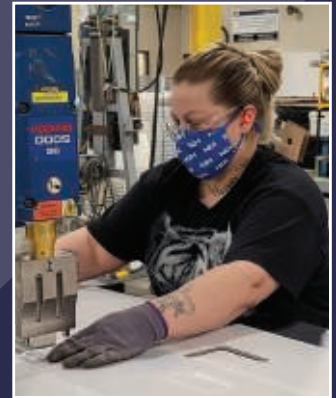


2020 Annual Report



Mission: Serve people with disabilities by offering inclusive employment opportunities and services.

IMPROVING Lives in
Challenging **TIMES**

MDI[®]

DEEMED **an** ESSENTIAL BUSINESS, MDI has remained open without interruption during the pandemic.

Dear friends and supporters,

2020 was full of ups, downs, unforeseen challenges but above all – resiliency. Our top takeaway was an immense feeling of pride and gratitude to MDI employees, business partners, and supporters.

We started the year strong and optimistic. But in March our lives changed in ways we never could have predicted. COVID-19 caused a pandemic around the world; businesses went under, and millions of people lost jobs and the means to support themselves and their families.

MDI was immediately deemed as an essential business, because of the products and services we provide. Extensive measures were put in place resulting in minimal disruptions. With the safety of our employees as the number one priority, we were able to continue operations providing products and services to customers and employing people with and without disabilities. Some employees chose to furlough. In August we received a significant order that led to hiring more than 250 employees across all locations.

In the fall, MDI announced the purchase of a \$2.9

million polypropylene extruder, projected to be up and running by the end of 2021. **Our project was aided by generous grants from the Blandin Foundation, the IRRRB, Enbridge, Otto Bremer Trust, and Minnesota Power Foundation.** We're excited about the investment in commercial business growth and the jobs it will provide across northern Minnesota.

2021 brings a change in leadership.

After 12 years of serving as president & CEO, Peter McDermott retired on April 1, 2021. The MDI board conducted an extensive search, and we are excited to announce Eric Black as the new president & CEO. MDI and its employees will be in good hands with his leadership. Eric has comprehensive business experience combined with a passion for MDI's mission.

Our goal is to impact 2,500 lives by 2026 through employment opportunities and services for people with disabilities. We are grateful for your partnership and support that makes our work possible. Thanks to you, MDI is proof that our differences make us stronger – and that inclusion makes us better.

We ended 2020 with **\$35,628,033 million** in revenue and **562 employees** – nearly one third of which are people with disabilities.



Peter McDermott,
Past President & CEO



Jill Hesselroth,
2020 Board Chair

Senior Management Team



Peter McDermott
President & CEO (2008-2021)

Peter announced his retirement after serving 12 years as president & CEO. Peter transformed MDI into a phenomenal organization where people are proud to work. He took MDI from \$11 million in sales and 123 employees to \$33 million and 562 employees. Peter oversaw MDI's multi-year, \$15 million capital investment project; led the merger with Deer River Hired Hands; helped MDI obtain ISO certifications; and expanded product offerings. Most notably, he improved the working conditions for people with disabilities and advocated on their behalf at the Minnesota Legislature and within the business community.



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Chief Operating Officer



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Chief Financial Officer



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Vice President of Sales



Debi Thompson
Director of Human Resources



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Director of
Employment Services



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True Friends

The events of 2020 tested the **RESILIENCE** of our business – the people, operations, and **financial STRENGTH.**

While this has not been an easy year, it's made us a stronger social enterprise, better prepared for a fast-changing world.

MDI responded with speed and agility to protect lives and livelihoods, while growing business. Above all, this year has strengthened our commitment to being a leader in diversity, equality and inclusion and to showing that MDI's purpose-led model delivers superior results.

- ▶ Increased revenue 17.5%
- ▶ Hired 250+ people within six weeks to fulfill a surge order of three million units within six months
- ▶ Developed two innovation teams focused on product and mission growth
- ▶ Invested in a \$2.9M polypropylene extruder; to create 70+ jobs in years to come
Funded in part by MDI & 35% in grants
- ▶ Invested \$850K in capital improvements: sonic welders, semi-tractor, resin trailer, CNC cutter, plow truck, and website
- ▶ Raised nearly \$1.5M in development dollars
- ▶ Unveiled new brand identity
- ▶ Mitigated health risks of COVID-19 through education, communication and plan compliance



Investing in Success

At MDI, we empower people with disabilities by providing meaningful work opportunities to promote success and independence. Through job coaching, training and skill development, people with disabilities cultivate tools for life-long personal development and self-sufficiency.



