

# TRANSIST

2015 ANNUAL REPORT











we build  
**OPPORTUNITY »**

# MISSION

The mission of Colorado Correctional Industries is three-fold.

- To reduce inmate idleness and the demand for general-funded programs by working as many inmates as possible in self-supporting and productive industries.
- To train inmates in meaningful skills, work ethics, and quality standards which better enable them to secure long-term employment after release from prison.
- To operate in a business-like manner so that enough revenues are realized each year to meet the ongoing capital equipment, working inventories and operating cash needs of the division.

## CONTENTS

									
Director's Welcome	Our Division	By the Numbers	At a Glance	Our Organization	New Ideas in Leadership	Services	Manufacturing	Agriculture	Ideas at Work



18

Finance

20

Marketing & Sales

22

Advisory Board

24

Facilities

26

Products and Services

28

Financials

30

Canteen & Financials

34

Ideas for the Future

37

Our Staff



# FROM THE DIRECTOR



It is all too obvious that channeling idle hands towards productivity can have a very positive effect. *Ideas at Work*, this year's annual report theme, succinctly states our daily mantra. We know that big ideas come to fruition here at Colorado Correctional Industries (CCI), and we put them to work benefiting everyone involved...offenders, staff and citizens.

## BIG IDEAS. BIG RETURN.

In addition to the many obvious cost-saving benefits of CCI — reducing taxpayer inmate burden by nearly \$9 million per year for example — the many intangibles continue to impact our reality. For example, CCI's programs are responsible for bringing, and keeping, numerous jobs in America that would otherwise have been lost to foreign competition. In addition, our considerable purchases of Colorado raw materials and goods, funnel over \$13.4 million annually into our economy. And, of course, by providing inmates with skills and opportunity, we help improve the safety of our communities and close the revolving door of recidivism.

## IDEAS AT WORK.

Our diversity continues to be our strength. In 2015, CCI saw expanded programs and the introduction of new ones. One of our most exciting additions, Print on Demand, in conjunction with the Department of Revenue, not only benefits our inmates and partner, but offers better customer service and expedient license plates for consumers throughout Colorado. We've also added other electronic-related services including LED Lighting.

## THE POWER OF IDEAS.

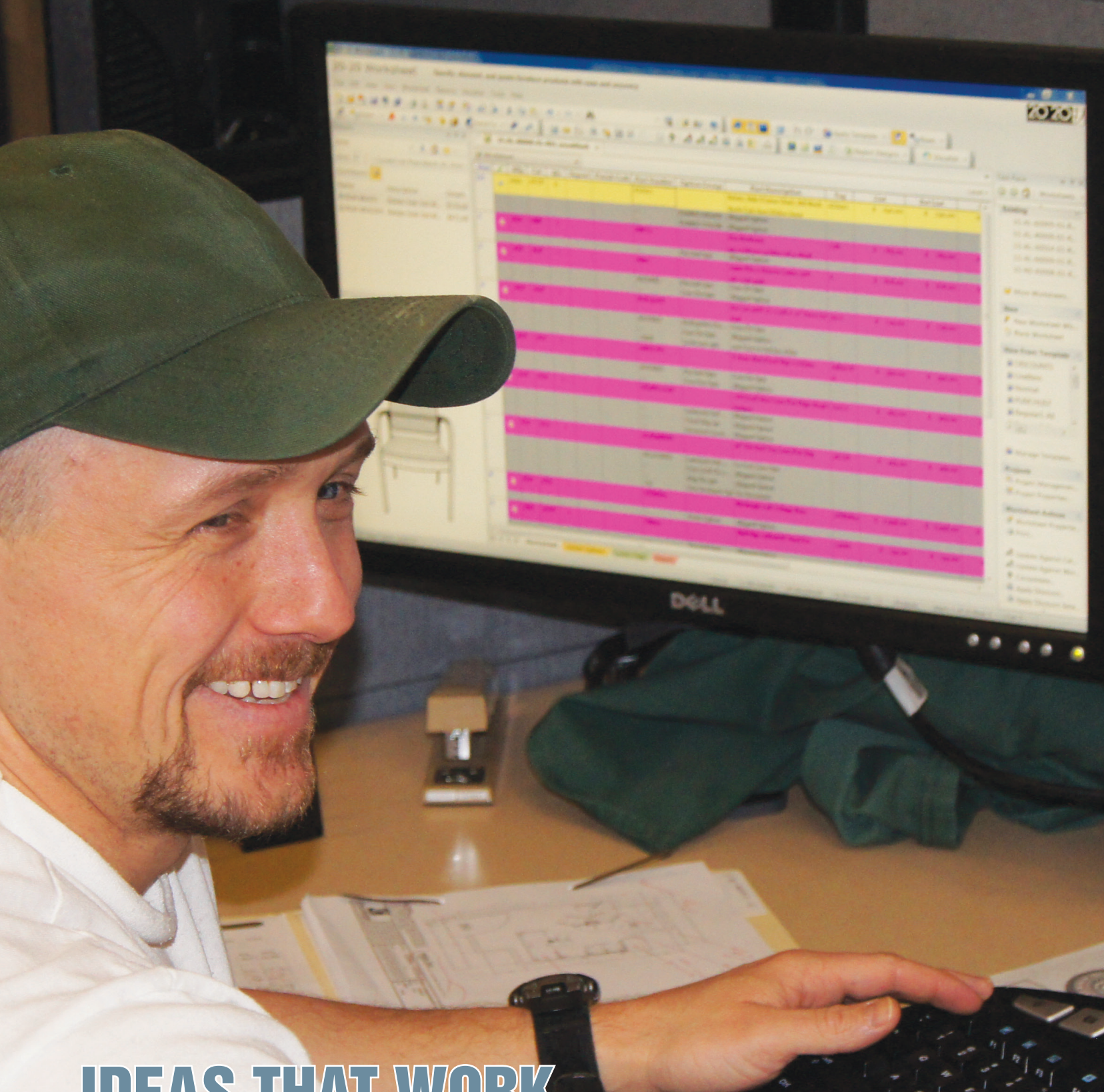
Victor Hugo once said, "There is one thing stronger than all the armies in the world, and that is an idea whose time has come." Since 2011, CCI has been sharing our correctional expertise with officials from around the globe. To date, the International Corrections Management Training Center (ICMTC), located in Cañon City, Colorado, has trained 28 countries and over 1,250 foreign officials. From Mexico, to Africa, to Asia, and beyond, we're putting our ideas to work transforming correctional facilities and increasing safety and security worldwide.

