



**COLORADO**  
CORRECTIONAL INDUSTRIES

A DIVISION OF THE COLORADO DEPARTMENT OF CORRECTIONS

**BUILDING CHANGE TOGETHER**

**2016 ANNUAL REPORT**



# 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.



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# Progress. **Growth.** Change.



Education is a pathway to growth and prosperity. Two out of five inmates lack a high school diploma or its equivalent<sup>1</sup>— this lack of education is directly linked to increased chances of recidivism.

CCi helps lead the way to successful post-incarcerations by encouraging inmates to earn their GED prior to beginning a CCi program; tools like hands-on skill training and apprenticeships are also made available to further opportunities.

These education programs reduce recidivism and help inmates redefine their individual success stories.<sup>2</sup>

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

2. The Council of State Governments, Justice Center, National Reentry Resource Center, What Works in Reentry Clearinghouse: Education, <https://whatworks.csgjusticecenter.org/focus-area/education>

# OUR DIVISION

We believe in building a better future. For nearly 40 years we've worked to enhance the lives of inmates and offer more opportunities for their success. We understand that life does not get better by chance, but by change and through hard work and persistence our programs not only helps the men and women in CCI, but the community as a whole.

## **Strengthening Self-Sufficiency**

Mandated to operate like any other traditional business, CCI maintains operations without the support of taxpayer funds. In fact, our program saves Colorado taxpayers \$5,000 per inmate employed, that's nearly nine million total dollars per year. With over 1,800 inmates participating in more than 80 programs in agribusiness, services, and manufacturing, our success relies on the dedication of our inmate workforce and the business acumen of our staff in order to fully fund our division's operating costs.

## **Transformation Thru Dedication**

CCI's programs provide a real solution to inmate idleness. Offering meaningful work has proven to lessen undesirable behaviors and issues that are systemic in prison populations. Inmates must work hard to obtain, maintain, and keep these highly sought after positions. All applicants must be write-up free, program compliant, pass interviews, receive recommendations

from case managers, and in some cases, further their education through a skills-program. We partner with CDOC on every facet of our mission to ensure a safe and secure environment for all inmates, staff, and the citizens of Colorado. Any discipline issue means loss of employment and, therefore, incidents involving CCI workers are significantly less than in the general population.

## **Participation Fuels Progress**

Success happens when people find meaning in their day-to-day lives. CCI helps build success by giving inmates the tools they need to learn new work skills, develop a strong work ethic, and build individual confidence by increasing daily responsibilities. Even better, this type of success has been measured and proven true; recidivism rates improve by nearly 20% for inmates who enter a CCI program compared to inmates not involved in a CCI program.

**DIRECTOR'S LETTER**

**“CHANGE YOUR  
THOUGHTS AND  
YOU CHANGE  
THE WORLD”**

-Norman Vincent Peale



It's time for change in Colorado Correctional Industries. Our division's primary responsibility is to first, create a stable program that meets the mission of our statutes and second, fulfills our agency's mission statement—part of which includes providing work opportunities to as many offenders as possible and teaching them valuable skill sets that will make them more successful upon release. The end goal is to reduce recidivism in Colorado, thus saving tax dollars and aiding in the rehabilitation and successful reintegration of post-incarcerated citizens.

In support of meeting our mission, change has been occurring within our division. We have implemented aggressive tools that can accurately measure our performance—not just financially, but within our labor force as well. Using tools like SWOT analysis—looking at our Strengths, Weaknesses, Opportunities and Threats—has empowered each program within our division to produce performance files which will chart our goals, objectives, and growth in a clear and concise manner. We've also been hard at work building a great management team with diversified expertise. We are working to be certain our staff are properly trained and mentored by senior staff, passing down the theories and ideals that will sustain CCI for years to come.

I believe with all the new opportunities we were challenged with, CCI's structure has grown leaps and bounds. This growth will help lead our division, those who work with us and those we rehabilitate, onto new and broader paths of success for the future.

Sincerely,

Dennis Dunsmoor  
Director, Colorado Correctional Industries

# OUR 2016 YEAR STATISTICS:

**1,800**

inmates employed in 88 CCI industries

**\$5K**

saved per CCI  
employed inmate

**\$9M+**

in annual taxpayer savings

offender trade  
certificates awarded

**303**



**1,356**

offender college credit hours achieved



**11,875**

staff continuing  
education hours

Just under

**\$10M**

in purchases from  
Colorado Suppliers

**3 TONS**

of recycled aluminum



# 701

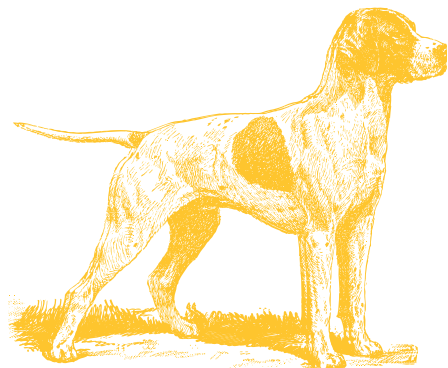
tons of recycled cardboard

tons of recycled office paper and newspapers

# 34

# 431

tons of recycled scrap metal and tin



# 10,300

dogs adopted and trained since inception through K9 Companion Program

# 607

dogs trained this year

# 1,400

Wild mustangs and burros housed and cared for at the Canon City Facility



# 120

Wild mustangs and burros saddle and halter trained

# 14%

CCi average recidivism within first year compared to 38.4% National average recidivism within first year<sup>1</sup>

