



Shared Capital Cooperative®

BUILDING ECONOMIC DEMOCRACY

Annual Report 2022-2023



Welcome to our 2022 and 2023 Bi-Annual Report

2022 and 2023 were record years of growth and mission-driven impact. Our fund grew to \$25.4 million in total assets—over 50% growth in the past five years. Our annual lending increased 90% in 2022 to \$7.4 million and nearly doubled again in 2023 to \$13.2 million. All told, we invested over \$20.5 million in cooperatives over the biennium.

Throughout this growth, we maintained high mission-focus. Over 93% of our financing dollars during the two years was invested in co-ops owned by people of color, women, LGBTQ and low-income communities, with this percentage reaching 98% for 2023. For the two years, over 38% went to co-ops owned by Black, Latinx, and people of color, with this percentage reaching 40% for 2023. Our financing supported the creation and maintenance of more than 550 units of affordable cooperative housing and more than 1175 jobs during this period.

In 2023, the board of directors developed a Racial and Economic Justice Statement and policy. The statement, which is posted on our website, communicates our shared commitment to advancing racial, social and economic equity and justice through our work. Our policy directs us to go deeper as we continue to challenge the tenets of our financial system that have systematically excluded so many from access to resources and created and perpetuated inequities.

Photography throughout this report provided by Bruce Silcox and SmugMug.

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Board of Directors 2022-2023

Thomas Beckett

Carolina Common Enterprise
Durham, North Carolina

Enrique Blanco (started 2023)

Latino Economic Development
Center, Saint Paul, Minnesota

Anna Boyer

C4 Tech & Design
New Orleans, Louisiana

Terence Courtney, President

Federation of Southern
Cooperatives
East Point, Georgia

Alexandra Devendra

(started 2023)
Aligned Law
Portland, Oregon

JQ Hannah (to 2023)

Food Co-op Initiative
Urbana, Illinois

Camille Kerr, Vice President

Upside Down Consulting
Chicago, Illinois

Patrice Lockert Anthony

Black Label Consulting
Ithaca, New York

Repa Mekha

Nexus Community Partners
St. Paul, Minnesota

Julie Ristau

Sharing Our Roots
Northfield, Minnesota

Charity Schmidt, Secretary

Madison Cooperative Development
Coalition
Madison, Wisconsin

Holly Jo Sparks, Treasurer

Spartan Housing Cooperative
East Lansing, Michigan and
Oryana Natural Foods Market
Traverse City, Michigan

Pamela Standing (to 2023)

Minnesota Indigenous Business
Alliance
Saint Paul, Minnesota

Staff 2022-2023

Gabrielle Chapman

Program Manager

Mark Downey

Director of Finance and Operations

Mark Fick

Senior Loan Officer

Christina Jennings

Executive Director

Hilary Johnson

Loan Analyst (contract)

Ashley Long

Loan Closer

Roderick McCulloch

Loan Officer

Mike Seo

Portfolio Manager

Andi Shively

Controller (contract)

Adam Trott

Director of Member Relations

Rhonda Weidling

Operations Manager

Esther West

Loan Officer



With funds sourced from co-ops and co-op allies, we offer capital that aligns with cooperative values and supports democratic ownership.

A loan from Shared Capital can help co-ops achieve their goals, while also strengthening the cooperative economy by keeping capital circulating in it.

Financing cooperation

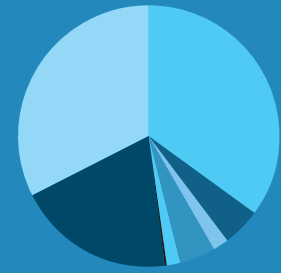
Amount financed
(in millions)

\$20.6

Number of loans and
equity investments in
co-ops made

57

Lending by co-op type



- 35.24% Worker
- 4.5% Consumer Other
- 1.97% Federation
- 4.46% Producer
- 1.69% Multi
- .26% Share
- 0.0% Purchasing
- 19.46% Consumer Grocery
- 32.42% Housing

