DEPARTMENT OF FINANCE
ARNOLD SCHWARZENEGGER, GOVERNOR
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November 6, 2007

Mr. James Tilton, Secretary
California Department of Corrections and Rehabilitation
P.O. Box 942883
Sacramento, CA 94283-0001

Dear Mr. Tilton:

Final Audit Report: California Department of Corrections and Rehabilitation, Consolidated Inmate Welfare Fund for the Fiscal Years Ended June 30, 2006 and 2005

Enclosed is the final audit report on the Consolidated Inmate Welfare Fund (Fund) for the fiscal years ended June 30, 2006 and June 30, 2005. The final report includes the Fund's Consolidated Balance Sheets; Consolidated Statements of Revenues, Expenses, and Changes in Fund Balance; and Supplemental Schedules of Revenues and Expenses by Institution.

The Fund's financial statements were fairly presented. Because there were no audit findings or issues requiring a response, we are issuing the report as final. In accordance with Finance's policy of increased transparency, this report will be placed on our website.

We appreciate the cooperation and assistance of California Department of Corrections and Rehabilitation staff during our audit. If you have any questions, please contact Richard R. Sierra, Manager, or Osman Sanneh, Supervisor, at (916) 322-2985.

Sincerely,

Original signed by:

Janet I. Rosman, Assistant Chief
Office of State Audits and Evaluations

Enclosure

cc: Mr. Stephen Kessler, Undersecretary, Program Support, California Department of Corrections and Rehabilitation
Ms. Heidi Lackner, Director, Support Services, California Department of Corrections and Rehabilitation
Mr. Richard Krupp, Assistant Secretary, Office of Audits and Compliance, California Department of Corrections and Rehabilitation
Ms. Kim Holt, External Audits Manager, California Department of Corrections and Rehabilitation
Mr. Tim Gilpin, Associate Director, Accounting Services, California Department of Corrections and Rehabilitation
Ms. Judy Parker, Manager, Inmate Accounting Branch, California Department of Corrections and Rehabilitation
Mr. Tony Elleva, Chief, Program Fiscal Audits Branch, California Department of Corrections and Rehabilitation

A Financial Statement Audit

California Department of Corrections and Rehabilitation
Consolidated Inmate Welfare Fund
For the Fiscal Years Ended
June 30, 2006 and 2005

Prepared By:
Office of State Audits and Evaluations
Department of Finance

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May 2007

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PREFACE

The Department of Finance, Office of State Audits and Evaluations, performed these audits as required by California Penal Code Sections 5005 through 5007. The purpose of the audits was to determine the fair presentation of the Consolidated Balance Sheets and related Statements of Revenues, Expenses and Changes in Fund Balance of the Inmate Welfare Fund (Fund) for the fiscal years ended June 30, 2006 and June 30, 2005.

The objectives of our audits were:

- To express an opinion on the Consolidated Balance Sheets and Statements of Revenues, Expenses and Changes in Fund Balance based on our audits, which were conducted in accordance with standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards*, issued by the Comptroller General of the United States.

- To verify that the Consolidated Balance Sheets and Statements of Revenues, Expenses and Changes in Fund Balance were prepared in conformity with the accounting policies and procedures for the Fund as prescribed by the State of California and the California Department of Corrections and Rehabilitation (Department), which comprise a comprehensive basis of accounting other than *Generally Accepted Accounting Principles.*

This report is a public record. Requests for copies should be made to the Department.

STAFF:

Richard R. Sierra, CPA
Manager

Osman Sanneh, CPA
Supervisor

Beliz Chappuie, CPA
Renato Lim
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DEPARTMENT OF FINANCE
ARNOLD SCHWARZENEGGER, GOVERNOR
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INDEPENDENT AUDITOR'S REPORT

Mr. James Tilton, Secretary
California Department of Corrections and Rehabilitation
P.O. Box 942883
Sacramento, CA 94283-0001

We have audited the accompanying consolidated Balance Sheets (Statutory Basis) of the Inmate Welfare Fund (Fund) as of June 30, 2006 and 2005, and the related consolidated Statements of Revenues, Expenses and Changes in Fund Balance (Statutory Basis) for the years then ended. These financial statements are the responsibility of California Department of Corrections and Rehabilitation (Department) and institution management, and present information on the activities of the Fund taken as a whole. They are not intended to be a complete presentation of all the financial activities of the Department or of individual institutions. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as discussed in the following paragraph, we conducted our audits in accordance with standards applicable to financial audits contained in *Generally Accepted Government Auditing Standards* (GAGAS), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In connection with our audits, there are certain disclosures required by GAGAS Statement No. 3. Both the audited entity and the Department of Finance, of which the Office of State Audits and Evaluations is a unit, are part of the Executive Branch, which GAGAS considers an impairment to independence. Also, as required by various statutes within the California Government Code, the Department of Finance's other units are mandated to perform certain management and accounting functions. These activities impair independence. Although the Department of Finance is statutorily obligated to perform these specific activities, we believe that sufficient safeguards and divisions of responsibility exist that would enable the reader of this report to rely on the information contained herein.

As described in Note 2, these financial statements were prepared in conformity with the accounting practices for the Fund as prescribed by the State of California and the Department, which comprise a comprehensive basis of accounting other than *Generally Accepted Accounting Principles.*

In our opinion, the consolidated statutory basis financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Fund as of June 30, 2006 and 2005, and the results of its operations and changes in fund balance for the years then ended, in conformity with the basis of accounting described in Note 2.

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Fund taken as a whole. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of the Fund. Such information has been subjected to the auditing procedures applied in the audits of the financial statements of the Fund and, in our opinion, is fairly stated in all material respects in relation to the financial statements of the Fund taken as a whole.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under GAGAS.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Department's and institutions' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of Department and institution management, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

Original signed by:

Janet I. Rosman, CPA
Assistant Chief, Office of State Audits and Evaluations
(916) 322-2985

May 2, 2007

California Department of Corrections and Rehabilitation
Inmate Welfare Fund
Consolidated Balance Sheets—Statutory Basis
As of June 30, 2006 and 2005

	2006	2005
Assets		
Cash	$ 1,585,192	$ 1,057,766
Deposits in Surplus Money Investment Fund	13,292,000	12,961,000
Accounts Receivable	43,933	49,218
Due From other Funds	1,134,907	1,492,657
Canteen Merchandise for Resale	3,965,322	3,817,860
Equipment	2,598,020	2,614,702
Prepaid Items	20,587	16,229
Total Assets	$ 22,639,961	$ 22,009,432
Liabilities and Fund Equity		
Liabilities:		
Accounts Payable	$ 315,706	$ 1,101,101
Claims Filed	1,282,908	2,599,667
Due to Other Funds	1,061,690	254,082
Advance Collections	531,789	532,821
Uncleared Collections	2,511	3,284
Total Liabilities	3,194,604	4,490,955
Fund Equity:		
Investment in Equipment	2,598,020	2,614,702
Fund Balances:		
Reserved for Inventory at Cost	3,965,322	3,817,860
Reserved for Prepaid Items	20,587	16,229
Unreserved/Undesignated	12,861,428	11,069,686
Total Fund Equity	19,445,357	17,518,477
Total Liabilities and Fund Equity	$ 22,639,961	$ 22,009,432

The accompanying notes are an integral part of the financial statements.

