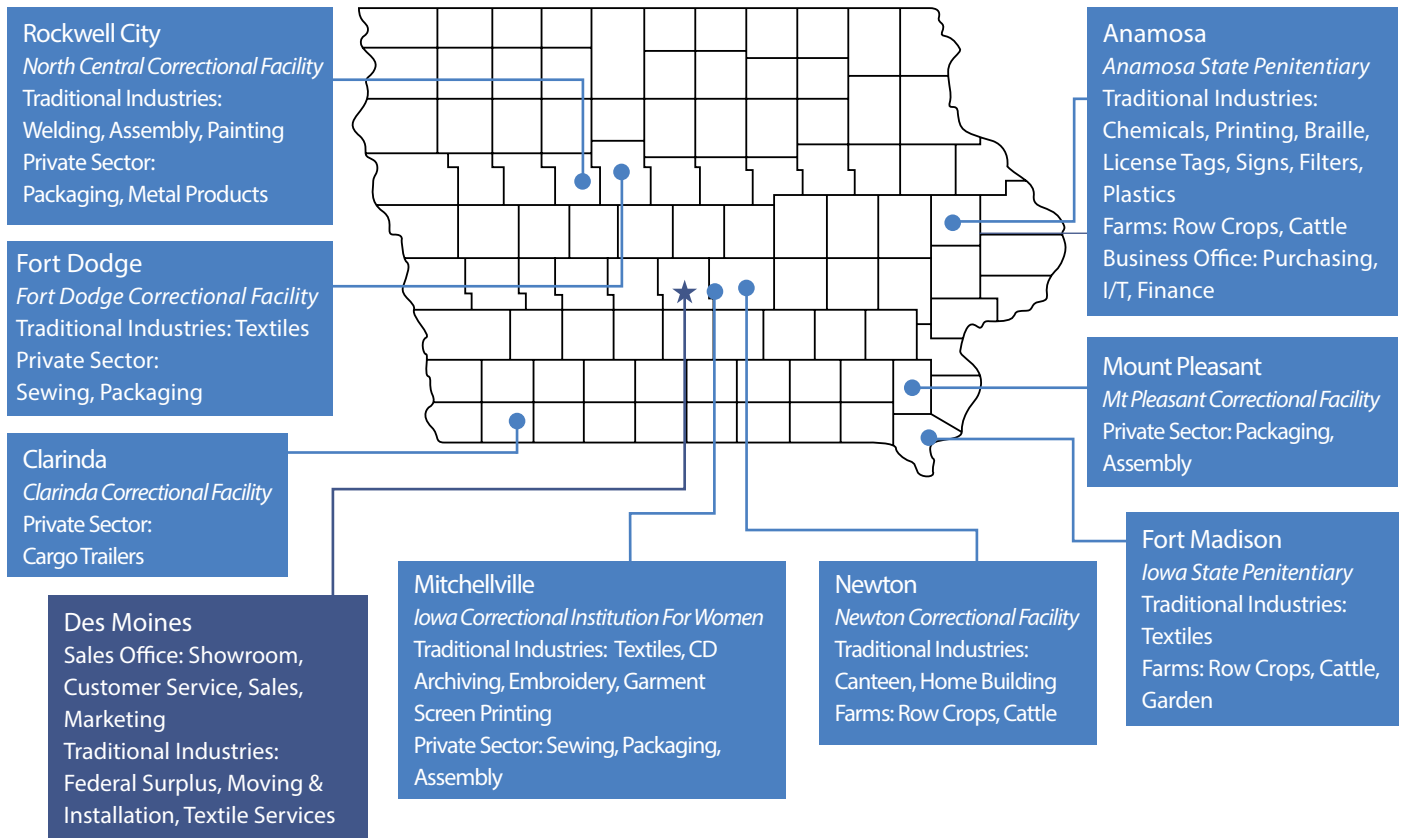




ANNUAL REPORT FY2022

LOCATIONS & PROGRAMS



CONTACT INFORMATION

Sales Office/Showroom
 800-332-7922 | Fax: 800-741-0390
 1445 E Grand Avenue
 Des Moines, IA 50316

