

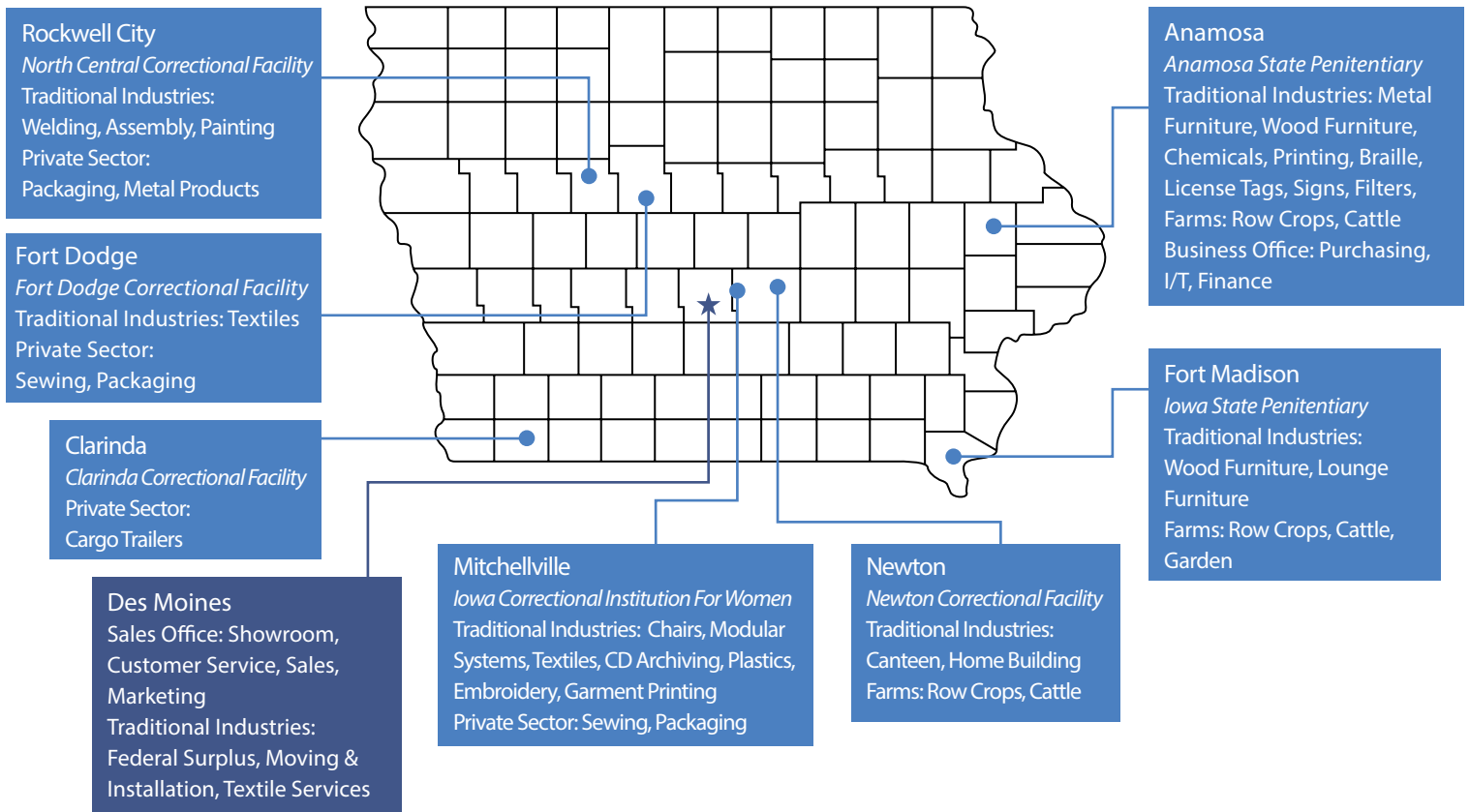


FY2020

ANNUAL REPORT



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

Jeff Peterson | 515-249-0694
 County, State, and Federal Government, Non-Profit Organizations

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

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

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

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 Madison: 319-316-7180
 Mitchellville: 515-725-5310
 Newton: 641-791-9242
 Rockwell City: 712-297-7717
 Fort Dodge: 515-705-7227

LETTER FROM THE IPI DIRECTOR



Dear friends of IPI:

For eight-and-a-half months, FY2020 was a pretty typical year, filled with the typical challenges and typical opportunities that any year brings. And then, within just a few days into

March, the world was radically changed by the novel coronavirus. For our staff and their loved ones, and the men and women that we supervise, life was disrupted in the most un-typical ways.

Despite this disruption, or maybe because of it, the men and women of IPI rose to the occasion. The worldwide pandemic demonstrated dramatically the skills and dedication of our staff and our associates.