Statements of Revenues, Expenses and Changes in Fund Balance—Statutory Basis

California Department of Corrections and Rehabilitation
Inmate Welfare Fund
Consolidated Statements of Revenues, Expenses and Changes in Fund Balance—Statutory Basis
For the Fiscal Years Ended June 30, 2006 and 2005

	2006	2005
Operating Activity		
Net Canteen Sales	$47,285,757	$48,684,902
Less: Cost of Goods Sold	27,338,020	28,626,975
Gross Margin from Canteen Sales	19,947,737	20,057,927
Less: Personal Services	13,405,207	12,887,984
Supplies and Equipment	308,642	690,452
Inmate Pay	110,756	125,416
Total Canteen Expenses	13,824,605	13,703,852
Income from Canteen Sales	6,123,132	6,354,075
Photo Project Revenue	658,959	600,493
Less: Photo Project Supplies	357,635	325,158
Inmate Pay	3,081	4,661
Income from Photo Project	298,243	270,674
Handicraft Revenue	39,820	37,530
Less: Handicraft Supplies and Expense	8,475	10,141
Inmate Pay	4,363	6,188
Income from Handicraft Project	26,982	21,201
Income from Operating Activity	6,448,357	6,645,950

The accompanying notes are an integral part of the financial statements.

	2006	2005
Non-Operating Activity		
Non-Operating Revenue:		
Interest on Investments	486,500	247,456
Special Purchases Surcharge	123,416	170,700
Miscellaneous Non-Operating Revenue	164,824	129,855
Total Non-Operating Revenue	774,740	548,011
Non-Operating Expenses:		
Administrative Expenses	4,597,391	5,245,279
Audit Expenses	337,042	316,355
Inmate Benefits:		
Telephone-Visitor Hotline	24,000	21,970
Library	20,619	18,479
Awards	63,693	63,068
Other Goods	14,049	11,342
Movie Rental	303,326	301,440
Entertainment	3,325	8,340
Total Non-Operating Expenses	5,363,445	5,986,273
Loss from Non-Operating Activity	(4,588,705)	(5,438,262)
Current Year Net Income	1,859,652	1,207,688
Prior Year Adjustment	83,910	(13,391)
Total Net Income	1,943,562	1,194,297
Fund Equity, July 1	17,518,477	16,141,189
Net (Deletions) Additions to Fixed Assets	(16,682)	182,991
Fund Equity, June 30	$19,445,357	$17,518,477

The accompanying notes are an integral part of the financial statements.

California Department of Corrections and Rehabilitation
Inmate Welfare Fund
Notes to Financial Statements—Statutory Basis
For the Fiscal Years Ended June 30, 2006 and 2005

1. Definition of the Reporting Entity

The Inmate Welfare Fund (Fund), controlled and operated by the California Department of Corrections and Rehabilitation (Department), was created by Chapter 102, Statutes of 1945. The Fund provides for the benefit and welfare of inmates through the operation of inmate canteens in all correctional institutions. Benefits include the purchase of publications, rental of movies, work opportunities, and funding for other inmate programs. The Department Director/Secretary administers the Fund through budgetary appropriations and oversight of the Fund's annual allocation to each of the correctional institutions located statewide. The warden of each correctional institution administers the institution's Fund operations.

The Department maintains separate accountability for each institution's Fund operations. The Department's Fund and Trust Accounting Section (Central Office), located in Sacramento, administers the Fund as a whole, maintains centralized institution Fund accounting records, and prepares the consolidated financial statements.

The Fund's primary revenue activity is canteen sales of food and non-food items to inmates. The California Penal Code Section 5005 authorizes the Department to establish and maintain prison canteens for the sale to inmates of toilet articles, candy, tobacco products (prior to July 1, 2005), notions, and other sundries. It also states that, "the sale prices of the articles offered for sale shall be fixed by the director at the amounts that will, as far as possible, render each canteen self-supporting."

These financial statements present information on the financial activities of the Fund with a schedule of revenues and expenses by institution. They do not represent all of the financial activities of the Department or individual institutions.

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements present the financial position and results of operations of the Fund for the years ended June 30, 2006 and 2005. These financial statements have been prepared in compliance with state laws and state accounting procedures. In accordance with the State of California's fund classification, the Fund

is classified as a *Nongovernmental Trust and Agency Fund* for financial reporting purposes.

B. Basis of Accounting

The accounting method used for the Fund is in compliance with the California State Administrative Manual, the California Government Code, and the California Penal Code, which comprise a comprehensive basis of accounting other than *Generally Accepted Accounting Principles* (GAAP).

Income

Canteen sales are recognized at the time of sale at the canteen. Money is collected in advance from the inmates' trust accounts and is recorded as a liability in the Unredeemed Canteen Cards (Advance Collections) account until sales are made. Photo Project sales are recognized at the time photo tickets are sold.

Expenses

During the fiscal year, expensed are recognized when claims to the State Controller are filed against the current year appropriation, or when funds are transferred to the State Payroll Revolving Fund for the payment of salaries and wages. Valid expense commitments including encumbrances are accrued as accounts payable at June 30.

Purchases of equipment are expended in the year of acquisition, and equipment valued at $500 or over and with an estimated useful life of 12 months or more is capitalized and fully reserved on the balance sheet. Due to the relative immateriality of the expense, the Department has elected not to depreciate the Fund's equipment or recognize the associated depreciation expense. This is a departure from GAAP, which requires equipment to be expensed over its useful life by an appropriate form of depreciation. The effects of this departure from GAAP could not be reasonably determined.

C. Allocated Costs

Fund expenses incurred in providing centralized accounting and administrative services and certain inmate benefits are allocated to each institution to more accurately report the total costs for each institution's Fund operations. The allocation of the centralized accounting and administrative costs is based on each institution's proportional share of the total Fund's cost of goods sold; and the allocation of statewide inmate benefits is based on each institution's proportional share of the total statewide average inmate population. The effect on the financial statements is to increase each institution's expenses and decrease each institution's net income; however, there is no effect on the consolidated Fund net income.

