



Shared Capital[™] Cooperative

BUILDING ECONOMIC DEMOCRACY



Message from the Board President and Executive Director

Dear Members, Investors and Friends:

The biggest story of the year, of course, was our name change announced in December. The new name reflects our ongoing strategic commitment. It brings attention to the national scope of our work, supporting local communities across the U.S. as they build community-owned and worker-owned enterprises. The new name offers clarity about who we are – a cooperative, and what we do – pool money from cooperatives and their allies to invest in the growth and development of cooperatives.

Even while we have a new name, our organization and our mission are unchanged. We remain as committed as ever to our mission of fostering economic democracy by investing in cooperative enterprise, and we continue to maintain a primary focus on building community wealth and ownership in low-income communities and communities that have been excluded from access to capital.

In addition, in 2015, the board and staff began an important conversation about racial, gender and economic barriers to participation in a democratic economy. We agreed that in order to build economic democracy, we must also advance racial equity and social and economic justice within our organization, in the cooperative sector, and in the communities where we work. We add these commitments to our core strategic goals for 2016 and beyond:

- Grow the fund to expand our impact, meet demand for capital and attain efficient scale.
- Position the fund as the cooperative sector's national loan fund.
- Advance racial equity and social and economic justice in our organization and our work.
- Build the organization's human and technical capacities to support growth.

Shared Capital Cooperative remains committed to being a source of democratically controlled capital for the cooperative sector. We are seeing continued growth in demand for our financing, but we are also seeing growing competition from other lenders. We are building new partnerships as communities turn to cooperatives as a model for creating jobs and affordable housing and building community wealth.

In Cooperation,



Tom Pierson
President



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Executive director

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Mississippi Market (retired)

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Senior Loan Officer

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Operations Manager

2015

Outcomes & Impact



\$4 million
in loans



23 cooperatives
financed



243 jobs
created and
maintained



42 affordable
housing units



79% of loans
for co-ops in
low-income
communities



Leveraging
\$30 million



50% of grocery
loans
in food
deserts



7:1 dollars
leveraged

Our mission is to foster economic democracy by investing in cooperative enterprises.

BisMan Community Food Cooperative

Bismarck, North Dakota
\$363,000 startup financing

Black Star Co-op Pub & Brewery

Austin, Texas
\$44,100 for point-of-sale system and patio canopy

Clifton Cooperative Market

Cincinnati, Ohio
\$1,095,000 in startup financing with
Finance Fund

The Co-op Natural Foods

Sioux Falls, South Dakota
\$150,000 for equipment and remodeling

East Aurora Cooperative Market

East Aurora, New York
\$410,000 startup financing

Firestorm Café & Books

Asheville, North Carolina
\$34,000 to worker co-op for new location

Grass Roots Cooperative

Anoka, Minnesota
\$40,000 to consumer food co-op

Hendersonville Community Co-op

Hendersonville, North Carolina
\$850,000 for food co-op relocation and expansion
with NCIF and LEAF

Horizontal Housing

Baltimore, Maryland
\$50,000 to purchase and rehab home;
\$25,000 from KSCR Fund for rehab

Hub City Co-op

Spartanburg, South Carolina
\$700,000 startup loan to state's first food
co-op with NCIF and LEAF

NASCO Properties

Athens, Ohio
\$310,000 to refinance home and purchase another
leased to student housing co-op

Northwind Natural Foods Co-op

Ironwood, Michigan
\$35,000 for equipment and improvements

Omega One Ltd.

Minneapolis, Minnesota
\$105,000 to housing co-op for renovations

Park Cooperative Apartments

Minneapolis, Minnesota
\$51,000 for improvements to housing co-op

Rainbow Bookstore Cooperative

Madison, Wisconsin
\$20,000 to consumer co-op for refinance

Renaissance Community Cooperative

Greensboro, North Carolina
\$480,000 for startup food co-op

Seattle Wholesale Growers Market

Seattle, Washington
\$75,000 working capital loan for farmer-owned flower
market

Sugar Beet Food Co-op

Oak Park, Illinois
\$339,000 startup financing

Sustainergy Cooperative

Cincinnati, Ohio
\$30,000 to worker-owned residential contractor
for van and equipment

“When the spark was lit that we can do this for ourselves, that’s what resonated with a lot of the community members”



Renaissance Community Cooperative Greensboro, North Carolina

For residents of Northeast Greensboro, the new Renaissance food co-op will be the culmination of a nearly two-decade-long battle. When the Winn-Dixie store closed its doors in 1998, the area officially became a ‘food desert,’ and residents without cars had to shop at convenience stores or take an expensive taxi ride to another part of the city.

After multiple attempts to attract a corporate chain to the neighborhood, frustrated residents decided to take matters into their own hands and build a food co-op. “When the spark was lit that we can do this for ourselves, that’s what resonated with a lot of the community members,” said James Lamar Gibson, a Greensboro resident and project coordinator.

