

# ANNUAL REPORT FY2018

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# Mission Statement

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

# Vision

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A meaningful work opportunity for every offender.



*IPI's quality products and exceptional service ensure customer satisfaction while our work training opportunities make brighter futures possible for Iowa's offenders.*

# Letter From The IPI Director



In years past, our elected officials codified their intent for the Iowa Prison Industries program. In a nutshell, IPI is to prepare men and women for re-entry, and to be a self-sustaining program that does not require any appropriations. And the men and women of IPI that operate the IPI program, along with

program participants from around the state, continue to do exactly that – prepare incarcerated individuals, and do so at no cost to Iowa citizens.

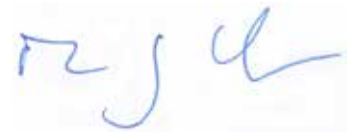
This preparation includes the opportunity to enroll in one of more than 20 apprentice occupations such as welding, cabinet making, and powder coat painting – occupations in high demand by Iowa employers. It also entails so-called “soft skills” such as interviewing for a position within the IPI program, communicating effectively with staff and fellow participants, and working together as a team to fill the needs of IPI’s many customers at state agencies, schools and universities, healthcare organizations and nonprofit entities.

FY2018 was a difficult year for the Iowa Prison Industries traditional industries program, as orders for dormitory furniture and other wood products fell precipitously, leading to a financial loss of \$872,000 and an 8% reduction

in training hours. And IPI Farms continues to experience lower commodity prices, which led to a calendar year loss of \$198,000. But the declines in these two programs were largely offset by growth in private sector partnerships, where training hours grew by 47%. And fortunately, the program’s overall financial position remains strong, as adjustments to operations are being made to accommodate changes in customer needs.

One thing that hasn’t changed is the dedication and skill of IPI employees. Our staff provide a security role as they supervise incarcerated men and women, while also training program participants in job skills such as welding or computer operation, and finally in organizing and executing the production of products to meet customer needs. It’s a very challenging position, and we are blessed with a talented and hardworking team across the state.

From all of us at IPI, please review and enjoy our FY2018 Annual Report.



# IPI Advisory Board



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



**Robert Carr**  
DOC Representative & Board Vice-Chair  
Former Iowa Senator  
Dubuque

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.



**Yvonne (Bonnie) Winther**  
Labor Representative  
Communications Workers of America  
Waterloo



**Terry Goodman**  
Manufacturing Representative  
PDM Distribution, Inc.  
Ames



**Jennifer Foster**  
Vocational Education Representative  
Des Moines Area Community College  
Des Moines



**Jennifer Gardner**  
Agricultural Representative  
Farmer & Teacher  
Douds



**Sheila Wilson**  
Parole Board Representative  
Iowa Board of Parole  
West Des Moines

# IPI Management Team



**Ann Pollock**  
Chief Financial Officer



**Robert (Bob) Fairfax**  
Sales & Marketing Manager

The Management Team ensures that IPI provides meaningful work training for offenders, while remaining self supporting. As with private corporations, IPI managers must deliver the price, quality and service that customers demand. They are also responsible for financial management, including budgeting, sales analysis, and expense control.



**Becky Bessine**  
Fort Madison Plant Manager



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



**Al Reiter**  
Anamosa Plant Manager  
Rockwell City Plant Manager



**Clint Schmidt**  
Des Moines Operations Manager



**Mike Lynch**  
Farms Director

# Iowa Code §904.801 – Statement of Intent

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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:

