Contents

06  Iron Barber
    SMALL BUSINESS LOAN CLIENT

08  Molly Kast
    HOMENOW DOWN PAYMENT ASSISTANCE CLIENT

10  Shelly Thomas
    HOME REPAIR LOAN CLIENT

12  Wind River Cares & Northern Arapaho Childcare Center
    NEW MARKETS TAX CREDIT PROJECT

14  Family Service
    COMMUNITY FACILITIES PROJECT

16  2018 Donors / Board of Directors

19  Statement of Financial Position
A few months ago, I received a thank you note from my daughters’ third grade teacher. Following a divorce, Ms. Kast was building a new life, creating stability for her children, and trying to find a new home in their current school district. She and her husband had saved to live in that area, but with divided assets, she didn’t think staying was a possibility. She made enough money to cover a mortgage on her own, but the down payment was out of reach until she found MoFi. Using our HomeNow program, she was able to purchase a home with no money down, begin building equity through homeownership, and keep her children in the school they knew and loved.

Ms. Kast’s story is not unique. Saving money to purchase a home or start a business continues to get harder. Wealth inequality is on the rise, and hard work often isn’t enough to ensure financial security and the ability to save. Without savings, traditional financing is tough, if not seemingly impossible, to obtain.

We are working to ensure that people have access to capital, whether it’s for a home or a business. We are broadening the definition of “eligible for financing” and putting capital into the hands of people who are changing their lives and their communities. We are helping to build a financial system that works for everyone.

In 2018, we furthered our mission by providing financing and consulting for businesses, community facilities, home purchases, and home repairs. We also expanded our business lending into Wyoming and directed 15% of our financing there. With the help of a grant from The Rockefeller Foundation and the Chan Zuckerberg Initiative, we launched a new program to help business owners adopt inclusive hiring strategies. Now, in addition to offering consulting services focused on business success for our clients, we offer assistance aimed at reducing poverty in our communities. Through this new program, we are working with local job service partners and businesses to pair quality job openings with applicants who are living below the poverty level.

Last year, MoFi provided over $100 million in financing for people across the Rocky Mountain West. Those people purchased homes, built businesses, and changed their communities for the better. I am inspired by them, and I hope that after reading this report, you will be too.

Thank you for supporting MoFi and the people and communities we serve.

With sincere gratitude,

Dave Glaser
President, MoFi
2018 Impacts At A Glance

$105M
Total financing provided

$11M
Total small business lending

$6M
To low income places

$3.5M
To low income people

97%
Of financing went to low income people or places

2,501
Jobs created or retained by businesses financed by MoFi in 2018

80% (2,075)
Quality jobs: full-time, living wage, benefits, and opportunities for advancement

Small Business Loans
Small Dollar Loans
Down Payments
New Markets Tax Credit Projects
Iron Barber, Boise, Idaho
SMALL BUSINESS LOAN CLIENT

Adam Day didn’t have a clear picture of his future when he enrolled in barber college, but he knew he wanted to master a craft and have access to new opportunities. After graduating and landing a job at Jack’s Barber, longtime owner Jack Gann mentored Adam. “Jack helped me build on the skills I’d learned in school, and he also taught me about the community and camaraderie of running a shop,” said Adam. Eventually, when Jack was ready to retire, Adam was the perfect person to take over.

Adam loved the idea of purchasing the barber shop, but he didn’t qualify for a traditional bank loan. He contacted MoFi. We saw a determined, experienced entrepreneur who had the right tools to succeed and made the loan for the purchase. MoFi is also providing accounting and management consulting to help ensure that Adam will soon be ready for a bank loan. Today, Adam continues to offer the same great service customers have come to expect at Jack’s, while putting his own spin on the business under the name Iron Barber.

“Jack gave me the training I needed to become a good barber, and now MoFi is helping me be a good business owner.”

—Adam Day
Owner, Iron Barber
Home purchases made possible for Montanans in 2018

$748K
Total amount of down payment assistance provided in 2018

$18M
Total amount of mortgages obtained with the help of HomeNow in 2018

$7,880
Average down payment assistance amount

Molly Kast
HOMENOW DOWN PAYMENT ASSISTANCE CLIENT

When Molly, an elementary school teacher, was newly separated, her priorities were clear: find a comfortable, affordable home in her children’s school district so she wouldn’t disrupt their school year. But finding a home in the neighborhood she wanted was difficult, especially since she lacked a down payment. “Being a professional with a good income, I could afford a mortgage payment—it’s actually more affordable than rent. But I didn’t have enough in the way of savings,” she said. HomeNow filled that gap and gave her the down payment she needed. Molly is now building equity for her family’s future and making memories in her new home.
Manufactured homes represent one of the most affordable forms of housing, but financing their upkeep can prove a challenge. Repairs can be costly for residents to cover out of pocket, and manufactured homes often don’t qualify for traditional home equity loans. Shelly learned these challenges firsthand when her water heater malfunctioned and she couldn’t afford a replacement. With the help of MoFi’s low-interest home repair loan, Shelly was able to buy a new water heater and afford the low monthly loan payments. This program—designed to enable mobile home owners to make critical upgrades like roof replacements, furnace repairs, accessibility additions, and plumbing fixes—is helping Montanans maintain safe, affordable housing.
These projects will nurture our children and help to build a healthier, stronger, and more vibrant tribal community.”

— Patrick Goggles
Executive Director, Northern Arapaho Tribal Housing

$93,281,650
Total New Markets Tax Credit loans in 2018

Wind River Cares & Northern Arapaho Childcare Center
NEW MARKETS TAX CREDIT PROJECT

Times are hard on the Wind River Indian Reservation in central Wyoming. High poverty and low wages are widespread, unemployment rates are twice that of the rest of the state, and household incomes are typically only 40% of the Wyoming average.