A testament to our success, the following pages highlight our Ideas at Work and the benefits thereof. We hope you enjoy our latest Annual Report, and appreciate your continued interest in our programs.

Sincerely,

A handwritten signature in black ink that reads "Dennis Dunsmoor". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Dennis Dunsmoor  
Director, Colorado Correctional Industries



## IDEAS THAT WORK

Two in five inmates lack a high school diploma or its equivalent.<sup>1</sup> To help prepare prisoners for the post-incarceration, CCI requires all inmate workers receive their GED before being hired. Ongoing educational opportunities and hands-on skills training offer further post-secondary educational opportunities, a proven factor in reducing recidivism.<sup>2</sup>

<sup>1</sup> <https://csjjusticecenter.org/reentry/facts-trends/>

<sup>2</sup> The Council of State Governments, Justice Center, National Reentry Resource Center, What Works in Reentry Clearinghouse: Education, [http://whatworks.csjjusticecenter.org/focus\\_areas/education](http://whatworks.csjjusticecenter.org/focus_areas/education)

# 38 YEARS OF BIG IDEAS OUR DIVISION

With **38 years of success** under our belt, we're proud of our many success stories that have enhanced the lives of everyone involved — our offenders, our citizens and our partners. Resting on our laurels, however, has never been an option and CCI's plans for the future are bigger and brighter than ever before.

## **A Study in Self-Reliance.**

### **CCI receives no tax-payer support.**

Mandated to operate like any other traditional business, our success is completely dependent on the business savvy of our staff and the dedication of our inmate workforce. With **over 1,800 inmates working in more than 80 programs** in agriculture, services and manufacturing, CCI not only generates the revenues that allow us to fully fund the costs of operating our division, but saves Colorado taxpayers \$5,000 per inmate employed or nearly \$9 million a year in savings.

## **That's a Bright Idea.**

Our highly sought after positions are tough to get. All applicants must meet a GED requirement as well as pass interviews, receive recommendations, and more. In addition, continuing education is not only offered, but encouraged, and in some cases required. Inmates must work hard to get the job, and work equally hard to keep it. **Motivation is high, and productivity encouraged.**

Discipline issues mean loss of employment and therefore occur far less with CCI workers than in the general population. By partnering with CDOC on every facet of our mission, we ensure a safe and secure environment is provided to inmates, staff and citizens of Colorado.

## **More Participation. Less Recidivism.**

It's a proven fact that the opportunity to learn meaningful skills, work ethic and responsibility prior to release enhances the chances of an offender's success post-incarceration. **Colorado recidivism rates are improved by nearly 20% when compared to inmates not involved in a CCI program.** In other words, more participation equals fewer returning inmates and more productive citizens.

# BY THE NUMBERS



1,800  
inmates  
employed  
2015



88  
CCI  
industries  
2015



559  
inmates  
participated in  
college courses  
2015



72  
inmate  
college  
graduates  
2015



11,142  
staff  
continuing education  
hours  
2015





**\$8M**  
 purchases from  
 Colorado Suppliers  
 2014



**\$13.4M**  
 purchases from  
 Colorado Suppliers  
 2015



**14 tons**  
 Recycled  
 aluminum



**770 tons**  
 Recycled  
 cardboard



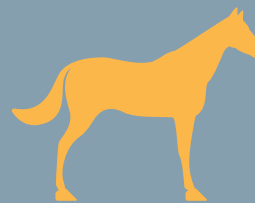
**61 tons**  
 Recycled office  
 and newspapers



**302 tons**  
 Recycled scrap  
 metal and tin



**8,000+**  
 dogs adopted and  
 trained thru  
 K-9 Companion  
 Program



**3,000+**  
 Wild mustangs and  
 burros housed and  
 cared for in Cañon  
 City Facility



**38.4%**  
 national average  
 recidivism within  
 first year<sup>1</sup>



**14%**  
 CCI average  
 recidivism within  
 first year

**28**

Countries benefitting from  
 CCI's International  
 Corrections Management  
 Training Center (ICMTC)



**1,250**

Foreign officials have  
 participated in ICMTC  
 training to date.

1. Durose, Matthew R., Alexia D. Cooper, and Howard N. Snyder, Recidivism of Prisoners Released in 30 States in 2005: Patterns from 2005 to 2010 (pdf, 31 pages), Bureau of Justice Statistics Special Report, April 2014, NCJ 244205.

# AT A GLANCE

## OUR INDUSTRIES

Services 50%



Manufacturing 27%



Agriculture 23%



# OUR ORGANIZATION

Our long and successful track record spans diverse industries and services. Throughout the years, we have built a unique combination of professional expertise and in-depth knowledge of self-sustaining, profitable business endeavors that transform inmates into productive citizens.



# NEW IDEAS IN LEADERSHIP

## DENNIS DUNSMOOR

**Dennis Dunsmoor**, newly appointed Colorado Correctional Industries Director in 2015, first joined CCI in 1991 with a strong tool-and-die background. After working five years within the license plate factory, Dennis was promoted to Site Manager, and really started to make his mark. Managing several programs, he was recognized for his outstanding contributions to production line improvements in numerous shops including fiberglass, license plates, seating refurbishing, panel systems, furniture, offender phone systems, and central/northern canteen. Having mentored under our prior Director (retired), Dennis picked up the crucial skills of market analysis and trend evaluation, expertise sure to benefit our program and our offenders with growth for the future.





# IDEAS THAT SERVE OTHERS

Some of our most well known programs reside within our Services Division. From fire fighting and trail blazing to training majestic mustangs and man's best friend, we've received accolades and attention from local and national press. But dozens of other worthy services are performed daily by the inmates employed by CCI. For example, this year, CCI helped to recycle over 1,100 tons of aluminum, paper, cardboard and metal. In addition, we landscape, print, move, clean, cook and repair. We also house, fulfill, construct, maintain and design. All of which provide our offenders with valuable experience and our communities with necessary services.



**Jack Laughlin, CCI**  
Service Division Manager since 2001, oversees transportation, the CCI International Correctional Management Training Center, fleet services and the statewide offender firefighting programs. From

1996 to 2001, Jack was CCI's Administration Director, overseeing all financial operations of the organization. Jack explains the best part of working for CCI is the variety of business opportunities and the challenges encountered in a correctional industry environment.



