The cover of this year’s Annual Report features the Principal Riverwalk Center Street Bridge in Des Moines, a pedestrian bridge spanning 400 feet across the Des Moines River.

We like to say that Iowa Prison Industries provides “Bridges to Success” for offenders incarcerated at Iowa’s state prisons. The work training programs of IPI provide offenders with an opportunity – an opportunity to walk away from their previous ways of thinking and acting, to a new pattern of behavior as responsible and productive citizens. To be sure, not every released offender will choose to cross that bridge, but study after study shows that work training programs are among the most effective tools in reducing recidivism.

The FY2012 Annual Report of Iowa Prison Industries was developed by Levi Ward, a marketing intern from Iowa State University. Levi captured the striking photographs of the Center Street Bridge, along with many other images throughout this report. The finished product was professionally printed by the Graphic Arts department at the Anamosa State Penitentiary.
Letter From The Governor

Terry E. Branstad  
Governor of Iowa

Iowa Prison Industries provides a valuable service to Iowans through their inmate training programs. Most offenders are eventually released back to Iowa communities, and those that have been trained by IPI are more likely to stay out of prison and become responsible taxpayers once again. And the skills that they obtain in areas such as welding, machining, and equipment operation are much needed by Iowa manufacturers. Iowa Prison Industries is self-funding and receives no appropriation. IPI is able to provide these programs at no cost to taxpayers by supplying high quality products to government agencies and nonprofits. I can personally attest to the excellent quality of IPI products – over the years IPI has furnished the Governor’s office and conference room with top quality furniture that we enjoy to this day.

Please join me in congratulating Iowa Prison Industries on a record setting performance in FY2012.

Letter From The DOC Director

John Baldwin, Director  
Department of Corrections

One of the most effective strategies in achieving the Iowa Department of Corrections mission “to advance successful offender reentry to protect the public, staff and offenders from victimization” is the program of work training provided by Iowa Prison Industries. Many of the offenders working in IPI programs have not previously held any responsible job, and come in lacking the basic skills necessary to successfully reenter society – showing up for work, producing a quality product, working in a team environment. Iowa Prison Industries gives offenders an opportunity to develop these skills, as well as specific vocational training such as welding, machining, computer aided design, or operating a forklift.

Numerous studies have shown that work training and vocational education are among the most successful programs in reducing recidivism – the likelihood that a released offender will end up back in prison. Since nearly 90% of Iowa’s prison inmates will eventually be released, reducing recidivism is a critical effort for the DOC. Those offenders that have worked with Iowa Prison Industries are less likely to commit new crimes and return to prison. As a result, the programs of IPI mean there are fewer crime victims, fewer costs to investigate and prosecute crimes, and fewer costs to house and feed repeat offenders.

IPI programs also make Iowa’s prisons safer and less costly to operate – when these 550 inmates are “at work”, the institutions can reallocate their supervisory resources, and the offenders have less time and inclination to engage in counterproductive activities. And because a job with Iowa Prison Industries is highly valued among inmates, IPI provides a reward system that correctional staff can use to successfully manage inmate behavior.

Fiscal Year 2012 was a record year for Iowa Prison Industries, which is a testimony to their high quality and customer service standards. As always, IPI programs operate at no cost to taxpayers – IPI is completely self funding, and in fact during FY2012 returned more than $1.4 million to the state’s General Fund and the institutions.

And so, on behalf of the entire Department of Corrections, I thank the staff of Iowa Prison Industries for their commitment to the overall DOC mission, and their service to the people of Iowa.

John Baldwin
To the Customers, Employees and Friends of Iowa Prison Industries,

“It is the intent of this division [IPI] that there be made available to inmates of the state correctional institutions opportunities for work in meaningful jobs…”

With this “Statement of Intent” found in section 904.801 of the Iowa Code, the Iowa Legislature established its vision for Iowa Prison Industries. The legislators described their intent that IPI help offenders at our state institutions do such things as develop positive attitudes, make restitution to their victims, and accumulate savings prior to their release. In this Annual Report, we describe how Iowa Prison Industries carries out this legislative intent, and cover some of the highlights of FY2012 as well.

