



a shared

vision



Uniting Ideas & Resources



2017 annual report

July 1, 2016 - June 30, 2017

FROM THE PRESIDENT

The first time I moved to west central Minnesota, in 2007, my husband and I lived in a temporary classroom building a friend had bought at an auction and moved to his farmland. We made it habitable and lived there for a year while we were dreaming up and then building our home on Star Lake in Otter Tail County. My husband dubbed our short-term residence 'gokenin,' a 12th century Japanese term he loosely translated as a community crossroads that welcomed all visitors no matter their status.

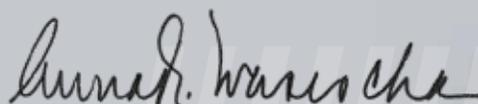
I always loved that we were living in a classroom in a clearing by the woods. We learned so much by being in nature across all four Minnesota seasons and we met so many people because our friend went out of his way to include us in his very large and thriving network. Our year at gokenin rooted us in this community.

We took a detour in 2011 and moved to Connecticut where I served as the president of Middlesex Community College. I was overjoyed to return to Minnesota in May of 2017 to become the president of West Central Initiative. After a long career in higher education, I have developed a deep conviction about the importance of serving one's community as best one can. West Central Initiative epitomizes service to community. This past year marked the 31st year that West Central Initiative has been hard at

work improving the lives of people and strengthening communities in our nine-county region. That positive energy is captured by pictures and stories in this annual report, organized around the theme of "A Shared Vision."

Looking back at my year in the woods, I now fully appreciate that the real classroom is the community. And that community can be found in schools, places of work, churches, towns, neighborhoods and within the walls of a family home. We build community by ceaselessly learning from one another, by developing compassion for those we have met and from what we have learned, and by forging strong connections with each other. That is our shared vision for how West Central Initiative contributes to the common good.

The board and staff of West Central Initiative take great pride in the work that was accomplished in 2016-17. This annual report is a celebration of our experience and, as the new president, I am delighted to share it with you.



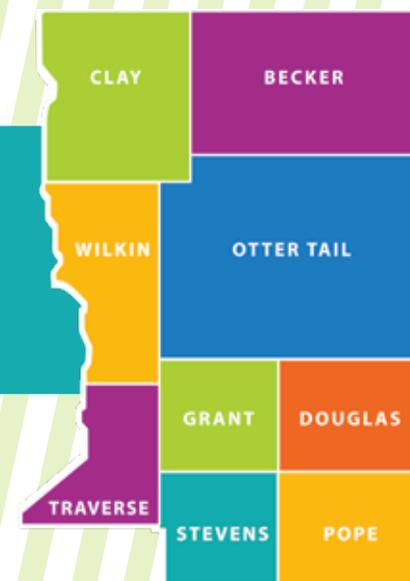
MISSION

Serving to improve West Central Minnesota through funding, programs and technical assistance.

VISION

Uniting ideas and resources to help people and communities create a better tomorrow.

We serve **9** counties
and **82** communities
in west central Minnesota



ECONOMY '17

idea: Keep our businesses open even in the face of disaster

resources: Philanthropic Preparedness, Resiliency and Emergency Partnership (PPREP) Grant through the Funders' Network for Smart Growth and Livable Communities, WCI staff

A business destroyed by disaster can leave more than a physical hole in a rural community. If there's no continuity plan, it could mean permanently closed doors and the loss of jobs. As part of the PPREP Midwest cohort of foundations, and thanks to a PPREP grant, WCI gained the knowledge and tools to help improve how communities prepare for and respond to natural disasters and strengthen our overall resilience. Under the direction of Greg Wagner, business and economic development director, WCI provided funding to our 10 Early Childhood Initiative coalitions to offer emergency preparedness materials and training to child care providers. WCI also developed and launched the Stay Open for Business website, stayopenforbiz.org, to help businesses develop continuity plans.

MORE INFO: stayopenforbiz.org



DURING FISCAL YEAR 2017, WCI CLOSED LOANS TOTALING \$1,560,006.
FY 2017 LOANS LISTED AT
ANNUALREPORT.WCIF.ORG

idea: Find out where Greater Minnesota child care centers stand on rates and wages

resources: WCI staff, Minnesota Initiative Foundations, child care center directors

The high cost of child care is an issue for both parents AND for child care providers. When the West Central Minnesota Child Care Center Directors Association asked WCI to help complete a regional survey on child care center rates and wages, WCI was happy to comply. The survey was replicated in each of the Minnesota Initiative Foundation regions in Greater Minnesota. Early Childhood Coordinator Nancy Jost shared the statewide results with the Minnesota Dept. of Employment and Economic Development and the Governor's Office.

