celebrating the big impact of small business success
IN 2016

$9.3 million disbursed to 217 borrowers

11 jobs per loan

$3.9 million raised in new capital

$22.7 million in total assets

In 2016, CEF loaned $9,256,147 to 217 small businesses in Colorado. Loan amounts ranged from $1,700 to $345,000.

BUSINESS TYPE

Existing 68
Start-up 149

SECTORS SERVED

8% Services (general)
26% Wholesale, Retail Trade
17% Arts, Entertainment, Restaurants
17% Manufacturing
12% Professional Services
14% Construction
8% Education, Health Services
6% Other

USE OF LOAN FUNDS

83% Working Capital
13% Equipment
2% Supplies
1% Inventory
1% Other

LOANS BY AMOUNT

$1,000–25,000 51
$25,001–50,000 66
$50,001–100,000 14
$100,001–500,000 1

ACTIVE BORROWERS IN 2016

DENVER METRO AREA 460
NORTHERN COLORADO 173
SOUTHERN COLORADO 34
OTHER COLORADO 47

In 2016, CEF loaned $9,256,147 to 217 small businesses in Colorado. Loan amounts ranged from $1,700 to $345,000.
This year marks the 40th anniversary of Colorado Enterprise Fund (CEF) which we kicked off when Governor Hickenlooper proclaimed October 15, 2015, as Colorado Enterprise Fund Day.

From our program launch at Union Station in 1976 to our growth as a nationally-recognized nonprofit lender with over $56 million loaned to date, CEF has achieved major milestones in the past four decades. Our evolution is chronicled on our anniversary page here: http://www.coloradoenterprisefund.org/cef-40th-celebrating-40-years/

CEF achieved record levels for loans produced in the fiscal year ending September 30, 2016, but the 3-year gains compared to FY2013 are even more dramatic:

- The number of new loans closed increased 46% from 149 to 217.
- In annual dollars, total loans increased 109% from $4.4 to $9.3 million.
- The average loan amount increased 45% from $29,500 to $42,700.
- Total portfolio balance grew 117% from $7.5 million to $16.2 million.
- We managed 51% more loans, from 365 in FY2013 to 550 in FY2016.
- Our loans to minority-owned businesses increased 111%; loans to low-income entrepreneurs increased 72%; loans to women-owned businesses grew by 36% and accounted for half of all loans closed.
- The economic impact of all these loans was seen in how many jobs were retained and created by our borrowers — up 36%!
- We became more visible with expanded staff capacity in Denver and beyond, increasing employees by 53% to a total of 21 FTEs.
- We won the 2015 Community/Rural Lender of the Year Award from the U.S. Small Business Administration Colorado District Office.

There’s still more to do as we look ahead to the next 40 years serving small businesses in Colorado. For the immediate future, we plan to:

- Expand our support of culturally and economically diverse communities through targeted lending and technical assistance.
- Continue our campaign of borrower success stories and how they contribute to the prosperity of communities across Colorado.
- Finance more small businesses in under-resourced areas of our state where there is great economic need and food deserts are numerous.

Together with the continued support of our many partners across the state and beyond — financial institutions, foundations, government agencies, and nonprofits — we are creating big opportunities for small business every day.

Thank you!

Tom Hollinshead
Board Chair

Cecilia (Ceyl) Prinster
President and CEO
Small is good when it comes to boutiques. Think hands-on customer service, a unique and ever-changing selection of stylish merchandise, great ambience, and fewer crowds. These are many of the reasons why Allison Orr, owner and manager of Dragonfly Apparel located in the historic Highlands district of northwest Denver, loves her job. Employed at Dragonfly Apparel as its manager since 2011, Allison started talking with the store’s owners in 2012 about buying the business. Her bosses had relocated to California and were looking for someone to take it over. Allison knew the store’s main street location, loyal customer base, and surrounding historic neighborhood boded well for future growth. The challenge was financing this business purchase. “We didn’t have enough equity and were frustrated in terms of funding,” her husband, Casey, remarked. “We were looking for a mid-sized loan and were pushed around from loan officer to loan officer.” Eventually Allison and Casey contacted Biz2Credit, an online loan service, which referred them to Colorado Enterprise Fund (CEF) where they qualified for an SBA Community Advantage loan in 2015. “The process was streamlined and we were really happy with the experience,” remembers Casey.