D. Prior Year Adjustments

The Prior Year Adjustments Account is used to record income and expense adjustments made for a prior fiscal year. These adjustments usually reflect under-accruals, over-accruals, and corrections of errors and estimates made at the prior fiscal year-end. Accruals and changes in estimates are not prior period adjustments

under GAAP. For statutory reporting purposes, these adjustments are shown as a separate line item between "Current Year Net Income" and "Total Net Income."

E. Retirement Plan

Regular employees of the Department are members of the California Public Employees' Retirement System (CalPERS), which is a defined benefit, contributory retirement plan. Retirement contributions by employees are set by statute as a percentage of payroll (Tier I and Safety employees), or are zero (Tier II employees). Retirement contributions by the employer to CalPERS are actuarially determined under a program where total contributions plus CalPERS investment earnings will provide the necessary funds to pay retirement benefits when incurred. Each institution's employer contributions are included in the cost of personal services. For further information, please refer to the annual single audit of the State of California, and to the CalPERS Comprehensive Annual Financial Report.

F. Vacation and Sick Leave

Under the Statutory Basis of Accounting, the State does not record the costs of vacation and sick leave at the time the benefits are accumulated. When leave is used, the personal services account is charged. Under GAAP, the accumulation of employees' vacation and sick leave credits is accounted as a liability to be charged when the credits are used.

G. Budgetary Control

The Fund's annual budget is legally adopted through the Budget Act. While the appropriations contained in the Budget Act are the primary sources of expenditure authority, the budget can be amended throughout the year. Appropriations are available for expenditure or encumbrance in the year appropriated. Encumbrances not liquidated within two years from the end of the period when the appropriation is made available lapse, and the unused appropriation is returned to the Fund.

Fund management is responsible for exercising budgetary control and ensuring that appropriations are not overspent. Actual expenses did not exceed appropriations in fiscal years 2005-06 and 2004-05. However, as described in Note 2.D, prior year expense accruals can differ from actual amounts paid in the current year. The differences are not material.

H. Canteen Merchandise at Cost

Canteen Merchandise at Cost represents the value of canteen merchandise inventory available for resale to inmates. Canteen merchandise is maintained under a perpetual inventory system and is valued by the moving average cost method of inventory valuation. Prompt-payment discounts, vendor rebates, and other adjustments are posted to cost of sales. This differs from GAAP because under GAAP, discounts are posted to inventory. The impact on the financial statements of these postings to cost of sales is immaterial.

3. Opening of Kern Valley State Prison

On June 15, 2005, Kern Valley State Prison (KVSP) in Delano was activated. Although the institution incurred some canteen start up costs in fiscal year 2004-05, such as equipment and employee salaries, canteen sales did not commence until fiscal year 2005-06. Accordingly, KVSP's accompanying schedule of revenues and expenses for the year ended June 30, 2006, reflects the institution's first full year of canteen operations.

4. Deposits in Surplus Money Investment Fund

Investments consist of available non-inmate Fund moneys on deposit in the Surplus Money Investment Fund (SMIF). The Fund participates in the State of California's Pooled Money Investment Program, whereby Fund cash on deposit in the State Treasury determined to be in excess of the Fund's immediate needs are transferred to the SMIF for investment purposes. All earnings derived from investments of the SMIF are apportioned to the contributing fund as provided in the Government Code.

5. Litigation—Investment of Inmate Trust Moneys

The California Penal Code Section 5008 states that the Director of the California Department of Corrections and Rehabilitation (Director) may combine the funds of any inmate with the funds of other inmates, for purposes of deposit or investment only. The code section further requires the Director to deposit interest or increment accruing to such investments in the Fund. The Director suspended this practice after inmates filed a 1996 lawsuit alleging that by failing to pay interest on funds deposited in their individual inmate trust accounts, the Director violated the Fifth Amendment Taking Clause and their equal protection rights.

In October 1998, the Director returned $6,100,000 of inmate trust funds held by the Fund and invested in the Surplus Money Investment Fund to the respective accounts held at individual institutions. On March 22, 2000, the court granted a summary judgment that the prisoners' interest had not been taken without just compensation.

In subsequent litigation, the California Attorney General briefed the Ninth Circuit court that the U.S. Supreme Court had dismissed a similar case on the basis that failure to pay interest on funds held in trust to the owner of the principal did not violate the Fifth Amendment Taking Clause. The Attorney General further argued that the cost of operating the trust fund system and/or the cost of distributing the interest to the individual accounts is more than the interest earned on the inmate trust funds.

In 2005 the parties settled the case, with the Director agreeing to provide interest on inmates' accounts through a proposed new Restitution Accounting and Canteen System (RACS). The RACS is scheduled to be implemented at selected institutions on a trial basis in Spring 2008, with full implementation at all institutions planned during fiscal year 2008-09.