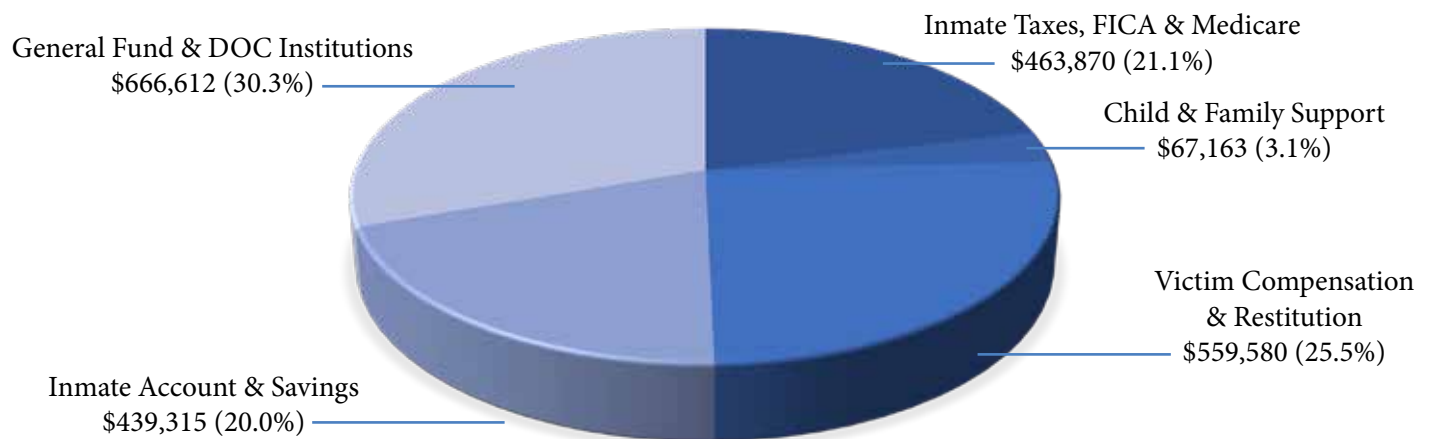
- 1** To develop within those inmates willing to accept and persevere in such work:
  - a)** Positive attitudes which will enable them to eventually function as law-abiding, self-supporting members of the community;
  - b)** Good work habits that will assist them in eventually securing and holding gainful 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.

# Financials

## Private Sector

	FY2018	FY2017	Increase/(Decrease)
<b>Total Hours Worked</b>	<b>201,450</b>	<b>137,182</b>	<b>64,268</b>
Inmates Employed (FTE)	102	82	20
Gross Wages	\$2,196,540	\$1,467,873	\$728,667
Withholdings for Taxes, FICA & Medicare	463,870	314,975	148,895
Court Ordered Child & Family Support	67,163	42,693	24,470
Victim Compensation & Restitution Payments	559,580	367,548	192,032
Amount Paid to Inmate Account & Savings	439,315	293,967	145,348
Returned to Iowa's General Fund & DOC Institutions	666,612	448,690	217,922

