



**Shared Capital  
Cooperative®**  
BUILDING ECONOMIC DEMOCRACY

## Annual Report 2020-2021





# Welcome to our 2020 and 2021 Bi-Annual Report

Our staff, board, members, and cooperative community pulled together in incredible ways to navigate a very challenging time.

In 2020, in response to the COVID pandemic, we stepped up the resources and support for cooperatives. We quickly responded to the shut-down by launching emergency loans and offering all borrowers three months of no payments, no questions asked. We then worked with our borrowers who needed additional time because of business disruptions, provided technical assistance and training, and helped cooperatives access EIDL and PPP loans from the SBA. Through this we continued to focus on ensuring equitable access to capital, with 82% of our financing going to co-ops owned by people of color, women, and low-income people, and 43% to Black- and Latinx-owned co-ops.

In 2021, Shared Capital worked hard to raise new capital resources to support cooperatives. We reached \$20 million in assets. This was one of our key strategic goals in order to make sure we can increase access to affordable capital for cooperatives. We opened investment to anyone, starting at \$500, and allowing investments through an online portal with a national Direct Public Offering (DPO) in order to make it easier for everyone to invest in the cooperative economy. We continued providing capital and assistance to cooperatives as they navigated the second year of the pandemic. In 2021, 97% of our financing went to cooperatives owned by people of color, women, and low-income people, and 42% of our financing went to Black- and Latinx-owned co-ops.

We are proud to share more about our work in this report.

## Board of Directors 2020-21

<b>Thomas Beckett</b> Carolina Common Enterprise Durham, North Carolina	<b>Repa Mekha, Secretary</b> Nexus Community Partners St. Paul, Minnesota
<b>Alex Betzenheimer, President</b> Seward Community Co-op Minneapolis, Minnesota	<b>Julie Ristau</b> Sharing Our Roots Northfield, Minnesota
<b>Terence Courtney</b> Federation of Southern Cooperatives/Land Access Fund Epes, Alabama	<b>Holly Jo Sparks</b> Oryana Natural Foods Market, Traverse City, and MSU Student Housing Cooperative, East Lansing, Michigan
<b>Dana Curtis, Treasurer</b> Key Figures Austin, Texas	<b>Pamela Standing</b> (start 2021) Minnesota Indigenous Business Alliance Saint Paul, Minnesota
<b>JQ Hannah</b> Food Co-op Initiative Urbana, Illinois	<b>Jaime Villalaz</b> (to 2020) Latino Economic Development Center Sauk Rapids, Minnesota
<b>Camille Kerr</b> Upside Down Consulting Chicago, Illinois	
<b>Gail Patrice Lockert Anthony, Vice President</b> (start 2021) Black Label Consulting Ithaca, New York	