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	ASP		CAL		CCC		CCI	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 2,254,865	$ 2,429,656	$ 973,706	$ 1,183,475	$ 1,887,707	$ 1,895,122	$ 1,515,060	$ 1,512,624
Less: Cost of Goods Sold	1,303,089	1,425,997	559,259	694,384	1,083,327	1,118,514	883,251	899,043
Gross Margin from Canteen Sales	951,775	1,003,659	414,447	489,091	804,380	776,608	631,809	613,581
Less: Personal Services	583,770	565,207	420,805	450,554	436,519	470,889	542,370	526,374
Supplies and Equipment	14,801	17,738	6,809	20,938	22,155	21,918	9,775	29,223
Inmate Pay	3,908	3,845	3,202	4,664	4,626	4,674	2,056	2,647
Total Canteen Expenses	602,479	586,790	430,816	476,156	463,300	497,481	554,202	558,245
Income (Loss) from Canteen Sales	349,297	416,869	(16,369)	12,935	341,080	279,127	77,607	55,336
Photo Project Revenue	31,420	33,425	10,959	15,811	15,538	15,961	16,082	22,201
Less: Photo Supplies & Expense	17,984	21,001	2,639	11,622	6,388	8,041	11,184	11,184
Inmate Pay	-	-	-	-	129	119	-	-
Income (Loss) from Photo Project	13,436	12,424	8,319	4,189	9,021	7,801	4,898	11,017
Handicraft Revenue	7	474	28	1,164	4,219	5,437	3,820	4,640
Less: Handicraft Supplies and Expense	-	-	150	-	-	-	-	-
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	-	-	-	583	-	-	988	1,325
Income (Loss) from Handicraft Project	7	474	(121)	581	4,219	5,437	2,832	3,315
Income (Loss) from Operating Activity	**362,739**	**429,767**	**(8,171)**	**17,705**	**354,320**	**292,365**	**85,338**	**69,668**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	23,281	12,302	9,613	5,860	20,392	10,142	16,192	7,545
Special Purchases Surcharge	4,502	6,425	1,081	1,471	10,468	17,691	2,853	2,842
Miscellaneous Non-Operating Revenue	4,465	478	1,990	2,722	3,566	1,980	5,056	1,744
Total Non-Operating Revenue	32,248	19,204	12,685	10,053	34,426	29,813	24,101	12,131
Non-Operating Expenses:								
Administrative Expenses	213,068	246,613	103,648	135,172	189,674	222,524	153,958	165,646
Audit Expenses	16,002	15,645	6,330	7,585	14,529	12,957	11,552	9,704
Inmate Benefits:								
Telephone-Visitor Hotline	1,063	1,014	628	593	888	853	830	774
Library	2,427	-	-	1,170	1,578		-	-
Awards	2,866	3,699	2,693	2,496	1,465	1,854	3,043	2,699
Other Goods	-	-	-	-	-	-	-	-
Entertainment	-	672	-		-		-	-
Movie Rental	9,588	12,147	9,196	9,006	12,075	11,970	9,870	10,185
Total Non-Operating Expenses	245,015	279,790	122,493	156,022	220,208	250,157	179,254	189,008
Loss from Non-Operating Activity	**(212,767)**	**(260,585)**	**(109,809)**	**(145,969)**	**(185,782)**	**(220,344)**	**(155,152)**	**(176,877)**
Current Year Net Income (Loss)	**149,972**	**169,181**	**(117,979)**	**(128,264)**	**168,538**	**72,021**	**(69,815)**	**(107,209)**
Prior Year Adjustment	(2,400)	(2,702)	311	(543)	(4,788)	(2,146)	3,054	(1,226)
Total Net Income (Loss)	**$ 147,572**	**$ 166,479**	**$ (117,669)**	**$ (128,807)**	**$ 163,750**	**$ 69,875**	**$ (66,761)**	**$ (108,435)**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	CCWF		CEN		CIM		CIW	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 1,888,862	$ 1,801,272	$ 1,416,287	$ 1,426,193	$ 1,595,860	$ 1,818,812	$ 1,065,515	$ 967,924
Less: Cost of Goods Sold	1,088,853	1,043,251	783,837	808,181	908,158	1,059,500	642,693	587,428
Gross Margin from Canteen Sales	800,009	758,021	632,450	618,012	687,702	759,312	422,822	380,496
Less: Personal Services	377,481	351,420	406,602	414,377	453,949	414,557	202,663	174,158
Supplies and Equipment	5,592	36,782	3,212	5,099	10,477	12,132	6,292	9,029
Inmate Pay	3,235	3,718	2,160	2,074	2,897	3,711	1,720	1,925
Total Canteen Expenses	386,308	391,921	411,974	421,551	467,323	430,400	210,676	185,112
Income (Loss) from Canteen Sales	413,702	366,100	220,476	196,461	220,380	328,911	212,147	195,384
Photo Project Revenue	21,661	16,041	16,028	15,432	4,691	5,565	16,441	10,190
Less: Photo Supplies & Expense	9,960	13,560	8,722	8,021	3,344	4,884	8,826	6,227
Inmate Pay	-	-	-	-	-	-	51	196
Income (Loss) from Photo Project	11,701	2,481	7,306	7,411	1,347	681	7,564	3,767
Handicraft Revenue	889	448	-	-	-	-	1,503	1,407
Less: Handicraft Supplies and Expense	532	-	-	-	-	-	4,825	4,492
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	286	374	-	-	-	-	619	554
Income (Loss) from Handicraft Project	71	74	-	-	-	-	(3,941)	(3,639)
Income (Loss) from Operating Activity	**425,473**	**368,654**	**227,782**	**203,872**	**221,727**	**329,593**	**215,770**	**195,512**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	19,504	8,857	13,450	6,903	16,348	9,085	11,105	5,110
Special Purchases Surcharge	7,883	7,956	1,751	1,214	2,882	2,291	3,350	2,064
Miscellaneous Non-Operating Revenue	4,135	5,208	1,459	412	10,405	6,868	2,406	2,762
Total Non-Operating Revenue	31,522	22,021	16,659	8,529	29,635	18,244	16,861	9,935
Non-Operating Expenses:								
Administrative Expenses	149,235	155,735	129,205	154,223	165,787	191,251	86,939	90,510
Audit Expenses	13,552	11,342	8,951	8,776	11,404	11,543	7,494	6,473
Inmate Benefits:								
Telephone-Visitor Hotline	556	497	713	687	971	940	340	267
Library	-	1,039	-	-	1,577	-	567	555
Awards	1,205	128	3,643	770	2,276	1,431	158	173
Other Goods	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	317	310
Movie Rental	4,560	3,705	10,743	9,760	12,240	12,720	3,995	7,820
Total Non-Operating Expenses	169,108	172,446	153,255	174,216	194,256	217,885	99,810	106,108
Loss from Non-Operating Activity	**(137,586)**	**(150,426)**	**(136,596)**	**(165,687)**	**(164,621)**	**(199,641)**	**(82,949)**	**(96,173)**
Current Year Net Income (Loss)	**287,888**	**218,229**	**91,186**	**38,185**	**57,106**	**129,951**	**132,820**	**99,339**
Prior Year Adjustment	646	(4,947)	1,266	(399)	3,262	(303)	3,230	(174)
