



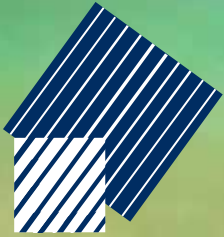
2008 Annual Report

# REVIEW



SOUTHWEST INITIATIVE  
FOUNDATION

*A Rural Minnesota Community Foundation*



SOUTHWEST INITIATIVE  
FOUNDATION

## MISSION STATEMENT

To be a catalyst, facilitating opportunities for economic and social growth by developing and challenging leaders to build on the region's assets.

## FY08 MAJOR ACCOMPLISHMENTS

- Received the bronze 2008 Wilmer Shields Rich Award for Excellence in Communications from the national Council on Foundations for the redesigned Web site.
- Received the Economic Development Assn. of Minnesota's (EDAM) Marketing Award for the "Just Imagine" mini-documentary.
- Achieved compliance from the Council on Foundation's National Standards for U.S. Community Foundations that provides assurance that SWIF operates to the highest standards of accountability.
- Distributed 181 gallons of paint to six beautification projects through Valspar's Minnesota Beautiful Program.
- Created a first-ever regional network and online forum for all Early Childhood Initiative coordinators.
- Launched SWIF's pilot community and leadership development program in Montevideo and New London.
- Expanded Diverse Business Assistance with the addition of a full-time staff member.



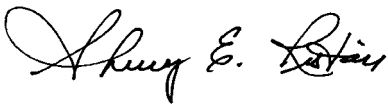
NATIONAL  
STANDARDS<sup>SM</sup>

**ON BEHALF OF THE** Southwest Initiative Foundation board of directors and staff, we are pleased to present our Fiscal Year 2008 Annual Report highlighting our accomplishments and achievements.

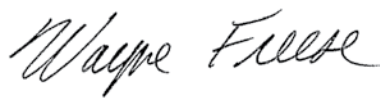
Fiscal Year 2008 represented the second year of our transition of moving away from a primarily responsive grantmaking organization to one of proactively delivering programs that directly connect to our mission, such as the Rural Energy Development Initiative and the Early Childhood Initiative. It also marked a year of recognition as we received the National Standards accreditation seal and the Wilmer Shields Rich bronze award, both from the National Council on Foundations.

But primarily, it was an excellent year of building on the region's strengths, learning from challenges and opportunities and working to ensure that southwest Minnesota is a highly productive and engaged region where growing numbers of people choose to live. Please enjoy this Annual Report and thank you for your continued support of our organization and region.

Sincerely,



Sherry E. Ristau, President/CEO



Wayne Freese, DVM, Board Chair



## BOARD OF DIRECTORS

Wayne Freese, D.V.M., Worthington, Chair  
Sandy Ludeman, Tracy, Vice Chair  
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Rob Saunders, Bird Island  
Jim Keul, Tracy  
[www.swifoundation.org/boardMembers/index.cfm](http://www.swifoundation.org/boardMembers/index.cfm)

## STAFF

Sherry E. Ristau, President/CEO  
Diana Anderson, COO  
Adolfo Avila Jr., Microenterprise Specialist  
Kari Becker, Program Assistant  
Berny Berger, Microenterprise Program Officer  
Deb Berggren, Accounting Specialist  
Sara Carlson, Program Officer  
Nancy Fasching, Grants Officer  
Josh Gehlen, Business Credit Officer  
Cheryl Glaeser, Program Specialist  
Karen Grasmon, Communications Specialist  
Nancy Kaping, Executive Assistant  
Brad Kramer, Program Specialist  
Liz Maiers, Development Officer  
Scott Marquardt, Senior Program Officer  
Janet Menton, Loan Servicing Specialist  
Margie Nelsen, Accountant  
Janis Rannow, Senior Communications Officer  
Marsha Schiro, Community Resource Assistant  
Kurt Thompson, Microenterprise Specialist  
Jackie Turner-Lovsness, Program Specialist  
Marc Vaillancourt, Development Director  
[www.swifoundation.org/staff.html](http://www.swifoundation.org/staff.html)



## YOUTH ENERGY SUMMIT (YES!)

**SWIF CHALLENGES YOUTH** in this partnership with the Prairie Woods Environmental Learning Center (PWELC) that provides hands-on experiential education to address energy opportunities and issues, build teams and create dynamic leaders for our future.

- 127 youth, 23 coaches and more than 70 community organizations and businesses were involved.
- YES! teams implemented energy action projects that involved and educated hundreds of community members.
- 1,000 people took part in the Earth Day event to celebrate the accomplishments of the YES! teams and learn about energy issues and opportunities.