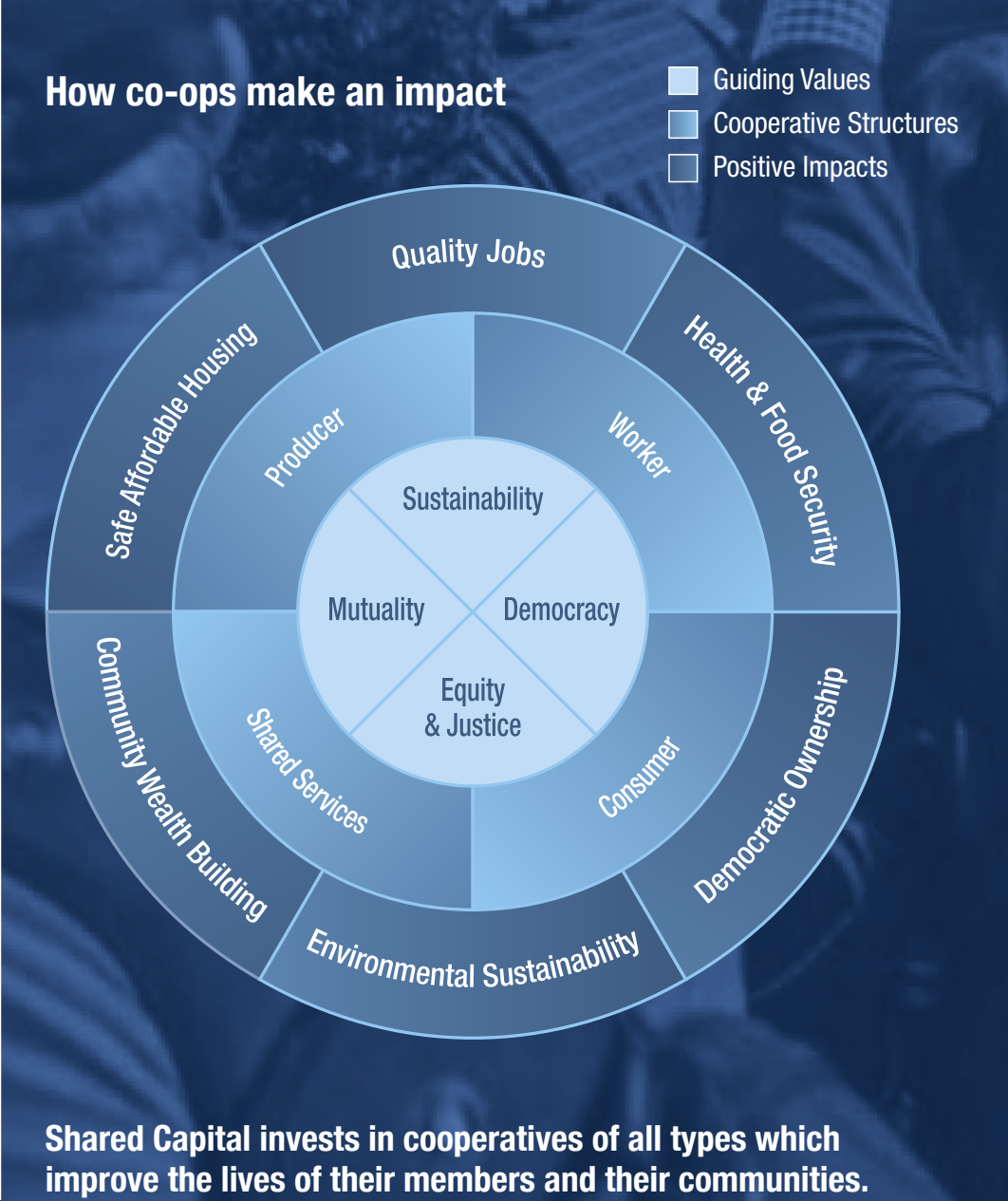
## Staff 2020-21

<b>Christina Jennings</b> Executive Director	<b>Adam Trott</b> Director of Member Relations
<b>Samantha Bailey</b> Loan Officer	<b>Rhonda Weidling</b> Operations Manager
<b>Mark Downey</b> Director of Finance and Operations	<b>Jim Shadko</b> Senior Loan Officer (contract)
<b>Mark Fick</b> Senior Loan Officer	<b>Andi Shively</b> Controller (contract)
<b>Jessica James</b> Loan Administrator	

Front cover photos:  
Top row: Capital Homecare Cooperative, Cooperative Energy Futures  
Bottom row: Cityview Housing Cooperative, Federation of Southern Cooperatives

Back cover photos:  
Top row: Anytime Union Taxi, Hasta Muerte Coffee Cooperative  
Bottom row: Ronan Cooperative Brewery, Park Cooperative Apartments

Shared Capital Cooperative’s mission is to build a just, equitable and democratic economy by investing in cooperative enterprises.







Federation of Southern Cooperatives



Sioux Falls Food Co-op



Pilsen Housing Cooperative

**35 Crown**  
Brooklyn, New York  
\$425,000 to an affordable housing cooperative

**Anytime Union Taxi**  
Montgomery County, Maryland  
\$483,000 to finance the purchase and retrofitting of 15 vans for accessible transportation

**Central Co-op**  
Seattle and Tacoma, Washington  
\$100,000 in working capital for a consumer-owned grocery store

**ChiFresh Kitchen**  
Chicago, Illinois  
\$350,000 to finance real estate purchase for worker-owned catering and food service business

**Cityview Housing Cooperative**  
Minneapolis, Minnesota  
\$675,000 for renovations to 31-unit housing cooperative

**Community Co+op Market**  
Tallahassee, Florida  
\$600,000 for equipment and leasehold improvements to pre-serve and restructure a community-based cooperative grocery

**Cooperative Energy Futures**  
Minneapolis, Minnesota  
\$100,000 to finance deposit for the construction of a community solar garden

**Federation of Southern Cooperatives**  
Epes, Alabama  
\$500,000 in an additional line of credit to association of black farmers, landowners, and cooperatives

**Park Cooperative Apartments**  
Minneapolis, Minnesota  
\$50,000 for rehab and improvements in 13-unit affordable housing cooperative

