



# Shared Capital Cooperative®

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BUILDING ECONOMIC DEMOCRACY

Annual General Member Meeting and  
Cooperative Forum

May 12, 2022

Minutes and other materials  
available for review at

<https://SharedCapital.coop/AnnualMeeting/>

# Welcome and Call to Order

## 2022 Shared Capital Cooperative Annual General Member Meeting and Cooperative Forum

# Agenda

## **2022 Annual General Membership Meeting**

**12:00 pm** – Call to Order

Business Meeting

Cooperative Forum

Breakout Sessions (25-30 minutes)

**1:30 pm** – Adjourn

# Meeting Notice

Mailed to Members March 29, 2022



## Save the Date

2022 Annual General Member Meeting  
and Cooperative Forum

Thursday, May 12, from 12:00-1:00pm ET

More information soon at:  
[www.sharedcapital.coop/annualmeeting](http://www.sharedcapital.coop/annualmeeting)

## 2022 Board Elections

Electronic vote dates are from March 29 to April 8

Cooperative members will receive an email with voting credentials. The individual member board seat is not up for election and individual members will not vote.

For guidelines go to [sharedcapital.coop/vote](http://sharedcapital.coop/vote)  
For questions, please contact [act@sharedcapital.coop](mailto:act@sharedcapital.coop)

Return address:  
Shared Capital Cooperative  
2388 University Avenue W, Suite 200  
Saint Paul, MN 55114

MAIL MERGE ADDRESS HERE

Thank you to our  
Premier Event Sponsor

**NORBA**

**CLUSA**

National Cooperative Business Association  
CLUSA International



# Thank you to our Sponsors



2022 Annual General Member Meeting



# Board of Directors



*Left to right, top row:* Thomas Beckett, Alex Bentzenheimer, Terence Courtney, Dana Curtis, JQ Hannah, Gail Patrice Lockert Anthony, *Bottom row:* Camille Kerr, Repa Mekha, Julie Ristau, Holly Jo Sparks, Pamela Standing



# Welcome! Newly Elected Board Members



**Anna Boyer**



**Julie Ristau**



**Charity Schmidt**

# Thank you!



Thank you to **Alex Betzenheimer** and **Dana Curtis**  
for your service to Shared Capital Cooperative

