Every year, we are privileged to work with people who have the passion and drive to start and build successful businesses. In 2014, we provided over $100 million in capital to more business owners, entrepreneurs, and community facilities than in any other year in our history. In this report, you'll hear some of those stories and see how, with a little support from Montana CDC, people are pursuing their dreams and enriching their communities.

Montana CDC also helped people secure permanent housing in 2014, by making our financing available to Resident Owned Communities (ROC). This financing product, which is provided in partnership with ROC USA and NeighborWorks Montana, allows residents of manufactured home communities to join together in a co-op and purchase the land underneath their homes. Owning the land provides housing stability and gives families the ability to make lasting improvements to their land. You’ll read about one of these communities, River Acres, in this report.

Montana CDC also began the expansion of all of its products and services into Idaho in 2014. New Markets Tax Credit-enhanced financing was expanded to Idaho in 2012, and in late 2014, in response to requests for smaller loans and business assistance, we took our consulting and small business lending into Idaho as well. We are very excited to work in new communities and partner with Idaho businesses.

In the upcoming year, we will be exploring new products and partnerships that will allow flexible capital to be available to more people and places. Further expansion will take collaboration from many people, including our board, staff, donors, investors, and of course, the people in the communities we serve.

Thank you for your continued support.

Dave Glaser, Chief Executive Officer
Laura Blankenship was a single mother without a stable home or job when she started her housekeeping business in 2010. The steady income put a roof over her head, but the chemical-based cleaning products soon took a toll on her health. Like a true entrepreneur, she saw it as an opportunity to expand her business. With the help of a biochemist and a Montana CDC loan, Laura created her own line of green cleaning products. Today, Laura isn’t just working to make ends meet—she’s building a thriving business that gives her and her 8 employees the kind of security she could only dream about five years ago.

In small business lending this year

$5.8MIL
The Ball family started Golden Valley Natural, an organic jerky company, in Idaho Falls, Idaho, in 1968. In 2014, with strong sales, the Balls needed to upgrade their building and consolidate production. But the business’s rural location made the project too costly. With the help of a New Markets Tax Credit-enhanced loan, the Ball family built a new 203,000 square foot facility. The facility will create 200 new full-time, high-quality jobs with benefits for the people of Shelley and allow for future growth. This means a lot in a low-income community with a growing population of recent immigrants and others looking for a better life.
Kari Johnson launched My Viola, a flower shop specializing in modern floral designs and offering floral arrangement classes for the community. Her business boomed, and she soon needed a larger space with a better layout to achieve her vision of a contemporary, downtown storefront. She found the right building, and her bank lent her the money to buy it, but she lacked collateral to borrow additional money for renovations. Utilizing the SBA’s Community Advantage program, Montana CDC was able to lend her the money to transform her space and grow into the business she had always envisioned.
When people in Havre, Montana and surrounding areas needed no-cost or low-cost healthcare, they depended on the high-quality care at Bullhook Community Health Center. But increasing demands outpaced the small facility and, by 2014, the clinic consisted of a series of small, outdated buildings around town. Montana CDC worked with Bullhook to provide a New Markets Tax Credit-enhanced loan to finance a new, high-performing health center. Now people in Havre have one modern facility with medical, dental, and behavioral healthcare services as well as a high-tech lab and fully stocked pharmacy.
Uptown Butte was once the heart of a prosperous mining town. The closing of the mines over the past twenty years left this historic area with vacant buildings, a decreasing population, and a federal superfund site. Northwestern Energy, however, remained an economic bright spot. As one of the town’s largest employers, it helped maintain commerce in uptown Butte. When it outgrew its headquarters, the company turned to local economic development funds and New Markets Tax Credit-enhanced financing to build a new building on a vacant lot. In 2015, the new facility will open, keeping 200 employees in the heart of uptown.
When River Acres, a manufactured home community, went up for sale, it could have meant the loss of their homes for Shannon Bellmer and 30 other Missoula families. In partnership with NeighborWorks Montana and ROC USA, Montana CDC pledged grant assistance and debt financing to help the residents purchase the land under their homes. Today Shannon is not only a resident of River Acres, she’s also an owner in the newly formed resident co-op, which includes her mother and father, her best friend, and her brother.
REVOLVING LOAN FUND IMPACTS

