



ANNUAL REPORT

2017

CONTENTS

FUNDERS AND INVESTORS

Anonymous La Crosse Area Donor
CDFI Fund, U.S. Department of the Treasury
Cinnaire
City of La Crosse, WI
City of Milwaukee, WI
Community Development Bank
Community Housing Capital
Federal Home Loan Bank of Chicago
The Home Depot Foundation
IFF
Johnson Bank
JP Morgan Chase Bank
National Equity Fund
NeighborWorks America
PNC Bank
Time Federal Savings Bank
Town Bank
UnitedHealth Group
U.S. Department of Agriculture - Rural Development Administration
U.S. Department of Health and Human Services - Office of Administration
for Children and Families – Office of Community Services
U.S. Department of Housing and Urban Development
U.S. Economic Development Administration
U.S. Small Business Administration
Wells Fargo
Wisconsin Department of Administration - Division of Energy, Housing
and Community Resources
Wisconsin Economic Development Corporation
Wisconsin Housing and Economic Development Authority

PARTNERS

Aeris
Aging and Disability Resource Center of Barron, Rusk and
Washburn Counties
Anderson Webb, LLC
Ashland Area Development Corporation
Barron County ARC
Barron County Economic Development Corporation
Barron County Job Center (West Central Wisconsin Workforce
Development Board)
Barron County Veterans Service Office
Boys and Girls Club of Barron County
Calumet County Bank
CAP Services
CDFI Coalition
CDFI Fund, U.S. Department of the Treasury
City of Park Falls, WI
Conrath Housing, Inc.
Entrepreneur Fund
Forward Community Investments
Gorman & Company
Greater Wisconsin Opportunities Fund
GROW South Dakota
Have-A-Heart, Inc.
HKS Holdings, LLC
Homes for Independent living
Independent Living Resources
Indianhead Community Action Agency
Jefferson County Veterans Service Office
Jefferson County Aging & Disability Resource Center
Lakeshore Community Action Program
Layton Boulevard West Neighbors, Inc.
Local Initiatives Support Corporation - Milwaukee
Lutheran Social Services of Wisconsin and Upper Michigan
Martin Luther King Junior Economic Development Corporation
MetroPlains, LLC
Midwest Minnesota Community Development Corporation
Milwaukee Area Workforce Investment Board
Milwaukee County
Milwaukee County Housing Division
Milwaukee Economic Development Corporation
Minocqua Associates
NeighborWorks America
Northwest Wisconsin Concentrated Employment Program
Opportunity Finance Network
Rapoza Associates
Regional Business Fund
Rule Enterprises, LLC
Town Bank
WestCAP
Wisconsin Business Development Finance Corporation
Wisconsin Council for Affordable and Rural Housing
Wisconsin Economic Development Corporation
Wisconsin Housing and Economic Development Authority
Wisconsin Redevelopment, LLC
Wisconsin SBDC Network
Wisconsin Women's Business Initiative Corporation

WHAT'S INSIDE

- 1 Funders, Investors, and Partners
- 2 A Note from our CEO
- 3 Pine Meadow Apartments
- 4 Wisconsin Illinois Senior
Housing (WISH)
- 5 Gerald L. Ignace Indian Health
Clinic (GLIHC)
- 7 Brion's Smokehouse Deli
- 8 Seven04 Place Apartments
- 9 Financial Information

A NOTE FROM OUR CEO

At Impact Seven, we know that communities are resilient when entrepreneurs have the resources they need to run successful businesses, and stronger when residents who are elderly or have disabilities are able to live independently in their own homes. We know that families thrive when they have access to jobs and safe, stable and affordable housing.

For the past 48 years, Impact Seven has been the partner that communities and entrepreneurs trust to provide the capital and knowledge necessary for the completion of community economic development projects such as job-creating business enterprises and housing that is affordable to people of all incomes. By helping communities meet their needs, Impact Seven turns challenges into opportunities.

2017 marked the final year of a strategic planning period during which Impact Seven's loans and investments generated over \$550 million in economic activity for the state of Wisconsin, resulting in the creation of more than 3,700 jobs. In 2017, our loan portfolio totaled more than \$60 million for the first time in our history. Investments included providing financing for the expansion of a non-profit community clinic serving Native Americans and community residents in central city Milwaukee, the adaptive reuse of a building in rural Spooner to provide a needed assisted living facility, and the creation or preservation of 215 units of housing throughout the state.

These projects often require the collaboration of multiple parties to achieve completion. We pride ourselves on being a flexible partner with the capacity to play a lead role in complex, capital-intensive projects as well as contributing through a variety of support functions. In all cases, Impact Seven recognizes the tremendous value that our partners bring to community and economic development in Wisconsin.

Whether we are providing financing for a new business venture or developing housing affordable to families of all incomes, Impact Seven builds the places that build community.



A handwritten signature in black ink, reading "Brett", positioned above the printed name.

BRETT GERBER, CEO

PINE MEADOW APARTMENTS

Sullivan, WI

Rural communities across the country are facing a loss of affordable housing. In response, Impact Seven has undertaken a multiyear effort to preserve and rehabilitate aging affordable apartment buildings in rural areas throughout Wisconsin, ensuring that housing affordable to low-income residents will be available for decades to come.