Commitment to Racial, Social and Economic Justice

Loans to People of Color, women, LGBTQ,
and low-income owned co-ops

93%

Black, Latinx, and People of Color
owned co-ops

38%

Creating anew

Given back to member
borrowers as rebate on
interest paid (in thousands)

\$17

Housing units created
and maintained

493

Business conversions
to worker cooperatives

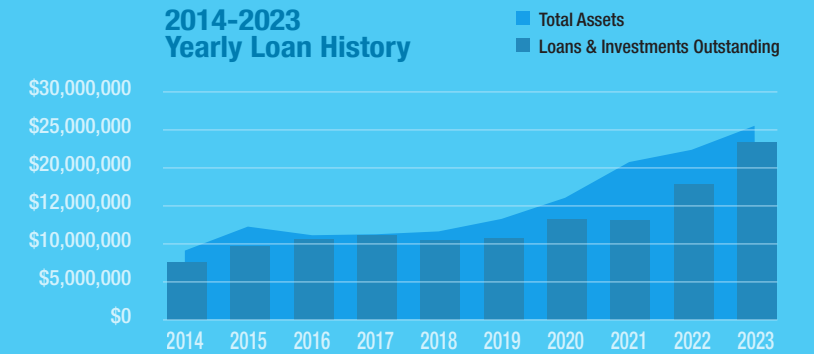
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Continuing growth

Total assets
(in millions) (Twice the size of
our fund in 2019!)

\$25+

2014-2023
Yearly Loan History



Alternative Technologies

Berkeley, California

- Allocation of special funds for a \$45,000 forgivable loan to support COVID recovery and adaptation
- \$600,000 to convert an IT provider to a worker cooperative with 37 new members

Broken Clock Brewing Cooperative

Minneapolis, Minnesota

\$600,000 for a consumer cooperative brewery to expand and relocate

California Solar Electric Company

Grass Valley, California

Allocation of special funds for a \$35,000 forgivable loan to support COVID recovery and adaptation

Cooperative Energy Futures

Minneapolis, Minnesota

\$100,000 to consumer co-op to expand community solar to 180 low and moderate income households

Diverge

Minneapolis-St. Paul, Minnesota

\$100,000 line of credit to a worker cooperative financial services provider

Empower Electric Bikes Inc.

Seattle, Washington

\$683,000 to finance the conversion of an electric bike shop to a worker cooperative

Federation of Southern Cooperatives

Eples, Alabama

\$1,000,000 line of credit to support Black farmers and landowners in the South

Gimmé! Coffee Cooperative

Ithaca, New York

\$690,000 to employees to convert a coffee roaster and cafe to a worker cooperative

Green Mountain Graphics

Queens, New York

\$200,000 to a majority Latinx work force to convert to a promotion product worker cooperative

Happy Earth Cleaning Cooperative

Minneapolis, Minnesota

Allocation of special funds for a \$45,000 forgivable loan to support COVID recovery and adaptation

Hub Bike Co-op

Minneapolis, Minnesota

\$625,000 to refinance commercial real estate loans for a worker cooperative bike shop

Kava Cooperative

Largo, Florida

\$30,000 to finance start up of a worker cooperative café

Organic Integrity Cooperative Guild

Poulsbo, Washington

\$30,000 line of credit to support a worker co-op of organic inspectors and consultants

Proof Bakery

Los Angeles, California

Allocation of special funds for a \$35,000 forgivable loan to support COVID recovery and adaptation

Seward Equity

Minneapolis, Minnesota

\$300,000 in equity to support a food cooperative with remaining pandemic challenges

UHAB HDFC

New York, New York

\$350,000 to finance repairs and maintenance for affordable housing cooperative

Underground Self Defense

Madison, Wisconsin

\$10,000 to finance equipment and rebranding for a longtime martial arts co-op

Weaver Housing

Carrboro, North Carolina

\$650,000 to preserve and improve 17 very low income affordable housing units

Workers Transport Inc.

