

# 2022



---

**COLORADO**  
CORRECTIONAL INDUSTRIES

---

# ANNUAL REPORT

COLORADO DEPARTMENT OF CORRECTIONS  
DIVISION OF CORRECTIONAL INDUSTRIES  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022 AND JUNE 30, 2021  
UNAUDITED (NOTE 1)

	YEAR ENDING 06/30/22	YEAR ENDING 06/30/21
ASSETS:		
CURRENT ASSETS:		
Cash and Pooled Cash (NOTE 2)	\$ (4,014,921)	\$ (2,740,263)
Other Receivables, net	1,122,162	1,336,091
Due from Other Governments	1,088,886	447,151
Due from Other Funds	690,381	880,156
Inventories	4,353,385	7,392,300
TOTAL CURRENT ASSETS	<u>3,239,893</u>	<u>7,315,435</u>
NONCURRENT ASSETS:		
Other Long Term Assets	-	621,664
Depreciable and Capital Assets and Infrastructure, net	4,632,731	3,351,845
Land and Nondepreciable Infrastructure	940,730	940,730
TOTAL NONCURRENT ASSETS	<u>5,573,461</u>	<u>4,914,239</u>
TOTAL ASSETS	<u>\$ 8,813,354</u>	<u>\$ 12,229,674</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 2,146,381	\$ 3,521,288
Compensated Absences Payable	145,500	66,600
Leases Payable	58,190.00	-
TOTAL CURRENT LIABILITIES	<u>2,350,071</u>	<u>3,587,888</u>
NONCURRENT LIABILITIES:		
Accrued Compensated Absences	638,721	963,393
Leases Payable	1,212,126	-
TOTAL NONCURRENT LIABILITIES	<u>1,850,847</u>	<u>963,393</u>
TOTAL LIABILITIES	<u>4,200,918</u>	<u>4,551,281</u>
NET POSITION:		
Net Investment in Capital Assets	5,573,461	4,292,575
Unrestricted	(961,025)	3,385,818
TOTAL NET POSITION	<u>\$ 4,612,436</u>	<u>\$ 7,678,393</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, 2022 AND JUNE 30, 2021  
UNAUDITED (NOTE 1)

	YEAR ENDING 06/30/22	YEAR ENDING 06/30/21
OPERATING REVENUES:		
Sales of Goods and Services	\$ 33,243,040	\$ 34,965,884
Other Revenues	174,912	229,908
TOTAL OPERATING REVENUES	<u>33,417,952</u>	<u>35,195,792</u>
OPERATING EXPENSES:		
Raw Materials and Supplies	17,011,460	17,989,880
Salaries and Fringe Benefits	11,707,545	12,308,033
Operating & Travel (NOTE 2)	7,183,731	7,023,056
Depreciation	503,305	425,217
Grant Expenditures	-	92,711
TOTAL OPERATING EXPENSES	<u>36,406,041</u>	<u>37,838,897</u>
OPERATING INCOME (LOSS)	(2,988,089)	(2,643,105)
NON-OPERATING REVENUES AND (EXPENSES):		
Investment Income (Loss)	209,426	-
Rental Income (Loss)	56,110	26,156
Gifts and Donations	1,125	2,450
Gain/Loss on Sale or Impairment of Capital Assets	94,946	(33,033)
TOTAL NON-OPERATING REVENUES (EXPENSES):	<u>361,607</u>	<u>(4,427)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(2,626,482)	(2,647,532)
OPERATING TRANSFERS		
Transfers-Out to General Fund (NOTE 3)	(439,475)	(39,319)
TOTAL OPERATING TRANSFERS	<u>(439,475)</u>	<u>(39,319)</u>
CHANGE IN NET POSITION	(3,065,957)	(2,686,851)
NET POSITION - FISCAL YEAR BEGINNING	7,678,393	10,365,244
NET POSITION - FISCAL YEAR ENDING	<u>\$ 4,612,436</u>	<u>\$ 7,678,393</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  
DIVISION OF CORRECTIONAL INDUSTRIES  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021  
UNAUDITED (NOTE 1)

