



2017 OPERATIONS OVERVIEW

ANNUAL REPORT



dakmed.org



WELCOME

Purpose to Impact

It's been an exciting year of growth and transformation at *Dakota Medical Foundation!*

As we advance our core mission of leading purpose-driven people and organizations to make the greatest impact on the health of our communities, we continue to explore bold new paths to greater impact for those we serve. The Foundation works by and through others to achieve more substantial progress than we could on our own.

We're blessed to live in one of the most generous, kind and caring regions in the world.

Giving Hearts Day has become an opportunity for us to sing the praises of local nonprofits. Their ability to "*friendraise*" is remarkable. Last year, we witnessed 64% growth in the number of individuals who donated, and in 2018, it's our goal to attract 50,000 donors! Together, we are becoming the most generous region on the planet.

We're celebrating a decade of providing a path to help volunteers reach their full potential to exponentially help their neighbors in medical crisis. More than \$13 million has been raised since *Lend A Hand* began in 2008. With a rededicated mission, "*Lend A Hand Up*" moves into the future with expanded options for giving and serving. Together, we are taking better care of one another.

Addiction continues to threaten our citizens. As the number of families impacted by this threat grows, our *Mayor's Blue Ribbon Commission on Addiction* is helping to more strategically mobilize community partners to address causes, improve responses and help families recognize warning signs. Together, we are a much stronger force for combating the devastation caused by addiction.

DMF's P5 Performance workplace wellness initiative is a strategic effort to help the region's businesses become the healthiest in America. In 2018, we have an ambitious plan to engage hundreds of employers. Together we will build the healthiest workplaces in America.

The generosity of our members- and our community as a whole- is astounding. Together, we are making sure money isn't a barrier to progress. There is great hope for a healthy future. We have made significant strides, but we are only scratching the surface of what is possible.

At DMF, we have a fundamental belief in the unlimited potential of all human beings and our propensity to care. One of the greatest joys of this job is finding innovative and inspiring ways to connect passionate people who have the desire - and the ability - to make a difference. The stories of progress inside give a fuller picture of our impact in the community. Thank you for being a partner. **Together, we are impacting health and quality of life in our community.**



J. Patrick Traynor
Executive Director

Susan Mathison, MD
Board Chair

DMF BOARD OF DIRECTORS



Front: Scott Holdman (Impact Foundation); DMF Board: Pat Traynor, JD; Rich Vetter, MD; Julene Brown, RN; Jane Skalsky, RN; Susan Mathison, MD; Cindy Keller; Ben Meland

Back: David Clutter, MD; Larry Leitner; Dave Akkerman, MD; Nancy Slotten; Robert Bakkum; Chris Kennelly, JD; Seth Novak

Not pictured: Amanda Thomas; Hope Yongsmith, MD; Barbra Brookshire, OD; Eric Monson



BREAK THE SILENCE

\$40,000
RAISED

Justin lost his life, but his story will save others

DMF funds make it easy to impact a specific health issue through charitable giving.

When Justin Olien took his own life in May 2016, his parents struggled to understand why.

The high school junior was smart, popular and a starter on the varsity football team. He had earned the ranking of *Eagle Scout*. Despite the outward success, he battled depression and suicidal thoughts for two years. His parents had no idea until they read Justin's journal after his death.

"He had been talking to friends but didn't say anything to us," says Curtis Olien.

To honor their son's memory, the Oliens established the *DMF Justin's Break the Silence Fund* to help students with high-functioning depression address the secrecy and stigma that surrounds depression and suicide.

"We want to convince youth that they can't (solve depression) on their own," Curtis says. "They need to talk to someone, they need to tell someone."

DMF managed funds allow families and small groups to focus their philanthropy for targeted impact while we manage the financial and governmental requirements. In 2017, DMF managed \$13.9 million for families to strategically invest.

In the past year, *Justin's Break the Silence* raised \$40,000. Some of those dollars have been granted to the *West Fargo School District*, which established a new mental health position at *L.E. Berger Elementary School*.

Student wellness facilitator Peter Myxter works with students, parents and staff to address mental health and behavioral issues among the students.

