



Normally with this letter, I would recap the amazing year we had in 2019. I would talk about some of the inspiring businesses we were privileged to support, and how the people behind them have strengthened their communities in exciting ways.

But with all that has happened in the world over the past few months, it's impossible to reflect on the past without taking into account the unprecedented issues facing us today. As I write this, we're in the midst of a global pandemic, struggling to adapt to the unknowns of the future, and looking for unique and innovative ways to help those hit hardest.

As the COVID-19 crisis unfolded, MoFi shifted gears to meet the challenges of a radically altered economic environment. We looked for new ways to bolster people that the traditional financial mainstream had overlooked. We remained nimble, adjusting our strategies and our products to extend financial relief to more people, especially those in rural and underserved communities. And we worked to place flexible, secure capital in the hands of responsible business owners so they could pay workers and keep their doors open during

these unknown times.

We've done some good, but there remains much more work to be done -- especially for our most vulnerable people and communities. Those who were struggling before now face a whole new level of fear and uncertainty, from their personal health, to their economic stability, and their long-term financial livelihood.

The need to help businesses and communities rebuild in the wake of COVID-19 will make the mission of CDFIs like MoFi more relevant than ever. For business owners, access to capital can mean the difference between weathering the storm and closing up shop for good. And for communities, a healthy local economy is vital to get us all through this together.

With your help and support, we are committed to being a part of the solution.

Thank you.

A handwritten signature in blue ink, appearing to read 'Dave Glaser'.

**Dave Glaser, President**





**mofi**

2019 ANNUAL REPORT



## Impacts at a Glance

### Total Financing Provided

\$ 8 0 , 4 6 8 , 1 8 3

Since 1986, MoFi has provided **\$646 million** in financing to **1,112 businesses** that have created and retained over **15,000 jobs**.





58%

of loans went to  
start-up businesses

89%

went to low-income  
people or places

1,352

jobs created or retained  
by businesses financed  
by MoFi in 2019

53%

of loans went to woman-  
owned businesses



# Neighbors Inspiring Neighbors

**Donor Spotlight: Sandra Roe, Harry & Cindy Poett**

Harry and Cindy Poett's friendship with Sandra Roe and her late husband John goes back to 1996, when both families settled in Ovando, Montana. In a town of 81 people, it didn't take long for them to meet and discover shared connections.

They credit the small-town outlook for fostering lasting relationships. It's a special place, they say, where there's an ethos of looking out for one another, whether you're a fourth generation rancher or a newcomer. In part, it's that sense of caring for your neighbors that compelled first the Poetts, and then the Roes, to become supporters of MoFi's work in communities across the Northern Rockies.

"It's not about the haves and have nots. You develop a strong sense of community in a rural town like Ovando, and you carry that perspective with you as you look at other communities. We all have to help each other. MoFi's mission to empower business owners really resonated with us," said Sandra.

Harry thought MoFi was filling a critical void for entrepreneurs who had big dreams and solid plans, but were turned away by banks. He joined MoFi's Board of Directors in 2003 and went on to serve for nine years, including almost 4 years as Board Chairman. He's seen the organization evolve from its small Western Montana footprint, to its current five-state geography. He knows firsthand what MoFi's flexible capital can do to transform lives and communities. Over the years, he and Cindy have inspired an ever-increasing number of others to lend their support to the organization, growing not just the MoFi family, but in turn the scores of individuals and small businesses we have been able to champion.

Harry and Cindy introduced Sandra and John to MoFi, and the Roes soon became supporters of MoFi's lending to not-for-profit organizations, which directs capital to projects that provide critical services to people in rural areas. Sandra said they value this program because it helps people access health services, education, food, shelter and other resources that they wouldn't otherwise have.



Access, says Sandra, is key to leveling the playing field and helping communities thrive. “I’ve been thinking about what draws me to an organization, and I’ve noticed a theme of accessibility. MoFi opened my eyes to a new way of thinking about access, in terms of creating opportunities for entrepreneurs when banks aren’t an option. I thought that was an important aspect to support.”

Harry, Cindy and Sandra are excited about MoFi’s growing footprint and our ability to open more doors of opportunity for people across the Rocky Mountain West. They feel like they’re part of a larger effort to move more people into the financial mainstream, creating opportunities in places that might otherwise be overlooked. As Harry said, “MoFi is building an organization for the future, and during these uncertain economic times, we need places like MoFi to level the playing field and help communities thrive.” Thank you, Harry, Cindy and Sandra. We couldn’t agree more.