“We found a great community of support and a team to help us make the right decisions to grow and succeed.”
— ALLISON ORR
OWNER, DRAGONFLY APPAREL

With their CEF loan in hand, Allison and Casey set forth to grow their business. “We increased [staff] hours and hired another person for the weekends when we’re busier,” Allison confirmed. “We also expanded our product lines and gift inventory to finish the year with the best holiday shopping season ever!” Allison also got more time to explore in-home services like closet consultations, personal shopping and deliveries, plus event planning wardrobes. Since taking over the store, she’s met other local businesses interested in collaborating on “eco-fashion” events using pop ups to engage customers, as well as other signature cross-promotions. With all these possibilities, Allison’s passion remains with creating and preserving the ultimate hands-on, in-store experience. “We are hoping to offer a unique customer service experience that puts the personal touch back into an increasingly impersonal industry,” Allison stated. “We see a lot of growth potential in continuing to establish Dragonfly as an anchor business in Highlands Square.”

facebook.com/DragonflyApparel
As an elementary school principal working in the sprawling Montbello neighborhood of Northeast Denver, Diana Gadison saw many things happening with her students on a daily basis. What she often noticed were children waiting alone outside for long periods of time before and after school. She soon realized the problem – insufficient childcare – and decided to do something about it.

Upon discovering there were only two daycare options in her community, Diana looked around for a place where her vision of a childcare center could take root. “I found a home on the corner, a former crack house,” Diana recalled. “I approached the owner about our idea and she agreed to let us take over the note on the property.”

Diana needed to upgrade the 1200 sf property to meet state licensing requirements for childcare facilities. After spending all her savings, she looked for a loan. “I applied to banks who turned me down so the property sat unfinished for months,” remarked Diana. “I searched online and found Colorado Enterprise Fund (CEF).” In 1995, CEF gave Diana her first loan, along with technical assistance to support running a business. “My CEF counselor advised me on what makes a startup business successful,” Diana said. “And the accountant I met then is still my accountant today!” Diana also learned that “business is more than a great idea. Surround yourself with professionals to succeed.”

Using her first CEF loan to complete renovations to her property and get city permits, Diana opened Early Success Academy in 1996 to take care of 10 children. She quickly outgrew her first facility and moved into a 5000 sf building with the help of another CEF loan, a grant from the City and County of Denver, and her own business income. Diana and her staff of 16 now care for 110 children, having expanded their weekday hours to meet the needs of parents who work various jobs and shifts.

Her next goal is to move into a free-standing facility so she can expand her childcare schedule and services to continue meeting the needs of more Montbello families. “CEF has taken me from where I was to where I could get better, coaching me along the way,” Diana stated. “They never stopped supporting me.”

http://www.dpp.org/find-a-preschool-app/early-success-academy
Fortuna Chocolate
Boulder CO
Boulder County
STARTED: 2015
TYPE: Manufacturer
LOAN: $51,130
IMPACT: 3 FTE
REFERRED BY: US Small Business Administration

Cultivating a small seed into a big success

Cacao beans (or cocoa beans) were discovered thousands of years ago and grow in pods on trees located near the equator. How a singular strain of cocoa bean made its way from the mountains of Mexico to the foothills of Boulder, Colorado, is the story of a globally-minded family seeking to craft a socially-conscious lifestyle with sustainable roots.

Sienna Trapp-Bowie, co-founder and owner of Fortuna Chocolate, and her brother, Spencer Bowie, each left Boulder to travel around the world where they were exposed to local foods and native cultures. “We knew we wanted to start a business in our hometown someday,” Sienna recalled, “supporting the organic food movement and mission-based products we enjoyed on our trips.” A move to Mexico City set this plan in motion when Sienna met her husband, Aldo Ramirez Carrasco, and discovered the rich history of cacao. They moved back to Boulder and experimented with fine cacao to make artisanal chocolate.

When Spencer returned to Colorado, the team was ready to launch the business but needed financing. “I researched online and found the SBA’s new LINC program,” said Sienna. “I entered our info and got a response from Colorado Enterprise Fund (CEF) about my startup business plan.” She applied and got a loan from CEF in 2015 which allowed the trio to purchase and upgrade a retired mobile library truck into a custom-designed manufacturing lab where Sienna, Aldo and Spencer produce premium chocolate for public and catered events, samplings and tastings, and local chefs.