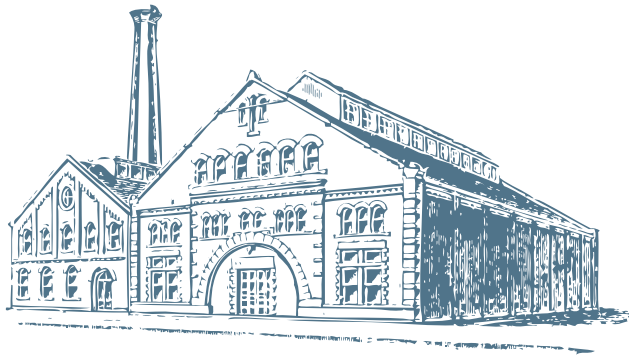
1. Durose, Matthew R., Alexia D. Cooper, and Howard N. Snyder, Recidivism of Prisoners Released in 30 States in 2005: Patterns from 2005 to 2010 (pdf, 31 pages), Bureau of Justice Statistics Special Report, April 2014, NCJ 244205.

# 16

Countries benefiting from CCI's International Corrections Management Training Center (ICMTC) this year

# 1,686

Foreign officials have participated in ICMTC training to date, 436 of those this year.



## OUR INDUSTRIES

Since 1977, CCI has not only helped transform the lives of inmates, but has built a self-sustaining and profitable business model. With over 80 programs in the agribusiness, manufacturing and service related fields, our long and successful track record spans diverse industries and services.

**“ What is necessary to change a person is to change his awareness of himself. ”**

-Abraham Maslow





SERVICES

50%



MANUFACTURING

27%



AGRIBUSINESS

23%



## **DENNIS DUNSMOOR**

DIRECTOR

Appointed Director in 2015, Dennis Dunsmoor first joined CCI in 1991 with a background in tool-and-die manufacturing. After five years of hard work within the license plate factory Dennis was promoted to Site Manager, which included overseeing several programs. Through his own persistence and innovation, Dennis helped transform the production line for numerous shops including fiberglass, license plates, seating refurbishing, panel systems, furniture, offender phone systems, and central/northern canteen. Since his appointment, Dennis has developed further expertise in market analysis and trend evaluation. His background, passion, and dedication will continue to benefit the betterment of inmates and community alike, fostering prosperity and growth for continued success.





# SERVICES THAT **CHANGE LIVES**

Designed to support the community, our Service programs have been creating positive change since 2002. Some of our most well-known services have even received local and national media attention, including the training of dogs and majestic mustangs, firefighting, and trailblazing. There are still dozens of daily services that don't make the spotlight, but are equally valuable. For example, in 2016, CCI recycled over 1,100 tons of aluminum, paper, cardboard, and metal. Additionally, we provide landscaping, printing, moving, cleaning, cooking, and repair services. We also house, fulfill, construct, maintain, and design. These Service programs provide our offenders with the opportunity to build experience while giving back to the community at large.

## SERVICES

### Administrative Services

Auto Collision Repair/Painting  
CAD/GIS  
Canteen  
Construction and Maintenance  
Culinary Arts  
Customer Service  
Delivery & Installation  
DMV Public information  
Fire Fighting and Reclamation  
Fleet Services

### Fulfillment

Furniture Reupholstering  
Heavy Equipment  
Information Technology  
International Training Center  
& Guest Services  
Janitorial  
K-9 Adoption & Training  
Landscape Maintenance &  
Beautification  
Pizza Assembly

### Printing Services

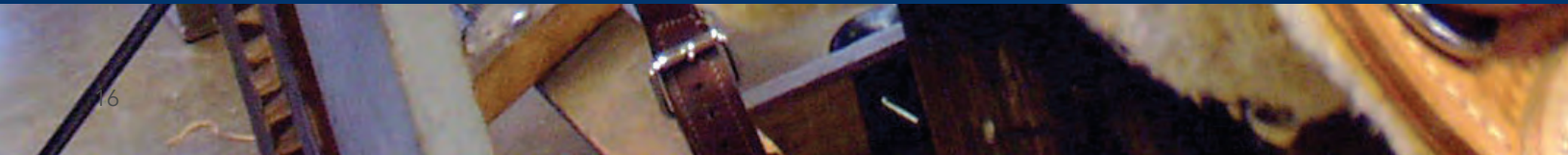
Public Information Services  
Recycling  
Service Station  
Tablet Service  
Trails Program  
Transportation & Tech Training  
Waste Site Management  
Web Design



Dave Sloan has over 30 years experience in the Service sector, working the majority of those years in state governmental industries. After promoting from CDOC to CCI in 1999, Dave launched and managed three locations of our highly successful heavy equipment program located throughout the State of Colorado. Dave was appointed to Service Division Manager in 2015, and while overseeing all aspects of our vast service operations, he is committed to providing our offender workforce with in-depth, hands-on institutional training and mentoring in support of fulfilling the mission of CCI.



