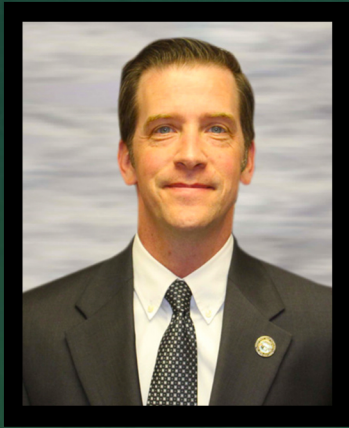




COLORADO
CORRECTIONAL INDUSTRIES

2021 Annual Report



Colorado Correctional Industries faced unprecedented challenges during fiscal year 20-21. We ended FY 19-20 facing extreme uncertainty of the global COVID-19 pandemic, and having executed a reorganization of our operations.

We started FY 20-21 with a new focus on sustainable, higher paying work opportunities, and the belief that the cuts made in our reorganization would put us on the path to profitability. We did not anticipate the majority of state employee customers would be working remotely the entire FY 20-21, resulting in dramatically reduced demand for our office furniture segment, or that the pandemic restrictions would result in multiple shutdowns of our work centers.

Throughout the year, our factories and other work areas made multiple pivots to respond to pandemic restrictions, and frequently had staff working outside their assigned work area to cover for incarcerated workers that were not allowed to work. This is highlighted by CCI's Employee of the Year, Greg Hawkins, who worked double shifts Monday through Friday, and 8 hour shifts every Saturday and Sunday for 42 consecutive days in November and December 2020, doing his regular furniture sales job during the day, and reporting to the dairy for the swing/weekend shifts, because the pandemic did not stop the need to milk water buffalo twice per day. CCI staff and incarcerated workers did whatever was possible to keep operations running but ultimately were not able to overcome obstacles that nobody could have foreseen. CCI ended FY 20-21 with a loss of \$2.6 Million as shown in the included financial statements.

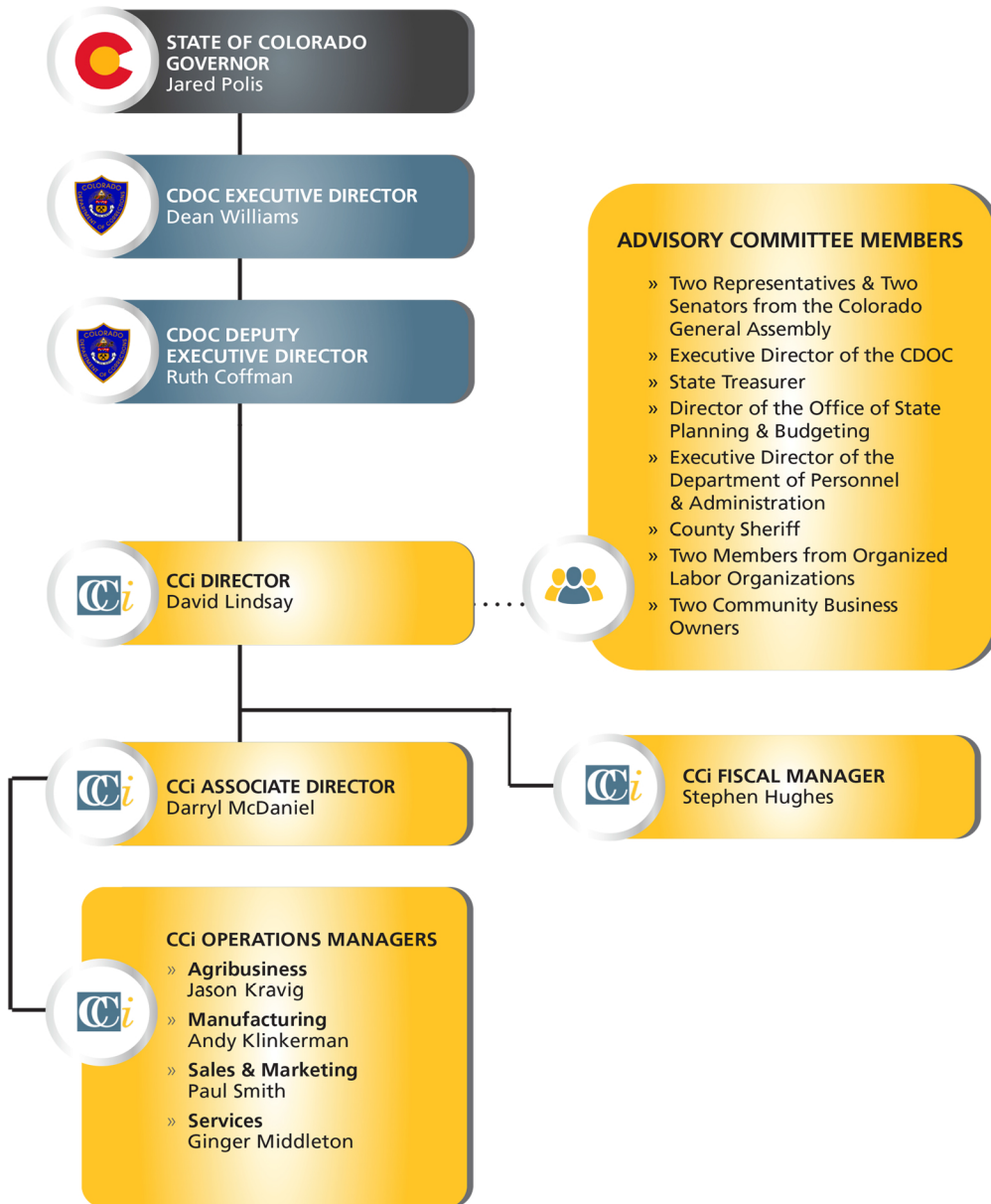
Lastly, Take TWO (Transitional Work Opportunity) reentry program gained significant traction with private sector employers; 19 companies had employed 62 Take TWO participants as of June 30, 2021. This program provides employment opportunities outside the walls for people during their incarceration with private companies at market wages. Take TWO participants are able to build savings and drastically reduce their restitution before they transition to life after incarceration. Take TWO has partnerships in Denver, Buena Vista, Canon City, and Rifle. In FY 20-21, COVID-19 restrictions hindered our ability to scale and expand the Take TWO program, as participants were not able to leave facilities for work opportunities during outbreaks.

