



2018 ANNUAL REPORT

CONTENTS

FUNDERS AND INVESTORS

Anonymous La Crosse Area Donor
CDFI Fund, U.S. Department of the Treasury
Chippewa Valley Bank
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. Bank
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 ADRC
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
City of Park Falls, WI
Couleecap of La Crosse
Conrath Housing, Inc.
Entrepreneur Fund
Forward Community Investments
Glenn Solsrud
Gorman and Company
Greater Wisconsin Opportunities Fund
GROW South Dakota
Have-A-Heart, Inc.
HKS Holdings, LLC
Homes for Independent Living
Housing Authority of the City of La Crosse
The Hunger Task Force of La Crosse
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
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
Northwest Wisconsin Concentrated Employment Program
Opportunity Finance Network
Rapoza Associates Regional Business Fund
Rule Enterprises, LLC
Tomah VA
WestCAP
Wisconsin Business Development Finance Corporation
Wisconsin Council for Affordable and Rural Housing
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	Leading Edge Veterinary Services
4	Michael Heights
5	Garden Terrace Apartments
7	Northern Star Theatre Company
8	Hayward Main Street Gourmet Popcorn
9	Financial Information

A NOTE FROM OUR CEO

Impact Seven is the partner that communities rely on to support community economic development projects through a range of services that include small business loans, affordable housing creation, and complex commercial real estate developments. Through investing in community assets, Impact Seven creates opportunity for Wisconsin to thrive.

In 2018, Impact Seven made more than \$18 million in loans for diverse community and economic development projects, and for the first time ever our loan portfolio reached \$78.6 million. We partnered with the City of La Crosse to develop Garden Terrace Apartments with 50 new apartments for families, including 15 for veterans of the U.S. military transitioning out of homelessness with supportive services provided on-site by community partners. The project was supported by many national, state and local funders and serves as a long-term housing solution in support of the city's goal to end veteran homelessness by 2020.

Additional project highlights include a small business loan provided to a veterinary clinic that will expand needed large animal veterinary services in rural Hayward, Wisconsin. Nearby on Main Street, a gourmet popcorn company scaled up to serve a national market with a loan from Impact Seven. We also refinanced 42 apartments in La Crosse, keeping them affordable for the downtown workforce. And when a community theatre in Rice Lake needed a new location, Impact Seven provided the low-cost financing that made the project possible, creating new performing arts space, as well as offices for other local businesses.

These projects result in positive impacts for communities. In 2018, residents of Impact Seven's affordable apartments saved a total of \$4.4 million compared to market rents. This household cost savings represents family income that can instead be spent on quality childcare, healthy foods, reliable transportation, or healthcare. Impact Seven loaned more than \$18 million to entrepreneurs for business start-ups and expansions in 2018 that directly created or saved 825 jobs and leveraged \$62.3 million in total economic impact for Wisconsin.

People build communities. Impact Seven provides the financial capital, business experience and knowledge resources they need.



BRETT GERBER, CEO

Leading Edge Veterinary Services

Trego, WI

For over 20 years, Dr. Metcalf has been practicing veterinary medicine in rural northwestern Wisconsin. In order to meet rising demand for small and large animal veterinary services, Dr. Metcalf constructed a 15,000 square foot veterinary and boarding clinic with an exercise area and round-the-clock mobile emergency services available for large animals.



\$1.18 MILLION
total project cost





MICHAEL HEIGHTS

La Crosse, WI

Michael Heights is a mixed-use development providing affordable apartments and commercial office space in downtown La Crosse, Wisconsin. The property was developed and is owned and managed by the Gerrard Corporation, a family-owned real estate firm which also has its offices in the building. With amenities such as underground parking, a community room, and a farmer's market, grocery stores, schools and major employers located close by, Michael Heights residents enjoy a high quality of life.

When the property's Low Income Housing Tax Credit (LIHTC) 15-year compliance period ended, Impact Seven refinanced the property's debt. The apartments at Michael Heights ensure continued affordability for residents while downtown La Crosse undergoes a rapid revitalization.

\$1.53 MILLION
total project cost

GARDEN TERRACE APARTMENTS

La Crosse, WI



\$10.9 MILLION
total project cost





Crafted as part of local comprehensive efforts to eliminate veteran homelessness in La Crosse, Garden Terrace Apartments is a multifamily housing community consisting of 50 apartments and a multi-purpose community center. Garden Terrace is a blended affordable community that provides fifteen units targeted to formerly homeless veterans, units affordable to households with low incomes, and eight units without rent restrictions. Supportive services for veteran residents are provided by the Tomah VA Medical Center, the Wisconsin Department of Veterans Affairs, and Couleecap, Inc. The adjacent Kane Street Community Garden engages community members in gardening and gives away all of the produce it grows.