Wage Disbursement for Private Sector Inmates

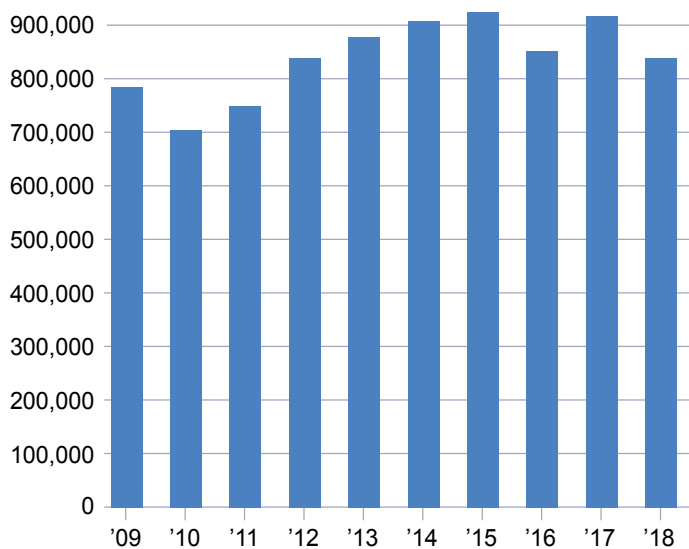


# Financials

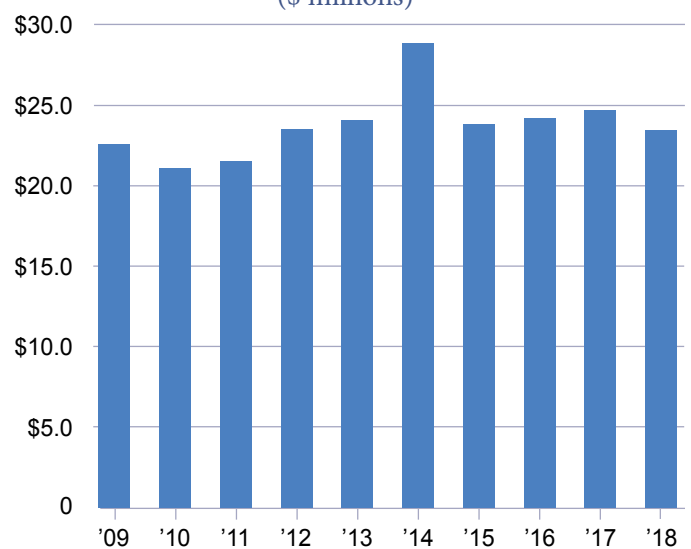
## Traditional Industries

	FY2018	FY2017	Increase/(Decrease)
<b>Total Hours Worked</b>	<b>839,409</b>	<b>912,474</b>	<b>(73,065)</b>
Inmates Employed (FTE)	403.6	438.7	(35)
<b>Income Statement</b>	<b>FY2018</b>	<b>FY2017</b>	<b>Increase/(Decrease)</b>
Sales	23,444,759	24,483,727	(1,038,968)
Costs of Goods Sold	19,082,267	19,366,175	(283,908)
Gross Profit	4,362,492	5,117,552	(755,060)
Operating Expenses	4,375,457	4,179,872	195,585
Canteen Redistribution	858,978	858,611	367
<b>Net Sustainable Income/(Loss)</b>	<b>(\$871,943)</b>	<b>\$79,069</b>	<b>(\$951,012)</b>

Training Hours for IPI Traditional Industries



Net Sales for IPI Traditional Industries  
(\$ millions)





Balance Sheet	FY2018	FY2017	Increase/(Decrease)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	9,454,463	7,009,896	2,444,567
Accounts Receivable	2,149,728	3,741,548	(1,591,820)
Inventory	5,449,169	6,952,444	(1,503,275)
Prepaid Expenses	44,953	1,992	42,961
<b>Total Current Assets</b>	<b>17,098,313</b>	<b>17,705,880</b>	<b>(607,567)</b>
<b>Property, Plant &amp; Equipment</b>			
Land	222,666	222,666	0
Machinery & Equipment	1,435,306	1,685,516	(250,210)
Buildings	5,895,449	6,127,295	(231,846)
Vehicles	114,079	197,795	(83,716)
<b>Total Property, Plant &amp; Equipment</b>	<b>7,667,500</b>	<b>8,233,272</b>	<b>(565,772)</b>
<b>TOTAL ASSETS</b>	<b>\$24,765,813</b>	<b>\$25,939,152</b>	<b>(\$1,173,339)</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Liabilities</b>			
Accounts Payable	1,299,289	1,680,354	(381,065)
Deferred Revenue	40,105	0	40,105
<b>Total Current Liabilities</b>	<b>1,339,394</b>	<b>1,680,354</b>	<b>(340,960)</b>
<b>Long Term Liabilities</b>			
Accrued Vacations Payable	449,207	552,747	(103,540)
Accrued Sick Leave/Ret Pay	333,524	190,421	143,103
<b>Total Long Term Liabilities</b>	<b>782,731</b>	<b>743,168</b>	<b>39,563</b>
<b>Total Equity</b>	<b>22,643,688</b>	<b>23,515,630</b>	<b>(871,942)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$24,765,813</b>	<b>\$25,939,152</b>	<b>(\$1,173,339)</b>

# Financials

## Farms

	CY2017	CY2016	Increase/(Decrease)
Total Hours Worked	22,955	18,622.5	4,332.5
Inmates Employed (FTE)	11.34	9.22	2.12

	CY2017	CY2016	Increase/(Decrease)
<b>Income Statement</b>			
Revenues & Gain/Loss on Inventory	1,809,676	1,691,764	117,912
Total Operating Expenses	2,010,884	1,882,279	128,606
Operating Income	(201,208)	(190,514)	(10,694)
Other Income/(Expense)	3,309	26,765	(23,456)
<b>Net Sustainable Income/(Loss)</b>	<b>(\$197,900)</b>	<b>(\$163,749)</b>	<b>(\$34,150)</b>