Total Net Income (Loss)	**$ 288,534**	**$ 213,282**	**$ 92,453**	**$ 37,787**	**$ 60,368**	**$ 129,648**	**$ 136,050**	**$ 99,165**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	CMC		CMF		COR		CRC	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 2,421,860	$ 2,427,246	$ 813,165	$ 861,892	$ 1,445,775	$ 1,514,489	$ 1,360,244	$ 1,486,581
Less: Cost of Goods Sold	1,399,062	1,435,831	468,466	510,245	837,688	893,960	764,762	845,494
Gross Margin from Canteen Sales	1,022,798	991,415	344,699	351,647	608,087	620,529	595,482	641,087
Less: Personal Services	463,351	474,620	217,198	181,795	550,360	561,362	413,094	370,105
Supplies and Equipment	18,678	39,708	10,575	15,993	1,725	10,664	15,196	12,228
Inmate Pay	15,256	21,917	3,734	3,949	3,630	4,115	4,129	3,702
Total Canteen Expenses	497,285	536,245	231,507	201,738	555,715	576,141	432,418	386,035
Income (Loss) from Canteen Sales	525,513	455,170	113,193	149,909	52,372	44,388	163,064	255,052
Photo Project Revenue	41,846	39,576	14,062	7,278	19,414	16,788	17,820	21,067
Less: Photo Supplies & Expense	21,500	21,072	5,574	5,676	8,181	7,666	11,505	10,488
Inmate Pay	567	786	-	36	175	123	-	-
Income (Loss) from Photo Project	19,779	17,718	8,488	1,566	11,058	8,999	6,316	10,579
Handicraft Revenue	2,683	2,488	1,017	448	-	241	8	15
Less: Handicraft Supplies and Expense	-	680	-	-	-	-	66	-
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	-	-	-	-	-	-	-	-
Income (Loss) from Handicraft Project	2,683	1,807	1,017	448	-	241	(59)	15
Income (Loss) from Operating Activity	**547,975**	**474,695**	**122,698**	**151,924**	**63,430**	**53,627**	**169,321**	**265,646**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	25,131	12,490	8,576	4,409	14,199	7,581	13,915	7,441
Special Purchases Surcharge	8,108	12,625	2,034	2,031	2,606	2,887	1,636	2,916
Miscellaneous Non-Operating Revenue	22,833	20,577	2,068	6,244	2,461	988	11,751	3,408
Total Non-Operating Revenue	56,072	45,693	12,678	12,684	19,266	11,456	27,302	13,765
Non-Operating Expenses:								
Administrative Expenses	213,252	245,049	84,191	103,133	138,690	166,024	133,800	145,144
Audit Expenses	17,542	16,151	5,990	5,667	9,555	9,711	9,819	9,475
Inmate Benefits:								
Telephone-Visitor Hotline	969	927	478	458	763	726	688	650
Library	978	1,962	-	-	-	-	890	-
Awards	-	3,563	2,470	2,606	-	1,300	4,072	2,257
Other Goods	13,695	11,043	-	-	-	-	-	-
Entertainment	169	169	-	-	-	500	-	603
Movie Rental	-	-	9,556	9,710	8,575	8,698	11,130	10,870
Total Non-Operating Expenses	246,604	278,864	102,684	121,574	157,584	186,958	160,399	168,999
Loss from Non-Operating Activity	**(190,532)**	**(233,171)**	**(90,006)**	**(108,890)**	**(138,318)**	**(175,502)**	**(133,097)**	**(155,234)**
Current Year Net Income (Loss)	**357,443**	**241,524**	**32,691**	**43,034**	**(74,887)**	**(121,875)**	**36,224**	**110,411**
Prior Year Adjustment	13,078	(832)	2,914	(315)	2,258	1,704	(282)	(117)
Total Net Income (Loss)	**$ 370,521**	**$ 240,692**	**$ 35,606**	**$ 42,719**	**$ (72,629)**	**$ (120,171)**	**$ 35,942**	**$ 110,294**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	CTF		CVSP		DVI		FSP	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 2,027,694	$ 2,216,620	$ 1,447,488	$ 1,431,603	$ 905,301	$ 893,335	$ 1,352,897	$ 1,389,155
Less: Cost of Goods Sold	1,206,995	1,341,472	833,450	839,067	517,626	521,665	785,954	836,398
Gross Margin from Canteen Sales	820,699	875,149	614,038	592,535	387,675	371,671	566,943	552,757
Less: Personal Services	545,205	542,864	363,547	324,129	295,431	268,561	381,264	386,044
Supplies and Equipment	16,981	20,259	3,515	8,759	7,280	11,388	9,472	15,711
Inmate Pay	7,674	9,330	1,540	1,368	2,273	2,150	3,123	3,607
Total Canteen Expenses	569,861	572,453	368,602	334,256	304,983	282,098	393,859	405,363
Income (Loss) from Canteen Sales	250,838	302,696	245,436	258,279	82,692	89,573	173,084	147,395
Photo Project Revenue	27,426	33,978	29,247	31,341	4,693	2,709	29,544	29,109
Less: Photo Supplies & Expense	15,930	18,598	14,595	14,062	3,370	1,718	15,136	10,583
Inmate Pay	500	756	-	-	-	-	327	349
Income (Loss) from Photo Project	10,996	14,624	14,652	17,278	1,323	990	14,081	18,177
Handicraft Revenue	4,201	2,844	118	33	3,745	1,173	733	2,016
Less: Handicraft Supplies and Expense	-	277	-	-	2,123	2,956	-	-
Equipment Purchases (over $500)	-	-	-	-	665	-	-	-
Inmate Pay	453	951	-	-	1,171	1,291	303	203
Income (Loss) from Handicraft Project	3,748	1,615	118	33	(214)	(3,073)	430	1,813
Income (Loss) from Operating Activity	**265,582**	**318,936**	**260,207**	**275,590**	**83,801**	**87,489**	**187,595**	**167,385**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	21,774	11,827	14,642	7,158	9,119	4,443	13,987	7,509
Special Purchases Surcharge	7,580	10,836	2,025	2,803	6,011	5,732	1,331	2,104
Miscellaneous Non-Operating Revenue	26,226	25,307	4,883	7,282	1,551	813	3,625	608
Total Non-Operating Revenue	55,581	47,970	21,550	17,242	16,681	10,988	18,942	10,221
Non-Operating Expenses:								
Administrative Expenses	200,387	252,951	137,054	147,661	93,642	107,054	124,026	146,299
Audit Expenses	15,218	14,965	10,050	9,190	6,294	5,718	9,884	9,674
Inmate Benefits:								
Telephone-Visitor Hotline	1,043	988	579	572	546	510	602	551
Library	-	-	-	1,497	1,274	-	811	-
Awards	1,914	1,911	2,139	1,024	1,686	1,841	-	2,585
Other Goods	-	299	-	-	-	-	-	-
Entertainment	1,540	3,828	-	519	-	-	-	
Movie Rental	12,007	11,380	10,070	10,070	9,670	8,500	9,082	9,310
Total Non-Operating Expenses	232,110	286,323	159,892	170,534	113,111	123,622	144,405	168,418
Loss from Non-Operating Activity	**(176,530)**	**(238,352)**	**(138,342)**	**(153,291)**	**(96,429)**	**(112,635)**	**(125,463)**	**(158,197)**
Current Year Net Income (Loss)	**89,052**	**80,583**	**121,865**	**122,299**	**(12,629)**	**(25,145)**	**62,132**	**9,188**
Prior Year Adjustment	(404)	1,845	1,722	374	466	(189)	2,601	(31)
