

We Build **OPPORTUNITY**



Focus on the Future
2018 Annual Report



COLORADO
CORRECTIONAL INDUSTRIES

A Division of the Colorado Department of Corrections

Mission

The mission of Colorado Correctional Industries is three-fold:

- » To train offenders in meaningful skills, work ethics and quality standards which better enable them to secure long-term employment after release from prison.
- » To reduce offender idleness and the demand for general funded programs by working as many offenders as possible in self-supporting and productive industries.
- » 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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A Division of the Colorado Department of Corrections



Our Organization

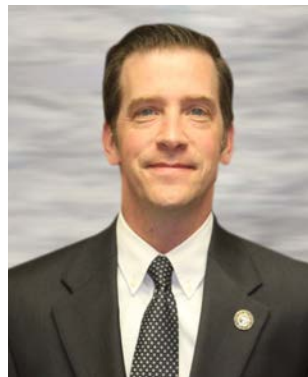
Our long and successful track record spans diverse industries and services. Throughout the years, we have built a unique combination of professional expertise and in-depth knowledge of self-sustaining, profitable business endeavors that transforms offenders into productive citizens.



ADVISORY COMMITTEE MEMBERS

- » **CDOC Executive Director, Rick Raemisch**
- » **State Senator, Rhonda Fields**
- » **State Senator, Kevin Grantham**
- » **State Representative, Paul Rosenthal**
- » **State Representative, James Wilson**
- » **State Treasurer, Walker Stapleton**
- » **Office of State Planning and Budgeting, Nate Pearson**
- » **State Department of Personnel and Administration, June Taylor**
- » **Otero County Sheriff, Shawn Mobley**
- » **Organized Labor Organization, Brian Bradley**
- » **Organized Labor Organization, Michael Ham**
- » **Community Business Owner, Kristin Cardenas**
- » **Community Business Owner, Keith Swerdfeger**

Director's Welcome



Thank you for taking the time to review the Colorado Correctional Industries' (CCi) 2018 Annual Report, "Focus." Having been appointed by the Executive Director of the Colorado Department of Corrections (CDOC) to serve as the Interim Director of CCi, I couldn't be more excited about this opportunity. We are committed to focus on new and innovative ways that we can serve our many stakeholders to promote the vision of CCi — *We Build Opportunity*.

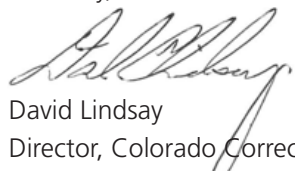
I believe the focus of CCi should be to continually examine our many offender programs to ensure that we are providing meaningful work opportunities for our volunteer offender work force. It is our statutory responsibility to provide diverse job skills that will help translate into job opportunities and success when CCi-employed offenders are released from prison. All facets of CCi's organization will be examined to confirm we are operating at peak performance and efficiency and that we maintain this focus. This includes offender education, technology, resources, program locations, appropriate staffing, product analysis, management practices and finances. We owe it to our stakeholders to provide the best opportunities possible!

In order to run the most effective business enterprise, the CCi Leadership Team will be focusing on educational programs to ensure we are offering relevant certifications and apprenticeships. We will also be looking for opportunities to partner with the Division of Adult Parole to do what we can to support their outplacement efforts of formerly CCi employed offenders.

Clearly, these important initiatives couldn't even be possible without the outstanding support and superior work of the women and men of CCi. In order to provide them with the necessary support, our focus will also include recruiting and hiring a diverse and well experienced staff, training and cross training in different disciplines and business sectors for improved effectiveness, opportunities for mentorships within our Leadership Team, and preparing and encouraging team members to seek promotional opportunities. All of this is with the focus to strengthen our organization and continue moving CCi forward.

I look forward to working with the CCi team and offender workforce in this process of focus, and welcome the new successes which will be realized from these efforts in the years to come.

Sincerely,


David Lindsay
Director, Colorado Correctional Industries

A Renewed Focus

Colorado Correctional Industries (CCi) is a Division of the Colorado Department of Corrections with 55 programs and over 1,600 offenders hired to work and participate in agribusiness, manufacturing, and service related industries, supporting thousands of government and/or non-profit customers, as well as joint venture partners in Colorado. Our programs help make communities safer and save taxpayer funds through our job-centered approach that helps lower the number of repeat offenders, which reduces criminal justice costs for all citizens of Colorado.

