This is Ron Phillips’ final CEI annual report. Ron’s vision, creativity, indefatigable energy and leadership have been critical to CEI and a driving force for the welfare of people in Maine and rural America since he rode his motorcycle up the coast 38 years ago. Ron, we thank you and wish you all the best on the next leg of your journey.

THE BOARD AND STAFF OF CEI

Our sincere thanks to Ellen Golden, SVP and Managing Director of CEI Investment Notes, Inc. and Alice Hudyberdi, Executive Associate, who both stepped away from CEI in 2015 after 38 and 32 years respectively. Our organization would not be what it is today without their countless contributions and commitment to our mission.
Dear Friends,

Over the past 38 years, our organization has steadily invested in people, places, and enterprises in Maine and in rural communities throughout the United States. Our mission is to help create economically and environmentally healthy communities in which all people, especially those with low incomes, can reach their full potential. We believe in the power of investment as a means to build a more equitable world.

CEI changes lives through a holistic approach to community economic development. Our promise to create change means understanding the sectors and systems that support a vibrant, sustainable economy. We lead efforts to strengthen agriculture and food systems, fisheries and aquaculture, forestry, nature-based tourism, renewable energy, community facilities, affordable housing, and sustainable real estate development. Directly and with our many partners, we provide a wide array of financing solutions and advising services for business owners. We advance policies that create opportunity.

With total assets of nearly $120 million, a net worth of $43 million, and overall capital under management of $770 million, CEI is a proud member of the Community Development Finance Institution (CDFI)/Community Development Corporation (CDC) industry. Since its inception in 1977, CEI has mobilized $1.2 billion in financing for over 2,555 businesses and community development projects.

Throughout CEI’s history, our strategy has been to anticipate and mitigate the impacts of a changing world that has not always been kind to the communities we serve. In the past year, we saw broader attention to both climate change and inequality—two of our long-time concerns. Pope Francis’ landmark encyclical, *The Care for Our Common Home*, called for climate change awareness and action around the world. This was followed by the United Nations Conference on Climate Change in Paris, where 195 nations convened to address the impact of human existence on our planet. Inequality has become the focus of much attention and rhetoric; we hope policy change and community engagement will turn this nation toward greater equality of both opportunity and outcome.

There is good news: individual and institutional investors and asset managers increasingly apply “ESG” (Environment, Social and Governance) criteria to the businesses and markets in which they invest, a practice commonly referred to as “impact investing.” The CDFI/CDC industry’s approach to impact investing for social and environmental benefit is gaining traction with investors, while targeting resources to low and moderate income communities, individuals, children, and families who are suffering. Please join us on our journey to make a difference, *from Civil Rights to Sustainable Solutions*.

Ronald L. Phillips
President and CEO

Ellen Seidman
Chair, Board of Directors
2015 IMPACT  CEI AND ITS SUBSIDIARIES

**CEI NOTES**

CEI INVESTMENT NOTES, INC.

- INVESTED $2.2 million
- CREATED/RETAINED 93 jobs
- FINANCED 17 projects
- CREATED 11 units of affordable housing

**CEI**

- LOANED/INVESTED $20.6 MILLION
  - Microloans $1 million
  - Small Medium Enterprise $12.5 million
  - Housing $6.6 million
- CREATED/RETAINED 1,388 JOBS
- FINANCED 97 BUSINESSES
- CREATED/RETAINED 195 CHILD CARE SLOTS
- ADVISED 3,287 BUSINESSES/PEOPLE
- Housing Counseling 959
- Business Development Services 2,328
- CREATED/RETAINED 212 AFFORDABLE HOUSING UNITS

**CCML**

CEI CAPITAL MANAGEMENT LLC

- INVESTED $38 million
- CREATED/RETAINED 374 jobs
- FINANCED 3 businesses

**C7a**

CEI 7(a) Financing LLC

- SMALL BUSINESS LENDING COMPANY (SBLC) LICENSE ACQUIRED
- Open for business in 2015

**CVI**

CEI VENTURES, INC.

- INVESTED $829,900
- CREATED/RETAINED 713 jobs
- FINANCED 5 businesses

**CHI**

CEI HOUSING, INC.

- PROVIDED 278 affordable housing units
  - LOCATED in 17 communities in seven counties in Maine
  - SERVED 560 individuals, seniors, and families
- NUMBER OF PROJECTS 20
- PORTFOLIO VALUE $35.4 million

---

CEI CUMULATIVE IMPACT

1977-2015

- Capital Under Management/Committed: $770 million
- Businesses Financed: 2,555
- Amount Financed: $1.194 billion
- Amount Leveraged: $2.43 billion
- Businesses/People Advised: 49,786
- Full-time Jobs at Loan Closing: 33,103
- Affordable Housing Units Created/Preserved: 1,882
- Child Care Slots Created/Preserved: 5,806
Less than 30 minutes west of downtown Portland, Maine, Bruce and Nancy Stedman have been growing MOFGA certified flowers and produce at Little River Flower Farm for over 15 years. Looking to diversify and scale their production and grow year-round, the Stedmans invested in an ArchSolar integrated solar greenhouse. The project was financed with loans from CEI and CEI Investment Notes, Inc.