MORE INFO: childcare.wcif.org

idea: Make it easier to test out innovative models for workforce development in our region

resources: WCI grants and staff, regional nonprofits and units of government

It's one thing to have a good idea, it's another to have the capital to make it more than a dream. WCI launched its new Workforce Solutions grant program to help regional nonprofit organizations and units of government try out projects that improve our region's ability to attract and retain a workforce that possesses the talents needed to strengthen the economy of west central Minnesota.

MORE INFO: workforcesolutions.wcif.org

idea: Help child care businesses thrive in our region

resources: WCI staff, Minnesota Dept. of Employment and Economic Development Grant, WCI Loan Program, Early Childhood Initiative

"A small amount of money can make the difference between opening a business and keeping it running, or having to close," said Greg Wagner, business & economic development director, about WCI's forgivable child care loan program. Piloted in 2016, WCI was able to offer the program to family- and center-based child care providers for a second year, thanks to a \$50,000 grant from DEED. WCI provided a \$51,500 match to the DEED grant. This allowed WCI to provide up to 31 forgivable loans at \$3,500 each. Payments on the three-year loans are forgiven each month as long as the child care business stays in operation.

idea: Create a regional marketing campaign to encourage people to live and work in west central Minnesota

resources: WCI grant and staff, Labor Force Development Council, Live Wide Open partners

Meet Kevin Williamson from Morris, Jasmine Sonmor from Dalton, and Jonnie Schmidt from Perham. All three have chosen west central Minnesota to call home. Kevin, Jasmine and Jonnie are just three of the people featured on the Live Wide Open website—people who find they can't imagine living anywhere else. WCI and the Labor Force Development Council launched the Live Wide Open regional marketing campaign to encourage others to live, work and raise their families in west central Minnesota. This past year, 24 partners have joined WCI in promoting our region—businesses, cities, counties, chambers of commerce, nonprofits and more. We invite you to become a partner, too.

MORE INFO: livewideopen.com/partners; livewideopen.com/stories



Kevin Williamson & family



Jasmine Sonmor



Jonnie Schmidt

idea: inspire community engagement to tackle local issues

resources: Bush Foundation Community Innovation Grant, WCI grants and staff, Springboard for the Arts, Cindy Bigger & Associates, local communities, local artists

How do you make the halls of a family services building more welcoming for families seeking assistance? How do you help diverse populations learn about each other on a more personal level? How do you bring awareness to environmental issues in one's city? How do you have residents take ownership of their community's unique cultural richness? For five cities in west central Minnesota, the answer to all of these questions is: Art.

Thanks to a Bush Foundation Community Innovation Grant, West Central Initiative collaborated with Springboard for the Arts and Cindy Bigger & Associates to inspire five communities to use arts and culture to identify and address community issues. Called the Creative Action Network, these five "CAN" teams teamed up with local artists to develop projects specific to their communities.



In Moorhead, a team transformed the austere halls of the Family Service Center of Clay County, a former hospital, into a welcoming space for people, inviting clients to contribute to the artwork, asking them what they would like, and making the space more family friendly.



The Fergus Falls CAN team commissioned a butterfly mural that depicts the lifespan of a monarch butterfly on the span of a bridge over the Otter Tail River. In addition, they held a celebration alongside the mural, bringing together film, a community art project and an environmental display to show the importance of preserving the butterfly's habitat in the city.



In Elbow Lake, the CAN team wanted to call attention to water run-off and its impact on the lakes that surround the city. Residents and students worked independently or with an artist to turn street sewer grates into works of art.