New York, New York

\$75,000 in working capital to support expansion and relocation of a bike maintenance cooperative



Broken Clock Brewing Cooperative

162-25th Street Jackson Heights

Jackson Heights, New York

\$111,000 to preserve and improve 10 units of cooperative housing

Ammel Park

San Francisco, California

\$1,000,000 for capital improvements to a 120-unit affordable housing cooperative (including 95 units of Section 8)

Broken Clock Brewing Cooperative

Minneapolis, Minnesota

\$275,000 to renovate a consumer co-op brewery to meet growing demand

Chicago Market - A Community Co-op

Chicago, Illinois

\$800,000 bridge loan to a start-up food co-op in Chicago's Uptown neighborhood

City Terrace House

Los Angeles, California

\$250,000 to a new housing co-op to build two more housing units

Dojo4

Boulder, Colorado

\$100,000 to add cash flow for a worker co-op technology company

Emma Goldman Cooperative

Chicago, Illinois

\$30,000 to a predominantly Latinx housing co-op to update utility spaces

Five Point Holistic Health, LLC

Chicago, Illinois

\$100,000 to the worker owned community clinic for their new location

Flora Contracting Cooperative

Milwaukee, Wisconsin

- \$20,000 in working capital for a worker cooperative construction and print shop
- \$60,000 to expand printing capabilities and secure a new delivery vehicle

Food Conspiracy Co-op

Tucson, Arizona

\$1,000,000 to renovate consumer co-op's store access, parking, community spaces

Get it Right Educators

Madison, Wisconsin

\$100,000 bridge loan for a worker cooperative, tuition-free school

Groupmuse

(National)

\$250,000 to build capacity for worker cooperative of musicians and artists

House of Wands

Richmond, Virginia

\$10,000 for equipment and working capital for start-up Queer Femme tattoo co-op

Ignite Business Women Invest Group

Brooklyn Center, Minnesota

\$1,204,000 to purchase a shopping center by a African immigrant women tenant cooperative

Jumpstart Housing Cooperative

Chicago, Illinois

\$510,000 to start a housing co-op for formerly incarcerated women

Maximum Fun, Inc.

Los Angeles, California

\$1,500,000 to employees to convert a podcasting network to a worker cooperative

Meerkat Media

Brooklyn, New York

\$25,000 to support rebranding for a worker co-op media company

MSU Student Housing Cooperative / Spartan Housing

East Lansing, Michigan

\$600,000 for renovations for immigrant populations in 250 unit co-op

Mumble Media

San Francisco, California

\$75,000 in working capital for a full-service audio production worker cooperative

NASCO Properties, Inc.

Chicago, Illinois

\$600,000 to preserve and acquire 44 units of affordable housing

Nick's Pizza

Oakland, California

\$350,000 to employees to convert pizza shop to a worker cooperative

NYC NOWC

New York, New York

\$100,000 working capital bridge loan for regional worker co-op association

Open Harvest

Lincoln, Nebraska

\$1,650,000 for relocation and renovation for 50-year old consumer cooperative

Oxbow Design Build

Easthampton, Massachusetts

\$250,000 in working capital for design and construction worker co-op

Rock Ridge Cooperative

Dodgeville, Wisconsin

\$175,000 to refinance and make capital improvements for a housing cooperative

Seward Community Co-op

Minneapolis, Minnesota

\$1,034,000 to revitalize and renovate a 50 year old food co-op

Students Cooperative

Minneapolis, Minnesota

\$1,473,000 to a housing co-op to renovate 32 units of student housing

The Improve Group

Saint Paul, Minnesota

\$450,000 to employees to convert consulting business to a worker cooperative

Washington Hmong Farmers Co-op

Snohomish, Washington

\$150,000 to finance equipment and working capital expanding a small farmer co-op