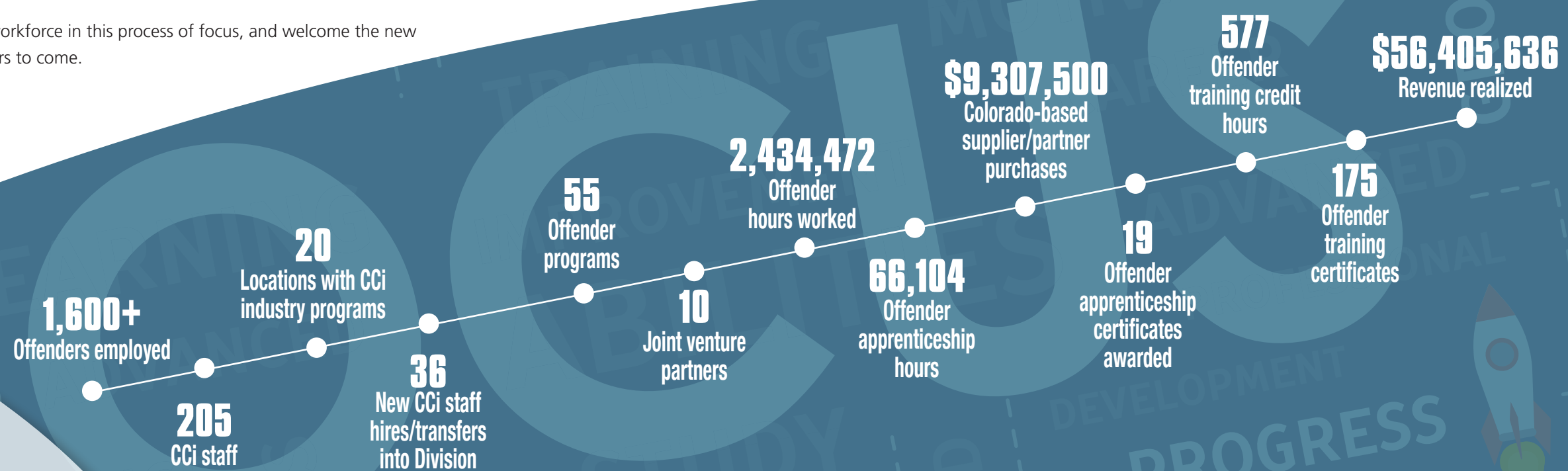
As always, CCi's primary business growth strategy is customer focused: to ensure that we exceed the customer's quality and service expectations while providing competitive prices. This focus enhances CCi's Mission, which is to expand offender training opportunities, teach real-world job skills, assist offender transition into the job market upon completion of their sentences, and operate in a manner where adequate revenues are realized to meet the ongoing requirements to sustain the entire Division.

Each year, CCi remains committed to the long-term growth of its businesses and expansion of offender work programs. We look back on what we've accomplished and celebrate the ways our partnerships and program training efforts translate our Vision and Mission into reality.

Considerable resources are devoted to improvements in the areas of technology, human resource staffing, sales, and growth of agribusiness, manufacturing, and service programs. As a result of these efforts, critical thinking, creative problem-solving, and the ability to adapt to new situations are just a few of the learned life skills that are timeless, and transferable, benefiting our offender workforce.

Bottom line, CCi's offender workforce envision a future where they can secure the employment they want. It is our duty to continue to train, encourage and enable them to tap into that potential and recognize their own worth for life-long success years beyond our walls.

Focus on the Numbers »



Focus on Our Programs

Agribusiness

With agricultural roots dating back over 100 years, CCI knows how to grow success. Our Agribusiness programs reduce offender idleness, provide food and milk for the prisons, and generate revenues from surplus crops and dairy processing sold to outside markets. From fish to cows, corn to honey, grapes to apples, our 20+ different Agribusiness programs employ up to 800 offenders and make a positive impact on their daily lives as well as the communities we serve.

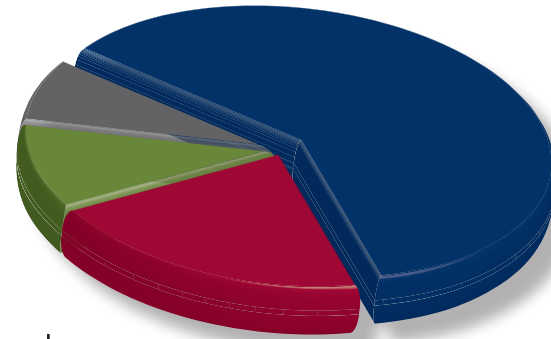
Manufacturing

Over the past few decades, our Manufacturing programs have 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 state parks. Along with our most popular industries like office furniture, modular office systems, and seating/lounge products, which employ over 250 offenders, we are also constantly working to develop new programs. It's proven our success is a direct result of offenders' highly invested efforts.