CEI’s understanding of the renewable energy and agricultural sectors was critical to closing the loan. The greenhouse features flexible solar panels integrated into the glazing, supplemental lighting and heat storage systems, making it economically and environmentally sustainable. These factors informed the loan process, a “first” for CEI in terms of greenhouse technology underwriting.

“One challenge of helping small farms scale production and adopt year-round agriculture is capital. CEI is filling that need, allowing farmers to increase their margins and contribute to regional food systems more predictably and with better returns,” said Tony Kieffer, Founder, ArchSolar.
Maine’s grassy, rocky pastures have supported dairy herds for centuries, contributing to a long history of dairy farming. In recent decades, however, Maine has been losing dairies at a steady pace. Since dairy is largely considered the backbone of agriculture infrastructure, the loss of dairy farming can be devastating to agriculture as a whole. Despite this challenging economic reality, bright spots dot the landscape. Bo’Lait Farm is one of them—a ray of hope to a sector in decline – illustrating the future of dairy and agriculture in our rural Northeastern state.

In launching Bo’Lait, Conor and Alexis Macdonald are bringing life back to a farm that had been out of operation since the mid-1970s. With extensive farming and animal husbandry experience, they represent the next generation of organic dairy farmers building viable, profitable farm businesses, and continually striving to adopt best herd health and pasture management practices. Certified as an organic dairy by Maine Organic Farmers and Gardeners Association (MOFGA), Bo’Lait sells milk to Organic Valley, the leading source of organic milk in the nation.

“CEI worked with us through the loan process, developing everything that goes into that. There were a lot of roadblocks, but they stuck with us the entire time - we didn’t quit, and they didn’t quit either. People stop by and they love seeing the cows out in the pasture, and they love seeing us milk the cows. There used to be four or five dairy farms here 30 years ago, and until we got here, there were no dairy farms, so it’s something that’s vanishing in the landscape in Maine. People are excited to see it coming back.”

CONOR MACDONALD
Co-owner, Bo’Lait Farm
To reach Lāna‘i, Hawaii’s smallest publicly-accessible inhabited island, there are two options: a $200 roundtrip flight from Honolulu or a $60 ferry ride from Maui. For the 44% of the island’s population that live at or below 200% of the Federal Poverty Level, the only option for affordable on-island health care is the Lāna‘i Community Health Center (LCHC). LCHC previously operated out of a converted three-bedroom home, unable to provide adequate healthcare to the remote island community. Missing services included obstetrics, mammography, psychiatry, inpatient substance abuse treatment, and oral health care. Typically, babies were born in Honolulu or Maui, and mothers-to-be relocated pre-term to avoid endangering themselves or their babies.

In order to improve access in this remote rural community, CEI Capital Management LLC (CCML) utilized the New Markets Tax Credit (NMTC) program to attract private capital to the project, constructing a 6,800 square foot health care facility built to LEED standards. The facility nearly doubles LCHC’s patient capacity, accommodating 856 additional patients annually. It includes nine exam rooms, dental x-ray machinery, two dental operatories, lab facilities, conference and administrative offices and a community activity room.

NEW MARKET TAX CREDIT INVESTMENT: $8 million

COMMUNITY BENEFIT: $80,000 to support an internship program

CEI TEAM: CEI Capital Management LLC

PARTNERS: U.S. Bancorp Community Development Corporation, Pacific Growth Associates

“CEI’s show of faith in our organization and our project was tremendous. This was a complicated project and it would have been easy to walk away, but CEI stayed involved, listened to the truth, and proceeded with our project. Mahalo nui loa, Maraming Salamat. We are forever grateful for CEI’s efforts and belief.”

DIANE V. SHAW, PhD, MBA, MPH, FACMPE
Executive Director, Lāna‘i Community Health Center

Lāna‘i Community Health Center, LĀNA‘I, HAWAII
By all measures Maine’s lobstering industry is an economic powerhouse, providing thousands of jobs and adding more than $1 billion annually to the state’s economy. This bright picture, however, belies two startling statistics: a very small percentage of Maine’s 3,500 mile coastline provides commercial access to fishermen and nearly half the licensed lobstermen are over the age of 50. Transitioning this industry to the younger generation, while preserving working waterfront access, is crucial to the future of Maine’s economy.

Purchased in 1978, Millers’ Wharf in Tenants Harbor serves as home base for a lobstering business operated by the four Miller brothers and their extended families.

Over twelve years, CEI worked closely with the Millers, providing a loan in partnership with Key Bank to expand the wharf and dredge so that bait and catch can be off-loaded regardless of the tide. With CEI financing, the Millers added four hoists, increasing efficiency and the number of boats they could serve.

CEI also helped the Millers secure the property through the Working Waterfront Access Protection Program, ensuring access not only for future generations of Miller fishermen, but to other Tenants Harbor fishermen as well.
Global water resources are under pressure due to dramatic increases in demand and climate change. The World Bank notes that about 700 million people lack access to safe drinking water. That number is expected to rise as water scarcity and sanitation issues plague developing countries.

NativeEnergy develops, structures, and finances impact projects providing investment opportunities that further the sustainability and business goals of its corporate partners. The company’s water filter distribution projects in Kenya, Ghana, Ethiopia, India, and Honduras help prevent waterborne illness, a leading cause of death for young children. Families in these countries have to make a daily choice: use polluting woodstoves, fueled by scarce and expensive charcoal or wood to purify their water, or risk serious disease. NativeEnergy brings private-sector funding to solutions that reduce greenhouse gases and give families sustainable, healthy alternatives. With help from CEI’s Sustainable Agriculture and Food Systems program, NativeEnergy got a CEI loan that positioned them for a $250,000 investment from CEI Ventures to expand project origination and development capabilities.