## SERVICES

- Administrative Services
- Auto Collision Repair/Painting
- CAD/GIS
- Canteen
- Construction & Maintenance
- Culinary Arts
- Customer Service
- Delivery & Installation
- DMV Public Information
- Fire Fighting & Reclamation
- Fleet Services
- Fulfillment
- Heavy Equipment
- Information Technology
- Janitorial
- K-9 Adoption & Training
- Landscape Maintenance & Beautification
- Pizza Assembly
- Printing Services
- Public Information Services
- Recycling
- Reupholstery
- Service Station
- Trails Program
- Training & Guest Services
- Transportation & Tech Training
- Waste Site Maintenance
- Web Design



## MANUFACTURING

Air Filters

Canoes

Dormitory Furniture\*

Embroidery

Fiberglass Tanks\*

Flags

Fly Rods & Spinning Rods

Garments\*

Granite Countertops

Leather Products\*

LED Lighting

License Plates & Tabs

Mattresses

Metal Fabrication

Modular Office Systems

Motorcycles

Office Furniture\*

Screen Printing

Seating

Security Cells & Furnishings\*

Signs\*

Stone Paver Castings

Television Manufacturing

Tractor Refurbishing

\*PIECP



# IDEAS THAT CREATE



From the flag above Denver's Capitol Building, to the bear-safe recepticals found in our state's parks, CCI's Manufacturing Division has spent decades building self-sufficiency. In fact, three of our most popular industries, office furniture, modular office systems, and seating/lounge products, employ over 250 inmates. Two of our newest programs, Stone Pavers and Granite Countertops, are a testament to the ingenuity of this division and the men who work within it. Many of our most successful product lines are a direct result of an inmate's input, evidence that the offenders are highly invested in our efforts.



**Andy Klinkerman**, CCI Manufacturing Division Manager, began his career with CCI in 1992 in our agricultural division. In 1997, he became a facility site supervisor at Arkansas Valley Correctional Facility and five years later he was promoted to his current position. Andy is dedicated to providing a meaningful experience for offenders, while meeting the equally diverse needs of our customers.





## AGRIBUSINESS

Big Horn Sheep Housing

Bucking Bull Housing

Composting

Cow Dairy & Dairy  
Processing

Farming

Fish Farming

Fish Processing

Goat Dairy & Dairy  
Processing

Greenhouse Products

Honey Production

Lobster Farming

Orchard

Partridge Hatchery

Pheasant Farming

Ranching

Ultra-high Pasteurization

Vineyard

Water Buffalo Dairy  
& Processing

White Bison Housing

Wild Horse Inmate  
Program (WHIP)



# IDEAS THAT GROW


With agricultural roots dating back to 1874, CCI's farming has helped reduce offender idleness, provide food for the prisons and generate revenues from surplus crops sold to outside markets. More than 130 years later, CCI's agricultural activities include more than 20 programs employing up to 800 offenders annually. From corn to honey, wine to apples, CCI is proud of our growing success and the positive impact it has on our offenders and the communities we serve.

**Jim Heaston**, Agribusiness Division Manager appointed in 2008, oversees more than a dozen ag-related programs. With more than 20 years work experience in this program, Jim has been a key player in our biggest expansions. Jim has seen the CCI milking herd grow from 250 head to 850 head and from a twice-a-day operation to three-times-a-day, seven days a week. During 2007, Jim was extremely instrumental in assisting in the development and implementation of the largest goat herd and dairy within the State of Colorado. Jim believes in looking for opportunities that will continue to move the agricultural division forward in today's world.



# DEASAT WORK IN COLORADO





21,120 Man hours spent fighting  
2015 Colorado wildfires

\$334,303 Colorado taxpayer savings through  
use of SWIFT firefighting crews

850 Cows milked 3x daily

550 Acres grown annually

90+ Colorado industry partners

2,042,048 Total offender hours worked in 2015

\$13.4M Raw materials purchased from  
Colorado vendors in 2015





## FINANCE

Accounting

Budget

Contract Management

Cost Accounting

Order Processing

Purchasing



**James McCoy**, CCI Chief Financial Officer, joined CCI's executive staff in the Fall of 2009. Since then, he has analyzed and managed the diverse fiscal needs of our programs, enjoying the unique opportunity of working in a profit-and-loss business environment for the State of Colorado.





# MARKETING IDEAS THAT WORK

Providing comparable pricing, along with quality and service above that of our competitors, has long been our objective at CCI. But even the most efficient business needs to be discovered. That's why we've spent the last few years developing a more sophisticated approach, evolving from word-of-mouth advertising to a full-scale showroom and the electronic world of websites and e-commerce.



**Richard Curry** joined CCI from the private sector in 2001 as our Sales Manager and was promoted to Marketing Director/ Sales Manager in 2002. He enjoys the dynamic business environment and progressive correctional

operations in Colorado and the challenge of helping an organization he believes can grow. Richard truly focuses on the gratification of working for an industry that receives no taxpayer assistance and provides a large array of skills and opportunities for offenders' success.



## MARKETING AND SALES

eBay Auto Sales

Fingerprinting Services

Fleet Sales

Forms & Publications

General Services

Highway Cleanup

Marketing/  
Communications

Moving Service

Office Design

Research & Development

Retail Outlets

Sales

State & Federal Surplus  
Property

State Patrol Training  
Academy, Garage,  
Kitchen, Maintenance

Transportation &  
Tech Training

Warehousing

# ADVISORY BOARD

The CCI advisory board, defined through legislation, evaluates proposed new industries that would utilize the services of prisoners prior to their establishment. Members of this board, selected from the State of Colorado, correctional entities, private industry and organized labor, serve for the duration of their term in office or for a three-year appointment by the Governor.

expert  
advice

- State Treasurer
- Two house representatives and two senators from the General Assembly
- Director of the Office of State Planning and Budgeting
  - Executive Director of the Department of Personnel
  - Two business community leaders
  - Two members from organized labor
  - Executive Director of the CDOC
  - A County Sheriff