Services

Designed to support the community and the Department of Corrections, 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 mustangs, firefighting, and trailblazing. In addition, CCI provides dozens of other valuable community services. For example, in 2018, CCI recycled 1,000 tons of aluminum, paper, cardboard, and metal. Additionally, we provide landscaping, printing, moving, cleaning, cooking, and maintenance services. These Service programs provide our offenders with the opportunity to build experience while giving back to the community.

Market Profile

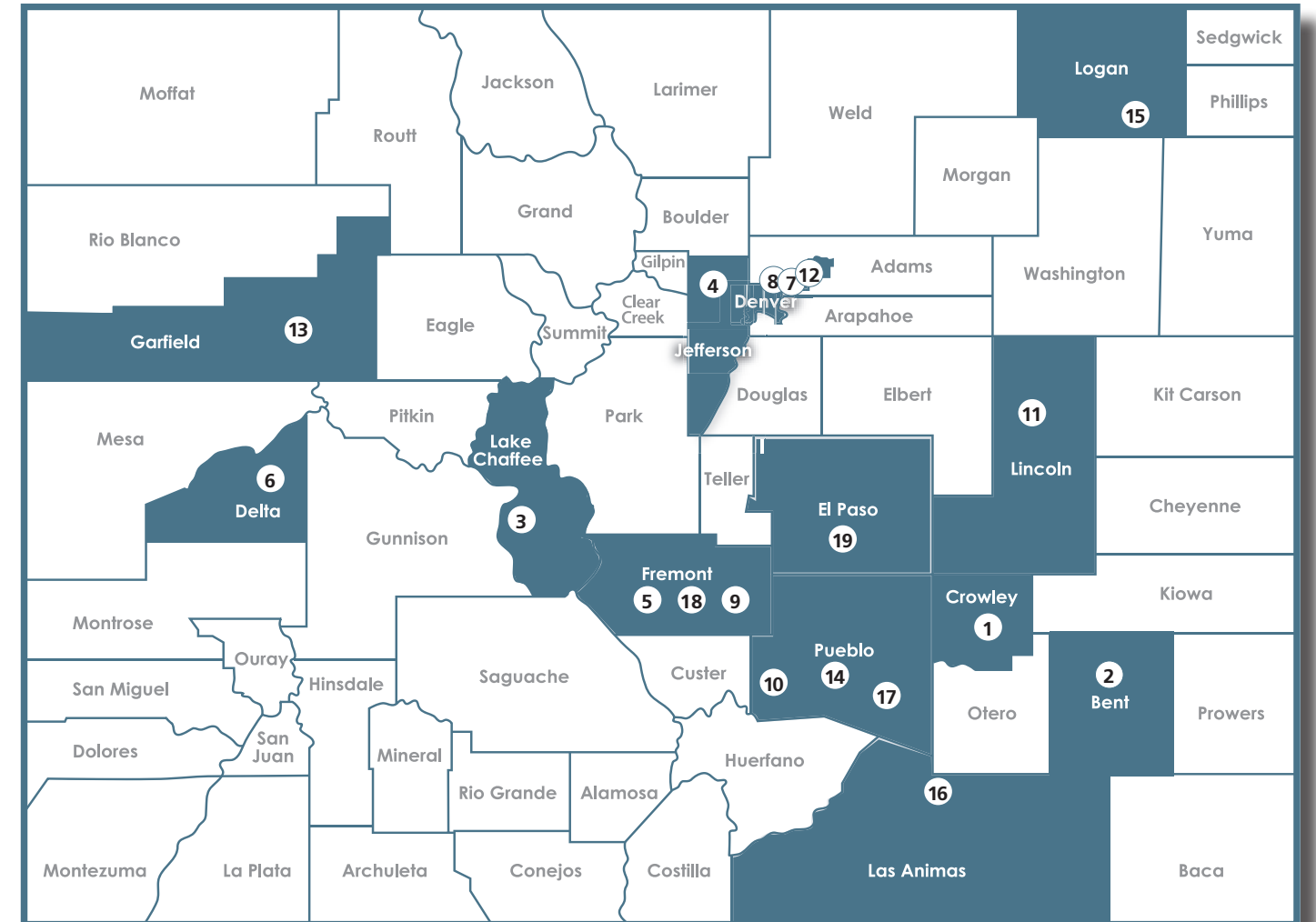


Revenue by Sector: FY 2017-2018

Manufacturing	\$34,212,477	▲
Service	\$11,558,548	▲
Agribusiness	\$5,818,006	▲
Grants	\$4,593,054	▲

CCI Facility Locations

Working closely with the Department of Corrections, CCI operates industries in almost every facility located throughout Colorado. Our programs employ over 200 civilian staff and 1,600+ offenders on a monthly basis.