Bob Fairfax | 515-249-7588
 Director of Sales & Marketing

Tammy Nielson | 515-669-1954
 Private Sector Program Statewide

Kevin Peterson | 319-350-8536
 Eastern Iowa Traditional industries,
 Service Statewide

Customer Service
 800-332-7922 | Fax: 800-741-0390
 1445 E Grand Avenue
 Des Moines, IA 50316

Chris Hoisington | 515-725-8706
 County, State and Federal Government,
 Churches

Karen Donahue | 515-725-8708
 City Government, Non-Profits
 Health Care, Colleges & Universities

Michele Anderson | 515-725-8709
 K-12 Education, DOC/DHS Institutions

Business Office
 406 N High Street
 Anamosa, IA 52205
 Phone: 319-462-3706

Purchasing Office
 406 N High Street
 Anamosa, IA 52205
 Phone: 319-462-3706

**Federal Surplus
 Move & Install**
 600 SE 18th Street
 Des Moines, IA 50317
 Phone: 515-266-6913

IPI Farms
 406 N High Street
 Anamosa, IA 52205
 Phone: 319-462-3504 x7708

IPI Plants
 Anamosa: 319-462-3439
 Fort Dodge: 515-705-7227
 Fort Madison: 319-316-7180
 Mitchellville: 515-725-5310
 Mount Pleasant: 515-385-6693
 Newton: 641-791-9242
 Rockwell City: 712-297-7717



LETTER FROM THE IPI DIRECTOR

Dear Friends of Iowa Prison Industries:

The past few years have presented IPI with significant challenges, namely the pandemic in FY20 that caused lengthy

program interruptions, and the murders of two DOC staff in FY21 that led to the closure of all IPI furniture programs statewide for security reasons.

But I'm proud to report that through the valiant efforts of our staff, the IPI program has been able to overcome many obstacles and return to a path of sustainability. While sales in FY22 fell by 5%, reflecting the closure of all furniture shops, overall Net Sustainable Income finished at \$1.0 million, a big improvement versus the loss in FY21 of \$0.5 million.

Total IPI work training hours fell by 9% to 1,124,237, led by a 47% decline at Anamosa and an 86% reduction in Fort Madison following the shutdown of furniture production. However, the other IPI programs grew by 9%, as the overall program pivoted to programs geared more toward men and women serving shorter sentences.

IPI Farms, which had posted a loss of \$253,993 in Calendar 2020, enjoyed a rebound in commodity prices and a 20% gain in revenue, posting Net Sustainable Income of \$323,810 for Calendar 2021. (IPI Farms reports financial results on a calendar year basis).

IPI's private industries program continues to provide many new opportunities for Iowa employers and IPI program participants. Wages paid to the 489 men and women in the program rose by 64% to \$9.8 million. Program participants are allowed by law to keep 20% of their gross wages, with the balance going to federal and state taxes, child support, victim compensation and court ordered restitution, and the state's General Fund and DOC institutions.

In September 2021, Governor Kim Reynolds announced a \$10 million investment in the Homes for Iowa program. Homes for Iowa is IPI's public/private partnership that trains incarcerated men in skilled trades while building single family homes at the Newton Correctional Facility. Iowa continues to face widespread demand for quality, affordable housing due to a projected increase of 47,000 households by 2030, and an aging housing inventory with 40 percent of all housing units built before 1950.