# 2021 Highlights

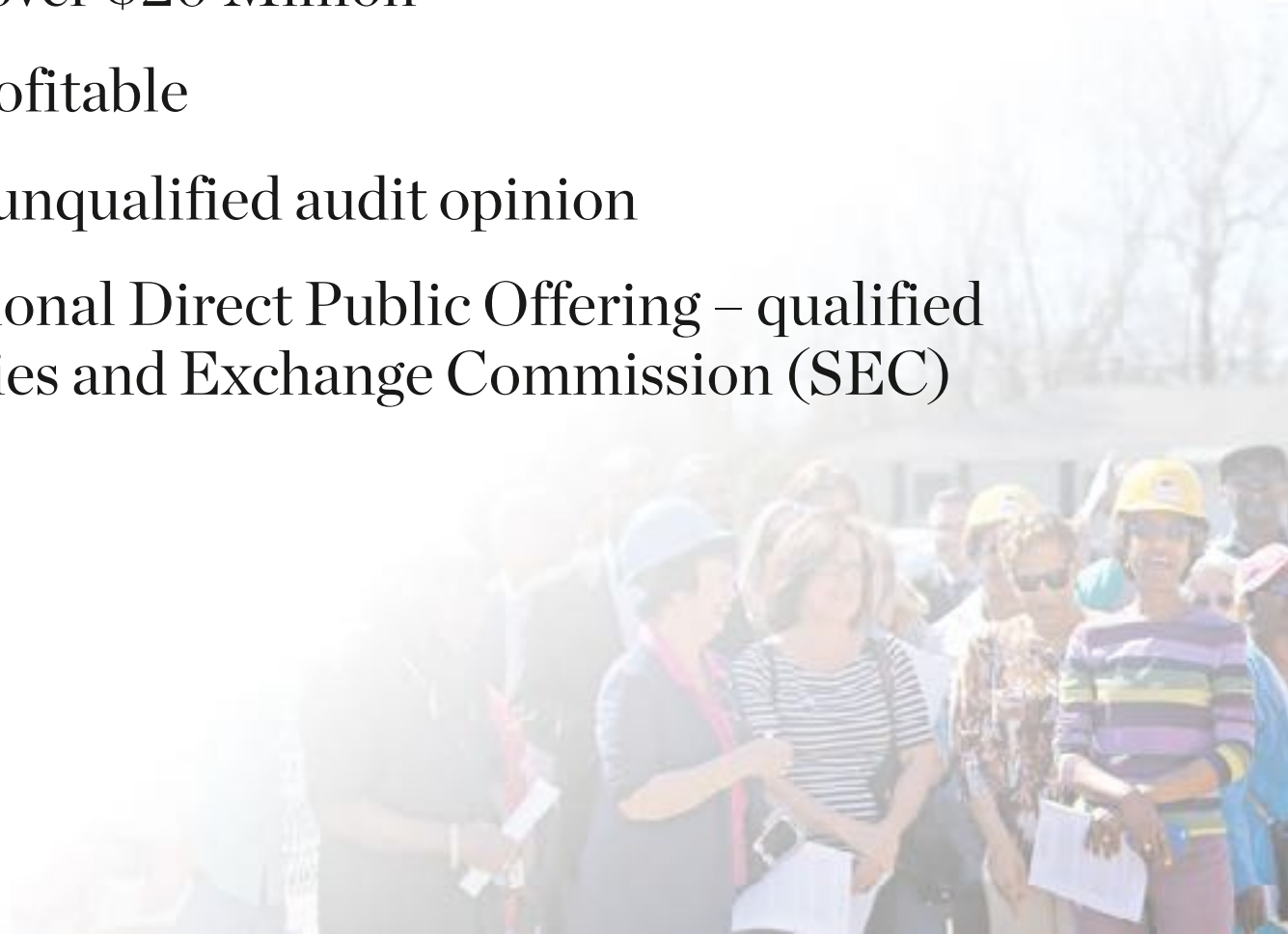
# 2019-2022 Strategic Goals

## Strategic Goals

1. Grow assets and equity to increase self-sufficiency and sustainability
2. Deepen the impact of our work to advance social, economic, racial equity and justice
3. Increase awareness of our work
4. Strengthen our human and technical capital to increase effectiveness and capacity

# 2021 Highlights

- Grew fund to over \$20 Million
- Financially profitable
- Clean audit – unqualified audit opinion
- Launched national Direct Public Offering – qualified by the Securities and Exchange Commission (SEC)





# 2021 Highlights

## Lending and Investing

- Made \$2.8 Million in new loans and investments to 19 co-ops
- Approved over \$6 Million in new loans
- 97% to co-ops owned by people of color, low-income communities, women and LGBTQ
- 46 jobs created; 165 jobs maintained (FTEs)

# 2021 Highlights

## Racial Equity and Justice

- Board and Staff Diversity
  - 45% of Board are people of color
  - 33% of staff are people of color
- Continued to review internal policies and practices
- Board formed the Racial Justice Committee
- Staff participated in diversity and equity self-education and trainings
- Staff participated in co-op sector racial equity and justice meetings and convenings

# 2021 Highlights

## Racial Equity and Justice (continued)

- Rolled out new equity investment product
- Delivered presentations supporting loan access in BIPOC communities.
- 2020-2021, BIPOC owned co-ops financing:
  - 48% to BIPOC-owned co-ops in 2021
  - \$3.1 million invested in BIPOC co-ops
  - \$1.3 million to BIPOC start-up and early stage