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.







# TRANSFORMING SPACES

Over the past few decades, our Manufacturing division has worked proactively to build a business model based on self-sufficiency and progress. Our work is seen all across Colorado, from the flag above the state capitol building, to the bear-safe receptacles found in our states parks. Along with our most popular industries like office furniture, modular office systems, and seating/lounge products, which employ over 250 inmates, we are also constantly working to develop new programs. It's proven that much of our success is a direct result of inmates' highly invested efforts; this effort helps these programs grow and the community prosper.

## MANUFACTURING

Air Filters

Canoes

Dormitory Furniture\*

Embroidery

Fiberglass Tanks\*

Flags

Fly Rods and Spinning Rods

Garments\*

Leather Products\*

LED Lighting

License Plates and Tabs

Mattresses

Metal Fabrication\*

Modular Office Systems\*

Motorcycles

Office Furniture\*

Screen Printing

Seating\*

Security Cells and Furnishings\*

Signs\*

Television Manufacturing

Tractor Refurbishing

*\*Prison Industry Enhancement Certification Program (PIECP)*



# CHANGING THE WAY WE GROW

CCi knows how to grow success. Our Agribusiness programs reduce offender idleness, provide food for the prisons, and generate revenues from surplus crops sold to outside markets. From corn to honey, grapes to apples, our 20+ different Agribusiness programs employ up to 800 offenders annually and make a positive impact on their daily lives as well as the communities we serve.

## AGRIBUSINESS

Big Horn Sheep Housing  
Composting  
Cow Dairy & Processing  
Farming  
Fish Farming  
Fish Processing  
Goat 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)





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 a three-times-a-day, seven days a week. During 2007, Jim was extremely instrumental in assisting 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.

## DID YOU KNOW?

# 21,127

Man hours spent fighting Colorado wildfires this fiscal year

# \$270,600



Colorado taxpayer savings through use of SWIFT firefighting crews this fiscal year

# 850

Cows milked 3x daily





Acres of crops grown annually

**550**

**90+**

Colorado industry partners

**1,975,700**

Total offender hours worked in fiscal year 2016

Just under

**\$10,000,000**

in raw materials purchased from Colorado vendors in fiscal year 2016



Darryl McDaniel joined CCI in 2016 as Finance Division Manager, overseeing the financial strategy and operations for this multi-divisional agency. Prior to working for CCI, Darryl worked for several private and city governmental industries in Finance and Administration. He holds a Master's degree in Finance and a Bachelor of Science degree in International Business with a minor in Mathematics. Darryl's extensive expertise and education in finance will provide our agency the high level of integrity and transparency for which CCI is known.



# KEEPING TABS ON **ALL THE “CHANGE”**

Our Finance division manages much more than crunching numbers: ensuring all invoicing, purchasing, accounts payable and receivable, financial statements, and inventories are accurate and balanced is just part of the job. CCI operates more than 80 cost centers, each contributing directly to the success of our mission as well as helping to reduce the cost to taxpayers of Colorado. With this team’s internal support, CCI has grown to be an example of how to succeed.

## FUNDING & FINANCE

Accounting  
Budget

Contract Management  
Cost Accounting

Order Purchasing  
Purchasing



# PROGRESS THROUGH **OUTREACH**

Bringing the full scope of products and services to the wide range of CCI customers is a full time task. The focus of our Sales & Marketing team is to utilize the most effective tools available to engage potential and current customers of CCI products and services. This pro-active approach ensures a strong demand and keeps many of the inmate programs operating at maximum capacity. Assuring our target customers are reached with our messaging and growing a satisfied customer base each year is mission number one for this group.

## **SALES & MARKETING**

Customer Service  
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





With more than 20 years of sales and leadership experience, Paul Smith was appointed Sales and Marketing Division Manager in 2016. Paul possesses a strong background in design, computer aided drafting, and sales of CCI products and services, as well as proven success in targeting marketing efforts and resources. He focuses on identifying new opportunities to further advance CCI's profitability by way of new product development and joint venture partnerships. Paul's extensive sales experience working with governmental agencies will continue to serve CCI well into our future.



# BOARD OF EXPERTS

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 are comprised of diverse backgrounds including governmental, public and private industries, as well as union representatives. They serve on the board either through the duration of their term in office or by a three year appointment by the Governor.

