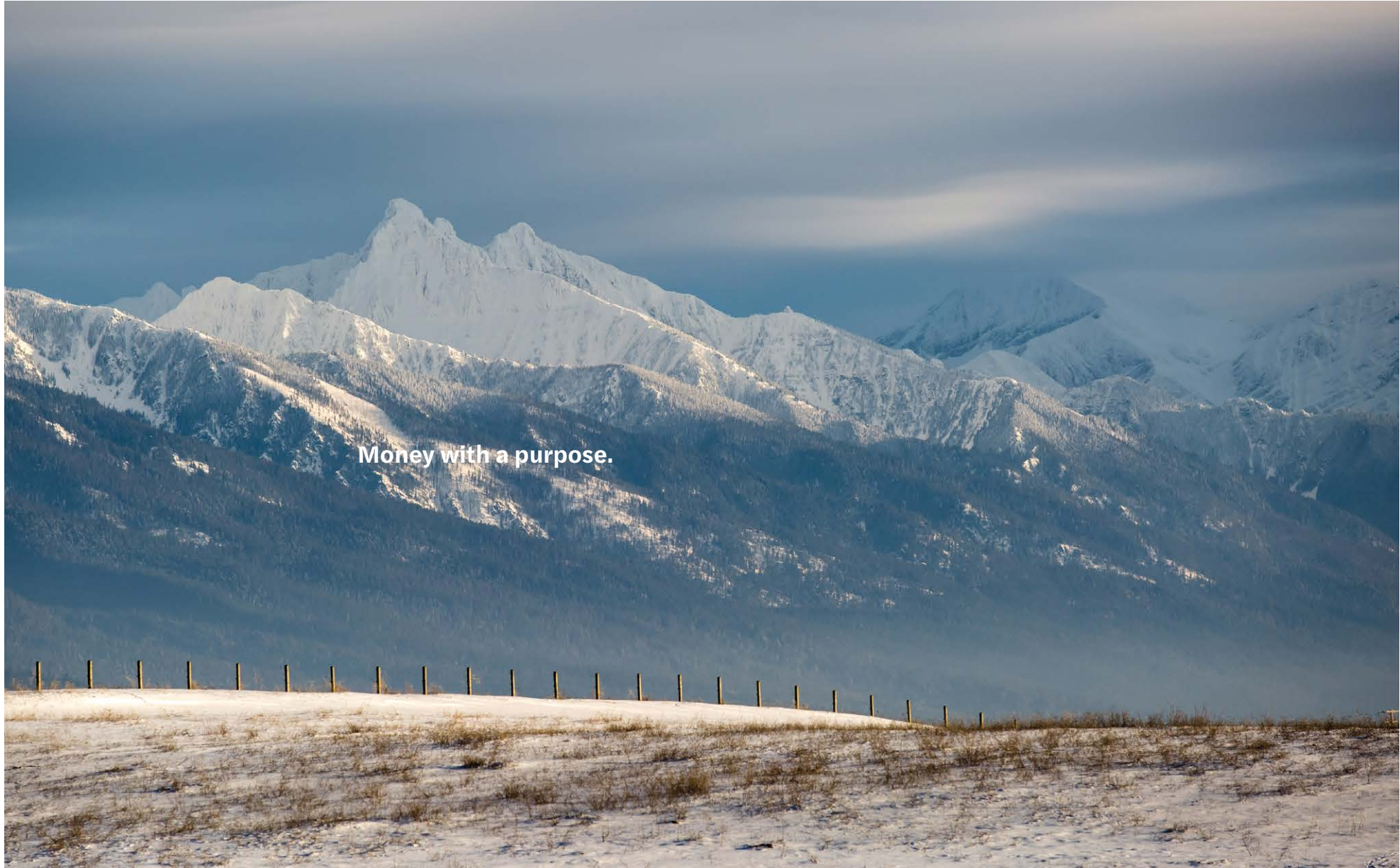




2017 Annual Report



Money with a purpose.