NativeEnergy BURLINGTON, VERMONT

“CEI is an ideal partner for NativeEnergy. Their long-term view on sustainability and understanding of the impact investing space provides value to our evolving Corporate Impact Investment practice. We look to them not only as a board member but also a business partner.”

JEFF BERNICKE
CEO and President
Native Energy

CEI VENTURES INVESTMENT:
$250,000 for working capital and expansion

CEI TEAMS:
CEI Ventures, Inc., Sustainable Agriculture and Food Systems Program

PARTNERS:
FreshTracks Capital and Village Ventures
ARWO Learning Center  PORTLAND, MAINE

At ARWO Learning Center, located in Portland, Maine, you find faces of the future: ARWO’s young charges, and its founder, Naima Abdirhmon, who immigrated here from Somalia. Naima’s mother, a successful business owner, was one of StartSmart’s first clients. Naima attended Portland public schools and then earned a Doctorate of Pharmacy Degree from University of New England. While volunteering at Deering High School, she decided she also wanted to educate young people and help them succeed. And with that, ARWO Learning Center was born.

ARWO opened in April 2015 on Forest Avenue, a hub for immigrant and refugee businesses in the city. In just under a year, the center has grown to an enrollment of 47 children. ARWO means “prosperous” in Somali—the center’s wish for every child in its care. Naima worked closely with CEI’s StartSmart business development program for immigrants and refugees and the Portland Jobs Alliance to identify, train, and hire six staff members, including five new Mainers.

“It has been a blessing to have a CEI StartSmart business counselor on my team. My business counselor and mentor Tae Chong has been my biggest cheerleader — he is insightful, experienced, and always has my company’s best interests at heart.”

NAIMA ABDIRHMON
Owner, ARWO Learning Center, LLC

CEI FINANCING:
$35,000 working capital loan

CEI TEAMS:
StartSmart, Workforce Solutions, Lending and Investing

PARTNERS:
Portland Jobs Alliance

WEBSITE:
arwochildcare.com
Artesan, hand-painted yarn is a premier product for knitters, highly coveted for its unique attributes and character. Paula and Stephen Farrar of Charlotte, Maine, a small town in rural Washington County, capitalized on the market demand for this niche product to build a successful business. Former organic sheep farmers, the Farrars purchase almost all of their wool from small domestic farms in the area. With help from CEI’s Women’s Business Center (WBC), the Farrars built their fledgling home business from the ground up, starting in their basement in 2011. Four years later, Paula and Stephen were recognized as the New England and Maine SBA 2015 Home-Based Business Champions of the Year and subsequently moved Done Roving into a 5,000 square-foot state-of-the-art manufacturing facility.

“With a strategic plan, diligence, and creativity, the Farrars methodically grew their business, taking on sales representatives from competitors who had closed and innovating with new products,” says WBC Business Counselor Ruth Cash-Smith.

“Running any business is challenging. Running a business with your spouse can be even more so. Ruth [Cash-Smith] helped us build on our individual strengths and kept us focused on our plan and growth strategy. She understood the nature of our business as well as our challenges and opportunities.”

PAULA FARRAR
Owner, Done Roving
The remarkable resurgence of craft breweries over the past decade sparked founder Joel Alex’s dream of using local grains in the crafting process. With financing from CEI and CEI Investment Notes, Inc., and support from numerous individuals and organizations in Maine and beyond, Blue Ox Malthouse is poised to become the premier supplier of conventional and organic malt from Maine-grown grains.

The company connects the 5,000 acres (equivalent to 14 million lbs. or 7,000 tons) of malting barley grown in Maine to the $35 million in-state market opportunity of Maine-based breweries. Blue Ox Malthouse also provides an ancillary benefit to Maine’s agriculture sector by creating a market and increased opportunity to supply more crops to local retailers. In addition to financing 40 percent of the debit capital for Blue Ox Malthouse’s equipment costs and line of credit, CEI’s Business Development Services and Sustainable Agriculture and Food Systems program advised Joel throughout the earliest stages of this compelling business startup.
CEI STAFF

ADMINISTRATION and GENERAL MANAGEMENT
Officers
Ronald L. Phillips, President & CEO
Corenna Howard, COO
David Wedick, CFO

Accounting
Crystal Burnham, Senior Staff Accountant
Debra J. Gibb, Director of Accounting
David A. Pease, Housing Staff Accountant
Beth L. Raburn, Accounting Administrator
Jessica D. Stover, Accounting Administrator
Izabela Werner, Staff Accountant

Data Management
Kevin Smith, Data Analyst

Human Resources
Sarah Brown, HR Generalist
Colleen Ippolito, Director of HR

Office
Keith Burrell, Office Coordinator
Michelle Smith, Special Projects Coordinator

Policy, Research and Corporate Development
Keith R. Bisson, SVP,
Program Management & Development
Laura Buxbaum, SVP,
Public Policy & Resource Development
Carla B. Dickstein, SVP,
Research & Policy Development
Elizabeth Rogers, SVP,
Marketing & Communications