- 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

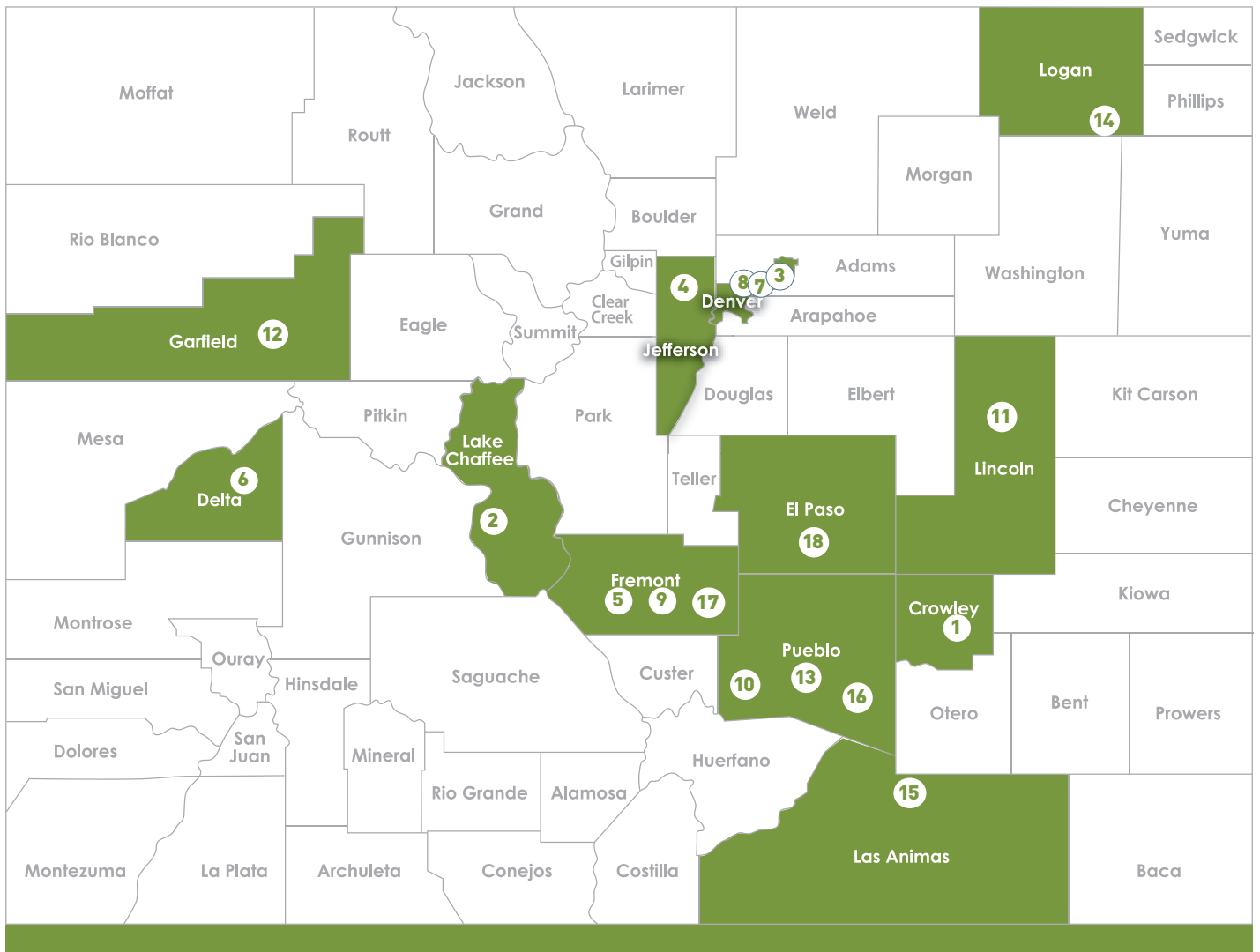
**“ Intelligence is the ability  
to adapt to change. ”**

-Stephen Hawking

# OUR FACILITIES

Working closely with the Department of Corrections, CCI operates industries in 19 of the 24 facilities located throughout Colorado. Our programs employ over 200 civilian staff and 1,800 inmates on a monthly basis.















