section 946.522 of the Florida Statutes, or for PIE programs as authorized under Section 946.523 of the Florida Statutes. As of December 31, 2022 and 2021, respectively, PRIDE held \$617,588 and \$492,640 in the PITF.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 7: PROPERTY, AGRICULTURAL ASSETS, AND EQUIPMENT**

Property, agricultural assets, and equipment consist of the following at December 31:

<i>December 31,</i>	<i>Estimated Useful Lives</i>	<b>2022</b>	<b>2021</b>
Land	None	\$ -	\$ 525,181
Building and building improvements	Up to 30 years	<b>7,815,733</b>	8,509,406
Leasehold improvements	Up to 20 years	<b>7,989,648</b>	8,067,267
Machinery and equipment	3-10 years	<b>19,458,790</b>	20,428,283
Livestock	5 years	<b>924,520</b>	1,080,427
Office equipment and furniture	3-10 years	<b>1,955,220</b>	1,966,055
Software	3-10 years	<b>601,888</b>	601,888
Vehicles	4-6 years	<b>2,178,078</b>	2,222,034
Grove development	20-30 years	-	2,385,702
Total property, agricultural assets, and equipment		<b>40,923,877</b>	45,786,243
Less accumulated depreciation and amortization		<b>(31,273,615)</b>	(32,989,016)
Property, agricultural assets, and equipment, net		<b>\$ 9,650,262</b>	\$ 12,797,227

During the years ended December 31, 2022 and 2021, PRIDE sold or disposed of various property, agricultural assets and equipment and recognized gains and (losses) of \$1,452,930 and (\$289,770), respectively.

Included in building and building improvements are three buildings with a net book value of approximately \$1.1 million that are being maintained by PRIDE but are not being used in current operations. PRIDE is maintaining the buildings and depreciating them with the intent to negotiate future usage with DC.

**Note 8: LEASES**

***Operating Leases – Lessee***

PRIDE has operating leases for office space and equipment. The leases have remaining lease terms of 3 to 6 years.

During the year ended December 31, 2022, PRIDE executed four lease agreements treated as operating leases. The execution of these lease agreements resulted in right-of-use assets and operating lease liabilities of \$1,631,065 at commencement.

The components of lease expense consist of the following:

<i>For the year ended December 31,</i>	<b>2022</b>
Operating lease cost	\$ 322,439

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 8: LEASES (Continued)**

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended December 31,</i>	<b>2022</b>
Weighted average remaining lease term	
Operating leases	4.9 years
Weighted average discount rate	
Operating leases	1.18%

The maturities of lease liabilities subsequent to December 31, 2022 consist of the following:

<i>For the years ending December 31,</i>	
2023	\$ 510,770
2024	511,506
2025	469,910
2026	258,780
2027	258,780
Thereafter	217,634
Total future minimum lease payments	2,227,380
Less imputed interest	(53,307)
Present value of lease liabilities	\$ 2,174,073

***Operating Leases Accounted for Under FASB ASC 840***

As of December 31, 2021, PRIDE leased certain office equipment accounted for as operating leases. The leases expire in various years through 2025.

Minimum lease payments under the non-cancellable operating leases are as follows:

<i>For the years ending December 31,</i>	
2022	\$ 231,024
2023	231,024
2024	231,024
2025	173,268
Total	\$ 866,340

Rental expense for these operating leases during the year ended December 31, 2021, was \$238,739.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 8: LEASES (Continued)**

PRIDE leases various land, buildings, and equipment from DC. Under terms of the leases, annual lease payments are 50% of PRIDE's operating income after adjustments and reserves for capital expenditures, working capital requirements, and provision for certain other payments. Such adjusted operating income for the years ended December 31, 2022 and 2021, was less than zero and, accordingly, no annual lease payments were required.

PRIDE's lease agreements with DC relative to the use of the correctional facilities expire on June 30, 2025. Based on FS 946.505, upon expiration, all property relating to correctional work programs automatically reverts to full ownership by DC unless PRIDE intends to utilize such property in another correctional work program. As of the date of the audit report, no further information is available regarding the renewal of the lease agreements.

The fair value of the leased property cannot be reasonably estimated since the property is located next to correctional facilities. Therefore, in-kind revenue and expense has not been recognized in the accompanying financial statements.

***Financing Leases - Lessor***

PRIDE is the lessor of dishwashers to DC under direct financing leases expiring in various years through 2026. PRIDE's net investment in the direct financing leases includes the cost of equipment installed as of December 31, 2022 and 2021, respectively, that totaled \$607,981 and \$177,359 offset by payments of \$5,859 and \$118,253 received through December 31, 2022 and 2021, respectively.

Minimum lease payments to be received as of December 31, 2022 for each of the next five years are:

*For the years ending December 31,*

2023	\$	138,249
2024		138,249
2025		138,249
2026		69,123
<b>Total</b>	<b>\$</b>	<b>483,870</b>

Minimum lease payments do not include monthly service costs for maintenance and supplies. Annual revenue related to these agreements was \$310,276 and \$19,527 for 2022 and 2021, respectively.

At December 31, 2021, PRIDE held \$350,950 of dishwashers to be installed and leased to DC under a direct finance lease. The cost of the dishwashers are included in other assets on the statements of financial position at December 31, 2021.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 9: REVENUE**

PRIDE recognizes revenue at a point in time (IE date of sale) for its sale of products and services. As of December 31, 2022 and 2021, there are no performance obligations to be satisfied which are related to its sales.

A summary of revenues disclosed on a disaggregated basis follows:

<i>For the years ended December 31,</i>	<b>2022</b>	<b>2021</b>
Specialty manufacturing	\$ 24,224,793	\$ 21,747,488
Graphics and digital	10,308,822	8,395,983
Services	12,933,472	13,317,088
Sewn products	7,505,657	7,164,063
Land management	7,856,454	6,098,357
General manufacturing	2,919,689	2,747,776
<b>Total revenue</b>	<b>\$ 65,748,887</b>	<b>\$ 59,470,755</b>

**Contract Balances**

A summary of contract balances follows:

<i>December 31,</i>	<b>2022</b>	<b>2021</b>
<b>Contract assets</b>		
Accounts receivable from contracts, beginning of year	\$ 7,584,084	\$ 5,760,984
Accounts receivable from contracts, end of year	\$ 6,476,218	\$ 7,584,084

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 10: FUNCTIONAL EXPENSES**

A summary of functional expenses follows:

	Program Services			Supporting Services	Total 2022
	Training Programs	Mission Programs	Total Program Services	General and Administrative	
<i>For the year ended December 31,</i>					
Cost of goods sold - direct cost	\$ 31,440,094	\$ -	\$ 31,440,094	\$ 27,214	\$ 31,467,308
Personnel	13,306,910	309,742	13,616,652	3,609,070	17,225,722
Other	3,399,576	175,140	3,574,716	835,124	4,409,840
Tools and supplies	3,245,951	7,130	3,253,081	87,534	3,340,615
Depreciation and amortization	2,207,856	3,858	2,211,714	-	2,211,714
Repairs and maintenance	2,000,686	-	2,000,686	45,896	2,046,582
Utilities	1,661,209	2,116	1,663,325	194,373	1,857,698
Transportation and travel	1,817,350	10,141	1,827,491	82,220	1,909,711
Professional fees	129,751	-	129,751	680,852	810,603
Liability insurance	538,120	9,628	547,748	96,843	644,591
Equipment rental and other	435,076	-	435,076	74,829	509,905
Victim restitution	64,854	468	65,322	-	65,322
<b>Total</b>	<b>\$ 60,247,433</b>	<b>\$ 518,223</b>	<b>\$ 60,765,656</b>	<b>\$ 5,733,955</b>	<b>\$ 66,499,611</b>

Functional expenses reconcile to the statements of activities as follows:

	Program Services			Supporting Services	Total 2021
	Training Programs	Mission Programs	Total Program Services	General and Administrative	
<i>For the year ended December 31,</i>					
Cost of goods sold - direct cost	\$ 29,647,024	\$ -	\$ 29,647,024	\$ 18,165	\$ 29,665,189
Personnel	12,822,613	227,792	13,050,405	3,301,608	16,352,013
Other	2,539,254	61,716	2,600,970	712,257	3,313,227
Tools and supplies	2,715,779	10,524	2,726,303	82,324	2,808,627
Depreciation and amortization	2,627,168	1,560	2,628,728	-	2,628,728
Repairs and maintenance	1,850,348	2,666	1,853,014	144,645	1,997,659
Utilities	1,532,608	1,283	1,533,891	179,196	1,713,087
Transportation and travel	1,520,090	6,407	1,526,497	42,611	1,569,108
Professional fees	13,935	-	13,935	889,979	903,914
Liability insurance	453,766	5,934	459,700	90,541	550,241
Equipment rental and other	356,888	249	357,137	64,791	421,928
Victim restitution	58,346	88	58,434	-	58,434
<b>Total</b>	<b>\$ 56,137,819</b>	<b>\$ 318,219</b>	<b>\$ 56,456,038</b>	<b>\$ 5,526,117</b>	<b>\$ 61,982,155</b>

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 10: FUNCTIONAL EXPENSES (Continued)**

Functional expenses reconcile to the statements of activities as follows:

<i>For the years ended December 31,</i>	<b>2022</b>	<b>2021</b>
Cost of goods sold	\$ 55,265,689	\$ 51,611,382
Operating expenses	<b>11,206,708</b>	10,062,838
Interest expense and loss on disposal	<b>27,214</b>	307,935
<b>Total expenses</b>	<b>\$ 66,499,611</b>	<b>\$ 61,982,155</b>

**Note 11: FAIR VALUE MEASUREMENTS**

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

*Level 1:* Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

*Level 2:* Significant other observable inputs other than Level 1 prices, such as:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs, other than quoted prices, that are:
  - observable; or
  - can be corroborated by observable market data.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3:* Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2022 and 2021.