Information Technology
Jesse Cole, Director
Eric Cordeiro, Systems Administrator
Jeremy Johnson, Systems Administrator

BUSINESS DEVELOPMENT SERVICES
Jennifer L. Sporzyński,
Senior Program Director

Maine Small Business Development Center
Betty J. Egner, Certified Business Advisor
Thomas L. Gallant, Bangor Center Director,
Certified Business Advisor
David R. Hill, Center Director,
Certified Business Advisor
J. Ann McAlhany, Certified Business Advisor
Janet M. Roderick, Certified Business Advisor
W. Bradshaw Swanson, Maine Master
Certified Business Advisor

StartSmart
Tae Chong, Certified Business Advisor
Jill M. Lorom, IDA Project Coordinator
John E. Scribner, Director,
Business Advisor

Women’s Business Center
Ruth Cash-Smith, Certified Business Advisor
Betty J. Genzol, Program Director,
Certified Business Advisor
Kate Curran, Training & Outreach Coordinator
Sarah Guerette, Program Director,
Certified Business Advisor

LENDING & INVESTING
Thomas P. Burnham, Director,
Loan Quality & Compliance
Michelle L. Chartier, Loan Services Administrator
John Egan, SVP, Lending & Investing
Mark A. Jennings, Loan & Investment Officer
Sarah Matel, Chief Credit Officer
Cole Palmer, Loan & Investment Officer
Bethany A. Richards,
Loan Group Administrator

Tyrell A. Russell,
Loan Services Administrator
Arthur M. Stevens III,
Loan & Investment Officer

HOUSING COUNSELING & EDUCATION
Margaret J. Grant, Administrative Assistant
Linda E. LaJoie, Housing Counselor
Mechelle I. Nash, Housing Counselor
Jason W. Thomas, Director

HOUSING & PROPERTY MANAGEMENT
Chris Kelley, Construction Analyst

NATURAL RESOURCES & SUSTAINABLE COMMUNITIES
Sustainable Agriculture & Food Systems
Gray Harris, Director

Sustainable Fisheries & Aquaculture
Richard D. Clime, Project Developer,
Working Waterfront
Hugh S. Cowperthwaite,
Director, Fisheries Project

WORKFORCE SOLUTIONS
Christa S. Baade, Program Developer,
Working Waterfront

SUBSIDIARIES AND AFFILIATES
CEI Capital Management LLC
Tad S. Atwell, Executive Vice President,
Lending & Investments

CEI Community Ventures, Inc.
Nathaniel V. Henshaw, Manager

CEI Investment Notes, Inc.
Elizabeth Rogers, Managing Director

CEI Ventures, Inc.
Thao H. Duong, Fund Administrator
Nathaniel V. Henshaw, President
Chandler Jones, Principal

CEI 7(a) Financing LLC
Mary Chils-Mayer, SVP,
Origination & Relationship Manager

Charles J. Spies III, President
Colette Twigg-Rosse, SVP,
Portfolio & Credit Manager
F. Robert Wilson, CEO

Thomas J. Dolan, COO
Jane Elvidge, Staff Accountant
Didier P. Hakizimana,
Senior Accounting Manager
David A. Hays, CFO
Jackie Lynds, Treasury and Loan Servicing Manager
D. Jesse McKinnell,
Revenue & Fund Development Officer
Charles J. Spies III, CEO
Leah B. Thibault,
Director, Executive Administration & Special Projects
Marilyn H. Thomas,
Senior Asset & Relationship Manager
Traci R. Vaine, Chief Compliance Officer
Ruth E. Vinal, Accounting & Cash Manager
Niels Zellers,
Revenue & Fund Development Officer

CEI Community Ventures, Inc.
Nathaniel V. Henshaw, Manager

CEI Investment Notes, Inc.
Elizabeth Rogers, Managing Director

CEI Ventures, Inc.
Thao H. Duong, Fund Administrator
Nathaniel V. Henshaw, President
Chandler Jones, Principal

CEI 7(a) Financing LLC
Mary Chils-Mayer, SVP,
Origination & Relationship Manager

Charles J. Spies III, President
Colette Twigg-Rosse, SVP,
Portfolio & Credit Manager
F. Robert Wilson, CEO

Thomas J. Dolan, COO
Jane Elvidge, Staff Accountant
Didier P. Hakizimana,
Senior Accounting Manager
David A. Hays, CFO
Jackie Lynds, Treasury and Loan Servicing Manager
D. Jesse McKinnell,
Revenue & Fund Development Officer
Charles J. Spies III, CEO
Leah B. Thibault,
Director, Executive Administration & Special Projects
Marilyn H. Thomas,
Senior Asset & Relationship Manager
Traci R. Vaine, Chief Compliance Officer
Ruth E. Vinal, Accounting & Cash Manager
Niels Zellers,
Revenue & Fund Development Officer

CEI Community Ventures, Inc.
Nathaniel V. Henshaw, Manager

CEI Investment Notes, Inc.
Elizabeth Rogers, Managing Director

CEI Ventures, Inc.
Thao H. Duong, Fund Administrator
Nathaniel V. Henshaw, President
Chandler Jones, Principal

CEI 7(a) Financing LLC
Mary Chils-Mayer, SVP,
Origination & Relationship Manager

Charles J. Spies III, President
Colette Twigg-Rosse, SVP,
Portfolio & Credit Manager
F. Robert Wilson, CEO