Table of Contents

Donor Spotlight	4
Melody Adamson, Homeowner	7
Blackfeet Community College	8
Fresca Mexican Foods	12
El Cafetal	15
Billings Head Start	18
Morning Star Community	23
Tin Roof Tacos	24
Statement of Financial Position	26
MoFi Board of Directors	27
MoFi External Loan Committee	27
New Markets Tax Credit Advisory Board	28
MoFi Staff	29

Montana & Idaho CDC is now **MoFi**



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 you bring 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.

A handwritten signature in black ink, appearing to read 'Dave Glaser', with a long horizontal line extending to the right.

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 Credits projects, community facilities projects, and small businesses supported by MoFi. He says he finds them inspiring. "Together, we can make communities thrive," he says.

MoFi donors Dave and Sandy Burner believe in the power of community and entrepreneurship.





Melody Adamson used HomeNow to buy a home in Havre, Montana.

Melody Adamson, Homeowner

HOMENOW

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

86

Number of grants HomeNow provided to make homeownership possible for Montanans in 2017

\$642K

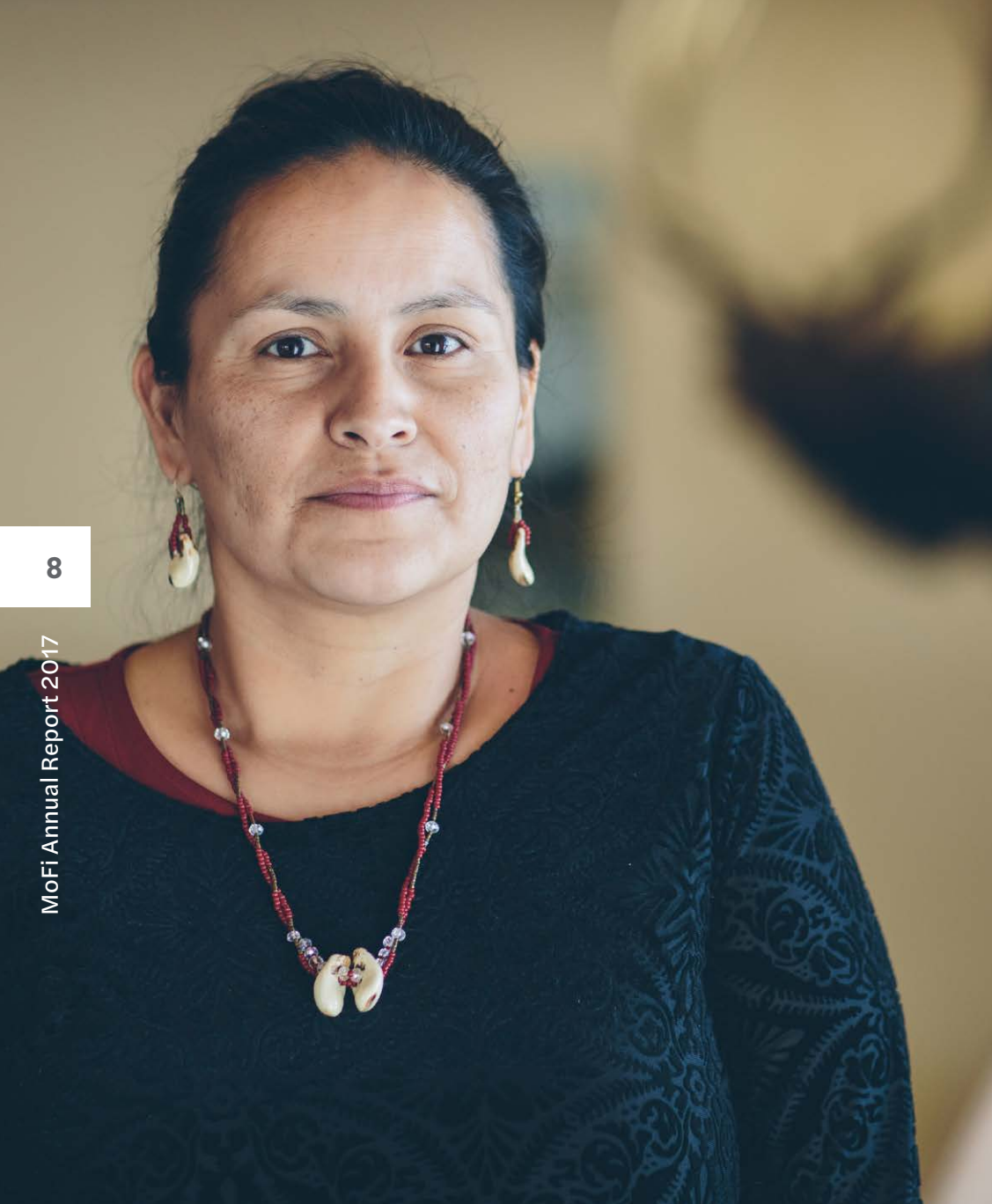
HomeNow provided \$642K in down payment grants for homeownership in 2017