# Pecan Milk Cooperative

## Atlanta





# Proof Bakery Co-op

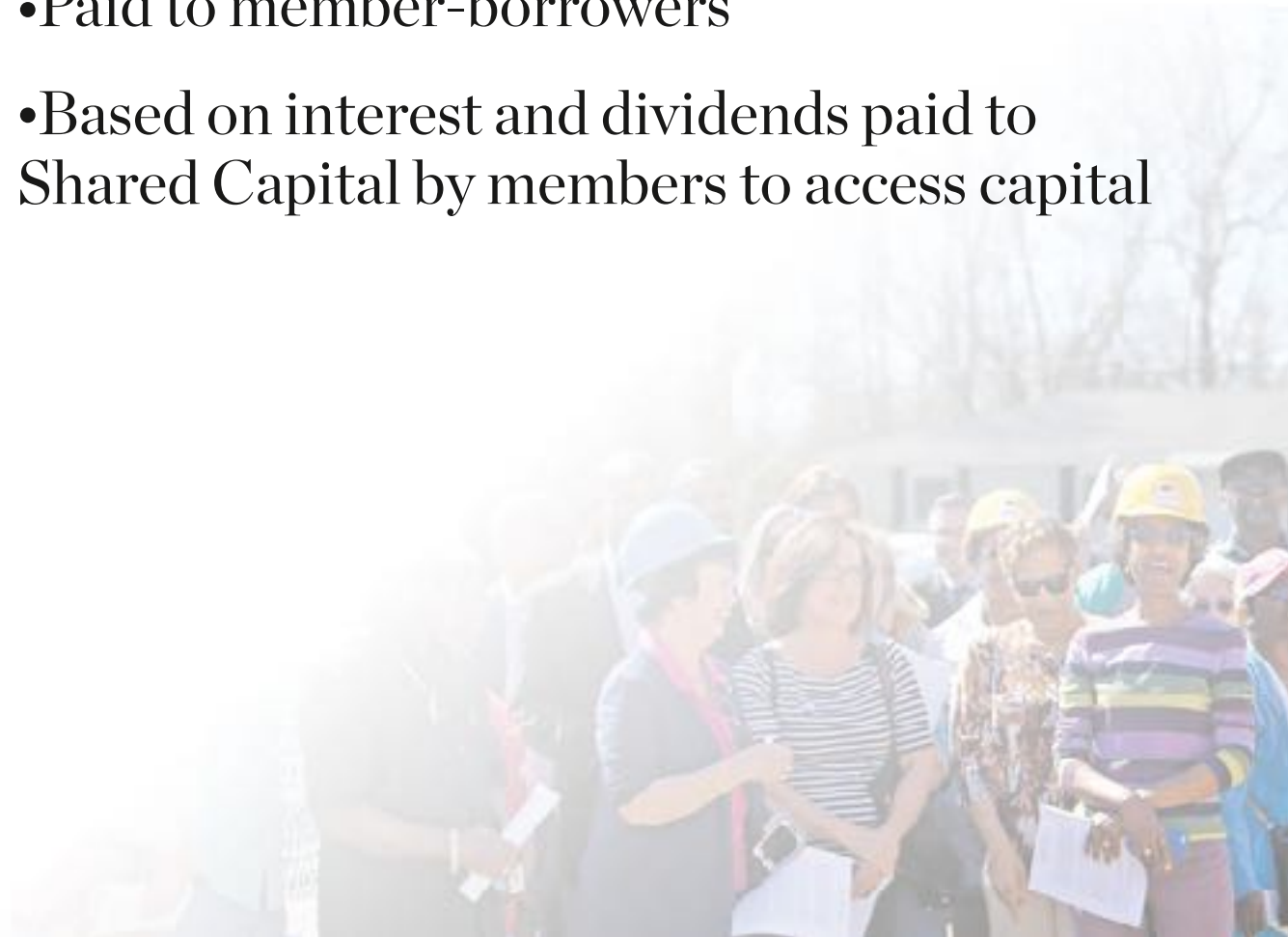
## Los Angeles





# Patronage Dividends

- Paid to member-borrowers
- Based on interest and dividends paid to Shared Capital by members to access capital



# Patronage Dividend

- 2021 Patronage dividend = \$41,000
- Equal to rebate of 5% of interest paid
- Paid to over 100 co-op member-borrowers
- Issued in additional shares
- Nonqualifying patronage dividend







# Preferred Shares Dividend

- 2021 dividend = 5% return
- Issued in additional shares
- *pro rata* based on 2021 holdings
- Allocated to accounts in April 2022