2014 5-YEAR AGGREGATE

NEW MARKETS TAX CREDIT IMPACTS

2014 5-YEAR AGGREGATE

- Includes direct and indirect figures

Total loan fund dollars lent

Number of loans

Number of businesses financed

Number of loans to low-income people

Number of loans to low-income places

Number of loans to women business owners

Number of loans to rural businesses

Total amount leveraged from other financing/equity

Number of businesses started

Jobs created and retained

Total 10-yr wages of NMTC clients

Total 10-yr NMTC economic impact*

Total loan fund dollars lent

Total amount leveraged from other financing/equity

*Includes direct and indirect figures

Total amount leveraged from other financing/equity

$7 5M $150M $225 M $3 00M

500 1,000 1,500 2,000

$150M $300M $450M $600M

$73 MIL

16
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>14,907,605</td>
</tr>
<tr>
<td>Receivables</td>
<td>295,170</td>
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<tr>
<td>Loans receivable, net</td>
<td>2,083,054</td>
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<tr>
<td>Other current assets</td>
<td>3,000,000</td>
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<tr>
<td><strong>Total current assets</strong></td>
<td><strong>$17,282,784</strong></td>
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<tr>
<td>NONCURRENT ASSETS</td>
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<tr>
<td>Investment in subsidiaries</td>
<td>25,790</td>
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<tr>
<td>Loans receivable, net</td>
<td>14,010,882</td>
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<tr>
<td>Property and Equipment, net</td>
<td>2,065,377</td>
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<tr>
<td>Other noncurrent assets</td>
<td>35,000</td>
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<tr>
<td><strong>Total noncurrent assets</strong></td>
<td><strong>$16,137,049</strong></td>
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<tr>
<td><strong>Total assets</strong></td>
<td><strong>$33,419,833</strong></td>
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</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND NET ASSETS</th>
<th>FY14</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
</tr>
<tr>
<td>Accounts payable and other accrued liabilities</td>
<td>1,042,002</td>
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<tr>
<td>Current portion of long-term debt</td>
<td>600,600</td>
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<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>$1,642,602</strong></td>
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<tr>
<td>LONG-TERM LIABILITIES</td>
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<tr>
<td>Long-term debt, net of current portion</td>
<td>11,386,451</td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>$13,029,053</strong></td>
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<tr>
<td>NET ASSETS</td>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>Temporarily restricted</td>
<td>2,705,442</td>
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<tr>
<td>Permanently restricted</td>
<td>1,318,160</td>
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<tr>
<td><strong>Total net assets</strong></td>
<td><strong>$20,390,780</strong></td>
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<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$33,419,833</strong></td>
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**SUPPORT AND REVENUES**

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<tr>
<th>Support and Revenues</th>
<th>FY14</th>
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<tbody>
<tr>
<td>Grants and contracts</td>
<td>4,610,825</td>
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<tr>
<td>Revolving loan fund income</td>
<td>1,270,818</td>
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<tr>
<td>NMTC fees</td>
<td>3,093,210</td>
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<tr>
<td>Other</td>
<td>46,802</td>
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<tr>
<td><strong>Total support and revenues</strong></td>
<td><strong>$9,014,647</strong></td>
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**EXPENSES**

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<tr>
<th>Expenses</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Program services</td>
<td></td>
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<tr>
<td>Business loans</td>
<td>1,673,990</td>
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<tr>
<td>Business consulting</td>
<td>107,871</td>
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<tr>
<td>Administration</td>
<td>1,230,549</td>
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<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$3,280,360</strong></td>
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<tr>
<td>Change in net assets</td>
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<tr>
<td>Consolidated</td>
<td>5,734,287</td>
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<tr>
<td>Noncontrolling interests</td>
<td>5,381</td>
</tr>
<tr>
<td><strong>Total change in net assets</strong></td>
<td><strong>$5,728,906</strong></td>
</tr>
</tbody>
</table>

**COMMUNITIES WITH LOANS AND NMTC PROJECTS IN THE LAST 5 YEARS**

In 2014, we continued to provide much-needed products and services to more communities throughout Montana and Idaho. But there is still so much more that we can do. In the years to come, we will continue to expand our reach with new products in new places so that more communities can turn dollars into real difference.

