

**2013 BLANDIN FOUNDATION
GRAND RAPIDS AREA CHARITABLE ACTIVITIES
October 1, 2012 through September 30, 2013**

INTRODUCTION

This Annual Report is filed with the Ramsey District Court pursuant to the Court's desire for a formal annual update on the Blandin Foundation's Grand Rapids area giving commitment. This Report, which was proposed to the Court by the Blandin Board of Trustees, is especially important during this era of prolonged economic challenges when the Foundation's perpetual and primary role in the local community, as envisioned by Charles Blandin, must be clearly apparent and foremost in the work of the Foundation.

This report presents information on grants approved by the Foundation over the past year, which provides a real-time record of the Foundation's giving activities. This complements the Special Master's report, which uses a calendar year cash basis to make the determination as to whether the Foundation is in compliance with its commitment to provide a minimum of 55 percent of grants in the local giving area.

This Report covers the time period from October 1, 2012 through September 30, 2013 in order to provide the most up-to-date information for the 12-month period preceding the Annual Informational Meeting with the Court. This report also will be updated at the end of the calendar year (which coincides with the Foundation's fiscal year) and posted on the Foundation website.

STRATEGIC COMMITMENT

The Blandin Foundation's core commitment to the wellbeing of the local giving area is specifically articulated in its mission, "To strengthen communities in rural Minnesota, especially the Grand Rapids area" and in its strategic priorities which are:

- *Commitment to Home*: Foster conditions for vibrant Itasca communities.
- *Invest in Leaders*: Use training, convening, financial support, and other resources to engage with people to strengthen rural communities.
- *Expand Opportunity*: Identify and develop activities that actively blend educational attainment, economic vitality, and greater inclusivity.
- *Effective Stewards*: Create internally the vibrancy we seek in communities.

The Foundation Trustees have identified "Commitment to Home" as the leading strategic priority of the Foundation, with nearly 25 percent of the Foundation's resources being directed to this strategy. In addition, the remaining 3 strategies are all highly relevant to the local giving area as well. For example, "Invest in Leaders" results in hundreds of thousands of dollars of economic benefit to the local area due to training events being delivered in the Grand Rapids area. Roughly three-fourths of activities under the "Expand Opportunity" strategy (to which up

to 50% of the Foundation's resources are committed) are directly targeted to the local giving area. "Effective Stewards," which is focused on sustaining a high-functioning organization, is largely beneficial to the local community due to the Foundation's physical location in Grand Rapids.

The 2013 budget for the Foundation is \$19,890,000, which is still well below the Foundation's 2008 (pre-recession) budget of \$22,700,000. Declines in Trust and Foundation assets resulting from the recession prompted a nearly 20 percent reduction in the Foundation's budget in 2009, with annual budgets growing very modestly since. Despite constrained resources in recent years, the Foundation Trustees have maintained local grant making at the same level as prior to the recession, while making significant cuts in the amount of grants for rural Minnesota. This has allowed the Blandin Foundation to remain a consistent, dependable source of funding in the local area at a time of significant declines in revenue from other funding sources.

SUPPORT TO LOCAL COMMUNITY

Blandin Foundation uses a variety of assets to advance its mission to strengthen Itasca area communities. Not only does the Foundation distribute financial assets to support grant making, it has human resources, physical assets, strong reputation, voice, and networks that are employed for the benefit of its home communities.

Active Community Members

The Itasca area is home to the 32 employees of the Foundation. It is where they live, shop, and engage in the fabric of their communities. The Foundation has an employee policy that actively encourages volunteerism, with staff being involved in organizations like Chamber of Commerce, United Way, Rotary, providing computer training to senior citizens, mentoring, youth coaching, and a host of other activities that contribute to the vitality of the local giving area. In addition, the Foundation has a preference for purchasing supplies and services locally, including conducting 10 leadership training programs per year and other events in local facilities.

Engagement and Relationships

The Foundation believes that change follows relationships. Consequently, a high premium is placed on engaging with the community on a range of issues, using a variety of different ways to connect including:

- The President of the Blandin Foundation has continued a commitment to meet and understand each local community via a series of 'community conversations'. Persistent themes include the need for increased economic vitality, a desire to better serve youth and to continue the practice of having effective community dialogue designed to improve their communities. As a consequence, the Foundation is dedicating more resources to these community priorities.