2022 Annual General Member Meeting

# 2021 Financial Report

Andi Shively, Key Figures

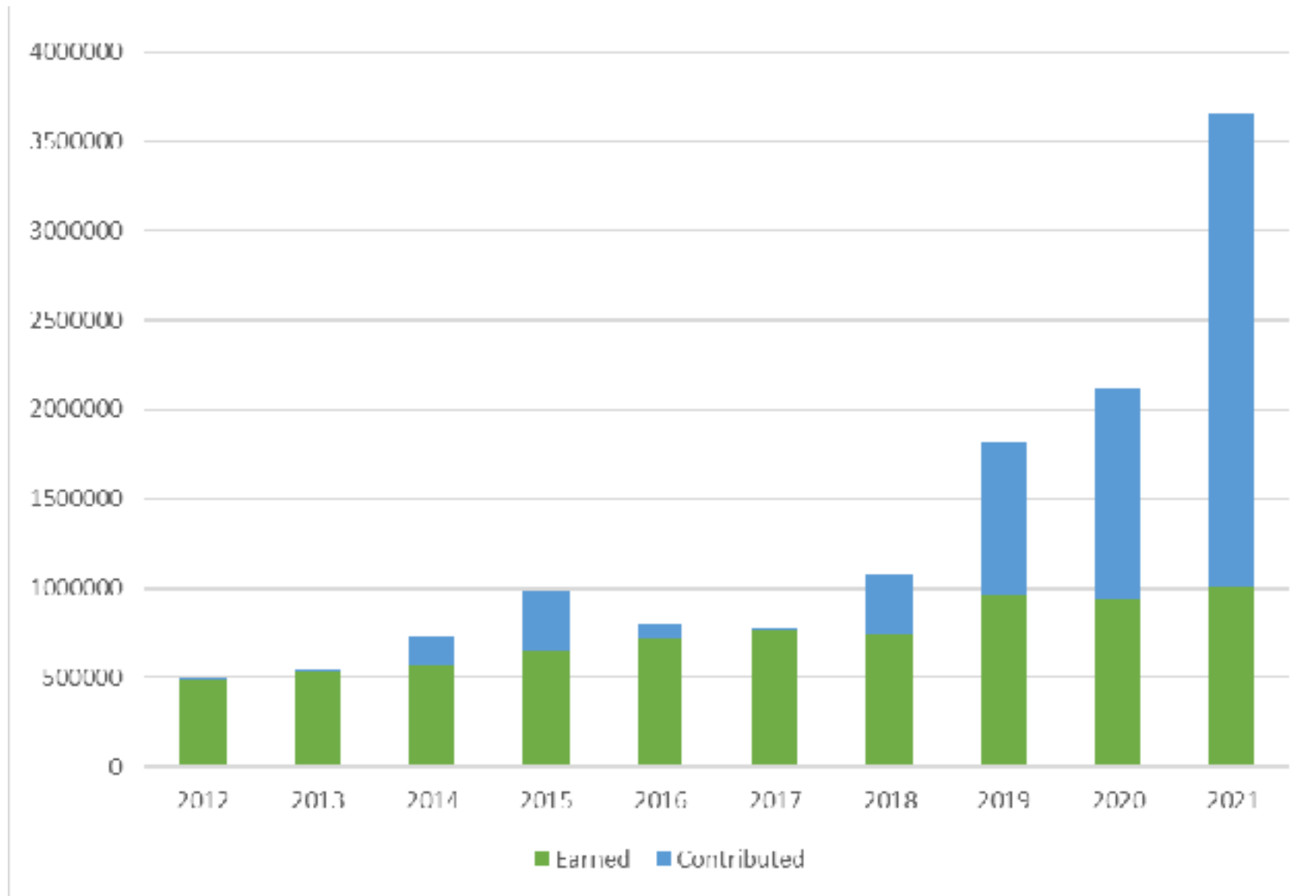
Shared Capital Controller

# Profit and Loss

<b>Revenue</b>	<b>2021</b>	<b>2020</b>
Interest & fee income	\$ 992,660	\$ 873,330
Loan recovery income	11,826	53,299
Other earned revenue	10,700	13,300
Grants & donations	2,634,706	1,178,054
<b>Total Revenue</b>	<b>3,649,892</b>	<b>2,117,983</b>
<b>Expenses</b>		
Interest expense	303,233	226,509
Operating expenses	1,364,483	849,105
Contributions	185,000	210,000
Depreciation and amortization	18,732	15,834
Provision for loan losses	912,731	260,568
<b>Total Operating Expenses</b>	<b>2,784,179</b>	<b>1,562,016</b>
Net income before taxes	\$ 865,713	\$ 555,967
Provision for income taxes	(417,809)	(177,998)
Patronage dividend	(40,695)	(29,726)
<b>Net income</b>	<b>407,209</b>	<b>348,243</b>