“

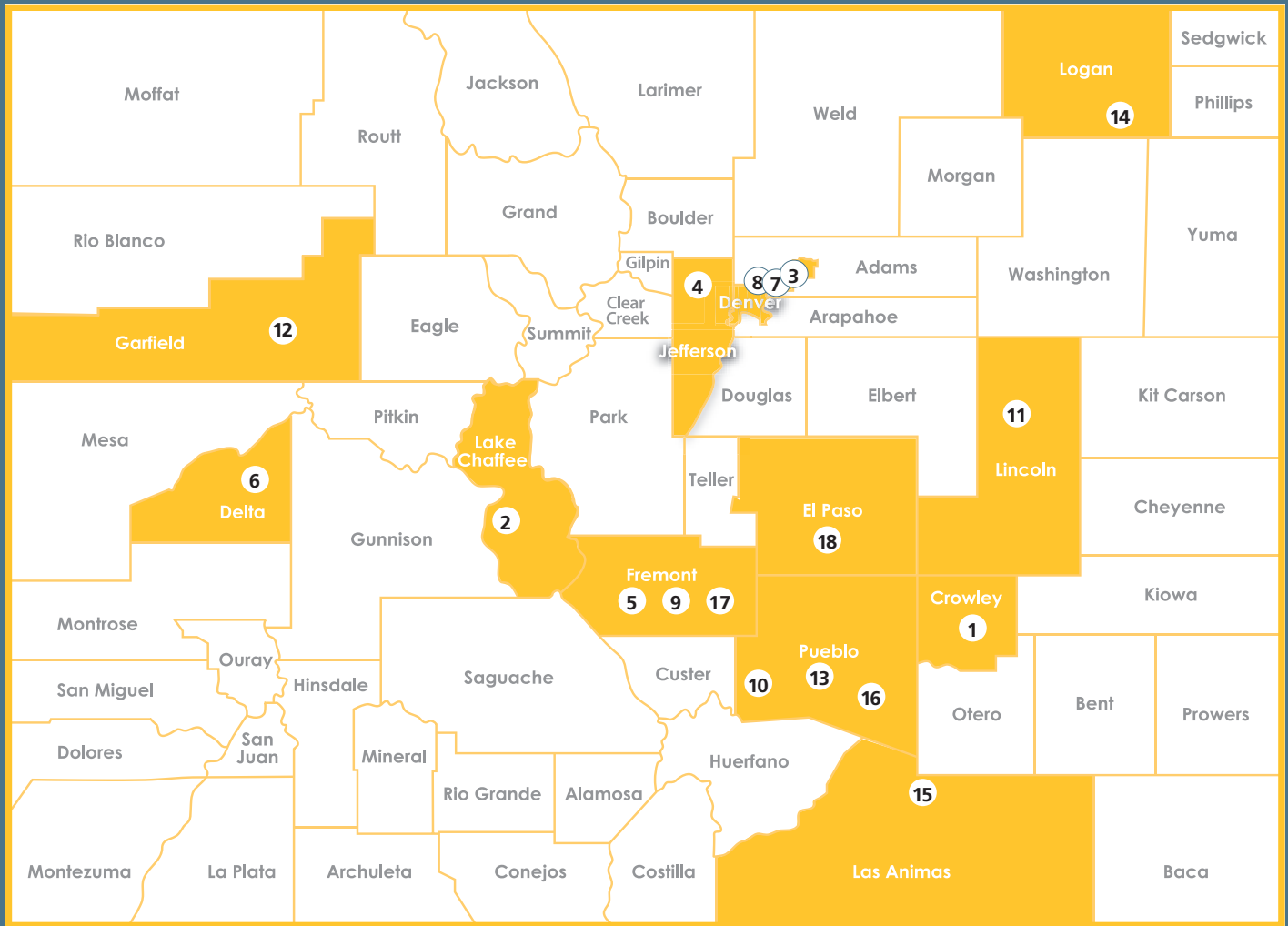
America is the land of the second chance —  
and when the gates of the prison open,  
the path ahead should lead to a better life.

”

— Former President, George W. Bush

# WHERE WE ARE FACILITIES









Working closely with the Department of Corrections, CCI operates industries in 20 of the 24 facilities located throughout Colorado. Our programs employ over 200 civilian staff and 1,800+ inmates on a monthly basis.



- 1 Arkansas Valley Correctional Facility
- 2 Buena Vista Correctional Complex
  - a. Buena Vista Correctional Facility
  - b. Buena Vista Minimum Center
- 3 CCI Oakland Facility
- 4 Colorado Correctional Center
- 5 Colorado Territorial Correctional Facility
- 6 Delta Correctional Center
- 7 Denver Reception and Diagnostic Center *(no programs)*
- 8 Denver Women's Correctional Facility
- 9 East Cañon Complex
  - a. Arrowhead Correctional Center
  - b. Centennial Correctional Facility *(no programs)*
  - c. Colorado State Penitentiary *(no programs)*
  - d. Four Mile Correctional Center
  - e. Fremont Correctional Facility
  - f. Skyline Correctional Center
- 10 La Vista Correctional Facility
- 11 Limon Correctional Facility
- 12 Rifle Correctional Center
- 13 San Carlos Correctional Facility *(no programs)*
- 14 Sterling Correctional Facility
- 15 Trinidad Correctional Facility
- 16 Youthful Offender System
- 17 International Correctional Management Training Center
- 18 CCI Administrative Office

# PRODUCTS & SERVICES

Facility		# Positions Available	Facility		# Positions Available
<b>1 Rifle Correctional Facility</b> 	Culinary Arts	38	<b>6 Denver Reception and Diagnostic Center</b>	No programs – Receiving Facility	
	Firefighting & Reclamation	22			
	Trails Program	12	<b>7 Denver Women's Correctional Facility</b>  	Canteen	25
<b>2 Delta Correctional Center</b> 	Farming (seasonal)	30		Electronics Recycling	10
<b>3 Buena Vista Correctional Complex</b>   	Firefighting & Reclamation	25		Garments	20
	Fish Farming	10		K-9 Adoption & Training	36
	Heavy Equipment	15		Printing Services	25
	K-9 Adoption & Training	16		Tablet Service	6
	Saddles & Leather Products (PIECP)	50	<b>8 Colorado Territorial Correctional Facility</b> 	TV Manufacturing	6
	Trails Program	24	<b>★ Print on Demand</b>		5
<b>4 CCI Oakland Facility</b>  	CAD Design	1		License Plates & Tabs	103
	Customer Service	2		Motorcycle Manufacturing	5
	Delivery & Installation	6		Signs (PIECP)	18
	eBay Sales	2		K-9 Adoption & Training	14
	Fingerprinting	-	<b>9a Arrowhead Correctional Center</b>  	Antique Vehicle Restorations	3
	Forms Distribution	1		Canteen	60
	Janitorial	1		Fish Farming	20
	Office Assistance	1		Fish Processing	40
	Sales & Showroom	2		Fishing Rod Manufacturing	15
	State & Federal Surplus	3		Fleet Services	25
<b>5 Colorado Correctional Center</b> 	Collision Repair	10		Greenhouse Products	89
	CSP Training – Academy Garage	3		Honey Production	2
	CSP Training – Academy Kitchen	10		K-9 Adoption & Training	12
	CSP Training – Academy Maintenance	5		Musical Instruments	2
	Delivery & Installation	24		Partridge Hatchery	8
	Highway Barrier Fencing	6		Tractor Refurbishing	3
	Highway Cleanup	24		Transportation & Tech Training	10
	Highway Mowing/Trimming	12		Warehouse	10
			<b>9b Centennial Correctional Facility</b>	No programs – High Risk/Residential Treatment Facility	
			<b>9c Colorado State Penitentiary</b>	No programs – Close Custody Facility	