Revenue by Agency: FY 2017-2018











▲	CCI = \$178,382
▲	P.I.E. = \$586,075
▲	Joint Venture = \$1,236,476
▲	Other Government = \$2,265,261
▲	Grant = \$4,593,054
▲	CDOC = \$5,891,598
▲	Private Sector = \$6,921,837
▲	Education = \$9,573,079
▲	State Agency = \$24,936,322

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

*No CCI Offender Programs








Offender Training Programs








(by facility)

Facility	# Positions Forecasted (avg)	Positions Worked
1 Arkansas Valley Correctional Facility  		
CAD/GIS	16	14
Call Center	20	12
Fulfillment Center (Seasonal)	30	30
Modular Office Systems (PIECP)	60	38
2 Bent County Correctional Facility 		
Fulfillment Services	30	18
3 Buena Vista Correctional Complex   		
Firefighting & Reclamation (SWIFT)	24	19
Fish Hatchery	10	4
Heavy Equipment/Trails Program	20	22
K-9 Adoption & Training	16	15
Saddles & Leather Products (PIECP)	68	27
4 Colorado Correctional Center 		
General Services:		
Auto Body/Collision Repair	4	4
CSP Training Academy		
Maintenance	20	20
Light Construction & Maintenance/ CSP Culinary Arts/DOT City & Highway Beautification & Improvements	66	66
5 Colorado Territorial Correctional Facility  		
License Plates & Tabs	100	95
Signs (PIECP)	6	5
K-9 Adoption & Training	14	14
6 Delta Correctional Center 		
Farming (Seasonal)	10	0
7 Denver Reception and Diagnostic Center No CCI offender programs – Receiving Facility		

Facility	# Positions Forecasted (avg)	Positions Worked
8 Denver Women's Correctional Facility  		
Canteen	25	25
Electronic Image Verifications	20	18
Garments	25	16
K-9 Adoption & Training	36	28
Printing Services	35	20
TV Manufacturing	10	5
9 East Cañon Complex:		
9a Arrowhead Correctional Center   		
Canteen	70	60
Fish Hatchery	24	9
Fishing Rod Manufacturing	6	3
Fleet Services	15	20
Greenhouse Products	106	82
Honey Production	2	2
K-9 Adoption & Training	15	16
Transportation	10	10
9b Centennial Correctional Facility No CCI offender programs – High Risk/Residential Treatment Facility		
9c Colorado State Penitentiary No CCI offender programs – Close Custody Facility		
9d Four Mile Correctional Center  		
Big Horn Sheep Housing	1	1
Composting	1	1
Dairy & Dairy Processing	70	68
Heavy Equipment	20	15
K-9 Adoption & Training	12	13
Water Buffalo Dairy	5	4
White Bison Breeding	1	1
Wild Horse Inmate Program (WHIP)	55	57

We Build Opportunity!

Facility	# Positions Forecasted (avg)	Positions Worked
9e Fremont Correctional Facility 		
3D Printing	8	6
Fiberglass Tanks (PIECP)	35	27
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	15	12
Fire Fighting & Reclamation (SWIFT)	24	21
Goat Dairy & Processing	38	26
Heavy Equipment	5	4
K-9 Kennels	3	3
Orchard & Vineyard	15	10
Pheasant & Chuckar Hatchery	10	10
Recycling	15	11
Stone Palletizing	15	12
10 La Vista Correctional Facility  		
Call Center (OIT)	10	11
General Services:		
Light Construction & Maintenance/Seasonal Farming	80	48
11 Limon Correctional Facility 		
Embroidery	40	17
Flags Manufacturing	20	12
Garments (PIECP)	80	78
12 Oakland Facility  		
Delivery & Installation	6	6
Vehicle Sales (Fleet/eBay)	1	1
State & Federal Surplus	3	3
Warehousing	4	4
13 Rifle Correctional Facility 		
Culinary Arts	38	52
Firefighting & Reclamation (SWIFT)	20	19
Trails Program	10	7

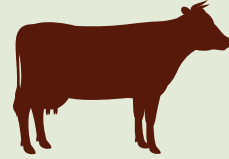
Facility	# Positions Forecasted (avg)	Positions Worked
14 San Carlos Correctional Facility No CCI offender programs – Mental Health Facility		
15 Sterling Correctional Facility  		
K-9 Adoption & Training	32	38
Mattresses	5	5
Seating (PIECP)	87	41
16 Trinidad Correctional Facility  		
Air Filters	15	5
K-9 Adoption & Training	24	25
Fleet Services	5	5
17 Youthful Offender System 		
Specialty Products/Flies/Lures	10	3
18 International Corrections Management Training Center 		
Culinary Arts	9	6
Retail Outlet	1	1
Training & Guest Services	19	27
19 CCI Administrative Office/CDOC Headquarters 		
No CCI offender programs – Administration		
TOTAL	2,020	1,651