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|--|--|
| <ul style="list-style-type: none"> <li><b>1</b> Arkansas Valley Correctional Facility</li> <li><b>2</b> Buena Vista Correctional Complex <ul style="list-style-type: none"> <li>a. Buena Vista Correctional Facility</li> <li>b. Buena Vista Minimum Center</li> </ul> </li> <li><b>3</b> CCI Oakland Facility</li> <li><b>4</b> Colorado Correctional Center</li> <li><b>5</b> Colorado Territorial Correctional Facility</li> <li><b>6</b> Delta Correctional Center</li> <li><b>7</b> Denver Reception and Diagnostic Center*</li> <li><b>8</b> Denver Women's Correctional Facility</li> <li><b>9</b> East Cañon Complex <ul style="list-style-type: none"> <li>a. Arrowhead Correctional Center</li> <li>b. Centennial Correctional Facility*</li> <li>c. Colorado State Penitentiary*</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>d. Four Mile Correctional Center</li> <li>e. Fremont Correctional Facility</li> <li>f. Skyline Correctional Center</li> <li><b>10</b> La Vista Correctional Facility</li> <li><b>11</b> Limon Correctional Facility</li> <li><b>12</b> Rifle Correctional Center</li> <li><b>13</b> San Carlos Correctional Facility*</li> <li><b>14</b> Sterling Correctional Facility</li> <li><b>15</b> Trinidad Correctional Facility</li> <li><b>16</b> Youthful Offender System</li> <li><b>17</b> International Correctional Management Training Center</li> <li><b>18</b> CCI Administrative Office/CDOC Headquarters*</li> </ul> |
|--|--|

\*no CCI offender programs

# PRODUCTS & SERVICES

 Manufacturing
  Agribusiness
  Services
  Sales/Marketing
  Finance

Facility	# Positions Forecasted	Positions Worked (avg)	Facility	# Positions Forecasted	Positions Worked (avg)
<b>1 Arkansas Valley Correctional Facility</b>  			<b>6 Delta Correctional Center</b> 		
CAD/GIS	16	14	Farming (Seasonal)	10	10
Call Center/Customer Service	20	12	<b>7 Denver Reception and Diagnostic Center</b>		
DMV/Public Information	20	12	No CCI offender programs—Receiving facility		
Fulfillment Center (Seasonal)	30	30	<b>8 Denver Women's Correctional Facility</b>  		
Modular Office Systems (PIECP)	60	38	Canteen	25	26
Web Design	5	2	Garments	25	17
<b>2 Buena Vista Correctional Complex</b>   			K-9 Adoption & Training	36	28
Firefighting & Reclamation (SWIFT)	24	16	Printing Services	35	18
Fish Hatchery	10	8	TV Production	10	5
Heavy Equipment	15	9	<b>9 East Canon Complex:</b>		
K-9 Adoption & Training	16	15	<b>9a Arrowhead Correctional Center</b>   		
Saddles & Leather Products (PIECP)	68	37	Canteen	60	63
Trails Program	22	21	Fish Hatchery	24	21
<b>3 CCI Oakland Facility</b>  			Fish Processing	40	20
Customer Service	2	2	Fishing Rod Manufacturing	6	3
Delivery & Installation	6	6	Fleet Services	25	24
eBay Sales	1	1	Greenhouse Products	106	89
Fingerprinting	-	-	Honey Production	2	2
Forms Distribution	1	1	K-9 Adoption & Training	15	15
Janitorial	1	1	Partridge Hatchery	14	9
Sales & Showroom	1	1	Tractor Refurbishing	8	8
State & Federal Surplus	3	3	Transportation & Tech Training	10	8
<b>4 Colorado Correctional Center</b> 			<b>9b Centennial Correctional Facility</b>		
Auto body/Collision Repair	6	4	No CCI offender programs—High Risk/Residential Treatment Facility		
General Services/Delivery	75	50	<b>9c Colorado State Penitentiary</b>		
CSP Training Academy	22	22	No CCI offender programs—Close Custody Facility		
<b>5 Colorado Territorial Correctional Facility</b>  					
Print on Demand	10	10			
License Plates & Tabs	106	105			
Motorcycle Manufacturing	5	3			
Signs (PIECP)	18	16			
K-9 Adoption & Training	14	14			

Facility	# Positions Forecasted	Positions Worked (avg)
<b>9d Four Mile Correctional Center</b>  		
Big Horn Sheep Housing	1	1
Composting	1	1
Dairy & Dairy Processing	70	68
Heavy Equipment	20	17
K-9 Adoption & Training	12	12
Ultra-High Pasteurization	1	1
Water Buffalo Dairy	5	5
White Bison Breeding	1	1
Wild Horse Inmate Program (WHIP)	55	44
<b>9e Fremont Correctional Facility</b> 		
Dormitory Furniture (PIECP)	25	20
Fiberglass Tanks (PIECP)	35	27
LED Lighting	15	15
Metal Fabrication (PIECP)	90	72
Office Furniture (PIECP)	103	101
Security Cells & Furnishings (PIECP)	35	35
<b>9f Skyline Correctional Center</b>  		
Delivery & Installation	12	10
Farming	42	27
Fire Fighting & Reclamation (SWIFT)	24	20
Goat Dairy & Processing	45	30
Heavy Equipment	5	5
Orchard & Vineyard	12	5
Recycling	15	11
Rock Stacking	5	5
<b>10 La Vista Correctional Facility</b>  		
Administrative Services/Call Center	10	11
Farming	60	42
General Services	80	62