The store, which will open in late 2016, will provide affordable, fresh, high quality food to this predominantly African American and low-income neighborhood. Recognizing the importance of this project for the community, Shared Capital stepped up early and committed \$480,000 as the lead lender on the project.



Sustainergy Cooperative

Cincinnati, Ohio

The typical American home wastes thirty percent of the energy it uses. According to Sustainergy, a worked-owned residential energy savings cooperative in Cincinnati, a few fixes can go a long way to increasing energy efficiency and helping residents save money.

“Sustainergy is dedicated to improving their community and greening the planet through a strong cooperative business.”

Sustainergy is the most recent venture of the Cincinnati Union Cooperative Initiative (CUCI), an incubator dedicated to building a union cooperative movement in the United States. The cooperative offers free energy assessments for residential homes and installs low-cost, high impact upgrades.

Sustainergy began work in June 2015 with the help of a \$30,000 loan from Shared Capital for startup costs, including equipment and a used vehicle.



Seattle Wholesale Growers Market

Seattle, Washington

Eighty percent of the cut flowers sold in the US are imports - a number that the Seattle Wholesale Growers Market is trying to change. The co-op of flower growers in the Pacific Northwest differentiate themselves from foreign competitors by focusing on specialty varieties sustainably grown without pesticides.

The farmer-owned cooperative began in 2011 as a self-help effort by local flower growers to access new markets. By working together and expanding the market for local flowers, the Seattle Wholesale Growers Market is keeping local farmers on their land and creating jobs.

Shared Capital made a \$75,000 loan to the farmer-owned market to even out cash flow and support continued growth.

“When the market is filled with people and flowers, there is a contagious feeling that we’ve achieved something really special,”

~ Debra Prinzing of Slow Flowers



Horizontal Housing

Baltimore, Maryland

Renovating a home in Baltimore is one small step in Horizontal Housing's larger journey towards sustainable living, social justice and community activism. The organization was started in 2013 by members of the urban farm collective, Baltimore Free Farm. Today the cooperative owns three row homes adjacent to their gardens.

One home was purchased by a member and Shared Capital financed the second in 2014. While the group made upgrades to their two properties, the third home sat vacant and in disrepair. When it went on the market in 2015, Horizontal Housing got loans from Shared Capital and the NASCO Development Services' KSCR Fund.

The co-op members have invested significant sweat equity and used "work parties" to complete the extensive renovations of the homes. The co-op now has three homes offering nine units of affordable housing next to its urban farm.



Black Star Co-op Pub & Brewery

Austin, Texas

What could be better than craft beer? Craft beer with cooperative values! Founded in 2006, Black Star Co-op Pub and Brewery in Austin, Texas holds the title of first cooperatively owned craft brew pub in the United States. The co-op lists over 3,400 consumer members as owners and is operated by a democratically-run workers' assembly.

Black Star has received accolades in Austin and nationally for its cooperative business model. So when the co-op was looking for financing for its next stage of growth, Shared Capital was happy to help, providing two loans to Black Star totaling \$44,000.

"It is so powerful to have a place where co-ops of all sizes can get financing."

~ Dana Curtis.

The loans allowed Black Star to purchase a new point-of-sale system to speed up service and a patio shade structure to expand seating on hot summer days. Now even more Texans can enjoy craft brews and bites with a cooperative mission.

Balance Sheet

(as of Dec. 31, 2015)

Income Statement

(fiscal year ending Dec. 31, 2015)

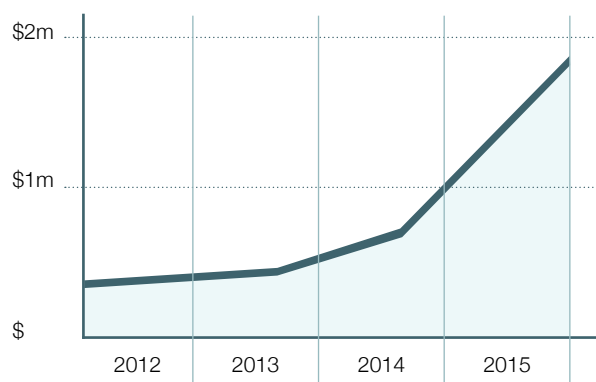
ASSETS	2015	2014
Cash	\$4,165,576	\$1,601,936
Funds Held for Others	828,536	128,609
Loans Receivable	7,450,714	7,640,324
Allowance	(333,893)	(304,403)
Investments in Cooperatives	148,160	148,160
Other Assets	260,291	344,251
TOTAL ASSETS	\$12,519,384	\$9,558,877

LIABILITIES	2015	2014
Notes Payable	\$9,807,727	\$8,542,574
Funds Held for Others	828,536	451,574
Other Current Liabilities	56,695	88,247
TOTAL LIABILITIES	\$10,692,958	\$9,082,395

EQUITY	2015	2014
Preferred Stock	\$1,426,864	\$1,205,960
Common Stock	2,076,122	957,259
Retained Earnings	(1,676,560)	(1,686,737)
TOTAL EQUITY	\$1,826,426	\$476,482
TOTAL LIABILITIES & EQUITY	\$12,519,384	\$9,558,877