*The Statement of Activities and Consolidated Financial Position presented as of December 31, 2014 were audited by CohnReznick LLP. These have been derived from the complete financial statements. They are available upon request from Rick Eneas, Controller, Montana CDC, 229 E. Main St., Missoula, MT 59802.*
Anonymous
Bruce and Nancy Bugbee
Calvert Social Investment Foundation
Charles Engelhard Foundation
Directors of TriFund Asset Management Corporation
Collin-Rubio
David and Sandra Birner Charitable Trust
Economic Development Administration
First Interstate Bank
First Nation Developers Corporation
First Security Bank of Missoula
Goldman Sachs Foundation
Goldman Sachs Sage Urban Investment Group
Harry and Cindy Peet
High Stakes Foundation
Mariam Coulter
Montana Board of Investments
Montana Department of Commerce/Small Business Credit Initiative
Nicole Hagerman Miller
Opportunity Finance Network
Sandra Roe and the late John Roe
Sisters of St. Dominic
Starbucks/OFN Create Jobs for USA
Starbucks/OFN Vote.Give.Grow
Susan Fenton Kubiak and Mark Kubiak
The Dennis and Phyllis Washington Foundation
The Domestic and Foreign Missionary Society of the Protestant Episcopal Church
Tim and Stephanie Christensen
Tom and Mary McMakin
US Administration for Children and Families - Community Economic Development Program
US Bank N.A.
US Small Business Administration Microloan Fund
US Treasury CDFI Fund
US Treasury Small Business Lending Fund
USDA Rural Development Intermediary Relending Program
USDA Rural Micro Assistance Program
Wayne Chamberlin and Betty Griswold
Wells Fargo Bank N.A.

MONTANA CDC MISSION CONTRIBUTORS
Bank of America
Dataposition, MacDonald & Livet, PC
Farms State Bank
First Interstate Bank
First Security Bank of Missoula
Goldman Sachs Foundation
Hearst Foundation
Montana Business Development Center
Montana Department of Commerce SBDC Program
Montana Procurement Technical Assistance Center (PTAC)
Montana Urban Investment Group
MVFC Foundation
Northwest Area Foundation
Stockman Bank
US Bank Foundation
US Small Business Administration
US Small Business Administration Microloan Fund
US Treasury CDFI Fund
USDA Rural Micro Assistance Program

MONTANA CDC BOARD OF DIRECTORS
Tom McMakin, Chairperson, Chief Executive Officer
Meadowlark Capital
Janelle Rackham, Managing Director
Montana Business Development Center
Nick Babson, Secretary
Craig Bergenheier, Treasurer
Tina Begay, Deputy Director, Economic Development
Travis Wright, Loan Officer
Tim Christensen, Chief Financial Officer
Jefferson County
US Administration for Children and Families
US Small Business Administration
Bruce Bugbee, Director, Founder and President, American Public Land Exchange Company

Dave Burner, Director, Chairman and CEO, Retired, BFGoodrich Company

Tim Christianson, Director, Founder, Ter Christiansen, LLC

Dari Fernando, Director, Community Bank President and Regional Commercial Lending Manager, US Bank

Dave Glaser, Director, Chief Executive Officer, Montana CDC

Kori Green, Director, Commercial Loan Officer, First Security Bank of Missoula

Mary Stranahan, Director, Founder, High Stakes Foundation and Montana Goodworks Ventures, LLC

NEW MARKETS TAX CREDIT ADVISORY BOARD

Terry Butikofer, The Development Company, ID

Janice Copeland, Headwaters RC&D, MT

Mark Dahlquist, NeighborWorks Pocatello, ID

Andrea Davis, Homeword, MT

Breanne Durham, Beautiful Downtown Lewiston, ID

Susan Hays-Francis, United Way of Missoula County, MT

Nic Miller, City of Boise, ID

Chris Naumann, Downtown Bozeman Partnership, MT

Cory Phelps, Idaho Housing and Finance Association (IHFA), ID

Chuck Prince, Idaho-Nevada CDFI, ID

Sheila Rice, NeighborWorks Montana, MT

Lillian Sunwall, Great Falls Development Authority, MT

Jennifer Yost, City of Nampa, ID

MONTANA CDC STAFF

Mary Anderson, Client Support Specialist

Betsy Beauvais, Loan Officer, Bozeman

Melanie Calahan, Director of Marketing

Colton Carter, Finance Intern

Heidi DeArment, Chief Financial Officer

Rick Evans, Controller

Sarah Fitzgerald, Chief Lending Officer, Bozeman

Dave Glaser, Chief Executive Officer

Rachel Golden, NMTC Accountant

Cory Phelps, IHFA, Impacts Analyst

Chris Matt, Director of Compliance

Kelsey Mulcahy, Lending Assistant

Nicole Mulcahy, Bookkeeper

Amita Patel Greer, SBDC Director

Helen Rolston-Clemmer, Client Accounting Advisor

Lynn Short, SBA Specialist

Niki Strizich, NMTC Project Manager

Valerie Tummarello, Loan Officer

Kari Zieg, Office Manager

PHOTOGRAPHY

Erika Peterman (www.erikapeterman.com)

Todd Klassy (www.toddklassy.com)

photos of Bullhook Community Health Center

Bank Communications (www.bank.com)

photos of My Vioia Floral Studio

DESIGN

Six Pony Hitch (sixponyhitch.com)

Jobs created and/or retained with New Market Tax Credit Financing