Total Net Income (Loss)	**$ 88,648**	**$ 82,429**	**$ 123,587**	**$ 122,673**	**$ (12,163)**	**$ (25,335)**	**$ 64,733**	**$ 9,157**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	HDSP		ISP		KVSP		LAC	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 1,205,273	$ 1,064,453	$ 1,446,508	$ 1,621,512	$ 827,807	-	$ 1,171,320	$ 1,388,333
Less: Cost of Goods Sold	691,409	623,722	835,131	935,670	475,163	(17)	669,829	805,860
Gross Margin from Canteen Sales	513,864	440,731	611,377	685,842	352,645	17	501,491	582,474
Less: Personal Services	374,534	359,657	454,006	412,654	335,731	56,588	400,342	408,948
Supplies and Equipment	2,325	10,390	5,143	11,065	20,754	114,944	10,641	45,547
Inmate Pay	1,871	1,645	2,856	3,266	1,783	-	3,278	3,982
Total Canteen Expenses	378,730	371,692	462,004	426,984	358,268	171,532	414,261	458,477
Income (Loss) from Canteen Sales	135,134	69,039	149,372	258,858	(5,624)	(171,515)	87,229	123,997
Photo Project Revenue	20,674	12,197	33,357	32,837	14,281	-	20,046	13,807
Less: Photo Supplies & Expense	6,225	7,641	17,119	17,056	12,002	-	16,824	5,095
Inmate Pay	-	-	-		-	-	-	-
Income (Loss) from Photo Project	14,449	4,556	16,238	15,781	2,278	-	3,222	8,712
Handicraft Revenue	410	319	10	117	-	-	1,374	2,293
Less: Handicraft Supplies and Expense	-	-	-	-	-	-	115	92
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	-	-	-	-	-	-	-	-
Income (Loss) from Handicraft Project	410	319	10	117	-	-	1,260	2,201
Income (Loss) from Operating Activity	**149,993**	**73,914**	**165,620**	**274,756**	**(3,345)**	**(171,515)**	**91,711**	**134,909**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	12,214	5,818	14,900	8,090	6,029	-	11,906	6,880
Special Purchases Surcharge	6,265	4,109	1,217	2,644	1,086	-	2,489	3,664
Miscellaneous Non-Operating Revenue	1,331	528	5,757	2,599	244	-	6,956	7,605
Total Non-Operating Revenue	19,810	10,455	21,874	13,333	7,358	-	21,351	18,149
Non-Operating Expenses:								
Administrative Expenses	123,192	138,541	137,302	166,061	82,627	1,641	121,547	149,148
Audit Expenses	8,379	6,996	10,556	10,383	3,097		8,436	8,761
Inmate Benefits:								
Telephone-Visitor Hotline	709	651	694	662	632	-	697	640
Library	1,715	-	1,556	1,992	-	-	1,625	1,340
Awards	1,868	944	2,361	2,338	-	-	2,865	2,467
Other Goods	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-
Movie Rental	10,359	8,820	11,940	11,874	-	-	9,576	10,318
Total Non-Operating Expenses	146,221	155,952	164,410	193,310	86,356	1,641	144,746	172,675
Loss from Non-Operating Activity	**(126,411)**	**(145,497)**	**(142,536)**	**(179,977)**	**(78,998)**	**(1,641)**	**(123,394)**	**(154,526)**
Current Year Net Income (Loss)	**23,582**	**(71,583)**	**23,084**	**94,778**	**(82,344)**	**(173,156)**	**(31,683)**	**(19,617)**
Prior Year Adjustment	2,964	(88)	3,681	33	8,517	-	17,266	223
Total Net Income (Loss)	**$ 26,547**	**$ (71,671)**	**$ 26,765**	**$ 94,811**	**$ (73,827)**	**$ (173,156)**	**$ (14,417)**	**$ (19,394)**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	MCSP		NKSP		PBSP		PVSP	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 1,349,525	$ 1,298,759	$ 1,183,935	$ 1,304,546	$ 833,309	$ 876,186	$ 1,497,771	$ 1,584,040
Less: Cost of Goods Sold	798,011	777,750	670,952	761,028	475,359	513,878	877,653	942,197
Gross Margin from Canteen Sales	551,515	521,009	512,983	543,518	357,950	362,308	620,118	641,843
Less: Personal Services	405,038	383,950	397,247	363,738	337,854	320,514	322,371	325,099
Supplies and Equipment	1,520	4,640	6,962	33,468	4,830	11,367	9,402	11,331
Inmate Pay	5,864	6,491	2,554	2,701	1,400	1,126	3,962	3,785
Total Canteen Expenses	412,423	395,081	406,763	399,907	344,084	333,007	335,735	340,215
Income (Loss) from Canteen Sales	139,092	125,928	106,220	143,611	13,866	29,301	284,383	301,627
Photo Project Revenue	24,287	21,580	4,005	7,541	12,466	10,159	30,100	27,511
Less: Photo Supplies & Expense	11,729	11,444	6,369	3,508	7,443	7,815	21,767	5,847
Inmate Pay	-	-	-	-	-	-	-	
Income (Loss) from Photo Project	12,558	10,136	(2,365)	4,034	5,023	2,344	8,333	21,663
Handicraft Revenue	1,287	38	-	-	-	-	1,769	1,728
Less: Handicraft Supplies and Expense	-	-	-	-	-	-	-	-
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	-	-	-	-	-	-	-	-
Income (Loss) from Handicraft Project	1,287	38	-	-	-	-	1,769	1,728
Income (Loss) from Operating Activity	**152,937**	**136,102**	**103,856**	**147,645**	**18,889**	**31,645**	**294,485**	**325,019**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	14,104	6,633	12,412	6,548	8,890	4,488	15,597	8,051
Special Purchases Surcharge	1,979	2,843	881	1,981	4,380	6,025	4,769	5,755
Miscellaneous Non-Operating Revenue	1,593	308	1,664	556	3,381	3,105	4,317	5,481
Total Non-Operating Revenue	17,676	9,784	14,957	9,085	16,651	13,617	24,683	19,287
Non-Operating Expenses:								
Administrative Expenses	120,918	136,422	129,249	150,389	88,009	108,294	143,921	160,401
Audit Expenses	9,717	8,439	8,820	8,344	6,348	5,664	10,781	10,367
Inmate Benefits:								
Telephone-Visitor Hotline	559	520	788	719	509	485	739	670
Library	769	-	1,250	1,323	1,078	1,016	289	890
Awards	3,098	2,544	2,329	1,923	1,493	1,390	2,913	2,320
Other Goods	-	-	-	-	-	-	-	-
Entertainment	-	-	-		-	-	-	-
Movie Rental	9,823	10,203	10,687	10,577	7,655	6,840	11,076	10,875
Total Non-Operating Expenses	144,883	158,128	153,124	173,274	105,091	123,689	169,718	185,523
Loss from Non-Operating Activity	**(127,207)**	**(148,344)**	**(138,167)**	**(164,189)**	**(88,440)**	**(110,072)**	**(145,036)**	**(166,236)**
Current Year Net Income (Loss)	**25,729**	**(12,242)**	**(34,311)**	**(16,544)**	**(69,551)**	**(78,426)**	**149,449**	**158,783**
Prior Year Adjustment	230	(814)	3,929	(773)	4,211	95	5,515	(1,054)
Total Net Income (Loss)	**$ 25,959**	**$ (13,057)**	**$ (30,382)**	**$ (17,317)**	**$ (65,340)**	**$ (78,331)**	**$ 154,964**	**$ 157,729**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	RJD		SAC		SATF		SCC	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 1,277,909	$ 1,397,273	$ 846,140	$ 900,639	$ 2,230,429	$ 2,174,762	$ 1,816,649	$ 1,983,578
