



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 equivalent¹— 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.²

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

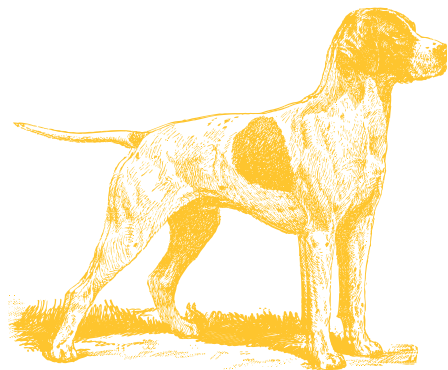
tons of recycled cardboard

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 year¹

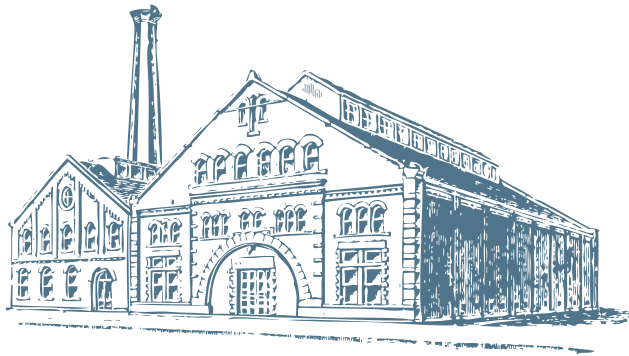
1. Durose, Matthew R., Alexia D. Cooper, and Howard N. Snyder, Recidivism of Prisoners Released in 30 States in 2005: Patterns from 2005 to 2010 (pdf, 31 pages), Bureau of Justice Statistics Special Report, April 2014, NCJ 244205.

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

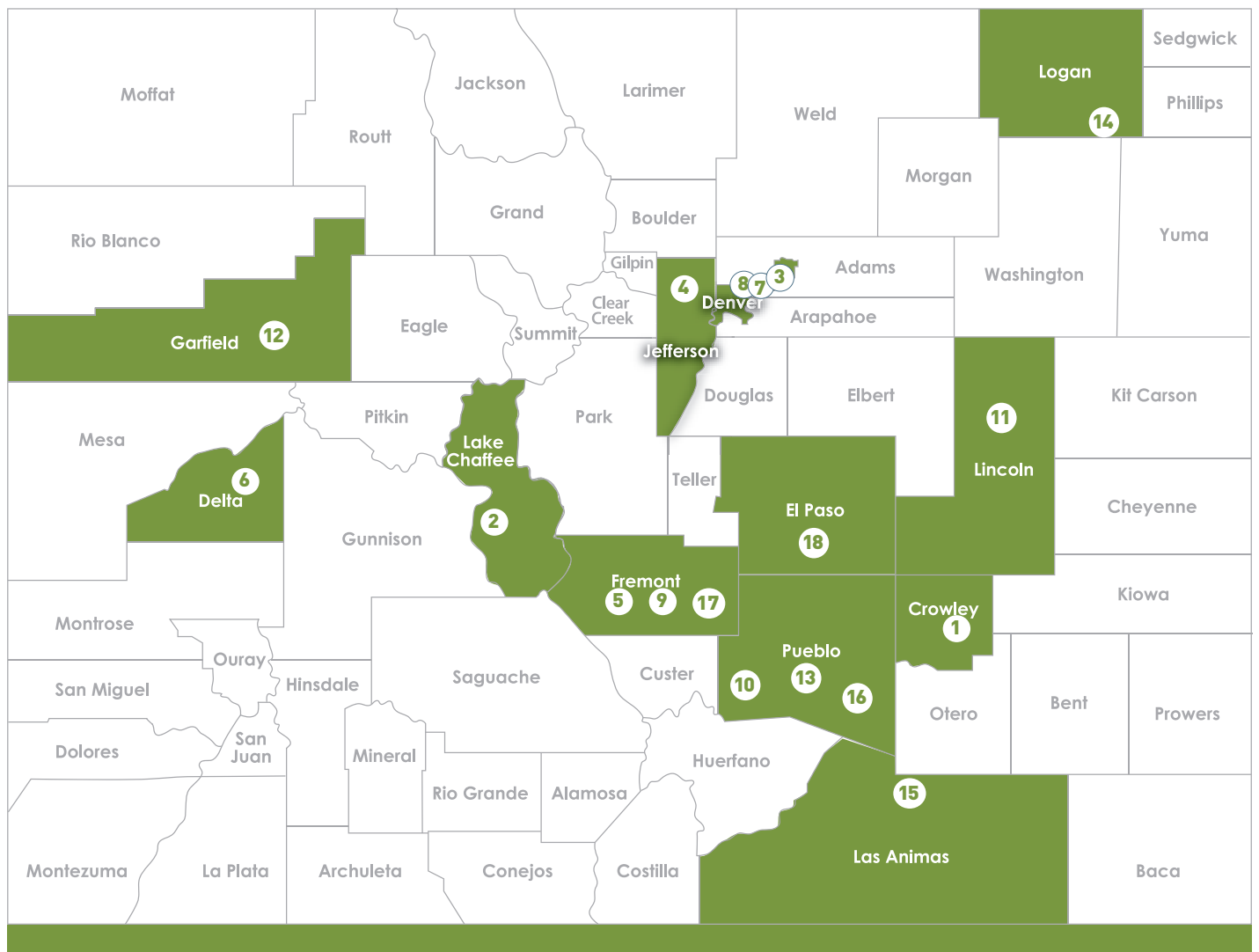
**“Intelligence is the ability
to adapt to change.”**