\$16M

HomeNow grants supported home loans totaling \$16M in Montana in 2017

\$7,467

Average grant size



Melissa Weatherwax, Native Science Field Center/Institutional Development, Blackfeet Community College.

Blackfeet Community College

NEW MARKETS TAX CREDITS

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



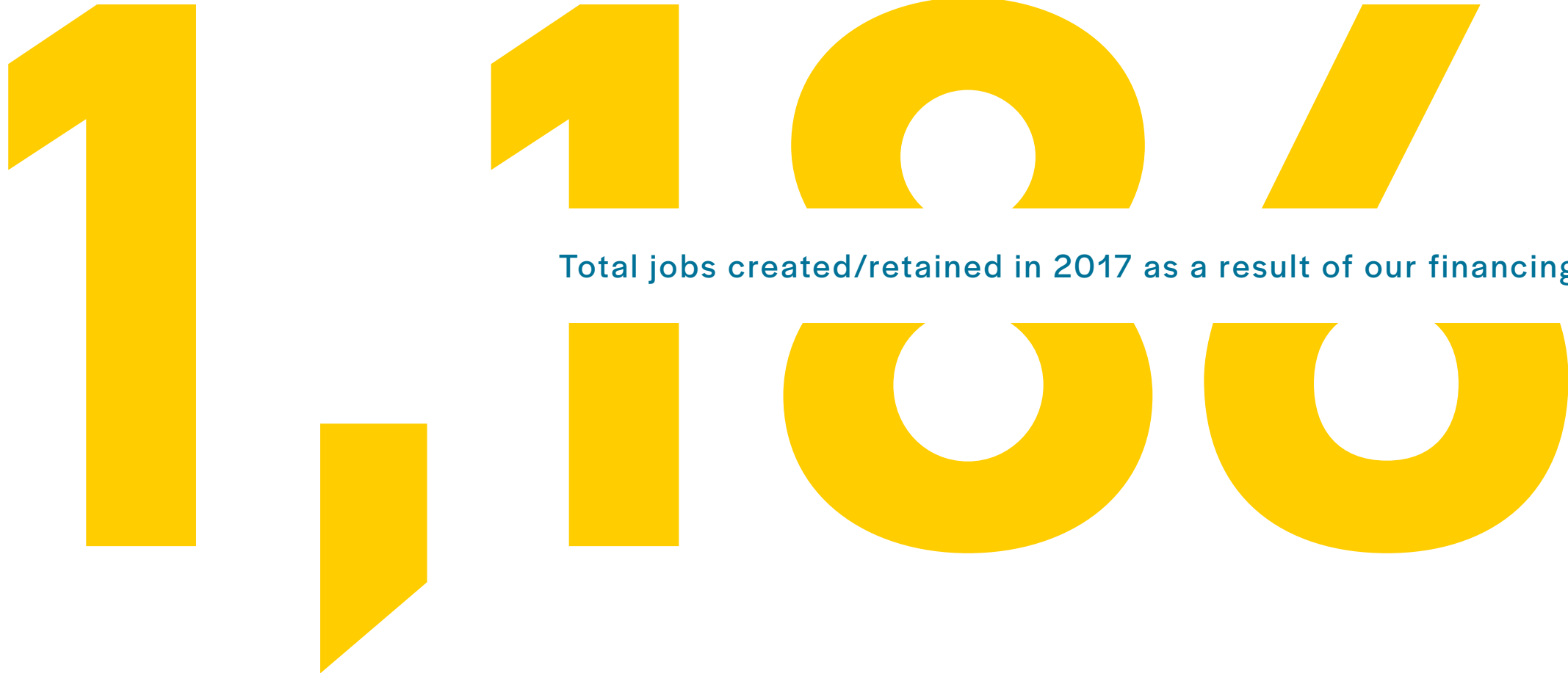


Caldwell Economic Development Director Steve Fultz was thrilled to welcome Fresca Mexican Foods to Sky Ranch Business Park.