For FY 21-22, Take TWO will continue to seek additional employer partnerships to increase participation and build community support. Evidence shows that the combination of work experience and financial savings pre-release will result in greater success in society and, therefore, reduced recidivism.

David Lindsay
Director, Correctional Industries



Our Organization



CCI Mission

- » To provide offenders with meaningful work opportunities, skills, and work ethics which better prepare them to successfully transition back into the community.
- » To reduce offender idleness by employing as many offenders as possible in self-sustaining, innovative, and productive industries.
- » To function in a business-like manner so that ongoing operational and financial requirements of the Division are consistently achieved.

Offender Training Programs

- 1 **Arkansas Valley Correctional Facility**
CAD/GIS
Call Center
Fulfillment Center (Seasonal)
Modular Office Systems (PIECP)
- 2 **Bent County Correctional Facility**
Fulfillment Services
- 3 **Buena Vista Correctional Facility**
Firefighting & Reclamation
Fishery
Heavy Equipment /Trails Program



- 4 **Colorado Correctional Center**
Auto Body/Collision Repair
CSP Training Academy Maintenance
Light Construction & Maintenance/
CSP Culinary Arts/DOT City &
Highway Beautification &
Improvements
- 5 **Colorado Territorial Correctional Facility**
License Plates & Tabs
Signs (PIECP)
K-9 Adoption & Training
- 6 **Delta Correctional Center**
Farming (Seasonal)



Incarcerated worker at LCF Garment Factory

- 7 **Denver Reception and Diagnostic Center**
No CCI offender programs – Receiving Facility
- 8 **Denver Women’s Correctional Center**
Canteen
Electronic Image Verifications
K-9 Adoption & Training
Printing Services
TV Assembly
- 9 **East Cañon Complex:**
 - 9a **Arrowhead Correctional Center**
Canteen
Fishery
Fleet Services
Greenhouse Products
K-9 Adoption & Training
Transportation
 - 9b **Centennial Correctional Center**
No CCI offender programs –
High Risk/Residential Treatment Facility



Incarcerated workers at DWCF print shop

9 East Cañon Complex:

9c Colorado State Penitentiary

No CCI offender programs –
Closed Custody Facility

9d Four Mile Correctional Center

Dairy & Dairy Processing
Heavy Equipment
K-9 Adoption & Training
Water Buffalo Dairy
Wild Horse Inmate Program (WHIP)