Thomas J. Dolan, COO
Jane Elvidge, Staff Accountant
Didier P. Hakizimana,
Senior Accounting Manager
David A. Hays, CFO
Jackie Lynds, Treasury and Loan Servicing Manager
D. Jesse McKinnell,
Revenue & Fund Development Officer
Charles J. Spies III, CEO
Leah B. Thibault,
Director, Executive Administration & Special Projects
Marilyn H. Thomas,
Senior Asset & Relationship Manager
Traci R. Vaine, Chief Compliance Officer
Ruth E. Vinal, Accounting & Cash Manager
Niels Zellers,
Revenue & Fund Development Officer

CEI Community Ventures, Inc.
Nathaniel V. Henshaw, Manager

CEI Investment Notes, Inc.
Elizabeth Rogers, Managing Director

CEI Ventures, Inc.
Thao H. Duong, Fund Administrator
Nathaniel V. Henshaw, President
Chandler Jones, Principal

CEI 7(a) Financing LLC
Mary Chils-Mayer, SVP,
Origination & Relationship Manager

Charles J. Spies III, President
Colette Twigg-Rosse, SVP,
Portfolio & Credit Manager
F. Robert Wilson, CEO

Thomas J. Dolan, COO
Jane Elvidge, Staff Accountant
Didier P. Hakizimana,
Senior Accounting Manager
David A. Hays, CFO
Jackie Lynds, Treasury and Loan Servicing Manager
D. Jesse McKinnell,
Revenue & Fund Development Officer
Charles J. Spies III, CEO
Leah B. Thibault,
Director, Executive Administration & Special Projects
Marilyn H. Thomas,
Senior Asset & Relationship Manager
Traci R. Vaine, Chief Compliance Officer
Ruth E. Vinal, Accounting & Cash Manager
Niels Zellers,
Revenue & Fund Development Officer

CEI Community Ventures, Inc.
Nathaniel V. Henshaw, Manager

CEI Investment Notes, Inc.
Elizabeth Rogers, Managing Director

CEI Ventures, Inc.
Thao H. Duong, Fund Administrator
Nathaniel V. Henshaw, President
Chandler Jones, Principal

CEI 7(a) Financing LLC
Mary Chils-Mayer, SVP,
Origination & Relationship Manager

Charles J. Spies III, President
Colette Twigg-Rosse, SVP,
Portfolio & Credit Manager
F. Robert Wilson, CEO
CEI Board of Directors
David L. Bennell, Freeport, ME
VALUE CHAIN ADVISORS
Betsy Biemann, Brunswick, ME (Vice Chair)
Harvard University
Elin Cooperider, Edgecomb, ME
Community Housing of Maine, Inc.
Glenn Cummings, Portland, ME
University of Southern Maine
Laura C. Foye, Cape Elizabeth, ME
TD Bank
Karina A. Gregory, Biddeford, ME
Furman Gregory Depta
Susan Hammond, Bangor, ME
Four Directions Development Corp.
Dwight G. Havey, Falmouth, ME
University of Chicago
Mano en Mano
Ian Yaffe, Ellsworth, ME
David Vail, Brunswick, ME
Ellen Seidman, Washington, DC (Chair)
Cordelia T. Pitman, R.A., LEED AP, Portland, ME
Peter R. Pitegoff, Yarmouth, ME
Ronald L. Phillips, Waldo, ME
Chip Newell, Portland, ME
John A. Moore, Orono, ME
Kevin Lewis, Winthrop, ME
Scott Kenney, Gray, ME
Farn Credit East
Kevin Lewis, Winthrop, ME
Community Health Options
John A. Moore, Orono, ME
Bangor Savings Bank
Chip Newell, Portland, ME
New Height Group
Ronald L. Phillips, Waldo, ME
CEI
Peter R. Pitgoff, Yarmouth, ME
University of Maine School of Law
Cordelia T. Pitman, R.A., LEED AP, Portland, ME
Wright-Ryan Construction, Inc.
Ellen Seidman, Washington, DC (Chair)
Urban Institute
David Vail, Brunswick, ME
Bowdoin College Emeritus
Christa Velasquez, Chicago, IL
University of Chicago
Ian Yaffe, Ellsworth, ME
Mano en Mano
Michael E. High, Portland, ME
DrummondWoodsum

CEI National Target Market
Advisory Board of Directors
Suzanne Anarde, Fowler, CO
Rural LISC
Cathy Dolan, Philadelphia, PA
Opportunity Finance Network
Jim Ferris, Silver Springs, MD
NeighborWorks Capital
Susan Hammond, Orono, ME
Four Directions Development Corporation
Moises Loza, Washington, DC
Housing Assistance Council
Hubert Van Tol, Rochester, NY
PathStone
Kenneth A. Willis, Boston, MA
Federal Home Loan Bank of Boston