Jay Hannon ►

When the pandemic hit, Jay – like many people with disabilities – was placed on furlough from his previous employer. Luckily, a few months later, Jay found a job at MDI. He has been employed as an assembler and says it's the best job he's ever had. He loves the team environment and working alongside people with and without disabilities.



◀ Del Smith

When Del started working at MDI, he needed a one-on-one job coach to help him complete his daily responsibilities after a traumatic brain injury. On-the-job training, combined with MDI's Career Skills program, gave him the tools to work independently. He now receives minimal support from the employment services team and operations.

Career Skills Shifts Focus To The Trainers

While the core of Career Skills remains consistent, the delivery model has evolved to now include a **train-the-trainer** and **virtual classes**. The program is offered virtually to businesses and organizations. We look forward to continuing to impact the lives of people in our community who deserve the confidence and independence that come with meaningful work.



MDI Workforce

Documented Disability

Intellectual/Developmental	60%
Mental Illness	20%
Physical	9%
Ortho/Neuro	8%
Visual	3%
Auditory	0%

Age Range

20 – 29	21%
30 – 39	21%
40 – 49	23%
50 – 59	23%
60 – 69	11%
70 – >	1%

Employment Statistics

Average Hourly Wage	\$12.32
Average Hours Per Week	19.44
Over All Satisfaction of Services	100%
Satisfaction with Efficiency of Services	97%
Satisfaction with Effectiveness of Services	89%

Commercial SALES ends year STRONG in spite of the global pandemic.



Driving Sustainable Jobs

Deemed as an essential business, MDI products and services continued to be in demand across major markets. All four MDI facilities were kept operational to meet customer needs, while keeping employees safe. MDI invested in significant capital equipment for future growth. We secured several new program-level customers and delivered upon sales goals to drive more sustainable jobs for people with and without disabilities.

PLASTIC

- ▶ Produced 2,042,652 standard and customized products
- ▶ Invested \$2.9M in a polypropylene extruder
- ▶ Designed 50 new custom products
- ▶ Developed semi-automated folding fixtures to improve efficiency



SERVICES

- ▶ Assembled & packaged 4,498,897 service units
- ▶ Invested \$17K in a pallet wrapper, fabric roll station, anti-fatigue mats and Clorox 360 machine
- ▶ Expanded ongoing program-level work
- ▶ Processed 1,500 truckloads out of the Minneapolis facility



MEDICAL

- ▶ Assembled 424,601 medical units
- ▶ Invested \$115K in a CNC medical cutting machine
- ▶ Built 39,000 face shields in response to pandemic
- ▶ Maintained ISO 13485:2016 Certification & FDA registration



Statement of Financial Position

Assets

Current Assets	\$21,004,692
Other Assets	224,138
Property & Equipment Net	15,875,521
Total Assets	\$37,104,351