Since opening Fortuna Chocolate, Sienna has grown her business from a sole proprietorship to an LLC. She has also collaborated on large projects with the Denver Botanic Gardens and local restaurants highlighting the origins and uses of cacao. The company sources its cacao beans directly from farmers at several organic single estates in three regions of Mexico.

Fortuna Chocolate recently celebrated its first anniversary which Sienna noted is a tribute to the power of believing in one’s vision despite bumps along the way. “CEF is an incredible resource for entrepreneurs starting out with little credit history or residency in the US but have big ideas,” Sienna remarked. “Its mission-based focus matched ours and helped us to achieve our dream.”
Feeding a big need in one small town

The popularity of growing and making one’s own food has taken root in this historic town located in southern Colorado. What the area lacked was a commercial kitchen where locals could conveniently cook and sell their homemade goods. Gloria Stultz saw a community need and decided to create a space.

Housed in a former liquor store, The Kitchen Pantry is like an indoor version of the farmers markets Gloria ran for 17 years. “This is my hometown and I wanted to do something on Main Street that would bring people downtown,” Gloria recalls. “With a retail coffee shop in the front of the store where I sell other people’s products on consignment, I also operate a commercial kitchen in the back where caterers come in early to make their food orders and restock their trucks for the day.”

Gloria’s vision for her Main Street store wasn’t easy to finance despite her extensive business experience and reputation in the community. Through contact with the Colorado Department of Agriculture, she heard about the Healthy Foods Fund at Colorado Enterprise Fund (CEF) and applied for a loan. With this financing in 2014, Gloria was able to consolidate debt, equip her store for commercial use, as well as hire staff to help with increased use of the kitchen.

Gloria also utilized CEF’s Business Acceleration Services (BAS) team of consultants for legal and accounting assistance. “CEF is such a good resource for businesses like mine,” Gloria remarked. “The staff there is so friendly and helpful to work with. They make it easy for small businesses to access what they need. It’s been a good, successful partnership.”

The Kitchen Pantry celebrated its fifth anniversary in 2016 and Gloria says her business concept is finally catching on. “We’re getting a good stream of business on Main Street with some of the nearby restaurants using my facilities to prepare their menus.” Gloria also chairs the downtown merchant association and partners with the local human services agency to help families learn how to prepare healthy meals, as well as with the South Peaks Detention Center job training program where clients take free cooking classes at her store. “Food brings people together and that’s just great!” said Gloria.

kitchenpantrycc.com

“(CEF) makes it easy for small businesses to access what they need. It’s been a good, successful partnership.” — GLORIA STULTZ
FOUNDER, THE KITCHEN PANTRY

Feeding a big need in one small town

The Kitchen Pantry
Cañon City CO
Fremont County
STARTED: 2011
TYPE: Food service
LOAN: $40,995*
IMPACT: 1 FTE; 2 PTE
REFERRED BY: Colorado Department of Agriculture

*Healthy Foods Fund

kitchenpantrycc.com

Feeding a big need in one small town

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Cañon City CO
Fremont County
STARTED: 2011
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*Healthy Foods Fund

kitchenpantrycc.com
Big-hearted fare gives small ones a chance

For restaurateurs Sean Gafner and Dan Lance, relocating with their families from northern California to northern Colorado proved to be a timely decision.

Dan was inspired to open a bar and music venue and found a building for sale on Longmont’s Main Street where the quality of the local community and healthy economy would bode well for success. Sean wrote a business plan about his vision for their restaurant and they bought the building in late 2014. A few months later they opened The Roost, with chef/owner Sean serving New American pub grub and local craft beers daily, and Dan booking free live music downstairs and on the rooftop bar.

To launch their new restaurant, Sean and Dan needed a larger kitchen and cooking equipment. Having exhausted their savings and family support, they approached a local bank for a loan but were turned down. Sean was referred to Colorado Enterprise Fund (CEF) where he got a loan to upgrade their space and still have money for the official opening.

“It’s virtually impossible to get a restaurant loan unless you’ve been in business for two years and own your own building,” Sean remarked. “It’s hard for startups to get funding so having access to CEF was a god-send.”

Since opening in 2015, The Roost has grown in popularity and community impact by using local meat suppliers and farm produce in season. Its success inspired Sean and Dan to open a second Main Street restaurant in 2016 called Hefe’s Tacos & Tequila offering modern Mexican fare plus 60 kinds of tequila.