"He's a great support to all the stakeholders," says Dr. Chad Clark, principal at *L.E. Berger*. "Over time, we've seen more and more students face mental health challenges. Peter shares tools and interventions that improve our school, help students, and facilitate healthier families."

Justin's Break the Silence Fund is one of 51 donor advised funds hosted by DMF. These funds allow families or individuals to raise money that is eligible for a tax deduction and then recommend grants to target a specific goal.

"We work with fund advisors to provide resources to help them develop an impact

strategy," says Deb Watne, donor impact director at *DMF*. "As a result, they're able to make a significant difference in a way that's very personal to them."

Donor advised funds hosted by *DMF* receive a start-up match as well as a *Giving Hearts Day* fund match to grow their capacity. No administrative fees are charged.

"The great thing is that we get to focus on making an impact," says Lynne Olien, Justin's mother. "We don't have to worry about the paperwork."

By sharing Justin's story, the Oliens hope to prevent youth suicide in our region. They hand out bracelets with the words: **Stop. Listen. Talk.** A second set of bracelets includes a suicide hotline phone number.

"There's no reason to cover it up," Lynne says. "Depression and suicide are so prevalent, they need to be discussed. It needs to be OK to say, 'I need help.'"

DMF is proud to be their partner in accomplishing that goal.



Student wellness facilitator Peter Myxter works with students.



By sharing Justin's story, the Oliens hope to impact suicide prevention in our region.

2017

DONOR FACTS

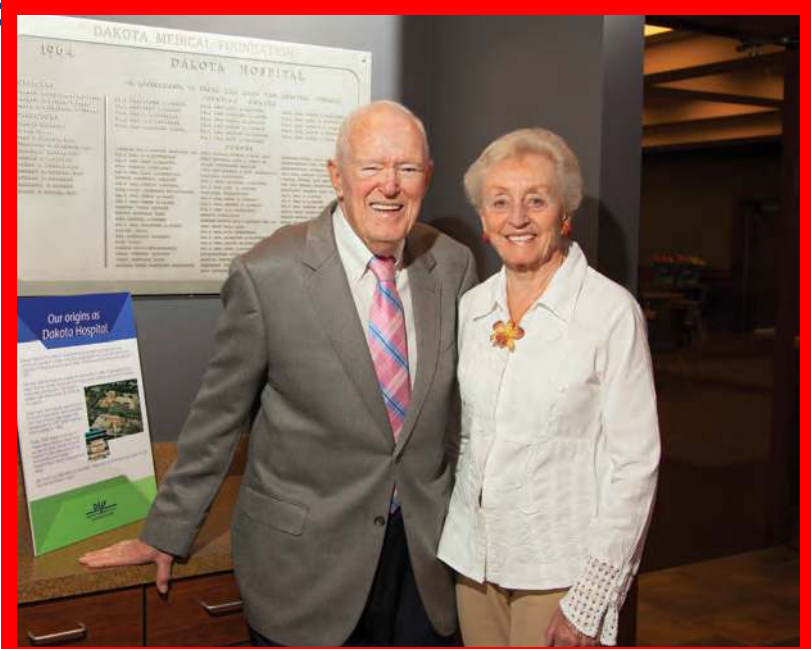
2,260

DMF FUNDS COLLECTED
2,260 GIFTS TOTALING
\$1,008,300 IN 2017*

*1,838 of those gifts came on Giving Hearts Day

9

NEW FUNDS OPENED
IN FY 2017



1963

DMF GROUNDBREAKING 49 FOUNDING MEMBERS

Groundbreaking ceremony held in June and fundraising began; 40 initial members were the guiding force for DMF.

DMF's last living founder, Dr. E.P. Wenz and his wife Lucy are shown here in 2013.

1970S

DAKOTA HOSPITAL EXPANSION 184 BEDS • JOINT REPLACEMENT

Continual expansion brings capacity to 184 beds. Dakota Hospital is renowned for hip and knee joint replacement.

1990S

DAKOTA HOSPITAL SOLD \$94M ENDOWMENT FOR DMF

DMF sells 50% of hospital to for-profit Champion Healthcare, later known as Paracelsus.