**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 11: FAIR VALUE MEASUREMENTS (Continued)**

*SPIA* - Participants contribute to the Treasury Pool on a dollar basis. These funds are commingled and a fair value of the pool is determined from the individual values of the securities. The fair value of the securities is summed and a total pool fair value is determined. A fair value factor is calculated by dividing the pool's total fair value by the pool participant's total cash balances. The fair value factor is the ratio used to determine the fair value of an individual participant's pool balance.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although PRIDE believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis, are summarized below:

<b><i>December 31, 2022</i></b>	Level 1	Level 2	Level 3	Total
<i>SPIA</i>	\$ -	\$ 19,815,056	\$ -	\$ 19,815,056
<b><i>December 31, 2021</i></b>	Level 1	Level 2	Level 3	Total
<i>SPIA</i>	\$ -	\$ 19,637,397	\$ -	\$ 19,637,397

***Changes in Fair Value Levels***

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended December 31, 2022 and 2021, there were no significant transfers in or out of Levels 1, 2 or 3.

**Note 12: INMATE COMPENSATION PLANS**

***Traditional Wages***

Florida Statute 946, which authorizes PRIDE to manage the state's prison industries, requires an inmate compensation plan. Under the inmate compensation plan, PRIDE is required to make inmate compensation payments directly to DC. These payments are credited to the account of the inmate that performs the labor.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 12: INMATE COMPENSATION PLANS (Continued)**

***Traditional Wages (continued)***

The cost of the traditional inmate compensation plan was \$963,114 and \$887,152 for the years ended December 31, 2022 and 2021, respectively. The expense is recorded as a component of cost of sales.

***Prison Industries Enhancement (PIE Wages)***

Pursuant to Federal Statute 18 USC 1761 (1979 Percy Amendment), inmates involved in the production of goods in interstate commerce are paid a prevailing wage as established through the Florida Agency for Workforce Innovation. Deductions taken from gross wages include 50% for the Prison Industries Trust Fund, 10% for the Crimes Compensation Fund, 10% for court-ordered payments (as applicable), and other court-ordered obligations (e.g. child support), and are not to exceed 80% of gross wages.

***Prison Industries Enhancement (PIE Wages) (continued)***

PRIDE is required to make inmate compensation payments directly to DC. These payments, net of applicable withholdings, are credited to the account of the inmate that performs the labor. The cost of the PIE inmate compensation plan was \$935,492 and \$1,039,684 for the years ended December 31, 2022 and 2021, respectively. The expense is recorded as a component of cost of sales.

PRIDE's payments to DC for the Crimes Compensation Fund were \$93,828 and \$103,968 for the years ended December 31, 2022 and 2021, respectively. The expense is recorded as a component of cost of sales.

**Note 13: CONTINGENCIES**

PRIDE is subject to several lawsuits, investigations, and claims arising out of the normal conduct of its business, including those relating to commercial transactions, product liability and safety and health matters. Management believes that any liability arising from such claims would be immaterial to the accompanying financial statements.

PRIDE is responsible for an environmental contingency at one of its manufacturing operations. Remediation activity began prior to June 30, 1999, and was completed in 2008. Monitoring is expected to continue throughout the next several years. The expense associated with the ongoing costs of monitoring was \$54,926 and \$-0- for the years ended December 31, 2022 and 2021, respectively.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 14: CONCENTRATIONS**

PRIDE's operations are concentrated to operations that take place predominantly within Florida's state prisons. In addition, PRIDE's operations are heavily regulated by the state. The operations of PRIDE are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including but not limited to DC. Such administrative directives, rules and regulations are subject to change by an act of Congress, the Florida Legislature, or an administrative change mandated by DC. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

PRIDE sells a significant amount of its products to state agencies. Concentrations in the percentage of sales to the following state agencies are as follows:

<i>For the years ended December 31,</i>	<b>2022</b>	<b>2021</b>
Florida Department of Corrections	<b>12%</b>	12%
Florida Department of Highway Safety and Motor Vehicles	<b>14%</b>	14%
Florida Department of Transportation	<b>5%</b>	4%

All of PRIDE's cash accounts are with Truist Bank and are invested in an overnight sweep. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Management considers the risk of loss remote.

PRIDE's investment in the SPIA is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although SPIA seeks to preserve principal, it is not a guaranteed investment.

**Note 15: RELATED PARTY TRANSACTIONS**

The Department of Corrections is a significant customer and facilities and labor provider of PRIDE.

Board members who agree to receive compensation are paid an honorarium for attending in-person or via conference call for all board meetings and/or committee meetings.

**Note 16: RISK MANAGEMENT PROGRAMS**

PRIDE is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; disease, damage and destruction of crops; directors' and officers' liability; auto liability; garage liability and employee dishonesty.

**Prison Rehabilitative Industries and Diversified Enterprises, Inc.**  
**Notes to Financial Statements**

**Note 16: RISK MANAGEMENT PROGRAMS (Continued)**

PRIDE minimizes these risks through insurance policies with specific limits of liability and deductibles for casualty exposures. PRIDE participates in the State of Florida Department of Financial Services property and casualty insurance program. This property coverage is on an actual cash value basis (replacement cost less accumulated depreciation) for all of its locations throughout the State of Florida. For general liability coverage, PRIDE depends on the *Florida Sovereign Immunity Act*, Section 768.28 of the Florida Statutes, to limit the potential tort liability to \$200,000 per person or \$300,000 per occurrence.

PRIDE's employee health insurance is a fully insured PPO program through Blue Cross Blue Shield of Florida: Blue Options. PRIDE's employee dental insurance is a self-insured program with maximum limits of \$3,000 per participant per year. PRIDE's employee basic life and accidental death and dismemberment insurance is a fully insured policy up to one times an employee's salary rounded up to the nearest thousand, to a maximum of \$50,000.

PRIDE's workers' compensation insurance program is through the State of Florida Department of Financial Services and short-term disability insurance is self-insured up to specified limits. PRIDE's long-term disability insurance is fully insured. PRIDE has insurance coverage in excess of the self-insured limits that provide both specific and aggregate coverage.

**Note 17: RETIREMENT PLANS**

***401(k) Retirement Plan***

The Prison Rehabilitative Industries and Diversified Enterprises 401(k) Retirement Plan (401(k) Plan) was established in January 2001. The 401(k) Plan provides for elective contributions by qualifying employees up to the maximum limit allowed by tax regulations. A Safe Harbor provision is in effect for the 401(k) Plan allowing for immediate vesting of employer match.

Beginning 2016, under the terms of the plan, PRIDE matches employee contributions based on the first 6% of employee compensation at a rate of one dollar for each dollar contributed. PRIDE, at its discretion, may make contributions in excess of these amounts. PRIDE's employer contributions to the plan during the years ended December 31, 2022 and 2021, was \$415,455 and \$407,687, respectively. There were no discretionary contributions to the 401(k) Plan for the years ended December 31, 2022 and 2021.



**REQUIRED COMMUNICATIONS**



## Required Communications

As discussed with the Board of Directors and management during our planning process, our audit plan represented an approach responsive to the assessment of risk for PRIDE. Specifically, we planned and performed our audit to:

- Perform audit services, as requested by the Board of Directors, in accordance with auditing standards generally accepted in the United States of America, in order to express an opinion on the PRIDE's financial statements for the year ended December 31, 2022;
- Communicate directly with the Board of Directors and management regarding the results of our procedures;
- Address with the Board of Directors and management any accounting and financial reporting issues;
- Anticipate and respond to concerns of the Board of Directors and management; and
- Other audit-related projects as they arise and upon request.

## Required Communications

We have audited the financial statements of PRIDE for the year ended December 31, 2022 and have issued our report thereon dated May 11, 2023. Professional standards require that we provide you with the following information related to our audit:

<b>MATTER TO BE COMMUNICATED</b>	<b>AUDITORS' RESPONSE</b>
<b>Auditors' responsibility under Generally Accepted Auditing Standards</b>	<p>As stated in our engagement letter dated <b>December 28, 2022</b> our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (GAAP). Our audit of the financial statements does not relieve you or management of your responsibilities.</p> <p>As part of our audit, we considered the internal control of PRIDE. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.</p>
<b>Client's responsibility</b>	<p>Management, with oversight from those charged with governance, is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of activities, and cash flows in conformity with the applicable framework. Management is responsible for the design and implementation of programs and controls to prevent and detect fraud. Management is responsible for overseeing nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.</p>
<b>Planned scope and timing of the audit</b>	<p>Our initial audit plan was not significantly altered during our fieldwork.</p>
<b>Management judgments and accounting estimates</b> <i>The process used by management in forming particularly sensitive accounting estimates and the basis for the auditors' conclusion regarding the reasonableness of those estimates.</i>	<p>Please see the following section titled "Accounting Policies, Judgments and Sensitive Estimates and CRI Comments on Quality."</p>
<b>Potential effect on the financial statements of any significant risks and exposures</b> <i>Major risks and exposures facing PRIDE and how they are disclosed.</i>	<p>No such risks or exposures were noted.</p>



## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Significant accounting policies, including critical accounting policies and alternative treatments within generally accepted accounting principles and the auditors' judgment about the quality of accounting principles</b></p> <ul style="list-style-type: none"> <li>• <i>The initial selection of and changes in significant accounting policies or their application; methods used to account for significant unusual transactions; and effect of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</i></li> <li>• <i>The auditor should also discuss the auditors' judgment about the quality, not just the acceptability, of PRIDE's accounting policies as applied in its financial reporting. The discussion should include such matters as consistency of accounting policies and their application, and clarity and completeness of the financial statements, including disclosures</i> <i>Critical accounting policies and practices applied by PRIDE in its financial statements and our assessment of management's disclosures regarding such policies and practices (including any significant modifications to such disclosures proposed by us but rejected by management), the reasons why certain policies and practices are or are not considered critical, and how current and anticipated future events impact those determinations;</i></li> <li>• <i>Alternative treatments within GAAP for accounting policies and practices related to material items, including recognition, measurement, presentation and disclosure alternatives, that have been discussed with client management during the current audit period, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor; furthermore, if the accounting policy selected by management is not the policy preferred by us, discuss the reasons why management selected that policy, the policy preferred by us, and the reason we preferred the other policy.</i></li> </ul>	<p>Significant accounting policies are described in Note 2 to the financial statements. The Organization adopted ASU-2108-02, <i>Leases</i> effective January 1, 2022. We noted no transactions entered into by the organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.</p> <p>Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:</p> <p>The disclosure of liquidity and availability of resources in Note 3 to the financial statements; and the disclosure of leases in Note 8 to the financial statements.</p> <p>The financial statement disclosures are neutral, consistent, and clear.</p>



## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Significant difficulties encountered in the audit</b>  <i>Any significant difficulties, for example, unreasonable logistical constraints or lack of cooperation by management.</i></p>	<p>We encountered no significant difficulties in dealing with management in performing and completing our audit.</p>
<p><b>Disagreements with management</b>  <i>Disagreements, whether or not subsequently resolved, about matters significant to the financial statements or auditors' report. This does not include those that came about based on incomplete facts or preliminary information.</i></p>	<p>We are pleased to report that no such disagreements arose during the course of our audit.</p>
<p><b>Other findings or issues</b>  <i>Matters significant to oversight of the financial reporting practices by those charged with governance. For example, an entity's failure to obtain the necessary type of audit, such as one under Government Auditing Standards, in addition to GAAS.</i></p>	<p>None noted.</p>
<p><b>Matters arising from the audit that were discussed with, or the subject of correspondence with, management</b>  <i>Business conditions that might affect risk or discussions regarding accounting practices or application of auditing standards.</i></p>	<p>We included an emphasis of matter paragraph in the Independent Auditors' Report related to the adoption of ASU 2016-02, <i>Leases</i> effective January 1, 2022.</p>
<p><b>Corrected and uncorrected misstatements</b>  <i>All significant audit adjustments arising from the audit, whether or not recorded by PRIDE, that could individually or in the aggregate have a significant effect on the financial statements. We should also inform the Board about uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. Any internal control deficiencies that could have prevented the misstatements.</i></p>	<p>See "Summary of Audit Adjustments" section.</p>
<p><b>Major issues discussed with management prior to retention</b>  <i>Any major accounting, auditing or reporting issues discussed with management in connection with our initial or recurring retention.</i></p>	<p>Discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.</p>
<p><b>Consultations with other accountants</b>  <i>When management has consulted with other accountants about significant accounting or auditing matters.</i></p>	<p>To our knowledge, there were no such consultations with other accountants.</p>

## Required Communications

MATTER TO BE COMMUNICATED	AUDITORS' RESPONSE
<p><b>Written representations</b>  <i>A description of the written representations the auditor requested (or a copy of the representation letter).</i></p>	See "Management Representation Letter" section.
<p><b>Internal control deficiencies</b>  <i>Any significant deficiencies or material weaknesses in the design or operation of internal control that came to the auditors' attention during the audit.</i></p>	See "Internal Control Findings" section.
<p><b>Fraud and illegal acts</b>  <i>Fraud involving PRIDE's management, or those responsible for internal controls, or causing a material misstatement of the financial statements, where the auditor determines there is evidence that such fraud may exist. Any illegal acts coming to the auditors' attention involving PRIDE's management and any other illegal acts, unless clearly inconsequential.</i></p>	We are unaware of any fraud or illegal acts involving management or causing material misstatement of the financial statements.
<p><b>Other information in documents containing audited financial statements</b>  <i>The external auditors' responsibility for information in a document containing audited financial statements, as well as any procedures performed and the results.</i></p>	<p>Our responsibility related to documents (including annual reports, websites, etc.) containing the financial statements is to read the other information to consider whether:</p> <ul style="list-style-type: none"> <li>• Such information is materially inconsistent with the financial statements; and</li> <li>• We believe such information represents a material misstatement of fact.</li> </ul> <p>We have not been provided any such items to date and are unaware of any other documents that contain the audited financial statements.</p>
<p><b>Significant unusual accounting transactions</b>  <i>Auditor communication with governance to include auditors' views on policies and practices management used, as well as the auditors' understanding of the business purpose.</i></p>	No significant unusual accounting transactions were noted during the year.

## Accounting Policies, Judgments and Sensitive Estimates & CRI Comments on Quality

We are required to communicate our judgments about the quality, not just the acceptability, of the Organization's accounting principles as applied in its financial reporting. We are also required to communicate critical accounting policies and sensitive accounting estimates. Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Board of Directors may wish to monitor throughout the year the process used to compute and record these accounting estimates. The table below summarizes our communications regarding these matters.

AREA	ACCOUNTING POLICY	CRITICAL POLICY?	JUDGMENTS & SENSITIVE ESTIMATES	COMMENTS ON QUALITY OF ACCOUNTING POLICY & APPLICATION
Expenses	PRIDE allocates expenses between program and supporting services as required by the AICPA Audit & Accounting Guide for Not-for-Profit Entities.	X	The allocation between program and supporting services is based on a combination of direct and indirect allocation of expenses. Indirect expenses are allocated between program and supporting services based on employee time records.	PRIDE's policies are in accordance with all applicable accounting guidelines.
Capital Assets	Capital assets are depreciated or amortized based on PRIDE's estimate of their useful lives.	X	PRIDE uses useful lives as suggested by applicable standards and guides for equipment, property and other capital assets.	PRIDE's policies are in accordance with all applicable accounting guidelines.
Allowance for Doubtful Accounts	PRIDE records an allowance for doubtful accounts against any receivables considered uncollectible.	X	The allowance is estimated based on management's consideration of customer history, industry experience, and economic conditions.	PRIDE's policies are in accordance with all applicable accounting guidelines.
Leases	PRIDE records a ROU asset and liability for operating leases.	X	ROU assets and liabilities are recognized based on the present value of payments over the lease term using a risk-free rate.	PRIDE's policies are in accordance with all applicable accounting guidelines.

## Summary of Audit Adjustments

During the course of our audit, we accumulate differences between amounts recorded by the Company and amounts that we believe are required to be recorded under GAAP reporting guidelines. Those adjustments are either recorded (corrected) by the Company or passed (uncorrected). Uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in the auditors' judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

There were no adjustments as a result of our audit procedures.

### QUALITATIVE MATERIALITY CONSIDERATIONS

In evaluating the materiality of audit differences when they do arise, we consider both quantitative and qualitative factors, for example:

- Whether the difference arises from an item capable of precise measurement or whether it arises from an estimate, and, if so, the degree of imprecision inherent in the estimate.
- Whether the difference masks a change in earnings or other trends.
- Whether the difference changes a net decrease in assets to addition, or vice versa.
- Whether the difference concerns an area of PRIDE's operating environment that has been identified as playing a significant role in PRIDE's operations or viability.
- Whether the difference affects compliance with regulatory requirements.
- Whether the difference has the effect of increasing management's compensation – for example, by satisfying requirements for the award of bonuses or other forms of incentive compensation.
- Whether the difference involves concealment of an unlawful transaction.



Corporate Office  
P.O. Box 4480  
Brandon, FL 33511  
813.324.8700

May 11, 2023

Carr, Riggs & Ingram, LLC  
2633 Centennial Boulevard – Suite 200  
Tallahassee, FL 32308

This representation letter is provided in connection with your audit of the financial statements of Prison Rehabilitative Industries and Diversified Enterprises, Inc., which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, and cash flows for the years then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of May 11, 2023, the following representations made to you during your audit.

#### Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 28, 2022, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 8) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

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[www.prideenterprises.org](http://www.prideenterprises.org)

## Management Representation Letter

- 9) Significant estimates and material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

### Information Provided

- 11) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:
  - a) Management,
  - b) Employees who have significant roles in internal control, or
  - c) Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.
- 16) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 19) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.
- 20) Prison Rehabilitative Industries and Diversified Enterprises, Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

## Management Representation Letter



Corporate Office  
P.O. Box 4420  
Brandon, FL 33511  
813 324 8700

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21) In regard to the financial statement and tax return preparation services performed by you, we have—

- Assumed all management responsibilities.
- Designated Pete Radanovich, CFO who has suitable skill, knowledge, or experience to oversee the services.
- Evaluated the adequacy and results of the services performed.
- Accepted responsibility for the results of the services.

Signature: Jack Edgemon

Title: President

Signature: Petar J. Radanovich

Title: CFO

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**INTERNAL CONTROL  
RECOMMENDATIONS**





## Internal Controls

The Board of Directors and Management of  
PRIDE Enterprises, Inc.  
Brandon, Florida

In planning and performing our audit of the financial statements of PRIDE Enterprises, Inc. ("PRIDE") as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered PRIDE's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of PRIDE's internal control. Accordingly, we do not express an opinion on the effectiveness of PRIDE's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management and Board of Directors, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Carr, Riggs & Ingram, L.L.C.*

CARR, RIGGS & INGRAM, LLC

Tallahassee, Florida  
May 11, 2023

**PRIDE Enterprises**  
**Board Meeting Minutes**  
**Thursday, June 22, 2023**

A meeting of the PRIDE Enterprises Board of Directors was held on Thursday, June 22, 2023, at The Hilton Pensacola Hotel in Pensacola, FL..

