

# ANNUAL REPORT

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2023



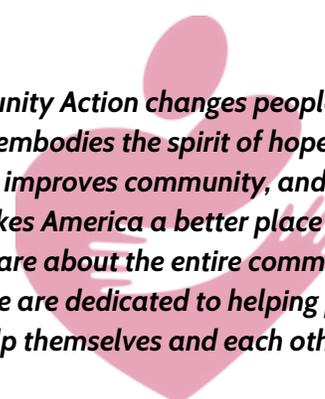
AEOA

# ABOUT AEOA

The Arrowhead Economic Opportunity Agency (AEOA) is a private, 501(c)3 nonprofit established as a Community Action Agency for the Northeast Minnesota counties of Cook, Lake, and St. Louis in response to the 1964 Economic Opportunity Act. The Agency provides services through six service departments including Employment and Training, Head Start, Housing Resources, Housing Services, Senior and Nutrition Services, and Transit. AEOA has over 58 years as a major provider of self-sufficiency services to low-income and disadvantaged persons in the Agency's service area.

## COMMUNITY ACTION

Community Action comes from President Lyndon B. Johnson's War on Poverty and the advocacy of Dr. Martin Luther King, Jr. The Economic Opportunity Act of 1964 created the Community Action Network of national and locally focused organizations, like AEOA that connect millions of children and families to greater opportunity.



*Community Action changes people's lives,  
embodies the spirit of hope,  
improves community, and  
makes America a better place live.  
We care about the entire community,  
and we are dedicated to helping people  
help themselves and each other.*

AEOA is one of over 1,000 Community Action Agencies across the country that work every day to create opportunities and transform the lives of neighbors, making communities stronger, and helping families thrive.

2023 marks the 59th year since the Community Action Network was established to help American families and communities overcome obstacles to poverty. Community Action Agencies (CAA) were established by the Economic Opportunity Act of 1964. Over 1,000 CAAs have been created in the US to provide opportunities and transform the lives of their neighbors making communities stronger and helping families across the US thrive. This year, AEOA celebrates our 58th year as a CAA helping families in our legislatively designated service area of Cook, Lake, and St. Louis Counties.

## A WORD FROM THE EXECUTIVE DIRECTOR

As I reflect on the past year, I want to acknowledge that it hasn't been without its challenges. The COVID-19 pandemic tested our resilience. But you know what they say, it's in the tough times that we often find our strength, and 2023 has been a year of impressive comebacks for us.

A very notable accomplishment this year was the opening of a new homeless shelter "Home on the Range." The facility meets a critical need in our community by providing a safe, stable, and dignified place for those facing hardship to call home. We believe in helping people help themselves.

In addition, the Housing Services department saw historic levels of funding, allowing us to expand our reach and serve more individuals and families in need with programs like energy assistance and weatherization.

The highlight of the year was our community block party, a fun evening connecting with our community while providing essential resources and a warm meal.

I am truly honored to serve as the Executive Director of AEOA, surrounded by outstanding partners and dedicated staff. While challenges persist, I am humbled by the amazing work accomplished by our team.

# MISSION POSSIBLE: OUR STRATEGIC DIRECTION FOR SUCCESS

In November 2022, AEOA engaged Northspan, a private, nonprofit organization that offers professional business and community development services, to conduct the Agency's strategic planning process. The strategic planning process was conducted from December 2022 to March 2023.

The process reaffirmed AEOA's vision, mission, core values and developed new strategic directions for the organization. Action steps and outcomes to advance the strategic directions were established and a three-year strategic framework was developed.

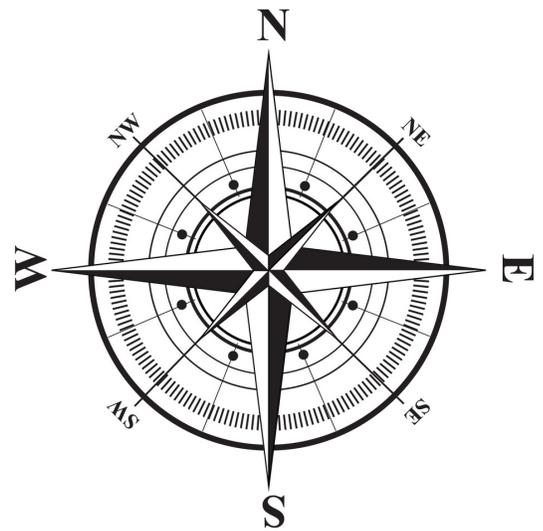
The strategic directions and practical visions established to guide the work are provided below.