Facility	# Positions Forecasted	Positions Worked (avg)
<b>11 Limon Correctional Facility</b> 		
Embroidery & Screen Printing	40	17
Flags Manufacturing	20	12
Garments (PIECP)	80	78
<b>12 Rifle Correctional Center</b> 		
Culinary Arts	42	35
Fire Fighting & Reclamation (SWIFT)	24	14
Trails Program	24	7
<b>13 San Carlos Correctional Facility</b>		
No CCi offender programs—Mental Health Facility		
<b>14 Sterling Correctional Facility</b>  		
Heavy Equipment	10	10
K-9 Adoption & Training	32	32
Seating (PIECP)	92	44
<b>15 Trinidad Correctional Facility</b>  		
Air Filters	15	5
K-9 Adoption & Training	24	22
Service Station	5	4
<b>16 Youthful Offender System</b> 		
Specialty Products/Flies/Lures	25	3
<b>17 International Correctional Management Training Center</b>   		
Culinary Arts	6	6
Pizza Assembly	15	15
Retail Outlets	1	1
Training & Guest Services	21	27
<b>18 CCi Administrative Office/CDOC Headquarters</b>  		
No CCi offender programs—Administration		
<b>TOTAL</b>	<b>2,283</b>	<b>1,799</b>

# OUR 2016 FINANCIALS

FOR FISCAL YEARS ENDED JUNE 30, 2016 AND 2015 UNAUDITED (NOTE 1)

<b>COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF NET POSITION</b>		
	6/30/16	6/30/15
<b>CURRENT ASSETS</b>		
Cash and Pooled Cash (NOTE 2)	\$4,785,511	\$4,366,464
Other Receivables, net	1,944,410	1,525,899
Due from Other Governments	793,016	427,483
Due from Other Funds	1,149,899	2,215,012
Inventories		14,838,181
<b>TOTAL CURRENT ASSETS</b>	<b>21,660,693</b>	<b>23,373,039</b>
<b>NONCURRENT ASSETS</b>		
Other Long Term Assets	1,832,111	1,778,671
Depreciable and Capital Assets and Infrastructure, net	4,027,124	3,932,239
Land and Nondepreciable Infrastructure	920,412	920,412
<b>TOTAL NONCURRENT ASSETS</b>	<b>6,779,647</b>	<b>6,631,322</b>
<b>TOTAL ASSETS</b>	<b>28,440,340</b>	<b>30,004,361</b>
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	6,577,400	5,123,704
Compensated Absences Payable	82,200	55,700
Deferred Federal Revenue	108,939	212,442
Other Current Liabilities	7,123	7,123
<b>TOTAL CURRENT LIABILITIES</b>	<b>6,775,662</b>	<b>5,398,969</b>
<b>NONCURRENT LIABILITIES</b>		
Accrued Compensated Absences	1,151,897	1,249,577
<b>TOTAL LIABILITIES</b>	<b>7,927,559</b>	<b>6,648,546</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,947,536	4,852,651
Unrestricted	15,565,245	18,503,164
<b>TOTAL NET POSITION</b>	<b>\$20,512,781</b>	<b>\$23,355,815</b>
<b>STATEMENT OF REVENUE, EXPENSES &amp; CHANGES IN NET POSITION</b>		
	6/30/16	6/30/15
<b>OPERATING REVENUES</b>		
Sales of Goods and Services	\$47,701,824	\$46,226,920
Federal Grants and Contracts	2,509,851	2,084,705
Intergovernmental Revenue	0	706
Other Revenues	248,671	239,439
<b>TOTAL OPERATING REVENUES</b>	<b>50,460,346</b>	<b>48,551,770</b>
<b>OPERATING EXPENSES</b>		
Raw Materials and Supplies	28,066,046	25,127,002
Salaries and Fringe Benefits	13,080,919	12,510,949
Operating & Travel (NOTE 3)	9,176,150	8,504,345
Depreciation	447,617	417,970
Grant Expenditures	2,492,480	2,063,731
<b>TOTAL OPERATING EXPENSES</b>	<b>53,263,212</b>	<b>48,623,997</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,802,866)</b>	<b>(72,227)</b>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Investment Income	58,653	100,818
Rental Income	322,814	220,294
Gifts and Donations	4,721	3,808
<b>TOTAL NON-OPERATING REVENUES</b>	<b>386,188</b>	<b>324,920</b>
<b>INCOME BEFORE CONTRIBUTIONS AND TRANSFERS (LOSS)</b>	<b>(2,416,678)</b>	<b>252,693</b>
<b>OPERATING TRANSFERS</b>		
Transfers-Out to General Fund (NOTE 4)	(426,356)	(393,672)
<b>TOTAL OPERATING TRANSFERS</b>	<b>(426,356)</b>	<b>(393,672)</b>
<b>CHANGE IN NET POSITION</b>	<b>(2,843,034)</b>	<b>(140,979)</b>
<b>NET POSITION - FISCAL YEAR BEGINNING</b>	<b>23,355,815</b>	<b>23,496,794</b>
<b>NET POSITION - FISCAL YEAR ENDING</b>	<b>\$20,512,781</b>	<b>\$23,355,815</b>