Facility	# Positions Available
<b>9d Four Mile Correctional Center</b>  	
Bucking Bull Housing	2
Big Horn Sheep Housing	2
Composting	2
Dairy & Dairy Processing	72
Heavy Equipment	20
K-9 Adoption & Training	12
Ultra-High Pasteurization	5
Water Buffalo Dairy	20
White Bison Breeding	1
Wild Horse Inmate Program (WHIP)	55
<b>9e Fremont Correctional Facility</b> 	
Dormitory Furniture (PIECP)	25
Fiberglass Tanks (PIECP)	25
Garments	15
Granite Countertops	5
LED Lighting	10
Metal Fabrication	120
Office Furniture (PIECP)	93
Security Cells & Furnishings (PIECP)	45
Stone Paver Castings	5
<b>9f Skyline Correctional Center</b>  	
Delivery and Installation	12
Farming	45
Fire Fighting & Reclamation	25
Goat Dairy & Processing	32
Heavy Equipment	5
Orchard & Vineyard	15
Recycling	15
<b>10 La Vista Correctional Facility</b>  	
Administrative Services	11
Construction & Maintenance Services	44
Farming	80
Information Technology	10
<b>11 San Carlos Correctional Facility</b>	
No programs – Mental Health Facility	
<b>12 Youthful Offender System</b> 	
Specialty Products	10

Facility	# Positions Available
<b>13 Arkansas Valley Correctional Facility</b>  	
CAD/GIS	15
Customer Service Toll-free	2
DMV Public Information Services	15
Fulfillment Center	15
Modular Office Systems	53
Web Design	4
<b>14 Limon Correctional Facility</b> 	
★ Electronics Recycling	20
Embroidery & Screen Printing	9
Flags	12
Garments (PIECP)	165
<b>15 Trinidad Correctional Facility</b>  	
Air Filters	5
K-9 Adoption & Training	24
<b>16 Sterling Correctional Facility</b>  	
Heavy Equipment	12
K-9 Adoption & Training	32
Seating	75
<b>17 International Training Center</b> 	
Culinary Arts	6
Pizza Assembly	15
Retail Outlets	1
Training & Guest Services	22
<b>18 CCI Administration Office</b> 	
Retail Outlets	–



-  **Manufacturing**
-  **Agribusiness**
-  **Services**
-  **Sales/Marketing**

★ **New this year!**

# OUR FINANCES

For Fiscal Years Ended June 30, 2015 and 2014 unaudited (NOTE 1)

<b>COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF NET POSITION</b>		
	<b>6/30/15</b>	<b>6/30/14</b>
<b>CURRENT ASSETS</b>		
Cash and Pooled Cash (NOTE 2)	\$4,366,464	\$6,146,634
Other Receivables, net	1,525,899	1,637,275
Due from Other Governments	427,483	402,402
Due from Other Funds	2,215,012	1,352,172
Inventories	14,838,181	14,015,178
Prepays, Advances, Deferred Charges	0	65,902
<b>TOTAL CURRENT ASSETS</b>	<b>23,373,039</b>	<b>23,619,563</b>
<b>NONCURRENT ASSETS</b>		
Other Long Term Assets	1,778,671	1,849,086
Depreciable and Capital Assets and Infrastructure, net	3,932,239	4,056,113
Land and Nondepreciable Infrastructure	920,412	920,412
<b>TOTAL NONCURRENT ASSETS</b>	<b>6,631,322</b>	<b>6,825,611</b>
<b>TOTAL ASSETS</b>	<b>\$30,004,361</b>	<b>\$30,445,174</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$5,123,704	\$5,478,771
Due to Other Funds	0	30,268
Compensated Absences Payable	55,700	88,000
Deferred Federal Revenue	212,442	160,590
Other Current Liabilities	7,123	0
<b>TOTAL CURRENT LIABILITIES</b>	<b>5,398,969</b>	<b>5,757,629</b>
<b>NONCURRENT LIABILITIES</b>		
Accrued Compensated Absences	1,249,577	1,190,751
<b>TOTAL LIABILITIES</b>	<b>6,648,546</b>	<b>6,948,380</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,852,651	4,976,525
Unrestricted	18,503,164	18,520,269
<b>TOTAL NET POSITION</b>	<b>\$23,355,815</b>	<b>\$23,496,794</b>
<b>STATEMENT OF REVENUE, EXPENSES &amp; CHANGES IN NET POSITION</b>		
	<b>6/30/15</b>	<b>6/30/14</b>
<b>OPERATING REVENUES</b>		
Sales of Goods and Services	\$46,226,920	\$44,562,977
Federal Grants and Contracts	2,084,705	1,879,059
Intergovernmental Revenue	706	0
Other Revenues	239,439	228,596
<b>TOTAL OPERATING REVENUES</b>	<b>48,551,770</b>	<b>46,670,632</b>
<b>OPERATING EXPENSES</b>		
Raw Materials and Supplies	25,127,002	23,816,737
Salaries and Fringe Benefits	12,510,949	12,342,824
Operating & Travel (NOTE 3)	8,504,345	8,220,688
Depreciation	417,970	388,086
Grant Expenditures	2,063,731	1,861,157
<b>TOTAL OPERATING EXPENSES</b>	<b>48,623,997</b>	<b>46,629,492</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(72,227)</b>	<b>41,140</b>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Investment Income	100,818	44,933
Rental Income	220,294	348,731
Gifts and Donations	3,808	2,969
Loss on Transfer of Capital Asset	0	(60,000)
<b>TOTAL NON-OPERATING REVENUES</b>	<b>324,920</b>	<b>336,633</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>252,693</b>	<b>377,773</b>
<b>CONTRIBUTIONS AND TRANSFERS</b>		
Transfers-Out to General Fund (NOTE 4)	(393,672)	(381,286)
<b>TOTAL OPERATING TRANSFERS</b>	<b>(393,672)</b>	<b>(381,286)</b>
<b>CHANGE IN NET POSITION</b>	<b>(140,979)</b>	<b>(3,513)</b>
<b>NET POSITION - FISCAL YEAR BEGINNING</b>	<b>23,496,794</b>	<b>23,500,307</b>
<b>NET POSITION - FISCAL YEAR ENDING</b>	<b>\$23,355,815</b>	<b>\$23,496,794</b>



