Montana & Idaho CDC's mission is to provide financing and consulting services that transform the lives of individuals and strengthen community prosperity.

CONTENTS

4 DONOR HIGHLIGHT
6 GREAT FALLS RESCUE MISSION
8 THE RED LION INN
10 TIN ROOF TACOS
12 TRAILER TERRACE
14 GOOSE CREEK TRAILER COURT
15 IMPACTS & FINANCIALS
21 MONTANA & IDAHO CDC INVESTORS & TEAM

Donor Highlight

Our community vibrancy is built one entrepreneur at a time, and I am excited to introduce you to some of those inspiring people. Everyone we funded last year refused to quit. Even though they heard that their ideas would never fly, they believed in themselves and persevered. They got comfortable with hearing “no,” but they didn’t let it get in the way of their dreams. Instead, they dusted themselves off, changed the pitch, adjusted the course, and shouldered their way into opportunity.

In this report, you are going to meet a few of these people, like Rick Orizotti, who knew that Polson, Montana, needed his new hotel. He had an uphill battle to convince everyone that his vision was sound. The community’s tourism-based economy is seasonal, and concerns about the winter months resulted in Rick hearing “no” when he sought financing. But Rick designed the hotel to reduce seasonal fluctuations by bringing in conferences and sporting events during the winter. In partnership with US Bank, Montana & Idaho CDC was able to say “yes” to the project. Today, Rick’s hotel is the hub of a new city center and is hosting community events in the off season.

Jim Kizer, the Executive Director of the Great Falls Rescue Mission, knows about hearing “no.” He said it to homeless families who needed shelter because there wasn’t enough room at the mission. When room was available, he had to split up families between men’s and women’s facilities. Using our New Markets Tax Credit financing, Montana & Idaho CDC financed The Cameron Family Center, which will give homeless families shelter and resources to find permanent homes.

These are just a couple of the wonderful, tenacious entrepreneurs who you will meet in this report and who make us thankful for the work they do. They keep us sharp and push us to find new and better products and services to help them succeed. Their persistence creates successful businesses and healthy communities. And we are all the better for it.

We’re also happy to announce that we are changing our name to Montana & Idaho CDC to reflect the expansion of our lending into Idaho. It’s an exciting move that will help us reach even more inspiring businesses and communities in the coming years.

Dave Glaser, President
Nick and Mary Babson fund change. They know the power of small business to bring life and vitality to local communities. “You have to always keep community values at heart,” says Nick. That’s why Nick and Mary decided to financially support Montana & Idaho CDC.

Before learning about Montana & Idaho CDC, community development financial institutions (CDFIs) were unknown to them. “CDFIs are still well kept secrets,” says Nick. “They are a big arrow in the quiver to support small businesses in rural communities, and more people need to know they exist.” That is why Nick joined the Montana & Idaho CDC board in 2008, and why he and Mary made their first donation to expand the program to offer free consulting to loan clients.

“I became enamored with the idea of Montana & Idaho CDC providing capital and consulting to help entrepreneurs become successful business owners,” says Nick. Nick also said he appreciates that his donation will be matched by state and federal dollars. “Montana & Idaho CDC can turn my dollar into eight dollars for local businesses by pairing it with other programs.” Nick served as board chair for Montana & Idaho CDC in 2013 and 2014. Under his leadership, the organization expanded into Idaho and became much more focused on expanding programs aimed at helping the most impoverished people and communities.

This year, Nick and Mary launched Montana & Idaho CDC’s planned giving program by establishing the organization’s first charitable bequest. For the Babsons, business success and community prosperity are synonymous, and their investment will ensure that is true long into the future.
The Great Falls Rescue Mission provides around-the-clock shelter, meals, counseling, and medical services. The Mission operates beyond capacity and can’t house families together. Montana & Idaho CDC allocated $10.5 million in New Markets Tax Credits (NMTC) to help fund a new building for temporary shelter of up to 34 families, a medical clinic, classrooms, commercial kitchen and dining space, and a play area. The NMTC financing for the Mission was a portion of a $30 million NMTC allocation for projects that make significant impacts in their communities. The Cameron Family Center will allow the Mission to welcome families in need, rather than send them away.

