A NOTE FROM
KRISTIN EGGERLING, NMF BOARD CHAIR

This has been quite a year. As you know, the COVID-19 global pandemic has rocked our world and our region. We witnessed violence, protests, riots, and a renewed call for racial equity. We also endured a contentious and polarizing election. And, our work with homelessness, housing, child care, and economic development didn’t stop or even slow down. NMF has been and continues to be a trusted voice and proven resource to address the ongoing and emerging issues facing our region.

This past year, NMF has established new partnerships and expanded our reach and impact. We took on efforts to promote increased participation in the voting process and the U.S. Census. We began working with Team Dynamics to initiate our diversity, equity and inclusion journey. We collaborated with the state of Minnesota to process and distribute small business relief grants, as well as the Governor’s Emergency Education Relief – grants given out to 85 child care providers throughout our region – Emergency Disaster Relief and Recovery Grants for nonprofit organizations impacted by COVID-19. We also helped agencies access CARES Act funding continue to support efforts to end homelessness.

Speaking of homelessness, we are leading a number of homelessness projects, including the Bemidji Rapid Response to Homelessness (BRR), Family Support Network, Northwest Minnesota Continuum of Care, Youth Homelessness Demonstration Project, and Building Systems to Prevent and End Youth Homelessness in Northwest Minnesota. We’ve also created a housing loan program to address the housing crisis prevalent throughout the region. We saw robust interest in a mental health/stress management webinar series for farmers and ranchers that we developed with three area mental health professionals. Our staff participated in virtual Coffee and Conversations meetings to connect with partners, donors and friends throughout the region.

Our Component Fund activity in Fiscal Year 2020 included donations of over $2 million with 9 new funds established – totaling 388 funds. These funds helped provide 237 scholarships and 687 grants. Let those figures sink in and imagine the impact those scholarships and grants have on our region. By 2024 our goal is for community and component fund grants to exceed $7 million!

Please consider making a donation to the NMF Endowment Fund. Your donations make a purposeful impact, like strengthening supports for children and families, growing the capacity of child care, and helping rural communities reach their full economic potential with efforts focused on housing, providing through lending resources, and supporting and developing entrepreneurs and small business. With your continued assistance through donor-centered philanthropy, we can build the resources needed for a thriving region.

Thank you for your commitment to and investment in our region.

Sincerely,
Kristin Eggerling
Fiscal Year 2020 Board Chair
In 1976 the Small World Early Learning Center became a reality thanks to the partnership between parents and community members of Red Lake Falls. The nonprofit child care center has been serving families in the area ever since, and thanks to that same spirit of community support, they’ve been able to keep their doors open despite the COVID-19 pandemic making its way to Northwest Minnesota.

"Seeing the impact that COVID-19 has had on our community members has been eye-opening," said the center’s director, Todd Glass.

The center typically serves 28-30 families on average from Red Lake, Pennington and Polk counties. They have a staff of nine, and they’ve been able to keep their staff employed thanks to financial relief they’ve been able to secure. In March 2020, the center received a $10,000 Small Business Emergency Relief loan. This Minnesota Department of Employment and Economic Development (DEED) funding program was facilitated by NMF in order to process applications for small businesses in the northwest region of the state. Todd worked with Tabi Steinmetz, NMF program officer for economic development, to secure the loan funding. The center also received a $2,000 Emergency Child Care Grant from NMF, a Paycheck Protection Program (PPP) Loan from the state, and a $10,000 grant from Red Lake County. The church where the center is housed also waived electricity bills to provide financial relief.

“We would have been long gone if it wasn’t for the support we’ve received,” said Todd.

The Small World Early Learning Center values creating an environment that is an extension of the home for the children they care for. They seek input from the parents and consider them important partners in creating a sustainable child care program that remains a high-quality service for families.

For more information about NMF’s work to support child care providers around the region, visit www.nwmf.org.

Donor advised funds (DAFs) represent tremendous opportunities for individuals and families to fulfill charitable or philanthropic goals. Utilizing the administrative and program structures of the Northwest Minnesota Foundation (NMF), these funds allow donors practical advantages for making charitable gifts to a variety of nonprofit organizations, the highest charitable contribution deductions allowed by law, and the ability to work with Northwest Minnesota’s largest public foundation in helping to make the region a better place to live and work.

A donor advised fund is a charitable vehicle housed within a 501c3 public charity that allows a donor to make a gift, take an immediate charitable deduction, and recommend grants to any IRS qualified public charity.

It is an easy process! Individuals can establish a fund with a purpose and contribute cash, securities, or appreciated assets. You’ll be eligible for a current-year tax deduction and can be more strategic about your giving decisions.

There is no required payout and you can accumulate income while grant decisions are being considered. NMF will handle all investment and accounting, filing of annual tax return and we provide an annual independent audit.

Donors can receive recognition for their grants or remain anonymous – whichever they prefer. Fund assets and grant activity is confidential, known only to the fund’s advisors and select NMF staff and Board. We only publicize information when we receive permission from the donor.

You may have seen in our recent Special Giving Edition of the Resource newsletter that the Howe-Thiel Charitable Fund supported the Bemidji Community Food Shelf during the onset of COVID-19. Thanks to the flexibility of a donor advised fund, the Howe-Thiel Family was able to meet the emerging needs of a charity near and dear to their hearts during unprecedented times.