One such project is the acquisition and rehabilitation of Pine Meadow Apartments in Sullivan, Wisconsin. Built in 1980, this project consists of sixteen units in four separate buildings for persons who are elderly and persons with disabilities. A full rehabilitation of the property addressed code compliance, updated functionally obsolete building systems, and improved accessibility and energy efficiency for the comfort of residents.

\$1.1 MILLION
total project cost





WISCONSIN ILLINOIS SENIOR HOUSING, INC. (WISH)

— Spooner, WI —

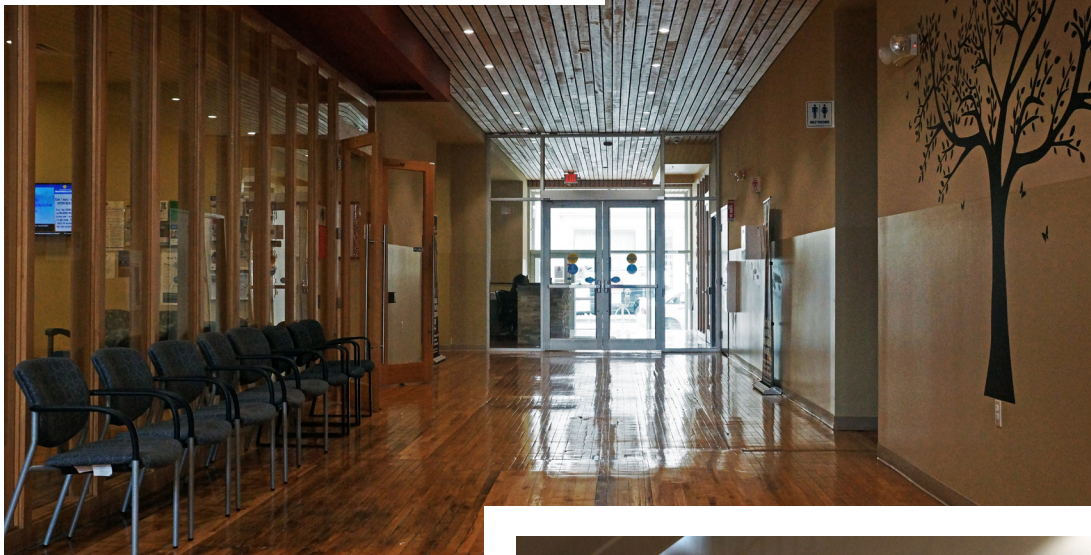
The community of Spooner is a rural town with a recognized need for additional assisted living and skilled nursing resources for residents who are elderly. In 2017, Wisconsin Illinois Senior Housing, Inc. (WISH), a non-profit owner and operator of senior living and care communities, obtained financing from Impact Seven and local partners for the remodel of a vacant former hospital property into an assisted living facility. Known as Maple Ridge Care Center, the facility has 15 assisted living units as well as a daycare and additional office space for rent. Since opening, Maple Ridge Care Center has earned a five-star rating from the Centers for Medicare and Medicaid Services. The project repurposed a vacant and blighted commercial building that will allow persons who are elderly to continue living in their home community.

\$1.1 MILLION
total project cost

GERALD L. IGNACE INDIAN HEALTH CENTER, INC. (GLIHC)

Milwaukee, WI

\$1.9 MILLION
total project cost





GLIHC is a non-profit community clinic that provides historically underserved populations of Native Americans and low-income residents with accessible, affordable and high-quality health care in the Greater Milwaukee area. In 2017, GLIHC undertook an expansion to add a dental clinic with a focus on pediatrics and a pharmacy. Dentistry and an on-site pharmacy are two new services for GLIHC, complementing a wide array of existing health services and enhancing convenience, efficiency and affordability for more than 2,500 patients each year.

Impact Seven provided the project’s sole source of financing, totaling \$1.9 million for the buildout, utilizing existing space in GLIHC’s current location on Historic Mitchell Street. By accepting alternative forms of collateral, Impact Seven made loan funds available for a high-impact community development project that otherwise would not have been able to attract traditional financing.

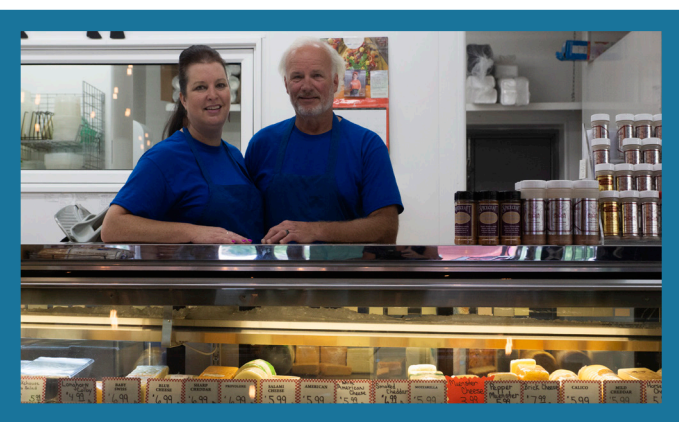
GLIHC was presented with a Community First Award by the Federal Home Loan Bank of Chicago in recognition of the outstanding achievement of an impactful community development project.





