Dear friends,

We are upping our game. For years, we have aggressively built and grown our organization to meet the needs of low and middle income people in our region. It turns out that incremental growth is not enough. For many, the inequality of opportunity continues to grow, and the American Dream gets further out of reach each year. The people we serve need more. So in 2017, we launched new products, expanded our geography, created scalability for our products, and entirely re-imagined how we deploy capital. We are helping people build a brighter financial future by helping them put money first, and we are helping them prioritize their financial health in their daily decision making so they have a broader understanding of how financial tools can make their lives better.

What is in a name? A lot, it turns out. This month, Montana & Idaho Community Development Corporation officially changes its name to MoFi. Not only is it easier for people to say (believe me, we heard you!), it’s a better representation of who we are and where we’re going. We’ve been in business for 32 years, and as we grow into new geographies and expand the ways we invest in people and communities, we need a name that captures who we are. MoFi is an innovative, mission-based lender that is pushing the boundaries of what it means to create opportunity for people left outside the financial mainstream. We are swinging for the fences.

In this report, you’ll meet some of the people who have used our capital to do awesome things that otherwise wouldn’t have been possible, whether it’s starting a business, setting a community on a new trajectory, or buying a first home. As we grow, we dig deeper into the needs of the communities we serve. Our reach into low-income and rural areas, support of women-owned businesses, and investments in new businesses are at an all-time high. It’s a testament to all that’s possible when pushing creative financing solutions and an insatiable drive to seek opportunity in places that others won’t.

On behalf of MoFi, thank you for your enduring support and belief in our mission. We wake up every day ready to take on the next challenge, deliver money with a purpose and change more lives for the better. We’re going places—and we hope you come with us. Thank you.

Dave Glaser
President and CEO, MoFi
Donor Spotlight

Dave and Sandy Burner have supported MoFi since 2007, when it expanded across Montana. They joined then-board member Mary Stranahan with a transformational gift to grow MoFi’s small business loan fund.

Dave and Sandy grew up in the same small Ohio town, where their fathers owned a hardware store together for 25 years. It was a time of prosperity in America. Their entrepreneurial roots—and the memory of community—are a big part of why they support MoFi’s important work.

Dave joined the MoFi board in 2015. “We help people help themselves,” he says. “We give them the means to build something for themselves.” Dave and Sandy believe in strengthening communities. They’ve helped make their town, Darby, Montana, a better place through their support of the local library and the Darby Rodeo grounds.

“The keys to what makes a good, solid community—small businesses, arts and culture, and a library—are the kind of things people don’t miss until they’re gone,” Sandy said. “All those are things this organization can make happen.”

As a board member, Dave has visited New Markets Tax Credit projects, community facilities projects, and small businesses supported by MoFi. He says he finds them inspiring. “Together, we can make communities thrive,” he says.
Growing up a military kid, Melody Adamson moved a lot but always hoped to return to Havre in North Central Montana. Eventually she got a teaching job in Havre after earning an education degree at the University of Montana Western. She finally had steady income, decent credit, and was ready to build long-term financial security through homeownership. What Melody didn’t have, however, was cash for a down payment. That’s when her mother told her about HomeNow, MoFi’s program that provides down payment assistance to home buyers like Melody. After meeting with a lender and qualifying for a loan, she found the perfect home just three minutes from her school. MoFi covered the down payment, and today Melody is deepening her roots in a place she loves to call home.

“Teachers don’t make a lot starting out. I had given up on ever buying a house. HomeNow changed everything for me.” – Melody Adamson
It's been a challenging few years for Browning, Montana, a community of 1,000 that has endured financial hardships and mounting economic uncertainty. Blackfeet Community College (BCC), a two-year college on the Blackfeet Indian Reservation, recently took action to address a challenge in the surrounding communities—the shortage of healthcare professionals. With the help of a New Markets Tax Credit-enhanced loan, BCC is constructing a $7.5 million, 9,000-square-foot building to expand its education, nursing and health training programs. Opening fall 2018, the expansion will allow the college to offer four-year degree programs by 2020. The project is a catalyst for this rural community because it will simultaneously create jobs and enhance work prospects for students.

“This project allows students in our community to get a great education and gain job skills, without having to leave Browning.” – Carol Murray, Interim President, Blackfeet Community College
Fresca Mexican Foods

As Idaho’s fifth largest city, Caldwell has worked hard to attract businesses to keep up with the rapid rise in residential developments. Caldwell’s Sky Ranch Business Park was positioned to do just that. But after a number of small businesses moved in, developers needed to recruit a larger business to anchor the park and bring jobs to Caldwell. Fresca Mexican Foods, a Boise-based tortilla manufacturing company, was looking to build a large corporate headquarters to increase production capacity. MoFi’s New Markets Tax Credits, a program that turns tax credits into cash to fund catalytic development projects, helped Fresca build a $34.7 million, 190,000-square-foot facility at the Sky Ranch Business Park. Ultimately, the project will bring 235 quality jobs to Caldwell and city officials say it’s exactly what the area needs to promote economic vitality.