## Strategic Directions

1. Recruiting, training, and retaining talent
2. Advancing the mission through outreach and communications
3. Expanding board involvement and recruitment
4. Reformulating technology to meet program needs
5. Engaging rural communities to share needs
6. Seeking and accessing innovative, sustainable funding sources

## Practical Visions

1. Increased, clear internal & external communication
2. Improved & implemented organizational technology
3. Increased, retained quality workforce
4. Expanded, equitable services
5. Increased, sustainable funding
6. Engaging, knowledgeable board



## VISION

All people served will make measurable progress toward self-reliance or independence.

## MISSION

To strengthen communities by providing opportunities for people experiencing social and economic challenges.

## VALUES

- **Respect**  
We value and respect the people we serve. When they succeed, we succeed.
- **Stronger Together**  
We believe in local wisdom and build coalitions with partners that move our mission forward.
- **Believe**  
We believe in our mission and support each other in our work.

# BOARD OF DIRECTORS

Jeff Kletscher, *Chair*

Kevin Adee, *1st Vice Chair*

Laura Perry, *2nd Vice Chair*

Cherie Averill Manner,  
*Secretary*

Dana Waldron, *Treasurer*

Paul McDonald

Gary Peterson

Keith Nelson

Ricky Roche

Casey Venema

Michael Kearney

Michael Jugovich

David Mills

Derrick "Rick" Goutermont

Robert Hietala

Ben DeNucci

Tina Koecher

Michelle Miller

Gayle Goff

Romit 'Jerry' Jha

David Abazs

Cathy Zelinski

Les Northrup

Jessica Poitra

# OUR IMPACT

Helped **37,094** People



**357** Children  
received school  
readiness skills



**796** Households  
were assisted in maintaining  
safe and affordable housing

**8,266**  
Households  
were aided with  
home energy  
improvements and  
utility payments



**400**  
Individuals  
were supported  
with their  
education  
goals



**9,116**  
Older Adults  
were assisted  
in maintaining an  
independent living situation

**1,172**  
Individuals  
were supported in  
their job search



Partnered with over  
**600**  
Organizations



**481,857**  
bus rides,  
gas vouchers, or  
volunteer rides  
were delivered



Volunteer  
Hours  
were donated  
to the Agency



**119,292**

# PASSING THE TORCH: LEADERSHIP TRANSITION

## Director of Housing Resources

Angela Neal was selected as the new Director of Housing Resources. Angie holds a bachelor's degree in organizational behavior with a concentration in psychology. She has worked for AEOA for the last 15 years in the Housing Department as a Homeless and Basic Needs Case Manager, Housing Manager, and Assistant Director. Angie is looking forward to helping grow programs within her department and providing better housing opportunities to our communities.

Outside of work, Angie enjoys spending time with family, traveling, side by side rides, and house projects. In three words, Angie would describe herself as compassionate, dedicated, and optimistic.



## Director of Arrowhead Transit

Brandon was selected as the new Director of Arrowhead Transit. Brandon holds a bachelor's degree in business administration in nonprofit management and is starting classes for his MBA. He has worked for AEOA's Arrowhead Transit for the last 13 years as a Bus Driver, Dispatcher, Safety and Training, Transit Manager, and Assistant Director. Brandon is most excited about the opportunity to work with Federal, State, and regional legislators and partners to help build coordinated transportation networks across all of Greater Minnesota.

Outside of work, Brandon enjoys video games, reading, watching Japanese Animation, and traveling. In three words, Brandon would describe himself as detailed, committed, and honest.



## Director of Arrowhead Head Start

Gabriel Johnson was selected as the new Director of Head Start. Gabe holds a bachelor's degree in elementary education and a master's degree in education. Before his employment at AEOA, Gabe was the principal at the Assumption School in Hibbing, MN for 6 years. Prior to that, he was a classroom teacher for 10 years. Gabe is looking forward to the opportunity to help our "littles" when they are the most moldable.

Outside of work, Gabe enjoys walking, disc golf, and watching sports, especially the Minnesota Vikings. In three words, Gabe would describe himself as thoughtful, empathetic, and a go-getter.



# COMMUNITY COMPASSION: OPENING NEW DOORS

Home on the Range, the second shelter owned and operated by AEOA, is now welcoming individuals and families who are experiencing homelessness. Situated north of Duluth, Home on the Range is the second-largest homeless shelter in the region.