Fresca Mexican Foods

NEW MARKETS TAX CREDITS

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.



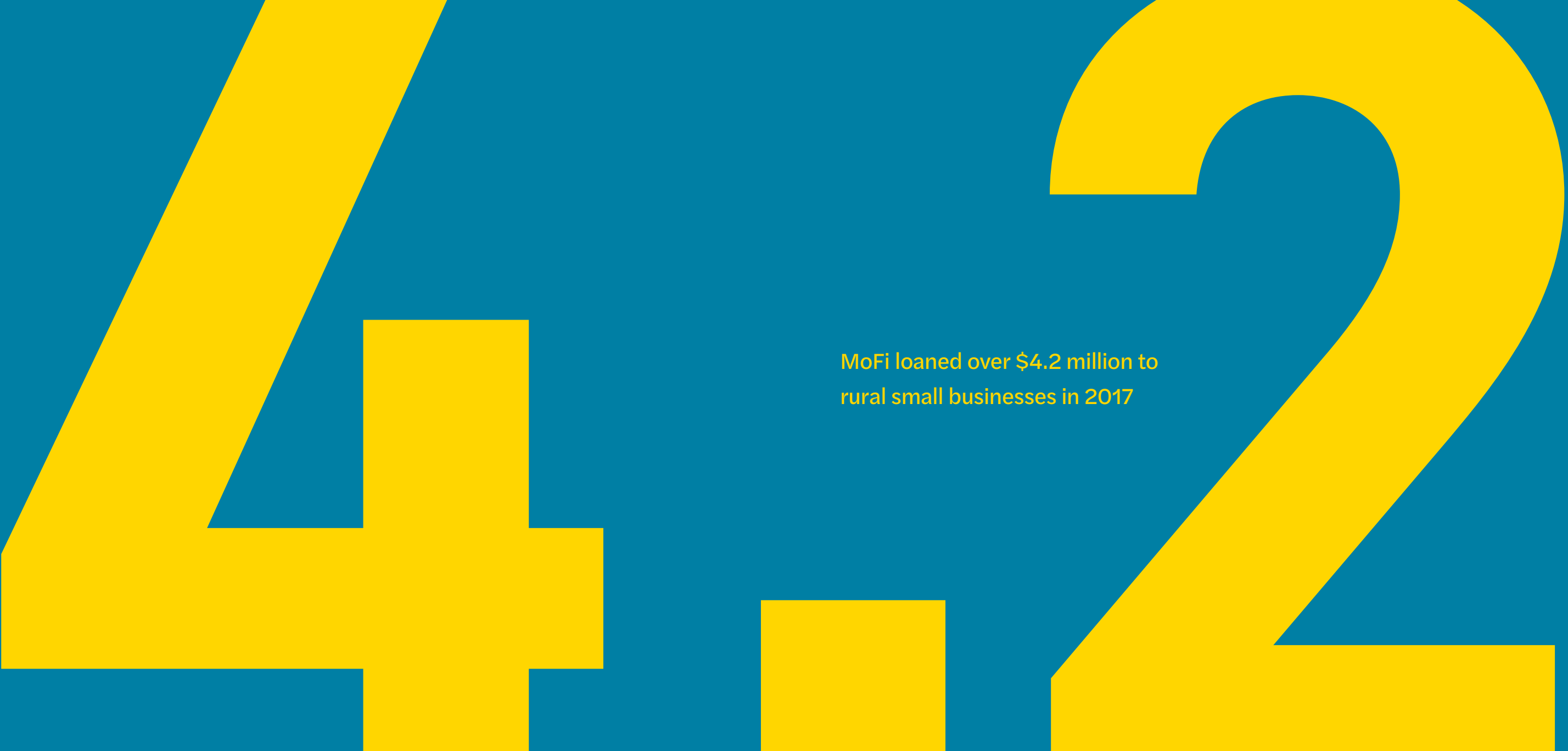


Triny Silva and Adriana Scarpetta re-opened El Cafetal in Nampa after it burned to the ground.