U.S. Federation of Worker Cooperatives

(National)

\$40,000 in working capital for national apex worker cooperative association

Zapata Housing

Madison, Wisconsin

\$390,000 to finance construction of a new affordable housing co-op



Top: Happy Earth Cooperative Bottom: Seward Community Food Co-op

**Pilsen Housing Co-op (PIHCO)
Chicago, Illinois**



In late 2022, Shared Capital provided a loan for \$850,000 to the Pilsen Housing Cooperative, also known as PIHCO, which is a majority Latinx-owned, limited equity housing cooperative in the Pilsen neighborhood of Chicago. The historically Latinx community has faced rapid gentrification and PIHCO was formed by local residents to preserve affordability. In February of 2020, Shared

Capital made a small \$85,000 loan to the start-up group to support financing for the acquisition and rehab of their first property. In November 2022, Shared Capital provided a \$850,000 to support the acquisition and rehab of a second property by the co-op.

**Washington Hmong Farmers Cooperative
Snohomish, Washington**



In February 2023, Shared Capital made a \$150,000 loan to the Washington Hmong Farmers Cooperative, a collective of fourteen Hmong vegetable and flower growers who have been selling their products at Pike Place Market and the region's farmers markets since 1982. The co-op was created to increase access to new markets and buyers. The group received grants from the USDA and the Washington

state department of agriculture to purchase a delivery truck, coolers, dryers and other equipment that will be shared among the cooperative members. The loan was needed to finance the purchases in order to receive reimbursement from the government grants.

**Open Harvest Food Co-op
Lincoln, Nebraska**

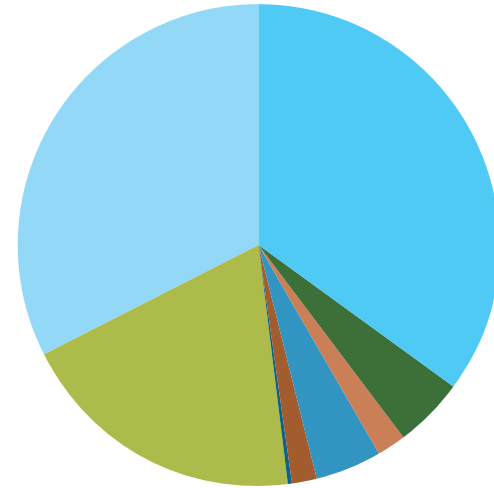


Open Harvest contacted Shared Capital when their lease was up and was not being renewed. Funds were needed for the move and also to explore a growth opportunity for Lincoln, Nebraska's only co-op grocery store. Open Harvest, which started as a buying club in 1971, borrowed \$1.6 million—retaining 28 jobs, increasing retail space by 42%, and bringing in a phenomenal 600 new member sign

ups this year. "The new store is amazing. Sales are currently 23% above projections," says General Manager Amy Tabor. The new location is perfectly situated in close proximity to a school, the university and the state capitol, and is in a pleasantly walkable and bikeable area.

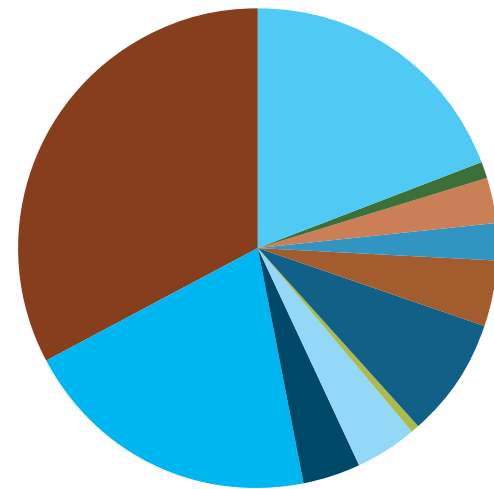
Loan Portfolio \$ by Co-op Type

- 35.24% Worker
- 4.5% Consumer Other
- 1.97% Federation
- 4.46% Producer
- 1.69% Multi
- .26% Share
- 0.0% Purchasing
- 19.46% Consumer Grocery
- 32.42% Housing