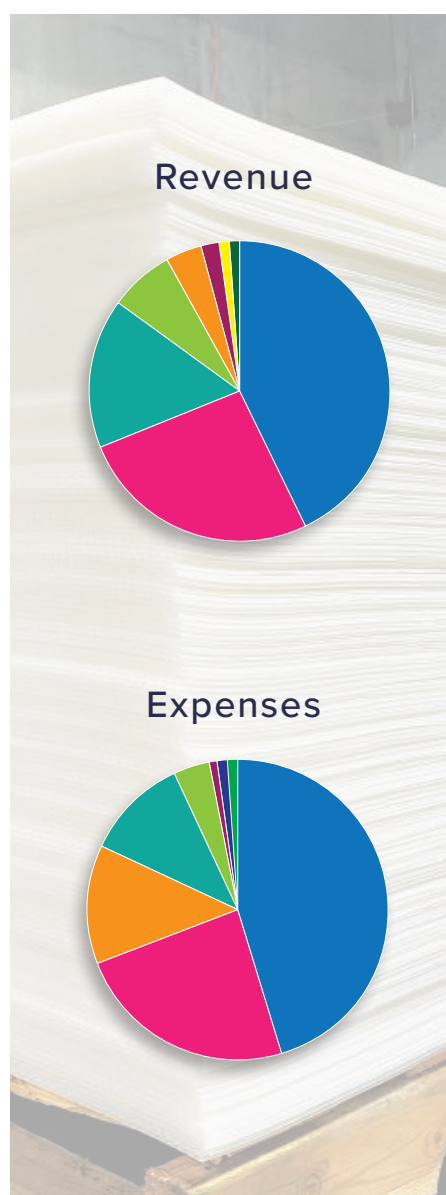
Liabilities

Current Liabilities	\$6,379,397
Long-Term Debt & Other Liabilities	4,661,107
Net Assets Without Donor Restrictions	25,243,847
Net Assets With Donor Restrictions	820,000
Total Liabilities & Net Assets	\$37,104,351

Statement of Activities

● USPS Totes	\$15,268,929
● Commercial Plastics	9,245,694
● USPS EMM Trays	5,873,533
● Commercial Assembly	2,505,654
● Grants & Donations	1,526,159
● Program & Hired Hands Services	559,687
● USPS Stamps	301,480
● USPS 1263A Containers	184,794
● Other	162,103
Revenue	\$35,628,033

● Variable Manufacturing Costs	\$16,241,523
● Fixed Manufacturing Costs	8,679,878
● Reserved for Future Investments	4,484,137
● Administrative	3,812,132
● Sales & Marketing	1,468,900
● Training & Services	403,017
● Fees	348,940
● Interest & Other Financing	189,506
Total Expenses & Reserves	\$35,628,033



MDI is pleased to share our fiscal year 2020 financials. Audited by CliftonLarsonAllen LLP, certified public accountants. Complete consolidated financial statements available at www.mdi.org.

The **ABILITY BASH** was not what we had planned, but we carried on with our main **FUNDRAISER VIRTUALLY!**



Virtual Ability Bash

The pandemic got real in the spring, canceling events everywhere. 2020 Ability Bash chairs Maggie Schneider & Abram Walters, along with the event committee, regrouped and changed direction. Our loyal sponsors came along for the ride. The restaurants, shops, spas, theaters, and other businesses who had donated to our auctions and games in years past were no longer in a position to do so. We solicited cash donations from the board of directors, senior leadership, and committees to purchase goods and services from those same vendors to do our small part to keep them afloat and provide online guests with great auction items.

Ability Bash 2020 raised a respectable \$66,570, just over 50% of our goal, and expenses were greatly reduced. You can still watch the 2020 bash on MDI's YouTube channel. *(Spoiler alert: the bloopers are the best part.)*

Save the date: Ability Bash VI: Thursday, September 30, at the American Swedish Institute in Minneapolis.

Thank you sponsors, vendors, volunteers, and supporters!



Maggie Schneider & Abram Walters, Co-Chairs

At first glance, Maggie and Abram appear to have it all: smart, well-spoken, and kind. They've been a couple since their high school days in Michigan. Little do many people know, **Maggie nearly lost her life.**

While driving back to college in November 2004, she hit black ice and rolled her SUV, resulting in "multiple trauma". Over 16 years, **45 surgeries, artery repairs, a below-the-knee amputation in 2019, and 60+ units of blood,** Maggie is well on her way back to normalcy! After receiving an "athletic foot" last May, she has been working hard at regaining her strength and running again for the first time since before the accident.



Your support **EMPOWERS** **PEOPLE with disabilities**

Because of you, hundreds of people who are often left out of our nation's workforce experience the confidence, independence and purpose that comes with employment. Thank you for your generous donations, large and small, to help us achieve our mission of providing employment opportunities and services for people with disabilities.



\$500,000 +

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\$100,000 - \$499,000

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IRRRB

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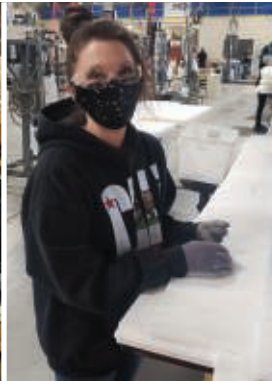
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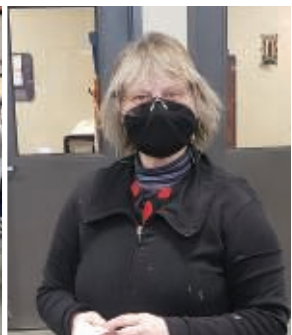
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