The virus has sickened hundreds of DOC staff and thousands of incarcerated individuals, and so our first priority from the outset was to protect the health and well-being of our staff and associates, and secondly to maximize the supply of products that the Iowa citizens needed to ensure their own health and safety.

As the institutions and world around us shut down, there was an outcry for PPE and hand sanitizer from the DOC institutions, state agencies, schools and universities, nursing homes and virtually every organization. Working seven days a week, the men and women of IPI leaped into action, manufacturing amazing quantities in record time:

- Cloth Isolation Gowns 47,852
- Face Shields 26,267
- Hand Sanitizer (gallons) 27,936
- Masks and Sneeze Guards 131,632

In addition, IPI manufactured and distributed record amounts of disinfectants and sanitizers for worried customers across the state. All the while, our shop staff and associates wore both a cloth mask and a plastic face shield.

Every single member of IPI pitched in, whether it be making a rush pickup of deionized water needed for manufacturing hand sanitizer or an expedited delivery of gowns to an anxious long term care facility.

This tremendous accomplishment was publicly recognized by Governor Kim Reynolds, IDOC Director Beth Skinner, the Iowa Board of Parole, and even U.S. Senator Charles Grassley on the floor of the U.S. Senate.

For those staff that could, working from home became the norm. Fortunately the IPI organization had been using online meetings and shared documents for a few years, and we were prepared.

Activity-wise, the first 8-1/2 months of FY2020 were strong, but that was followed by 3-1/2 months of restricted movement and customer shutdowns. Work training hours grew slightly to 904,204 (435 FTEs), Net Sales grew 15% to \$30.6 million, and Net Sustainable Income, which funds purchases of machinery, equipment and vehicles for the IPI program, finished at a breakeven \$12,218. For IPI Farms, continued low commodity prices led to a loss of \$266,593 on revenues of \$1,976,231.

Although the path forward into FY2021 remains murky, our Vision of providing meaningful work training opportunities for every person remains crystal clear. We know through research that work training and vocational education are among the most important factors in ensuring success for the thousands of men and women that return to Iowa communities every year from state prison.

I know that you share my tremendous pride in the men and women that make up the IPI program, so please stay safe, and enjoy our FY2020 Annual Report!

IPI ADVISORY BOARD



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



Tim Diesburg
DOC Representative
Former IPI-DOC Employee
Anamosa

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



Andrew Bright
Manufacturing Representative
Pella Corporation
Carroll



Megan Ellsworth
Vocational Education Representative
Des Moines Area Community College
Reasnor



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 inmates in a safe and secure environment, 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.



Jeff Bailey
Interim 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

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:

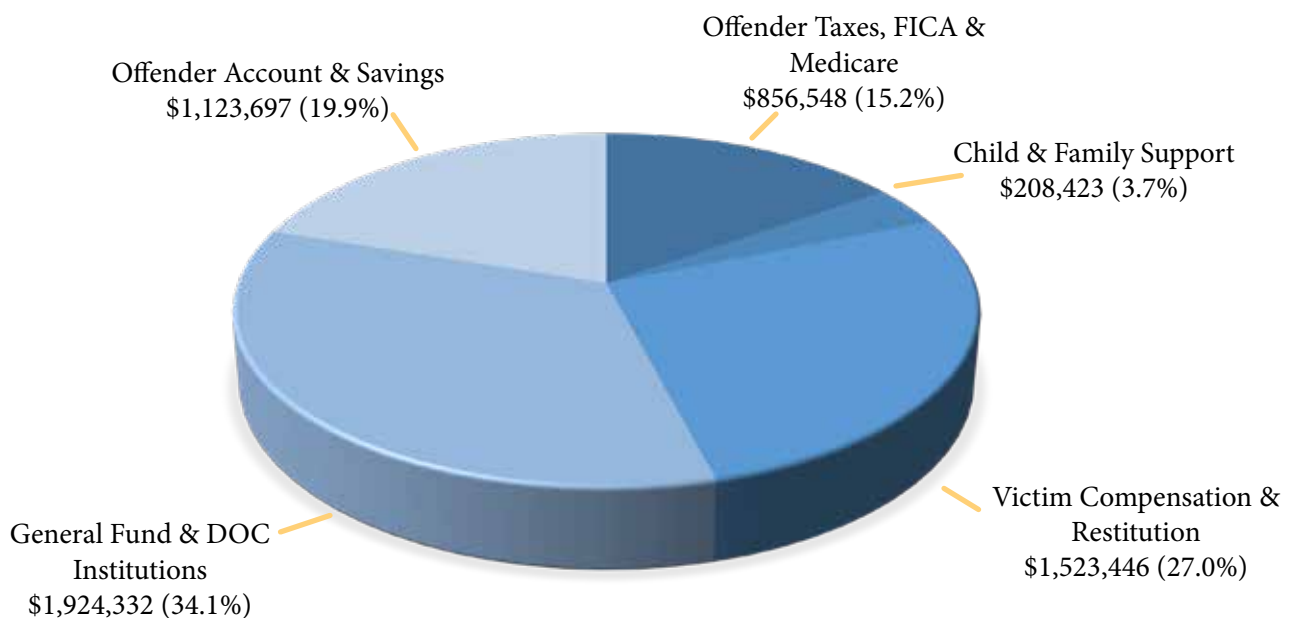
- a)** Provide or assist in providing for their dependents, thus tending to strengthen the inmates' family ties while reducing the likelihood that inmates' families will have to rely upon public assistance for subsistence
- b)** Make restitution, as the opportunity to do so becomes available, to the 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 INDUSTRIES