CEI Capital Management LLC
Board of Directors
Robert A. Burgess, Portland, ME
Bangor Savings Bank
Elaine DiPietro, Columbia, MD
Enterprise Community Investment, Inc.
Laura C. Foye, Cape Elizabeth, ME
TD Bank
Lisa C. Hook, Portland, ME
People’s United Bank
Corenna Howard, Hallowell, ME
CEI
Marten R. Jenkins, Shepherdstown, WV
Natural Capital Investment Fund, Inc.
Erin M. Piper, Portland, ME (Chair)
Maine Public Employee Retirement System
Carlton N. Owen, Greenville, SC
US. Endowment for Forestry and Communities
Ronald L. Phillips, Waldo, ME
CEI
Matthew Polstein, Millinocket, ME
New England Outdoor Center
Christopher Sikes, Holyoke, MA
Common Capital, Inc.
David Wedick, South Portland, ME
CEI

CEI Investment Notes, Inc.
Board of Directors
David L. Bennell, Freeport, ME
Value Chain Advisors
John Egan, Freeport, ME
CEI
Ellen Golden, Woolwich, ME
CEI Investment Notes, Inc.
Corenna Howard, Hallowell, ME
CEI
Chip Newell, Portland, ME
The NewHeight Group
Ronald L. Phillips, Waldo, ME
CEI
Kenneth Sperer, Portland, ME
David Wedick, South Portland, ME
CEI

CEI Investment Notes, Inc.
Advisory Board
Maria Arabatzis, Boston, MA
Fresh Pond Capital
Betsy Biemann, Brunswick, ME
Harvard University
Joel D. Davis, Hallowell, ME
Cribstone Capital Management
Nicole Dolan, Portsmouth, NH
Veris Wealth Partners LLC
Randall P. Rice, Boston, MA
Trillium Asset Management
Michael S. Levine, Brooklyn, NY
Local Initiatives Support Corporation
Jennifer Novak, Minneapolis, MN
Community Reinvestment Fund, USA
Sheila T. Saxton, Bethesda, MD
Calvert Foundation
Scott Spurte, Oakland, CA
NCB Capital Impact
Hubert Van Tol, Rochester, NY
PathStone Enterprise Center

CEI Community Ventures, Inc.
Board of Directors
Timothy P. Agnew, Yarmouth, ME
Masthead Venture Partners
John F. Burns, East Blue Hill, ME
Maine Venture Fund
Nathaniel V. Henshaw, Brunswick, ME
CEI Ventures, Inc.
Ronald L. Phillips, Waldo, ME
CEI

CEI Ventures, Inc.
Advisory Board
Art Casavant, Bridgeport, CT
People’s United Bank
John C. Everett IV, Cape Elizabeth, ME
KeyBank N.A.
Deborah Jordan, Camden, ME
Camden National Bank
Carl Kopfinger, Philadelphia, PA
TD Bank
Bruce G. Nickerson, CPA, Bangor, ME
Bangor Savings Bank

CEI 7(a) Financing LLC
Board of Directors
Kevin Boes, Chicago, IL (Chair)
LISC, New Markets Support Company
Heidi DeArment, Missoula MT
Montana Community Development Corporation
Pender J. Lazenby, Falmouth, ME
KeyBank N.A.
Sarah Matel, Bristol, ME
CEI
Sarah Matel, Bristol, ME
CEI
Anna Teff, Winston-Salem, NC
Natural Capital Investment Fund, Inc.
David Wedick, South Portland, ME
CEI
D. Robinson Snow, Cumberland Center, ME
Concord Trust Company
Alan Spear, Portland, ME
Coffee By Design

CEI Ventures, Inc.
Board of Directors
Elizabeth R. Butler, Brunswick, ME
Butler Law Offices LLC
Frank Governalia, Cape Elizabeth, ME
Karina A. Gregory, Biddeford, ME (Chair)
Furman Gregory Depta
Corenna Howard, Hallowell, ME
CEI
Carlos Mello, Augusta, ME
Finance Authority of Maine
Ronald L. Phillips, Waldo, ME
CEI
Dean Plaisted, Kennebunk, ME
E. Stephen Ward, Damariscotta, ME
The First, N.A.
David Wedick, South Portland, ME
CEI

CEI Ventures, Inc. Advisory Board
Art Casavant, Bridgeport, CT
People’s United Bank
John C. Everett IV, Cape Elizabeth, ME
KeyBank N.A.
Deborah Jordan, Camden, ME
Camden National Bank
Carl Kopfinger, Philadelphia, PA
TD Bank
Bruce G. Nickerson, CPA, Bangor, ME
Bangor Savings Bank

CEI Ventures, Inc. Advisory Board
Art Casavant, Bridgeport, CT
People’s United Bank
John C. Everett IV, Cape Elizabeth, ME
KeyBank N.A.
Deborah Jordan, Camden, ME
Camden National Bank
Carl Kopfinger, Philadelphia, PA
TD Bank
Bruce G. Nickerson, CPA, Bangor, ME
Bangor Savings Bank

CEI 7(a) Financing LLC
Board of Directors
Kevin Boes, Chicago, IL (Chair)
LISC, New Markets Support Company
Heidi DeArment, Missoula MT
Montana Community Development Corporation
Pender J. Lazenby, Falmouth, ME
KeyBank N.A.
Sarah Matel, Bristol, ME
CEI
Sarah Matel, Bristol, ME
CEI
Anna Teff, Winston-Salem, NC
Natural Capital Investment Fund, Inc.
David Wedick, South Portland, ME
CEI
D. Robinson Snow, Cumberland Center, ME
Concord Trust Company
Alan Spear, Portland, ME
Coffee By Design