-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.














- | | | | |
|---|--|----|---|
| 1 | Arkansas Valley Correctional Facility | d. | Four Mile Correctional Center |
| 2 | Buena Vista Correctional Complex | e. | Fremont Correctional Facility |
| | a. Buena Vista Correctional Facility | f. | Skyline Correctional Center |
| | b. Buena Vista Minimum Center | | |
| 3 | CCi Oakland Facility | 10 | La Vista Correctional Facility |
| 4 | Colorado Correctional Center | 11 | Limon Correctional Facility |
| 5 | Colorado Territorial Correctional Facility | 12 | Rifle Correctional Center |
| 6 | Delta Correctional Center | 13 | San Carlos Correctional Facility* |
| 7 | Denver Reception and Diagnostic Center* | 14 | Sterling Correctional Facility |
| 8 | Denver Women's Correctional Facility | 15 | Trinidad Correctional Facility |
| 9 | East Cañon Complex | 16 | Youthful Offender System |
| | a. Arrowhead Correctional Center | 17 | International Correctional Management Training Center |
| | b. Centennial Correctional Facility* | 18 | CCi Administrative Office/CDOC Headquarters* |
| | c. Colorado State Penitentiary* | | |













*no CCI offender programs

PRODUCTS & SERVICES

 Manufacturing
  Agribusiness
  Services
  Sales/Marketing
  Finance

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

Facility	# Positions Forecasted	Positions Worked (avg)
9d Four Mile Correctional Center  		
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
9e Fremont Correctional Facility 		
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
9f Skyline Correctional Center  		
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
10 La Vista Correctional Facility  		
Administrative Services/Call Center	10	11
Farming	60	42
General Services	80	62

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

TOTAL	2,283	1,799
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OUR 2016 FINANCIALS

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

COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF NET POSITION	6/30/16	6/30/15
CURRENT ASSETS		
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
TOTAL CURRENT ASSETS	21,660,693	23,373,039
NONCURRENT ASSETS		
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
TOTAL NONCURRENT ASSETS	6,779,647	6,631,322
TOTAL ASSETS	28,440,340	30,004,361
CURRENT LIABILITIES		
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
TOTAL CURRENT LIABILITIES	6,775,662	5,398,969
NONCURRENT LIABILITIES		
Accrued Compensated Absences	1,151,897	1,249,577
TOTAL LIABILITIES	7,927,559	6,648,546
NET POSITION		
Net Investment in Capital Assets	4,947,536	4,852,651
Unrestricted	15,565,245	18,503,164
TOTAL NET POSITION	\$20,512,781	\$23,355,815
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET POSITION	6/30/16	6/30/15
OPERATING REVENUES		
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
TOTAL OPERATING REVENUES	50,460,346	48,551,770
OPERATING EXPENSES		
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
TOTAL OPERATING EXPENSES	53,263,212	48,623,997
OPERATING INCOME (LOSS)	(2,802,866)	(72,227)
NON-OPERATING REVENUES AND (EXPENSES)		
Investment Income	58,653	100,818
Rental Income	322,814	220,294
Gifts and Donations	4,721	3,808
TOTAL NON-OPERATING REVENUES	386,188	324,920
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS (LOSS)	(2,416,678)	252,693
OPERATING TRANSFERS		
Transfers-Out to General Fund (NOTE 4)	(426,356)	(393,672)
TOTAL OPERATING TRANSFERS	(426,356)	(393,672)
CHANGE IN NET POSITION	(2,843,034)	(140,979)
NET POSITION - FISCAL YEAR BEGINNING	23,355,815	23,496,794
NET POSITION - FISCAL YEAR ENDING	\$20,512,781	\$23,355,815

COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF CASH FLOWS			6/30/16	6/30/15
CASH FLOWS FROM OPERATING ACTIVITIES				
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)
NET CASH PROVIDED BY OPERATING ACTIVITIES			1,324,532	(1,197,028)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers-Out to the General Fund			(426,356)	(393,672)
Gifts, Grants, Donations not for Capital Use			4,721	3,808
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES			(421,635)	(389,864)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets			(542,503)	(294,096)
NET CASH FROM CAPITAL RELATED FINANCING ACTIVITIES			(542,503)	(294,096)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and Dividends on Investments			37,561	110,741
Increase (Decrease) from Unrealized Gain (Loss) on Investments			21,092	(9,923)
NET CASH FLOWS FROM INVESTING ACTIVITIES			58,653	100,818
NET INCREASE (DECREASE) IN CASH AND POOLED CASH			419,047	(1,780,170)
CASH AND POOLED CASH, FISCAL YEAR BEGINNING			4,366,464	6,146,634
CASH AND POOLED CASH, FISCAL YEAR END			\$4,785,511	\$4,366,464
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
NET CASH PROVIDED BY OPERATING ACTIVITIES			\$1,324,532	\$(1,197,028)

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 (NOTE 1)

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

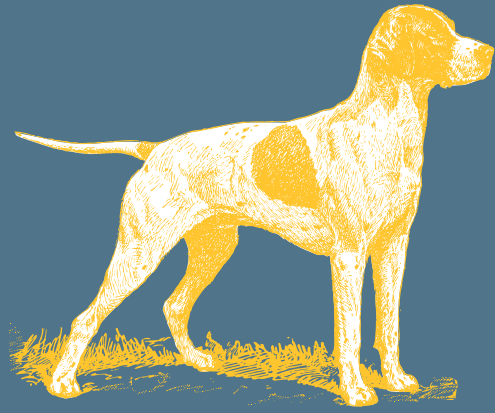
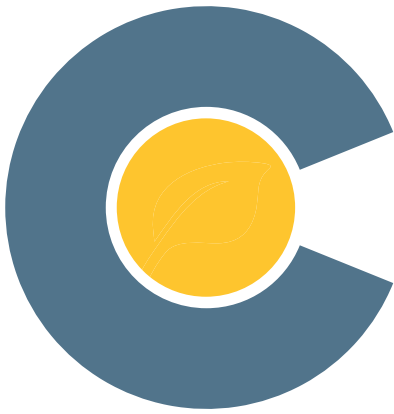
CANTEEN ENTERPRISE FUND STATEMENT OF CASH FLOWS			6/30/16	6/30/15
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from:				
Sales of Canteen Items and Similar Activities			\$17,658,892	\$16,680,795
Commissions from Inmate Phone System			461,399	2,524,663
Other Revenues			766,753	29,095
Employees			(2,152,494)	(2,379,490)
Suppliers			(14,445,980)	(13,131,253)
NET CASH PROVIDED BY OPERATING ACTIVITIES			2,288,570	3,723,810
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Inmate Benefits			(1,363,524)	(2,631,264)
Transfers-Out to the General Fund			(85,741)	(76,850)
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES			(1,449,265)	(2,708,114)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of Capital Assets			(27,296)	0
NET CASH FROM CAPITAL RELATED FINANCING ACTIVITIES			(27,296)	0
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
NET CASH FROM INVESTING ACTIVITIES			87,076	61,897
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)
NET CASH PROVIDED BY OPERATING ACTIVITIES			\$2,288,570	\$3,723,810

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.



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

- Sheryl Sandberg



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1250 Academy Park Loop
Colorado Springs, CO 80910
719.226.4200 • 303-370-2200
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