**Board Members present:**

Jim Reeves  
Alan Garey  
Carlyle Holder  
Don Hunter  
David Hauser  
James Upchurch  
Gregg Nicklaus  
Ricky Dixon

**Board Members not present:**

Shawn Bush  
Tadar Muhammad

**Others present:**

Richard Comerford, FDC  
Patrick Mahoney, FDC  
Michael C. Carter, CPA & Partner with Carr, Riggs & Ingram, LLC

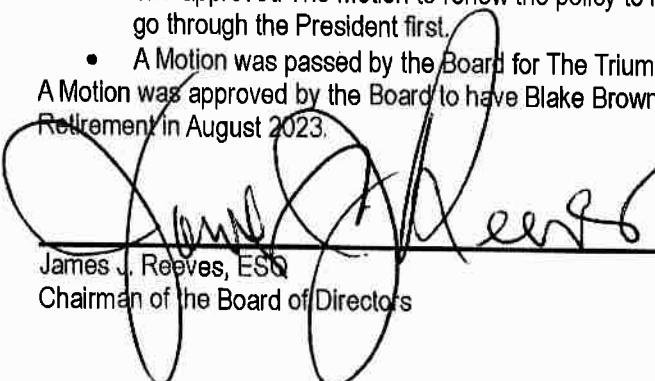
**PRIDE Staff members present:**

Jack Edgemon, President  
Pete Radanovich, CFO & Assistant Secretary  
Blake Brown, VP Operations  
Randy Fisher, CIO  
Remero Green, Director, Mission Programs  
Shelly Niesen, Corporate Administrator

**Summary:**

- The Board approved the minutes from the March 2023 Board Meeting.
- The Board approved the Financial Review May YTD 2023.
- The Board approved The Motion to fund the Micro-Home Construction Program at Century CI.
- The approved The Motion to renew the policy to have all Board communications with PRIDE employees to go through the President first.
- A Motion was passed by the Board for The Triumph Application Signatory Authorization as Jack Edgemon.

A Motion was approved by the Board to have Blake Brown as the President successor upon Jack Edgemon's Retirement in August 2023.



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James J. Reeves, ESQ  
Chairman of the Board of Directors

## Lesson Plans for Module 27101

# ORIENTATION TO CARPENTRY

**Orientation to Carpentry (Module 27101)** reviews the history of the carpentry trade, describes the apprentice program, identifies career opportunities for carpenters, explores the SkillsUSA program, and lists the responsibilities and characteristics a carpenter should possess.

### Objectives

#### Learning Objective 1

Identify the career and training opportunities within the carpentry trade.

- a. Describe craft training opportunities within the carpentry trade.

#### Learning Objective 2

Explain the importance of safety in carpentry, and how it impacts contractors and craft professionals on the jobsite.

- a. Describe the OSHA Outreach Training Program and contents of a site-specific safety plan (SSSP).

#### Learning Objective 3

Identify skills and attributes of successful carpenters.

- a. List the skills and responsibilities of professional carpenters.
- b. Summarize the traits and standards followed by professional carpenters.

#### Learning Objective 4

Explain how organizations like SkillsUSA help you connect with construction craft professionals.

- a. Describe SkillsUSA programs/competitions and the value they offer to the carpentry trainees and participating organizations.
- b. List the seven goals of the SkillsUSA Program of Work.

#### Performance Tasks

This is a knowledge-based module. There are no Performance Tasks.

### Recommended Teaching Time: 2.5 hours

#### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry PowerPoint®* Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

## Lesson Plans for Module 27102

# BUILDING MATERIAL AND FASTENERS

**Building Materials and Fasteners (Module 27102)** provides an overview of the building materials used by carpenters, including lumber, engineered wood products, concrete, and steel framing materials. The module also describes the various fasteners, anchors, and adhesives used in construction.

### Objectives

#### Learning Objective 1

Identify safety hazards and precautions associated with wood, concrete, steel, and composite building materials.

- Describe the focus four and explain how to reduce hazards associated with handling carpentry materials.
- Explain the benefits of a job hazard analysis.

#### Learning Objective 2

Identify different types of building materials and calculate needed quantities.

- Summarize the types of lumber, their characteristics, and how lumber is graded.
- Describe the types of treated lumber.
- Identify engineered wood products and their applications.
- Distinguish between the types of concrete construction materials.
- Describe the types of steel framing and their applications.
- Summarize how to calculate lumber, panel, and concrete quantities.

#### Learning Objective 3

Explain how to properly handle and store building materials.

- Describe how to safely handle and store wood, concrete, and steel building materials.

#### Learning Objective 4

Identify fasteners, anchors, and adhesives used in construction.

- Describe different types of nails, screws, bolts, and staples.
- Summarize the categories of mechanical anchors.
- List adhesives used in construction and identify their applications.

### Performance Tasks

#### Performance Task 1 (Learning Objective 2)

Given a selection of building materials, identify a particular material and state its use.

#### Performance Task 2 (Learning Objective 2)

Calculate building material quantities using the described methods.

#### Performance Task 3 (Learning Objective 4)

Demonstrate safe and proper installation of various types of fasteners, anchors, and adhesives.

**Recommended Teaching Time: 20 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

## Lesson Plans for Module 27113

# CONSTRUCTION PLANS AND DOCUMENTS

**Construction Plans and Documents (Module 27113)** includes important design and layout information for all types of buildings. In addition to showing carpenters where to build living spaces, construction drawings show carpenters where to build spaces used by electricians, plumbers, and HVAC installers. To ensure these spaces are accurately built, carpenters must be able read and interpret a variety of construction drawings.

### Objectives

#### Learning Objective 1

List drawings included in a set of construction plans and explain how to read them.

- a. Describe the purpose of each type of drawing in a set of plans.
- b. Identify selected lines, architectural symbols, and abbreviations used on plans.
- c. Describe the methods of dimensioning construction drawings.

#### Learning Objective 2

Describe the purpose of written specifications.

- a. Summarize how specifications are organized.
- b. Explain the importance of construction building codes.

### Performance Tasks

#### Performance Task 1 (Learning Objective 1)

Read and interpret construction plan drawings.

#### Performance Task 2 (Learning Objective 1)

Read and interpret schedules.

#### Performance Task 3 (Learning Objective 2)

Read and interpret written specifications.

**Recommended Teaching Time: 20 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

# Lesson Plans for Module 27114

## PRINCIPLES OF SITE AND BUILDING LAYOUT

**Principles of Site and Building Layout (Module 27114)** introduces trainees to the basics of site and building layout. It starts by introducing trainees to the primary construction drawings used in site and building layout, then describes the math, tools, and methods required for performing basic site layout tasks.

### Objectives

#### Learning Objective 1

Explain how construction drawings are used in site and building layout.

- Summarize tasks performed during site and building layout.
- Describe the types of construction drawings used to lay out a building site.

#### Learning Objective 2

Understand fundamental construction math concepts and right triangle calculations used in site layout.

- Explain how angles, shapes, and the Pythagorean Theorem are used in site and building layout.

#### Learning Objective 3

Describe measuring and leveling tools used in performing site and building layout.

- Identify measuring tools and their applications.
- Describe leveling tools and their applications.
- Describe site layout instruments and equipment.

#### Learning Objective 4

Explain how to measure horizontal and vertical distances, establish building lines, and verify corners are square.

- Describe how to measure horizontal and vertical distances.
- Summarize how to establish building lines with batter boards and verify corners are square.

#### Performance Tasks

##### Performance Task 1 (Learning Objective 3)

Demonstrate the ability to use common measuring and leveling tools.

##### Performance Task 2 (Learning Objective 3)

Use a water level, builder's level, laser level, or transit level to determine elevations and angles.

##### Performance Task 3 (Learning Objective 4)

Use the 3-4-5 rule or Pythagorean Theorem to verify that intersecting walls are square.

**Recommended Teaching Time: 20 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

## Lesson Plans for Module 27105

# FLOOR SYSTEMS

**Floor Systems (Module 27105)** describes the layout and construction procedures for floor systems, including how to read and interpret construction drawings and specifications, and how to identify different types of framing systems, floor system components, and floor system materials. It also covers how to estimate the amount of materials needed for a floor assembly.

### Objectives

#### Learning Objective 1

Describe specifications and construction drawings that specify floor system requirements.

- a. Summarize how specifications and architectural drawings are used in the construction of a floor.

#### Learning Objective 2

Identify the types of floor framing systems.

- a. Describe the types of wood-frame flooring systems.
- b. List alternative flooring systems.

#### Learning Objective 3

Identify floor system components and required material quantities.

- a. Define *sill plate* and describe its role in floor framing.
- b. List and recognize different types of girders and supports.
- c. Describe different types of floor joists.
- d. Explain the purposes of subfloor and underlayment.
- e. Estimate the amount of material needed for a floor assembly.

#### Learning Objective 4

Describe how to construct a platform floor assembly.

- a. List the steps used to build a floor assembly.

### Performance Tasks

#### Performance Task 1 (Learning Objective 3)

Estimate the amount of material needed to frame a floor assembly from a set of plans.

#### Performance Task 2 (Learning Objective 4)

Lay out and construct a floor assembly, including a rough opening and subfloor material.

**Recommended Teaching Time: 25 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).



## Lesson Plans for Module 27111

# WALL SYSTEMS

**Wall Systems (Module 27111)** describes the procedures for laying out and framing walls, including roughing-in door and window openings, constructing corners and partition Ts, bracing walls, and applying sheathing. The module also includes estimating materials required to frame walls.

### Objectives

#### Learning Objective 1

Identify the components of a wall system and describe how to estimate needed framing materials.

- a. List wall system components.
- b. Explain how to estimate quantities of materials required to frame walls.

#### Learning Objective 2

Summarize the steps for laying out and framing walls.