IPI and the Iowa DOC continue to introduce opportunities for men and women to earn credentials while incarcerated. Chief among these is a Registered Apprenticeship, now offered for 30 different occupations. More than 400 individuals have completed an apprenticeship while in Iowa's state prisons, and a study released during FY22 showed that these men and women:

- Had ONE-HALF the 3-year recidivism rate versus the overall DOC population
- Were TWICE as likely to be employed after 2 years
- Earned 68% MORE than the overall population of men and women released by the DOC

Apprenticeships and other credentials can be incredibly valuable for a person getting out of prison. They help to improve their chances of finding gainful employment, achieving financial stability, and building a better life for themselves and their families.

And finally, a special message to IPI staff members: Many struggles continue, and undoubtedly there will be more challenges to come for you and the IPI program. But I am humbled and honored to have led such a dedicated and compassionate team of individuals. The work that we do at IPI is not easy, but your unwavering commitment to training and reentry is truly inspiring. Thank you for all that you do, for your sacrifices, and for the difference you make in the lives of so many. Your hard work, dedication, and passion for our Mission fills me with gratitude and admiration.

IOWA CODE §904.801

STATEMENT OF INTENT

It is the intent of this division that there be made available to inmates of the state correctional institutions opportunities for work in meaningful jobs with the following objectives:

1 To develop within those inmates willing to accept and persevere in such work:

- a)** Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
- b)** Good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system;
- c)** To the extent feasible, marketable skills that can lead directly to gainful employment upon release from a correctional institution.

2 To enable those inmates willing to accept and persevere in such work to:

- a)** Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence
- b)** Make restitution, as the opportunity to do so becomes available, to the victims of the offenses for which the inmates were incarcerated, so as to assist the inmates in accepting responsibility for the consequences of their acts;
- c)** Make it feasible to require that such inmates pay some portion of the cost of board and maintenance in a correctional institution, in a manner similar to what would be necessary if they were employed in the community;
- d)** Accumulate savings so that such inmates will have funds for necessities upon their eventual return to the community.

IPI ADVISORY BOARD

The Iowa Prison Industries Advisory Board plays a key role in the success of IPI. The board approves new business ventures and the overall operating plans of IPI for all three segments: Traditional Industries, IPI Farms, and Private Sector. In addition, the Board provides expert advice to the Director and staff of IPI.



Dr. A Douglas Hillman
Financial Representative & Board Chair
Drake University (Retired)
West Des Moines



Tim Diesburg
DOC Representative
Former IPI-DOC Employee
Anamosa



Jennie Doke-Kerns, Ph.D.
Vocational Education Representative
Des Moines Area Community College
Des Moines



Ralph Haskins
Parole Board Representative
Iowa Board of Parole
West Des Moines



Greg Steggerda
Manufacturing Representative
Diamond Vogel
Orange City

Vacant Positions:

Agricultural Representative
Labor Representative

IPI LEADERSHIP TEAM

The Leadership Team ensures that IPI provides meaningful work training for incarcerated men and women in a safe and secure environment, while remaining self supporting. As with private corporations, IPI leaders must deliver the price, quality and service that customers demand. They are also responsible for financial management, including budgeting, sales analysis, and expense control.



Ann Pollock
Chief Financial Officer



Robert (Bob) Fairfax
Sales & Marketing Manager



Luke Fowler
Anamosa Plant Manager



Jeff Bailey
Fort Madison Plant Manager
Mount Pleasant Plant Manager



Justin Opfer
Mitchellville Plant Manager
Newton Plant Manager
Fort Dodge Plant Manager



Clint Schmidt
Des Moines Operations Manager
Rockwell City Plant Manager



Mike Lynch
Farms Director



Steve Forbes
Lean Training Specialist



Chad Squires
Home Building Supervisor

DOC APPRENTICESHIP PROGRAM 2022



409 Graduates



300 Active Apprentices

30 Registered Occupations



Cook, Baker, Housekeeper



Material Coordinator, Maintenance Repairer, Landscape Management



Peer Support Specialist, Office Manager/Administrative Services, Barber



Computer Operator, IT Specialist, Job Printer, Mechanical Drafter, Production Tech