<b>COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF CASH FLOWS</b>			6/30/16	6/30/15
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Fees for Service		\$9,599,189	\$9,738,392	
Sales of Products		38,477,968	35,801,365	
Gifts, Grants, Donations (Federal Grant)		2,312,086	2,076,338	
Income from Property (Rent)		322,814	220,294	
Other Sources		248,671	240,145	
Employees	(12,155,460)		(13,475,621)	
Suppliers	(34,842,480)		(33,649,174)	
Grant Expenses	(2,492,480)		(2,063,731)	
Other	(145,776)		(85,036)	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>1,324,532</b>	<b>(1,197,028)</b>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers-Out to the General Fund		(426,356)	(393,672)	
Gifts, Grants, Donations not for Capital Use		4,721	3,808	
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>		<b>(421,635)</b>	<b>(389,864)</b>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of Capital Assets		(542,503)	(294,096)	
<b>NET CASH FROM CAPITAL RELATED FINANCING ACTIVITIES</b>		<b>(542,503)</b>	<b>(294,096)</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and Dividends on Investments		37,561	110,741	
Increase (Decrease) from Unrealized Gain (Loss) on Investments		21,092	(9,923)	
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>58,653</b>	<b>100,818</b>	
<b>NET INCREASE (DECREASE) IN CASH AND POOLED CASH</b>		<b>419,047</b>	<b>(1,780,170)</b>	
<b>CASH AND POOLED CASH, FISCAL YEAR BEGINNING</b>		<b>4,366,464</b>	<b>6,146,634</b>	
<b>CASH AND POOLED CASH, FISCAL YEAR END</b>		<b>\$4,785,511</b>	<b>\$4,366,464</b>	

**RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FROM OPERATING**

Net Operating		\$(2,802,866)	\$(72,227)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation		447,617	417,970
Rents		322,814	220,294
Compensated Absences		(71,180)	26,526
Changes in Assets and Liabilities Related to Operating Activities:			
(Increase) Decrease in Operating Receivables		281,069	(776,545)
(Increase) Decrease in Inventories		1,796,884	(752,588)
(Increase) Decrease in Other Operating Assets		0	65,902
Increase (Decrease) in Accounts Payable		1,453,696	(355,067)
Increase (Decrease) in Other Operating Liabilities		(103,502)	28,707
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>\$1,324,532</b>	<b>\$(1,197,028)</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.

**“They always say time changes things but you actually have to change them yourself.”**

- Andy Warhol

## **Canteen, Vending Machine & Library Account**

Like all CCI businesses, the Canteen program is a self-sustaining entity, receiving no taxpayer support, and designed to teach inmates valuable skills for life after prison.

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 located in Denver and Cañon City. Nearly 100 inmates are employed by these operations, processing over 60,000 orders per month.

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.

In addition to learning marketable and transferable skills in these positions, canteen workers are forklift certified to further enhance their success upon release from incarceration. In this way, we truly are progressing into a positive future together.



# 2016 CANTEEN FINANCIALS

For Fiscal Years Ended June 30, 2016 and 2015 unaudited <sup>(NOTE 1)</sup>

<b>CANTEEN ENTERPRISE FUND STATEMENT OF NET POSITION</b>		
	6/30/16	6/30/15
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Pooled Cash <sup>(NOTE 2)</sup>	\$5,390,657	\$4,491,572
Other Receivables, net	0	213,221
Inventories	717,231	613,029
<b>TOTAL CURRENT ASSETS</b>	<b>6,107,888</b>	<b>5,317,822</b>
<b>NONCURRENT ASSETS</b>		
Depreciable Capital Assets and Infrastructure, net	1,563,955	1,647,064
<b>TOTAL NONCURRENT ASSETS</b>	<b>1,563,955</b>	<b>1,647,064</b>
<b>TOTAL ASSETS</b>	<b>\$7,671,843</b>	<b>\$6,964,886</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$536,675	\$790,784
<b>TOTAL CURRENT LIABILITIES</b>	<b>536,675</b>	<b>790,784</b>
<b>NONCURRENT LIABILITIES</b>		
Accrued Compensated Absences	215,735	252,725
<b>TOTAL LIABILITIES</b>	<b>752,410</b>	<b>1,043,509</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,563,955	1,647,064
Unrestricted	5,355,478	4,274,312
<b>TOTAL NET POSITION</b>	<b>\$6,919,433</b>	<b>\$5,921,376</b>
<b>STATEMENT OF REVENUE, EXPENSES &amp; CHANGES IN NET POSITION</b>		
	6/30/16	6/30/15
<b>OPERATING REVENUES</b>		
Sales-Canteen and Similar Activities	\$17,658,892	\$16,680,795
Commissions-Inmate Phone System	248,178	2,499,076
Other Revenues	766,753	29,095
<b>TOTAL OPERATING REVENUES</b>	<b>18,673,823</b>	<b>19,208,966</b>
<b>OPERATING EXPENSES</b>		
Cost of Goods Sold	13,111,961	12,243,934
Salaries and Fringe Benefits	2,115,504	2,201,935
Operating & Travel <sup>(NOTE 3)</sup>	975,707	1,024,448
Depreciation	110,405	164,019
<b>TOTAL OPERATING EXPENSES</b>	<b>16,313,577</b>	<b>15,634,336</b>
<b>OPERATING INCOME</b>	<b>2,360,246</b>	<b>3,574,630</b>
<b>NON-OPERATING REVENUES AND (EXPENSES)</b>		
Inmate Benefits	(1,363,524)	(2,631,264)
Investment Income	87,076	61,897
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>(1,276,448)</b>	<b>(2,569,367)</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>1,083,798</b>	<b>1,005,263</b>
<b>CONTRIBUTIONS, TRANSFERS, AND OTHER ITEMS</b>		
Transfers-Out to General Fund <sup>(NOTE 4)</sup>	(85,741)	(76,850)
<b>TOTAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(85,741)</b>	<b>(76,850)</b>
<b>CHANGE IN NET POSITION</b>	<b>998,057</b>	<b>928,413</b>
<b>NET POSITION - FISCAL YEAR BEGINNING</b>	<b>5,921,376</b>	<b>4,992,963</b>
<b>NET POSITION - FISCAL YEAR ENDING</b>	<b>\$6,919,433</b>	<b>\$5,921,376</b>