A donor advised fund enables a donor to provide input in choosing which organizations receive grants from the fund. This type of fund provides great flexibility to the donor while avoiding the costs and demands of a private foundation. At certain levels, this fund enables donors to involve heirs in giving during and after the original donor’s lifetime.

To establish a DAF, you can contact one of NMF’s development officers. Visit www.nwmf.org/ways-to-give to learn more.
**NMF FY20 FINANCIALS**

**TOTAL ASSETS** as of June 30, 2020: $83,430,885

**REVENUE & SUPPORT**

**PROGRAM CONTRIBUTIONS** $3,921,736

**INVESTMENT INCOME** $4,082,001

**ENDOWMENT CONTRIBUTIONS** $969,290

**OTHER** $322,426

**TOTAL** $9,295,453

**EXPENSES**

Programs $5,890,551
Administration $1,046,884
Fundraising $237,262

**TOTAL:** $7,174,697

**GRANTS**

**CHILD CARE** $76,500

**CHILDREN & FAMILIES** $60,000

**COMMUNITIES THRIVE** $150,000

**HOMELESSNESS** $50,000

**INNOVATION** $42,500

**IDEA COMPETITION** $25,000

**HOUSING** $15,000

**TRAINING** $2,976

**COVID-19 RELIEF:**

**CHILD CARE** $273,500

**REGIONAL** $194,500

**GRANTS TOTAL** $889,976

**PHILANTHROPIC SERVICES**

**TOTAL DONATIONS** $2,162,843

**TOTAL COMPONENT FUND GRANTS & SCHOLARSHIPS** $2,473,467

**NUMBER OF FUNDS** 388

**ECONOMIC DEVELOPMENT**

**ENTREPRENEUR DEVELOPMENT LOANS**

110 loans, $1.5 million total*

* This total includes the Child Care Finance Program and COVID-19 assistance as outlined below.

**CHILD CARE FINANCE PROGRAM**

- Total loans: 20
- Total loan amount: $98,000
- Child care slots maintained: 75
- Slots created: 133

**BUSINESS AND TECHNICAL ASSISTANCE**

18 businesses received $17,300 in technical assistance

**REGIONAL HOUSING & INVESTMENT LOANS**

- 3 loans, $145,000 total

**COVID-19 ASSISTANCE**

- 23 loan deferrals, $29,800 total deferred to provide financial relief to borrowers
- Small Business Emergency Loans: 35 businesses received a total of $768,500 (processed by NMF, funding provided by Minnesota Department of Employment and Economic Development)
- Warroad Economic Development Loan Program: 42 loans, $182,815 total provided for COVID-19 relief for Warroad area businesses

**NEW FUNDS**

- Felske Charitable Fund
- Marshall County Area Veterans Memorial Park Fund
- Mark and Peggy Hewitt Impact Fund
- Mark and Peggy Hewitt Directed Giving Fund
- Jim Mergens Athletic Fund
- Thief River Falls Disaster Recovery and Resiliency Fund
- Uran Family Scholarship Fund
The Northwest Minnesota Foundation celebrated a milestone this spring as closing was finally accomplished on the long-simmering Armory Square project in Park Rapids.

Now heralded as the Armory Arts and Events Center, the historic building located in the heart of Park Rapids is poised to host an array of events as soon as COVID-related restrictions are lifted and it is once again deemed safe to do so.

The old armory building was built in 1922, added an annex in 1941, and then closed in 1992. Developer Alan Zemek spearheaded a project to redevelop the 24,000-square-foot facility into a mixed-use center that could host community, cultural, and arts events. The popular Vallarta’s Mexican Grill is now located in the annex, and the Northern Lights Opera Company has been the main tenant for the 8,000-square-foot auditorium, which is also now available for hosting a multitude of other events and activities, including conventions, conferences, banquets, and weddings.

“(Zemek) had a vision right from the beginning that this would become a community building,” said Paul Dove, a member of the Armory Arts and Event Center board who has been involved in the project since the beginning.

The Northwest Minnesota Foundation has played a role in financing various components of the project, approving nearly $400,000 in loans through its own funds and the Park Rapids Revolving Loan Fund.

The process for accomplishing the Armory Square project was not always straightforward. Initially conceived as the Upper Mississippi Arts Center, it was planned to be a private development that would not involve the city. But the city ultimately did purchase the property from Zemek, save for the restaurant portion of the annex, with the costs funded by a state appropriation that was granted in 2014 but not executed until the remodel was complete. Once that work was finished, the city was able to execute the grant agreement with the state.

“The dream, the imagination of the developer was there... it was his imagination that made things happen,” Dove said.

The city leases the property to the Midwest Minnesota Community Development Corporation, which then subleases it to the Armory Arts and Event Center board.

The project, the Northern Lights Opera Company held its five most recent performance seasons, when the facility was still owned privately as a "proof of concept" that the space could be used and functional. The production brought in more than 2,200 spectators over its eight performances for its last show, The Drowsy Chaperone, in 2019.

“It was proof to the downtown business association, that while we were having productions, their stores were crowded especially the eating establishments,” Dove said. “They have found that there is an economic impact by having this building being used.”

The functionality of the complex, though, expands well beyond the large auditorium. There are smaller rooms located throughout the property, including a number of classroom-sized spaces that could host breakout rooms or featured speakers during an event like a trade show or rented out as conference rooms.

“The facility is only going to be successful as it becomes a multi-use building,” Dove said.