## Helping Rural Businesses

### Calf Pen Bakery

Council, Idaho, population 865, is lucky to have Robyn Warner. The recent opening of her business, Calf Pen Bakery, fulfills a longtime dream of growing her home-based bakery and canning operation into a viable main street business.

It's a big leap for any entrepreneur, but especially for Robyn, a mom of four who holds two part-time jobs and also runs the family's cattle ranch with her husband. But Robyn knew she had a high-quality product that was poised for growth, **if only she could find the capital to make it happen.**







Now, Calf Pen Bakery is not only providing fresh-made breads, baked goods, jams and canned items to local customers, but Robyn has a commercial-grade kitchen that allows her to supply goods to restaurants and grocery stores in surrounding rural towns.

**Robyn is already giving back to her community in many ways**, including joining the local chamber of commerce and helping out with fundraisers for the local high school. MoFi's partnership with Robyn highlights the far-reaching impact that flexible capital can bring to communities that need it most.





## Growing Businesses that Build Community

YWCA

You can tell a lot about a community by how it shows up for its most vulnerable people.

Cindy Weese, Executive Director of the local YWCA, knew that their existing shelter didn't have adequate space to care for Missoula's growing numbers of homeless families and victims of domestic violence. Cindy had a bold vision to expand, and worked with local partners to develop plans for a new, larger facility. But even with community support and the generosity of donors, like so many nonprofits, **the YWCA found the financing was a huge hurdle to overcome.**





With the help of New Markets Tax Credits from MoFi, **a new family housing center and domestic violence shelter is now underway**, expanding access to critical emergency housing, crisis support services, children's programs, and more. Not only will this investment change today's lives for the better, but it will also improve the community for generations to come.







## New Markets Tax Credits

New Markets Tax Credit enhanced loans

\$ 6 7 , 5 0 0 , 0 0 0

Moscow, Idaho



Loans expand access to healthcare with an additional

1 4 , 0 0 0

visits annually.

Loans support nonprofits that provide emergency and educational services for

4 , 4 5 0

people annually.





## Supporting the Next Generation of Entrepreneurs

### Pantera Market

Running a family business isn't just about the bottom line, it's about **building a future for multiple generations.**

When Senen Aguilar opened his first Mexican grocery store in Idaho's Treasure Valley in 2008, he saw an opportunity to honor and share his cultural heritage, while also pursuing the American dream. As his business expanded, he felt a responsibility to **make that dream available to his children and grandchildren.**





His son, Nestor, had grown up in the business, working at the store during weekends and on school breaks. After earning a college degree in business administration, Nestor started working at Pantera Market full time. When Senen made plans to open a fourth market last year, Nestor was the obvious choice to run it.

Nestor says he pushes himself harder because he knows his dad expects a lot from him. **"It's not just my future that's on the line, it's everyone's."**

Together, Senen and Nestor are building a business that can be passed down from generation to generation.







## Supporting Small Towns

Marimn Health

Reservation youth are suffering at alarmingly disproportionate rates as compared to other youth. Research suggests that Native American youth are 2.5 times more likely to experience trauma as a result of grief and exposure to violence than their non-Native peers. The Coeur d'Alene Tribe's healthcare organization, Marimn Health, wanted to build a recreation center that would provide a safe place for kids to play, learn, and grow, while also instilling healthy habits for the future. As a nonprofit operating on tribal land, **Marimn Health was able to make this project a reality with MoFi's New Markets Tax Credit program.**







The new 32,000 square foot youth center includes fitness equipment and recreation areas, a technology center, art room, and an indoor play area. It also offers mental and behavioral health services, parenting classes, drug use prevention programs, and other support services designed to help youth and families overcome addiction.

Estimated to draw up to 4,500 visits per month, the new youth center will provide positive change and support the community's children in crafting the bright future they deserve.





## HomeNow

Total amount of mortgages obtained with the help of HomeNow

\$ 1 7 , 0 0 0 , 0 0 0

Average down payment assistance amount

\$ 9 , 2 0 9

Columbia Falls, Montana

Total amount of down payment assistance provided

\$ 7 9 2 , 0 0 0

MoFi believes in expanding access to homeownership so more people can build a stable financial future. The HomeNow program provides down payment assistance to working Montanans so they can stop paying rent and start building equity in a home of their own.