<b>COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF CASH FLOWS</b>		
	<b>6/30/15</b>	<b>6/30/14</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash Received from:</b>		
Fees for Service	\$9,738,392	\$11,121,218
Sales of Products	35,801,365	34,712,070
Gifts, Grants, Donations (Federal Grant)	2,076,338	2,476,072
Income from Property (Rent)	220,294	348,731
Other Sources	240,145	228,596
Employees	(13,475,621)	(12,202,489)
Suppliers	(33,649,174)	(32,440,735)
Grant Expenses	(2,063,731)	(1,861,157)
Other	(85,036)	(54,966)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(1,197,028)</b>	<b>2,327,340</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers-Out to the General Fund	(393,672)	(381,286)
Gifts, Grants, Donations not for Capital Use	3,808	2,969
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(389,864)</b>	<b>(378,317)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(294,096)	(653,088)
<b>NET CASH FROM CAPITAL RELATED FINANCING ACTIVITIES</b>	<b>(294,096)</b>	<b>(653,088)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest and Dividends on Investments	110,741	30,039
Increase (Decrease) from Unrealized Gain (Loss) on Investments	(9,923)	14,894
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>100,818</b>	<b>44,933</b>
<b>NET INCREASE (DECREASE) IN CASH AND POOLED CASH</b>	<b>(1,780,170)</b>	<b>1,340,868</b>
<b>CASH AND POOLED CASH, FISCAL YEAR BEGINNING</b>	<b>6,146,634</b>	<b>4,805,766</b>
<b>CASH AND POOLED CASH, FISCAL YEAR END</b>	<b>\$4,366,464</b>	<b>\$6,146,634</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$(72,227)	\$41,140
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	0	388,086
Rents	417,970	348,731
Insurance Recoveries	220,294	0
Compensated Absences	26,526	90,983
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	(776,545)	1,772,136
(Increase) Decrease in Inventories	(752,588)	(1,280,473)
(Increase) Decrease in Other Operating Assets	65,902	(65,508)
Increase (Decrease) in Accounts Payable	(355,067)	900,630
Increase (Decrease) in Other Operating Liabilities	28,707	131,615
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$(1,197,028)</b>	<b>\$2,327,340</b>

NOTE 1 The underlying balances are audited in the statewide financial audit.

NOTE 2 Cash and pooled cash is defined as cash-on-hand, demand deposits, certificates of deposit, pooled cash with State Treasurer (at fair market value), and warrants payable.

NOTE 3 Operating and Travel expenses include costs for packaging materials, transportation charges, office supplies and equipment, maintenance, travel, worker's compensation insurance, legal services, liability and property insurance, and other operating expenses.

NOTE 4 Operating transfer-out to the General Fund are costs reimbursed to the general fund for support services.

# CANTEEN MISSION

- To provide work and self-improvement opportunities to assist in successful community reintegration
- To provide high quality, fairly priced merchandise and services to the inmate population in an efficient and profitable manner.
- Aid in the maintenance of a secure environment.
- Reduce reliance on taxpayer provided funds for inmate recreational, educational and social benefit expenditures.



# CANTEEN, VENDING, MACHINE & LIBRARY ACCOUNT

Like all CCI businesses, the Canteen program is a self-sustaining entity, receiving no taxpayer support. Profits from retail and vending machine sales, family gift packs and Colorado Inmate Phone System (CIPS) commissions help to fund inmate educational, recreational and social activities as well as supplementing other direct inmate needs.

Inmates housed within 21 CDOC locations and four private facilities benefit from Canteen services. Inmates with adequate funds can select from a wide range of retail products including candy and snacks, name brand hygiene and style products, and more. Orders are completed through two distribution centers; one in Denver and the other located in Cañon City. More than 60,000 monthly orders are processed by 85 male and female inmates employed within the operations. Supporting CCI's mission, the marketable skills and work ethic required for these positions transfer well to life after prison. In addition Canteen workers are encouraged to participate in college certificate classes, to further enhance their success upon release from incarceration.

# CANTEEN FINANCES

For Fiscal Years Ended June 30, 2015 and 2014 unaudited (NOTE 1)

<b>CANTEEN ENTERPRISE FUND STATEMENT OF NET POSITION</b>		
	<b>6/30/15</b>	<b>6/30/14</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Pooled Cash (NOTE 2)	\$4,491,572	\$3,413,979
Other Receivables, net	213,221	238,808
Inventories	613,029	623,771
<b>TOTAL CURRENT ASSETS</b>	<b>5,317,822</b>	<b>4,276,558</b>
<b>NONCURRENT ASSETS</b>		
Depreciable Capital Assets and Infrastructure, net	1,647,064	1,811,082
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,647,064</b>	<b>1,811,082</b>
<b>TOTAL ASSETS</b>	<b>\$6,964,886</b>	<b>\$6,087,640</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$790,784	\$864,830
<b>TOTAL CURRENT LIABILITIES</b>	<b>790,784</b>	<b>864,830</b>
<b>NONCURRENT LIABILITIES</b>		
Accrued Compensated Absences	252,725	229,847
<b>TOTAL LIABILITIES</b>	<b>1,043,509</b>	<b>1,094,677</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,647,064	1,811,082
Unrestricted	4,274,312	3,181,881
<b>TOTAL NET POSITION</b>	<b>\$5,921,376</b>	<b>\$4,992,963</b>
<b>STATEMENT OF REVENUE, EXPENSES &amp; CHANGES IN NET POSITION</b>		
	<b>6/30/15</b>	<b>6/30/14</b>
<b>OPERATING REVENUES</b>		
Sales-Canteen and Similar Activities	\$16,680,795	\$15,195,199
Commissions-Inmate Phone System	2,499,076	2,643,306
Other Revenues	29,095	19,541
<b>TOTAL OPERATING REVENUES</b>	<b>19,208,966</b>	<b>17,858,046</b>
<b>OPERATING EXPENSES</b>		
Cost of Goods Sold	12,243,934	11,320,389
Salaries and Fringe Benefits	2,201,935	1,967,902
Operating & Travel (NOTE 3)	1,024,448	745,615
Depreciation	164,019	121,880
<b>TOTAL OPERATING EXPENSES</b>	<b>15,634,336</b>	<b>14,155,786</b>
<b>OPERATING INCOME</b>	<b>3,574,630</b>	<b>3,702,260</b>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Inmate Benefits	(2,631,264)	(2,890,579)
Investment Income	61,897	49,511
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(2,569,367)</b>	<b>(2,841,068)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>1,005,263</b>	<b>861,192</b>
<b>CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS</b>		
Transfers-Out to General Fund (NOTE 4)	(76,850)	(80,497)
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(76,850)</b>	<b>(80,497)</b>
<b>CHANGE IN NET POSITION</b>	<b>928,413</b>	<b>780,695</b>
<b>NET POSITION - FISCAL YEAR BEGINNING</b>	<b>4,992,963</b>	<b>4,212,268</b>
<b>NET POSITION - FISCAL YEAR ENDING</b>	<b>\$5,921,376</b>	<b>\$4,992,963</b>