- a. Describe how to lay out wood frame walls.
- b. Describe how to lay out steel frame walls.

#### Learning Objective 3

Summarize the procedures for assembling and erecting wall systems.

- a. Describe the steps used to assemble a wall.
- b. List the four steps used to erect a wall.

### Performance Tasks

#### Performance Task 1 (Learning Objective 1)

Estimate materials required to frame walls.

#### Performance Task 2 (Learning Objective 2)

Lay out a wood frame wall, including plates, corner assemblies, door and window openings, partition Ts, bracing, and fireblocking.

#### Performance Task 3 (Learning Objective 3)

Assemble and erect a wood frame wall, including plates, corner assemblies, door and window openings, partition Ts, bracing, and fireblocking.

#### Performance Task 4 (Learning Objective 3)

Correctly install sheathing on a wall.

### Recommended Teaching Time: 10 hours

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).



## Lesson Plans for Module 27112

# ROOF FRAMING

**Roof Framing (Module 27112)** provides an overview of ceiling and roof framing, including the components of ceiling and roof framing, the different types of roofs used in residential construction, and the use of trusses in basic roof framing. The methods for laying out rafters, erecting a gable roof, framing a basic gable end wall, and installing roof sheathing are introduced. This module also provides instruction on how to estimate the amount of materials needed for a material takeoff for a roof.

### Objectives

#### Learning Objective 1

Identify and install ceiling frame components.

- a. Describe how to lay out, cut, and install ceiling joists.
- b. Explain how to estimate the number of ceiling joists needed for a building.

#### Learning Objective 2

Identify common residential roof types and related components.

- a. Describe residential roof types.
- b. List the main components of a roof.

#### Learning Objective 3

Describe the methods used to lay out and cut common rafters.

- a. Explain how to lay out rafters and cut them to the proper length.

#### Learning Objective 4

Explain how to erect and sheath a gable roof.

- a. Describe how to erect a gable roof and frame gable ends.
- b. Summarize how to install sheathing on the roof.
- c. Explain how to estimate the rafters, ridgeboard, and sheathing needed for a material takeoff.

#### Learning Objective 5

Recognize the use of trusses in basic roof framing.

- a. Describe trusses and explain how they are installed.

### Performance Tasks

#### Performance Task 1 (Learning Objective 1)

Lay out ceiling joists.

#### Performance Task 2 (Learning Objective 1)

Estimate the number of ceiling joists required for a building.

#### Performance Task 3 (Learning Objective 3)

Lay out common roof rafters.

#### Performance Task 4 (Learning Objective 4)

Cut and install roof rafters for a gable roof.

#### Performance Task 5 (Learning Objective 4)

Frame a gable end wall.

#### Performance Task 6 (Learning Objective 4)

Erect a gable roof using trusses.

#### Performance Task 7 (Learning Objective 4)

Sheath a gable roof with an opening.

**Recommended Teaching Time: 47.5 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

## Lesson Plans for Module 27110

# BASIC STAIR LAYOUT

**Basic Stair Layout (Module 27110)** introduces the various types of stairs and the common building code requirements related to stairs. The module focuses on the techniques for measuring and calculating rise, run, and stairwell openings; laying out stringers; and fabricating basic stairways.

### Objectives

#### Learning Objective 1

Identify stairway components and related requirements.

- a. Define key stairway terms and building require.
- b. Describe the types of stairways.

#### Learning Objective 2

Describe how to determine the total rise, number and size of risers, and number and size of treads needed for a stairway.

- a. Summarize how to calculate the riser height, tread depth, and total run for a stairway.
- b. Describe how to calculate stairwell opening sizes.

#### Learning Objective 3

Restate the procedure for constructing stairs.

- a. Explain how to lay out, cut, and build stringers and concentrate forms.

#### Performance Tasks

##### Performance Task 1 (Learning Objective 2)

Calculate the total rise, number and size of risers, and number and size of treads required for a stairway.

##### Performance Task 2 (Learning Objective 3)

Lay out and cut a stringer.

**Recommended Teaching Time: 12.5 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

## Lesson Plans for Module 27109

# BUILDING ENVELOPE SYSTEMS

**Building Envelope Systems (Module 27109)** introduces the building envelope system and its components. The module describes the various types of windows, skylights, and exterior doors and provides instructions for installing them. It also includes instructions for installing weather stripping and locksets.

### Objectives

#### Learning Objective 1

Describe the purpose and components of a building envelope system.

- a. Identify ways to minimize air and moisture infiltration in buildings.

#### Learning Objective 2

Describe window types and installation requirements.

- a. Identify window types, applications, and installation steps.

#### Learning Objective 3

Describe door types, applications, and installation requirements.

- a. Identify residential and non-residential doors and explain installation steps.

### Performance Tasks

#### Performance Task 1 (Learning Objective 2)

Prepare a rough opening for proper window installation.

#### Performance Task 2 (Learning Objective 3)

Prepare a rough opening for proper door installation.

**Recommended Teaching Time: 12.5 hours**

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Carpentry* PowerPoint® Presentations and/or Dynamic Lecture Presentations), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

Using your access code, download the PowerPoint® Presentations and Performance Sheets for this module from NCCER's Instructor Resource Center at [www.nccer.org/irc](http://www.nccer.org/irc).

## Lesson Plans for Module 00100

# BUILD YOUR FUTURE IN CONSTRUCTION

**Build Your Future in Construction (Module 00100)** introduces trainees to the construction industry. The module introduces the history of construction and the outlooks for construction jobs; the benefits of a career in construction; the typical career progression for craft professionals; the different careers available and the skills they require; how to pursue a construction career through career and technical education, craft training and apprenticeships, and community colleges and universities.

### Objectives

#### Learning Objective 1

Describe the construction industry.

- a. Define construction and summarize the current and future outlook for jobs.
- b. Identify some of construction's more prominent contributions in history.

#### Learning Objective 2

Explain the benefits of a construction career.

- a. Recognize and describe how construction careers make a difference in the community.
- b. Describe the financial and professional benefits of pursuing a construction career.

#### Learning Objective 3

Describe the typical career path for craft professionals.

- a. Describe industry sectors and the progression path for construction careers.
- b. Identify different construction careers and the types of skills they require.

#### Learning Objective 4

Identify ways to pursue a career in the construction industry.

- a. Explain the benefits of career and technical education programs.
- b. Describe the advantages of craft training programs and their relationship with apprenticeships.
- c. Summarize the path to a construction career through community colleges and universities.

#### Performance Tasks

This is a knowledge-based module. There are no Performance Tasks.

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

## Safety Considerations

There are no safety considerations related to this module.

### Classroom Equipment and Materials

Whiteboard/chalkboard

Markers/chalk

Pencils and paper

Core PowerPoint® Presentations  
and/or Dynamic Study Modules found  
in the NCCERConnect for Core, 6e

LCD projector and screen

Computer with Internet access

### Equipment and Materials for Laboratories and Performance Testing

None are required for this module.

### Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*None*

Instructors are encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

### Materials Checklist for Module 00100, Build Your Future in Construction

Equipment and Materials				
Personal protective equipment:				
None				
Whiteboard/chalkboard				
Markers/chalk				
Pencils and paper				
Core PowerPoint® Presentations and/or Dynamic Study Modules				
Computer				
Copies of the Module Exam				

To the extent possible, and as required for performance testing, provide a selection of the tools listed for each section; alternatively, photos may be used to teach tool identification.

## Lesson Plans for Module 00101

# BASIC SAFETY (CONSTRUCTION SITE SAFETY ORIENTATION)

**Basic Safety (Module 00101)** explains the importance of safety in the construction and industrial crafts. Trainees will learn how to identify and follow safe work practices and procedures and how to properly inspect and use safety equipment. Trainees will be able to describe the safety practices associated with elevated work; energy release; and various hazards encountered on job sites. **NOTE:** The successful completion of this module will award a Construction Site Safety Orientation credential.

### Objectives

#### Learning Objective 1

Explain the benefits of safety, the cost of workplace incidents, and ways to reduce related hazards.

- Describe the types of workplace incidents along with physical and monetary impacts.
- Summarize the causes and consequences of common incidents.
- Explain how to recognize, evaluate, and control workplace hazards.

#### Learning Objective 2

Describe common fall hazards and methods to prevent them.

- Summarize the most common types of construction fall hazards.
- Describe components of effective fall arrest systems and how they prevent or halt falls.
- Explain how to use ladders and stairs safely.
- Identify key steps to ensuring scaffolds are assembled and used safely.

#### Learning Objective 3

Recognize and avoid struck-by and caught-in-between hazards.

- Describe struck-by hazards and how to avoid them.
- Describe common caught-in/caught-between hazards and steps that can prevent them.

#### Learning Objective 4

Identify common electrical hazards and how to avoid them.

- Summarize basic job-site electrical safety guidelines.
- Explain the importance of disabling equipment as well as basic lockout/tagout procedures.

#### Learning Objective 5

Associate personal protective equipment (PPE) with the hazards they reduce or eliminate.

- Explain how PPE is used to protect craftworkers from different types of injuries.
- Explain how respirators protect craftworkers from respiratory dangers.

#### Learning Objective 6

Describe safety practices used with other common job-site hazards.

- List other types of hazards craftworkers may encounter.
- Describe common environmental hazards and how craftworkers should respond to them.
- Summarize hazards associated with hot work.
- Identify fire hazards and describe basic fire fighting procedures.
- Name different types of confined spaces and how to avoid related hazards.

### Performance Tasks

#### Performance Task 1 (Learning Objective 2)

Properly set up and climb/descend an extension ladder, demonstrating proper three-point contact.