## Empowering Women

### Healthy Pet Food Markets

Katie, like women everywhere, was used to hearing, “No.” “You can’t do it.” “That’s impossible.” Whether it was turning around her late father’s struggling business, starting a business of her own, or looking for a loan to make it happen, everywhere she turned, people told her she wouldn’t be successful. But **Katie is living proof that access to capital unleashes opportunity for all.**







Now, one year in, her startup pet food store in Boise is thriving, and she has the margins to prove it – **they’ve exceeded her own initial projections.**

But more importantly, Katie is in charge of her own destiny. Turns out, when you put capital in the hands of people who don’t take no for an answer, and back that up with a smart business strategy, grit, and determination, **amazing things can happen.**





## Funding Grit

Western States Garage Door

**A little grit goes a long way in business.** Mark Bartlett had run a successful garage door installation business in Butte for 20 years, earning a strong local reputation and growing the business steadily over time. But Mark knew that his hometown's population was declining, and long-term growth would be limited unless he could find a way to expand into a larger market. He started making plans to open a second location in Boise.

When he talked to a few lenders, despite his proven concept, Mark was repeatedly turned down for a loan. He heard that the Boise market was too big of a leap. He heard how complicated it would be to expand across state lines. He heard that he hadn't saved enough. It seemed others didn't have the faith in Mark that he had in himself. But Mark believed in his projections and stood by his plans.

MoFi provided the boost Mark needed to expand, and now his **business is taking off across state lines, all because Mark had the courage to take a risk and the grit to follow it through.**









Butte, Montana





## Business Lending

### Total Business Loans

\$ 1 2 , 2 0 0 , 0 0 0

### Rural Business Loans

\$ 7 , 1 0 0 , 0 0 0





## Believing in the Big Idea

Montana Fly Co.

**Big ideas sometimes come in small packages.**

As a former fly fishing guide, Adam Trina had a dream to bring beautifully designed, hand-tied flies to the masses. But scaling a business with overseas manufacturing from a home base in rural Columbia Falls, Montana presented a unique set of hurdles.

Luckily, **Adam had the smarts, adaptability and perseverance to overcome those challenges.** What he didn't always have, however, was extra capital to manage through the unexpected.











## Believing in the Big Idea (cont'd)

**Montana Fly Co.**

So when rolling blackouts halted productivity at his overseas facility for three months, Adam called MoFi. We provided a loan to get the business through the rough patch, purchase generators, and rebuild their inventory.

**Things are back on track now**, and Adam says MoFi's flexible, responsible capital is what gave him the confidence to keep believing in his big idea, even during the tough times.







## Funding High Tech Innovators

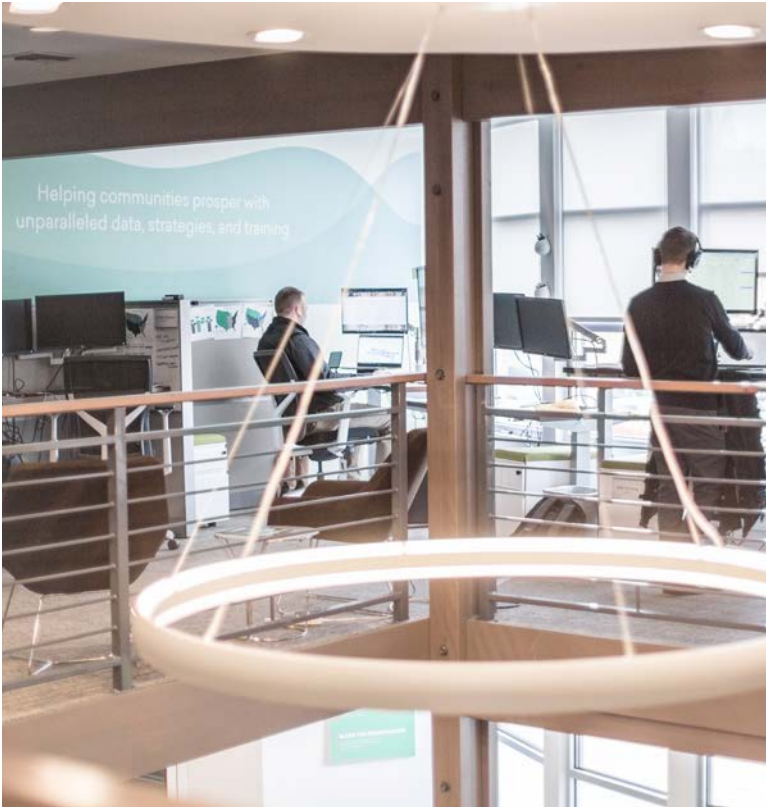
### Emsi

Moscow-based technology company Emsi is using innovative technology to achieve small-town success. The firm uses labor market data to help connect students to quality jobs in their field.