Cabinet Maker, Carpenter, Painter



Welder, Electrician, Plumber, Home Performance Laborer, Heating and Air Conditioner Installer



Metal Fabricator, Power Coating Technician, Refrigeration/AC Tech, Injection Molding Machinist Operator



Audio Video Repairer, Screen Printer, Sewing Machine Repairer, Industrial Sewing Machine Operator, Upholsterer

By the Numbers



30% increase in wages for individuals upon release who completed their apprenticeship compared to individuals who did not participate in an apprenticeship



71% of apprentices that completed their apprenticeship were employed post-release compared to **44%** of individuals released and who did not participate in an apprenticeship

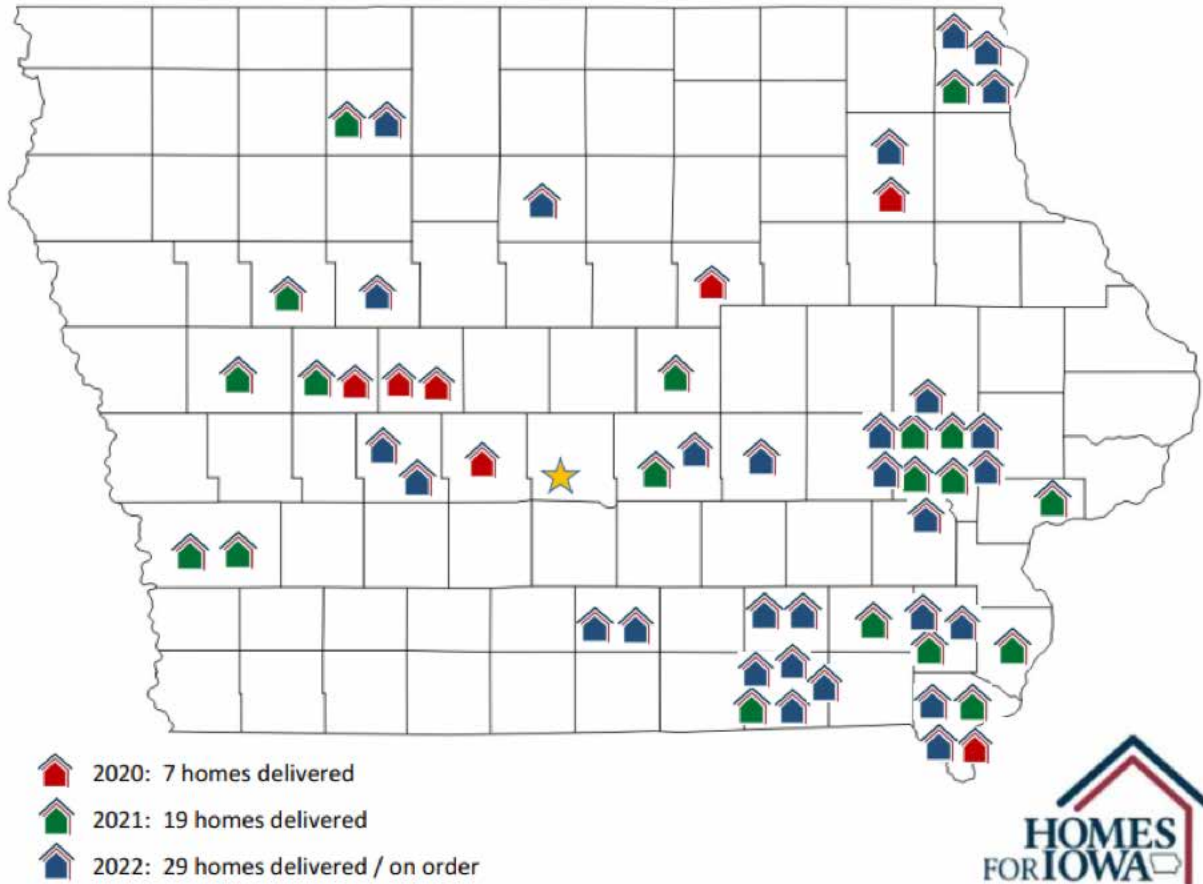


83.7% of apprentices that completed their apprenticeship successfully reenter the community and did not recidivate