[www.swifoundation.org/yes.html](http://www.swifoundation.org/yes.html)

[www.prairiewoodselc.org](http://www.prairiewoodselc.org)



## COMMUNITY-BASED ENERGY DEVELOPMENT AND REDI



**NOT ONLY IS SWIF** serving as a catalyst for our region's assets, but we are also facilitating the advancement of renewable energy across Minnesota through the Rural Energy Development Initiative (REDI). REDI is intended to maximize rural economic development and stabilize rural economies in Minnesota by building renewable energy capacity, expertise and leadership. Advancing renewable energy in Minnesota builds relationships that will ultimately strengthen our region's economic and social fabric.

- Educated over 1,000 people throughout Minnesota on topics related to community-based energy and wind energy in general.
- Developed the REDI program to provide outreach, education, project development assistance and loan funding to rural Minnesotans interested in community wind.
- Created collaborative partnerships with many organizations to implement REDI.

[www.swifoundation.org/redi.html](http://www.swifoundation.org/redi.html)

# ENTREPRENEURSHIP



**THROUGH THE ENTREPRENEURSHIP** Initiative, SWIF has become a leader in building on and strengthening the entrepreneurial fabric in southwest Minnesota and providing the tools entrepreneurs need to be successful, increase wealth in their business and create prosperity in their communities. Youth entrepreneurship plays a vital role in this initiative, placing importance on exposing students to opportunities and encouraging them to build their businesses within the region.

- More than 70 entrepreneurs, lenders, educators, economic developers and civic leaders attended the first Entrepreneurship Network Academy.
- More than 35 educators attended the first Youth Entrepreneurship Academy. Task groups were formed to address goals, including creating an electronic tool for resource providers and entrepreneurs, and growing youth programs throughout the region.
- Step Up Your Business, a business support network, was created and launched in three communities with 27 businesses participating.

<http://www.swifoundation.org/entrepreneurship.html>

# EDUCATIONAL OPPORTUNITIES

**SWIF STAFF PARTNERED** with Minnesota West Community and Technical College, Ridgewater College and the Small Business Development Center (SBDC) to increase educational opportunities and technical assistance availability to existing and aspiring entrepreneurs, including Microenterprise Loan Program clients, as well as entrepreneurial resources throughout the region.

- Monthly entrepreneurial education classes were offered in Hutchinson, Marshall, Redwood Falls, Willmar, Litchfield and Worthington.
- SWIF staff offered and taught management seminars in marketing and Quickbooks training attended by business owners and representatives.



<http://www.swifoundation.org/documents/entrepreneurclasssheet.pdf12-08.pdf>

# LOANS

**SWIF LOAN PROGRAMS** increase the prosperity and wealth of southwest Minnesota through economic advancement by providing gap financing to new, expanding and acquired businesses. These programs also strengthen SWIF's relationships with key constituents including banks, business leaders, economic development professionals and public officials.

- Booked loans totaling \$807,600 in seven different communities.
- Created or retained 342 jobs.
- Loan customers leveraged \$3,018,800 in private funding and \$286,800 in public funding.
- Transitioned the administration of all SWIF Loan Programs, with the exception of the Microenterprise Loan Program, from Prairieland EDC to a new internal SWIF loan department.

<http://www.swifoundation.org/loans.html>



## MICROENTERPRISE LOAN PROGRAM

**SWIF'S MICROENTERPRISE LOAN** Program helps create self-employment opportunities for southwest Minnesota entrepreneurs by providing microloans and business technical assistance. Self-employment is vital to all communities because business owners who are active and vested in their communities become strong leaders. SWIF's Diverse Business Program assists entrepreneurs of varied cultures and backgrounds access resources and develop businesses.

- Awarded 24 new loans, including 12 to female borrowers and four to Hispanic borrowers.
- Provided business counseling services to an average of 125 entrepreneurs each quarter.
- Expanded SWIF's Diverse Business Assistance by adding a Spanish-speaking staff person to work directly with diverse businesses throughout southwest Minnesota.
- Created a Green Energy Loan Program to assist business owners with energy conservation projects.

<http://www.swifoundation.org/microenterpriseloanprogram.html>



# EARLY CHILDHOOD INITIATIVE/ THRIVE INITIATIVE

**THE EARLY CHILDHOOD** and Minnesota Thrive Initiatives positively impact the overall school readiness of children birth to age 5. These initiatives equip communities and their leaders to build our new generation of future leaders, arguably the region's most promising asset. The 11 established ECI coalitions and one pilot Thrive Action Team:

- Engaged more than 300 regional participants in monthly local team meetings and convened about 65 activities that impacted approximately 3,300 participants.
- Created a regional network and online forum for all coordinators to develop leadership skills and provide opportunities that aid in their communities' success and connections.
- Began hosting the Promising Strategies online database for all 66 statewide ECI coalitions.
- Provided grants and helped convene activities that benefited parents, educators and childcare professionals.