In 2018, a group of local organizations and decision-makers partnered to address these challenges. Together with a local bank and MoFi’s New Markets Tax Credits program, the Northern Arapaho Tribe was able to further two important initiatives. First, they expanded the Wind River Cares health clinic to provide previously unavailable services to treat chronic health issues like diabetes and substance abuse, in addition to optometry, dental, OB-GYN, and pediatric services. The project also includes a new affordable, high-quality, round-the-clock childcare center for 300+ children, allowing over 100 unemployed parents the security to seek permanent jobs. Both projects create pathways to improved health and quality of life on the reservation.
Family Service helps 16,000 households per year, working to alleviate hunger, homelessness and poverty. With steadily increasing demand for services, the nonprofit had long outgrown its location in Billings. When expanding to a larger facility proved out of reach financially, MoFi’s New Markets Tax Credits filled the gap. The new building will more than double the organization’s square footage and create space to expand programming. According to Jane McCracken, Director of Campaign Development: “Because of the New Markets Tax Credits from MoFi, every man, woman and child in Yellowstone County has access to the services they need. This creates hope, dignity, and options for stability and better lives.”

49,234
people served by community facilities financed by MoFi in 2018
2018 Donors & Investors

Corporate
American Bank
Bank of America
Bank of Montana
Banner Bank
Capital Matrix
Citizens Community Bank
Datsopoulos, MacDonald & Lind
Farmers State Bank
First Bank of Montana
First Bank of Wyoming
First Interstate Bank
First Interstate Bank Foundation
First Security Bank of Bozeman
First Security Bank of Missoula
Glacier Bancorp, Inc.
Glacier Bank
Goldman Sachs Urban Investment Group
Idaho Independent Bank
Mann Mortgage - Kalispell
Mann Mortgage - Missoula
Missoula Federal Credit Union
Mountain West Bank
Opportunity Bank
Opportunity Finance Network
Stockman Bank
TrailWest Bank
US Bank Community Development Corporation
US Bank Foundation
US Bank
Valley Bank of Helena
Washington Federal Foundation
Washington Trust Bank
Wells Fargo Idaho Community Giving Grant
Wells Fargo Montana Community Giving Grant
Western Security Bank
Yellowstone Bank

Foundation
Chan Zuckerberg Initiative
The Charles Engelhard Foundation
High Stakes Foundation
Llewellyn Foundation
Max and Betty Swanson Foundation
M.J. Murdock Charitable Trust
Northwest Area Foundation
The Rockefeller Foundation

Government
Montana Department of Commerce
US Department of Health and Human Services
US Department of Agriculture
US Small Business Administration
US Department of the Treasury

Individual
Andrea & Michael Manship
Bruce & Nancy Bugbee
Elizabeth Juda
Figure 8 Investment Clients
Harry & Cindy Poett
Loring, Wolcott & Coolidge Trust Clients
Marian Coulter
Nancy & Steven Quist
Suzanna McDougal
Suzanne and Harry D. Glaser
Tom & Mary McMakin
Trillium Asset Management Corporation Clients
Wayne Chamberlain and Elizabeth Grimely

Other Organizations
Sisters of Saint Dominic
The Domestic and Foreign Missionary Society of the Protestant Episcopal Church
Board of Directors

Dave Burner
Chairperson
Chairman and CEO, Retired,
BFGoodrich Company

Tom McMakin
Vice Chairperson
CEO, Profitable Ideas Exchange

Sara Smith
Treasurer
CFO, ALPS Corporation

Pri Fernando
Secretary
Community Bank President, US Bank

Dave Glaser
President, MoFi

Natalie Camacho Mendoza
Director of the Office of Police Oversight, City of Boise

Tina Begay
CEO, Redtail Enterprises LLC

Lisa Cooper
President & Founder, Figure 8 Investment Strategies

Nancy Quist
Founder, Fancy Flours, Retired

Charles Rial
Principal, Bass Creek Advisors and Charles Rial & Associates

Tom Severson
Market President, First Interstate Bank
**Statement of Financial Position**

<table>
<thead>
<tr>
<th>Assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>$13,864,808</td>
</tr>
<tr>
<td>Loans receivable, net</td>
<td>$30,557,520</td>
</tr>
<tr>
<td>Other assets</td>
<td>$2,950,393</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>$47,372,721</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and net assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>$17,206,837</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>$27,731,096</td>
</tr>
<tr>
<td>Restricted net assets</td>
<td>$2,434,788</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td><strong>$47,372,721</strong></td>
</tr>
</tbody>
</table>

**Statement of Activities**

<table>
<thead>
<tr>
<th>Support and revenues</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contributions</td>
<td>$1,956,380</td>
</tr>
<tr>
<td>Contracts</td>
<td>$113,153</td>
</tr>
<tr>
<td>Earned income</td>
<td>$7,585,516</td>
</tr>
<tr>
<td><strong>Total support and revenues</strong></td>
<td><strong>$9,655,049</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$6,783,245</strong></td>
</tr>
<tr>
<td><strong>Total change in net assets</strong></td>
<td><strong>$2,871,804</strong></td>
</tr>
</tbody>
</table>

The Statements of Activities and Financial Position presented as of December 31, 2018 are derived from audited numbers.
Missoula
229 E Main St
Missoula, MT 59802

Bozeman
23 E Main St, Ste B
Bozeman, MT 59715

Boise
1109 Main St, Ste 330
Boise, ID 83702