	FY2020	FY2019	Increase/(Decrease)
Offender Participants	328	421	(93)
Gross Wages	\$5,636,446	\$5,311,603	\$324,843
Withholdings for Taxes, FICA & Medicare	856,548	736,098	120,450
Court Ordered Child & Family Support	208,423	192,471	15,952
Victim Compensation & Restitution Payments	1,523,446	1,517,337	6,109
Returned to Iowa's General Fund & DOC Institutions	1,924,332	1,804,837	119,495
Amount Deposited in Offender Account & Savings	1,123,697	1,060,860	62,837

Wage Disbursement for Private Sector Offenders

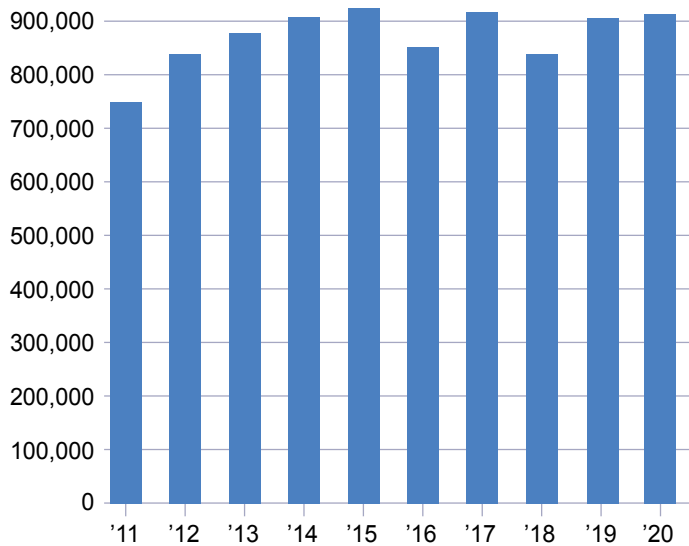


FINANCIALS

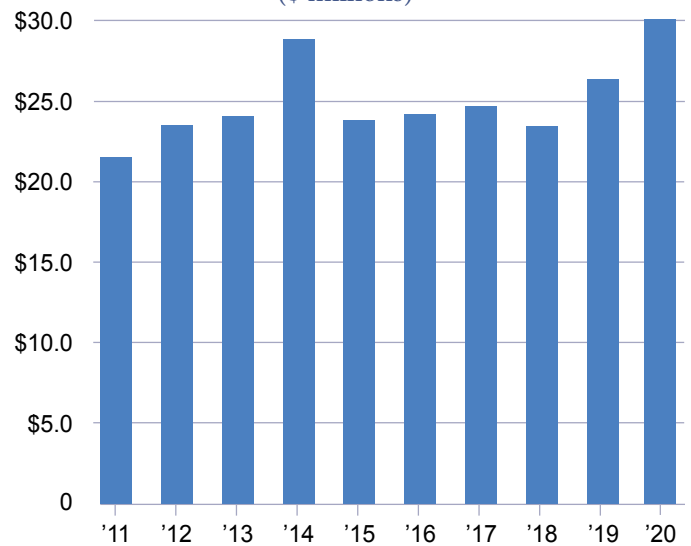
TRADITIONAL INDUSTRIES

	FY2020	FY2019	Increase/(Decrease)
Total Hours Worked	904,204	901,408	2,796
Inmates Employed (FTE)	434.7	433.4	1.3
Income Statement	FY2020	FY2019	Increase/(Decrease)
Sales	30,612,630	26,613,707	3,998,923
Costs of Goods Sold	25,008,343	20,681,886	4,326,457
Gross Profit	5,604,287	5,931,821	(327,534)
Operating Expenses	4,791,434	4,080,148	711,286
Canteen Redistribution	800,635	820,617	(19,982)
Net Sustainable Income/(Loss)	\$12,218	\$1,031,056	(\$1,108,838)