El Cafetal

SMALL BUSINESS LOAN

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.

The image features a solid blue background with two large, bold, yellow numbers, '4' and '2', positioned on the left and right sides respectively. The numbers are stylized and occupy a significant portion of the frame. Centered between the two numbers is a short paragraph of white text.

MoFi loaned over \$4.2 million to
rural small businesses in 2017

Billings Head Start

SMALL BUSINESS LOAN

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.

19,360

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

Billings Head Start opened a new building that created 80 new preschool slots for area children.



“

***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

”





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

41

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

\$2.5M

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

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.



MoFi provided financing and technical assistance to help sisters Susan Loyd and Sandy Brown open Tin Roof Tacos in Boise and Meridian.

Tin Roof Tacos

SMALL BUSINESS LOAN

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.

\$3.1M

MoFi loaned over \$3.1M to
women-owned businesses in 2017

Statement of Financial Position

Assets	
Cash and cash equivalents	\$13,018,043
Loans receivable, net	\$26,029,619
Other assets	\$3,298,392
Total Assets	\$42,346,054
Liabilities and net assets	
Liabilities	\$15,051,974
Unrestricted net assets	\$24,662,264
Restricted net assets	\$2,631,816
Total liabilities and net assets	\$42,346,054

Statement of Activities

Support and revenues	
Grants and contributions	\$2,495,083
Contracts	\$144,629
Earned income	\$5,530,302
Total support and revenues	\$8,170,014
Expenses	
Program Services	\$4,725,203
Administration	\$1,644,399
Total expenses	\$6,369,602
Total change in net assets	\$1,800,412

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 Eneas, MoFi, 229 E. Main St., Missoula, MT 59802

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

Tina Begay
Director, Business Instructor,
Salish Kootenai College
Interim Director
National American Indian Business Leaders

Stephen Miller
Director, Associate Professor of Law
University of Idaho College of Law

Nancy Quist
Director, Founder
Retired, Fancy Flours

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 DeArment, MoFi

Sarah Fitzgerald, MoFi

Dave Glaser, MoFi

Julie Lacey, MoFi

Ben Wright, MoFi

New Markets Tax Credit Advisory Board

Amy Albrecht, Director, Center for a Vital Community at Sheridan College, Sheridan, WY

Renee Bauer, Executive Director, Helena Business Improvement District, Helena, MT

Roger Bower, Retired, Wyoming Business Council, Riverton, WY

Cretia Bunney, Executive Director, United Way of Latah County, Moscow, ID

Carol Burton, President/CEO, United Way of Yellowstone County, Billings, MT

William Cownover, Business Specialist & State Environmental Coordinator, USDA, Casper, WY

Mark Dahlquist, Executive Director, NeighborWorks, Pocatello, ID

Barbie Durham, Operations Manager, Headwaters RC&D, Butte, MT

Jim Grenfell, Executive Director, Wyoming Housing Network, Casper, WY

Ashley Harpstreith, CEO, Goshen County Economic Development Corporation, Torrington, WY

Susan Hay Patrick, CEO, United Way of Missoula County, Missoula, MT

Scott Johnson, Economic Development Director, City of Rexburg, Rexburg, ID

James Klessens, President, Forward Cody, Cody, WY

Phil Kushlan, Principal, Kushlan Associates, Boise, ID

Heather McMilin, Housing Development Director, Homeword, Missoula, MT

Chris Naumann, Executive Director, Downtown Bozeman Partnership, Bozeman, MT

Kaia Peterson, Assistant Director, NeighborWorks, Missoula, MT

Cory Phelps, Economic Development Finance Officer, Idaho Housing and Finance Association (IHFA), Boise, ID

Travis Rothweiler, City Manager, City of Twin Falls, Twin Falls, ID

David Sims, Mayor, City of Bonners Ferry, Bonners Ferry, ID

Cindy Smith, CEO, Bullhook Community Health Center, Havre, MT

Mary Stranahan, Founder, Goodworks Ventures, Arlee, MT

Lillian Sunwall, Project Manager & Business Strategist, Great Falls Development Authority, Great Falls, MT