DMF begins grant-making program and awards first grants in 1996.

Remaining half sold to Paracelsus in 1998 for \$64.5M, providing DMF with an endowment estimated at \$94M.

2001

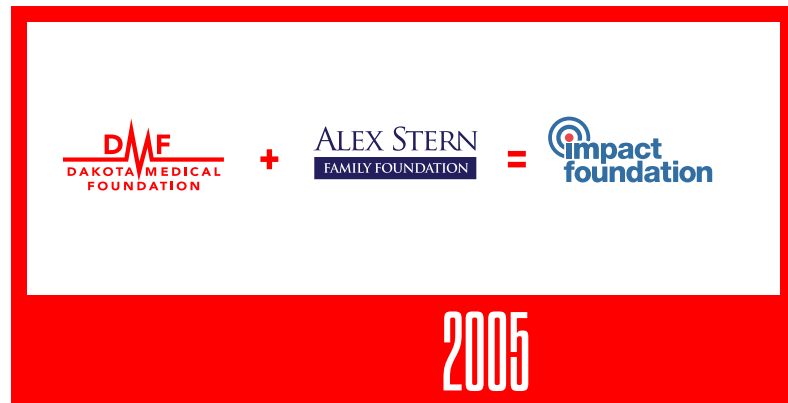
23 LIVES SAVED WITH AED INITIATIVE • DMF MATCHING BEGINS

Automated External Defibrillator Initiative implemented to place AEDs in police, fire, and first responder vehicles to rescue heart attack victims. A documented 23 lives were saved as a result.

New program provides "match" dollars for fundraising projects to inspire donors to give, also improving fundraising abilities of partner nonprofits.

Healthcare Workforce Initiative helps hospitals recruit and hire highly qualified nurses, family practice physicians, and other professionals.

Charitable giving funds are established at DMF by donors ready to improve health by giving to nonprofit causes.



2003

\$2.6M HEALTH GRANT • OVER \$15M IN PRESCRIPTIONS COVERED IN FIRST DECADE

Healthy Communities Access Program \$2.6M federal grant fosters major DMF initiative to bring health coverage to uninsured, improve diabetes management, expand access to dental care, and provide help with applying for free and low-cost prescriptions from pharmaceutical companies. Over \$15M in prescriptions obtained in the first decade.

2005

IMPACT FOUNDATION FORMED TO PROVIDE DEVELOPMENT + GROWTH

Impact Foundation is formed by DMF with the support of DMF and Alex Stern Family Foundation to provide professional development for nonprofit leaders and other resources to grow capacity to serve. Impact Foundation also helps North Dakota small businesses secure government contracts to build profits, retain jobs, and grow the state's economy.



1962

DAKOTA MEDICAL FOUNDATION IS FORMED

Initial IRS approval granted for nonprofit Dakota Medical Foundation to own and operate Dakota Hospital.

1964

DAKOTA HOSPITAL \$1.8M • 76 BEDS • 11 PHYSICIANS

Construction completed and spectacular \$1.8M Dakota Hospital opens Nov. 2 with 76 beds and 11 physicians.

1980S

DAKOTA HOSPITAL 265 BEDS • 14 SATELLITE SITES

Hospital grows to 265 beds, adds open heart, neurosurgery and expanded kidney dialysis. Rapid clinic expansion is made to satellite sites, with 14 added in North Dakota and Minnesota, creating a system of high quality care and larger footprint for future DMF programming and membership reach.

2000

TRAYNOR HIRED AS PRESIDENT STRATEGIC PLAN ADOPTED

Pat Traynor hired as foundation president; DMF Board adopts first strategic plan focusing on access to medical and dental care with a special emphasis on children.

2002

\$12M IN GRANTS FOR HEALTH PROGRAMS

To expand resources for its mission, DMF begins a grant-writing and development program. More than \$12M will be secured in the first decade to fuel health programs in the region.

DMF launches statewide initiative connecting thousands of uninsured children and families in North Dakota with free or low-cost health coverage through Medicaid, Healthy Steps, and the Caring for Children Program.