Interest & Loan Fee Revenue	\$629,202	\$559,222
Grant & Other Revenue	354,219	171,347
Total Income Before Expenses	983,421	730,569
Interest Expenses	(197,635)	(172,925)
Operating Expenses	(701,645)	(504,758)
Net Income (Loss) Before provision, patronage and taxes	84,141	52,886
Provision for Loan Losses	(29,490)	28,122
Patronage Dividend	(9,570)	--
Income Taxes	(14,000)	(20,000)
NET INCOME (LOSS)	\$31,081	\$61,008

EQUITY 2012 - 2015



“We are not just providing co-ops with access to capital, but access to co-op friendly financing that supports the democratic ownership structures of their cooperatives.” Christina Jennings, Shared Capital Co-op



Worker Ownership Fund

The Worker Ownership Fund provides financing to worker-owned co-ops to create good jobs and democratic workplaces in local communities. The Worker Ownership Fund is a national program of Shared Capital Cooperative.



Sustainable Food Systems Financing

Shared Capital Cooperative's Sustainable Food Systems Financing (SF2) Program provides financing to cooperatives in the production, retail sales, wholesale, distribution and marketing of sustainably produced food, including small farmer cooperatives and grocery co-ops.



KSCR Fund for Student Housing

KSCR Fund provides financing to democratically controlled, affordable cooperative housing in campus communities. Shared Capital Cooperative administers the fund for NASCO Development Services.



Organic Valley Principle Six Fund

The Organic Valley Principle Six Fund is a loan and investment program supporting the growth and development of cooperatively owned retail grocery stores – food co-ops – around the United States. The fund is operated by Shared Capital Cooperative under an agreement with, and thanks to the generous financial support of, CROPP Cooperative, the parent company of the Organic Valley brand.

2015

Thank you Investors & Donors

Amazing Grains Food Co-op
Arizmendi Association of Cooperatives
BMO Harris Bank N.A. Community Investments
Builders Commonwealth
Capital Impact Partners
Catholic Health Initiatives
CDFI Fund of the U.S. Department of Treasury
CDS Consulting Co-op
College Houses
Common Good Finance
Common Ground Food Co-op
Community Mercantile
Community Pharmacy
Cooperative Development Foundation
Cooperative Foundation
Cronin-Geller Social Justice Fund
East Lansing Food Co-op
Eastside Food Co-op
Emily Faulkner Trust
Episcopal Diocese of Iowa
 Alternative Investment Fund
Federated Youth Foundation
The Food Co-op
Franciscan Sisters of Little Falls
Fund for Democratic Communities
Gadfly Trust
Grain Train Natural Food Co-op
Hampden Park Co-op
Inter-Cooperative Council at the
 University of Michigan

Isthmus Engineering
Kansas Midwives Legal Defense Fund
The Kentron Foundation
Keweenaw Cooperative
Lakewinds Natural Foods
Lexington Cooperative Market
Linden Hills Co-op
Madison Community Co-op
Menomonie Market Food Co-op
Mifflin Street Co-op
Mississippi Market
Molehill Housing Co-op
NASCO Properties, Inc.
National Co+op Grocers
Natural Harvest Food Co-op
NCB, FSB
New Pioneer Co-op
New Riverside Café
Northwest Area Foundation
Oberlin Student Cooperative Association
Oneota Community Co-op
Open Harvest Food Co-op
Organic Valley Family of Farms
Our Lady of Victory Missionary Sisters
Ozark Natural Food Co-op
Park Cooperative Apartments
People's Food Co-op - La Crosse & Rochester
People's Food Cooperative - Ann Arbor
Positively 3rd Street
Replace, Inc.

Riverton Community Housing
Roots and Fruits Produce
Sacramento Natural Foods Co-op
School Sisters of Notre Dame
School Sisters of St. Francis
Seward Community Co-op
Sinsinawa Dominicans
Sisters of Charity of the BVM
Sisters of St. Dominic
Sisters of St. Francis of Philadelphia
Sisters of St. Joseph of Carondelet
Sisters of the Presentation of the BVM
Sisters, Servants of the Immaculate Heart of Mary
Sitka Food Co-op
South Metro Federal Credit Union
Twin Pines Cooperative Foundation
Union Cab
United Natural Foods
Valley Natural Foods
Wedge Community Co-op
Wells Fargo Community Lending & Investment
Western Wisconsin Coalition of Co-ops
Wheatsville Co-op
Whole Foods Community Co-op
Willy Street Co-op
Woodlands Investment Management

*“We put that money where we knew our members
would want it to be, in a cooperative fund.”*

Paul Cultrera, Sacramento Natural Foods Co-op



Shared Capital Cooperative

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Christina Jennings
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*“Who knew commercial loans could make you feel
so warm and fuzzy inside?”*



Firestorm Cafe & Books