What started as a local, homegrown business has expanded rapidly in recent years, becoming the **largest private employer in Moscow** and one of the largest tech firms in North Idaho.







When it was clear that Emsi had outgrown its office space, leadership was faced with a difficult decision: construct a new building—a big real estate investment in a small market—or relocate out of the community to a safer real estate market and tech hub.

MoFi's tax credit loan provided a crucial piece of financing that made it possible for Emsi to remain in Moscow. Their new 71,000-square-foot headquarters will accommodate the several hundred new employees they expect to hire in the next decade, all with quality jobs and benefits. And this forward-thinking company that is dedicated to creating economic prosperity is now **contributing to the economic prosperity of its own hometown.**





## 2019 Donors & Investors

### Corporate Sponsors

American Bank

Bank of Montana

Capital Matrix

Citizens Community Bank

Clearwater Credit Union

Columbia Bank

Datsopoulos, MacDonald & Lind

Farmers State Bank

First Interstate BancSystem  
Foundation

First Montana Bank

First Bank of Wyoming

First Security Bank of Missoula

First State Bank

Glacier Bancorp, Inc.

Goldman Sachs

Idaho Independent Bank

Mann Mortgage – Missoula

Mountain West Bank

Northwest Bank

P1FCU

US Bank Community  
Development Corporation

US Bank Foundation

WaFd Bank

WaFd Foundation

Wells Fargo Foundation

Western Security Bank

Yellowstone Bank



Calf Pen Bakery, Council, Idaho

## Foundation

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

## Government

Montana Board of Investments  
Montana Department of Commerce  
US Department of Agriculture  
US Department of Health and Human Services – Office of Community Services  
US Department of the Treasury – Community Development Financial Institutions (CDFI) Fund  
US Small Business Administration

## Individual

Nick and Mary Babson  
Bruce and Nancy Bugbee  
Wayne Chamberlain and Elizabeth Grimely  
Marian Coulter  
Figure 8 Investment Strategies Clients  
Suzanne and Harry D. Glaser  
Elizabeth Juda  
Loring, Wolcott & Coolidge Trust Clients  
Suzanna McDougal  
Tom and Mary McMakin  
Harry and Cindy Poett  
Sandra Roe  
Trillium Asset Management Corporation Clients

## Other Organizations

Opportunity Finance Network  
The Domestic and Foreign Missionary Society of the Protestant Episcopal Church  
Sisters of Saint Dominic







## Board of Directors

### Dave Burner, Chairperson

Chairman and CEO, Retired, BFGoodrich Company

### Nancy Quist, Vice Chairperson

Founder, Retired, Fancy Flours

### Sara Smith, Treasurer

CFO, ALPS Corporation

### Pri Fernando, Secretary

Community Bank President, US Bank

### Lisa Cooper

President & Founder, Figure 8 Investment Strategies

### Bob Gauthier

Owner, Ahoy Leasing and Development

### Dave Glaser

President, MoFi

### Tom McMakin

CEO, Profitable Ideas Exchange

### Natalie Camacho Mendoza

Director of the Office of Police Oversight, City of Boise

### Kalli Ryti

Executive Vice President, First Security Bank

### Tom Severson

Market President, First Interstate Bank







Emsi, Moscow, Idaho







## Statement of Financial Position

### Assets

Cash and Cash Equivalents	\$ 16,375,161
Loans Receivable, Net	\$ 33,583,373
Other Assets	\$ 3,049,345
<b>Total Assets</b>	<b>\$ 53,007,879</b>

### Liabilities & Net Assets

Liabilities	\$ 20,810,861
Unrestricted Net Assets	\$ 30,174,513
Restricted Net Assets	\$ 2,022,505
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 53,007,879</b>



## Statement of Activities

### Support & Revenues

Grants & Contributions	\$ 999,800
Contracts	\$ 175,923
Earned Income	\$ 8,204,766
<b>Total support and revenues</b>	<b>\$ 9,380,489</b>

### Expenses

Total Expenses	\$ 7,349,355
<b>Total Change in Net Assets</b>	<b>\$ 2,031,134</b>

The Statements of Activities and Financial Position presented as of December 31, 2019 are delivered 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

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