CEI Ventures, Inc.
Board of Directors
Elizabeth R. Butler, Brunswick, ME
Butler Law Offices LLC
Frank Governalia, Cape Elizabeth, ME
Karina A. Gregory, Biddeford, ME (Chair)
Furman Gregory Depta
Corenna Howard, Hallowell, ME
CEI
Carlos Mello, Augusta, ME
Finance Authority of Maine
Ronald L. Phillips, Waldo, ME
CEI
Dean Plaisted, Kennebunk, ME
E. Stephen Ward, Damariscotta, ME
The First, N.A.
David Wedick, South Portland, ME
CEI

CEI Ventures, Inc.
Advisory Board
Art Casavant, Bridgeport, CT
People’s United Bank
John C. Everett IV, Cape Elizabeth, ME
KeyBank N.A.
Deborah Jordan, Camden, ME
Camden National Bank
Carl Kopfinger, Philadelphia, PA
TD Bank
Bruce G. Nickerson, CPA, Bangor, ME
Bangor Savings Bank

CEI 7(a) Financing LLC
Board of Directors
Kevin Boes, Chicago, IL (Chair)
LISC, New Markets Support Company
Heidi DeArment, Missoula MT
Montana Community Development Corporation
Pender J. Lazenby, Falmouth, ME
KeyBank N.A.
Sarah Matel, Bristol, ME
CEI
Sarah Matel, Bristol, ME
CEI
Anna Teff, Winston-Salem, NC
Natural Capital Investment Fund, Inc.
David Wedick, South Portland, ME
CEI
D. Robinson Snow, Cumberland Center, ME
Concord Trust Company
Alan Spear, Portland, ME
Coffee By Design

CEI Ventures, Inc.
Board of Directors
Elizabeth R. Butler, Brunswick, ME
Butler Law Offices LLC
Frank Governalia, Cape Elizabeth, ME
Karina A. Gregory, Biddeford, ME (Chair)
Furman Gregory Depta
Corenna Howard, Hallowell, ME
CEI
Carlos Mello, Augusta, ME
Finance Authority of Maine
Ronald L. Phillips, Waldo, ME
CEI
Dean Plaisted, Kennebunk, ME
E. Stephen Ward, Damariscotta, ME
The First, N.A.
David Wedick, South Portland, ME
CEI

CEI Ventures, Inc.
Advisory Board
Art Casavant, Bridgeport, CT
People’s United Bank
John C. Everett IV, Cape Elizabeth, ME
KeyBank N.A.
Deborah Jordan, Camden, ME
Camden National Bank
Carl Kopfinger, Philadelphia, PA
TD Bank
Bruce G. Nickerson, CPA, Bangor, ME
Bangor Savings Bank

CEI 7(a) Financing LLC
Board of Directors
Kevin Boes, Chicago, IL (Chair)
LISC, New Markets Support Company
Heidi DeArment, Missoula MT
Montana Community Development Corporation
Pender J. Lazenby, Falmouth, ME
KeyBank N.A.
Sarah Matel, Bristol, ME
CEI
Sarah Matel, Bristol, ME
CEI
Anna Teff, Winston-Salem, NC
Natural Capital Investment Fund, Inc.
David Wedick, South Portland, ME
CEI
D. Robinson Snow, Cumberland Center, ME
Concord Trust Company
Alan Spear, Portland, ME
Coffee By Design
## ASSETS

### Current Assets
- Cash and cash equivalents: $25,185,746 ($22,904,315)
- Accounts receivable, net of allowance: 3,951,011 (3,583,349)
- Interest receivable: 718,928 (679,066)
- Notes receivable, current portion: 5,527,840 (3,143,532)
- Grants receivable: 624,317 (646,755)
- Prepaid expenses: 272,275 (208,093)

**Total Current Assets**: 36,280,117 (31,165,110)

### Land, Property and Equipment, Net
- 21,147,522 (15,694,224)

### Other Assets
- Notes receivable, net of current portion and net of loan loss reserve: 27,904,965 (28,688,609)
- Restricted cash: 8,602,397 (10,484,762)
- Due from affiliates: 149,058 (326,371)
- Investments: 24,494,547 (20,182,646)
- Security deposits: 74,850 (57,150)
- Deferred tax asset: 8,902 (9,261)
- Intangible asset (SBLC license): 1,000,000

**Total Other Assets**: 62,234,719 (59,748,799)

**TOTAL ASSETS**: $119,662,358 ($106,608,133)

## LIABILITIES AND NET ASSETS

### Current Liabilities
- Accounts payable: $1,323,776 ($259,059)
- Accrued expenses: 1,467,493 (1,110,395)
- Long-term debt, current portion: 16,114,236 (12,523,171)
- Line of credit: 1,035,219 (1,035,219)
- Deferred fee income: 2,807,561 (2,761,657)
- Unapplied grant funds: 2,216,748 (2,016,463)

**Total Current Liabilities**: 24,965,033 (19,705,964)

### Other Liabilities
- Security deposits: 65,862 (60,074)
- Subordinated debt: 3,216,000 (3,315,963)
- Long-term debt - net of current portion: 48,504,954 (40,653,280)