<http://www.swifoundation.org/earlychildhood.html>

[http://www.swifoundation.org/mn\\_thrive.html](http://www.swifoundation.org/mn_thrive.html)

# CONNECTED COMMUNITIES

**THIS NEW INITIATIVE** focused directly on developing and challenging leaders by implementing community-developed, asset-based, collective action. SWIF tailored the Connected Communities Partnership (CCP) model and curriculum to the region and:

- Launched a pilot community in Montevideo where 18 of the original 20 Core Team members completed the training and began project implementation.
- Launched a pilot community in New London where all 21 Core Team members and six advisors were recruited.
- Completed an assessment of pilot experiences and developed a plan to incorporate learnings into future leadership development programs.

<http://www.swifoundation.org/connectedcommunities.html>



# COMMUNICATIONS

**SWIF PLAYS A** key role in disseminating information and inspiring our constituents in southwest Minnesota.

- Launched a redesigned Web site to reflect SWIF's new organizational structure and serve as the primary tool for communicating information, providing resources, answering questions and promoting the work of SWIF staff and partners.
- Received the national 2008 Wilmer Shields Rich Bronze Award from the Council on Foundations for the redesigned site.

[www.swifoundation.org](http://www.swifoundation.org)

- Received the Economic Development Association of Minnesota's (EDAM) Marketing Award for the "Just Imagine" mini-documentary, which focused on the people, communities, businesses and organizations representing regional innovation.

[www.swifoundation.org/newsevents.html](http://www.swifoundation.org/newsevents.html)



## BANQUET AND BUILDING REGIONAL CAPACITY WORKSHOPS

**SWIF HOSTED MORE** than 350 guests at the "Just Imagine" banquet and workshops at the Southwest Minnesota State University Conference Center in Marshall.

- Showcased more than 30 of the region's talented youth through an art display and musical performances.
- Honored Connie Connell of Luverne with the Southwest Initiative Foundation Award.
- Organized workshops in partnership with Schwan's University attended by more than 100 regional private, public and non-profit leaders to help build the region's capacity for social and economic success.

[www.swifoundation.org/newsevents.html](http://www.swifoundation.org/newsevents.html)



# GRANTS

**SWIF USES GRANT** resources to seize opportunities that align with our goals and priority areas and serve our constituents. In Fiscal Year 2008, SWIF awarded 212 grants totaling \$1,003,402.

- Provided a \$30,000 Regional Impact Grant Award to the Southwest Minnesota Housing Partnership for an emerging markets home ownership program to foster better community integration within emerging populations and to close the homeownership gap.
- Received a \$1 million land acquisition and planning grant from the Minnesota Environment and Natural Resources Trust Fund for the Minnesota River Valley Green Corridor Project to help acquire land as it becomes available for public use within state parks, scientific and natural areas, and wildlife management areas.
- Hosted a Community Assistantship Program (CAP) Research Fellow through the University of Minnesota to lead a strategic evaluation process.
- Received a \$25,000 grant from the Atlantic Philanthropies to participate in the Community Experience Partnership, a project to help leverage the Paul and Alma Schwan Aging Trust Endowment Fund, a designated fund, and understand the assets, needs and preferences of older adults in our region.

[www.swifoundation.org/grants.html](http://www.swifoundation.org/grants.html)





# PHILANTHROPY

**SWIF IS DEDICATED** to promoting philanthropy in southwest Minnesota to help retain local wealth, strengthen communities and offer donors multiple vehicles for which to contribute their charitable dollars and fulfill their philanthropic objectives.

- The Growing Home Circle Campaign welcomed 11 new members pledging an annual commitment of \$1,000 or more to the SWIF General Endowment, a permanent resource to support SWIF's work in our region. All gifts to the SWIF General Endowment, including Growing Home Circle gifts, are matched dollar-for-dollar by The McKnight Foundation. The 66 Southwest Initiative Foundation Growing Home Circle members raised a total of \$139,000 in FY08.
- SWIF's Community Foundation Program established two new partnerships—Balaton and Clarkfield—bringing the total to 19 community foundations.
- SWIF's Designated Fund Program established nine new designated fund partnerships to help donors achieve their unique philanthropic goals, bringing total partnerships to 63. The new designated fund partnerships include:
  - Clarkfield Area Charter School Fund
  - Class of 1958 Fund for Madison-Marietta-Nassau Elementary School
  - Ellen Baker-Merrigan Advised Endowment Fund
  - Grove City Area C.A.R.E. Endowment Fund
  - Hutchinson ISD #423 Foundation Fund
  - Jackson Circles of Support Fund
  - Johnson Memorial Foundation Fund
  - Lac qui Parle Museum Endowment Fund
  - Nobles County Freedom Veterans Memorial Park, Inc. Endowment Fund