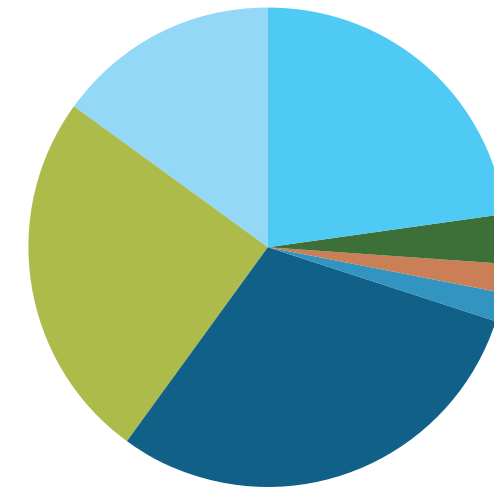
Loan Portfolio \$ by Industry

- 19.2% Retail
- 1.2% Construction
- 3.2% Software Design/Tech
- 2.5% Agriculture
- 4.2% Manufacturing
- 8.3% Service
- 0.4% Utility
- 4.3% Media
- 3.7% Other
- 20.3 Retail Grocery
- 32.7 Housing



Loan Portfolio \$ by Region

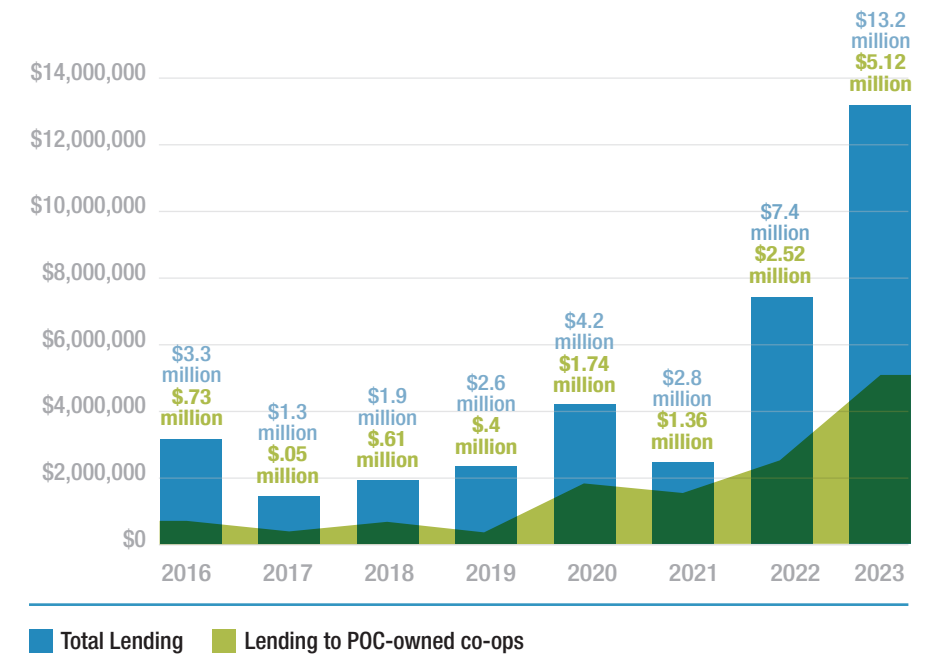
- 22.9% Pacific
- 3.4% South
- 1.9% Mountain
- 1.9% New England
- 30.1% Upper Midwest
- 24.9% Midwest
- 14.8% Atlantic



2022-23: Two record years culminating trend of increasing the diversity in our lending

Since our inception Shared Capital has been committed to supporting cooperatives owned by and serving all community members. But, with the evolution of our member co-ops and board membership, combined with significant overall growth, recent years have shown dramatic positive growth in ownership by diverse and marginalized communities. Each of the past two years have doubled the previous year's lending to co-ops owned by people of color.