**CANTEEN ENTERPRISE FUND STATEMENT OF CASH FLOWS**

6/30/16

6/30/15

## CASH FLOWS FROM OPERATING ACTIVITIES

## Cash Received from:

Sales of Canteen Items and Similar Activities	\$17,658,892	\$16,680,795
Commissions from Inmate Phone System	461,399	2,524,663
Other Revenues	766,753	29,095
Employees	(2,152,494)	(2,379,490)
Suppliers	(14,445,980)	(13,131,253)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>2,288,570</b>	<b>3,723,810</b>

## CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Inmate Benefits	(1,363,524)	(2,631,264)
Transfers-Out to the General Fund	(85,741)	(76,850)
<b>NET CASH FROM NONCAPITAL FINANCING ACTIVITIES</b>	<b>(1,449,265)</b>	<b>(2,708,114)</b>

## CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of Capital Assets	(27,296)	0
<b>NET CASH FROM CAPITAL RELATED FINANCING ACTIVITIES</b>	<b>(27,296)</b>	<b>0</b>

## CASH FLOWS FROM INVESTING ACTIVITIES

Interest and Dividends on Investments	63,972	60,808
Increase (Decrease) from Unrealized Gain (Loss) on Investments	23,104	1,089
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>87,076</b>	<b>61,897</b>

**NET INCREASE IN CASH AND POOLED CASH****899,085**      **1,077,593****CASH AND POOLED CASH, FISCAL YEAR BEGINNING****4,491,572**      **3,413,979****CASH AND POOLED CASH, FISCAL YEAR END****\$5,390,657**      **\$4,491,572**

## RECONCILIATION OF OPERATING INCOME TO NET

## CASH PROVIDED BY OPERATING ACTIVITIES

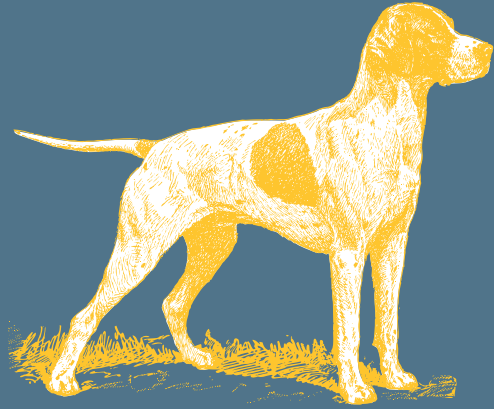
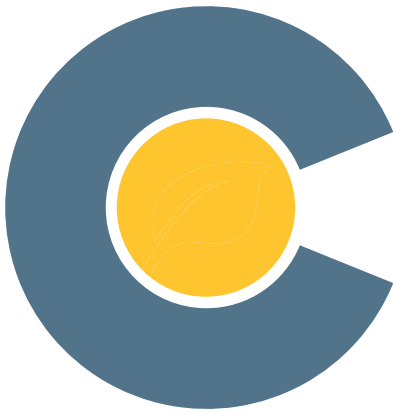
Net Operating Income	\$2,360,246	\$3,574,630
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	110,405	164,019
Compensated Absences	(36,990)	22,878
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	213,221	25,587
(Increase) Decrease in Inventories	(104,201)	10,742
Increase (Decrease) in Accounts Payable	(254,111)	(74,046)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$2,288,570</b>	<b>\$3,723,810</b>

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The path to change is  
best traveled when we  
travel together.

- Sheryl Sandberg



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