One major highlight of the year was the release of a new study by the Iowa Department of Corrections measuring the Return on Investment for various criminal justice programs, including Iowa Prison Industries. The study estimated the 10-year savings due to reduced crimes, fewer victims, and lower costs of incarceration. For the year 2011 alone, the study estimated that the work training programs of Iowa Prison Industries have saved taxpayers an impressive $4.1 million.

In addition to this $4.1 million saved by taxpayers, IPI’s Private Sector and Commissary operations returned an additional $1.4 million to DOC institutions and Iowa’s General Fund during FY2012!

As measured by offender training hours and financial results, IPI made great strides in FY2012, as all three segments (Traditional Industries, IPI Farms, and Private Sector) achieved record results. This was due to the skill, dedication and hard work of the IPI team, as well as the support of customers and friends throughout the state.

For FY2012, the Traditional Industries segment of Iowa Prison Industries delivered record high offender training hours of 844,284, or 406 offenders on an FTE basis. Net sales likewise reached a record high of $23.5 million, a 17% growth over the previous year. Net Sustainable Income nearly doubled to $2.0 million, which allowed IPI to make much needed investments in machinery and equipment. IPI’s shops were kept busy with strong sales of dormitory furniture, as both Iowa State University and the University of Iowa reported record enrollments, each surpassing 31,000 students. But many other product lines experienced strong demand as well, including signs, textiles, Braille, cleaning chemicals and filters.

IPI Farms, which operate on a calendar year basis, provided offenders with 14,806 hours of agricultural training (35% growth over prior year), including production of corn and beans, feeder calves, and garden crops for institutional consumption. Net sales in 2011 grew 25% to $1.5 million and Net Sustainable Income rose to nearly $0.5 million. Of course, the 2011 results (the most recent reporting period for IPI Farms) don’t reflect the terrible drought conditions experienced across the state during this past summer, and we are harvesting crops as of this writing.

The Private Sector Operations of Iowa Prison Industries also delivered stellar results in FY2012, with offender training hours reaching 290,330 (140 FTEs), a growth of 12% over last year. Gross Wages paid to offenders rose to $2.7 million, a jump of 18%. Offenders working in IPI’s Private Sector Programs are allowed, by law, to keep 20% of these gross wages, with the balance withheld for such items as income taxes, child support, and victim restitution, as well as the cost of their own incarceration. All of these accounts, including the Room and Board amounts, retained by the state prisons and Iowa’s General Fund increased substantially.

During FY2012, we welcomed Marcia Nichols to the IPI Advisory Board as labor representative, but we lost a valued member of the Anamosa staff in Chris Gilmore, who passed away suddenly at age 48. Almost one year later, Chris is still deeply missed.

As we look ahead to FY2013 and future years, we remain focused on delivering excellent value, quality and service to our customers, while providing offenders with the opportunity to develop personal responsibility and valuable work skills, and indeed, the chance to change their lives for the better. In so doing, IPI will continue to benefit all of Iowa’s taxpayers and citizens.

On behalf of the Iowa Prison Industries team, I invite you to enjoy our FY2012 Annual Report, which provides more details about our statewide operations, and also touches on some of the highlights of the past year.
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.
The Iowa Prison Industries Advisory Board plays a key role in the success of IPI, one that has been recognized by the State Legislature by codifying its responsibilities and authority. 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.

Board meetings are held quarterly and rotate among the state institutions where IPI operations are located. The schedules, agendas and minutes for Board Meetings are available on the IPI website.

The makeup of the board is intended to provide a diverse collection of viewpoints and experience. Five board members are appointed by the Governor to represent distinct sectors: Agriculture, Finance, Labor, Manufacturing, and Vocational Education. Two others represent the Department of Corrections and the Iowa Board of Parole.

§904.801 (1a)

“To develop positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community.”
Total Satisfaction Guarantee

“We guarantee your Total Satisfaction on all purchases from Iowa Prison Industries! If you are unsatisfied with the quality of the materials or workmanship, we will adjust, repair or replace to YOUR satisfaction.”