HOME BUILDING PROGRAM

The IPI Home Building Program is located at the Newton Correctional Facility and builds homes for Homes For Iowa, Inc., a 501(c)(3) organization that aims to address Iowa's housing shortage, train offenders to skilled trades, and reduce recidivism. Construction began on the first homes in 2019. The homes are turn-key 2x6 stick-built, 3-bedroom, 2-bath (1,200sf) homes.

The incarcerated men training in the Home Building program are learning skills that are in demand in the construction industry such as framing, drywall, roofing, plumbing and electrical. They are also able to work towards apprenticeships that are recognized and approved by the Federal Department of Labor's Office of Apprenticeship.

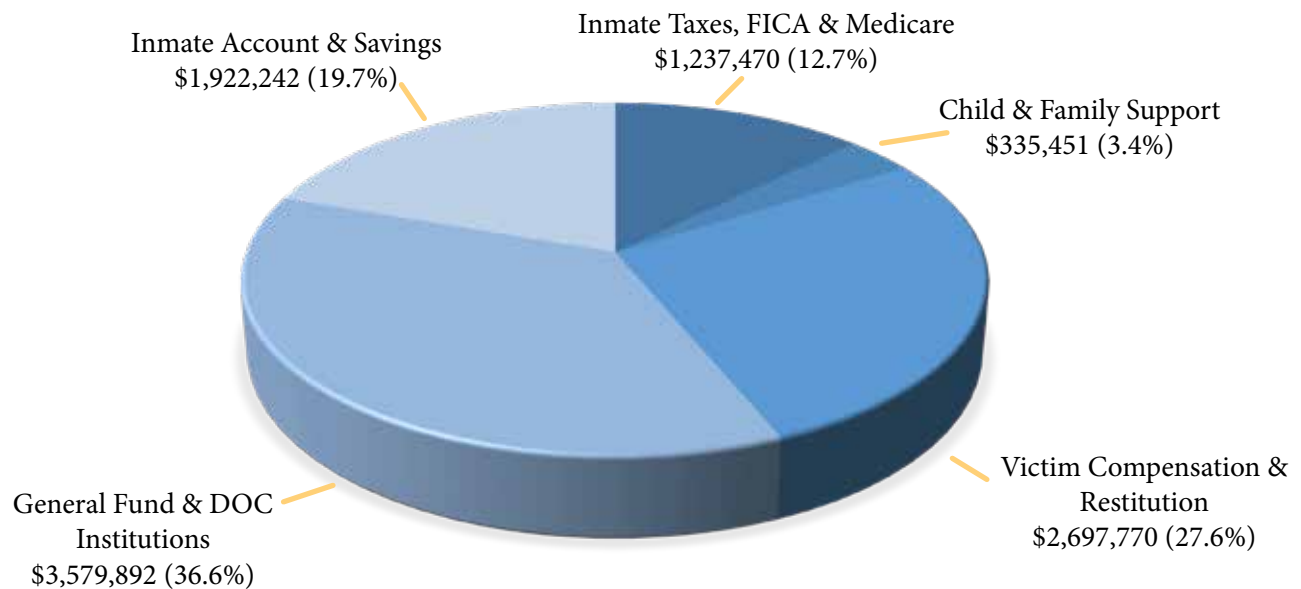


FINANCIALS

PRIVATE INDUSTRIES

| | FY2022 | FY2021 | Increase/(Decrease) |
|--|-------------|-------------|---------------------|
| Inmate Participants | 489 | 348 | 141 |
| Gross Wages | \$9,772,825 | \$5,941,779 | \$3,831,046 |
| Withholdings for Taxes, FICA & Medicare | 1,237,470 | 656,204 | 581,266 |
| Court Ordered Child & Family Support | 335,451 | 189,207 | 146,244 |
| Victim Compensation & Restitution Payments | 2,697,770 | 1,517,264 | 1,180,506 |
| Returned to Iowa's General Fund & DOC Institutions | 3,579,892 | 2,392,796 | 1,187,096 |
| Amount Deposited in Inmate Account & Savings | 1,922,242 | 1,186,308 | 735,934 |