	YEAR ENDING 06/30/22	YEAR ENDING 06/30/21
CASH FLOWS FROM OPERATING ACTIVITIES:		
Fees for Service	\$ 8,906,613	\$ 7,932,135
Sales of Products	24,098,396	28,106,312
Gifts, Grants, Donations (Federal Grant)	-	63,138
Income from Property (Rent)	56,110	(1,071,981)
Other Sources	174,911	229,908
Employees	(12,202,767)	(12,855,627)
Suppliers	(21,489,458)	(21,719,830)
Grant Expenses	-	(92,711)
Other	(170,610)	(82,310)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(626,805)</u>	<u>509,034</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Transfers-Out to the General Fund	(439,475)	(39,319)
Gifts, Grants, Donations not for Capital Use	1,125	2,450
Deposits Held in Custody	-	(215)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(438,350)</u>	<u>(37,084)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition of Capital Assets	(418,929)	(49,120)
NET CASH (USED) BY CAPITAL RELATED FINANCING ACTIVITIES	<u>(418,929)</u>	<u>(49,120)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	3,807	-
Increase (Decrease) from Unrealized Gain (Loss) on Investments	205,619	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>209,426</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND POOLED CASH	(1,274,658)	422,830
CASH AND POOLED CASH , FISCAL YEAR BEGINNING	(2,740,263)	(3,163,093)
CASH AND POOLED CASH, FISCAL YEAR END	<u>\$ (4,014,921)</u>	<u>\$ (2,740,263)</u>
RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Net Operating Income (Loss)	\$ (2,988,089)	\$ (2,643,105)
Adjustments to Reconcile Net Operating (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	503,305	425,217
Rents	56,110	26,156
Compensated Absences	(245,772)	(357,472)
Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Operating Receivables	(238,031)	38,387
(Increase) Decrease in Inventories	3,660,579	4,762,671
Increase (Decrease) in Accounts Payable	(1,374,907)	(1,741,997)
Increase (Decrease) in Other Operating Liabilities	-	(823)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (626,805)</u>	<u>\$ 509,034</u>

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





# COLORADO DEPARTMENT OF CORRECTIONS

## CANTEEN, VENDING MACHINE and LIBRARY ACCOUNT

A Division of Correctional Industries

### ANNUAL REPORT

FOR THE FISCAL YEAR ENDED  
JUNE 30, 2022

#### Canteen, Vending Machine and Library Account Committee:

Matthew Hansen, Interim Deputy Executive Director of Prison Operations  
Ashley Clark, Director of Finance and Administration  
Michelle Brodeur, Director of Clinical and Correctional Services  
Jessica Warren, Director of Colorado Correctional Industries  
Eric Strumpf, Budget and Business Operations Director  
Brad Duca, Controller

Andre Stancil  
Executive Director

# COLORADO DEPARTMENT OF CORRECTIONS

## CANTEEN ENTERPRISE FUND

A Division of Correctional Industries

### TABLE OF CONTENTS

Canteen Services Description.....	1-3
Inmate Benefits - Tables I and II.....	4
Statement of Net Position (Balance Sheet) .....	5
Statement of Revenues, Expenses, and Changes in Net Position .....	6
Statement of Cash Flows.....	7

#### Canteen Services Mission Statement

*The mission of Canteen Services is 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, and to reduce reliance on taxpayer provided funds for inmate recreational, educational and social benefit expenditures.*

COLORADO DEPARTMENT OF CORRECTIONS  
CANTEEN ENTERPRISE FUND  
FISCAL YEAR ENDED JUNE 30, 2022

**CANTEEN ENTERPRISE FUND**

The Canteen, Vending Machine and Library Account (Canteen enterprise fund) is an Enterprise Cash Fund that accounts for operations financed and operated in a manner similar to a private business enterprise. The Canteen, a division of Correctional Industries (CI), sells merchandise, which complies with security restrictions at each facility, to inmates who have adequate funds in their inmate bank accounts. The CI Canteen offers inmate hygiene and cosmetic items, snack foods, phone time, postage stamps, tokens for facility vending machines, approved clothing, tennis shoes, watches, calculators, notebooks, other staples, and miscellaneous allowable property. The items sold to inmates are priced so that revenues are sufficient to fund all expenses of the Canteen and vending machines. Expenses include services of employees of the Canteen. All costs are considered in order to produce a reasonable profit. Profits from Canteen operations are used for the educational, recreational and social benefit of inmates, and to supplement direct inmate needs as required by Colorado Revised Statutes (C.R.S. 17-24-126).