This shelter comprises two buildings formerly used as a Hillcrest assisted living facility. To make these buildings suitable for shelter operations, significant renovations and repairs are necessary.

Combined, these structures offer 56 rooms, four kitchens, 12 bathrooms, two common areas, and a courtyard nestled between them. The primary renovations and repairs required encompass the installation of new flooring, the creation of staff offices and meeting rooms, the addition of two bathrooms, updates to the kitchen facilities, HVAC repairs and maintenance, ceiling insulation improvements, and sidewalk repairs.



In 2022, all AEOA Homeless Programs served a total of 671 individuals, and children make up 20% of homeless individuals. Home on the Range will substantially enhance AEOA's homeless program capacity, allowing AEOA to help more individuals and families needing shelter and support services.

An Open House event was held on May 19, 2023, providing our partners and community residents an opportunity to hear presentations, meet the staff, tour the buildings, and learn about the shelter's programs, as well as volunteer and donation needs. This project would not be possible without the support of St. Louis County, several of our other funders, donors, and the community.

The 2022 Point-in-Time Count recorded 606 individuals throughout the county who were homeless, including 234 people experiencing unsheltered homelessness.

Common factors that contribute to homelessness:

- Lack of Affordable Housing
- Poverty
- Mental Health & Substance Abuse Issues
- Domestic Violence &, Family Disputes
- Inequality & Discrimination
- Past Rental Evictions
- Bad Credit
- Lack of a Support System
- Emergencies & Natural Disasters



***"It's going to be a place where people feel safe, with staff 24/7. They can get supportive services for things like food, job applications, and more. This new space can give residents a chance to get back on their feet after going through tough times."  
- Angela Neal, Housing Resources Director***

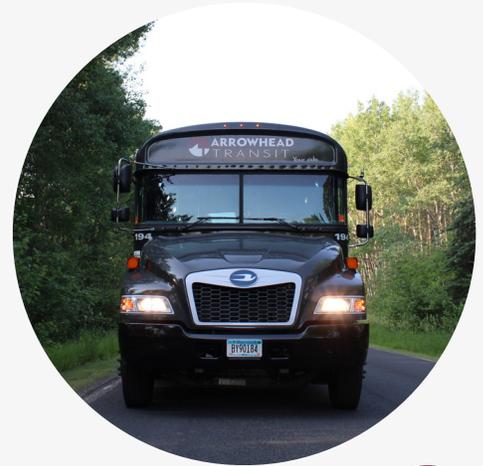
# ROUTE TO IMPROVEMENT: ENHANCING BUS TRANSPORTATION

## North Shore Run

Arrowhead Transit's successful reopening of the North Shore Run marks a significant milestone in the region's transportation services. On Tuesdays, the bus travels from Grand Marais to Duluth and back. Resuming this service has undoubtedly filled a crucial gap in transportation options for residents and visitors alike.

The service is likely contributing to reducing individual car usage, which can lead to environmental benefits such as decreased carbon emissions and less traffic congestion. Improved connectivity between towns fosters regional growth and economic development, further strengthening the Arrowhead Region's social and economic fabric.

The dedication and excitement shown by our team in continuing to provide this service exemplify our commitment to serving the community's needs. As this service continues to operate successfully, it has potential to become an integral part of the region.



## Mountain Iron Now Operating Weekend Dial-A-Ride

Arrowhead Transit annually provides transportation to thousands of residents in 10 counties in Northeastern Minnesota and beyond including Aitkin, Carlton, Chisago, Cook, Isanti, Itasca, Koochiching, Lake, Pine, and St. Louis. Virginia currently operates a weekend Dial-A-Ride, and on March 4, 2023, it was expanded into Mt. Iron and available for residents of Mt. Iron and Virginia, MN. Virginia & Mt. Iron Weekend Dial-A-Ride Hours: Saturdays - 9 AM to 5 PM | Sundays - 9 AM to 2 PM Mt. Iron weekday service is already connected with the Virginia Dial-A-Ride service.



Expansion to the weekend not only provided Mt. Iron residents access to resources in Virginia but also provided Virginia residents with access to Mt. Iron resources during the weekend. The local Walmart, L&M, and multiple large senior and low-income apartment complexes are located in Mt. Iron, while the hospital, Uptown Virginia Mall, large chain shopping centers, and grocery stores are in Virginia. Providing cross access during weekends to both communities should promote larger employment opportunities, better access to medical services, and greater access to shopping needs for elderly, low-income, single, and no vehicle households, and persons with disabilities, in a very high transit dependency area.