9e Fremont Correctional Center

Metal Fabrication (PIECP)
Furniture (PIECP)

9f Skyline Correctional Center

Delivery & Installation
Farming
Fire Fighting & Reclamation (SWIFT)
Heavy Equipment
K-9 Kennels



Making flags at
LCF garment factory

10 La Vista Correctional Center

Call Center (OIT)
K-9 Kennels
Light Construction &
Maintenance/Seasonal Farming

11 Limon Correctional Center

Embroidery
Flag Manufacturing
Garments (PIECP)

12 Oakland Facility

Delivery & Installation
Vehicle Sales (Fleet/eBay)
State & Federal Surplus
Distribution Center

13 Rifle Correctional Center

Culinary Arts
Fire Fighting & Reclamation (SWIFT)
Trails Program

14 San Carlos Correctional Center

No CCI offender programs –
Mental Health Facility

15 Sterling Correctional Center

K-9 Adoption & Training
Mattresses
Seating (PIECP)
Leather Products (PIECP)

16 Trinidad Correctional Center

Air Filters
K-9 Adoption & Training
Fleet Services

17 International Corrections Management Training Center

No CCI offender programs –

18 CCI Administrative Office CDOC Headquarters Center

No CCI offender programs –
Administration

COLORADO DEPARTMENT OF CORRECTIONS
DIVISION OF CORRECTIONAL INDUSTRIES
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021 AND JUNE 30, 2020
UNAUDITED (NOTE 1)

	<u>YEAR ENDING 06/30/21</u>	<u>YEAR ENDING 06/30/20</u>
ASSETS:		
CURRENT ASSETS:		
Cash and Pooled Cash (NOTE 2)	\$ (2,740,263)	\$ (3,163,093)
Other Receivables, net	1,336,091	1,598,576
Due from Other Governments	447,151	430,988
Due from Other Funds	880,156	672,219
Inventories	7,392,300	11,757,833
TOTAL CURRENT ASSETS	<u>7,315,435</u>	<u>11,296,523</u>
NONCURRENT ASSETS:		
Other Long Term Assets	621,664	1,018,802
Depreciable and Capital Assets and Infrastructure, net	3,351,845	3,760,977
Land and Nondepreciable Infrastructure	940,730	940,730
TOTAL NONCURRENT ASSETS	<u>4,914,239</u>	<u>5,720,509</u>
TOTAL ASSETS	<u>\$ 12,229,674</u>	<u>\$ 17,017,032</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 3,521,288	\$ 5,263,285
Compensated Absences Payable	66,600	65,400
Deferred Federal Revenue	-	823
Other Current Liabilities	-	215
TOTAL CURRENT LIABILITIES	<u>3,587,888</u>	<u>5,329,723</u>
NONCURRENT LIABILITIES:		
Accrued Compensated Absences	963,393	1,322,065
TOTAL LIABILITIES	<u>4,551,281</u>	<u>6,651,788</u>
NET POSITION:		
Net Investment in Capital Assets	4,292,575	4,701,707
Unrestricted	3,385,818	5,663,537
TOTAL NET POSITION	<u>\$ 7,678,393</u>	<u>\$ 10,365,244</u>

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.

COLORADO DEPARTMENT OF CORRECTIONS
 DIVISION OF CORRECTIONAL INDUSTRIES
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020
 UNAUDITED (NOTE 1)