**Pilsen Housing Cooperative**  
Chicago, Illinois  
\$85,000 for capital improvements for a 6-unit, mixed-income housing cooperative

**Quilt Shop Co-op**  
Minneapolis, Minnesota  
\$50,000 in startup capital to consumer-owned quilt shop

**Seattle Wholesale Growers Market Cooperative**  
Seattle, Washington  
\$75,000 for seasonal line of credit for co-op owned by sustainable, local flower growers

**Sioux Falls Food Co-op**  
Sioux Falls, South Dakota  
\$300,000 to finance the expansion of a community-owned natural foods cooperative

**Snow River Cooperative**  
Crandon, Wisconsin  
\$650,000 to finance employee purchase of unionized, specialty wood manufacturing business

**The Co-op Funeral Home of People's Memorial**  
Seattle, Washington  
\$80,000 in working capital to finance relocation to a larger funeral home space

**US Federation of Worker Cooperatives**  
Philadelphia, Pennsylvania  
\$40,000 line of credit for a national association of worker co-ops

COVID-19 EMERGENCY LOANS

**Capital Homecare Cooperative**  
Olympia, Washington  
\$7,000 COVID emergency loan to worker-owned homecare cooperative

**Happy Earth Cleaning Cooperative**  
Minneapolis, Minnesota  
\$25,000 COVID emergency loan to support a recently converted eco-friendly residential cleaning company

**Hasta Muerte Coffee Cooperative**  
Oakland, California  
\$10,000 COVID emergency loan to worker-owned coffee shop





Pecan Milk Cooperative



Blue Tin Production



Fancy Tiger Crafts Co-op

**Big Duck Studio**

Brooklyn, New York

\$275,000 for employees to buy and convert marketing agency to worker co-op

**Blue Tin Production**

Chicago, Illinois

\$163,200 to launch immigrant woman-owned textile production worker cooperative

**DeRute Consulting**

Milwaukee, Wisconsin

\$195,000 to finance investment in new products and services for worker-owned consulting cooperative

**Extra Extra Pizza**

Buffalo, New York

\$130,000 to finance buildout and equipment for startup, worker-owned pizza restaurant

**Fancy Tiger Crafts Co-op**

Denver, Colorado

\$353,605 for employees to buy and convert craft store to a worker cooperative

**Flat Iron Cooperative**

Bellows Falls, Vermont

\$20,000 for leasehold improvements and equipment for café reopening as a hybrid worker and consumer co-op

**Gray Owl Collective**

Norman, Oklahoma

\$110,000 to finance employees' purchase of coffee shop

**Heartsong Homecare Cooperative**

Oak Harbor, Washington

\$21,200 for startup of a homecare worker cooperative

**Little Genius Daycare Center**

Chapel Hill, North Carolina

\$45,000 to finance start-up worker-owned Spanish immersion daycare

**MATCH Co-op**

Minneapolis, Minnesota

\$137,808 to buy a second house creating 5 new affordable units in shared-equity housing co-op

**Mercado Central**

Minneapolis, Minnesota

\$150,000 for improvements to Latinx cooperatively owned marketplace

**Pachamama Coffee**

Sacramento, California

\$225,000 to expand US-based coffee roastery cooperatively owned by small farmer-owned coffee co-ops in Latin America and Africa

**Pattycake Bakery**

Columbus, Ohio

\$150,000 to finance worker-owned bakery to buy their building

**Pecan Milk Cooperative**

Atlanta, Georgia

\$10,000 equity investment in a worker cooperative producing pecan milk

**Proof Bakery Cooperative**

Los Angeles, California

\$450,000 to employees to buy and convert a retail bakery to employee ownership

**Slow Bloom Cooperative**

Redlands, California

\$105,000 to startup unionized, worker-owned coffee shop

**The Drivers Cooperative**

New York, New York

\$200,000 to start a worker-owned ride share service

COVID-19 RECOVERY LOANS

**BisMan Community Food Cooperative**

Bismarck, North Dakota

\$75,000 COVID recovery loan to consumer-owned grocery co-op

**Union Cab of Madison Cooperative**

Madison, Wisconsin

\$100,000 COVID recovery loan for worker-owned union cab cooperative





ChiFresh Kitchen

Chicago, Illinois

ChiFresh Kitchen is a worker cooperative food service company offering food that is rooted in the culture and traditions of the people being served. “We weren’t planning on opening until May 2020, but the pandemic hit, and we felt like that was the time to begin our journey,” said Kimberly Britt, founding member.

