Dear Friend,

Headwaters Foundation for Justice is people-based and rooted in community. In other words, you’re one of the people who make up our great network of donors, grantees, and volunteers. Throughout Fiscal Year 2018 you were an especially active, inspiring force for change across Minnesota. Thank you.

Headwaters invested in 13 organizations through our Democracy in Action Fund. The investments were made possible by a cohort of 23 cross-class, multiracial community members who participated in the Giving Project. Of the new group of grantees, four were new to Headwaters, including the Leaders of Color Collective. Get to know them on page 4.

Did you know that Headwaters turns 35 in December 2019? Please consider yourself officially invited to celebrate with the staff and board throughout the calendar year. We’ll keep our eyes open for you, whether it’s during the Change Makers Gala (Save the date: Thursday, May 16, 2019!), our October Donor Appreciation Evening, or any of the other special opportunities we’re planning. I hope to see as many of you as possible.
Speaking of the Gala, I remember Janiece Watts (pictured above) sharing her donor story about “We Are Who We Need” last May. She said, “At Headwaters we honor and appreciate how every dollar that is meaningful to a donor is also meaningful to our movements for change because it comes from us and goes directly back to us.” Her words have really stuck with me and will remind me to stay focused on the abundance—rather than fake scarcity—in our community.

This was a big year that was full of big, ambitious work. It wouldn’t have been the same without you.

In Solidarity,

David Nicholson
GET TO KNOW THE LEADERS OF COLOR COLLECTIVE

The Leaders of Color Collective, a 2018 Democracy in Action Giving Project grant recipient, thinks and acts in conversations. They’re based in the Fargo-Moorhead area, and are driven by asking, “What can we do collectively that we could not do as individual leaders?” They formed after a series of one-to-one conversations led to a self-organized gathering in November 2017. The relationships they’ve taken the time to build—across cultures, languages, and identities—reflect the best of grassroots organizing work.

Look at the growing network of people who make up the Collective and you will see an inclusive cross-section of the region. The mix includes community organizers, a newly-elected state representative, youth advocates, and case managers. “Spending more than just one hour together gave us the chance to introduce ourselves, our work, and networks to each other,” says Collective member Karis Thompson, pointing back to their early days. “That helped us identify our common interests.”

From there, the group got more active in civic engagement during local elections that led up to the November 2018 midterm elections. They helped get the vote out, driving neighbors to early voting sites or candidate forums. Moving forward, they’ll keep organizing across their communities to influence public decision-making, and to invite accountability from elected officials.
That practice of being in relationship with each other is what fuels the group to serve Fargo-Moorhead. “We were already doing the work,” says Collective member Matuor Alier, “but we weren’t getting recognition or trust from foundations until this grant came in.” If a neighbor is looking for a ride to an interview, needs translation services, or wants other support, they’re more likely to call on a familiar face from their community. Someone from the Leaders of Color Collective is often there to step in.

Thanks to Farhia Ali, Matuor Alier, Ruth Buffalo, and Karis Thompson for the conversation that made this story possible.
Statement of financial activity based on audited financial statements for the year ending June 30, 2016.

### Revenue, Gains, and Other Support

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and grants</td>
<td>$1,219,271</td>
<td>$135,000</td>
<td></td>
<td>$1,659,660</td>
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<tr>
<td>Contributions - Donor Advised Funds</td>
<td>$1,659,660</td>
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<td></td>
<td>$1,659,660</td>
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<tr>
<td>Program Revenue</td>
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<tr>
<td>Investment Income</td>
<td>$209,908</td>
<td>$29,034</td>
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<td>$238,942</td>
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<tr>
<td>Change in beneficial interests in The MPLS Foundation Fund</td>
<td>$94,369</td>
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<td>$94,369</td>
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<tr>
<td>Special Events</td>
<td>$85,302</td>
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<td></td>
<td>$85,302</td>
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<tr>
<td>Other Operating Revenue</td>
<td>$50,302</td>
<td></td>
<td></td>
<td>$50,302</td>
</tr>
<tr>
<td>Net Assets Released from Restriction</td>
<td>$183,909</td>
<td>$(183,909)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenues, gains, and other support</td>
<td>$3,502,721</td>
<td>$19,875</td>
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<td>$3,482,846</td>
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### Expenses