Cindy Williams, Senior Vice President, Idaho-Nevada CDFI, Boise, ID

MoFi Staff

Alex Markle Data Analyst

Anna Reid Loan Closing Manager

Ashley Mendoza Lending Assistant (Bozeman)

Ben Wright Director of Consulting Services (Boise)

Betsy Beauvais Director of Lending (Bozeman)

Catherine Jones Director of Development

Cloe Klippenstein Senior Loan Officer

Dave Glaser President

Denice Wade Consulting Assistant (Boise)

Diana Anyango Loan Processor

Greg Astle Tax Credit Compliance Manager (Bozeman)

Heidi DeArment Vice President

Jason Kiely Director of HomeNow

Jenn Marrow Accountant

Jessie Zieg Office Manager

Jules Ohman Grant Writer

Julie Lacey Client Relations Manager

Keegan Flaherty Compliance Manager

Libby Addington Director of Marketing

Linzie Norman Marketing Coordinator

Mary Anderson Business Development Coordinator (Bozeman)

Matt Fregerio Loan Officer

Megan Purdy Administrative Assistant

Paul Nonnenmacher Accountant

Rachel Court HomeNow Outreach Coordinator (Billings)

Rachel Golden Director of Accounting

Rachelle Jette Client Accounting Manager

Rick Eneas Controller

Sarah Fitzgerald Director of Tax Credit Lending (Bozeman)

Tana Paul Loan Processor

Photography & Design

Erika Peterman Photography

Duft Watterson Design and Photography

Thank you to our Donors & Investors

American Bank ▪ Anonymous ▪ Mary Reynolds Babcock Foundation ▪ Nick and Mary Babson ▪ Bank of America ▪ Bank of Montana

Big Sky Western Bank ▪ Bruce and Nancy Bugbee ▪ Dave and Sandy Burner ▪ Natalie Camacho Mendoza ▪ Capital Matrix

Wayne Chamberlain and Betsy Grimley ▪ The Charles Engelhard Foundation ▪ Citizens Community Bank ▪ Marian Coulter ▪ Datsopoulos, MacDonald & Lind, PC

The Domestic and Foreign Missionary Society of the Protestant Episcopal Church ▪ Figure 8 Investment Strategies Clients ▪ Emily Faulkner Trust

First Bank of Montana ▪ First Interstate Bank ▪ First Interstate Bank Foundation ▪ First Montana Bank ▪ First Security Bank of Missoula

First Security Bank of Bozeman ▪ The Fremarch Foundation ▪ Glacier Bank ▪ Goldman Sachs Urban Investment Group ▪ High Stakes Foundation

Idaho Independent Bank ▪ Inland Northwest Bank ▪ Jennifer M. Sabo Trust ▪ Susan and Mark Kubiak ▪ MacArthur, Means & Wells Architects

Tom and Mary McMakin ▪ Mann Mortgage ▪ Mann Mortgage, Missoula Branch 37 ▪ Stephen R. Miller and Dr. Birgitt Dau ▪ Montana Board of Investments

Montana Department of Commerce, MicroBusiness Finance Program ▪ Montana State Small Business Credit Initiative ▪ Mountain West Bank

M.J. Murdock Charitable Trust ▪ Stan and Colleen Nicholson ▪ Northwest Area Foundation ▪ Opportunity Bank ▪ Opportunity Finance Network

Harry and Cindy Poett ▪ Sandra Roe in memory of John Roe ▪ Sisters of Saint Dominic ▪ Sara Smith ▪ The Steele-Reese Foundation ▪ Stockman Bank