NORTHERN STAR THEATRE COMPANY

Rice Lake, WI

The Northern Star Theatre Company, a 100% volunteer, non-profit community theatre, was forced to relocate due to the planned demolition of their building. Impact Seven made a low-interest loan available for a small project that otherwise would have been unable to attract affordable financing. The community of Rice Lake came together to raise remaining funds for the project that repurposed a historic downtown building to house the theatre, as well as created additional office space for local businesses. Community-based creative planning and flexible financing made it possible for the Northern Star Theatre Company to continue engaging the community in the arts.

\$1.6 MILLION
total project cost

HAYWARD MAIN STREET GOURMET POPCORN

Hayward, WI

Hayward Gourmet is a family-owned business that makes homemade, from-scratch gourmet popcorn in over 40 different flavors, along with other treats at their retail and online stores. Located on Hayward, Wisconsin's historic Main Street, Hayward Gourmet's popcorn is made daily in small batches and beautifully packaged by hand.

With a loan from Impact Seven, Hayward Gourmet purchased a commercial building to relocate their production, shipping, and inventory storage to meet increased demand from expanding online, wholesale and commission-based consultant sales programs, while continuing to operate their retail location. This small shop with big flavors keeps Main Street popping!

\$270,750

total project cost



FINANCIALS

2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	2018
CURRENT ASSETS	
Cash and Cash Equivalents	\$7,999,420
Restricted Cash	4,758,650
Housing Management Cash	768,112
Temporary Cash Investments	1,715,710
Accounts Receivable	1,131,338
Current Portion of Notes Receivable	6,623,740
Property Held for Sale	720,538
Prepaid Expenses	92,580
Other Current Assets	453,258
Total Current Assets	<u>24,263,346</u>
PROPERTY AND EQUIPMENT	<u>2,122,403</u>
INCOME PRODUCING REAL ESTATE	<u>93,684,910</u>
OTHER ASSETS	
Notes Receivable	56,640,077
Investments in Real Estate	2,133,830
Other Investments	3,046,611
Investment Securities	1,013,934
Restricted Deposits and Funded Reserves	6,358,481
Miscellaneous Other Assets	607,794
Total Other Assets	<u>69,800,727</u>
TOTAL ASSETS	<u>189,871,386</u>
LIABILITIES	
CURRENT LIABILITIES	
Current Portion of Notes Payable	4,972,195
Accounts Payable and Accrued Expenses	4,116,287
Accrued Interest Payable	423,819
Total Current Liabilities	<u>9,512,301</u>
LONG-TERM LIABILITIES	
Notes Payable	51,103,555
Other Liabilities	3,126,826
Total Long-Term Liabilities	<u>54,230,381</u>
TOTAL LIABILITIES	<u>63,742,682</u>
NET ASSETS	
Unrestricted - Controlling Interests	31,810,933
Unrestricted - Non-controlling Interests	29,080,867
Board designated	2,500,000
Total Unrestricted	<u>63,391,800</u>
With Donor Restrictions	<u>62,736,904</u>
TOTAL NET ASSETS	<u>126,128,704</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$189,871,386</u>

FINANCIALS

CONSOLIDATED STATEMENT OF ACTIVITIES

REVENUES

	2018
Consulting & Development Fees	\$235,819
Housing Management	7,084,401
Interest Revenue	2,647,759
Contract Revenue	3,100,118
New Market Tax Credit Revenue	1,198,472
Other Revenue	906,343

TOTAL REVENUES	15,172,912
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EXPENSES

Salaries, Wages, and Benefits	4,133,047
Professional Services	650,701
Travel	165,570
Office Maintenance	155,523
Operational Expenses	88,803
Interest	1,734,914
Housing Management	3,814,702
Depreciation	3,058,908
Bad Debt Expense	310,008
Other Expenses	124,950

TOTAL EXPENSES	14,237,126
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NET INCOME/(LOSS)

\$935,786

NON-OPERATING ACTIVITIES

Capital Contributions	2,212,317
Distributions and Syndication Costs	(70,278)

TOTAL NON-OPERATING ACTIVITIES	2,142,039
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CHANGE IN NET ASSETS	\$3,077,825
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CDFI HIGHLIGHTS

	2018
Gross Loans Receivable	\$62,087,046
Net Charge-Offs During Year	\$15,397
Charge-Offs as % of Loan Portfolio	0.02%
Loans >90 Days Past Due (12/31)	\$137,141
Managed Loan Portfolio	\$263,006,776
Deployment Ratio *	87.3%

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



Impacting communities. Impacting lives.



RICE LAKE HEADQUARTERS

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