**CANTEEN ENTERPRISE FUND STATEMENT OF CASH FLOWS**

6/30/15

6/30/14

**CASH FLOWS FROM OPERATING ACTIVITIES****Cash Received from:**

Sales of Canteen Items and Similar Activities	\$16,680,795	\$15,195,199
Commissions from Inmate Phone System	2,524,663	2,828,928
Other Revenues	29,095	19,541
Employees	(2,379,490)	(1,978,565)
Suppliers	(13,131,253)	(11,903,744)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>3,723,810</b>	<b>4,161,359</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Inmate Benefits	(2,631,264)	(2,890,579)
Transfers-Out to the General Fund	(76,850)	(80,497)
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(2,708,114)</b>	<b>(2,971,076)</b>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition of Capital Assets	0	0
<b>NET CASH FROM CAPITAL RELATED FINANCING ACTIVITIES</b>	<b>0</b>	<b>0</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and Dividends on Investments	60,808	38,175
Increase (Decrease) from Unrealized Gain (Loss) on Investments	1,089	11,336
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>61,897</b>	<b>49,511</b>

<b>NET INCREASE IN CASH AND POOLED CASH</b>	<b>1,077,593</b>	<b>1,239,794</b>
<b>CASH AND POOLED CASH, FISCAL YEAR BEGINNING</b>	<b>3,413,979</b>	<b>2,174,185</b>
<b>CASH AND POOLED CASH, FISCAL YEAR END</b>	<b>\$4,491,572</b>	<b>\$3,413,979</b>

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Income	\$3,574,630	\$3,702,260
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	164,019	121,880
Compensated Absences	22,878	7,638
Net Changes in Assets and Liabilities Related to Operating Activities		
(Increase) Decrease in Operating Receivables	25,587	185,622
(Increase) Decrease in Inventories	10,742	(94,457)
(Increase) Decrease in Other Current Assets		
Increase (Decrease) in Accounts Payable	(74,046)	238,416
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$3,723,810</b>	<b>\$4,161,359</b>

NOTE 1 The underlying balances are audited in the statewide financial audit.

NOTE 2 Cash and pooled cash is defined as cash-on-hand, demand deposits, certificates of deposit, pooled cash with State Treasurer (at fair market value), and warrants payable.

NOTE 3 Operating and Travel expenses include costs for packaging materials, transportation charges, office supplies and equipment, maintenance, travel, worker's compensation insurance, legal services, liability and property insurance, and other operating expenses.

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# BRIGHT IDEAS AT WORK TODAY. AND TOMORROW.

CCi continues to seek new endeavors that expand our programs, employ more inmates, and generate profits that ensure our future success. We encourage every participant to contribute in a manner that supports our mission.

It's a fact that fewer inmates return to crime after having worked in CCI's programs. Teaching marketable skills and instilling a work ethic has

proven successful in transitioning inmates into productive citizens upon reentry. Education furthers our efforts and we're proud to have hundreds of college graduates within our inmate population each year.

Giving back to victims. Citizens. Colorado. It's a worthy goal. And one that CCI is steadfastly committed to now. And in the future.

# NEW PROGRAM SPOTLIGHT

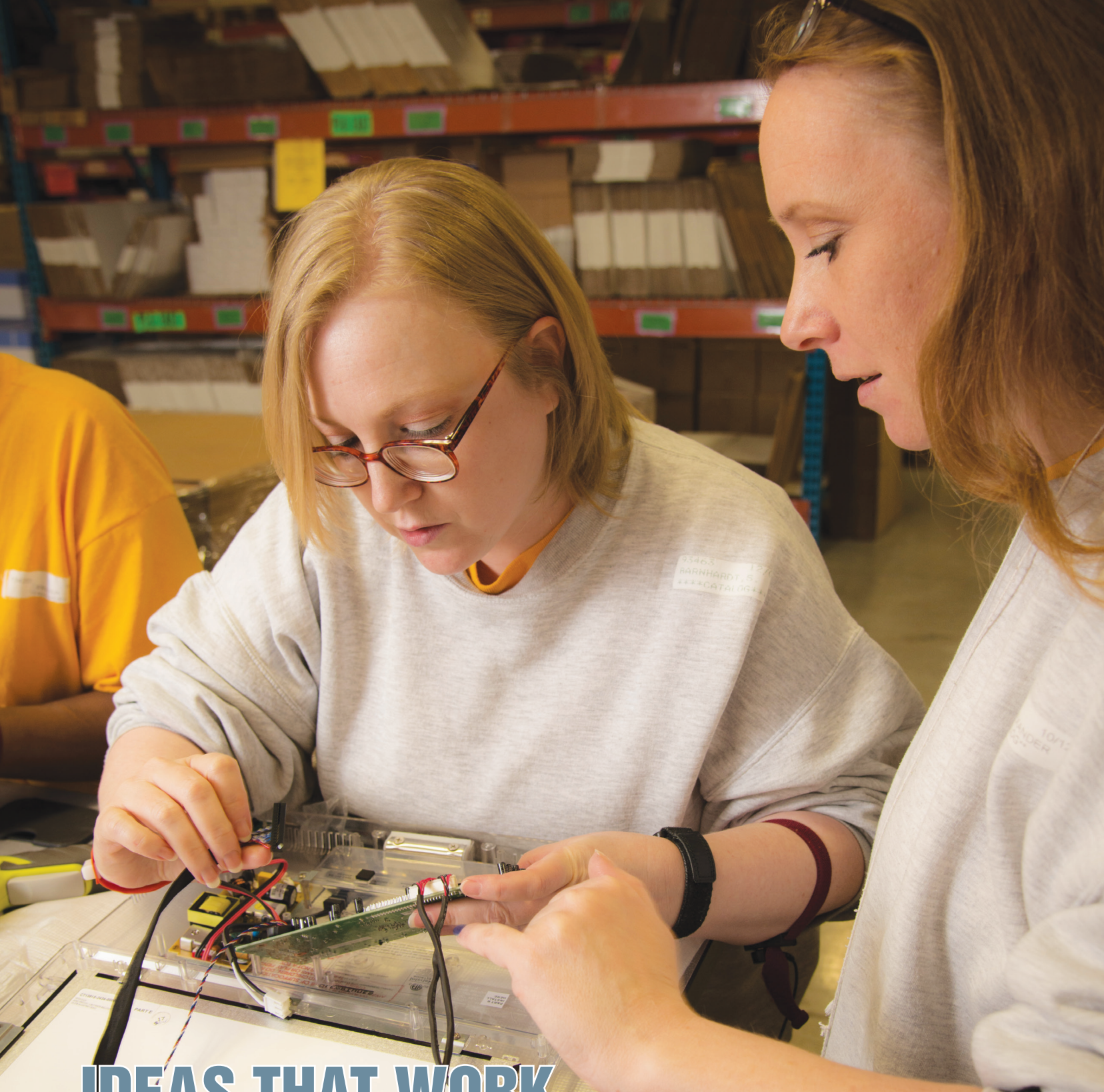
## Print on Demand — Partners in a Better Solution