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<tr>
<td>Program Services</td>
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<td>$1,448,699</td>
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<tr>
<td>Management and General</td>
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<td>$456,910</td>
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<tr>
<td>Fund Development</td>
<td>$241,639</td>
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<td>$241,639</td>
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<tr>
<td>Total Supporting Services</td>
<td>$698,549</td>
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<td>$698,549</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>$2,147,248</strong></td>
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<td><strong>$2,147,248</strong></td>
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</table>

### Change in net assets

<table>
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<th>Description</th>
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<th>Temporarily Restricted</th>
<th>Permanently Restricted</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Net - End of Year</strong></td>
<td><strong>$1,335,892</strong></td>
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<tr>
<td><strong>Net Assets - Beginning of Year</strong></td>
<td><strong>$6,067,677</strong></td>
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</table>

### Revenue by the Numbers

- Individual Donors: 30%
- Donor Advised Funds: 30%
- Institutional Partners: 19%
- Special Events: 13%
- Investment Income: 5%
- Other: 3%

### Expenses by the Numbers

- Grants: 38%
- Donor Advised Funds: 23%
- Other Program Expenses: 17%
- Management & General: 12%
- Fund Development: 10%
174 VOLUNTEERS

GRANTED (INCLUDING DONOR ADVISED FUNDS):
$997,834

TOTAL GRANTEEES: 119

TOTAL GRANTS: 174
FUNDS LIST

ANONYMOUS FUNDS
Achieve Minneapolis
aMaze
Ananya Dance Theatre
Body Wisdom
Breast Cancer Action
Centro de Trabajadores Unidos en la Lucha
East Side Freedom Library
Economic Opportunity Institute
Family Tree, Inc.
Forward Montana
Got Green
Grassroots Policy Project
Greater Minnesota Workers Center
Headwaters Foundation for Justice
Hnub Tshiab
In the Heart of the Beast Puppet and Mask Theatre
Indigenous Environmental Network
Indigenous Peoples Task Force
Jewish Community Action
Jewish Voice for Peace
Main Street Project
Micro Grants
MN Host Home Network
Montana Women Vote
Movement2020
OutFront MN Community Services
PFund Foundation
ProChoice Resources
Queer the Land
Sister Song
Social Justice Fund NW
TakeAction MN
The Shalom Center
Tiwahe Foundation
Voices for Racial Justice
WA-BLOC
Wellstone Action Fund
Women’s Environmental Institute

COMMUNITY INNOVATION GRANT IN PARTNERSHIP WITH THE BUSH FOUNDATION
20% Theatre Company
Corrective Development Funds of CDS
Council in American Islamic Relations
Cycles for Change
Defend Glendale Campaign
Domestic Abuse Project
East Side Neighborhood Services, Inc.
Gender and Sexuality Center for Queer and Trans Life - University of Minnesota, Twin Cities
Get Fit Itasca
Grace Minnesota
Hispanic Outreach Program of Goodhue
Hope Community
Immigrant Development Center
InquilinXs UnidXs Por Justicia
Isuroon
Jewish Community Action
Liberatory Motion
MN Host Home Network
MPD150
Oromo Community of Minnesota
Reviving the Islamic Sisterhood for Empowerment
Somali American Women Action Center
Somali Artifact and Cultural Museum
Southern Minnesota Independent Living Enterprises and Services
St. Anthony Park Community Council Creative Enterprise Zone
TakeAction MN Duluth
Unite Cloud
Well Being Development
White Earth Land Recovery Project Dakota Wicohan
Native American Community Development Institute
Waadookodaading Ojibwe Language Immersion School

LARRY OLDS POPULAR EDUCATION FUND
Centro de Trabajadores Unidos en la Lucha

MAYA FUND
Black Lives Matter Minneapolis
El Fondo Boricua
Headwaters Foundation for Justice
Honor the Earth
Indigenous Environmental Network
Jewish Voice for Peace
La Asamblea
NavigateMN
Oytae Hotanin
SURJ Action
Tiwahe Foundation