Wage Disbursement for Private Sector Inmates

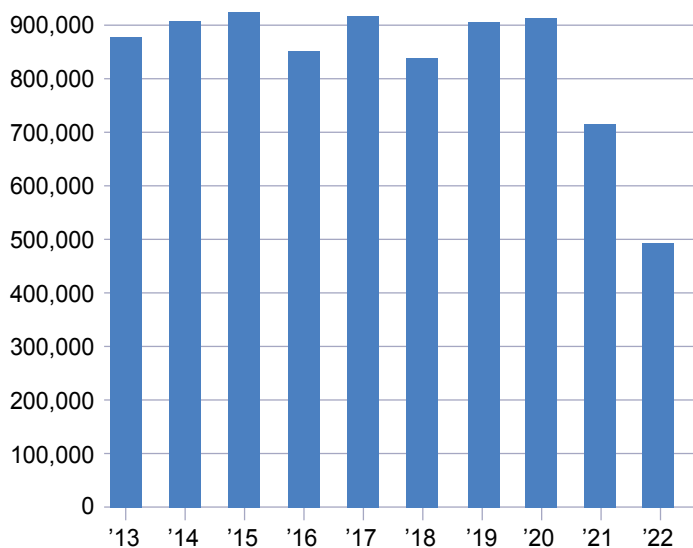


FINANCIALS

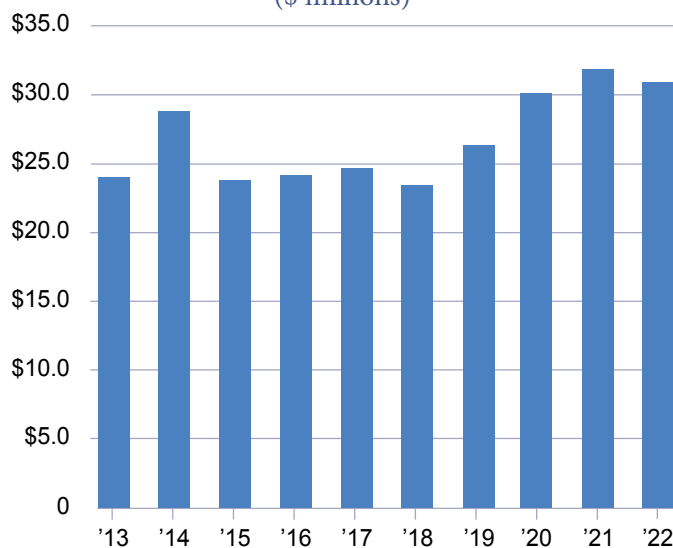
TRADITIONAL INDUSTRIES

| | FY2022 | FY2021 | Increase/(Decrease) |
|--------------------------------------|--------------------|--------------------|----------------------------|
| Total Hours Worked | 497,514 | 703,679 | (206,165) |
| Inmates Employed (FTE) | 239.2 | 338.3 | (99.1) |
| Income Statement | FY2022 | FY2021 | Increase/(Decrease) |
| Sales | 30,598,552 | 31,950,628 | (1,352,076) |
| Costs of Goods Sold | 25,960,667 | 27,893,207 | (1,932,540) |
| Gross Profit | 4,637,885 | 4,057,422 | 580,463 |
| Operating Expenses | 2,725,915 | 4,046,095 | (1,320,180) |
| Canteen Redistribution | 891,395 | 551,816 | 339,579 |
| Net Sustainable Income/(Loss) | \$1,020,575 | (\$540,489) | \$1,561,064 |