#### Performance Task 2 (Learning Objectives 2 and 5)

Inspect the following PPE items and determine if they are safe to use:

- Eye protection
- Hearing protection
- Hard hat
- Gloves
- Fall arrest harnesses
- Lanyards
- Connecting devices
- Approved footwear

#### Performance Task 3 (Learning Objectives 2 and 5)

Properly don, fit, and remove the following PPE items:

- Eye protection
- Hearing protection
- Hard hat
- Gloves
- Fall arrest harness

#### Performance Task 4 (Learning Objective 4)

Inspect a typical power cord and GFCI to ensure their serviceability.



## Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

### Safety Considerations

During this module, trainees will be required to set up, climb, and descend an extension ladder. The trainees should be carefully supervised during this activity and should be required to wear the PPE they would normally wear on a job site. Climbing/descending using three-point contact is an essential part of this activity.

### Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
*Core PowerPoint®* and/or Dynamic Study Modules found in the NCCERConnect for *Core, 6e*  
LCD projector and screen  
Computer with Internet access  
Copies of the Performance Profile Sheets  
Stepladder  
Examples of scaffold tags

### Equipment and Materials for Laboratories and Performance Testing

Appropriate PPE:  
Eye protection  
Work gloves  
High-top safety shoes  
Hearing protection  
Hard hat  
Double-insulated power tool  
Job safety analysis (JSA) example documents  
Task safety analysis (TSA) example documents  
Examples of SDS  
Fall arrest harnesses in various sizes  
Lanyards  
Carabiners  
Double-locking snap hooks

Extension ladder  
Ground fault circuit interrupter (GFCI)  
Damaged and undamaged extension cords  
Various types of respirators  
Provide both defective and serviceable examples of the following items:  
Eye protection, such as safety glasses and face shields  
Hearing protection, including ear plugs and ear muffs  
Hard hats  
Work gloves  
High-top safety shoes

### Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Basic Construction Safety and Health*. Fred Fanning. 2014. CreateSpace Independent Publishing Platform.

*Construction Project Safety*. John Schaufelberger, Ken-Yu Lin. 2013. John Wiley & Sons, Inc.

*Management of Construction Projects: A Constructor's Perspective*. John Schaufelberger, Len Holm. Second Edition. 2017. Routledge.

US Occupational Safety and Health Administration. Numerous safety videos are available online at [www.osha.gov/video](http://www.osha.gov/video).

Instructors are encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to safety and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00102

# INTRODUCTION TO CONSTRUCTION MATH

**Introduction to Construction Math (Module 00102)** introduces trainees to basic math skills needed in the construction environment. The module reviews whole numbers and fractions; working with decimals; the four primary math operations; reading rulers and tape measures; the inch-pound and metric units of measurement; basic geometric figures; and area and volume calculations for two-dimensional and three-dimensional objects.

### Objectives

#### Learning Objective 1

Identify whole numbers and solve basic arithmetic problems with them.

- List the key qualities of whole numbers and summarize their place values.
- Add and subtract whole numbers.
- Multiply and divide whole numbers.

#### Learning Objective 2

Name fraction types and calculate with fractions.

- Define equivalent fractions and calculate their lowest common denominators.
- Define improper fractions and convert them into mixed numbers.
- Add and subtract fractions.
- Multiply and divide fractions.

#### Learning Objective 3

Identify decimal numbers and calculate with them.

- List the key qualities of decimal numbers and summarize their place values.
- Add, subtract, multiply, and divide decimal numbers.
- Convert between decimals, fractions, and percentages.

#### Learning Objective 4

Name the common length-measuring tools and use them to measure lengths accurately.

- Describe English and metric rulers, using them correctly to measure lengths.
- Describe English and metric measuring tapes, using them correctly to measure lengths.

#### Learning Objective 5

Name common length, weight, volume, and temperature units in both the inch-pound and metric systems and convert them into other comparable units.

- List and convert between common inch-pound and metric length units.
- List and convert between common inch-pound and metric weight units.
- List and convert between common inch-pound and metric volume units.
- List and convert between common inch-pound and metric temperature units.

#### Learning Objective 6

Classify angles and geometric shapes, as well as calculating their areas or volumes.

- List each angle type.
- Name common geometric shapes and summarize their qualities.
- Calculate the area of two-dimensional shapes.
- Calculate the volume of three-dimensional shapes.

### Performance Tasks

#### Performance Task 1 (Learning Objective 4)

Using a measuring tape, measure lumber pieces in both English and metric units.

#### Performance Task 2 (Learning Objective 4)

Using a measuring tape, measure a room-sized space in both English and metric units.

#### Performance Task 3 (Learning Objective 4)

Using a measuring tape, determine a short inside measurement in both English and metric units.

#### Performance Task 4 (Learning Objective 4)

Add English measurements that include fractions.



## Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

### Safety Considerations

There are no safety considerations related to this module.

### Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
*Core PowerPoint®* Presentations and/or Dynamic Study Modules found in the NCCERConnect for *Core, 6e*  
LCD projector and screen  
Computer with Internet access

### Equipment and Materials for Laboratories and Performance Testing

Calculators  
Rulers  
Tape measures  
Pieces of lumber of varying sizes  
Pieces of pipe of varying sizing

### Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Mathematics for Carpentry and the Construction Trades.* Alfred P. Webster, Kathryn E. Bright. 2012. Upper Saddle River, NJ: Prentice Hall.

*Mathematics for the Trades: A Guided Approach.* Hal Saunders, Robert A. Carman. 2018. Upper Saddle River, NJ: Pearson Learning.

*Using Math in Construction: Math You Will Actually Use.* Colin Wilkinson. 2017. Rosen Central.

A number of online resources are available for trainees who would like more information on trade-related math skills.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. Well-produced videos can provide learning approaches that may be helpful to some trainees. Be prepared to stop the videos at appropriate times to point out and discuss the topic.

Instructors are encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the *PowerPoint®* presentations throughout the program.

## Lesson Plans for Module 00103

# INTRODUCTION TO HAND TOOLS

**Introduction to Hand Tools (Module 00103)** instructs trainees in the identification, use, and care of hand tools. Developing the knowledge to properly choose and safely use hand tools is an essential part of the construction industry.

### Objectives

#### Learning Objective 1

Name common hand tools and state how to use them.

- Identify various hammers and demolition tools and explain how to use them.
- Describe chisels and punches and how they are used.
- Match screwdrivers to the appropriate hardware.
- Differentiate between non-adjustable, adjustable, and socket wrenches.
- Describe various types of pliers and explain how they are used.

#### Learning Objective 2

Identify common measurement and layout tools and describe how to use them.

- Explain how to use a variety of measuring tools.
- Define various types of levels and layout tools and indicate how they are used.

#### Learning Objective 3

Identify and describe other hand tools common to shops and job sites.

- Differentiate between various handsaws and their designated applications.
- Identify common clamp designs.
- Explain how different files and utility knives are used with various materials.
- Describe shovels and picks and the tasks for which each one is best suited.

### Performance Tasks

#### Performance Task 1

##### (Learning Objectives 1 through 3)

Inspect and demonstrate the safe and proper use of the following hand tools:

- Hammers
- Demolition tools
- Chisels and punches
- Screwdrivers
- Adjustable wrenches
- Non-adjustable wrenches
- Sockets
- Pliers
- Tape measures
- Levels
- Squares
- Handsaws
- Clamps
- Files
- Utility knives
- Shovels

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or *Dynamic Study Modules*), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

## Safety Considerations

Trainees will be handling and working with a wide variety of hand tools. Ensure that trainees are equipped with the appropriate PPE at all times, including times when they are examining hand tools in the classroom environment. All work with hand tools must be directly supervised by the instructor to ensure the safety of the trainees.

### Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
Core PowerPoint® Presentations and/or Dynamic Study Modules found in the NCCERConnect for *Core, 6e*  
LCD projector and screen  
Computer with Internet access  
Copies of Performance Profile sheets

### Equipment and Materials for Laboratories and Performance Testing

Appropriate PPE:  
Safety glasses  
Work gloves  
Old and/or unusual hand tools  
Hammers and demolition tools  
Chisels and punches  
Different types of screwdrivers  
Non-adjustable and adjustable wrenches  
Socket sets and torque wrenches  
Measuring tapes and rules  
Levels  
Squares  
Plumb bobs  
Chalk lines  
Handsaws  
Files and rasps  
Utility knives  
Shovels, picks, and related earth-working tools  
Various types of clamps  
Proper footwear as designated by the instructor or training facility provider

Hard hats as required by the instructor, training provider, or the environment  
Screwdrivers  
Pliers  
Wire cutters  
Measuring tools  
Layout tools  
Files  
Shovels or similar earth tools  
Chain falls and hoists  
Clamps  
Framing lumber for cutting  
Bolts and nuts  
Nails  
Screws  
Scrap metal for filing or cutting  
Scrap wire for cutting  
Tape measures

### Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Hand Tool Basics.* Steve Branam. 2018. Des Moines, IA: Popular Woodworking Books.

*Essential Guide to the Steel Square: How to Figure Everything Out with One Simple Tool, No Batteries Required.* Ken Horner. 2016. Mount Joy, PA: Fox Chapel Publishing.

*The Tool Book: A Tool Lover's Guide to More Than 200 Hand Tools.* Phil Davy, Luke Edwardes-Evans, Jo Behari, Matthew Jackson. 2018. New York, NY: DK Publishing.

There are a number of online resources available for trainees who would like more information on the proper and safe use of hand tools. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in both proper and improper work processes and behaviors. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct and techniques.

Instructors are also encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00104

# INTRODUCTION TO POWER TOOLS

**Introduction to Power Tools (Module 00104)** identifies and describes some of the power tools used by construction workers. The construction of each tool is discussed, along with information regarding the safe usage and typical maintenance requirements of power tools.

### Objectives

#### Learning Objective 1

Identify and explain how to use various types of power drills and impact wrenches.