DURING FISCAL YEAR 2017, WCI APPROVED GRANTS TOTALING

\$4,191,685 (WCI AND COMPONENT FUND GRANTS COMBINED)

FY 2017 GRANTS LISTED AT ANNUALREPORT.WCIF.ORG

PHILANTHROPY '17

HIGHLIGHTS

idea: Enrich the lives of current and future generations

resources: WCI Component Funds and staff, regional communities, schools, nonprofits and individuals

Libraries have become so much more than a place to check out books and peruse periodicals. They are gathering places and centers for learning for all ages. They can be workforce centers, technology labs, makerspaces and more. The Fergus Falls Public Library was feeling the pinch of offering more than they could accommodate. With extensive community input, city support and a dedicated group of volunteers, the library unveiled plans for a major renovation to expand the current library into a community center that would meet both present and future needs. The library's capital campaign committee utilized the Fergus Falls Public Library Foundation, a WCI component fund, to raise nearly \$3 million in gifts and pledges from area residents and businesses to help make this true community effort happen. The groundbreaking occurred the summer of 2017, and the library has moved to a temporary location to serve the community until the new building is open the fall of 2018.

DURING FISCAL YEAR 2017, 2,185 DONORS GAVE TO 54 COMPONENT FUNDS, AND 118 DONORS CONTRIBUTED TO THE WCI ENDOWMENT FUND

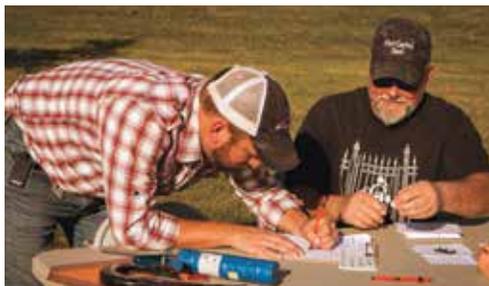
thank you, donors
for sharing the vision

The stories in this annual report show that West Central Initiative doesn't go it alone. We believe in the power of collaboration and partnership to help shape and achieve our shared vision of making this region a great place to live, work and raise one's family. That's why our donors are so very important to us. Special thanks to The McKnight Foundation, whose ongoing support is an integral part of our grant-making.

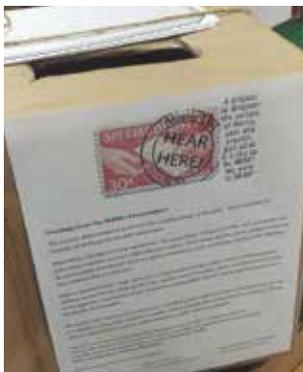
Meet all our wonderful donors at annualreport.wcif.org



New York Mills is known for its regional cultural center and sculpture park. The park's 20th anniversary gave that city's CAN team the opportunity to invite residents to not just admire the art but contribute, as well. Participants painted barn quilt squares, provided objects for a pop-up museum and contributed items for a community sculpture to reside at the park.



In Morris, The CAN team launched a project to discover the culture of Morris's past and present. Residents, including university students and nursing home residents, were sent postcards to write, draw or paste photos on, depicting the history or current life in Morris. The postcards will be turned into a community art piece by a local artist.



FINANCIALS

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017 totals	2016 totals
REVENUE AND OTHER SUPPORT		
Gross Grants and Donations	\$6,545,366	\$4,203,663
Less: Amounts Received for Agency Funds	81,903	100,000
Grants and Donations	<u>\$6,463,463</u>	<u>\$4,103,663</u>
Gross Investment Return	\$5,551,617	\$860,922
Less: Investment Return for Agency Funds	66,989	26,672
Investment Return	<u>\$5,484,628</u>	<u>\$834,250</u>
Other Income (Expense)	<u>\$127,879</u>	<u>\$125,013</u>
Total Revenue and Other Support	\$12,075,970	\$5,062,926
EXPENSES		
Program Expenses:		
Gross Component Fund	\$3,519,175	\$2,245,044
Less: Grants and Distributions from Agency Funds	2,642	2,071
Component Fund	<u>\$3,516,533</u>	<u>\$2,242,973</u>
Revolving Loan Fund	339,645	434,741
Grant Funds	1,654,567	2,018,921
Other Special Funds	3,034	60,533
Endowment Fund	61,513	160
Total Program Expenses	<u>\$5,575,292</u>	<u>\$4,757,328</u>
General and Administrative	746,305	606,381
Total Expenses	<u>\$6,321,597</u>	<u>\$5,363,709</u>
CHANGE IN NET ASSETS	\$5,754,373	\$(300,783)
NET ASSETS, Beginning of Year	<u>57,977,414</u>	<u>58,278,197</u>
NET ASSETS, End of Year	\$63,731,787	\$57,977,414