## COMMUNITY CONNECTION: SENIOR EXPO 2023

2023 marked a fresh start after the pandemic put a paused on AEOA's Senior Expo. The event celebrated its 37th year with a fun carnival theme held at the Iron Trail Motors and Event Center.

Todd Eckhart's captivating entertainment and a tasty meal of grilled chicken sandwiches, potato salad, chips, and ice cream treats provided by Upper Lakes Foods set the festive tone. Arrowhead Transit provided transportation, ensuring seniors could attend hassle-free. Featuring 35 resource tables, the Senior Expo offered a dynamic mix of food, entertainment, games, and informative exhibits. Attendees enjoyed reconnecting with their community and sharing in the spirit of togetherness. The excitement and enthusiasm seen indicate that people are eagerly awaiting the next event.



## BUILDING FUTURES: YOUTHBUILD EXPANSION

AEOA Employment and Training has secured a Federal YouthBuild Grant from the United States Department of Labor, Employment & Training Administration. This grant supports the already existing YouthBuild program in expanding and offering job training and education to at-risk youth aged 16-24 who had previously dropped out of high school.

YouthBuild provides a comprehensive curriculum, including life skills, independent living skills, math, reading, high school equivalency education, and hands-on work experience. AEOA's program will focus on vocational skills in construction. Participants actively contribute to their communities by assisting with constructing and renovating affordable housing for low-income or homeless families. Their time is split between these vocational sites and classrooms to earn their diplomas or equivalency degrees, develop leadership skills, and prepare for post-secondary opportunities.



The program includes mentoring, follow-up education, employment assistance, and counseling. Participants will gain certifications like OSHA 10, OSHA 30, CPR/First Aid, and access to internships and jobs, preparing them for successful futures and community contributions.

## EMPLOYMENT COUNSELOR OF THE YEAR

Luke Christensen was awarded Employment Counselor of the Year by the Minnesota Department of Human Services for his work with the “Luke is very popular among participants because he is willing to take the time to truly listen to them and help them with whatever they may need. Even after they have exited from programming, people will reach out to him and ask for help specifically from Luke because he has built trusting professional relationships with those that he serves.”



# OUR CHILDREN, OUR FUTURE: HEAD START COMMUNITY NEEDS ANALYSIS

The Federal Office of Head Start requires all programs to conduct a thorough community assessment every 5 years. This information is collected from census data, online research, program and community information, and feedback from stakeholders (parents, staff, community partners, etc.).

As a Head Start grantee and Community Action Agency, AEOA is responsible for periodically conducting an analysis of the concerns of low-income households in our service area. The information gathered is used to make decisions about Head Start program design and services, as well as aid in the strategic planning process that Arrowhead Head Start will start soon. Our goal is to ensure that these services address the needs identified by low-income families themselves.

The most common problems identified by community partners, service providers, community members, Head Start households, and Head Start staff include money, mental health, child care, dental services, transportation, and housing.



## HISTORIC FUNDING BOOSTS LOCAL BUSINESSES

In a significant milestone, The Downtown Business Rehabilitation (DBR) and Business Energy Retrofit (BER) programs have reached a historic funding level in 2023. Scott Zahorik, AEOA's Executive Director, said "My personal goal has always been to reach a combined budget for the two programs of \$2,000,000, and this year we achieved that goal." These two programs have run in partnership with Iron Range Resources & Rehabilitation since 2012. Since the inception of the programs, they have helped over 449 businesses in the Taconite assistance area. This achievement highlights the commitment to revitalizing downtown businesses and promoting energy efficiency in our community.

The Downtown Building Rehabilitation Program (DBR) focuses on enhancing downtown main street businesses through code-compliant construction and remodeling projects. This program provides support covering up to 1/3 of project costs, up to \$50,000 in eligible expenses.

The Business Energy Retrofit (BER) is designed to aid in financing an energy retrofit project. The BER program will support and provide the selected businesses with up to \$20,000 in eligible retrofit expenses or 1/3 of the total project up to \$60,000.

As our community takes steps towards energy efficiency and revitalizing our downtown business districts, these historic funding levels mark a remarkable achievement in our ongoing journey of progress.