Total jobs created/retained in 2017 as a result of our financing.

1,136
Adriana Scarpetta and Triny Silva fulfilled a longtime dream when they opened El Cafetal, a Colombian restaurant, at the Boise International Market in 2015. But when the Market burned to the ground eight months after opening, they did not have insurance to rebuild and thought their dream was over. Despite a limited credit history and lack of collateral, Adriana and Triny had a strong reputation, loyal following, and proven restaurant experience. MoFi provided financing to help reopen El Cafetal in Nampa, allowing Adriana and Triny to continue doing what they love—providing authentic, delicious Colombian cuisine to the Treasure Valley.
MoFi loaned over $4.2 million to rural small businesses in 2017.
Billings Head Start

Billings Head Start (BHS) knew its existing facilities were too small to meet the community’s needs. They were thrilled when the U.S. Department of Health & Human Services approved the nonprofit for a grant to cover the cost of purchasing an additional building. However, BHS couldn’t get the funding in time to secure a location and open before the school year started. MoFi helped bridge the financing gap so BHS could purchase the building before grant funds were available to draw. Billings Head Start opened in August 2017, expanding from half-day to full-day programming and creating 80 new preschool slots for Billings kids.

Community facilities financed by MoFi served 19,360 low-income people in 2017.

Billings Head Start

Small Business Loan

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Community facilities financed by MoFi served 19,360 low-income people in 2017.
For the children we’re serving, a year is one-third of their life. We didn’t want to wait.

— Jennifer Owen, Executive Director, Billings Head Start
Low-income borrowers

Morning Star Community

RESIDENT-OWNED COMMUNITIES (ROC) LOAN

In the heart of Flathead Valley, where luxury vacation homes are now the norm, Kalispell is experiencing a serious shortage of affordable homes. When the Morning Star manufactured home community went up for sale, it could have meant 41 families would lose their homes and would face a significant challenge in finding a new affordable place to live. In partnership with NeighborWorks Montana and ROC USA, MoFi pledged grant assistance and debt financing to help the residents form a cooperative and purchase the land under their homes. Today, these families enjoy increased housing security, the opportunity to build asset wealth, and the pride of home ownership.

Number of families in ROC communities that benefitted from MoFi financing in 2017

41

MoFi provided over $2.5M in loans to low-income individuals in 2017

$2.5M

Lisa Hussey, Ann Bell and Laurie Westendorf, residents and members of the Morning Star Community Board of Directors.

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Lisa Hussey, Ann Bell and Laurie Westendorf, residents and members of the Morning Star Community Board of Directors.
MoFi loaned over $3.1M to women-owned businesses in 2017

Sandy Broun and Susan Loyd live and breathe tacos. After running a successful taco restaurant chain in Texas, the sisters relocated to Boise and dreamed of recreating it in their new home. They had a solid business plan, but like many entrepreneurs with start-up restaurants, they couldn’t secure traditional bank financing. The sisters contacted MoFi shortly after its expansion into Idaho in 2015, and became one of its first clients in the state. Tin Roof Tacos opened in downtown Boise in early 2016, and their beloved street-style tacos became a fast favorite among locals. With one location running successfully, Susan and Sandy were soon ready to expand, and identified a prime location in Meridian, a high-growth city outside Boise. MoFi once again provided financing for inventory, equipment, and working capital to launch their second location, and Tin Roof Tacos will open in Meridian in spring 2018.
Statement of Financial Position

Assets

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<th>Description</th>
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<td>Cash and cash equivalents</td>
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<td>Loans receivable, net</td>
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<td>Other assets</td>
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<td>Total Assets</td>
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Liabilities

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Statement of Activities

Support and revenues

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<td>Contracts</td>
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Expenses

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<td>Total expenses</td>
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<td>Total change in net assets</td>
<td>$1,800,412</td>
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MoFi Board of Directors

- Tom McMakin, Chairperson, Chief Executive Officer, Profitable Ideas Exchange
- Dave Burner, Vice Chairperson, Chairman & CEO, Retired, Goodrich Corporation
- Sara Smith, Treasurer, CFO, ALPS Corporation
- Pri Fernando, Secretary, Community Bank, President & Regional Commercial Lending Team Leader, US Bank
- Dave Glaser, Director, President, MoFi
- Natalie Camacho Mendoza, Director, Director of the Office of Police Oversight, City of Boise

MoFi External Loan Committee

- Jason Erickson, First Security Bank
- Pri Fernando, US Bank
- Spider McKnight, Six Pony Hitch
- Tom McMakin, Profitable Ideas Exchange
- Betsy Beauvais, MoFi
- Heidi DuKemment, MoFi
- Sarah Fitzgerald, MoFi
- Julie Lacey, MoFi
- Ben Wright, MoFi

The Statements of Activities and Financial Position presented as of December 31, 2017 are derived from unaudited numbers. Audited financial statements, when available, can be requested from Rick Atter, MoFi, 229 E. Main St., Missoula, MT 59802.
Thank you to our Donors & Investors

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