STATEMENTS OF FINANCIAL POSITION

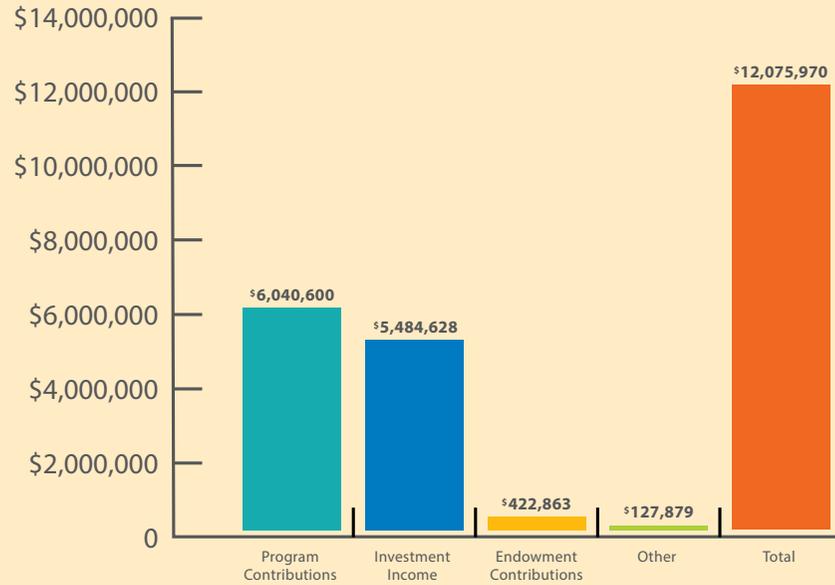
JUNE 30, 2017 AND 2016

	2017 totals	2016 totals
ASSETS		
Cash	\$422,155	\$734,643
Restricted Cash	477,459	495,891
Receivables:		
Pledges, Net	969,271	513,705
Interest	23,155	49,268
Loans, Net	6,266,884	6,402,297
Prepaid Expenses	3,309	6,364
Investments	57,238,080	51,112,755
Property and Equipment, Net	<u>1,061,418</u>	<u>1,106,994</u>
TOTAL ASSETS	\$66,461,731	\$60,421,917
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$12,900	\$14,739
Accrued Vacation, Payroll and Deferred Compensation	115,876	112,485
Grants Payable	427,914	540,615
Notes Payable	1,070,349	1,177,009
Deferred Revenue	357,000	—
Agency Funds	<u>745,905</u>	<u>599,655</u>
Total Liabilities	<u>\$2,729,944</u>	<u>\$2,444,503</u>
NET ASSETS:		
Unrestricted	\$45,396,486	\$40,069,245
Permanently Restricted	<u>18,335,301</u>	<u>17,908,169</u>
Total Net Assets	<u>\$63,731,787</u>	<u>\$57,977,414</u>
TOTAL LIABILITIES AND NET ASSETS	\$66,461,731	\$60,421,917

Specific financial information is available to the public upon request.

The above excerpts are from audited statements prepared by Fiebiger, Swanson, West & Company, PLLP.

WCI FISCAL YEAR 2017 REVENUE & SUPPORT



Program Contributions	\$ 6,040,600
Investment Income	\$ 5,484,628
Endowment Contributions	\$ 422,863
Other	\$ 127,879
Total	\$ 12,075,970

WCI FISCAL YEAR 2017 EXPENSES



Programs	\$ 5,575,293
General & Administrative	\$ 746,305
Total	\$ 6,321,598



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West Central Initiative is an equal opportunity provider, lender and employer.



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Attorney, Fluegel, McLaughlin,
Anderson & Brutlag
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Executive Director, Detroit Lakes Community
and Cultural Center/Historic Holmes Theatre

Merle Wagner, Pope County
Retired CEO, WASP, Inc.



WCI STAFF

LEFT TO RIGHT: Tammy Froemming, Donna Ellsworth, Sandy King, Sheri Booms Holm, Duane Larson, Anna Wasescha, Nancy Jost, Kathy Nordick, Wendy Merrick, Wayne Hurley. Not pictured: Rick Drevlow, Deb Hegseth, Tom McSparron, Greg Wagner