Britt and four other women, all of whom had formerly been incarcerated, launched ChiFresh Kitchen in April 2020. They began by serving 50 meals a week to their community. ChiFresh partnered with transitional housing and shelters to address food insecurity and reach those most in need in Chicago. The need was made even more acute by the shut-down, and soon they were serving over 500 meals a week. “We had to find our rythm in our shared kitchen,” said Britt, “and everybody was determined.” ChiFresh now produces 500 meals a day for those who are food insecure in Chicago.

ChiFresh focuses on high-quality, beautifully arranged, good-tasting food. The worker-owners cook up rice

bowls, burritos, salads, fried chicken, mandarin orange stir-fry, and more. “As we were visiting and delivering food, we found that ours were the only meals people were receiving that day,” said Britt, who has experience in transitional housing. “Food insecurity was a serious, daily problem, especially during the pandemic.”

As capacity and demand grew, members wanted to expand their kitchen. ChiFresh bought their own building with a loan from Shared Capital. “We will create more employment opportunities for those who are formerly incarcerated,” said Britt.

“We see a lot of injustice going on. That’s where ChiFresh’s heart’s desire is — changing your community and showing others you can do this, too” reported Britt. “It’s a good feeling waking up every day knowing I don’t just have a job, but ...we are our own bosses. A co-op is something there should be more of, because it would really make a difference.”



Rural Jobs Saved by Worker Co-op Conversion

Snow River Cooperative  
Crandon, Wisconsin

In late 2019, the owner of Snow River, a small manufacturing company in rural Wisconsin, announced he would be shutting down the company. The closure would have resulted in the loss of good jobs in this small community that already suffered from a jobless rate three times the state average. The employees of Snow River set about saving the 100-year-old manufacturing plant. Working with the union, Cooperative Development Services, the University of Wisconsin Center for Cooperatives, and Shared Capital, the employees purchased and reorganized the business in just five months. Since converting to employee ownership, Snow River Co-op has grown and increased profitability while expanding worker pay and benefits.

Cooperative Solutions for End of Life

The Co-op Funeral Home of People’s Memorial  
Seattle, Washington

Planning for end-of-life is not easy. “Have, at minimum, cursory conversations about what people want beforehand. Grief is not a state of mind to make a big decision,” urges Nora Menkin, Funeral Co-op Executive Director. Started in 2007 by the 80 year-old People’s Memorial Association, the Funeral Co-op offers funeral planning and services for members. When they outgrew their space, they came to Shared Capital for financing to build out a new space. “We were packed to the ceiling,” said Menkin. “We felt really lucky to work with Shared Capital, who met all of our needs and didn’t require an individual guarantor.”