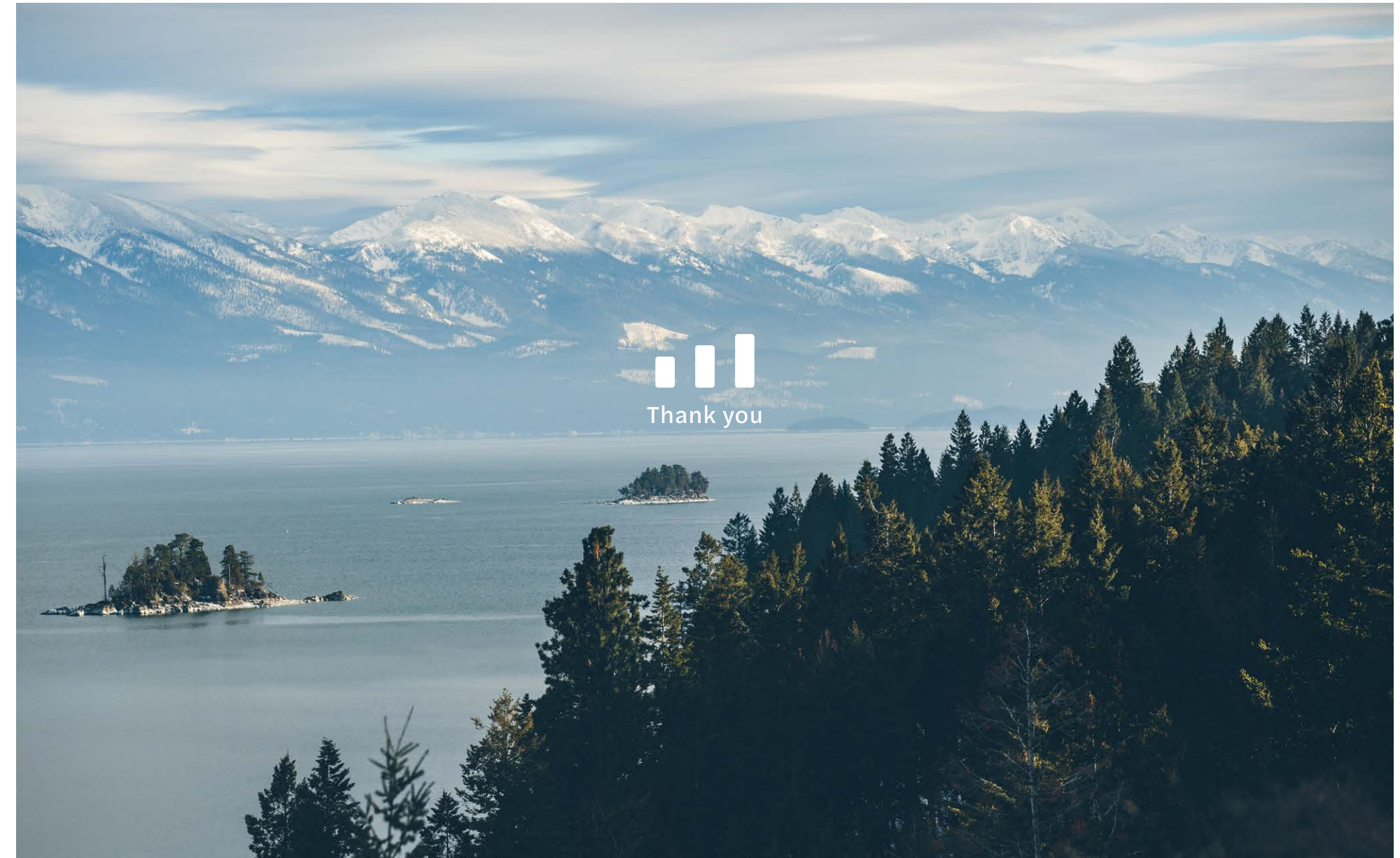
Mary Stranahan ▪ Max and Betty Swanson Foundation ▪ TrailWest Bank ▪ Trillium Asset Management Corporation Clients

US Administration for Children and Families, Community Economic Development Program ▪ US Bank

US Department of Agriculture - Rural Development Community Facilities Program, Rural Development Intermediary Relending Program, Rural Micro Assistance Program

US Department of Commerce, Economic Development Administration ▪ US Department of the Treasury, Community Development Financial Institutions Fund

US Small Business Administration Microloan Program ▪ Valley Bank of Helena ▪ Wells Fargo ▪ Western Security Bank ▪ Yellowstone Bank ▪ Uplift America Fund





MISSOULA
229 E. Main St.
Missoula, MT 59802

BOZEMAN
222 E. Main St., Ste. 202
Bozeman, MT 59715

BOISE
1109 Main St., Ste. 330
Boise, ID 83702