Less: Cost of Goods Sold	753,063	832,566	481,691	532,007	1,288,779	1,270,911	1,037,623	1,136,832
Gross Margin from Canteen Sales	524,845	564,707	364,449	368,632	941,650	903,851	779,026	846,746
Less: Personal Services	315,944	424,883	264,347	278,140	653,680	620,288	409,392	404,761
Supplies and Equipment	13,257	14,612	7,241	13,176	10,864	16,553	3,877	15,108
Inmate Pay	3,474	3,722	1,695	1,845	3,583	3,373	1,443	1,808
Total Canteen Expenses	332,675	443,217	273,283	293,161	668,127	640,214	414,711	421,677
Income (Loss) from Canteen Sales	192,170	121,490	91,165	75,471	273,522	263,636	364,314	425,068
Photo Project Revenue	15,552	6,187	24,760	21,140	43,485	38,040	18,753	11,802
Less: Photo Supplies & Expense	5,310	8,549	9,854	13,028	19,016	17,976	10,415	4,733
Inmate Pay	-	-	-	911	285	338	-	-
Income (Loss) from Photo Project	10,242	(2,362)	14,906	7,200	24,184	19,726	8,338	7,068
Handicraft Revenue	-	5	-	-	669	960	2,532	3,449
Less: Handicraft Supplies and Expense	-	-	-	-	-	-	-	-
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	-	-	-	-	-	-	-	-
Income (Loss) from Handicraft Project	-	5	-	-	669	960	2,532	3,449
Income (Loss) from Operating Activity	**202,413**	**119,133**	**106,071**	**82,671**	**298,375**	**284,322**	**375,184**	**435,585**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	13,553	7,019	8,743	4,667	23,173	10,862	19,142	9,912
Special Purchases Surcharge	1,091	3,557	1,781	2,937	8,260	7,106	7,725	14,459
Miscellaneous Non-Operating Revenue	2,455	1,623	1,179	9,447	3,036	1,243	3,091	537
Total Non-Operating Revenue	17,099	12,199	11,703	17,051	34,468	19,212	29,958	24,908
Non-Operating Expenses:								
Administrative Expenses	150,422	143,748	86,593	117,057	208,227	228,034	175,124	215,830
Audit Expenses	9,455	9,000	6,193	5,973	16,049	14,055	13,610	12,689
Inmate Benefits:								
Telephone-Visitor Hotline	666	623	493	452	1,063	993	910	867
Library	-	-	-	955	-	-	-	-
Awards	2,222	2,977	1,797	1,592	3,848	3,197	2,614	2,548
Other Goods	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	624	624
Movie Rental	12,191	9,329	8,316	9,849	11,930	12,007	12,098	9,778
Total Non-Operating Expenses	174,957	165,677	103,392	135,879	241,116	258,286	204,981	242,335
Loss from Non-Operating Activity	**(157,858)**	**(153,478)**	**(91,689)**	**(118,828)**	**(206,648)**	**(239,074)**	**(175,023)**	**(217,428)**
Current Year Net Income (Loss)	**44,554**	**(34,345)**	**14,382**	**(36,157)**	**91,727**	**45,248**	**200,161**	**218,158**
Prior Year Adjustment	549	(675)	4,108	(1,046)	(141)	(849)	4,356	2,933
Total Net Income (Loss)	**$ 45,103**	**$ (35,019)**	**$ 18,490**	**$ (37,202)**	**$ 91,586**	**$ 44,399**	**$ 204,517**	**$ 221,091**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	SOL		SQ		SVSP		VSPW	
	2006	2005	2006	2005	2006	2005	2006	2005
Operating Activity								
Net Canteen Sales	$ 1,872,315	$ 1,964,205	$ 1,349,589	$ 1,534,876	$ 780,281	$ 968,081	$ 1,601,391	$ 1,710,788
Less: Cost of Goods Sold	1,082,360	1,160,198	786,776	908,679	441,417	553,779	940,385	1,015,066
Gross Margin from Canteen Sales	789,955	804,007	562,814	626,196	338,863	414,302	661,005	695,723
Less: Personal Services	429,832	397,918	517,253	505,313	362,314	340,102	322,980	364,261
Supplies and Equipment	11,786	26,817	3,824	19,329	9,007	8,826	6,836	22,968
Inmate Pay	3,432	4,343	2,861	2,897	1,905	2,780	1,855	1,965
Total Canteen Expenses	445,050	429,078	523,938	527,539	373,225	351,709	331,670	389,194
Income (Loss) from Canteen Sales	344,905	374,929	38,876	98,659	(34,362)	62,593	329,335	306,529
Photo Project Revenue	25,584	31,396	11,404	9,390	14,868	15,209	25,113	22,081
Less: Photo Supplies & Expense	19,026	20,708	8,458	3,186	7,897	9,654	10,609	13,275
Inmate Pay	-		299	230	231	297	-	-
Income (Loss) from Photo Project	6,558	10,688	2,648	5,974	6,740	5,258	14,504	8,806
Handicraft Revenue	4,801	83	1,899	4,092	-	-	2,098	1,618
Less: Handicraft Supplies and Expense	-	-	-	1,644	-	-	-	-
Equipment Purchases (over $500)	-	-	-	-	-	-	-	-
Inmate Pay	-	-	543	907	-	-	-	-
Income (Loss) from Handicraft Project	4,801	83	1,357	1,542	-	-	2,098	1,618
Income (Loss) from Operating Activity	**356,263**	**385,700**	**42,880**	**106,174**	**(27,622)**	**67,851**	**345,937**	**316,953**
Non-Operating Activity								
Non-Operating Revenue:								
Interest from Investments	19,604	9,964	14,377	7,774	6,564	4,963	16,785	8,675
Special Purchases Surcharge	5,427	15,516	4,316	3,642	2,826	7,567	2,416	3,875
Miscellaneous Non-Operating Revenue	7,748	162	5,341	6,003	1,930	512	3,496	829
Total Non-Operating Revenue	32,778	25,641	24,034	17,420	11,320	13,042	22,697	13,380
Non-Operating Expenses:								
Administrative Expenses	176,736	210,998	146,569	178,734	89,789	126,799	135,193	153,412
Audit Expenses	13,865	12,706	10,170	10,042	3,783	6,296	11,625	11,163
Inmate Benefits:								
Telephone-Visitor Hotline	888	846	859	815	676	626	553	517
Library	1,606	1,006	-	-	630	999	-	910
Awards	4,815	4,722	-	1,095	97	1,402	-	128
Other Goods	-	-	-	-	354	-	-	-
Entertainment	-	-	129	129	440	771	-	-
Movie Rental	10,197	10,156	10,427	9,665	6,627	6,426	7,315	8,930
Total Non-Operating Expenses	208,106	240,435	168,154	200,479	102,395	143,318	154,686	175,060
Loss from Non-Operating Activity	**(175,328)**	**(214,793)**	**(144,120)**	**(183,059)**	**(91,076)**	**(130,276)**	**(131,989)**	**(161,680)**
Current Year Net Income (Loss)	**180,936**	**170,906**	**(101,239)**	**(76,885)**	**(118,698)**	**(62,425)**	**213,948**	**155,272**
Prior Year Adjustment	3,160	(99)	(6,570)	(1,479)	(123)	474	3,244	(388)
Total Net Income (Loss)	**$ 184,096**	**$ 170,807**	**$ (107,810)**	**$ (78,365)**	**$ (118,821)**	**$ (61,950)**	**$ 217,192**	**$ 154,884**