# TRANSFORMING LIVES: AEOA FOUNDATION FUND

In 2023, the AEOA Foundation Fund underwent a significant revamp to better serve our community. Created to address unmet needs beyond existing resources, this fund provides flexibility for AEOA to step in as a last resort when there are no other options. The fund plays a vital role in assisting community members facing pressing challenges, such as hunger, joblessness, or homelessness. One notable need is dental anesthesia for individuals on medical assistance, as it's not covered by the program. Additionally, car repairs are a common issue that can hinder the ability to grocery shop, attend appointments, commute to school, as well as obtain and maintain employment.



To access the AEOA Foundation Fund's assistance, individuals can apply through our website at [www.aeo.org/aeoaff](http://www.aeo.org/aeoaff). We remain committed to positively impacting our community by addressing these critical needs and providing essential support where it matters most.

*"I use my vehicle to drop my kids off at daycare, commute to work, drop my kids off to their dad, and everything else in between so not having it for even a small length of time really impacts my ability to get things done."*

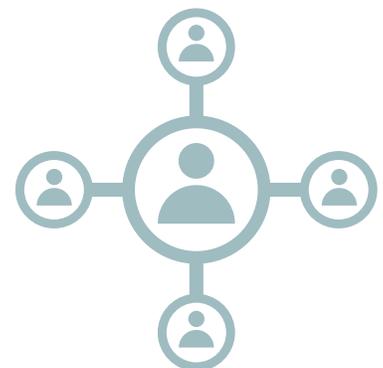
*~ Foundation Fund Award Recipient*

## NAVIGATING SUPPORT: COMMUNITY RESOURCE HUB

Over the past two years, the AEOA's Community Resource Hub Program has diligently worked to link families with young children to various local, county, and regional support services. During this period, we offered navigation assistance to more than 500 families, encompassing over 600 children, primarily in Lake and St. Louis Counties. Out of these, approximately 200 families had children aged between infancy and 3 years, while over 300 families had children between the ages of 5 and 8, and the remainder were 9 years or older.

Our program successfully connected approximately:

- 200 families with food resources.
- 200 families with family well-being/mental health services.
- 100 families with affordable housing resources.
- 100 families with basic needs.
- 100 families with the Energy Assistance Program
- 100 families with financial assistance.



Here are some testimonies from parents who benefited from our program:

- *"As a single mom this made finding resources and financial assistance easy and less stressful."*
- *"They have helped me find several resources such as energy assistance and food benefits."*
- *"Sped up the process of finding the help we need."*
- *"It gave us access to the internet due to the hotspot we were given it also put shoes on my daughter's feet all of their feet so I would definitely say that the Hub assistance program impacted our household very, very positively."*

*This project was made possible using federal funding, 93.434 - ESSA Preschool Development Grants Birth through Five from January 1, 2021 to June 30, 2023. While federal funding is completed, the Northland Community Resource sites continue to serve as a local contact to help pregnant and parenting families with young children connect with resources.*

# A DAY OF FUN AND COMMUNITY SPIRIT

Our first annual block party brought together an estimated crowd of over 800 people of all ages from our vibrant community for the memorable celebration. It was an afternoon filled with sunshine, laughter, countless smiles, and community bonding.

Our dedicated staff took charge of the grill, sizzling up a staggering 1,500 burgers, brats, and hotdogs to satisfy the appetites of our enthusiastic attendees. Meanwhile, the kids had a blast, enjoying the bounce house, glitter tattoos, and the opportunity to explore real police cars, loaders, dump trucks, and even a garbage truck!



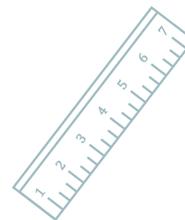
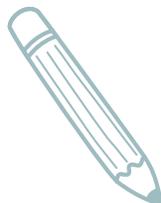
But the fun didn't stop there. A total of 22 incredible partners joined us at the event, offering valuable information, engaging activities, and generous giveaways for everyone to enjoy. Arrowhead Transit Dial-A-Ride services were available to ensure that everyone could join in the fun without any transportation worries.



This incredible gathering would not have been possible without the support and participation of our dedicated staff volunteers, our wonderful partners, and the fantastic community members who made it a success. Our first annual Block Party an unforgettable day of community joy and we eagerly look ahead to next year's event and ready to create more cherished memories and strengthen the bonds that make our community so special.