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

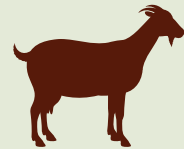
AGRIBUSINESS (Stats FY 17/18)

- Big Horn Sheep Housing
- Composting
- Cow Dairy & Dairy Processing
- Farming
- Fish Farming
- Goat Dairy & Dairy Processing
- Greenhouse Products
- Honey Production
- Orchard
- Pheasant/Chukar Farming
- Vineyard
- Water Buffalo Dairy & Processing
- White Bison Housing
- Wild Horse Inmate Program (WHIP)



COW DAIRY & PROCESSING

Pounds of milk collected	21,900,000
Number of births	735
Pounds of meat processed for sale	1,000
Cartons of milk sold to DOC for offender consumption	1,768,000
Total number of animals housed	1,635
Number of animals milked	767



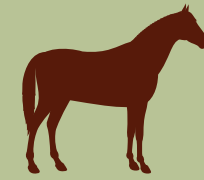
GOAT DAIRY & PROCESSING

Pounds of milk collected	240,000
Number of births	3,000
Total number of animals housed	2,500
Number of animals milked	1,300



WATER BUFFALO DAIRY & PROCESSING

Pounds of milk collected	240,000
Number of births	80
Pounds of meat processed for sale	2,000
Total number of animals housed	490
Number of animals milked	112



WILD HORSE INMATE PROGRAM (WHIP)

Mustangs saddle trained	127
Mustangs halter trained	13
Burrows trained	3
Mustangs on grounds (avg.)	821
Public adoptions	33
Horses trained for border patrol	14



FISHERIES

Pounds of trout sold	3,290
Pounds of tilapia sold	148,473



GREENHOUSE

Number of hanging baskets/pots produced	3,200
Pounds of tomatoes produced	849
Fly/spinning rods produced	38
Tractors repaired/refurbished	5
Chili kits produced for Canteen sales	13,170

FARMING



450 ACRES

FARMED



5,430 TONS

CORN HARVESTED



4,089 TONS

SORGHUM HARVESTED



146 TONS

TRITICALE HARVESTED



12 TONS

VINEYARD HARVESTED



8,000 BIRDS

RAISED FOR PUBLIC SALE

MANUFACTURING (Stats FY 17/18)

- 3D Printing
- Air Filters
- Embroidery
- Fiberglass Tanks*
- Flags
- Fly Rods & Spinning Rods
- Garments*
- Leather Products*
- License Plates & Tabs
- Mattresses
- Metal Fabrication
- Modular Office Systems*
- Office Furniture*
- Saddles & Tack*
- Seating*
- Security Cells & Furnishings*
- Signs*
- Television Manufacturing

*PIECP



3D PRINTING

3D casts or other appliances printed 3,572



AIR FILTRATION

Filters produced 43,204

Number of those produced for schools/state buildings 23,980



FIBERGLASS

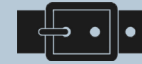
Number of Fiberglass tank components 583



GARMENTS

Number of garments produced 761,189

Number of flags produced: CO, U.S. and International 2,753



LEATHER

Number of saddles built 257

Leather ordered for all projects 641 sides (~12,820 sq ft)



METAL

Dumpsters produced 1,220

Bear proof receptacles produced (of the 1,220) 556

Campsite lockers produced for park use 241



TAG PLANT

All DOR license plates produced 3,203,375

Number fulfilled by print on demand 110,000

Tags produced 7,020,300



FURNITURE

5,307 COMPONENTS



PANELS

1,036 MODULAR OFFICE SYSTEMS (MOS)