2004

SCHOLARSHIP FUNDS \$400,000 • 54 NEW STUDENTS

First scholarship funds created to build tomorrow's healthcare workforce. DMF members and others establish first DMF charitable giving, tax-savvy vehicles for families to support favorite health causes. DMF provides \$400,000 for tri-college nursing scholarships that enroll 54 new nursing students at North Dakota State University, Minnesota State University Moorhead, and Concordia College.



DAKOTA MEDICAL FOUNDATION

TIMELINE 1962-2017



2007

NEW WEBSITE LAUNCH • LEND A HAND CREATED • CHILDREN'S MENTAL HEALTH INITIATIVE

Impactgiveback.org website launched for nonprofits to receive online donations and list volunteer opportunities.

Lend A Hand created to provide resources and match funds to volunteer-led benefit events for families in medical crisis.

DMF and community partners pilot the Children's Mental Health Initiative to provide early mental health services for children.

DMF and Impact Foundation release Wealth Transfer Study that documents the flood of money changing hands to the next generation and charities. Organizations are trained to tap this wealth through Impact Institute fundraising training and coaching.

2009

WORKSITE WELLNESS WITH BCBSND CASSCLAYALIVE! LAUNCHES

DMF begins a concentrated strategic focus on chronic disease prevention.

Worksite Wellness Initiative is begun with Blue Cross Blue Shield ND to develop a comprehensive, cost-effective wellness program for worksites in North Dakota.

Together with community groups, DMF launches CassClayAlive! with the goal of making Cass and Clay counties the healthiest places to live – transforming schools, childcare, and other community settings for more active living and healthier eating.

2012

DMF CELEBRATES 50 YEARS • 191 MEMBERS • 16 DIRECTORS • GIVING HEARTS DAY EXPANDS TO 10 BISMARCK ORGS

DMF celebrates its 50th Anniversary with 191 members, 11 staff members, 16 directors, and hundreds of stakeholder partners. Giving Hearts Day is expanded to 10 Bismarck organizations.

The Breakthrough Idea Challenge funds bold, innovative approaches to health improvement from the public.

Ground is broken for a new building where collaborative teams will meet to work toward exceptional nonprofit impact.

2014

GIVING HEARTS DAY RAISES \$5.7M • LEND A HAND SERVES 300 FAMILIES • 76 DMF FUNDS DISTRIBUTE \$3.2M • \$6.3M EST. ND DENTAL FOUNDATION

Giving Hearts Day expands westward and grows to \$5.7M raised for regional charities. Alex Stern Family Foundation becomes a co-host and a full-time Giving Hearts Day program director is hired.

Lend A Hand serves its 300th family.

A DMF grant to Heartview Foundation restores a desperately needed substance abuse treatment center, in Cando, N.D.

76 charitable giving funds at DMF distribute \$3.2M to improve health and quality of life.

A \$6.3M gift establishes the North Dakota Dental Foundation at DMF.

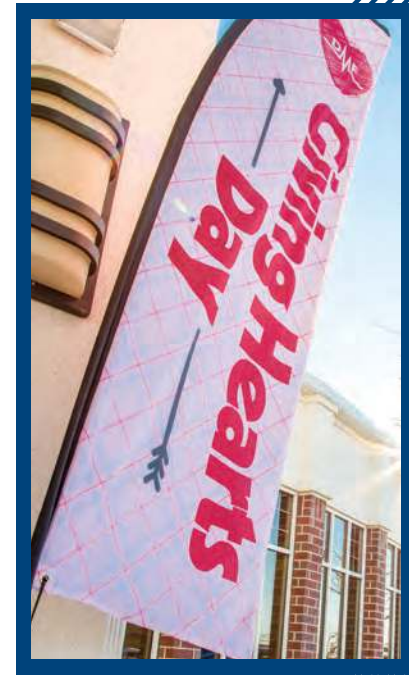
2016

90 MEMBER ADDICTION COMMISSION • 26 ORGS PLEDGE TO PROTECT CHILDREN • GIVING HEARTS DAY REACHES 14,500 DONORS AND RAISES \$8.3M

DMF launches the Mayors' Blue Ribbon Commission on Addiction with 90 community members. Faced with a dramatic rise in overdose deaths (46 deaths in Cass County between 2012 and 2015), the Commission maps a collaborative strategy to stop the epidemic.