"WE WEREN’T GOING TO TURN AWAY ONE MORE HOMELESS FAMILY."

Site of the new Cameron Family Center.

GREAT FALLS, MT

GREAT FALLS RESCUE MISSION

GREAT FALLS, MT

The Great Falls Rescue Mission provides around-the-clock shelter, meals, counseling, and medical services. The Mission operates beyond capacity and can’t house families together. Montana & Idaho CDC allocated $10.5 million in New Markets Tax Credits (NMTC) to help fund a new building for temporary shelter of up to 34 families, a medical clinic, classrooms, commercial kitchen and dining space, and a play area. The NMTC financing for the Mission was a portion of a $30 million NMTC allocation for projects that make significant impacts in their communities. The Cameron Family Center will allow the Mission to welcome families in need, rather than send them away.
Polson, Montana, located on the Flathead Indian Reservation at the south shore of Flathead Lake, enjoys a busy summer tourist season thanks to abundant recreational opportunities. The community has been working to foster a stable, year-round economy. Montana & Idaho CDC moved Polson’s economic development agenda forward by providing $11.4 million in New Markets Tax Credits allocation to help build a hotel and convention center with a full-service restaurant. Polson can now host conventions and provide accommodations and hospitality for larger regional events. The project will create an estimated 42 new jobs and be a catalyst for additional private investment in the area.

“WE WERE TOLD BUSINESS IN POLSON COULD ONLY BE SEASONAL. WE WOULDN’T BELIEVE IT.”

THE RED LION INN
POLSON, MT

$3M TO RURAL SMALL BUSINESSES IN 2015
Working at her brother-in-law’s taco shop in Texas, Susan Loyd learned the business and helped it grow. When her sister Sandy Brown moved to Boise, the two women saw a chance to recreate the taco shop they loved in a new community. Susan and Sandy had experience, dedication, and a solid business plan, but like many entrepreneurs with start-up restaurants, they couldn’t obtain traditional bank financing. Montana & Idaho CDC recognized the sisters’ potential and provided financing and technical assistance to help them achieve their dream of opening their taco shop in the heart of Boise.
When Don Feist and his family moved into Trailer Terrace, they faced murky water pouring from the tap and a sludge-clogged sewer system seeping into nearby ground water. Determined to improve their living conditions, Don and other Trailer Terrace residents worked with NeighborWorks Montana to establish a resident-owned community (ROC), and Montana & Idaho CDC financed the acquisition of the land under their homes. Today, Don and his neighbors have control of the maintenance needed for safe, healthy homes and have a stake in the stability of their neighborhood.

"OUR LANDLORD IGNORED OUR NEEDS SO WE TOOK BACK OUR HOMES AND BUILT A COMMUNITY."

TRAILER TERRACE
GREAT FALLS, MT
In 2015, Montana & Idaho CDC increased its lending from its revolving loan fund by 80%.

New Meadows is a small high-end resort town in Idaho where year-round residents struggle to find quality, affordable housing. Local rafting company owners Parker and Becky Arriens took matters into their own hands by purchasing a local trailer court and renovating it. They did such a nice job that when the owners of nearby Goose Creek trailer park retired, they asked the Arriens to buy their park too. With financing from Montana & Idaho CDC, the Arriens have been renovating and adding much-needed and much-appreciated housing at Goose Creek.

“GOOSE CREEK TRAILER COURT IS A NICE PLACE TO LIVE, THANKS TO MONTANA & IDAHO CDC.”

Bill Weimer, manager and resident.
From loans that change the lives of individuals to loans that affect thousands, Montana & Idaho CDC provides financing and technical assistance that transform our communities.