--Dan Clark, Director IPI

§904.801 (1a) – In Action

IPI’s work training programs help “rewire” unproductive thought patterns. Offenders learn the inherent value of work as they produce quality products that meet customer expectations. As they develop new skills and learn to take responsibility, offenders see firsthand the results of their efforts and feel the satisfaction of doing a good job.
FY2012 Highlights

New Food Safety Program
IPI provides training to 40 offenders at its Central Commissary, located within the Newton Correctional Facility. This “pick-and-pack” distribution center supplies nearly 1,000 SKUs of snacks, personal care products, music CDs and other sundries to each of Iowa’s nine state prisons. Processing over 240,000 orders annually, offenders utilize advanced scanning technology and integrated software systems that were updated over the last year. During FY2012, offenders also developed and implemented a new Food Safety Program covering everything from Master Sanitation Schedules to Product Recall Policies to Self Directed Inspection Teams.

IPI Introduces Large Print Textbooks
IPI’s Anamosa Braille Center provides great training opportunities to nearly 25 offenders. Certified by the U.S. Library of Congress, this group includes Braille transcriptionists for music and mathematics, considered to be the most advanced and difficult specialties. Over the course of the past year, the Braille Center and Graphic Arts departments at Anamosa developed the capability to transcribe and produce Large Print textbooks for the Iowa Department for the Blind. Now, Iowa Prison Industries can meet the needs of all of Iowa’s sight impaired students, as well as a large number of out of state schools.

§904.801 (1b)
“To develop good work habits that will assist them in eventually securing and holding gainful employment outside the correctional system.”
FY2012 Highlights

Consolidation of Textiles Production

In FY2012, IPI’s two Textiles Operations were consolidated at the Iowa Correctional Institution for Women in Mitchellville. Now, garment production, embroidery and fabric printing are gathered under one roof, ensuring “seamless” order fulfillment for IPI customers. Training up to 40 offenders at any one time, the Textiles Operation provides inmate apparel such as jeans and jackets, flat goods such as sheets and blankets, kitchen and hospital apparel, as well as custom embroidered and printed garments.

The State Turns Green

Throughout 2012, all state buildings, public schools, community colleges and Regents universities were required to transition to using “green” cleaning products in place of conventional chemicals, and Iowa Prison Industries was there to assist in the conversion. Besides manufacturing green certified cleaning products at the Iowa Correctional Institution for Women in Mitchellville, IPI provided onsite technical support and training to customers as they made the conversion. IPI provides green products for buildings throughout the State Capitol complex, correctional facilities throughout the state, and more than 100 buildings at Iowa State University.

§904.801 (1b) – In Action

IPI provides an opportunity for offenders to learn the basic habits needed to hold a steady job once they re-enter society – showing up on time, working steadily, being accountable for results, and working with others in a cooperative manner. Offenders must interview for a position with IPI, and then receive regular performance reviews, are eligible for promotions and merit raises, and receive assistance with resumes.
**FY2012 HIGHLIGHTS**

**Improved Sustainability**

Each year, more organizations have sought to improve the sustainability of their operations, and Iowa Prison Industries is there to assist customers in lowering their costs and reducing waste going to the landfill.

Mitchellville offenders provide reupholstery service to churches, local universities, state agencies and healthcare organizations. Typically, a reupholstered chair or sofa will cost 40-50% less, yet look and perform identically to a new one.

Another group of offenders at Mitchellville refurbishes modular office systems. The restored work surfaces, wall panels, and filing cabinets look and perform as good as new. IPI's customers improve their sustainability and save money at the same time.

**Signs, Signs, Everywhere Are Signs**

The Sign Shop at the Anamosa State Penitentiary supplies the single largest product line for IPI. Processing thousands of orders each year, the Sign Shop manufactures a wide variety of products – including street and highway signs, wayfinding and construction signs, banners and vehicle decals. Up to 50 offenders work in the Sign Shop, learning skills such as silk screen printing, machining, graphic arts, quality assurance, inventory management, and customer service!

During FY2012, Iowa Prison Industries installed a new sign sander to speed the process of recycling used signs from cities and counties across the state.

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**§ 904.801 (1c)**

“To the extent feasible, develop *marketable skills* that can lead directly to gainful employment upon release from a correctional institution.”
FY2012 Highlights

Agricultural Training Programs

IPI Farms provides important agricultural training opportunities to offenders in Anamosa, Fort Madison and Newton. Working “outside the fence”, these minimum security offenders participate in Iowa Prison Industries training programs covering row crop production of corn and soybeans and cow-calf operations. Like any farmer, much of their day is spent repairing fences, putting up machine sheds, shoring up dikes, and digging stock ponds. In addition, the IPI Farms team spent much of 2011 preparing for a new garden operation at Farm 3 in Montrose that will supply state prisons with fruit and vegetables.