“We’ve added 100 jobs to Longmont,” Sean states. “We’ve also received seven Best of Boulder County awards, a Rookie of the Year award from Longmont Chamber and had an award named after us by Denver’s Adoption Options agency called The Roost Award,” given to businesses whose business models support adoption. Dan and his wife Alyssa have adopted children so 10% of all profits from both restaurants go toward funding adoption through their nonprofit affiliate, TheRoosterParty.org.

“If you offer a great product in a great atmosphere,” Sean said in an interview with the Daily Camera, “people will walk for miles and climb trees and do whatever they have to do to get there.”

theroostlongmont.com
It all began in 1976 when a yogurt company needed a loan to move into an old Denver dairy. Mountain High Yoghurt, a Boulder company founded in 1976, wanted to expand its manufacturing operations to an old dairy facility at 22nd and Arapahoe in downtown Denver. This historic warehouse community hoped Mountain High Yoghurt’s relocation would be an economic boon for a blighted area in need of new jobs, property improvements, and diversified business activity.

To relocate, Mountain High Yoghurt needed a loan. At the time, a Small Business Administration (SBA) loan program did not exist in Denver or Colorado. Luckily, Denver was chosen as one of only 12 cities nationwide to administer a new pilot program created to spur urban revitalization. The new program was the SBA-502 Program, predecessor to the current SBA-504 Program.

To process a loan for Mountain High Yoghurt under the new SBA-502 Program, a pass-through entity was required. A group of Denver bankers and community leaders stepped up to create the Greater Denver Local Development Corporation (Colorado Enterprise Fund’s original name) which helped originate a bank loan that received an 80% guarantee from the SBA. The result was the rebirth of Denver’s historic Lower Downtown district (known today as LoDo.)

In the 40 years since that first loan, Colorado Enterprise Fund (CEF) has deployed over $56 million in loans to more than 1,900 small businesses to help create or retain over 16,000 jobs in the state. Now offering loans up to $500,000 to small businesses and start-ups unable to secure traditional bank financing, CEF continues its mission to accelerate community prosperity by financing and assisting entrepreneurs statewide to support a strong economy.

Whether a Main Street business, a high-tech firm, a healthy foods retailer or advanced manufacturer, CEF continues to have a positive impact on the economic health of urban and rural communities statewide by supporting Colorado’s small businesses and startups which number over half a million and employ twice that many. We look forward to continuing this legacy over the next 40 years to help more people realize their dreams of small business ownership.

CEF: changing the world, one small business at a time

coloradoenterprisefund.org

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Ceyl Prinster
Our core values

- IMPACT -
  We make a difference by empowering our community with economic justice for all.

- INTEGRITY -
  We act with honesty, accountability, respect and high ethics in all we say and do.

- EXCELLENCE -
  We exercise the highest professional standards in every aspect of our work.

- PASSION -
  Our love for what we do keeps us focused on offering superior value to our community.

- PERMANENCE -
  We continuously improve to ensure the long-term sustainability of our organization.

Financial report: small risk, big payoff

Statement of Financial Position FY2016

**ASSETS**

- Current Assets
  - Cash & Equivalents: $7,109,932
  - Loans Receivable, Current Portion, Net of Allowance: $3,817,000
  - Grants, Prepads & Other Receivables: $551,525
  - **Total Current Assets**: $11,478,457

- Noncurrent Assets
  - Loans Receivable, Noncurrent Portion, Net of Allowance: $11,207,836
  - Property & Equipment, Net: $40,851
  - **Total Noncurrent Assets**: $11,248,687

- **TOTAL ASSETS**: $22,727,144

**LIABILITIES & NET ASSETS**

- Current Liabilities
  - Notes Payable, Current Portion: $3,000,000
  - Accounts Payable, Accruals & Other Current Liabilities: $88,036
  - **Total Current Liabilities**: $3,088,036

- Long Term Liabilities
  - Notes Payable, Long Term Portion: $6,572,294
  - Equity Equivalent Loans: $5,513,000
  - Other Long Term Liabilities: $2,690
  - **Total Long Term Liabilities**: $12,087,984

- **Total Liabilities**: $15,176,020

- Net Assets
  - Unrestricted: $5,493,211
  - Temporarily Restricted: $2,057,914
  - **Total Net Assets**: $7,551,125