Training Hours for IPI Traditional Industries



Net Sales for IPI Traditional Industries (\$ millions)



Balance Sheet	FY2020	FY2019	Increase/(Decrease)
ASSETS			
Current Assets			
Cash	7,677,463	8,636,951	(959,488)
Accounts Receivable	3,437,498	3,441,085	(3,587)
Inventory	6,335,729	6,475,504	(139,775)
Prepaid Expenses	69,505	74,540	(5,035)
Total Current Assets	17,520,195	18,628,080	(1,107,885)
Property, Plant & Equipment			
Land	222,666	222,666	0
Machinery & Equipment	2,227,810	1,490,788	737,022
Buildings	5,645,487	5,772,498	(127,011)
Vehicles	108,875	107,924	951
Total Property, Plant & Equipment	8,204,839	7,593,876	610,963
TOTAL ASSETS	\$25,725,034	\$26,221,956	(\$496,922)
LIABILITIES & EQUITY			
Liabilities			
Accounts Payable	1,192,689	1,541,563	(348,874)
Deferred Revenue	1,385	284,433	(283,048)
Total Current Liabilities	1,194,074	1,825,996	(631,922)
Long Term Liabilities			
Accrued Vacations Payable	596,933	468,250	128,683
Accrued Sick Leave/Ret Pay	247,066	252,967	(5,901)
Total Long Term Liabilities	843,999	721,217	122,782
Total Equity	23,686,961	23,674,743	12,218
TOTAL LIABILITIES & EQUITY	\$25,725,034	\$26,221,956	(\$496,922)

FINANCIALS

FARMS

	CY2019	CY2018	Increase/(Decrease)
Total Hours Worked	23,424	21,802	1,622
Inmates Employed (FTE)	11.58	10.80	.78

Income Statement	CY2018	CY2018	Increase/(Decrease)
Revenues & Gain/Loss on Inventory	1,976,231	1,723,121	253,110
Total Operating Expenses	2,222,243	1,890,763	331,480
Operating Income	(246,012)	(167,643)	(78,369)
Other Income/(Expense)	(20,581)	3,905	(24,486)
Net Sustainable Income/(Loss)	(\$266,593)	(\$163,737)	(\$102,855)

Balance Sheet	CY2019	CY2018	Increase/(Decrease)
ASSETS			
Current Assets			
Cash	986,907	889,491	97,415
Accounts Receivable & Other	1,522,266	1,671,969	(149,703)
Total Current Assets	2,509,173	2,574,079	(64,906)
Fixed Assets			
Vehicles & Buildings (net)	490,834	596,147	(105,313)
Total Mach/Equip/Purch Breeding Stock	431,318	539,209	(107,891)
Total Fixed Assets	922,152	1,135,358	(213,206)
Total Other Assets (Land, PPE, & Other)	616,777	619,189	(2,412)
TOTAL ASSETS	\$4,048,103	\$4,328,624	(\$280,521)

LIABILITIES & EQUITY			
Total Current Liabilities	105,221	114,140	(8,919)
Total Long Term Liabilities	52,242	57,252	(5,010)
Total Liabilities	157,463	171,391	(13,928)
Total Equity	3,890,640	4,157,233	(266,593)
TOTAL LIABILITIES & EQUITY	\$4,048,103	\$4,328,624	(\$280,521)

PRODUCTS & SERVICES

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



Filing & Storage

File Cabinets, Bookcases, Literature Display, Storage Cabinets, Specialty Storage, Custom Cabinets & Countertops



Library Furnishings

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



Church Furnishings

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



Parks & Recreation

Wood, Metal & Aluminum Seating & Tables, Trash Receptacles, Smokers' Receptacles, Bike Racks, Parking Lot Products, Grills, Docks & Piers



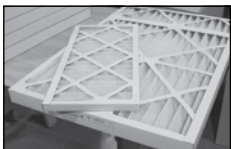
Office & School Apparel

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



Plastic Bags

Biodegradable, Recycled Content, Printed, Biohazard, Food Storage



Air Filters

Standard & High Capacity Pleated, Polyester Pad, Synthetic Pocket



Printing / Graphic Arts

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



Braille Transcription

Book & Music Transcription, Duplication



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, Audio/Visual, Office & Administration, Buildings & Grounds, Outdoor Equipment



Residence Furnishings

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



Detention Furnishings

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



Furniture Restoration

Wood Refinishing, Metal Refurbishing, Reupholstery



Inmate Clothing & Textiles

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



Chemicals & Cleaning Supplies

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



Signs & Decals

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



Retirement Gifts / Engraving Services

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



Moving & Install

Moving & Installation of Offices, Furniture, Miscellaneous Items



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.



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