License Plate Replacement Begins

License plates for Iowa’s 4.2 million registered vehicles (autos, buses, trucks, and trailers) are produced by Iowa Prison Industries at the Anamosa State Penitentiary. In FY12, plate characters were changed from blue ink to black. The change increases the background contrast and made license plates easier to read, an important feature for law enforcement. The change also made plate production more consistent and cost-effective.

Late last year, the Iowa Department of Transportation, in cooperation with Iowa’s 99 county treasurers, began implementing a “rolling” replacement cycle for those plates that have reached an age beyond their usual lifespan. Under the replacement cycle, all currently issued license plates will be replaced over the course of the next 10 years, with the oldest plates being replaced first.

§904.801 (1c) – In Action

At Iowa Prison Industries, offenders are trained and certified in skills such as welding, machine tool operation, forklift driving, Braille transcription, Computer Aided Design (AutoCAD), and use of ERP systems for production and inventory management.
FY2012 Highlights

Advanced Machining Center

The Metal Furniture Shop at Anamosa produces such items as school furniture, library shelves, and student lockers. This past year, IPI invested in a computer-controlled plasma cutting table. Using high energy plasma, the machine can cut through steel up to one inch thick, producing complex shapes. This advanced machining center provides offenders with state-of-the-art training skills that can be readily applied upon their release.

Custom Furniture For ISU’s New President

Iowa State University welcomed its 15th president, Dr. Steven Leath, in September 2011. The Custom Wood Operation at Anamosa was proud to design and manufacture furniture for Dr. Leath’s office in Beardshear Hall, as well as his private residence in The Knoll. Crafted from quartersawn white oak and red mahogany, the pieces included a rolltop desk, conference table, office desk, and printer stand.

§904.801 (2a)

“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.”
FY2012 Highlights

Habitat For Humanity

In November 2011, IPI joined forces with the Restorative Justice Program in Fort Madison to manufacture casework and trim for Habitat For Humanity affiliates across Iowa. This cabinetry is custom designed and handcrafted by highly skilled offenders, and utilizes tongue-and-groove joints throughout for added strength. Interiors are made from architectural grade super-ply Baltic Birch. The drawers feature dovetail joinery in both front and back, providing greater strength and durability. The cabinets are easy to clean and maintain, with a multi-coat sealer system that provides a durable waterproof finish.

Offenders in IPI’s work training program use AutoCAD software to design the kitchen and bathroom cabinetry, working with HFH volunteers around the state to make sure each home is ready for its new family.

Specifically designed to be sturdy and maintenance-free, the cabinets built by Iowa Prison Industries are perfect for first-time homeowners.

Safety is the First Priority at IPI

The safety of staff and offenders is always a primary concern for Iowa Prison Industries. For that reason, IPI recently began a project to replace all table saws in Mount Pleasant and Fort Madison with equipment utilizing the SawStop® technology, which automatically stops and retracts the blade on human contact. Mount Pleasant now features an Industrial Cabinet Saw, the top-of-the-line model that is both precise and heavy duty. New investments in modern equipment help ensure a safe working environment, high quality processes and finishes, and work training programs that mirror civilian society.

§904.801 (2a) – In Action

In the last fiscal year, offenders working in IPI’s Private Sector, Traditional Industries, and Farms programs earned $1.2 million in net pay and allowances. Offenders use these earnings to support their families, pay restitution, fund savings accounts, and purchase canteen items.
When ABC’s Extreme Makeover Home Edition (EMHE) came to West Union, IA to shoot a makeover of a rundown farmhouse, IPI was eager to pitch in and help. EMHE needed furniture builders, so IPI filled out an online form detailing our builder’s capabilities. Within days, EMHE contacted IPI and asked if they could produce metal workbenches that also included pegboards for hanging tools. The workbenches would go into the family’s newly renovated garage. But there was a catch… IPI would have to design, manufacture and deliver the workbenches in just nine days!