New to CCI's industry lineup in 2015, "Print on Demand" not only provides new jobs for our inmates that teach valuable skills, but allows the Department of Revenue to realize a decrease in funds for staffing to maintain license plate counters within all State/county buildings. Customers benefit by receiving their tagged specialty license plates at their door steps within a week. This expedited process benefits law enforcement as well;

facilitating more registered license plates on the road quickly provides the vital information needed for effective patrol of our State/County roads and highways.

Since inception, this program has maintained five full time inmates, and plans to further assist the Department of Revenue with other new time-saving methods are being discussed. It is truly a perfect example of the positive effects our programs have on everyone involved...inmates, local partners and Colorado citizens.





## IDEAS THAT WORK

A 2007 study of incarceration in Colorado found that women inmates who participated in vocational programs had a recidivism rate of 8.75%; those who completed their GED only 6.71%; and those who participated in neither a vocational or academic program, 26%.

"Recidivism Rates of Women Offenders and Participation of Education Programs in Prisons." Applied Research Project. 28 April, 2008. n.pag. Print (<http://www.ceanational.org/phorum/read.php?16,1403,1403>)



# THANK YOU!

## THE CGI TEAM

Stoney Adams	Dennis DeLong	Paula Hunter	Richard Mouriquand	Jason Smith
Cheryl Ahumada	Ronald Diller	Phred Jahner	Cheryl Neff	Leonard Smith
Irene Alcon	Steve Dowd	Charles Johnson	Gary Nichols	Paul Smith
Philene Alfonso	Wade Draper	Lucas Johnson	John O'Brien	Ransie Smith
Robert Anderson	Dennis Dunsmoor	Sonji Johnson	Don Pacheco	Steve Smith
Chet Arnold	Ken Enslow	Tim Johnson	Dan Padilla	Richard Smythe
Brian Atencio	Rick Fitzpatrick	Tad Jordan	Dave Pagnotta	Todd Snyder
Sherry Bell	Don Flock	Pam Kahanic	Alan Passarelli	Dan Spinuzzi
Dennis Berg	Tom Foreman	Rod Kappert	Pam Pearson	Chris Spitznogle
Mary Bergman	Chad Fraher	Raymond Kaspar	Gerald Peasley	Casey Spurlin
Orville Bloesser	Pat Gallegos	Jonathan Kenline	Brian Pence	Alister Steer
Bradley Bobst	Marcus Garcia	Andy Klinkerman	Thom Phillips	Debi Stevens
Arlin Bolkema	Steve Garcia	Randy Klungseth	Sharlann Pomeroy	Samantha Stringer
Amy Bradley	Larry Goad	Sandra Knudsen	Mary Provost	Chad Sturtevant
Bruce Bradley	Stacy Gordon	Lawrence Kreutzer	Richard Quijada	Kent Sunderman
Stacy Brandt	Frank Graeber	George Langbein	Tim Quinn	Mike Sweeney
Brenda Breister	Brian Graham	Jack Laughlin	David Randall	James Tafoya
Rainey Brooks	Joe Granato	Geoffrey Legge	Kyle Ratkovich	Thomas Taylor
Chris Brown	Sandy Gray	Eric LeTendre	John Reilly	Chris Tenorio
Charles Burrell	Robert Greenfield	Gabriella Licano	Anthony Richey	Jay Townsend
Jared Butero	Garrick Gregory	Mark Licano	Jacque Riffe	Ashley Tremain
Joe Carochi	James Grisenti	Brenda Marino	Thomas Rittenhouse	Shirley Troutman
Celia Carrillo	Joseph Grisenti	Jon Martinez	Tim Roberts	Art True
Greg Carwin	Vince Guara	Michael Mattson	Danita Rocha	Dave Urich
Gary Cassio	Tim Guidry	Shane McCall	Jake Rodriguez	Steven Varner
Justin Chambers	Scott Hall	Mike McConnel	Jeff Rose	Mike Velotta
James Chaney	Brian Hardin	Will McConnell	Robert Rose	Willie Viljoen
Stephen Chavez	Terry Harrow	James McCoy	Mark Rosen	David Wang
Duncan Clarke	Patricia Hart	Ted McDowell	Rodney Rothmeyer	Erik Wayland
Mark Clementi	Glenn Hasui	Darlene McInnes	Tony Salazar	Alan Werner
Gina Cline	Greg Hawkins	Gavin McKenzie	Chris Sanchez	Meagan Werner
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Kevin Conrad	Cesario Hernandez	Jason McLaughlin	Michelle Sandoval	Rhonda Wheeler
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Worden Davis	Paul Humiston	Caleb Moore	Troy Slate	
Kathy Dean-Lee	Sandy Hunsaker	Debi Morgan	Connie Sloan	
Mike DelCastillo	Justin Hunter	Dominic Moschetti	Dave Sloan	



## MORE INFO

To learn more about our programs and how we work to give back to the communities we serve, please visit [www.coloradoci.com](http://www.coloradoci.com) or call 719.226.4200.





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