Impacts in 2020



Impacts in 2021

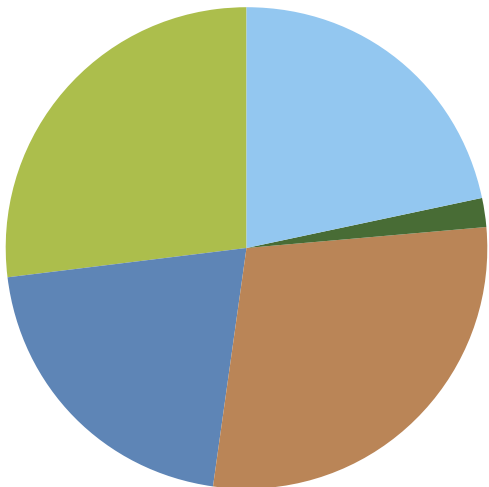


Investors and Donors 2020-2021

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

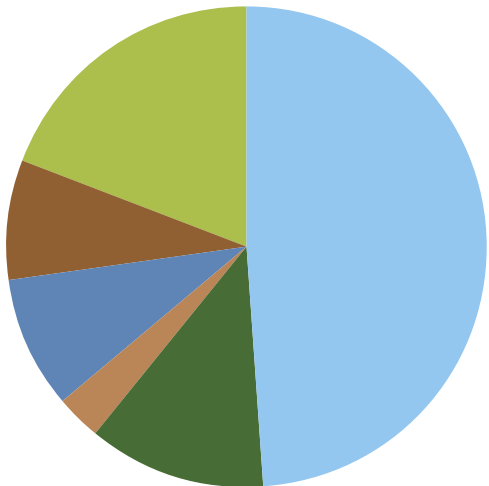
2020-21 Lending by Purpose

- 22% Conversion
- 2% Emergency
- 29% Expansion
- 20% Maintenance
- 27% Start-up



2020-21 Lending by Co-op Type

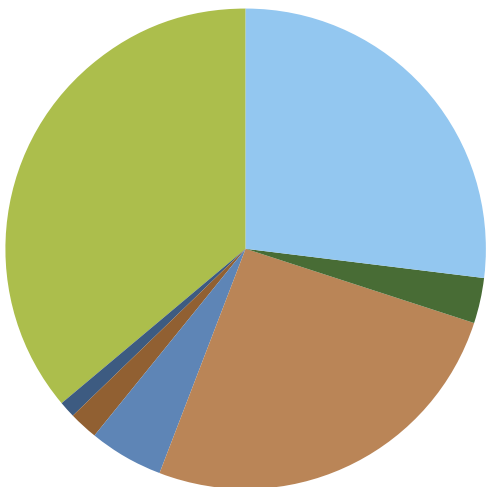
- 49% Worker
- 12% Consumer Food
- 3% Consumer - Other
- 9% Producer
- 8% Federation
- 19% Housing



Loan Portfolio by Co-op Type

As of December 31, 2021

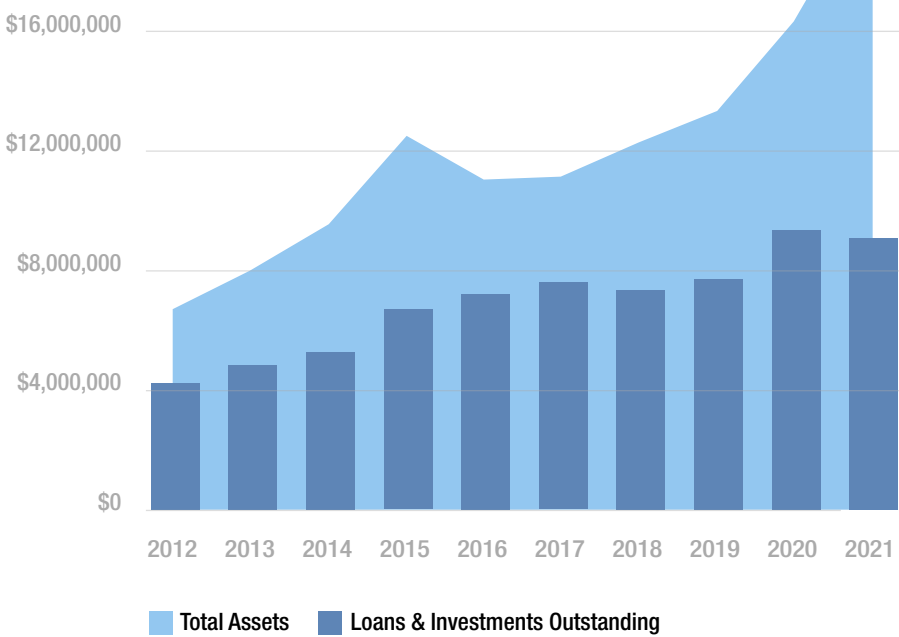
- 27% Consumer Grocery
- 3% Consumer (other)
- 26% Housing
- 5% Federation
- 2% Producer
- 1% Purchasing
- 36% Worker



2020-21: Unparalleled years of growth

2020-2021 were years of remarkable growth at Shared Capital. With new capital available from federal, state and local governments, private foundations, and impact investors, we were able to assemble the capital resources and increase our internal capacity to better meet the growth potential of the cooperative movement.

2012-2021 Yearly Loan History



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.

3  
year/1%

Shared Capital Note

5  
year/3%

Shared Capital Note

10  
year/4%

Shared Capital Note

5  
year/5%

Preferred Equity Shares

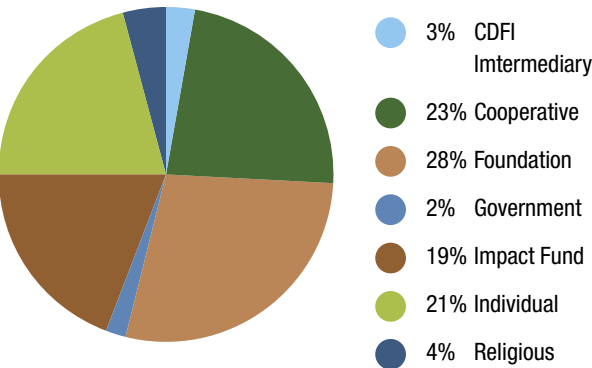
Balance Sheet (as of December 31)