# Revenue Trends 2012-2021



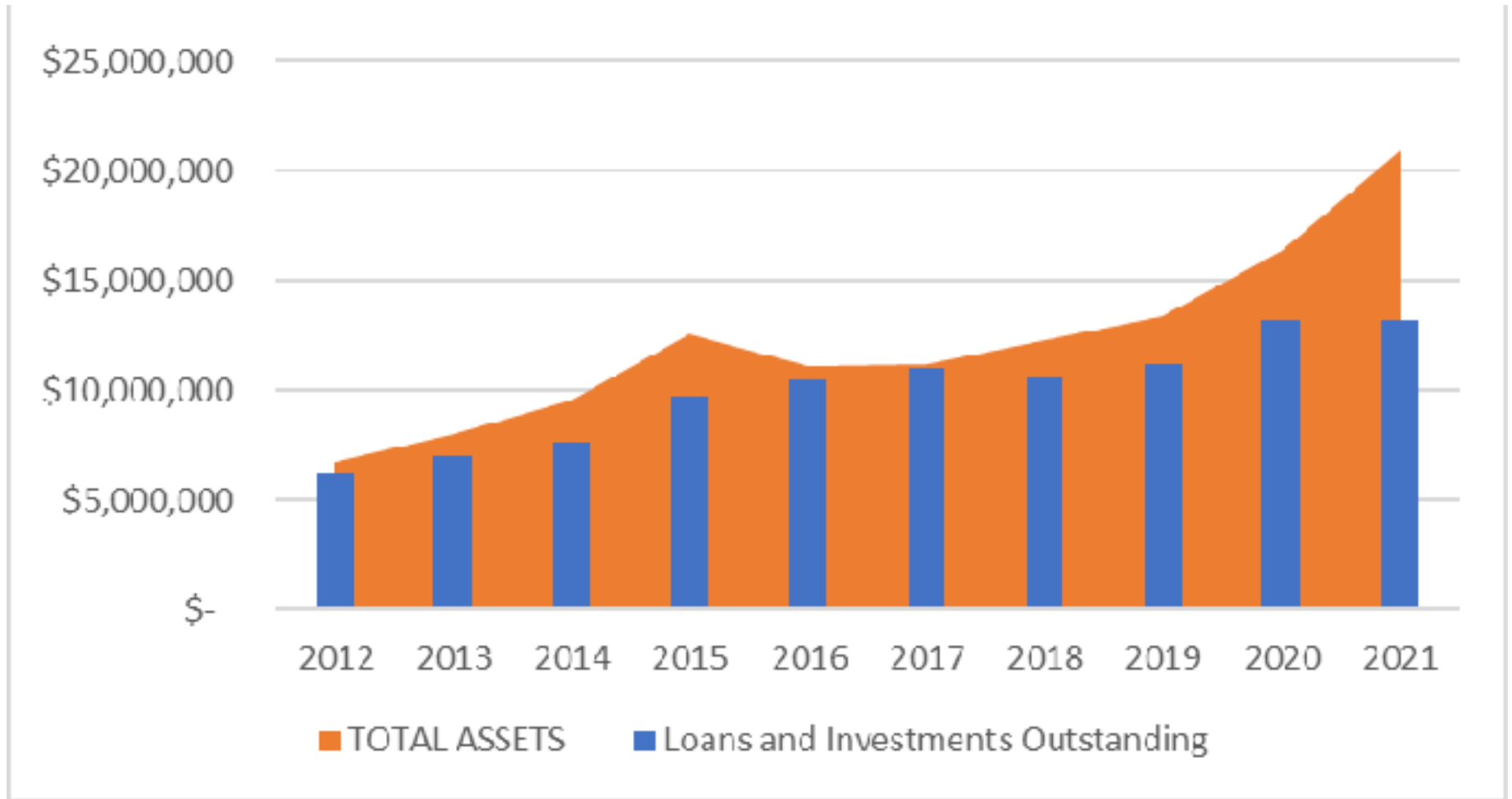
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# Balance Sheet