$41M IN TOTAL LENDING IN 2015

62 BORROWERS

$5.5M IN LOANS TO LOW-INCOME PLACES

33 LOANS TO LOW-INCOME PEOPLE

616 TOTAL JOBS CREATED
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>11,772,480</td>
</tr>
<tr>
<td>Receivables and other current assets</td>
<td>574,830</td>
</tr>
<tr>
<td>Loans receivable, net, current portion</td>
<td>2,176,148</td>
</tr>
<tr>
<td>Total current assets</td>
<td>14,523,458</td>
</tr>
<tr>
<td><strong>NONCURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Investment in subsidiaries</td>
<td>24,748</td>
</tr>
<tr>
<td>Loans receivable, net, noncurrent portion</td>
<td>17,430,212</td>
</tr>
<tr>
<td>Property and Equipment, net</td>
<td>1,973,881</td>
</tr>
<tr>
<td>Other noncurrent assets</td>
<td>33,000</td>
</tr>
<tr>
<td>Total noncurrent assets</td>
<td>19,465,841</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>33,989,299</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and other accrued liabilities</td>
<td>632,284</td>
</tr>
<tr>
<td>Current portion of long-term loan</td>
<td>2,279,985</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>3,512,228</td>
</tr>
<tr>
<td><strong>LONG-TERM LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Long-term debt, net, current portion</td>
<td>2,082,229</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>11,475,207</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td>18,190,444</td>
</tr>
<tr>
<td>Temporarily restricted</td>
<td>2,062,239</td>
</tr>
<tr>
<td>Permanently restricted</td>
<td>1,941,430</td>
</tr>
<tr>
<td>Total net assets</td>
<td>22,194,103</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td>33,989,299</td>
</tr>
</tbody>
</table>

**SUPPORT AND REVENUES**

<table>
<thead>
<tr>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contributions</td>
</tr>
<tr>
<td>Contracts</td>
</tr>
<tr>
<td>Revolving loan fund income</td>
</tr>
<tr>
<td>NMTC Fees</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total support and revenues</td>
</tr>
</tbody>
</table>

**STATEMENT OF ACTIVITIES**

<table>
<thead>
<tr>
<th>FY15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program services</td>
</tr>
<tr>
<td>Business loans</td>
</tr>
<tr>
<td>Business consulting</td>
</tr>
<tr>
<td>Administration</td>
</tr>
<tr>
<td>Total expenses</td>
</tr>
<tr>
<td>Total change in net assets</td>
</tr>
</tbody>
</table>

*The Consolidated Financial Statements and Consolidated Financial Position presented as of December 31, 2015 are unaudited. Complete audited financial statements are available from Rick Eneas, Controller, Montana & Idaho CDC, 229 E. Main St, Missoula, MT 59802.*

**COMMUNITIES WHERE MONTANA & IDAHO CDC HAS PROVIDED FINANCING**

Here and Growing

- View from the Red Lion Inn & Suites in Polson, Montana.
$385M SINCE 1986
SINCE 1986 MONTANA & IDAHO CDC HAS SAID YES TO OVER
TO OVER 610
IN LOANS VERY DETERMINED BUSINESS OWNERS
CONTRIBUTING TO OVER 4,400 JOBS CREATED OR RETAINED