- a. Summarize basic power tool safety guidelines.
- b. Identify common power drills and bits and explain how to use them.
- c. Describe the difference between hammer drills and impact drivers.
- d. Identify pneumatic drills and impact wrenches and explain how to use them.

#### Learning Objective 2

Identify and explain how to use various types of power saws.

- a. Explain how to use a circular saw and identify different types of blades.
- b. Differentiate between jigsaws and reciprocating saws and explain how to use them.
- c. Explain how to use a portable band saw.
- d. Describe the difference between miter saws and cutoff saws.
- e. Explain how to use table saws and describe the types of jobs for which they are best suited.

#### Learning Objective 3

Describe the types of jobs best suited to grinders and oscillating multi-tools.

- a. Explain how to use various types of grinders.
- b. Identify grinder accessories and the jobs for which they are used.
- c. List the type of jobs that can be performed using an oscillating multi-tool.

#### Learning Objective 4

Identify and explain how to use miscellaneous power tools.

- a. Discuss the hazards of using power nailers.
- b. Describe jobs that can be performed with hydraulic jacks.

### Performance Task

#### Performance Task 1

**(Learning Objectives 1 through 4)**

Safely and properly demonstrate the use of the following tools:

- Electric drill (corded or cordless)
- Hammer drill
- Impact driver
- Circular saw
- Jigsaw
- Reciprocating saw
- Portable band saw
- Miter or cutoff saw
- Table saw
- Portable or bench grinder
- Oscillating multi-tool
- Power nailer

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

## Safety Considerations

This module requires that trainees handle and demonstrate the proper use of various power tools. Since this is the first module encountered by new trainees that requires them to work with energized tools and equipment, it is essential to ensure that all trainees don and use the correct PPE at all times. Instructors must observe trainees carefully and consistently to ensure that positive safety habits begin to form. Trainees should only handle power tools—energized or non-energized—under your direct supervision.

### Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
Core PowerPoint® and/or Dynamic Study Modules found in the NCCERConnect for Core, 6e  
LCD projector and screen  
Computer with Internet access  
Copies of Performance Profile Sheets

### Equipment and Materials for Laboratories and Performance Testing

Appropriate PPE:  
Safety glasses  
Face shields  
Work gloves  
Safety shoes  
Hard hats  
One or more types of power drill, with chuck key  
Hammer drill  
Samples of fractional, metric, numbered, lettered, and masonry drill bits  
Pneumatic drill  
Pneumatic hose whip check  
Impact wrench (pneumatic or electric)  
Circular saw  
Saber saw  
Reciprocating saw  
Portable band saw  
Miter and/or cutoff saw  
Angle grinder  
Detail grinder  
Bench grinder

Grinding wheel for a bench grinder  
Pneumatic nail gun  
Powder-actuated fastening gun  
Pneumatic impact wrench  
Pavement breaker  
Hydraulic jack  
The following power tools are required to conduct the laboratory:  
Electric drill (corded or cordless)  
Hammer drill  
Impact driver  
Circular saw  
Jigsaw  
Reciprocating saw  
Portable band saw  
Miter or cutoff saw  
Table saw  
Portable or bench grinder  
Oscillating multi-tool  
Power nailer  
Scrap wood and metal for drilling, sawing, grinding, etc.

### Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*29 CFR 1926, OSHA Construction Industry Regulations.* Latest Edition. Washington, DC: Occupational Safety and Health Administration, US Department of Labor, US Government Printing Office.

*Build Stuff with Wood: Make Awesome Projects with Basic Tools.* Asa Christiana. 2017. Newtown, CT: Taunton Press. Power Tool Institute, Inc. 1300 Sumner Avenue, Cleveland, OH 44115-2851, USA. [www.powertoolinstitute.com](http://www.powertoolinstitute.com).

*Woodworking with Power Tools: Tools, Techniques, and Projects.* 2019. Newtown, CT: Taunton Press.

There are a number of online resources available for trainees who would like more information on power tools and related safety practices, guidelines, and requirements. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in both proper and improper work processes and behaviors. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct and techniques.

Instructors are also encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00105

# INTRODUCTION TO CONSTRUCTION DRAWINGS

**Introduction to Construction Drawings (Module 00105)** provides trainees with the information and skills needed to read and understand construction drawings. This module includes a set of two oversize drawings, which is included as *Appendix D* in the Trainee Guide.

### Objective

#### Learning Objective 1

Describe components and features used in construction drawings and identify how the drawings are different.

- a. Summarize the purpose of the six basic construction drawing components.
- b. List and explain the significance of various drawing elements, such as lines of construction, symbols, and grid lines.
- c. Explain how dimensions relate to various drawing scales.
- d. Demonstrate how to use engineer's and architect's scales.
- e. Identify the six types of construction drawings.

### Performance Task

#### Performance Task 1 (Learning Objective 1)

Using the residential floor plan and elevations supplied in the *Appendix D*:

- Locate the wall common to bedroom #3 and the garage.
- Determine the overall width of the home.
- Calculate the distance from the outside northwest corner of the house to the center of the window in bedroom #2.
- Determine the overhang of the eaves.
- Using an architect's scale, determine the width of the garage.

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.



## Safety Considerations

There are no safety considerations for this module.

### Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
Core PowerPoint® Presentations and/  
or Dynamic Study Modules found in the  
NCCERConnect for *Core*, 6e  
LCD projector and screen  
Computer with Internet access  
Copies of the Performance Profile Sheets

### Equipment and Materials for Laboratories and Performance Testing

Drawing set supplied with this module	Calculators
Complete drawing package for a typical residence or similar simple structure	Architect's scales
	Engineer's scales

### Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Autodesk*, 1 Market St., Suite 500, San Francisco, CA 94105, USA; 3D design, engineering, and entertainment software and parent company of the AutoCAD software suite: [www.autodesk.com](http://www.autodesk.com).

*Blueprint Reading for the Construction Trades*. Peter A. Mann. 2005. Ontario, Canada: **Micro-Press.com**.

*Datacad*, P.O. Box 815, Simsbury, CT 06070, USA. Windows-based CADD solutions: [www.datacad.com](http://www.datacad.com).

*Printreading for Residential Construction*. Leonard P. Toenjes. 2021. Orland Park, IL: American Technical Publishers.

*Reading Architectural Plans for Residential and Commercial Construction*. Ernest R. Weidhaas. 2001. Englewood Cliffs, NJ: Prentice Hall Career & Technology.

*Reading Architectural Working Drawings*. Edward J. Muller, Phillip A. Grau III. 2004. Upper Saddle River, NJ: Prentice Hall.

A number of online resources are available for trainees who would like to learn more about construction drawings. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in both proper and improper work processes and behaviors. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct and techniques.

Instructors are encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00106

# INTRODUCTION TO BASIC RIGGING

**Introduction to Basic Rigging (Module 00106)** identifies different types of rigging slings and hardware and describes how those items are used. It explains how to properly inspect slings and hardware items. It also examines different types of hoists used in rigging, and it describes common rigging hitches and how to make the Emergency Stop hand signal. Note that no level of certification or competency is awarded to trainees after completing this module; the content is designed strictly for familiarization.

**NOTE: This module is an elective.**

It is not required for successful completion of *Core*.

### Objectives

#### Learning Objective 1

Identify and describe various types of rigging slings, hardware, and equipment.

- a. Identify and describe various types of slings.
- b. Describe how to inspect various types of slings.
- c. Identify and describe how to inspect common rigging hardware.
- d. Identify and describe various types of hoists.
- e. Identify and describe basic rigging hitches and the related Emergency Stop hand signal.

### Performance Tasks

#### Performance Task 1 (Learning Objective 1)

Demonstrate the proper ASME Emergency Stop hand signal.

#### Performance Task 2 (Learning Objective 1)

Demonstrate the ability to report the load capacity of a sling, and if the sling is too damaged to use.

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core* PowerPoint® Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.



## Safety Considerations

This module requires that trainees handle common types of rigging equipment. Included in this equipment are synthetic, alloy steel chain, and wire rope slings; rigging hardware, such as shackles, eyebolts, lifting clamps, and hooks; and different types of hoists. Trainees should be carefully observed to ensure that they wear the proper PPE, follow safe practices, and give due respect to the hazards associated with rigging equipment and activities.

## Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
Core PowerPoint® Presentations and/or Dynamic Study Modules found in the NCCERConnect for Core, 6e  
LCD projector and screen  
Computer with Internet access  
Copies of the Module Exam and Performance Profile Sheets

## Equipment and Materials for Laboratories and Performance Testing

Appropriate PPE:	Several types of eyebolts, some of which are damaged
Safety glasses	
Work gloves	Several types of lifting clamps, some of which are damaged
Damaged synthetic slings	Several types of hooks, some of which are damaged
Damaged alloy steel chain slings	
Damaged wire rope slings	
Several types of shackles, some of which are damaged	

## Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Bob's Rigging and Crane Handbook.* Bob De Benedictis. Third Edition. 2012. Leawood, KS: Pellow Engineering Services, Inc.

*Rigging.* James Headley. 2012. Sanford, FL: Crane Institute of America, Inc.

*Rigging Handbook.* Jerry A. Klinke. 2016. Stevensville, MI: ACRA Enterprises, Inc.

*Rigging Math Made Simple.* Delbert L. Hall. 2019. Johnson City, TN: Spring Knoll Press.

*Rigging Safety in Construction Environments DVD Kit.* Port Washington, NY: Global Industrial.

A number of online resources are available for trainees who would like more information on safety practices, guidelines, and requirements related to rigging. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in both proper and improper work processes and behaviors. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct and techniques.