IPI was certainly up to the task and started production of the workbenches. Unfortunately, right as the deadline was looming, the Metal Furniture Shop Production Coordinator Chris Gillmore suddenly passed away. While this abrupt and shocking news caused a great deal of turmoil and anguish, the IPI team pulled together and completed the project on time. IPI was happy to deliver these new benches that the family will surely use for years to come.

The episode featuring the West Union farmhouse aired on January 6, 2012.

§904.801 (2b)

“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.”
Pheasants Forever Chests

Offenders at Mount Pleasant produced more than 500 specialty chests for the national habitat organization Pheasants Forever. Made using fine hardwoods such as red oak and walnut, the chests are used as auction items for fundraisers held by local Pheasants Forever chapters.

Record Year For Residence Furniture

IPI supplies 100% of the dormitory furniture needs of Iowa’s three regents universities (Iowa State University, University of Iowa, and University of Northern Iowa). Record student enrollments at ISU and U of I meant that offenders were extremely busy during FY2012 producing wardrobes, desks, loft beds, and other student furniture at Mount Pleasant and Fort Madison.

Providing work training opportunities for up to 110 offenders, Iowa Prison Industries supplies residence hall furniture to a number of Iowa’s private colleges and community colleges as well. During the college summer break, minimum security offenders from IPI’s Move and Install program haul the furniture to each student room and assemble it.

§904.801 (2b) – In Action

Offenders working in the IPI Private Sector program paid more than $420,000 in Restitution and Victim Compensation during the year, and nearly $1 million over the past three years.
FY2012 Highlights

Offenders Pay $1 Million in Room & Board

The Private Sector Operations of IPI reached record heights over the last fiscal year. Under this program, offenders are employed by private, for-profit companies throughout the state, in businesses ranging from call centers to cargo trailer manufacturing to the printing of newspaper inserts. The businesses can operate on or off prison grounds, and in many cases, offenders work side-by-side with civilians.

Throughout FY2012, these offenders paid more than $1 million to the state in “room and board.” Offenders employed under the private sector program receive market-based wages, but by law are allowed to keep just 20%. The remaining 80% goes toward taxes, victim restitution, child support, and to help defray the costs of the offender’s own incarceration.

Skill Certification

Even during times of high unemployment, Iowa manufacturers can still struggle to find skilled employees. The work programs offered at Iowa Prison Industries train offenders in skills such as welding, painting, machining, and fork truck operation. Prior to their release back to society, offenders have the opportunity to obtain official certification in these marketable skills. Offenders have an easier time transitioning back to society as productive citizens, and Iowa manufacturers have a larger pool of skilled workers from which to choose.

§904.801 (2c)

“Make it feasible to require that 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.”
Refurbishment Program

During 2012, IPI has expanded its equipment refurbishing program at the North Central Correctional Facility in Rockwell City. Working on pieces ranging from snow plows to truck beds, offenders sandblast, clean, repair, and powder coat equipment for the Iowa Department of Transportation and Public Works Departments across the state.

Offenders Create Gift, Receive Blessing in Return

Offenders at IPI’s Fort Madison operation designed and built a custom walnut business center for the Ronald McDonald House of Iowa City in November 2011. The floor-to-ceiling center holds space for Ronald McDonald House families to stay connected with family, pay bills, and surf the Internet. The project provided a great opportunity for offenders to give something back to society, and they were able to use their skills in computer aided design and furniture manufacturing to produce something special for the families that stay there.

Many offenders and employees related how their lives had been touched by the Ronald McDonald House, when they or someone they loved required medical treatment at the Iowa City hospitals. The Ronald McDonald House of Iowa City has been a “home away from home” for over 80,000 family members from all 99 Iowa Counties, all 50 states, and 55 foreign countries.