LOAN FUND CONTRIBUTORS AND INVESTORS
American Bank
Anonymous
Bank of America
Bank of Montana
Big Sky Western Bank
Bruno and Nancy Bugbee
Calvert Social Investment Foundation
Charles Engelhard Foundation
Clients of Trillium Asset Management Corporation
Collin and Jeff Floyd
Datsopoulos, MacDonald & Lind, PC
David and Sonda Berner Charitable Trust
Former State Bank
First Bank of Montana
First Interstate Bank
First Interstate Bank Foundation
First Security Bank of Missoula
Steiner Bank
Goldsmith Sachs Urban Investment Group
Harry and Cindy Poett
Hackett Foundations
High Stakes Foundation
Jennifer Kesegar
M. J. Melcher Charitable Trust
MacArthur, Moors & Wells Architects
Marian Coulter
Mary Stronahan
Moe and Betty Swanson Foundation
Montana Board of Investments
Montana Community Finance Corporation
Montana Department of Commerce, Microbusiness Finance Program
Montana Department of Labor and Industry, Incumbent Worker Training
Montana State Small Business Credit Initiative
Nick and Mary Babson
Nicola Hageman-Miller and Dave Miller
Opportunity Finance Network
Sandra Rose in memory of John Roe
Sister of Saint Dominic
Stockman Bank
Strickland Foundation
Susan Renton Kubik and Mark Kubik
The Domestic and Foreign Missionary Society of the Protestant Episcopal Church
Tim and Stephanie Christensen
Tina Royce
Tom and Mary McKittrick
Treasurer State Bank
U.S. Administration for Children and Families, Community Economic Development Program
US BANCORP CDC
US Bank
US Bank Foundation
U.S. Small Business Administration Microloan Program
U.S. Small Business Administration, Program for Investment in Micro-entrepreneurs
United States Department of Agriculture, Rural Development Intermediary Relending Program
United States Department of Agriculture
United States Department of Agriculture, Rural Development Intermediary Relending Program
United States Department of Commerce, Economic Development Administration
United States Department of Commerce, Economic Development Administration
United States Department of the Treasury, Community Development Financial Institutions Fund
Valley Bank of Helena
Wayne Chamberlin and Betty Grimley
Wells Fargo
Western Security Bank

MONTANA & IDAHO CDC EXTERNAL LOAN COMMITTEE
Hudi DaRant, Montana & Idaho CDC
Julie Ehlers, Montana & Idaho CDC
Rick Evans, Montana & Idaho CDC
Pri Fernandes, OIF Bank
Sarah Fitzgerald, Montana & Idaho CDC
Dave Glaser, Montana & Idaho CDC
Keri Gonsor, First Security Bank of Missoula
Spider McKnitt, Six Pines Bank
Tom McKittrick, Profitable Idea Exchange

MONTANA & IDAHO CDC BOARD OF DIRECTORS
Tom McKittrick, Chairperson, Chief Executive Officer,
Profitable Idea Exchange
Nikola Hageman-Miller, Vice Chairperson, Managing Director,
Bloomington, IL Co-Owner, House Design Studio
Dave Burner, Secretary, Chairman and CEO, Retired,
BFGoodrich Company
Craig Brignier, Treasurer, CFO, Big Sky Bakery
Tina Royce, Director, Business Instructor,
Salish-Kootenai College; Interim Director, National American Indian Business Leaders
Bruce Buggs, Director, Founder and President,
American Public Land Exchange Company
Pri Fernandes, Director, Vice President, OIF Bank
Dave Glaser, Director, President, Montana & Idaho CDC
Keri Gonsor, Director, Commercial Loan Officer,
First Security Bank of Missoula
Minette Jessup, Director, Principal, Retired,
Vanguard Group
Sara Smith, Director, CFO, ALPS Corporation

MONTANA & IDAHO CDC BOARD OF DIRECTORS
Tom McKittrick, Chairperson, Chief Executive Officer,
Profitable Idea Exchange
Nikola Hageman-Miller, Vice Chairperson, Managing Director,
Bloomington, IL Co-Owner, House Design Studio
Dave Burner, Secretary, Chairman and CEO, Retired,
BFGoodrich Company
Craig Brignier, Treasurer, CFO, Big Sky Bakery
Tina Royce, Director, Business Instructor,
Salish-Kootenai College; Interim Director, National American Indian Business Leaders
Bruce Buggs, Director, Founder and President,
American Public Land Exchange Company
Pri Fernandes, Director, Vice President, OIF Bank
Dave Glaser, Director, President, Montana & Idaho CDC
Keri Gonsor, Director, Commercial Loan Officer,
First Security Bank of Missoula
Minette Jessup, Director, Principal, Retired,
Vanguard Group
Sara Smith, Director, CFO, ALPS Corporation

An electrician upgrades services at Trailer Terrace.