The CI Canteen is managed as a profitable business, utilizing a computerized perpetual inventory. The Canteen serves inmates housed in Colorado Department of Corrections (CDOC) facilities as well as CDOC inmates housed at privately operated facilities in Colorado. In addition, the Canteen contracts and manages vending services for visiting rooms within each CDOC facility. Families are allowed to send funds to an inmate's bank account for canteen purchases and phone time. All deposits are subject to mandatory withholding for court ordered restitution and child support obligations.

Revenue sources for the Canteen program currently include retail sales to inmates, vending machine commissions, and commissions from the family gift pack program. In Fiscal Year 2022, Canteen retail sales, vending machine commissions, and other revenues were approximately \$24,500,000.

The Colorado General Assembly appropriates funds from the Canteen to inmate education and recreation programs. In Fiscal Year 2022, the Canteen funded approximately \$1,200,000 for Education, Recreation, and Volunteer subprograms appropriated by the General Assembly. With House Bill 22-1329 for the upcoming Fiscal Year 2023, approximately \$721,000 has been appropriated by the General Assembly to continue funding for Education and Recreation subprogram costs.

Since July 1, 2002, the Canteen enterprise fund has been classified as a cash fund exempt operation. The General Assembly passed House Bill 02-1171 which transferred control of the Canteen to the Division of Correctional Industries and created a Canteen, Vending Machine and Library Account. The designation of enterprise status for the Canteen exempts the revenue of the Canteen from the State's Taxpayer Bill of Rights (TABOR) revenue base.

This report is provided as a general information document for the public, as well as for compliance with American Correctional Association (ACA) Standard 5-ACI-1B-19 and 2-CO-1B-13. The following is a brief description of the Canteen operations.

### ***CI CANTEEN SERVICES***

Canteen sales in CDOC are similar in nature to a catalog mail order system. Purchases of goods and services, recording receipts, inventory maintenance, and deduction from inmate accounts are recorded electronically. Inmates' individual orders are filled by a selection process, from flow racks into baskets on a conveyor. The orders are inspected for accuracy and contraband, packaged into clear tamper proof plastic bags, and placed into secure storage.

Orders are delivered to facilities throughout the State by Canteen delivery personnel. Facility staff distribute orders to individual inmates. Inmate order issues are communicated to the Canteen through each facility Canteen Coordinator for resolution.

Product lines purchased for resale are reviewed and approved by the Canteen Review Committee who consider inmate needs, security requirements, and profitability. The purchasing for resale is accomplished within the Canteen. Merchandise is received, stocked, and maintained for order processing at the Canteen.

The Canteen program exists for the benefit of incarcerated inmates in CDOC and privately operated facilities statewide. Approximately 62,000 orders and 255,000 phone calls are processed monthly. Canteen Services currently employs seventy to eighty male inmates, Monday through Friday, at its 18,500 square foot facility located at the Arrowhead Correctional Center in Cañon City where CI Canteen Services Administration is also located.

The family gift pack program allows family and friends of inmates to order gift packages from a selected vendor for the inmates. These gift packs can be ordered via the internet, mail, or by phone.

The gift packs orders are processed and shipped to the Canteen who distributes them to each facility. A commission is received from the vendor which is placed into the Canteen, Vending Machine and Library Account.

### ***INMATE BENEFITS***

Approximately \$3,163,000 and \$3,052,000 were spent for inmate benefits in Fiscal Years 2022 and 2021, respectively. A table of Inmate Benefit Expenditures for the past two Fiscal Years can be found on page four. Canteen profits can also be used to fund certain capital construction projects authorized by the General Assembly as described in the following section.

## ***OTHER INFRASTRUCTURE INVESTMENTS***

As part of inmate benefits, Canteen profits have been utilized to fund capital construction projects that were authorized by the General Assembly. Canteen profits have been used in past years to fund projects such as expansion of the Canteen at the East Cañon City Complex, a hobby shop at Fremont Correctional Facility, a recreational multi-purpose building at Colorado Correctional Center, a gymnasium at Trinidad Correctional Facility, a visitor center at the East Cañon City Complex, and construction of the Colorado State Penitentiary II Inmate In-Cell Services project. Funds from the Canteen are transferred to the Capital Construction fund for amounts expended for these projects.