20,064

GIFT PACKS



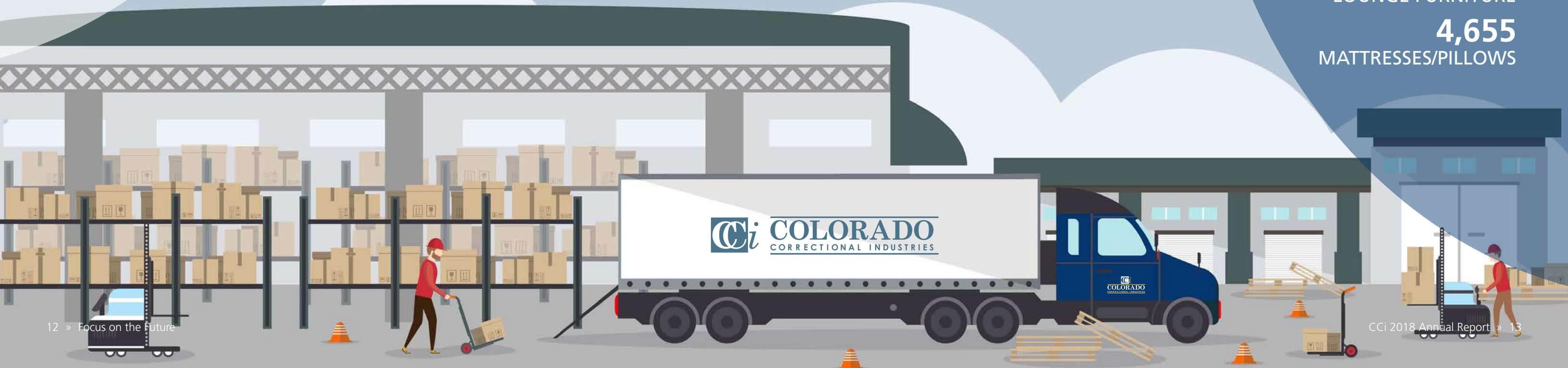
SEATING

9,347 CHAIRS/STOOLS

1,119 CHAIRS REPAIRED

210 LOUNGE FURNITURE

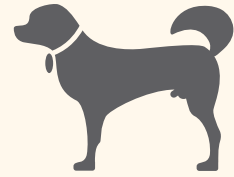
4,655 MATTRESSES/PILLOWS



SERVICES

- Auto Collision Repair/Painting
- CAD/GIS
- Canteen
- Construction & Maintenance
- Culinary Arts
- Delivery & Installation
- Call Center
- Electronic Image Verifications
- Fingerprinting
- Fire Fighting & Reclamation
- Fleet Services
- Heavy Equipment/Trails Program
- International Training Center & Guest Services
- K-9 Adoption & Training
- Landscape Maintenance & Beautification
- Printing Services
- Recycling
- Stone Palletizing
- Surplus Property (State & Federal)
- Transportation & Tech Training
- Vehicle Sales (Fleet/eBay)

(Stats FY 17/18)



CANINE

Dogs trained	645
Dogs trained since inception (2002)	12,318
Shelter dog rescues	171

CANTEEN

Canteen orders processed	746,811
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CUSTOMER SERVICE

Number of deliveries made (seating, case goods, MOS)	1,824
Tractors in fleet	4

FLEET/SERVICE STATION

State vehicles serviced	3,600
Vehicles in fleet	1,208

FLEET/BODY SHOP

State vehicles serviced	93
Vehicle graphics adhered	51

GENERAL SERVICES

General services projects completed	1,028
Private farms worked	4



ICMTC

Countries trained	27
Foreign officials trained	939
Countries trained since inception (2011)	38
Foreign officials trained since inception (2011)	3,609

PRINT

Printed sheets produced for Revenue, Wildlife, Human Services & Corrections	19,361,973
Toll plates verified (mid-May to June 30) ~16.5mil anticipated average next FY	1.9M
TVs manufactured	3,426

RECYCLING

Tons of recycled cardboard	430
Tons of recycled office paper	22
Tons of recycled scrap metal/tin	546
Tons of recycled aluminum	2
Value	\$230,414

SALES \$

Walk-in sales at showroom	\$75,000
Projects completed	600+
Fingerprint cards submitted for investigation	5,462

SURPLUS

State surplus revenue	\$785,174
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TRANSPORTATION

Deliveries made	4,000
Miles driven	338,800
Tractors in fleet	13

WEB

On-line orders	2,439
Customers who ordered product on-line	1,222
On-line sales for furniture, seating, MOS and flags	\$7,826,385
Website visitors	653,772



FIRE

54,080
MAN HOURS

169
DAYS FIGHTING
FIRES

33
COLORADO
WILDFIRES AND/OR
REMEDICATION
PROJECTS



**HEAVY
EQUIPMENT/
TRAILS**

19
COMMUNITY
IMPROVEMENT
PROJECTS

(safety closures, road maintenance, gate installations, irrigation ditches, concrete projects, water lines)

Our Finances

For Fiscal Years Ended June 30, 2018 and 2017 unaudited (NOTE 1)

COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF NET POSITION	6/30/18	6/30/17
CURRENT ASSETS:		
Cash and Pooled Cash (NOTE 2)	\$3,515,936	\$2,823,173
Other Receivables, net	1,570,333	1,228,912
Due from Other Governments	1,658,461	748,190
Due from Other Funds	580,907	1,090,137
Inventories	10,847,978	17,015,051
TOTAL CURRENT ASSETS	\$18,173,615	\$22,905,463
NONCURRENT ASSETS:		
Other Long Term Assets	\$1,987,241	\$1,985,725
Depreciable and Capital Assets and Infrastructure, net	3,678,672	3,708,481
Land and Nondepreciable Infrastructure	940,730	940,933
TOTAL NONCURRENT ASSETS	\$6,606,643	\$6,635,139
TOTAL ASSETS	\$24,780,258	\$29,540,602
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$4,259,589	\$5,795,532
Compensated Absences Payable	79,500	88,700
Deferred Federal Revenue	269,235	429,521
Other Current Liabilities	18,576	112,251
TOTAL CURRENT LIABILITIES	\$4,626,900	\$6,426,004
NONCURRENT LIABILITIES:		
Accrued Compensated Absences	\$1,206,165	\$1,204,996
TOTAL LIABILITIES	\$5,833,065	\$7,631,000
NET POSITION:		
Net Investment in Capital Assets	\$4,619,402	\$4,649,414
Unrestricted	14,327,791	17,260,188
TOTAL NET POSITION	\$18,947,193	\$21,909,602
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET POSITION	6/30/18	6/30/17
OPERATING REVENUES:		
Sales of Goods and Services	\$52,794,917	\$43,390,748
Federal Grants and Contracts	3,369,100	4,788,643
Other Revenues	241,619	238,744
TOTAL OPERATING REVENUES	\$56,405,636	\$48,418,135
OPERATING EXPENSES:		
Raw Materials and Supplies	\$31,890,606	\$20,310,783
Salaries and Fringe Benefits	12,757,741	12,611,831
Operating & Travel (NOTE 3)	9,360,133	7,801,873
Depreciation	459,817	445,845
Grant Expenditures	4,484,669	4,792,843
TOTAL OPERATING EXPENSES	\$58,952,966	\$45,963,175
NET OPERATING REVENUE / (LOSS)	(\$2,547,330)	\$2,454,960
NON-OPERATING REVENUES AND (EXPENSES):		
Investment Income (Loss)	(\$17,850)	\$112,766
Rental Income (Loss)	10,118	(765,871)
Gifts and Donations	1,542	1,956
TOTAL NON-OPERATING REVENUES AND (EXPENSES):	(\$6,190)	(\$651,149)
INCOME / (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(\$2,553,520)	\$1,803,811
OPERATING TRANSFERS		
Transfers-Out to General Fund (NOTE 4)	(\$408,889)	(\$406,989)
TOTAL OPERATING TRANSFERS	(\$408,889)	(\$406,989)
CHANGE IN NET POSITION	(\$2,962,409)	\$1,396,822
NET POSITION - FISCAL YEAR BEGINNING	\$21,909,603	\$20,512,781
NET POSITION - FISCAL YEAR ENDING	\$18,947,194	\$21,909,603

COLORADO CORRECTIONAL INDUSTRIES STATEMENT OF CASH FLOWS	6/30/18	6/30/17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Fees for Service	\$8,294,365	\$6,162,518
Sales of Products	43,361,782	37,511,445
Gifts, Grants, Donations (Federal Grant)	3,605,124	4,593,054
Income from Property (Rent)	10,118	298,622
Other Sources	241,619	238,744
Employees	(12,632,924)	(12,496,145)
Suppliers	(36,533,105)	(32,755,762)
Grant Expenses	(4,484,669)	(4,792,843)
Other	(314,543)	(281,982)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$1,547,767	(\$1,522,349)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-Out to the General Fund	(\$408,889)	(\$406,989)
Gifts, Grants, Donations not for Capital Use	1,542	1,956
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(\$407,347)	(\$405,033)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of Capital Assets	(\$429,807)	(\$147,722)
NET CASH (USED) BY CAPITAL RELATED FINANCING ACTIVITIES	(\$429,807)	(\$147,722)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	\$27,642	\$148,452
Increase (Decrease) from Unrealized Gain (Loss) on Investments	(45,492)	(35,686)
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	(\$17,850)	\$112,766
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	\$692,763	(\$1,962,338)
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	\$2,823,173	\$4,785,511
CASH AND POOLED CASH, FISCAL YEAR END	\$3,515,936	\$2,823,173
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	(\$2,547,330)	\$2,454,960
Adjustments to Reconcile Net Operating (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	459,817	445,845
Rents	10,118	(765,871)
Compensated Absences	(8,031)	59,599
Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	(742,460)	820,084
(Increase) Decrease in Inventories	6,165,557	(4,180,808)
Increase (Decrease) in Accounts Payable	(1,535,943)	(781,868)
Increase (Decrease) in Other Operating Liabilities	(253,961)	425,710
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$1,547,767	(\$1,522,349)