# STEPPING INTO THE SCHOOL YEAR

The Agency hosted its third annual Back-to-School Kids' Shoe Event on August 22nd and 23rd at the Virginia office. This event was open to all children up to 18 years old within AEOA's service area. To participate, parents and caregivers had to pre-register their children to receive a new pair of shoes at no cost. In total, 600 pairs of shoes were registered for. Each child was provided with a new pair of shoes, five pairs of new socks, a fresh backpack to begin the school year well-prepared, and snack bags to enjoy.



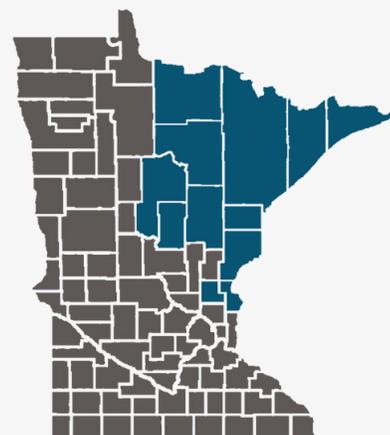
# PROGRAMS & SERVICES

## Central Services

Guides, supports, and unifies AEOA services to maximize resources and ensure progress and accountability in carrying out the mission of the Agency.

- Administration
- AEOA Foundation Fund
- Fiscal Services
- Human Resources
- Information Technology
- Planning

*Aitkin - Carlton - Cass - Chisago -  
Cook - Crow Wing - Isanti - Itasca -  
Koochiching - Lake - Pine - St. Louis*



## Arrowhead Head Start

To work with young children and families on healthy prenatal and early childhood development, school readiness, and supporting their success in life.

- Early Head Start
- Preschool Center-Based
- Preschool Home-Based

## Arrowhead Transit

To provide affordable, safe, accessible, public transportation and supports independent living and self-reliance.

- Arrowhead Transit
- Dial-a-Ride
- Volunteer Driver Program

## Housing Services

To build communities by helping people meet their basic living needs; have affordable, quality housing, and to improve their quality of living.

- Business Energy Retrofit
- Downtown Building Rehab
- Energy Assistance
- Single-family Rehab
- Weatherization

## Employment and Training

To enhance the employability and skills of individuals so that they may achieve their life goals.

- Adult Education (ABE)
- Career Pathways
- Diversionary Work Program
- Dislocated Worker Program
- English Language Learning
- Free at Last
- Family Assets for Independence in Minnesota (Matched Savings Accounts)
- Minnesota Family Investment Program
- Minnesota Family Resiliency Program
- Senior Employment Programs
- SNAP Outreach
- Youthbuild

## Senior and Nutrition Services

To help seniors live healthy, independent lives with nutritious meals and services.

- Arrowhead RSVP
- Bone Builders Classes
- Food Access
  - Food Shelves
  - Farmers Markets
- Friendly Visitor
- Grocery Delivery Service
- Medical Loan Closet
- Nutrition Services
- Bundled Services
- Meals on Wheels
- Senior Dining
- Northland Volunteer Center
- Senior Expo
- SNAP Outreach
- Tax Preparation Assistance

## Housing Resources

To build communities by helping people meet their basic living needs; have affordable, quality housing, and to improve their quality of living.

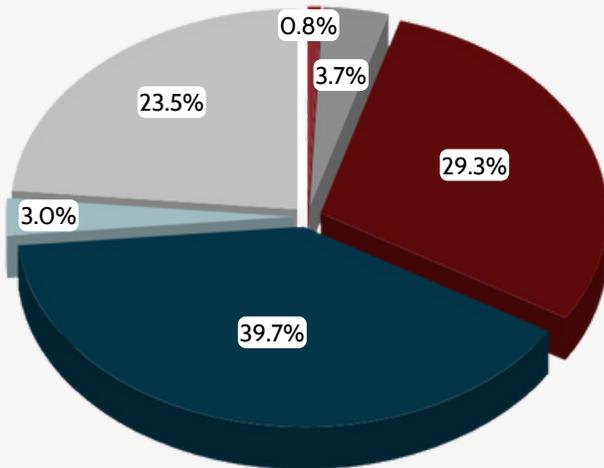
- Emergency Housing
- Transitional Housing
- Healthcare Access
- Homeless Youth Housing
- Homeownership Education and Financial Assistance
- Homeless Prevention & Rehousing
- Permanent Supportive & Rental Housing

# FINANCIAL SUMMARY

Listed below is a breakdown of unaudited sources of revenue and annual expenditures by department.