§904.801 (2c) – In Action

During FY2012, the Central Commissary operated by Iowa Prison Industries collected more than $269,000 in Incarceration Fees (the “Pay For Stay” program), in which offenders contribute to their own cost of incarceration. On top of this, offenders in the IPI Private Sector program paid more than $1 million in “Room and Board” back to the state prisons and Iowa’s General Fund.
FY2012 HIGHLIGHTS

Baysden Building Wins Multiple Design Awards

ASK Studio of Des Moines has now won three awards for its design of the IPI Showroom in Des Moines, which opened for business in November 2009. Most recently, ASK Studio received an award in the Metal Building division of Metal Architecture’s 2012 Design Awards. The building received the award for “its simple refinement, thoughtful solutions to lighting and excellent use of the site.” As one judge remarked, “The building shows what can be achieved with standard metal components and some design talent.”

Other awards included a Merit Award from Residential Architect magazine in the light commercial division of the 2012 Residential Architect Design Awards. It is one of 36 winners selected from a group of more than 800 entries. The building received the award for its beauty in simplicity. Previously ASK Studio received a 2011 AIA Iowa Excellence in Design Award of Merit from the American Institute of Architects, Iowa Chapter. ASK Studio received extra press for this award, as it was highlighted in the January 2012 issue of the Iowa Architect under the article “A Good Neighbor” for its respect for the neighborhood.

The IPI Showroom in Des Moines was built within a strict budget and without any taxpayer funds. The building was aptly named the Baysden Building in February 2011 after prior IPI Director Roger Baysden to honor his hard work and outstanding leadership.

Updated Website Adds New Features

On December 30, 2011, Iowa Prison Industries launched a new, fully-functional website at http://www.iaprisonind.com. Customers shopping on the new IPI website now enjoy advanced features such as saving shopping carts to order later, building wish lists of commonly ordered products, built-in volume discounts, and expanded product descriptions. The IPI website averages about 100 orders monthly with total sales this calendar year of over $2 million.

Custom Furniture & Other Items On Display In The State Capitol

IPI delivered new custom conference room furniture for the Governor’s Office at the State Capitol in April 2012. This display is used daily by the Governor, Lt. Governor and their staff to conduct business for constituents across the state. The conference room features some new products and examples of our custom capabilities. The conference table, laser-engraved State Seals, coat tree, and IPI’s most advanced conference chairs will provide years of valuable service.

$904.801 (2d)

“Accumulate savings so inmates have funds for necessities upon their eventual return to the community.”
When a number of barns and outbuildings at the Eldora State Training School needed to be razed, Iowa Prison Industries and Iowa Central Community College “deconstructed” the buildings, reclaiming valuable timber and other materials.

As part of the deconstruction program, offenders from Rockwell City attended classroom training and studied to become certified in areas such as asbestos handling, lead paint abatement, and OSHA safety. Under the supervision of ICCC and IPI, these offenders carefully disassembled Eldora’s barns and outbuildings, yielding a treasure trove of old growth Douglas Fir – the fine wood used by IPI to craft the new “Eldora Line” of furniture.

Iowa Prison Industries introduced a new line of modular furniture for spaces such as college lounges, libraries and public waiting areas in the summer of 2012. Known as the Alexander Line, the furniture was designed by Dan Neubauer, a furniture design intern from Iowa State University. Named as one of Iowa’s Emerging Artists in 2012 by the prestigious Des Moines Arts Festival®, Neubauer created a versatile system of components that can be configured in countless ways, such as serpentine or circular groupings. Customers can select from a multitude of chair and sofa designs, with coordinating accessory pieces such as connector tables and ottomans available.

§904.801 (2d) – In Action

Every offender is required to contribute part of their pay and allowances to a mandatory Savings Account, up to $100. Offenders receive their savings account balance when they re-enter society.
# Financial Statements: Traditional Industries

## FY2012 vs FY2011

### Income Statement

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<thead>
<tr>
<th></th>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
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<tr>
<td>Sales</td>
<td>23,474,735</td>
<td>20,060,532</td>
<td>3,414,203</td>
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<tr>
<td>Cost of Goods Sold</td>
<td>16,667,476</td>
<td>14,537,561</td>
<td>2,129,915</td>
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<td>Gross Profit</td>
<td>6,807,259</td>
<td>5,522,971</td>
<td>1,284,288</td>
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<tr>
<td>Operating Expenses</td>
<td>4,353,007</td>
<td>3,990,584</td>
<td>362,423</td>
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<tr>
<td>Canteen Redistribution</td>
<td>409,756</td>
<td>483,617</td>
<td>(73,861)</td>
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<tr>
<td>Net Sustainable Income / (Loss)</td>
<td>2,044,496</td>
<td>1,048,770</td>
<td>995,726</td>
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### Balance Sheet