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 Finances

For Fiscal Years Ended June 30, 2018 and 2017 unaudited ^(NOTE 1)

CANTEEN ENTERPRISE FUND STATEMENT OF NET POSITION	6/30/18	6/30/17
CURRENT ASSETS:		
Cash and Pooled Cash ^(NOTE 2)	\$8,674,986	\$7,187,298
Other Receivables, net	0	8,486
Inventories	698,889	753,522
TOTAL CURRENT ASSETS	\$9,373,875	\$7,949,306
NONCURRENT ASSETS:		
Depreciable and Capital Assets and Infrastructure, net	\$1,375,054	\$1,457,903
TOTAL NONCURRENT ASSETS	\$1,375,054	\$1,457,903
TOTAL ASSETS	\$10,748,929	\$9,407,209
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$1,614,294	\$787,037
TOTAL CURRENT LIABILITIES	\$1,614,294	\$787,037
NONCURRENT LIABILITIES:		
Accrued Compensated Absences	\$241,521	\$245,634
TOTAL LIABILITIES	\$1,855,815	\$1,032,671
NET POSITION:		
Net Investment in Capital Assets	\$1,375,054	\$1,457,903
Unrestricted	7,518,060	6,916,635
TOTAL NET POSITION	\$8,893,114	\$8,374,538
STATEMENT OF REVENUE, EXPENSES & CHANGES IN NET POSITION	6/30/18	6/30/17
OPERATING REVENUES:		
Sales — Canteen and Similar Activities	\$18,409,827	\$18,998,314
Other Revenues	965,953	839,153
TOTAL OPERATING REVENUES	\$19,375,780	\$19,837,467
OPERATING EXPENSES:		
Cost of Goods Sold	\$13,771,399	\$13,586,576
Salaries and Fringe Benefits	2,146,848	2,184,001
Operating & Travel ^(NOTE 3)	1,003,033	1,097,265
Depreciation	96,723	106,052
TOTAL OPERATING EXPENSES	\$17,018,003	\$16,973,894
NET OPERATING REVENUE / (LOSS)	\$2,357,777	\$2,863,573
NON-OPERATING REVENUES AND (EXPENSES):		
Offender Benefits	(\$1,819,409)	(\$1,378,435)
Investment Income	49,857	48,837
TOTAL NON-OPERATING REVENUES AND (EXPENSES):	(\$1,769,552)	(\$1,329,598)
INCOME BEFORE OPERATING TRANSFERS	\$588,225	\$1,533,975
OPERATING TRANSFERS		
Transfers-Out to General Fund ^(NOTE 4)	(\$69,649)	(\$78,870)
TOTAL OPERATING TRANSFERS	(\$69,649)	(\$78,870)
CHANGE IN NET POSITION	\$518,576	\$1,455,105
NET POSITION - FISCAL YEAR BEGINNING	\$8,374,538	\$6,919,433
NET POSITION - FISCAL YEAR ENDING	\$8,893,114	\$8,374,538

CANTEEN ENTERPRISE FUND STATEMENT OF CASH FLOWS	6/30/18	6/30/17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Sales of Canteen items and Similar Activities	\$18,418,313	\$18,989,828
Other Revenues	965,953	839,153
Employees	(2,150,961)	(2,154,102)
Suppliers	(13,892,542)	(14,469,770)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$3,340,763	\$3,205,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Offender Benefits	(\$1,819,409)	(\$1,378,435)
Transfers-Out to the General Fund	(69,649)	(78,870)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	(\$1,889,058)	(\$1,457,305)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of Capital Assets	(\$13,874)	\$0
NET CASH (USED) BY CAPITAL RELATED FINANCING ACTIVITIES	(\$13,874)	\$0
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	\$154,286	\$92,250
Increase (Decrease) from Unrealized Gain (Loss) on Investments	(104,429)	(43,413)
NET CASH FLOWS PROVIDED BY INVESTING ACTIVITIES	\$49,857	\$48,837
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	\$1,487,688	\$1,796,641
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	\$7,187,298	\$5,390,657
CASH AND POOLED CASH, FISCAL YEAR END	\$8,674,986	\$7,187,298
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income	\$2,357,777	\$2,863,573
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	96,723	106,052
Compensated Absences	(4,113)	29,899
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	8,486	(8,486)
(Increase) Decrease in Inventories	54,633	(36,292)
Increase (Decrease) in Accounts Payable	827,257	250,363
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$3,340,763	\$3,205,109

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