## Sources of Revenue

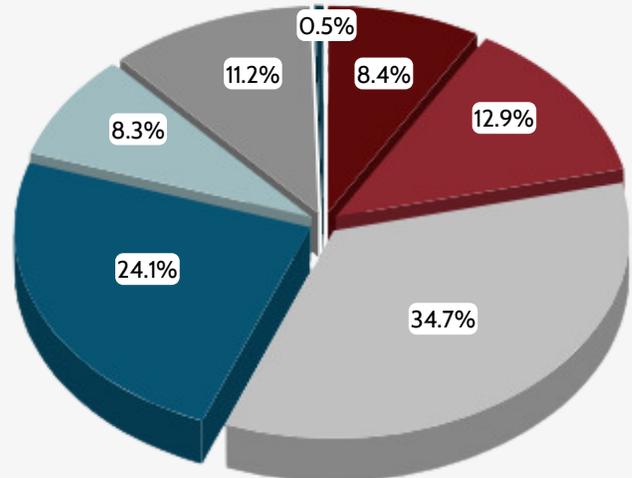
July 1, 2022-June 30, 2023



<span style="color: #004a6b;">■</span> Federal	\$20,236,526.63
<span style="color: #800000;">■</span> State	\$14,914,115.68
<span style="color: #a6c9e0;">■</span> County	\$1,523,892.54
<span style="color: #808080;">■</span> Private	\$1,884,741.35
<span style="color: #800000;">■</span> Donations	\$382,490.76
<span style="color: #c0c0c0;">■</span> Program Income	\$11,970,810.77

## Expenditures by Department

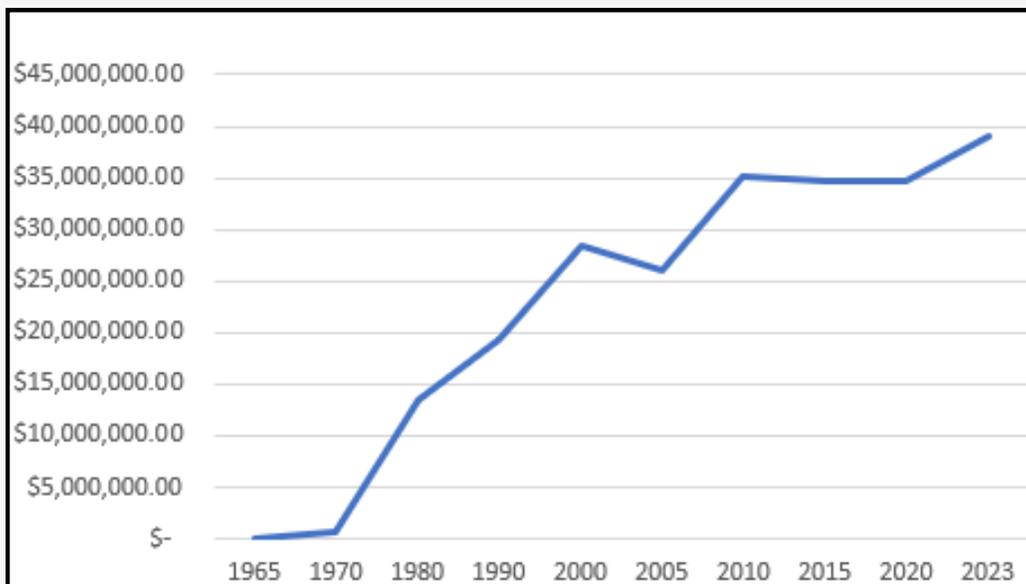
July 1, 2022-June 30, 2023



<span style="color: #004a6b;">■</span> Central	\$207,590.84
<span style="color: #800000;">■</span> Employment & Training	\$3,777,295.07
<span style="color: #800000;">■</span> Head Start	\$5,761,582.92
<span style="color: #a6c9e0;">■</span> Housing Resources	\$3,716,677.87
<span style="color: #004a6b;">■</span> Housing Services	\$10,805,753.57
<span style="color: #808080;">■</span> Senior & Nutrition	\$5,017,718.24
<span style="color: #c0c0c0;">■</span> Arrowhead Transit	\$15,533,794.88

## Historical Levels of Funding

1965-2023





# *Stronger Together*



702 3rd Ave S. Virginia, MN 55792



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



(800) 662-5711



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