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

Christina Jennings  
Executive Director

Message from the Board President and Executive Director

Board of Directors

Thomas Beckett  
Carolina Common Enterprise

Roy Berger, Treasurer  
Mississippi Market (retired)

Alex Betzenheimer, Vice President  
Seward Community Co-op

Jacqueline Hannah  
Food Co-op Initiative

Amy Johnson  
US Federation of Worker Cooperatives

Pamela Madzima  
Federation of Southern Cooperatives, Land Assistance Fund

Elka Malkis  
Wedge Community Co-op

Tom Pierson, President  
CooperationWorks!

Anne Reynolds, Secretary  
University of Wisconsin Center for Cooperatives

Dave Swanson  
Dorsey & Whitney

Jaime Villalaz  
Latino Economic Development Center

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Christina Jennings  
Executive Director

Devin Case-Ruchala  
Loan Fund Assistant

Mark Fick  
Director of Lending

Brenda Pfahl  
Program Director & Senior Loan Officer

Joe Riemann  
Associate Director

Jim Shadko  
Senior Loan Officer

Rhonda Weidling  
Operations Manager

cover photo: Courtesy of Seward Community Co-op
2015 Outcomes & Impact

- $4 million in loans
- 243 jobs created and maintained
- 42 affordable housing units
- 79% of loans for co-ops in low-income communities
- 50% of grocery loans in food deserts
- $30 million in loans
- 7:1 dollars leveraged
- 23 cooperatives financed

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
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.
The typical American home wastes thirty percent of the energy it uses. According to Sustainergy, a worker-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 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.

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
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.

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)

### ASSETS

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

### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notes Payable</td>
<td>$9,807,727</td>
<td>$8,542,574</td>
</tr>
<tr>
<td>Funds Held for Others</td>
<td>828,536</td>
<td>451,574</td>
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<tr>
<td>Other Current Liabilities</td>
<td>56,695</td>
<td>88,247</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$10,692,958</strong></td>
<td><strong>$9,082,395</strong></td>
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### EQUITY

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preferred Stock</td>
<td>$1,426,864</td>
<td>$1,205,960</td>
</tr>
<tr>
<td>Common Stock</td>
<td>2,076,122</td>
<td>957,259</td>
</tr>
<tr>
<td>Retained Earnings</td>
<td>(1,676,560)</td>
<td>(1,686,737)</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td><strong>$1,826,426</strong></td>
<td><strong>$476,482</strong></td>
</tr>
</tbody>
</table>

**TOTAL LIABILITIES & EQUITY**

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
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<tbody>
<tr>
<td></td>
<td><strong>$12,519,384</strong></td>
<td><strong>$9,558,877</strong></td>
</tr>
</tbody>
</table>

## Income Statement
(fiscal year ending Dec. 31, 2015)

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest &amp; Loan Fee Revenue</td>
<td>$629,202</td>
<td>$559,222</td>
</tr>
<tr>
<td>Grant &amp; Other Revenue</td>
<td>354,219</td>
<td>171,347</td>
</tr>
<tr>
<td><strong>Total Income Before Expenses</strong></td>
<td>983,421</td>
<td>730,569</td>
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<tr>
<td>Interest Expenses</td>
<td>(197,635)</td>
<td>(172,925)</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>(701,645)</td>
<td>(504,758)</td>
</tr>
<tr>
<td><strong>Net Income (Loss) Before provision, patronage and taxes</strong></td>
<td>84,141</td>
<td>52,886</td>
</tr>
<tr>
<td>Provision for Loan Losses</td>
<td>(29,490)</td>
<td>28,122</td>
</tr>
<tr>
<td>Patronage Dividend</td>
<td>(9,570)</td>
<td>--</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>(14,000)</td>
<td>(20,000)</td>
</tr>
<tr>
<td><strong>NET INCOME (LOSS)</strong></td>
<td><strong>$31,081</strong></td>
<td><strong>$61,008</strong></td>
</tr>
</tbody>
</table>

### EQUITY 2012 - 2015

```
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>$1,426,864</td>
</tr>
<tr>
<td>2013</td>
<td>$1,676,560</td>
</tr>
<tr>
<td>2014</td>
<td>$1,826,426</td>
</tr>
<tr>
<td>2015</td>
<td>$2,076,122</td>
</tr>
</tbody>
</table>
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“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
<table>
<thead>
<tr>
<th>Worker Ownership Fund</th>
<th>Sustainable Food Systems Financing</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>KSCR Fund for Student Housing</th>
<th>Organic Valley Principle Six Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>KSCR Fund provides financing to democratically controlled, affordable cooperative housing in campus communities. Shared Capital Cooperative administers the fund for NASCO Development Services.</td>
<td>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.</td>
</tr>
</tbody>
</table>
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 Carondolet
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
“Who knew commercial loans could make you feel so warm and fuzzy inside?”