Training Hours for IPI Traditional Industries



Net Sales for IPI Traditional Industries
(\$ millions)



| Balance Sheet | FY2022 | FY2021 | Increase/(Decrease) |
|--|---------------------|---------------------|---------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | 4,390,613 | 8,928,451 | (4,537,838) |
| Accounts Receivable | 7,550,008 | 4,174,551 | 3,375,457 |
| Inventory | 5,065,496 | 3,949,724 | 1,115,772 |
| Prepaid Expenses | 39,977 | 154,455 | (114,478) |
| Total Current Assets | 17,046,094 | 17,207,180 | (161,086) |
| Property, Plant & Equipment | | | |
| Land | 222,666 | 222,666 | 0 |
| Machinery & Equipment | 2,684,334 | 2,534,074 | 150,260 |
| Buildings | 5,531,325 | 5,212,229 | 319,096 |
| Vehicles | 406,564 | 67,440 | 339,124 |
| Total Property, Plant & Equipment | 8,884,889 | 8,036,409 | 848,480 |
| TOTAL ASSETS | \$25,890,983 | \$25,243,589 | \$647,394 |
| LIABILITIES & EQUITY | | | |
| Liabilities | | | |
| Accounts Payable | 872,977 | 1,163,838 | (290,861) |
| Deferred Revenue | 10,378 | 0 | 10,378 |
| Total Current Liabilities | 883,355 | 1,163,838 | (280,483) |
| Long Term Liabilities | | | |
| Accrued Vacations Payable | 592,856 | 597,387 | (4,531) |
| Accrued Sick Leave/Ret Pay | 248,475 | 335,892 | (91,948) |
| Total Long Term Liabilities | 841,331 | 933,279 | (291,948) |
| Total Equity | 24,166,297 | 23,146,472 | 1,019,825 |
| TOTAL LIABILITIES & EQUITY | \$25,890,983 | \$25,243,589 | \$647,394 |

FINANCIALS

FARMS

| | CY2021 | CY2020 | Increase/(Decrease) |
|------------------------|--------|--------|---------------------|
| Total Hours Worked | 12,032 | 15,450 | (3,418) |
| Inmates Employed (FTE) | 6.07 | 8.36 | (2.29) |

| Income Statement | CY2021 | CY2020 | Increase/(Decrease) |
|--------------------------------------|----------------|--------------------|----------------------------|
| Revenues & Gain/Loss on Inventory | 2,240,946 | 1,861,524 | 379,422 |
| Total Operating Expenses | 1,948,171 | 2,129,443 | (181,272) |
| Operating Income | 292,775 | (267,919) | 560,694 |
| Other Income/(Expense) | 31,035 | 13,926 | 17,109 |
| Net Sustainable Income/(Loss) | 323,810 | (\$253,993) | 577,803 |

| Balance Sheet | CY2021 | CY2020 | Increase/(Decrease) |
|--|--------------------|--------------------|----------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash | 1,323,335 | 905,740 | 417,594 |
| Accounts Receivable & Other | 1,466,889 | 1,504,491 | (37,602) |
| Total Current Assets | 2,790,224 | 2,410,231 | 379,993 |
| Fixed Assets | | | |
| Vehicles & Buildings (net) | 368,852 | 417,010 | (48,158) |
| Total Mach/Equip/Purch Breeding Stock | 331,833 | 378,423 | (46,590) |
| Total Fixed Assets | 700,685 | 795,433 | (94,748) |
| Total Other Assets (Land, PPE, & Other) | 652,024 | 605,354 | 46,670 |
| TOTAL ASSETS | \$4,142,933 | \$3,811,018 | \$331,915 |