BLAZING STAR FUND
Black Market
Centro de Trabajadores Unidos en la Lucha
Headwaters Foundation for Justice
Honor the Earth
Indigenous Environmental Network
Land Stewardship Project
Mizna
Release MN8
BUILDING MORE PHILANTHROPY WITH PUR-POSE FUND

Funny Asian Women Kollective
Hmong United for Justice
Indigenous Roots
Reviving the Islamic Sisterhood for Empowerment

EARTH CLOUD FUND

Free Forest School
Friends of Sax-Zim Bog
Nawayee Center School Inc.
PTA Minnesota Congress Kenwood Elementary School
Red-Headed Woodpecker Recovery
The Nature Conservancy

MELISSA SCOTT FUND

Astrea Lesbian Foundation for Justice
Black Lives Matter Minneapolis
Family Tree, Inc.
Greater Minneapolis Crisis Nursery
Headwaters Foundation for Justice
Inquilinxs Unidos por Justicia
Minnesota Transgender Health Coalition
People’s Movement Center
Pregnancy & Postpartum Support Minnesota
Reviving the Islamic Sisterhood for Empowerment
Young Muslim Collective

ELIZABETH SCOTT FUND

Astraea Lesbian Foundation for Justice
Centro de Trabajadores Unidos en la Lucha
Family Tree, Inc.
Headwaters Foundation for Justice
Mixed Blood Theatre
OutFront MN Community Services
Peoples Movement Center
PFund Foundation
The Task Force

Photo credit: Min Enterprises Photography

COURAGEOUS POSSIBILITIES FUND

Achieve Minneapolis
aMaze
Ananya Dance Theatre
Body Wisdom
Achieve Minneapolis
Breast Cancer Action
East Side Freedom Library
Headwaters Foundation for Justice
Grassroots Policy Project
In The Heart Of The Beast Puppet And Mask Theatre
Indigenous Environmental Network
Indigenous Peoples Task Force
Jewish Community Action
Main Street Project
Micro Grants
OutFront MN Community Services
PFund Foundation
TakeAction MN
Tiwahe Foundation
The Shalom Center
Social Justice Fund NW
Wellstone Action Fund
Women’s Environmental Institute
Centro de Trabajadores Unidos en la Lucha

Photo credit: Fotos for Barcelona

AARON DORFMAN & GENEEN MASSEY FUND

Center for Popular Democracy
FairVote
Move To Amend
People’s Action Institute
PICO National Network
Southern Coalition for Social Justice
Southern Poverty Law Center
Wellstone Action Fund
DONOR SPOTLIGHT

Erica Mauter – Board Co-Chair and Donor since 2014
There are very few organizations like Headwaters that empower grassroots organizations working in their own communities on self-determined solutions to their challenges. Connecting these organizations with resources and getting out of their way is an important way to remove barriers and disrupt the systems that hold them back from doing their work. I give to Headwaters monthly because I know that means I’m supporting a whole bunch of organizations doing great work. Giving monthly also means I’ve structured my own commitment so that it’s easier for me and for Headwaters!

Mala Thao – Donor since 2010 and Board Member since 2013
As a Hmong and Thai refugee, experiencing the injustice that surrounded me and my family made me feel powerless. However, Headwaters is my power now. When I give to Headwaters, I know I’m creating a world where families like mine will feel safe and thrive.
HISTORY
Headwaters Foundation for Justice was established in 1984 when a group of thoughtful, progressive donors got together. They believed that the people who were closest to community problems were closest to solving them. That shared belief radically changed their approach to philanthropy and sparked a new grantmaking model—one that shifted power away from funders by placing decision-making in the hands of the people. This was the start of an innovative, community-centered, trust-centered model.

MISSION:
To amplify the power of community to advance equity and justice.

FOUR CORE VALUES:
One | Advance equity:
Our work supports movements and systems change that lead to individual resiliency and community power.

Two | Demand inclusion:
People who are most affected by inequity are often left out of decision-making work. We insist on changing that—nationally, regionally, and locally.

Three | Transform power:
We grow power through community-led grantmaking, donor education, and leadership development.

Four | Trust in community:
A community knows itself best, and its people need to lead the way to collective liberation. Our job is to listen to and support the solutions that will improve life for all Minnesotans.