## ***OTHER INVESTMENT INFORMATION***

The Colorado Department of Corrections deposits its cash (including Canteen enterprise funds) with the Colorado State Treasurer as required by Colorado Revised Statutes. The State Treasurer pools these deposits and invests them in securities authorized by C.R.S. 24-75-601.1. The State Treasury acts as a bank for all State agencies. Monies deposited in the Treasury are invested until the cash is needed. For financial reporting purposes, all of the Treasurer's investments are reported at fair value, which is determined based on quoted market prices at the June 30th fiscal year end. On the basis of CDOC's participation in the pool, CDOC reports an increase or decrease in cash for its share of the Treasurer's unrealized gains and losses on the pool's underlying investments. The State Treasurer does not invest any of the pool's resources in any external investment pool, and there is no assignment of income related to participation in the pool. The unrealized gains/losses included in "Investment Income" reflect only the change in fair value for the fiscal year. Additional information on investments of the State Treasurer's pool may be obtained in the State of Colorado's Annual Comprehensive Financial Report.



**COLORADO DEPARTMENT OF CORRECTIONS  
CANTEEN ENTERPRISE FUND  
INMATE BENEFITS FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021**

TABLE I.

<b><u>INMATE BENEFIT EXPENDITURES BY EXPENSE GROUP:</u></b>				
	<b><u>FY 21-22</u></b>		<b><u>FY 20-21</u></b>	
		<b><u>% of Total</u></b>		<b><u>% of Total</u></b>
Cable TV Fees and Equipment Maintenance	\$ 281,813	8.9%	\$ 227,616	7.5%
Volunteer Services	574,269	18.2%	530,131	17.4%
Recreational Equipment and Supplies	931,527	29.4%	1,117,531	36.6%
Education/Library Equipment	151,210	4.8%	201,129	6.6%
Computers and Computer Supplies	233,106	7.4%	104,810	3.4%
Imprvmts/Maint to Recreation, Voc Ed & Library Areas	146,637	4.6%	126,341	4.1%
Books and Subscriptions	72,659	2.3%	66,425	2.2%
Education Supplies & Operating/GED Tests	526,334	16.6%	479,413	15.7%
Beauty/Barber/Grooming Supplies	45,285	1.4%	29,477	1.0%
Other	200,281	6.3%	169,072	5.5%
Total Inmate Benefits	<u>\$ 3,163,121</u>	100.0%	<u>\$ 3,051,945</u>	100.0%

TABLE II.

<b><u>Inmate Benefits as a Percent of Revenue and Operating Income for the Past Five Years:</u></b>					
	<b><u>FY2022</u></b>	<b><u>FY2021</u></b>	<b><u>FY2020</u></b>	<b><u>FY2019</u></b>	<b><u>FY2018</u></b>
Total Inmate Benefits and Improvements	\$3,163,000	\$3,052,000	\$2,661,000	\$2,990,000	\$1,819,000
Operating Revenues	\$24,485,740	\$18,949,000	\$20,602,000	\$20,277,000	\$19,376,000
Inmate Benefits % of Revenues	13%	16%	13%	15%	9%
Operating Income	\$4,625,553	\$1,104,000	\$2,222,000	\$2,490,000	\$2,358,000
Inmate Benefits % of Income	68%	276%	120%	120%	77%

COLORADO DEPARTMENT OF CORRECTIONS  
CANTEEN ENTERPRISE FUND  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022 AND JUNE 30, 2021  
UNAUDITED (NOTE 1)