**Total Other Liabilities**: 51,786,816 (44,029,317)

**Total Liabilities**: 76,751,849 (63,735,281)

### Net Assets
- Unrestricted net assets, controlling interests’ portion: 31,847,139 (29,905,889)
- Temporarily restricted net assets: 2,707,792 (3,781,738)
- Permanently restricted net assets: 2,956,187 (2,956,187)

**Subtotal - net assets of controlling interests**: 37,511,118 (36,643,814)

- Unrestricted net assets, non-controlling partners’ capital: 5,399,391 (6,229,038)

**Total Net Assets**: 42,910,509 (42,872,852)

**TOTAL LIABILITIES AND NET ASSETS**: $119,662,358 ($106,608,133)
## Consolidated Statements of Activities
September 30, 2015 (with comparative totals as of September 30, 2014)

### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividend income</td>
<td>$2,171,312</td>
<td>$1,832,935</td>
</tr>
<tr>
<td>Federal and state sources</td>
<td>2,839,517</td>
<td>2,575,955</td>
</tr>
<tr>
<td>Private/public sources</td>
<td>2,803,914</td>
<td>1,526,342</td>
</tr>
<tr>
<td>Rental income</td>
<td>1,307,259</td>
<td>1,265,448</td>
</tr>
<tr>
<td>In-kind income</td>
<td>173,284</td>
<td>41,157</td>
</tr>
<tr>
<td>Fee income</td>
<td>6,843,701</td>
<td>8,440,835</td>
</tr>
<tr>
<td>Other revenue</td>
<td>361,761</td>
<td>518,256</td>
</tr>
<tr>
<td>Forgiveness of debt</td>
<td>266,868</td>
<td>266,868</td>
</tr>
<tr>
<td>Realized gain on investments</td>
<td>871,031</td>
<td>8,358,348</td>
</tr>
<tr>
<td>Net change in unrealized appreciation</td>
<td>115,848</td>
<td>(4,246,018)</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>17,754,495</strong></td>
<td><strong>20,580,126</strong></td>
</tr>
</tbody>
</table>

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and fringe benefits</td>
<td>8,568,310</td>
<td>8,720,383</td>
</tr>
<tr>
<td>Consultants and contract services</td>
<td>1,493,171</td>
<td>1,373,133</td>
</tr>
<tr>
<td>Provision for loan losses</td>
<td>1,213,849</td>
<td>1,056,822</td>
</tr>
<tr>
<td>Provision for bad debts - net</td>
<td>(153)</td>
<td>(17,901)</td>
</tr>
<tr>
<td>Interest expense</td>
<td>1,689,342</td>
<td>1,434,077</td>
</tr>
<tr>
<td>In-kind service expense</td>
<td>143,237</td>
<td>91,793</td>
</tr>
<tr>
<td>Grants to third parties</td>
<td>131,752</td>
<td>14,474</td>
</tr>
<tr>
<td>Depreciation and amortization expense</td>
<td>502,111</td>
<td>457,927</td>
</tr>
<tr>
<td>Travel</td>
<td>277,071</td>
<td>288,577</td>
</tr>
<tr>
<td>Office expense</td>
<td>358,644</td>
<td>365,558</td>
</tr>
<tr>
<td>Occupancy</td>
<td>567,295</td>
<td>663,925</td>
</tr>
<tr>
<td>Communication expense</td>
<td>245,728</td>
<td>214,698</td>
</tr>
<tr>
<td>Staff and Board development</td>
<td>133,598</td>
<td>135,256</td>
</tr>
<tr>
<td>Advertising and promotion</td>
<td>144,378</td>
<td>163,557</td>
</tr>
<tr>
<td>Insurance</td>
<td>480,981</td>
<td>454,002</td>
</tr>
<tr>
<td>Property taxes</td>
<td>175,285</td>
<td>161,780</td>
</tr>
<tr>
<td>Operating and maintenance expense</td>
<td>468,529</td>
<td>477,279</td>
</tr>
<tr>
<td>Organizational costs</td>
<td>98,928</td>
<td>254,488</td>
</tr>
<tr>
<td>Income taxes</td>
<td>831</td>
<td>(1,636)</td>
</tr>
<tr>
<td>Miscellaneous expense</td>
<td>141,237</td>
<td>166,085</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td><strong>16,834,164</strong></td>
<td><strong>16,474,277</strong></td>
</tr>
</tbody>
</table>

Increase (Decrease) in Net Assets Before Activities of Noncontrolling Interests: 920,331, 4,105,849

Activities of Noncontrolling Interests:
- Noncontrolling interests in Subsidiaries’ earnings: (53,027), 2,254,295
- Increase (Decrease) in Net Assets, Controlling Interests: 867,304, 1,851,554
- Net Assets Beginning of Year (Restated): 42,872,852, 45,091,416
- Noncontrolling Partners’ Net Capital Distribution: (882,674), (6,324,413)
- Activities of Noncontrolling Interests:
  - Noncontrolling interests in Subsidiaries’ earnings: 53,027, 2,254,295

Net Assets End of Year: $42,910,509, $42,872,852
Coastal Enterprises, Inc. (CEI) is a mission-driven lender and investor specializing in rural economic development in Maine and throughout the U.S. CEI combines financing, advising services and policy leadership to help create economically and environmentally healthy communities in which all people, especially those with low incomes, can reach their full potential.

The board and staff of CEI value diversity in all aspects of program participation and employment. CEI is an equal opportunity lender, provider and employer.