#### ASSETS

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<th>Current Assets</th>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
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<tbody>
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<td>Cash</td>
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<tr>
<td>Accounts Receivable</td>
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<td>2,547,006</td>
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<td>Inventory</td>
<td>8,309,015</td>
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<tr>
<td>Prepaid Expense</td>
<td>210,587</td>
<td>16,179</td>
<td>194,408</td>
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<td>Total Current Assets</td>
<td>15,143,113</td>
<td>13,508,246</td>
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<tr>
<th>Property, Plant &amp; Equipment</th>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
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<tr>
<td>Land</td>
<td>222,666</td>
<td>222,666</td>
<td>0</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>1,531,676</td>
<td>1,300,814</td>
<td>230,862</td>
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<tr>
<td>Buildings</td>
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<td>3,213,789</td>
<td>(156,885)</td>
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<tr>
<td>Vehicles</td>
<td>222,996</td>
<td>244,646</td>
<td>(21,650)</td>
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<tr>
<td>Total Property, Plant &amp; Equipment</td>
<td>5,034,242</td>
<td>4,981,915</td>
<td>52,327</td>
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**TOTAL ASSETS**

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<tr>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
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<tr>
<td>20,177,355</td>
<td>18,490,161</td>
<td>1,687,194</td>
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#### Liabilities & Equity

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<tr>
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<th>FY2012</th>
<th>FY2011</th>
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<td>Accounts Payable</td>
<td>693,393</td>
<td>973,244</td>
<td>(279,851)</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>6,788</td>
<td>2,409</td>
<td>4,379</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>700,181</td>
<td>975,653</td>
<td>(275,472)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Long Term Liabilities</th>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued Vacations Payable</td>
<td>605,848</td>
<td>539,272</td>
<td>66,576</td>
</tr>
<tr>
<td>Accrued Sick Leave Term/Ret Pay</td>
<td>100,071</td>
<td>121,154</td>
<td>(21,083)</td>
</tr>
<tr>
<td>SERIP/SLIP Cash Payment</td>
<td>168,193</td>
<td>224,259</td>
<td>(56,066)</td>
</tr>
<tr>
<td>SERIP/SLIP Insurance Payment</td>
<td>265,400</td>
<td>336,657</td>
<td>(71,257)</td>
</tr>
<tr>
<td>Total Long Term Liabilities</td>
<td>1,139,512</td>
<td>1,221,342</td>
<td>(81,830)</td>
</tr>
</tbody>
</table>

**Total Equity**

<table>
<thead>
<tr>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>18,337,662</td>
<td>16,293,166</td>
<td>2,044,496</td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & EQUITY**

<table>
<thead>
<tr>
<th>FY2012</th>
<th>FY2011</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 20,177,355</td>
<td>$ 18,490,161</td>
<td>$ 1,687,194</td>
</tr>
</tbody>
</table>
### Financial Statements: Private Sector

#### FY2012 vs FY2011

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2012</th>
<th>FY 2011</th>
<th>Increase / (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Hours Worked</td>
<td>290,330</td>
<td>258,833</td>
<td>31,497 12%</td>
</tr>
<tr>
<td>Inmates Employed (FTE)</td>
<td>139.6</td>
<td>124.4</td>
<td>15.1 12%</td>
</tr>
<tr>
<td>Gross Wages</td>
<td>2,728,364</td>
<td>2,317,264</td>
<td>411,100 18%</td>
</tr>
<tr>
<td>Witholdings for Taxes, FICA, &amp; Medicare</td>
<td>481,112</td>
<td>408,417</td>
<td>72,695 18%</td>
</tr>
<tr>
<td>Court Ordered Child &amp; Family Support</td>
<td>166,086</td>
<td>153,487</td>
<td>12,599 8%</td>
</tr>
<tr>
<td>Victim Compensation &amp; Restitution Payments</td>
<td>421,681</td>
<td>352,059</td>
<td>69,622 20%</td>
</tr>
<tr>
<td>Other Misc Deductions</td>
<td>82,313</td>
<td>76,733</td>
<td>5,580 7%</td>
</tr>
<tr>
<td>Amount Paid to Inmate Account</td>
<td>546,170</td>
<td>462,983</td>
<td>83,187 18%</td>
</tr>
<tr>
<td>Returned to Iowa’s General Fund &amp; DOC Institutions</td>
<td>$1,031,002</td>
<td>$863,585</td>
<td>$167,417 19%</td>
</tr>
</tbody>
</table>