DMF unites 26 organizations to end child sexual abuse by forming Pledge To Protect.

Giving Hearts Day draws 14,500 individual donors, and a record \$8.3M is raised by charities.



2006

\$1M GO RED PARTNERSHIP • 11% FEWER DEATHS

DMF commits \$1M to partner with American Heart Association's Go Red statewide initiative to prevent women's heart disease through highly successful 'Know Your Numbers' campaign. As a result, North Dakota experienced 11% fewer deaths from cardiovascular disease from 2006 to 2008.

2008

GIVING HEARTS DAY LAUNCHES ONLINE

Powerful DMF Giving Hearts Day online giving campaign launches in February, mobilizing area nonprofits for a 24-hour give-a-thon that secures \$479,028 through 1,452 contributions for 38 participating organizations in a single day.

The first Lend A Hand benefit for families in medical crisis was held in February.

2011

NEW STUDY PROJECTS \$95B TO BE GIVEN TO CHARITY FROM 2007-2061

DMF and Impact Foundation release a second, updated Wealth Transfer Study conducted by Boston College's Center on Wealth and Philanthropy. This study predicts unprecedented opportunities for nonprofits due to the intergenerational transfer of wealth, projected at \$308B in North Dakota between 2007 and 2061. In this timeframe, \$95B will be given to charities in lifetime gifts and wills.

2013

NEW BUILDING OPENS AND IS GIFT TO CHARITY COMMUNITY

New, 19,000 sq. ft., high-tech DMF Center for Excellence and Innovation opens for nonprofits to convene meetings and events.

The Essentia Teaching Kitchen is ideal for hosting tasty, nutritional cooking classes. Alex Stern Family Foundation sponsors the boardroom and SEI Investments and Gate City Bank provide generous donations to deliver the DMF building as a gift to the charity community.

2015

GIVING HEARTS DAY RAISES \$6.9M WITH NEW WEBSITE • BUSH FOUNDATION AWARD

Giving Hearts Day expands statewide and reaches an extraordinary \$6.9M raised by charities.

New website replaces manual distribution of donations to 287 charities and charitable funds accounts.

Bush Foundation recognizes the impact of Giving Hearts Day with a 2015 Bush Prize for Community Innovation.

2017

DMF LAUNCHES P5 PERFORMANCE • GIVING HEARTS DAY RAISES \$10.6M AND DRAWS 22,000 DONORS • OVER 15,000 PEOPLE GATHERED AT DMF BUILDING

P5 Performance workplace wellness initiative and inventory tool are launched to engage with businesses across ND and Northwest MN, building the healthiest workplaces in America. The first local businesses take inventory assessments to map their specific health and wellness needs.

Giving Hearts Day draws nearly 22,000 donors who give a remarkable \$10.6M in 24 hours.

Over 15,000 people have gathered and more than 400 meetings and events took place at the DMF Center for Excellence and Innovation.

Lend A Hand raises \$13.4M for families in its first 10 years.



DMF MATCH SUPPORT 2017



| | |
|--|------------------|
| • Giving Hearts Day (nonprofit match only) | \$272,250 |
| • Lend A Hand match | \$206,438 |
| • Giving Hearts Day (fund match only) | \$135,375 |
| • Member match | \$119,110 |
| • Start-up fund match | \$74,400 |
| TOTAL | \$807,573 |

DMF CENTER FOR EXCELLENCE & INNOVATION

When we built our current facility in 2013, it included meeting rooms, a training center, board room and teaching kitchen for our nonprofit partners to use free of charge. It was our gift to them for all they do to improve health and quality of life in our region. We expected to host about 1,500 people a year. We're happy to report that in December alone, more than 1,200 people came here to learn, collaborate and advance their organization's missions. It's a testament to our strong nonprofit community.

We're honored to provide this space for them as they work to uplift our region.