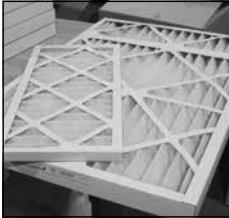
| LIABILITIES & EQUITY | | | |
|---------------------------------------|--------------------|--------------------|------------------|
| Total Current Liabilities | 127,544 | 112,771 | 14,773 |
| Total Long Term Liabilities | 54,933 | 61,600 | (6,668) |
| Total Liabilities | 182,476 | 174,371 | 8,105 |
| Total Equity | 3,960,457 | 3,636,647 | 323,810 |
| TOTAL LIABILITIES & EQUITY | \$4,142,933 | \$3,811,018 | \$331,915 |

PRODUCTS & SERVICES



Chemicals & Cleaning Supplies

Green Seal Certified, General, Floor Care, Warewash, Laundry, Health Care, Germicidal



Air Filters

Standard & High Capacity Pleated, Polyester Pad, Synthetic Pocket



Plastic Bags

Biodegradable, Recycled Content, Printed, Biohazard, Food Storage



Printing / Graphic Arts

Newsletters, Calendars, Annual Reports, Brochures, Business Cards, Letterhead, Envelopes, Forms, Specialty Items, Mail Services



Braille Transcription

On Demand Transcription, Book & Music Transcription, Duplication, Large Print Textbooks



Moving & Install

Moving & Installation of Offices, Furniture, Miscellaneous Items



Apparel

Embroidery, Screen Printing & Garment Printing, School Uniforms, TacPlus Public Safety Apparel, Public Works Apparel, Briefcases & Bags



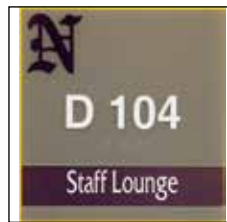
Inmate Clothing & Textiles

Jeans, Scrubs, Jackets, Shirts, Undergarments, Mattresses, Bedding, Bath, Dietary Apparel, Laundry Bags



Signs & Decals

No Smoking, MUTCD, Street Markers, Destination, Recreation, School Spirit, Custom, Decals, Vehicle Markings, Banners



ADA & Interior Signs

ADA Pictograms, Door Signs, Floor Decals, Wayfinding, Custom



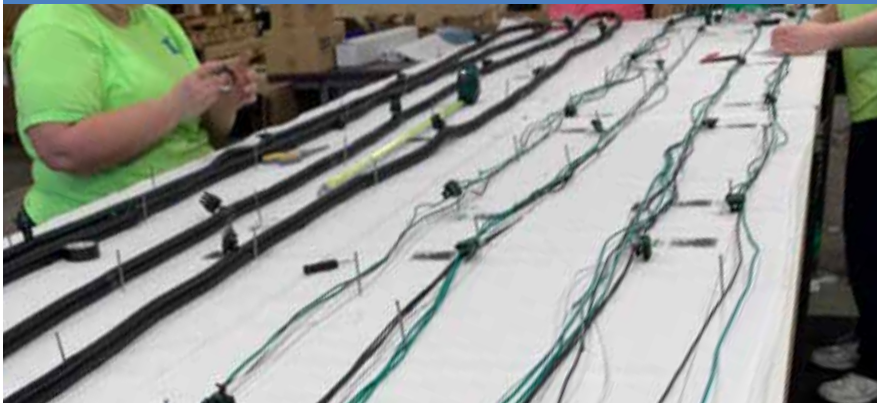
Retirement Gifts / Engraving Services

Nameplates, Plaques, Recognition Boards, Acrylic Awards, Clocks, Drinkware, Pen & Pencil Sets, Custom Engraving



Federal Surplus

Acquires & Makes Available to Iowa Organizations Excess Federal Vehicles & Equipment



MISSION STATEMENT

A self-sufficient program that positively impacts participant lives, reduces recidivism, and provides valued products and services to our communities.

VISION

A meaningful work training opportunity to develop utilizable skills for every person.