<b>ASSETS</b>	<b>2021</b>	<b>2020</b>
Cash	\$ 8,444,879	\$ 2,840,985
Other Current Assets	363,867	534,919
Loans receivable (current & long term)	13,172,028	13,156,802
Equity investments in cooperatives	154,560	154,560
Allowance for loan losses	(1,376,467)	(831,900)
Other Assets	136,872	499,783
<b>TOTAL ASSETS</b>	<b>\$ 20,895,739</b>	<b>\$ 16,355,149</b>
<b>LIABILITIES</b>		
Deferred Revenue	735,688	100,000
Other current liabilities	\$ 241,417	\$ 197,874
Funds Held for Others	331,039	324,749
Notes Payable (current & long term)	16,209,079	12,857,598
Other liabilities	\$ 150,991	\$ 124,234
<b>TOTAL LIABILITIES</b>	<b>17,668,214</b>	<b>13,604,455</b>
<b>EQUITY</b>		
Preferred Stock	2,590,147	2,504,467
Common Stock	2,302,446	2,246,824
Retained Earnings	(1,665,068)	(2,000,597)
<b>TOTAL EQUITY</b>	<b>3,227,525</b>	<b>2,750,694</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 20,895,739</b>	<b>\$ 16,355,149</b>

# Assets & Portfolio - 2012-2021



# Balance Sheet

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# 2022 Priorities & Budget

# 2022 Budget

<b>Revenue</b>	<b>2022 Budget</b>	<b>2021 Actual</b>	<b>Variance</b>
Interest & fee income	\$ 984,953	\$ 992,660	\$ (7,707)
Loan recovery income	-	11,826	(11,826)
Other earned revenue	50,427	10,700	39,727
Grants & donations	1,435,333	2,634,706	(1,199,373)
<b>Total Revenue</b>	<b>2,470,713</b>	<b>3,649,892</b>	<b>(1,179,179)</b>
<b>Expenses</b>			
Interest expense	448,930	303,233	145,697
Operating expenses	1,527,780	1,364,483	163,297
Contributions	-	185,000	(185,000)
Depreciation and amortization	16,738	18,732	(1,994)
Provision for loan & investment losses	214,874	912,731	(697,857)
Subscription Disposal Expense	21,842	-	21,842
<b>Total Operating Expenses</b>	<b>2,230,164</b>	<b>2,784,179</b>	<b>(554,015)</b>
Net income before taxes	\$ 240,549	\$ 865,713	\$ (625,164)
Provision for income taxes		(417,809)	
Patronage dividend		(40,695)	
<b>Net income</b>	<b>240,549</b>	<b>407,209</b>	<b>(166,660)</b>

# 2022 Priorities & Work Plan

- Continued strong financial performance
- Add 2 new staff positions; Additional loan officer and Portfolio Analyst
- Grow to \$22 million
- Public launch of DPO
- Raise \$5 million in debt and equity through DPO
- \$4.5 Million in new loans & investments to co-ops
- Launch new collaborations to advance racial equity and justice

# Remaining Agenda Items

- Unfinished business
- New business



# Question and Answer

- Use the chat function – the speech bubble icon – to enter your questions
- Join us for the Question and Answer Breakout session after the Co-op Forum