2016-2023 Diversity of Lending



Our new Public Offering is devoted to cooperatives

Now, more of us who want to can invest in Shared Capital Shares (preferred equity) and Shared Capital Notes (debt). These investments support the sustainable growth of our loan fund and help leverage other capital for impact. All investors are welcome, with a minimum of \$500.

These options offer a financial return to investors while providing access to capital for cooperatives. By helping generate grassroots community wealth, they build social, economic, racial, and environmental justice.

The DPO has gained 150+ new investors and more than \$5 million in new investments to support cooperatives.

3 year / **1%** Shared Capital Note

5 year / **3%** Shared Capital Note

10 year / **4%** Shared Capital Note

5 year / **5%** Preferred Equity Shares

Balance Sheet (as of December 31)

ASSETS	2023	2022
CURRENT ASSETS		
Cash	2,908,090	6,057,325
Accounts receivable	13,823	616,373
Prepaid expenses	84,179	105,486
Accrued Interest receivable	157,774	82,979
Current portion of loans receivable	6,895,101	4,843,226
TOTAL CURRENT ASSETS	10,059,079	11,705,389
OTHER ASSETS		
Property and equipment (net)	12,659	25,701
Intangible assets (net)	7,868	10,527
Security deposit	3,000	3,000
Equity investments in cooperatives	300,000	300,000
Membership equity in other cooperatives	10,075	5,075
Loans receivable (net of current portion)	16,537,812	12,321,789
Allowance for loan losses	(1,594,989)	(1,589,440)
Deferred tax asset	18,000	14,000
Operating lease right-of-use asset	131,325	155,968
TOTAL OTHER ASSETS	15,425,750	11,246,620
TOTAL ASSETS	25,484,829	22,952,009
LIABILITIES AND EQUITY		
	2023	2022
CURRENT LIABILITIES		
Accounts payable	1,399,286	56,137
Accrued expenses	34,302	28,125
Deferred revenue	2,054,560	1,755,675
Funds held for others	401,827	298,913
Income taxes payable	2,510	36,188
Current portion of interest on investment notes	161,315	195,134
Current portion of principal on investment notes	3,318,213	2,727,428
Current portion of operating lease liabilities	33,301	30,766
TOTAL CURRENT LIABILITIES	7,405,314	5,128,366
LONG-TERM LIABILITIES		
Interest on investment notes (net of current portion)	177,252	167,599
Principal on investment notes (net of current portion)	12,107,232	13,416,226
Line of credit	1,000,000	-
Operating lease liabilities (net of current portion)	98,757	125,202
TOTAL LONG-TERM LIABILITIES	13,383,241	13,709,027
TOTAL LIABILITIES	20,788,555	18,837,393

EQUITY

Preferred stock	3,931,085	3,390,975
Common stock	1,561,091	1,560,241
Additional paid-in capital	682,068	659,292
Retained patronage	98,525	99,077
Retained earnings	(1,576,495)	(1,594,969)
TOTAL EQUITY	4,696,490	4,114,616
TOTAL LIABILITIES & EQUITY	25,484,829	\$22,952,009

Income Statement (Fiscal year ending December 31)

REVENUE	2023	2022
Interest and fee income	1,570,583	1,152,713
Loan recovery income	22,084	-
Grants and donations	2,239,101	1,365,831
Investment income	-	13,702
Other earned revenue	28,035	14,500
TOTAL REVENUE	3,859,803	2,546,746
EXPENSES		
	2023	2022
Interest	378,162	358,900
Personnel	1,107,023	947,969
Contributions	1,170,958	209,921
Outside services	171,365	145,452
Legal and accounting	107,377	88,661
Occupancy	61,107	55,305
Travel and training	85,182	80,354
Marketing and advertising	37,813	62,061
Depreciation and amortization	15,701	19,411
Provision for loan losses	448,703	212,972
Other operating expenss	81,747	48,903
Provision for income taxes	47,981	126,532
Patronage dividend	-	17,402
TOTAL EXPENSES	3,713,119	2,373,843
NET REVENUE	146,684	172,903