2017 BUILDING STATISTICS

| | |
|-------------------|--------|
| • People Gathered | 15,220 |
| • Hours in Use | 2,153 |
| • Events Hosted | 520 |

\$13.9M

IN 85 FAMILY AND CHARITABLE FUNDS UNDER DMF MANAGEMENT

LEND A HAND



Lend A Hand works by and through others to help families in medical crisis



Evan Krogen at his benefit • Evan's benefit volunteers • Evan and Ethan wear their Lend A Hand hats

Evan Krogen was an adorable toddler who loved baseball and the rodeo. He had cherub cheeks, baby blue eyes and a love of chicken nuggets. After he got a fever he just couldn't shake, doctors found acute **lymphoblastic leukemia**, the most common type of childhood cancer, and a young family's life turned upside down in an instant.

"We were both in shock. You just think it's never going to happen to you. It's definitely life changing," said his mom, Laura.

Evan was 2 1/2 at his diagnosis. He spent the next three years fighting for his life.

"The treatment was nasty and lasted a long time," said Evan's dad, Mark. "One extremely bad reaction to the chemo put him in the intensive care unit and nearly killed him. He was on a ventilator and it was a terrible, terrible deal. It's only one in a million that this specific complication happens to, but he was the one."

Daycare provider Melanie Loeb felt helpless.

"You can't care for these children for nine hours a day, five days a week and not feel like in some way they are a part of your own heart," she says. She decided to throw a fundraiser, so she sat down with the Yellow Pages and started making calls. That's when she discovered **DMF Lend A Hand**.

"I had a pencil and a notebook and no idea what to do. All of a sudden that turned into 'I can have this organized!'"

It was January, 2009. **DMF Lend A Hand** was beginning its second year of providing help and hope to families facing medical crisis. Now in its 11th year, **Lend A Hand** and caring community members have raised \$13.4 million, helping more than 428 local families. The program is still going strong, with a packed house at its 10-year anniversary celebration event.

Families in need appreciate the financial help that comes through **Lend A Hand**, but the program provides an even bigger value to the community by providing comprehensive resources and personal coaching to help volunteers plan and host successful benefits. It's a proven formula that benefit organizers rave about. Giving people the tools to create a space for the community to come together to offer hope, encouragement and love to people in medical crisis is priceless.

Nine years later, Evan Krogen is a healthy 5th grader who loves reading, math, science and sports.

"He's quite the kid," Mark says. Although Evan still suffers headaches as a complication from cancer treatment, "he powers through it and doesn't let it stop him from school or playing or anything else. He just keeps on going."

Mark says the biggest comfort to the family at that volatile time was the support of family and friends. The biggest surprise was the discovery of wide-spread community support. "We met strangers -- people were praying for my kid who'd never met him before."

One woman approached Mark and Laura at the benefit. She had her small children with her and told the Krogens she was also a survivor of this type of cancer.

"It was the best medicine you could ever, ever have," Mark says. "I don't even know her name. But that will stick with me forever -- how she went out of her way to come there and find us and give us a little bit of encouragement. That was very special."

"We would never have had that experience without the benefit," Mark says.



Evan celebrates his 9th birthday.

| CURRENT MEASURES | LAST YEAR | 2008-2017 |
|---|------------|----------------|
| # of volunteer-led benefits | 35 | 428 benefits ↗ |
| Total dollars raised through benefits | \$1.4 M | \$13.4M ↗ |
| Average dollar amount raised in a benefit | \$28,000 | \$26,000 |
| Total donations to the LAH Giving Fund and Endowment Fund | \$218,458* | \$1.2M* ↗ |

RAISED SINCE 2008 ↗

\$13.4M



GIVING HEARTS DAY



An effort to build hundreds of beanstalks for ever-growing good

Charities value **Impact Institute's** guidance for growth.

The year Jill Christopher started at **Fargo's Ronald McDonald House Charities (RMHC)**, the first-time executive director was advised to meet with the **Impact Institute**.

"If they told us to do something, we'd do it," Jill says. "They were incredible partners." Seven years later, she still turns to Impact for guidance and support.

Impact members benefit each year from the Institute's trainings and resources – tools that help **RMHC** thrive as a nonprofit. **RMHC** staff have also built personal

connections with Impact's leaders and other charities.