- **TOTAL LIABILITIES & NET ASSETS**: $22,727,144

Statement of Financial Activities FY2016

**SUPPORT & REVENUES**

- Public Support & Contributions
  - Unrestricted: $2,976,982
  - Temporarily Restricted, Net of Releases: $(260,296)
  - **Total Public Support & Contributions**: $2,716,686

- Earned Revenue
  - Lending Fees & Interest Income: $1,791,347
  - Other Earned Revenue: $(122)
  - **Total Earned Revenue**: $1,779,225

- **TOTAL SUPPORT & EARNED REVENUE**: $4,507,911

**EXPENSES**

- Program: $2,835,215
- Development: $306,633
- Administration: $145,385

- **TOTAL EXPENSES**: $3,287,233

- **TOTAL CHANGE IN NET ASSETS**: $1,220,678

Note: The unaudited financial information on this page is preliminary and subject to adjustments and modifications.
We support big dreams. We support small business.

NEW LOANS CLOSED

<table>
<thead>
<tr>
<th>Year</th>
<th>Loans Closed</th>
<th>Loaned Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>208</td>
<td>$7.4M</td>
</tr>
<tr>
<td>2015</td>
<td>192</td>
<td>$7.1M</td>
</tr>
<tr>
<td>2016</td>
<td>217</td>
<td>$9.3M</td>
</tr>
</tbody>
</table>

LOANS UNDER MANAGEMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Portfolio (year-end total)</th>
<th>Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>566</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>623</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>714</td>
<td></td>
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</table>

CUMULATIVE JOBS IMPACT

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Jobs</th>
<th>Jobs Per Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,599</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>5,392</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>7,761</td>
<td></td>
</tr>
</tbody>
</table>

IMPACT DATA

FY2016 and Cumulative Since 1976

<table>
<thead>
<tr>
<th>Category</th>
<th>2016</th>
<th>CUMULATIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Loans</td>
<td>217</td>
<td>1,900</td>
</tr>
<tr>
<td>Total Amount Loaned</td>
<td>$9,256,147</td>
<td>$55,409,197</td>
</tr>
<tr>
<td>Average Jobs per Loan</td>
<td>11</td>
<td>8.6</td>
</tr>
<tr>
<td>Average Loan Balance</td>
<td>$42,742</td>
<td>$29,163</td>
</tr>
<tr>
<td>Net Charge-off</td>
<td>2.27%</td>
<td>4.23%</td>
</tr>
<tr>
<td>Loans to Women Owners</td>
<td>47%</td>
<td>50%</td>
</tr>
<tr>
<td>Loans to Minority Owners</td>
<td>27%</td>
<td>25%</td>
</tr>
<tr>
<td>Loans to Low Income Owners</td>
<td>66%</td>
<td>55%</td>
</tr>
</tbody>
</table>

BUSINESS ACCELERATION SERVICES (BAS) ASSESSMENT

Borrower Progress Scores

<table>
<thead>
<tr>
<th>Category</th>
<th>Before BAS</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Income Owner</td>
<td>54%</td>
<td>67%</td>
</tr>
<tr>
<td>Minority Owner</td>
<td>54%</td>
<td>70%</td>
</tr>
<tr>
<td>Woman Owner</td>
<td>56%</td>
<td>67%</td>
</tr>
</tbody>
</table>

Our in-house BAS team helps reduce risk by supporting borrowers with hands-on technical assistance for the life of their loans.
Creating big opportunities for small business

Mission Statement
To accelerate community prosperity by financing and supporting entrepreneurs and small businesses

Microloan Programs
Colorado Enterprise Fund appreciates the support of these northern Colorado municipalities that provide matching funds to create loan programs to help their local small businesses grow and thrive.
- Adams County
- City of Arvada
- City of Boulder
- City of Longmont
- City of Loveland
- Weld County

Certifications
As a certified community development financial institution (CDFI), CEF is the only AERIS-rated business lender in Colorado, meeting the rigorous requirements of this nationally applied, comprehensive, third-party assessment of a CDFI’s impact, financial strength and performance. As a member of the Opportunity Finance Network (OFN), CEF must meet membership eligibility criteria and demonstrate performance in the areas of mission and impact, disciplined lending and/or investing, and responsible stewardship of other people’s resources. CEF was first certified as an SBA Microloan partner in 1992.