- | | | |
|---|--|---|
| Boulder Housing Coalition | Inter-Cooperative Council at Ann Arbor | Ozark Natural Food Co-op |
| Bush Foundation | Isthmus Engineering | Park Cooperative Apartments |
| Capital Impact Partners | Kansas Midwives LDF | People's Food Co-op |
| Catholic Health Initiatives | Keweenaw Cooperative | People's Food Co-op of Kalamazoo |
| CDFI Fund of the US Department of Treasury | Lexington Cooperative Market | People's Food Cooperative |
| Columinate | Littleton Consumer Cooperative Society | River Valley Cooperative |
| College Houses | Loring Wolcott & Coolidge Sustainability Group clients | Riverton Community Housing |
| Colorado Solidarity Fund | Madison Community Co-op | Roots and Fruits Produce |
| Common Good Finance | Middlebury Natural Foods Co-op | School Sisters of Notre Dame |
| Common Ground Food Co-op | Mifflin Street Co-op | School Sisters of St. Francis |
| Community Housing Expansion of Austin | Mississippi Market | Seward Community Co-op |
| Community Mercantile | Molehill Housing Co-op | Sinsinawa Dominicans |
| Community Pharmacy | Monadnock Food Co-op | Sisters of St. Francis of Philadelphia |
| Cook County Whole Foods | MSU Student Housing Cooperative | Sisters of St. Joseph of Carondelet |
| Cooperative Development Foundation | NASCO Properties | Sisters, Servants of the Immaculate Heart of Mary |
| CP Local 001 | National Co+op Grocers | St. Peter Food Co-op |
| Cronin-Geller Social Justice Fund | National Cooperative Bank | Sioux Falls Food Co-op |
| Eastside Food Cooperative | Neighborhood Co-op Grocery | The Food Co-op |
| Episcopal Diocese of Iowa Alternative Investment Fund | Neighboring Food Cooperative Association | The Kentron Foundation |
| Ever'man Natural Foods | New England War Tax Resistance | Three Rivers Market |
| Federated Youth Foundation | New Pioneer Co-op | Twin Cities Co-op Partners |
| Federation of Southern Cooperatives | New Riverside Café | Twin Pines Cooperative Foundation |
| Flatbush Food Co-op | New Visions Investments, LLC | Union Cab of Madison Cooperative |
| Franciscan Sisters of Little Falls | New World Foundation | United Natural Foods |
| Frederick County Consumer Cooperative | Northstar Asset Management clients | Valley Alliance of Worker Cooperatives |
| Fresh Pond Capital clients | Northwest Area Foundation | Valley Natural Foods |
| Fund for Democratic Communities | Oberlin Student Cooperative Association | Weaver Street Market |
| Fund for Economic Democracy, LLC | Olamina Fund LLC | Weavers Way Cooperative Association |
| Grain Train Natural Food Co-op | Oneota Community Co-op | Wheatsville Co-op |
| GreenStar Cooperative Market | Onion River Cooperative | Whole Foods Community Co-op |
| Grow With Google Fund | Open Harvest Food Co-op | Wild Oats Cooperative |
| Hall Capital Partners clients | Organic Valley Family of Farms | Willimantic Food Co-op |
| Hunger Mountain Cooperative | Oryana Food Co-op | Willy Street Co-op |
| | Outpost Natural Foods | |





Shared Capital Cooperative®

BUILDING ECONOMIC DEMOCRACY

2388 University Avenue West, Suite 300
St. Paul, MN 55114

How co-ops make an impact

Shared Capital invests in cooperatives of all types which improve the lives of their members and their communities.

- Guiding Values
- Cooperative Structures
- Positive Impacts