To view a complete FY08 donor list and read inspiring stories about people in southwest Minnesota who support SWIF, visit:

[www.swifoundation.org/givingoptions.html](http://www.swifoundation.org/givingoptions.html)

# AMERICORPS VISTA (VOLUNTEERS IN SERVICE TO AMERICA) VOLUNTEER

**SWIF HOSTED A** VISTA volunteer, who is someone who commits to serve full-time for one year at a nonprofit organization or local government agency and work to fight illiteracy, improve health services, create businesses, and strengthen community groups. In partnership with the Minnesota Association of Volunteer Administrators (MAVA), Lindsay Holtz helped further SWIF's work in multiple areas including:

- Coordinating funding for the first classroom in Lincoln County to receive Junior Achievement and planning implementation in four additional classrooms.
- Creating and compiling evaluation tools for the Nonprofit Management Institute events, including the Financial Management and Great Boards trainings.



## STATEMENT OF ACTIVITIES

Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2008
<b>SUPPORT, REVENUES AND RECLASSIFICATIONS</b>				
McKnight Foundation Grants	\$ 875,000	\$ 407,750	\$ 490,474	\$ 1,773,224
Other Grants		474,430		474,430
Contributions	8,550	505,269	1,061,704	1,575,523
Gain on Sale of Investments	22,418	12,732	-	35,150
Investment Income	2,106,038	444,481	1,555	2,552,074
Unrealized Gain (Loss)	(3,251,546)	(587,159)	(5,088)	(3,843,793)
Loan Interest Income	-	310,240	-	310,240
Recovery of Written-off Loans	-	360	-	360
Miscellaneous Income	106,719	3,239	-	109,958
Net Assets Released from Restriction	1,349,257	(1,337,366)	(11,891)	-
<b>Total Support, Revenues and Reclassifications</b>	<b>1,216,436</b>	<b>233,976</b>	<b>1,536,754</b>	<b>2,987,166</b>
<b>EXPENSES</b>				
General and Administrative	580,898	-	-	580,898
Fund Development	479,682	-	-	479,682
Grant Programs	1,197,519	-	-	1,197,519
Loan Programs (Economic Advancement)	1,051,854	-	-	1,051,854
Component Funds (Designated Funds)	361,041	-	-	361,041
Community Foundations	114,073	-	-	114,073
<b>Total Expenses</b>	<b>3,785,067</b>	<b>-</b>	<b>-</b>	<b>3,785,067</b>
Gain (Loss) on Disposal of Assets	158			158
Transfers	(37,521)	(9,000)	46,521	-
Change in Net Assets	(2,605,994)	224,976	1,583,275	(797,743)
<b>NET ASSETS-JULY 1</b>	<b>16,350,946</b>	<b>12,914,653</b>	<b>20,906,993</b>	<b>50,172,592</b>
<b>NET ASSETS-JUNE 30</b>	<b>\$13,744,952</b>	<b>\$13,139,629</b>	<b>\$22,490,268</b>	<b>\$49,374,849</b>

# STATEMENT OF FINANCIAL POSITION

June 30, 2008

	Total 2008
<b>ASSETS:</b>	
Cash	\$ 1,061,902
Investments - Money Market	2,869,749
Investments	21,295,304
Investments Restricted for Endowments	21,747,160
Due from McKnight Foundation	319,488
Loan Interest Receivable	22,464
Grants Receivable	141,741
Pledges Receivable	521,461
Loans Receivable (Net of Allowance)	3,751,650
Prepays	33,931
Gift Annuity Investments	61,114
Beneficial Interest in Life Estate/Trust	242,000
Property and Equipment, net	3,011,103
Bond Issuance Fees, net of Amortization	50,824
Total Assets	<u>\$ 55,129,891</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES:</b>	
Grants Payable	\$ 444,969
Accounts Payable	25,213
Accrued Liabilities	133,151
Annuity Payable	38,403
Assets Held on Donor's Behalf	32,638
Notes Payable	1,723,437
Bonds Payable, net of Discount	3,357,231
Total Liabilities	<u>5,755,042</u>
<b>NET ASSETS:</b>	
Unrestricted	13,744,952
Temporarily Restricted	13,139,629
Permanently Restricted	22,490,268
Total Net Assets	<u>49,374,849</u>
Total Liabilities and Net Assets	<u>\$ 55,129,891</u>



SOUTHWEST INITIATIVE  
FOUNDATION

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