BRION'S SMOKEHOUSE DELI

Cameron, WI



Gregg and Genevieve Brion have been the successful owners of Brion's Grocery in Cameron for nearly two decades. However, in recent years multiple big-box grocery chains have moved into the area, creating hardship for this small-town grocer.

To stay competitive in a changing market, the Brions renovated their typical, small-town grocery store to a smokehouse and deli operation with seating for up to 40 customers. The new business continues to offer fresh and deli meats and cheeses, a full breakfast and lunch menu, catering services, and fresh brewed coffee and cappuccino. These combined offerings are unique to the area and offer the Brions a competitive advantage.

\$133,400
total project cost

SEVEN04 PLACE APARTMENTS

Milwaukee, WI

Seven04 Place Apartments, developed in partnership with Rule Enterprises, LLC, is a 60-unit multifamily apartment community located in the Walker's Point neighborhood of Milwaukee, within the fastest-growing census tract in the city. To accommodate both long-time neighborhood residents and newcomers, the development includes a mix of affordable and market-rate units, as well as fourteen units dedicated to permanent supportive housing for U.S. military veterans and other adults who have struggled with barriers to housing stability. Amenities include in-unit washers and dryers, a multi-purpose community room, fitness center, indoor bike storage, and free high speed Internet. Wisconsin Green Built Home certification will ensure high energy efficiency, further reducing housing costs for residents. The Seven04 Place contributes to the revitalization of Walker's Point by replacing an under-utilized manufacturing facility with quality, affordable apartments.

\$12.2 MILLION

total project cost



FINANCIALS

2017

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

2017

CURRENT ASSETS

Cash and Cash Equivalents	\$9,223,473
Restricted Cash	9,119,465
Housing Management Cash	1,127,793
Temporary Cash Investments	1,645,629
Accounts Receivable	1,157,917
Current Portion of Notes Receivable	7,665,646
Property Held for Sale	375,036
Prepaid Expenses	136,711
Other Current Assets	428,739
Total Current Assets	30,880,409

PROPERTY AND EQUIPMENT

2,625,643

INCOME PRODUCING REAL ESTATE

84,170,609

OTHER ASSETS

Notes Receivable	41,402,979
Investments in Real Estate	2,242,195
Other Investments	3,044,019
Investment Securities	869,569
Restricted Deposits and Funded Reserves	6,064,946
Miscellaneous Other Assets	366,890
Total Other Assets	53,990,598

TOTAL ASSETS

171,667,259

LIABILITIES

CURRENT LIABILITIES

Current Portion of Notes Payable	805,940
Accounts Payable and Accrued Expenses	1,899,315
Accrued Interest Payable	399,737
Total Current Liabilities	3,104,992

LONG-TERM LIABILITIES

Notes Payable	41,874,696
Other Liabilities	3,636,692
Total Long-Term Liabilities	45,511,388

TOTAL LIABILITIES

48,616,380

NET ASSETS

Unrestricted - Controlling Interests	30,224,175
Unrestricted - Non-controlling Interests	28,076,107
Board designated	3,855,000
Total Unrestricted	62,155,282

Temporarily Restricted	55,283,843
Permanently Restricted	5,611,754

TOTAL NET ASSETS

123,050,879

TOTAL LIABILITIES AND NET ASSETS

\$171,667,259

FINANCIALS

CONSOLIDATED STATEMENT OF ACTIVITIES

REVENUES

	2017
Consulting & Development Fees	\$201,456
Housing Management	6,699,223
Interest Revenue	2,302,941
Contract Revenue	2,856,177
New Market Tax Credit Revenue	1,361,928
Other Revenue	665,275

TOTAL REVENUES	14,087,000
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EXPENSES

Salaries, Wages, and Benefits	3,901,701
Professional Services	500,700
Travel	131,817
Office Maintenance	177,210
Operational Expenses	351,777
Interest	1,459,662
Housing Management	4,077,896
Depreciation	3,110,568
Other Expenses	1,186,057

TOTAL EXPENSES	14,897,388
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NON-OPERATING ACTIVITIES

Capital Contributions	3,372,581
Distributions and syndication costs	(19,924)

TOTAL NON-OPERATING ACTIVITIES	3,352,657
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CHANGE IN NET ASSETS	\$2,542,269
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CDFI HIGHLIGHTS

	2017
Gross Loans Receivables	\$60,101,847
Net Charge-Offs During Year	\$21,409
Charge-Offs as % of Loan Portfolio	0.04%
Loans >90 Days Past Due (12/31)	\$240,671
Managed Loan Portfolio	\$230,434,867
Deployment Ratio *	85.7%

* Includes Commitments, Real Estate, and Other Mission-Related Investments



Impacting communities. Impacting lives.

OPPORTUNITY FINANCE
NETWORK

NeighborWorks®
CHARTERED MEMBER

FHLB Chicago
Federal Home Loan Bank of Chicago

RICE LAKE HEADQUARTERS

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