	<u>YEAR ENDING 06/30/21</u>	<u>YEAR ENDING 06/30/20</u>
OPERATING REVENUES:		
Sales of Goods and Services	\$ 34,965,884	\$ 37,176,546
Federal Grants and Contracts	-	406,600
Other Revenues	229,908	270,815
TOTAL OPERATING REVENUES	<u>35,195,792</u>	<u>37,853,961</u>
OPERATING EXPENSES:		
Raw Materials and Supplies	17,989,880	19,830,525
Salaries and Fringe Benefits	12,308,033	15,229,632
Operating & Travel (NOTE 2)	7,023,056	7,717,589
Depreciation	425,217	396,635
Grant Expenditures	92,711	816,393
TOTAL OPERATING EXPENSES	<u>37,838,897</u>	<u>43,990,774</u>
OPERATING INCOME (LOSS)	(2,643,105)	(6,136,813)
NON-OPERATING REVENUES AND (EXPENSES):		
Investment Income (Loss)	-	(1,152)
Rental Income (Loss)	26,156	86,406
Gifts and Donations	2,450	-
Gain/Loss on Sale or Impairment of Capital Assets	(33,033)	2,032
TOTAL NON-OPERATING REVENUES (EXPENSES):	<u>(4,427)</u>	<u>87,286</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,647,532)	(6,049,527)
OPERATING TRANSFERS		
Transfers-In	-	18,445
Transfers-Out to General Fund (NOTE 3)	(39,319)	(417,436)
TOTAL OPERATING TRANSFERS	<u>(39,319)</u>	<u>(398,991)</u>
CHANGE IN NET POSITION	(2,686,851)	(6,448,518)
NET POSITION - FISCAL YEAR BEGINNING	<u>10,365,244</u>	<u>16,813,762</u>
NET POSITION - FISCAL YEAR ENDING	<u>\$ 7,678,393</u>	<u>\$ 10,365,244</u>

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

NOTE 2: 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 3: Operating transfer-out to the General Fund are costs reimbursed to the general fund for support services.

COLORADO DEPARTMENT OF CORRECTIONS
 CANTEEN ENTERPRISE FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021 AND JUNE 30, 2020
 UNAUDITED (NOTE 1)

	YEAR ENDING 6/30/21	YEAR ENDING 6/30/20
ASSETS:		
CURRENT ASSETS:		
Cash and Pooled Cash (NOTE 2)	\$ 7,191,559	\$ 7,742,801
Inventories	999,163	672,223
TOTAL CURRENT ASSETS	8,190,722	8,415,024
NONCURRENT ASSETS:		
Depreciable Capital Assets and Infrastructure, net	1,975,265	2,005,158
TOTAL NONCURRENT ASSETS	1,975,265	2,005,158
TOTAL ASSETS	\$ 10,165,987	\$ 10,420,182
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 3,335,514	\$ 1,589,424
TOTAL CURRENT LIABILITIES	3,335,514	1,589,424
NONCURRENT LIABILITIES:		
Accrued Compensated Absences	317,490	248,100
TOTAL LIABILITIES	3,653,004	1,837,524
NET POSITION:		
Net Investment in Capital Assets	1,975,265	2,005,158
Unrestricted	4,537,718	6,577,500
TOTAL NET POSITION	\$ 6,512,983	\$ 8,582,658

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.

COLORADO DEPARTMENT OF CORRECTIONS
CANTEEN ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020
UNAUDITED (NOTE 1)

	<u>YEAR ENDING 6/30/21</u>	<u>YEAR ENDING 6/30/20</u>
OPERATING REVENUES:		
Sales-Canteen and Similar Activities	\$ 18,181,707	\$ 19,756,854
Other Revenues	766,914	845,258
TOTAL OPERATING REVENUES	<u>18,948,621</u>	<u>20,602,112</u>
OPERATING EXPENSES:		
Cost of Goods Sold	13,518,806	14,613,096
Salaries and Fringe Benefits	2,913,759	2,460,975
Operating & Travel (NOTE 2)	1,181,395	1,091,499
Depreciation	230,620	214,469
TOTAL OPERATING EXPENSES	<u>17,844,580</u>	<u>18,380,039</u>
NET OPERATING INCOME	1,104,041	2,222,073
NON-OPERATING REVENUES AND (EXPENSES):		
Inmate Benefits	(3,051,946)	(2,660,589)
Investment Income	(42,527)	402,262
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(3,094,473)</u>	<u>(2,258,327)</u>
INCOME BEFORE OPERATING TRANSFERS	(1,990,432)	(36,254)
OPERATING TRANSFERS:		
Transfers-Out to General Fund (NOTE 3)	<u>(79,243)</u>	<u>(75,895)</u>
TOTAL OPERATING TRANSFERS	<u>(79,243)</u>	<u>(75,895)</u>
CHANGE IN NET POSITION	(2,069,675)	(112,149)
NET POSITION - FISCAL YEAR BEGINNING	<u>8,582,657</u>	<u>8,694,806</u>
NET POSITION - FISCAL YEAR ENDING	<u>\$ 6,512,982</u>	<u>\$ 8,582,657</u>

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

NOTE 2: 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 3: Operating transfer-out to the General Fund are costs reimbursed to the general fund for support services.