	CY2017	CY2016	Increase/(Decrease)
<b>Balance Sheet</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	916,085	1,009,874	(93,789)
Accounts Receivable & Other	1,650,325	1,611,543	38,782
<b>Total Current Assets</b>	<b>2,584,085</b>	<b>2,621,417</b>	<b>(37,332)</b>
<b>Fixed Assets</b>			
Vehicles & Buildings (net)	693,077	771,603	(78,526)
Total Mach/Equip/Purch Breeding Stock	650,513	710,070	(59,557)
<b>Total Fixed Assets</b>	<b>1,343,590</b>	<b>1,481,673</b>	<b>(138,084)</b>
<b>Total Other Assets (Land, PPE, &amp; Other)</b>	<b>612,788</b>	<b>620,480</b>	<b>(7,692)</b>
<b>TOTAL ASSETS</b>	<b>\$4,540,463</b>	<b>\$4,723,570</b>	<b>(\$183,108)</b>

<b>LIABILITIES &amp; EQUITY</b>			
Total Current Liabilities	155,252	139,339	15,913
Total Long Term Liabilities	64,240	65,362	(1,121)
<b>Total Liabilities</b>	<b>219,493</b>	<b>204,701</b>	<b>14,792</b>
<b>Total Equity</b>	<b>4,320,970</b>	<b>4,518,869</b>	<b>(197,900)</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$4,540,463</b>	<b>\$4,723,570</b>	<b>(\$183,108)</b>

# Products & Services from IPI

## 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



### Seating

Executive, Conference, Office & Task, Guest, Stackable, Stool, Education, Lounge, Restoration



### Parks & Recreation

Wood, Metal & Aluminum Seating & Tables, Trash Receptacles, Bike Racks, Grills, Docks & Piers



### Offender Clothing & Textiles

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



### Plastic Bags

Biodegradable, Recycled Content, Printed, Biohazard, Food Storage



### Chemicals & Cleaning Supplies

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



### Library Furnishings

Circulation Desks, Bookcases & Shelving, Display & Storage, Tables, Seating



### Printing / Graphic Arts

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



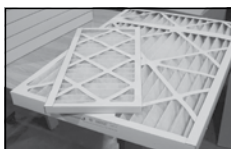
### Braille Transcription

Book & Music Transcription, Duplication



### Church Furnishings

Pews & Seating, Pulpits & Lecterns, Tables, General Furnishings, Furniture Restoration



### Air Filters

Standard & High Capacity Pleated, Polyester Pad, Synthetic Pocket



### Furniture Restoration

Wood Refinishing, Metal Refurbishing, Fabric Reupholstery



### Desks & Tables

Wood & Metal Office Systems, Modular Office Systems, Desks, Conference, Computer, General Use, Folding



### School Furnishings

Classroom, Computer Lab, Science Lab, Music Room, Library, Multi-Purpose, Office & Administration, Buildings & Grounds, Outdoor Equipment



### Federal Surplus

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



### Office & School Apparel

Embroidery & Garment Printing, Knits, Wovens, T-Shirts, Activewear, Outerwear, Headwear, Briefcases & Bags, School Uniforms



### Filing & Storage

File Cabinets, Bookcases, Storage Cabinets, Cabinetry & Countertops



### Detention Furnishings

Beds & Accessories, Mattresses, Seating, Tables, Dining Clusters, Storage



### Moving & Install

Moving & Installation of Offices, Furniture, Miscellaneous Items



### Signs & Decals

MUTCD, Street Markers, Destination, Recreation, School Spirit, Custom, ADA Pictograms, Decals, Vehicle Markings