The **Impact Institute** was established through a unique partnership of **DMF** and **Alex Stern Family Foundation** created specifically to help charities become exceptional "friendraisers." **Giving Hearts Day** is proof that the friendraising practices planted as seeds have grown into towering beanstalks of support.

"2017 was a transformational year for the Impact Institute," says Institute Director Scott Holdman. "We worked with a visionary agent of change, Dr. David Hunnicutt. Together we developed a nonprofit fundraising assessment tool and

accompanying data-driven training and coaching program."

Centered on six Ts: Transformations, Trends, Tactics, Targets, Tools and Teams -- which are the critical pillars of fundraising success. The assessment has provided data-driven analysis to 317 nonprofits already. More expansion is in store for next year.

"Impact helps us continue to grow and get better," Jill says. "I'm always learning."

The diagram below shows the transformational fundraising framework taught to all Giving Hearts Day participants.



SNAPSHOT: GIVING HEARTS DAY FUNDRAISING RESULTS 2008-2017

| | |
|---|--------------|
| • Churches United | \$1,148,765* |
| * Began participating in year two. | |
| • YWCA Cass Clay | \$2,074,777 |
| • Community of Care of Casselton | \$186,683 |
| • First Care Health Center of Park River | \$478,018 |
| • Ronald McDonald House Charities of Fargo | \$247,477 |
| • St. Gerard's Community of Care of Hankinson | \$509,782 |

RAISED BY CHARITIES SINCE 2008

\$41M

GIVING HEARTS DAY



Fueled by kindness

Giving Hearts Day is an enormously successful 24-hour give-a-thon in North Dakota and western Minnesota. Since 2008, our generous donors have given \$41 million that is improving health, stocking pantry shelves for the hungry, providing shelter for the homeless, funding arts performances, providing mentors for at-risk kids and, in countless other ways, making life healthier for everyone in our region.

You and your neighbors have made a profound impact in North Dakota and western Minnesota on Giving Hearts Day. We are proud of our region's support. About 22,000 individual donors gave generously in 2017, but we are just scraping the surface of possibility. There are nearly one

million people in North Dakota and western Minnesota. What could we accomplish if even half of them chose to give?

The potential is thrilling!

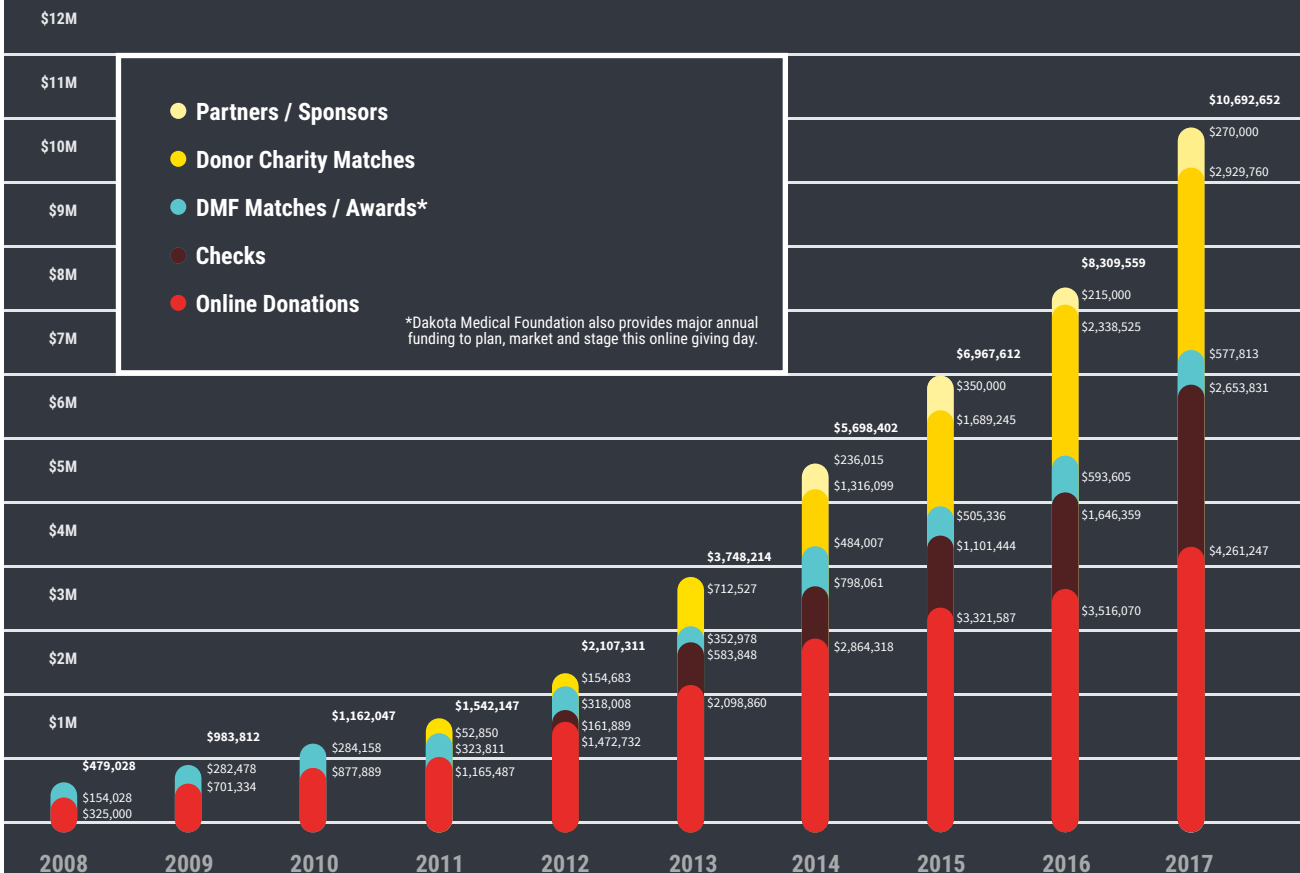
We invite you to join us in making an even greater impact in our region.