ASSETS	2021	2020	LIABILITIES AND EQUITY	2021	2020
<strong>CURRENT ASSETS</strong>					
Cash	\$8,444,879	\$2,840,985	Accounts payable	\$17,721	\$22,723
Accrued interest receivable	78,598	61,355	Accrued expenses	19,508	15,944
Accounts receivable	190,676	446,777	Deferred revenue	735,688	100,000
Other current assets	94,593	26,787	Funds held for others	331,039	324,749
Current portion of loans receivable	3,549,654	2,328,571	Income taxes payable	31,020	17,998
TOTAL CURRENT ASSETS	12,358,400	5,704,475	Accrued interest payable on notes	173,168	141,209
<strong>OTHER ASSETS</strong>					
Security deposit	\$3,000	\$3,000	Current portion of investment notes	3,368,186	3,509,525
Property and equipment (net)	28,685	19,937	TOTAL CURRENT LIABILITIES	4,676,330	4,132,148
Intangible assets (net)	13,187	15,846	<strong>LONG-TERM LIABILITIES</strong>		
Equity investments in cooperatives	154,560	154,560	Accrued interest payable on investment notes	\$150,991	\$124,234
Deposit in other cooperative	5,000	5,000	Notes payable - long-term portion	12,840,893	9,348,073
Loans receivable less current portion	9,622,374	10,828,231	TOTAL OTHER CURRENT LIABILITIES	12,991,884	9,472,307
Allowance for loan losses	(1,376,467)	(831,900)	TOTAL LIABILITIES	17,668,214	13,604,455
Deferred tax asset	87,000	456,000	<strong>EQUITY</strong>		
TOTAL OTHER ASSETS	8,537,339	10,650,674	Preferred stock	2,590,147	2,504,467
TOTAL ASSETS	\$20,895,739	\$16,355,149	Common stock	2,302,446	2,246,824
			Retained earnings	(1,665,068)	(2,000,597)
			TOTAL EQUITY	3,227,525	2,750,694
			TOTAL LIABILITIES & EQUITY	20,895,739	\$16,355,149

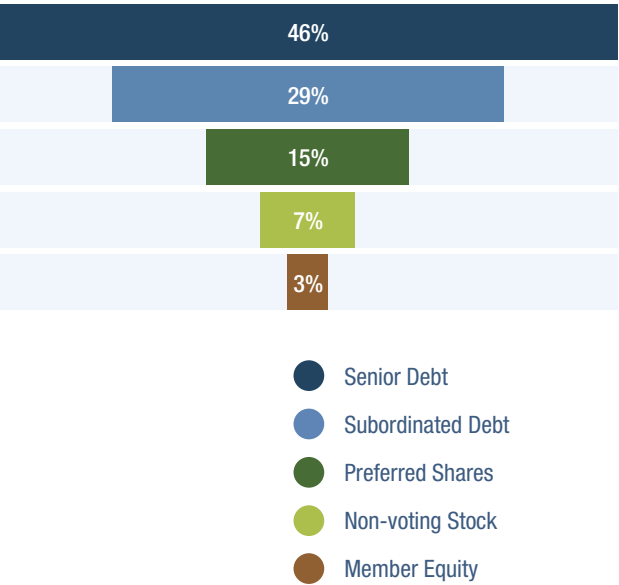
Income Statement (Fiscal year ending December 31)

REVENUE	2021	2020
Interest and fee income	992,660	\$873,330
Loan recovery income	11,826	53,299
Other earned revenue	10,700	13,300
Grants and donations	2,634,706	1,178,054
TOTAL REVENUE	3,649,892	2,117,983
<strong>EXPENSES</strong>		
Interest expense	303,233	226,509
Personnel	680,657	555,009
Contributions	185,000	210,000
Outside services	419,267	93,839
Travel and training	12,884	13,497
Occupancy	55,096	50,896
Legal/Accounting	81,558	66,473
Advertising	60,139	26,815
Depreciation and amortization	18,732	15,834
Other operating expenses	54,882	42,576
Provision for loan losses	912,731	260,568
TOTAL OPERATING EXPENSES	2,784,179	1,562,016
Net income before taxes	\$865,713	\$555,967
Provision for income taxes	(417,809)	(177,998)
Patronage dividend	(40,695)	(29,726)
NET INCOME	407,209	348,243

2020-21 Capital Sources



Capital Structure







# Shared Capital Cooperative®

BUILDING ECONOMIC DEMOCRACY

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