### Residence Furnishings

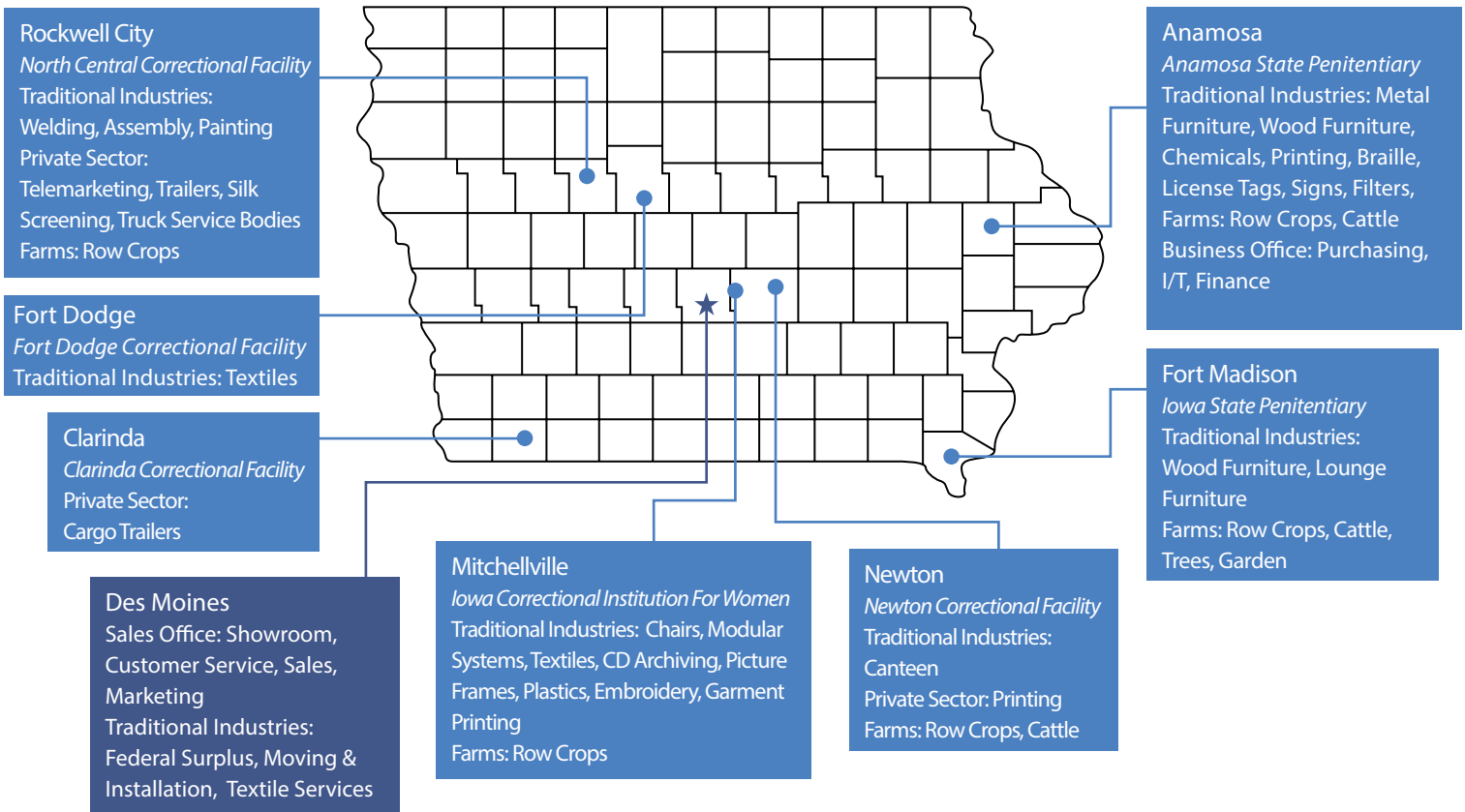
Residential & Dormitory Beds & Accessories, Clothes Storage, Student Desks & Accessories, Lounge Furnishings



### Retirement Gifts / Engraving Services

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

# Locations



# Contact Information

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

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

**Dennis Barry** | 515-249-0694  
 County, State, and Federal Government

**Albert Carr IV** | 515-330-0095  
 K-12 Education

**Tammy Nielson** | 515-669-1954  
 Churches, City Government, Colleges & Universities, Health Care, Non-Profits

**Kevin Peterson** | 319-350-8536  
 DOC/DHS Institutions, Regents Universities, Service Statewide

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

**Sara Schnotala** | 515-725-8706  
 County, State and Federal Government, Non-Profit Organizations

**Karen Donahue** | 515-725-8708  
 Churches, City Government, Health Care, Colleges & Universities

**David Welshhons** | 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 Madison: 319-376-4880 x41608  
 Mitchellville: 515-725-5310  
 Newton: 641-791-9242  
 Rockwell City: 712-297-7717  
 Fort Dodge: 515-705-7227