Instructors are also encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00107

# BASIC COMMUNICATION SKILLS

**Basic Communication Skills (Module 00107)** provides trainees with the information and skills needed to communicate effectively and clearly. Developing good communication skills enables construction professionals to become confident, reliable assets to their crafts.

### Objectives

#### Learning Objective 1

Describe the communication, listening, and speaking processes and their relationship to job performance.

- a. Describe the communication process and the importance of listening and speaking skills.
- b. Describe the listening process and identify good listening skills.
- c. Describe the speaking process and identify good speaking skills.

#### Learning Objective 2

Describe good reading and writing skills and their relationship to job performance.

- a. Describe the importance of good reading and writing skills.
- b. Describe job-related reading requirements and identify good reading skills.
- c. Describe job-related writing requirements and identify good writing skills.

### Performance Tasks

#### Performance Task 1

##### (Learning Objective 1)

Perform a given task after listening to oral instructions.

#### Performance Task 2

##### (Learning Objective 2)

Fill out a work-related form provided by your instructor.

#### Performance Task 3

##### (Learning Objective 2)

Read and interpret a set of instructions for properly donning a safety harness and then orally instruct another person on how to don the harness.

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

## Safety Considerations

During the course of this module, trainees may be in the vicinity of electrical energy sources and potentially hazardous tools, equipment, and materials. In those instances, trainees should be carefully observed to ensure that they wear the proper PPE, follow safe practices, and give due respect to the hazards associated with the energy sources, tools, equipment, and materials.

## Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
Core PowerPoint® Presentations and/or Dynamic Study Modules found in the NCCERConnect for Core, 6e  
LCD projector and screen  
Computer with Internet access  
Copies of the Performance Profile Sheets

## Equipment and Materials for Laboratories and Performance Testing

Copies of Figure 3: Are You a Good Listener?	One or more fall-arrest harnesses
Copies of Figure 4: Are You a Good Speaker?	One or more copies of the manufacturer's donning instructions for the harness in use
Several prepared scripts of instructions to be read by one trainee and executed by another	

## Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Effective Communication at Work: Speaking and Writing Well in the Modern Workplace.* Vicki McLeod. 2020. Emeryville, CA: Rockbridge Press.

*The Elements of Style.* William Strunk, Jr. 2015. Grammar, Inc.

*The English Grammar Workbook for Adults: A Self-Study Guide to Improve Functional Writing.* Michael DiGiacomo. 2020. Emeryville, CA: Rockbridge Press.

*How to Win Friends and Influence People.* Dale Carnegie. 2013. New York, NY: Simon & Schuster.

*Submitting a Winning Bid: Guide to Making Construction Bidding with Examples.* Gustavo Cinca. 2020.

*Tools for Success: Critical Skills for the Construction Industry.* NCCER. 2009. Hoboken, NJ: Pearson Education, Inc.

A number of online resources are available for trainees who would like more information on communication skills. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in workplace communication and behavior. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct or communication techniques.

Instructors are encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00108

# BASIC EMPLOYABILITY SKILLS

**Basic Employability Skills (Module 00108)** provides trainees with guidance related to finding and securing a position in the construction trades. In addition, instruction in the areas of problem-solving and effective interaction with others helps to ensure their success in the construction trades.

### Objectives

#### Learning Objective 1

Describe the opportunities in the construction businesses and how to enter the construction workforce.

- a. Describe the construction business and the opportunities offered by the trades.
- b. Explain how workers can enter the construction workforce.

#### Learning Objective 2

Explain the importance of critical thinking and how to solve problems.

- a. Describe critical thinking and barriers to solving problems.
- b. Describe how to solve problems using critical thinking.
- c. Describe problems related to planning and scheduling.

#### Learning Objective 3

Explain the importance of social skills and identify ways good social skills are applied in the construction trade.

- a. Identify good personal and social skills.
- b. Explain how to resolve conflicts with co-workers and supervisors.
- c. Explain how to give and receive constructive criticism.
- d. Identify and describe various social issues of concern in the workplace.
- e. Describe how to work in a team environment and how to be an effective leader.

#### Performance Tasks

This is a knowledge-based module. There are no Performance Tasks.

### Before You Begin

As you prepare for each session, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

## **Safety Considerations**

There are no safety considerations related to this module.

### **Classroom Equipment and Materials**

Whiteboard/chalkboard

Markers/chalk

Pencils and paper

Core PowerPoint® Presentations and/or

Dynamic Study Modules found in the  
NCCERConnect for Core, 6e

LCD projector and screen

Computer with Internet access

Copies of the Module Exam

### **Equipment and Materials for Laboratories and Performance Testing**

None are required for this module.

### **Additional Resources**

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Knock 'em Dead Resumes: A Killer Resume Gets More Job Interviews!* Martin Yate. 2014. Avon, MA: Adams Media.

*Knock 'em Dead: The Ultimate Job Search Guide.* Martin Yate. 2014. Avon, MA: Adams Media.

*The 7 Habits of Highly Effective People: Powerful Lessons in Personal Change.* Stephen R. Covey. 2013. New York, NY: Simon & Schuster.

*Starting Your Career as a Contractor: How to Build and Run a Construction Business.* Claudiu Fatu. 2015. New York, NY: Skyhorse Publishing – Allworth Press.

A number of online resources are available for trainees who would like more information on employability skills and relationships within the workplace. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in both proper and improper work processes and behaviors. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct and techniques.

Instructors are also encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.

## Lesson Plans for Module 00109

# INTRODUCTION TO MATERIAL HANDLING

**Introduction to Material Handling (Module 00109)** provides safety guidelines for workers handling materials on the job site. It covers proper procedures and techniques to use when lifting, stacking, transporting, and unloading materials. It also introduces basic motorized and non-motorized material handling equipment commonly found in the construction environment.

### Objectives

#### Learning Objective 1

Identify the basic concepts of material handling and common safety precautions.

- a. Describe the basic concepts of material handling and manual lifting.
- b. Identify common material handling safety precautions.
- c. Identify and describe how to tie knots commonly used in material handling.

#### Learning Objective 2

Identify various types of material handling equipment and describe how they are used.

- a. Identify non-motorized material handling equipment and describe how they are used.
- b. Identify motorized material handling equipment and describe how they are used.

### Performance Tasks

#### Performance Task 1

##### (Learning Objective 1)

Demonstrate safe manual lifting techniques.

#### Performance Task 2

##### (Learning Objective 1)

Demonstrate how to tie two of the following common knots:

- Square
- Bowline
- Half hitch
- Clove hitch

### Before You Begin

As you prepare for each section, allow sufficient time to review the course objectives, content, visual aids (including the *Core PowerPoint®* Presentations and/or Dynamic Study Modules), and these lesson plans, and to gather the required equipment and materials. Consider time required for demonstrations, laboratories, field trips, and testing.

### Safety Considerations

During the course of this module, trainees may be in the vicinity of electrical energy sources and potentially hazardous tools, equipment, and materials. In those instances, trainees should be carefully observed to ensure that they wear the proper PPE, follow safe practices, and give due respect to the hazards associated with the energy sources, tools, equipment, and materials.



## Classroom Equipment and Materials

Whiteboard/chalkboard  
Markers/chalk  
Pencils and paper  
Core PowerPoint® Presentations and/or Dynamic Study Modules found in the NCCERConnect for Core, 6e  
LCD projector and screen  
Computer with Internet access  
Copies of the Module Exam and Performance Profile Sheets

The following items are optional:

- Video resource(s) on proper lifting techniques
- A safety harness and positioning belt with lanyard
- Video resource(s) demonstrating how to tie common knots

## Equipment and Materials for Laboratories and Performance Testing

Standard eye protection	Common objects (rings, bars, posts, poles, etc.) around which knots can be tied
Work gloves	
Objects for manual lifting	
Several pairs of rope sections of suitable length and equal diameter for tying knots	

## Additional Resources

This module presents thorough resources for task training. The following resource material is suggested for further study.

*Heavy Equipment Operations.* NCCER. 2020. Hoboken, NJ: Pearson Education, Inc.

*Knots: The Complete Visual Guide.* Des Pawson. 2012. New York, NY: DK Publishing.

*Manufacturing Facilities Design & Material Handling.* Matthew P. Stevens, Fred E. Meyers. 2013. West Lafayette, IN: Purdue University Press.

*Materials Handling Handbook.* The American Society of Mechanical Engineers (ASME) and the International Material Management Society (IMMS), Raymond A. Kulwiec, Editor-in-Chief. 1985. New York, NY: Wiley-Interscience.

*Simple Solutions: Ergonomics for Construction Workers.* US Centers for Disease Control and Prevention, National Institute for Occupational Safety and Health. Last modified August 2014: <http://www.cdc.gov/niosh/docs/2007-122/>.

There are a number of online resources available for trainees who would like more information on safety practices, guidelines, and requirements related to material handling and material handling equipment. A search for additional information may be assigned as homework to interested trainees.

Instructors should view any videos that may be identified in the lesson plan before using them to ensure their suitability. The videos can provide teachable moments in both proper and improper work processes and behaviors. Be prepared to stop the videos at appropriate times to point out and discuss both proper and improper conduct and techniques.

Videos focusing on proper lifting techniques are available from the following:

- National Safety Compliance, Inc. ([www.nationalsafetycompliance.com](http://www.nationalsafetycompliance.com))
- Safety Video Direct ([www.safetyvideodirect.com](http://www.safetyvideodirect.com))

Suggested online sources for videos and still images related to knot tying are available from the following:

- I Will Knot! ([www.iwillknot.com](http://www.iwillknot.com))

Instructors are encouraged to review these resources and incorporate any that they choose into the classroom presentations.

Instructors are also encouraged to locate additional audiovisual aids available on the Internet, make personal videos, and take still pictures related to the subject matter and add them to the PowerPoint® presentations throughout the program.