# Thank you to our staff



**Samantha Bailey**  
Lending Team Manager



**Mark Downey**  
Operations Manager



**Mark Fick**  
Senior Loan Officer



**Christine Jennings**  
Executive Director



**Ashley Long**  
Loan and Investment Associate



**Mike Seo**  
Portfolio Analyst



**Adam Trott**  
Director of Member Relations



**Allison Wagstrom**  
Loan Officer



**Rhonda Wetling**  
Operation Manager

# Shared Capital Cooperative

## Annual Cooperative Forum



# The Cooperative Economy Campaign

Building the Future by Investing in Cooperation

# The Cooperative Economy Campaign

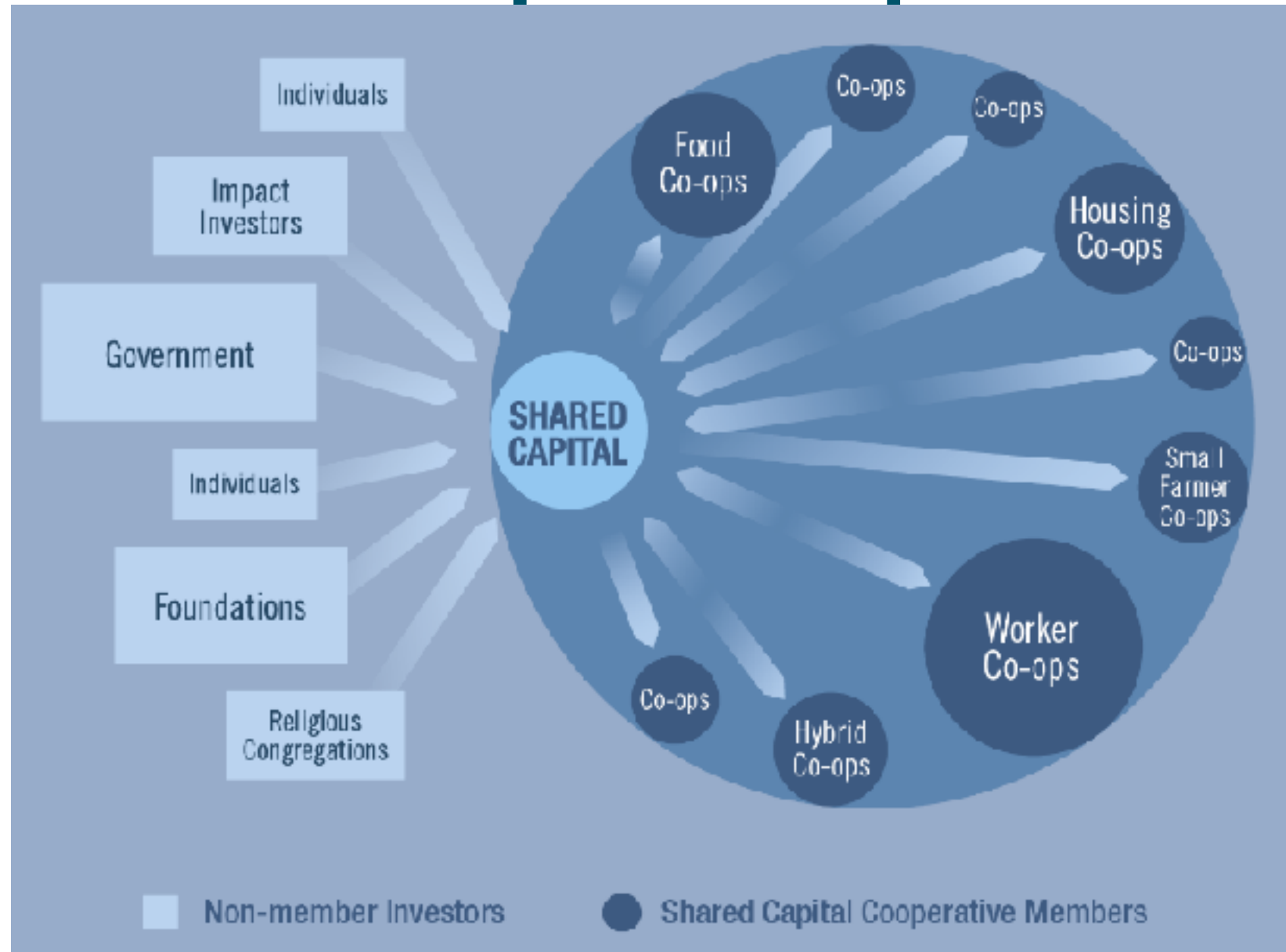
- New campaign to grow the funds available to support the start-up, sustaining and growth of co-ops
- Inviting all members, partners, allies and everyone who wants to *create a cooperative future* by investing in Shared Capital

# The Cooperative Economy Campaign

## Why Shared Capital Cooperative



# Shared Capital Cooperative



**Shared Capital  
Cooperative**

2022 Annual General Member Meeting

# The Cooperative Economy Campaign

- Securities and Exchange Commission (SEC) qualified direct public offering (under Regulation A)
- Open to all investors –nonaccredited and accredited
- Thanks to Cutting Edge Capital / Cutting Edge Counsel



# The Cooperative Economy Campaign

- Invest online through portal (SVX.us)
- Preferred Shares – 5% annual dividend target
- Subordinated Notes with 3 / 5 / 10-year terms
- Go to <https://sharedcapital.coop/invest/>



Preferred <b>Shares</b> 5+ years, 5%	10-Year <b>Note</b> 10 years, 4%	5-Year <b>Note</b> 5 years, 3%	3-Year <b>Note</b> 3 years, 1%
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# The Cooperative Economy Campaign

Building the Future by Investing in Cooperation

<https://sharedcapital.coop/invest/>

# Breakouts

1. Financial Deep Dive
2. The Direct Public Offering: Invest in the Cooperative Economy
3. Meet The Board Members