#### Wage Disbursement for Private Sector Offenders

- **General Fund and DOC Institutions**: $1,031,002 (38%)
- **Transportation and Other**: $82,313 (3%)
- **Offender Taxes, FICA and Medicare**: $481,112 (18%)
- **Restitution and Victim Compensation**: $421,681 (15%)
- **Offender Account and Savings**: $546,170 (20%)
- **Family and Child Support**: $166,086 (6%)
# Financial Statements: IPI Farms

## CY2011 vs CY2010*

### Income Statement

<table>
<thead>
<tr>
<th></th>
<th>CY2011</th>
<th>CY2010</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,451,875</td>
<td>1,194,714</td>
<td>257,161</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>271,710</td>
<td>597,025</td>
<td>(325,315)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>1,180,165</td>
<td>597,689</td>
<td>582,476</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>714,886</td>
<td>563,795</td>
<td>151,091</td>
</tr>
<tr>
<td>Net Sustainable Income / (Loss)</td>
<td>465,279</td>
<td>33,894</td>
<td>431,385</td>
</tr>
</tbody>
</table>

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>CY2011</th>
<th>CY2010</th>
<th>Increase/(Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>418,272</td>
<td>383,629</td>
<td>34,643</td>
</tr>
<tr>
<td>Accounts Receivable and Other</td>
<td>1,432,240</td>
<td>1,020,768</td>
<td>411,472</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>1,850,512</td>
<td>1,404,397</td>
<td>446,115</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles and Buildings (net)</td>
<td>491,555</td>
<td>443,008</td>
<td>48,547</td>
</tr>
<tr>
<td>Total Mach/Equip/Purch Breeding Stock</td>
<td>607,896</td>
<td>631,430</td>
<td>(23,534)</td>
</tr>
<tr>
<td>Total Fixed Assets</td>
<td>1,099,451</td>
<td>1,074,438</td>
<td>25,013</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>430,203</td>
<td>430,203</td>
<td>0</td>
</tr>
<tr>
<td>Prepaid Expenses and Other</td>
<td>182,449</td>
<td>128,725</td>
<td>53,724</td>
</tr>
<tr>
<td>Total Other Assets</td>
<td>612,652</td>
<td>558,928</td>
<td>53,724</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>3,562,615</td>
<td>3,037,763</td>
<td>524,852</td>
</tr>
<tr>
<td><strong>LIABILITIES &amp; EQUITY</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>49,622</td>
<td>17,724</td>
<td>31,898</td>
</tr>
<tr>
<td>Current SERIP Insurance Payment</td>
<td>2,614</td>
<td>4,285</td>
<td>(1,671)</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>99,687</td>
<td>48,748</td>
<td>50,939</td>
</tr>
<tr>
<td>Total Current Liabilities</td>
<td>151,923</td>
<td>70,757</td>
<td>81,166</td>
</tr>
<tr>
<td>Long Term Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued Vacations Payable</td>
<td>49,397</td>
<td>45,743</td>
<td>3,654</td>
</tr>
<tr>
<td>Non-Current SERIP Cash Payment</td>
<td>21,744</td>
<td>28,992</td>
<td>(7,248)</td>
</tr>
<tr>
<td>Non Current SERIP Insurance Payment</td>
<td>17,000</td>
<td>35,000</td>
<td>(18,000)</td>
</tr>
<tr>
<td>Total Long Term Liabilities</td>
<td>88,141</td>
<td>109,735</td>
<td>(21,594)</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>3,322,551</td>
<td>2,857,271</td>
<td>465,280</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES &amp; EQUITY</strong></td>
<td>$ 3,562,615</td>
<td>$ 3,037,763</td>
<td>$ 524,852</td>
</tr>
</tbody>
</table>

* IPI Farms reports its results on a Calendar Year basis
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