Giving back brings out the best in people.

Join us as we continue to build the most generous region on the planet!

#countme

Giving Hearts Day participating charities have raised over \$41 million for good in the region.







ANNUAL FINANCIAL AND INVESTMENT REPORT

AS OF AND FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2016

Dakota Medical Foundation is diligent in the choice of its investment firms and closely monitors the structure of its portfolio for risk, long-term stability and performance, as carefully outlined in our investment policies. DMF's chosen firms predominately use a "manager of managers" approach, rigorously selecting and overseeing proven individual asset managers. DMF assets are conservatively invested and broadly diversified. DMF has the income stream to operate initiatives, provide grants and meet operating expenses without liquidating long-term investments during market lows.

| ASSETS | FY 2017 | FY 2016 |
|--|----------------------|----------------------|
| • Cash and investments | \$103,133,485 | \$99,356,295 |
| • Receivables and other assets | 924,177 | 729,533 |
| • Property and equipment, net | 4,315,912 | 4,574,194 |
| TOTAL ASSETS | \$108,373,574 | \$104,660,022 |
| LIABILITIES AND NET ASSETS | | |
| • Payables and accrued expenses | \$911,559 | \$708,668 |
| • Long-term debt, including current maturities | 2,565,351 | 2,841,188 |
| • Unrestricted net assets | 92,500,887 | 90,046,247 |
| • Restricted net assets | 12,395,777 | 11,063,919 |
| TOTAL LIABILITIES AND NET ASSETS | \$108,373,574 | \$104,660,022 |
| CHANGES IN UNRESTRICTED NET ASSETS | | |
| • Revenues, gains, (losses), and other support | \$7,937,404 | \$7,022,044 |
| • Functional expenses | | |
| Program costs | \$4,597,859 | 4,643,048 |
| General and administrative | 694,242 | 653,718 |
| Fundraising | 190,663 | 183,288 |
| INCREASE IN UNRESTRICTED NET ASSETS | \$2,454,640 | \$1,541,990 |





ANNUAL REPORT



dakmed.org

 [@dakmedfdn](https://twitter.com/dakmedfdn)

[dakotamedicalfoundation](https://www.facebook.com/dakotamedicalfoundation) 