	YEAR ENDING 6/30/22	YEAR ENDING 6/30/21
ASSETS:		
CURRENT ASSETS:		
Cash and Pooled Cash (NOTE 2)	\$ 6,543,995	\$ 7,191,559
Inventories	922,692	999,163
TOTAL CURRENT ASSETS	<u>7,466,687</u>	<u>8,190,722</u>
NONCURRENT ASSETS:		
Depreciable Capital Assets and Infrastructure, net	1,770,231	1,975,265
TOTAL NONCURRENT ASSETS	<u>1,770,231</u>	<u>1,975,265</u>
TOTAL ASSETS	<u>\$ 9,236,918</u>	<u>\$ 10,165,987</u>
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 1,408,646	\$ 3,335,514
TOTAL CURRENT LIABILITIES	<u>1,408,646</u>	<u>3,335,514</u>
NONCURRENT LIABILITIES:		
Accrued Compensated Absences	228,748	317,490
TOTAL LIABILITIES	<u>1,637,394</u>	<u>3,653,004</u>
NET POSITION:		
Net Investment in Capital Assets	1,770,231	1,975,265
Unrestricted	5,829,293	4,537,718
TOTAL NET POSITION	<u>\$ 7,599,524</u>	<u>\$ 6,512,983</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  
CANTEEN ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021  
UNAUDITED (NOTE 1)

	YEAR ENDING 6/30/22	YEAR ENDING 6/30/21
OPERATING REVENUES:		
Sales-Canteen and Similar Activities	\$ 23,495,668	\$ 18,181,707
Other Revenues	990,075	766,914
TOTAL OPERATING REVENUES	<u>24,485,743</u>	<u>18,948,621</u>
OPERATING EXPENSES:		
Cost of Goods Sold	15,767,117	13,518,806
Salaries and Fringe Benefits	2,809,039	2,913,759
Operating & Travel (NOTE 2)	1,044,799	1,181,395
Depreciation	239,235	230,620
TOTAL OPERATING EXPENSES	<u>19,860,190</u>	<u>17,844,580</u>
NET OPERATING INCOME	4,625,553	1,104,041
NON-OPERATING REVENUES AND (EXPENSES):		
Inmate Benefits	(3,163,121)	(3,051,946)
Investment Income	(293,079)	(42,527)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(3,456,200)</u>	<u>(3,094,473)</u>
INCOME BEFORE OPERATING TRANSFERS	1,169,353	(1,990,432)
OPERATING TRANSFERS:		
Transfers-Out to General Fund (NOTE 3)	(82,811)	(79,243)
TOTAL OPERATING TRANSFERS	<u>(82,811)</u>	<u>(79,243)</u>
CHANGE IN NET POSITION	1,086,542	(2,069,675)
NET POSITION - FISCAL YEAR BEGINNING	6,512,982	8,582,657
NET POSITION - FISCAL YEAR ENDING	<u><u>\$ 7,599,524</u></u>	<u><u>\$ 6,512,982</u></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 CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND JUNE 30, 2021  
UNAUDITED

	YEAR ENDING 6/30/22	YEAR ENDING 6/30/21
CASH FLOWS FROM OPERATING ACTIVITIES:		
Sales of Canteen Items and Similar Activities	\$ 23,495,667	\$ 18,181,707
Other Revenues	990,075	766,914
Employees	(2,897,781)	(2,844,369)
Suppliers	(18,662,313)	(13,281,050)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,925,648</u>	<u>2,823,202</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Inmate Benefits	(3,163,121)	(3,051,946)
Transfers-Out to the General Fund	(82,811)	(79,243)
NET CASH (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(3,245,932)</u>	<u>(3,131,189)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases of Capital Assets	(34,201)	(200,728)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	<u>(34,201)</u>	<u>(200,728)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and Dividends on Investments	125,722	135,962
Increase from Unrealized Gain on Investments	(418,801)	(178,489)
NET CASH FROM INVESTING ACTIVITIES	<u>(293,079)</u>	<u>(42,527)</u>
NET INCREASE IN CASH AND POOLED CASH	(647,564)	(551,242)
CASH AND POOLED CASH, FISCAL YEAR BEGINNING	7,191,559	7,742,801
CASH AND POOLED CASH, FISCAL YEAR END	<u>\$ 6,543,995</u>	<u>\$ 7,191,559</u>
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income	\$ 4,625,553	\$ 1,104,041
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	239,235	230,620
Compensated Absences	(88,742)	69,390
Net Changes in Assets and Liabilities Related to Operating Activities:		
(Increase) Decrease in Inventories	76,470	(326,940)
Increase (Decrease) in Accounts Payable	(1,926,868)	1,746,091
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,925,648</u>	<u>\$ 2,823,202</u>