LOAN FUND CONTRIBUTORS AND INVESTORS
American Bank
Anonymous
Bank of America
Bank of Montana
Big Sky Western Bank
Bruno and Nancy Bugbee
Calvert Social Investment Foundation
Charles Engelhard Foundation
Clients of Trillium Asset Management Corporation
Collin and Jeff Floyd
Datsopoulos, MacDonald & Lind, PC
David and Sonda Berner Charitable Trust
Former State Bank
First Bank of Montana
First Interstate Bank
First Interstate Bank Foundation
First Security Bank of Missoula
Steiner Bank
Goldsmith Sachs Urban Investment Group
Harry and Cindy Poett
Hackett Foundations
High Stakes Foundation
Jennifer Kesegar
M. J. Melcher Charitable Trust
MacArthur, Moors & Wells Architects
Marian Coulter
Mary Stronahan
Moe and Betty Swanson Foundation
Montana Board of Investments
Montana Community Finance Corporation
Montana Department of Commerce, Microbusiness Finance Program
Montana Department of Labor and Industry, Incumbent Worker Training
Montana State Small Business Credit Initiative
Nick and Mary Babson
Nicola Hageman-Miller and Dave Miller
Opportunity Finance Network
Sandra Rose in memory of John Roe
Sister of Saint Dominic
Stockman Bank
Strickland Foundation
Susan Renton Kubik and Mark Kubik
The Domestic and Foreign Missionary Society of the Protestant Episcopal Church
Tim and Stephanie Christensen
Tina Royce
Tom and Mary McKittrick
Treasurer State Bank
U.S. Administration for Children and Families, Community Economic Development Program
US BANCORP CDC
US Bank
US Bank Foundation
U.S. Small Business Administration Microloan Program
U.S. Small Business Administration, Program for Investment in Micro-entrepreneurs
United States Department of Agriculture, Rural Development Intermediary Relending Program
United States Department of Agriculture
United States Department of Agriculture, Rural Development Intermediary Relending Program
United States Department of Commerce, Economic Development Administration
United States Department of Commerce, Economic Development Administration
United States Department of the Treasury, Community Development Financial Institutions Fund
Valley Bank of Helena
Wayne Chamberlin and Betty Grimley
Wells Fargo
Western Security Bank

MONTANA & IDAHO CDC EXTERNAL LOAN COMMITTEE
Hudi DaRant, Montana & Idaho CDC
Julie Ehlers, Montana & Idaho CDC
Rick Evans, Montana & Idaho CDC
Pri Fernandes, OIF Bank
Sarah Fitzgerald, Montana & Idaho CDC
Dave Glaser, Montana & Idaho CDC
Keri Gonsor, First Security Bank of Missoula
Spider McKnitt, Six Pines Bank
Tom McKittrick, Profitable Idea Exchange

MONTANA & IDAHO CDC BOARD OF DIRECTORS
Tom McKittrick, Chairperson, Chief Executive Officer,
Profitable Idea Exchange
Nikola Hageman-Miller, Vice Chairperson, Managing Director,
Bloomington, IL Co-Owner, House Design Studio
Dave Burner, Secretary, Chairman and CEO, Retired,
BFGoodrich Company
Craig Brignier, Treasurer, CFO, Big Sky Bakery
Tina Royce, Director, Business Instructor,
Salish-Kootenai College; Interim Director, National American Indian Business Leaders
Bruce Buggs, Director, Founder and President,
American Public Land Exchange Company
Pri Fernandes, Director, Vice President, OIF Bank
Dave Glaser, Director, President, Montana & Idaho CDC
Keri Gonsor, Director, Commercial Loan Officer,
First Security Bank of Missoula
Minette Jessup, Director, Principal, Retired,
Vanguard Group
Sara Smith, Director, CFO, ALPS Corporation

An electrician upgrades services at Trailer Terrace.
Congratulations to the 33 loan clients who paid off their loans to us in 2015.
Construction at the new Cameron Family Center.