- Seven of the Foundation’s Trustees are from the local area, with deep connections in communities such as Grand Rapids, Bigfork, Warba, Cohasset, Deer River and Remer. Staff live in Deer River, Grand Rapids, Coleraine, Warba and Hill City.
- Foundation staff regularly respond to requests from community groups to facilitate meetings on issues important to the health of the community.
- Blandin Foundation and the Leech Lake Band of Ojibwe share a common service area in Western Itasca County. An emphasis has been placed on building deeper relationships with the Tribal Council and Leech Lake Community College to address issues of mutual concern around youth, workforce, early childhood, economy, and leadership capacity. This year, the Foundation’s annual retreat was held on the Leech Lake Reservation in partnership with the Tribal Council. The Foundation also hosts a dialogue with Leech Lake and Grand Rapids area community members about the impacts of historical trauma and ways to overcome them, called the Circle of Healing. One very visible outcome of this dialogue occurred when hundreds of students, business owners, workers, public officials and community members gathered on the Itasca County Courthouse lawn – and later at the Chamber of Commerce — on September 12 to watch the Leech Lake Band of Ojibwe flag-raising ceremony.
- Training opportunities are provided to local community members to sharpen their skills in facilitating and hosting effective community meetings as a strategy to build the capacity of the community itself to identify and tackle important issues.
- Foundation personnel are encouraged to be accessible, readily meeting with community members in one-on-one or group settings to explore opportunities for the community. This includes site visits by the Foundation Board of Trustees to grantees.
- The Foundation regularly opens its doors to workforce training programs, providing presentations about work place skills and career opportunities to area youth including:
 - E-Mentoring Program in which 12 Foundation staff volunteers served as “e-mentors” to a total of 16 students from the Bigfork High School.
 - Serve on the Future Workers Planning and Design Teams through which 10th graders from local school districts are brought into businesses and exposed to information on what it takes to be a successful employee.
 - Conduct Mock Interviews with Itasca Community College students and youth from job skills programs.
 - Participate in the Annual Interactive Career Fair for area 11 - 12th graders at Itasca Community College.
- Communications also is a vehicle for building relationships. Public speeches, a robust website dedicated to the local community (<http://itasca.blandinfoundation.org>), regular press releases, significant new investments in social media, and publications like *atHome* (lists all grants and profiles local partners) help keep the public informed of the Foundation’s direction and intentions.
- The Rural Pulse is a survey of rural perspectives conducted by the Foundation every 3 years since 1998. In 2010 and 2013 it included an oversampling of Itasca County residents (results at www.ruralpulse.org) . While optimism thrives in the Itasca County area, more people here are concerned with the economy than in other parts of the

state. For example, 20 percent of those surveyed in March 2013 believe the economy has gotten worse over the past year.

Program Activities

Foundation program staff coordinate a number of community improvement initiatives. The Foundation often is unique in its staff capacity and resources needed to advance work on complex issues facing the community including:

- A Blandin Community Leadership Program (BCLP) was delivered for residents of Northern Itasca County (Edge of the Wilderness) in 2013. In 2014, BCLP will be delivered for a cohort of Grand Rapids area residents.
- The Foundation is the coordinator, or “backbone,” of a major community driven effort, Itasca Area Initiative for Student Success, that seeks to improve educational outcomes for ALL students in the local giving area (see <http://www.itascastudentsuccess.org/>). Schools, private businesses, government, nonprofits and parents are participating in an effort to align resources and establish shared accountability measures from pre-school through early career. Major activities under this initiative include:
 - Blandin Foundation staff are facilitating a partnership between The Search Institute and the Student Success Core Team to build local capacity in the communities of the Itasca Area Schools Collaborative region for collective planning and mobilization of community members and education leaders around data that tracks progress on the community-endorsed Pathway to Student Success.
 - Foundation staff has convened conversations with area school superintendents, statewide partners and legislative staff to identify opportunities to align the Student Success work with the community engagement requirements of legislation newly passed by the Minnesota State Legislature entitled “World’s Best Workforce.” The work being undertaken in Itasca County has the distinct potential of being used as a model for efforts in other parts of the state.
- The Foundation’s administration of the federally funded broadband grant has been formally completed, and Foundation trustees have opted to continue work on broadband use and access utilizing Foundation resources. This is an activity open to all of rural Minnesota, including Itasca County and Leech Lake Band of Ojibwe which are participating in the following ways:
 - Grand Rapids Area Community Foundation received funding to create an online “Itasca Community Portal,” where new residents, existing residents and visitors can easily find a wealth of information about Itasca County (see www.minnesotasnature.com for an early version).
 - Itasca Economic Development Corporation received support for a project designed to spur the innovative use of technology by local small businesses through customized training, technology business planning, implementation assistance, and for a project designed to train and support “knowledge workers.”
 - KOOTASCA Community Action received funding to support the further development and strengthening of local affiliates of PCs for People in Grand Rapids and International Falls. These PCs for People affiliates distribute refurbished computers and Internet connectivity to low-income residents of Itasca and Koochiching

- counties. Donation partners have been identified, and three distribution events will take place in the area between mid-September to mid-October.
- Itasca Area Schools Collaborative received grant support to work with Deer River and Grand Rapids schools and the Itasca Orchestra and Strings program to bring world class music education offered by MacPhail School of Music via telepresence to area students.
 - In addition to financial resources, grantees receive capacity building support from the Foundation. Coaching, seminars, and facilitation resources are available to assist nonprofits on issues ranging from fund-raising, to evaluation, board governance, and working together more effectively. Sustained support for these activities in recent years has produced several outstanding examples of improved alignment, collaboration, and organizational integration.

Building Usage and Hospitality

The Foundation offices themselves are a valuable asset for local communities. Nonprofits and units of government are hosted as they conduct meetings and seminars at the Foundation. In addition, the Foundation has leased space for usage by non-profits at the downtown mall. Dozens of organizations are served every year. The Foundation also features local artists in its offices every year, working with local arts leaders to facilitate.

Grants and Scholarships

As the following table indicates, 71 percent of the dollar value of grants and scholarships approved by the Foundation over the past year were for the benefit of the local giving area. Funded activities included scholarships, early childhood education, economic development, technology adoption in local school districts, domestic abuse, hunger alleviation, emergency shelter, and a broad range of other charitable activities. Every year, millions of dollars are dedicated to long-term historical grantees in the local community, with the balance of grants being invested in new, shorter-term opportunities to strengthen the community. As part of its self-assessment efforts, the Foundation is placing an increasing emphasis on understanding the deep impact these long standing grant relationships have had on the community over time. A detailed list of approved grants and scholarships is attached. The Foundation’s ratio of budget resources being dedicated to grantmaking, vis-a-vis programs and administration, has remained consistent at 60 percent grants/40 percent programs and administration.

**Grants and Scholarships Approved
September 30, 2012 to October 31, 2013**

	Number Approved	Percent	Amount Approved	Percent
Local	596	77%	8,645,767	71%
Rural	180	23%	3,485,925	29%
TOTAL	776	100%	\$12,131,692	100%

CONCLUSION

The purpose of this Report is to demonstrate to the Court and community the Foundation's strong, primary and perpetual commitment to the Grand Rapids area. Continued positive feedback from the community suggests the Foundation is maintaining focus on meeting the needs of its home giving area communities. The Foundation seeks and welcomes community input, recognizing that we are partners in vibrant Itasca area communities. Foundation personnel—from board to administration to every staff member to close partners—are fully informed of the legal, mission-based and Court-based importance of the local commitment as embodied in the Strategic Plan and are dedicated to the task.

As noted in the Introduction, this Report covers grants approved through the most recent Blandin Board Meeting in September 2013. The Board meets again in December for the final 2013 grant approvals, at which time we will provide the Court an update to reflect final grant approval numbers and percentages for the calendar/fiscal year and post the Report to the Foundation's website.

Dr. Michael Johnson
Chair, Blandin Foundation Board

Dr. Kathy Annette
President, Blandin Foundation