California Department of Corrections and Rehabilitation, Inmate Welfare Fund
Supplemental Schedules of Revenues and Expenses by Institution
For the Fiscal Year Ended June 30, 2006 and 2005

	WSP		Consolidated	
	2006	2005	2006	2005
Operating Activity				
Net Canteen Sales	$ 1,623,320	$ 1,656,873	$ 47,285,757	$ 48,684,902
Less: Cost of Goods Sold	965,947	996,421	27,338,020	28,626,975
Gross Margin from Canteen Sales	657,373	660,452	19,947,737	20,057,927
Less: Personal Services	448,735	444,152	13,405,207	12,887,984
Supplies and Equipment	17,839	22,740	308,642	690,452
Inmate Pay	1,778	2,289	110,756	125,416
Total Canteen Expenses	468,352	469,181	13,824,605	13,703,852
Income (Loss) from Canteen Sales	189,021	191,271	6,123,132	6,354,075
Photo Project Revenue	3,353	3,146	658,959	600,493
Less: Photo Supplies & Expense	2,734	1,239	357,635	325,158
Inmate Pay	517	521	3,081	4,661
Income (Loss) from Photo Project	102	1,386	298,243	270,674
Handicraft Revenue	-	-	39,820	37,530
Less: Handicraft Supplies and Expense	-	-	7,810	10,141
Equipment Purchases (over $500)	-	-	665	-
Inmate Pay	-	-	4,363	6,188
Income (Loss) from Handicraft Project	-	-	26,982	21,201
Income (Loss) from Operating Activity	**189,123**	**192,657**	**6,448,357**	**6,645,950**
Non-Operating Activity				
Non-Operating Revenue:				
Interest from Investments	17,281	8,451	486,500	247,456
Special Purchases Surcharge	408	1,131	123,416	170,700
Miscellaneous Non-Operating Revenue	2,423	1,918	164,824	129,855
Total Non-Operating Revenue	20,112	11,499	774,740	548,011
Non-Operating Expenses:				
Administrative Expenses	165,417	184,780	4,597,391	5,245,279
Audit Expenses	11,991	10,900	337,042	316,355
Inmate Benefits:				
Telephone-Visitor Hotline	909	878	24,000	21,970
Library	-	1,825	20,619	18,479
Awards	1,743	1,147	63,693	63,068
Other Goods	-	-	14,049	11,342
Entertainment	107	214	3,325	8,340
Movie Rental	10,752	9,942	303,326	301,440
Total Non-Operating Expenses	190,919	209,686	5,363,445	5,986,273
Loss from Non-Operating Activity	**(170,807)**	**(198,187)**	**(4,588,705)**	**(5,438,262)**
Current Year Net Income (Loss)	**18,315**	**(5,530)**	**1,859,652**	**1,207,688**
Prior Year Adjustment	2,083	117	83,910	(13,391)
Total Net Income (Loss)	**$ 20,398**	**$ (5,412)**	**$ 1,943,562**	**$ 1,194,297**

Institution Name Legend:

ASP = Avenal State Prison
CAL = Calipatria State Prison
CCC = California Correctional Center
CCI = California Correctional Institution
CCWF = Central California Women's Facility
CEN = Centinela State Prison
CIM = California Institution for Men
CIW = California Institution for Women
CMC = California Men's Colony
CMF = California Medical Facility
COR = California State Prison, Corcoran
CRC = California Rehabilitation Center
CTF = Correctional Training Facility
CVSP = Chuckawalla Valley State Prison
DVI = Deuel Vocational Institution
FSP = Folsom State Prison
HDSP = High Desert State Prison
ISP = Ironwood State Prison
KVSP = Kern Valley State Prison
LAC = California State Prison, Los Angeles County
MCSP = Mule Creek State Prison
NKSP = North Kern State Prison
PBSP = Pelican Bay State Prison
PVSP = Pleasant Valley State Prison
RJD = R.J. Donovan Correctional Facility at Rock Mountain
SAC = California State Prison, Sacramento
SATF = California Substance Abuse Treatment Facility
SCC = Sierra Conservation Center
SOL = California State Prison, Solano
SQ = San Quentin State Prison
SVSP = Salinas Valley State Prison
VSPW = Valley State Prison for Women
WSP = Wasco State Prison