



**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

Thomas Beckett
Carolina Common Enterprise
Durham, North Carolina

Alex Betzenheimer, President
Seward Community Co-op
Minneapolis, Minnesota

Terence Courtney
Federation of Southern
Cooperatives/Land Access Fund
Epes, Alabama

Dana Curtis, Treasurer
Key Figures
Austin, Texas

JQ Hannah
Food Co-op Initiative
Urbana, Illinois

Camille Kerr
Upside Down Consulting
Chicago, Illinois

**Gail Patrice Lockert Anthony,
Vice President (start 2021)**
Black Label Consulting
Ithaca, New York

Repa Mekha, Secretary
Nexus Community Partners
St. Paul, Minnesota

Julie Ristau
Sharing Our Roots
Northfield, Minnesota

Holly Jo Sparks
Oryana Natural Foods Market,
Traverse City, and MSU Student
Housing Cooperative,
East Lansing, Michigan

Pamela Standing (start 2021)
Minnesota Indigenous Business
Alliance
Saint Paul, Minnesota

Jaime Villalaz (to 2020)
Latino Economic Development
Center
Sauk Rapids, Minnesota

Staff 2020-21

Christina Jennings
Executive Director

Samantha Bailey
Loan Officer

Mark Downey
Director of Finance and Operations

Mark Fick
Senior Loan Officer

Jessica James
Loan Administrator

Adam Trott
Director of Member Relations

Rhonda Weidling
Operations Manager

Jim Shadko
Senior Loan Officer (contract)

Andi Shively
Controller (contract)

Front cover photos:

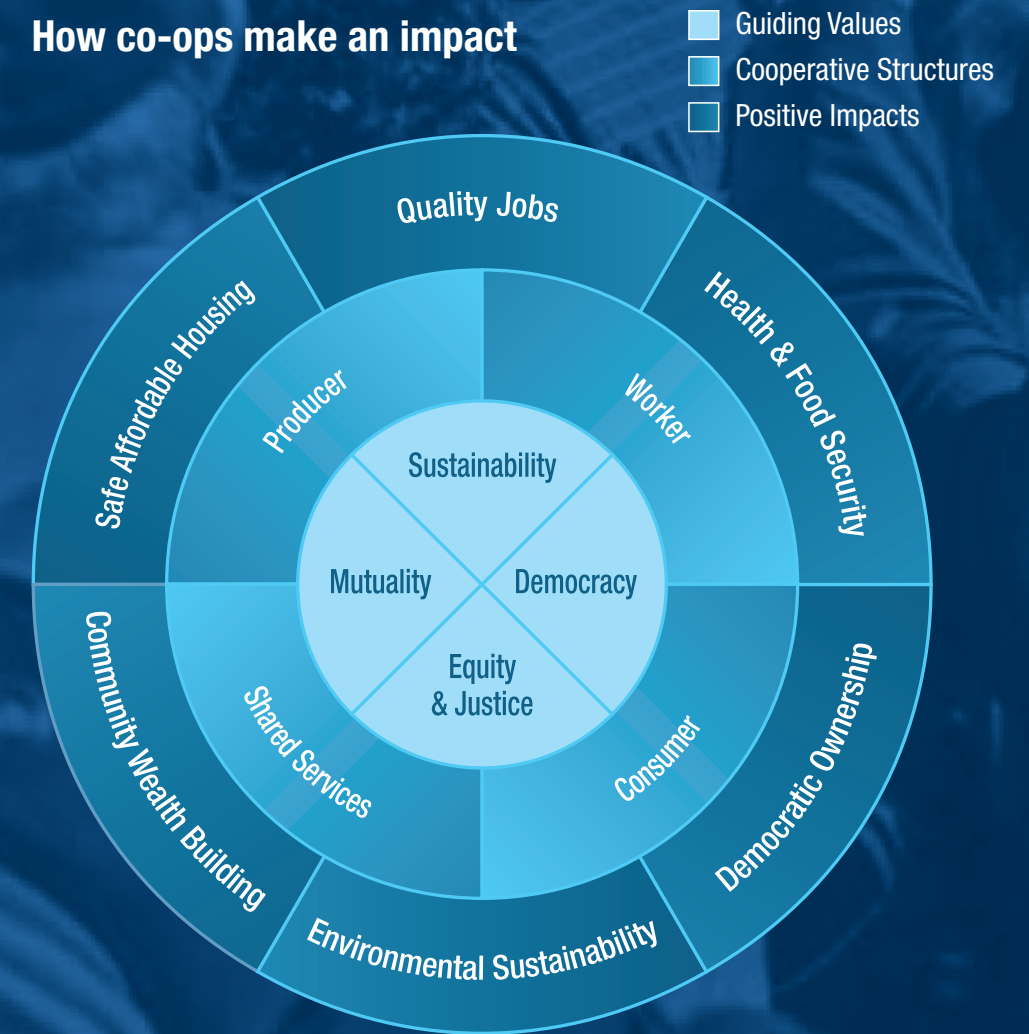
Top row: Capital Homecare Cooperative, Cooperative Energy Futures
Bottom row: Cityview Housing Cooperative, Federation of Southern
Cooperatives

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.

How co-ops make an impact



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



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 preserve 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.

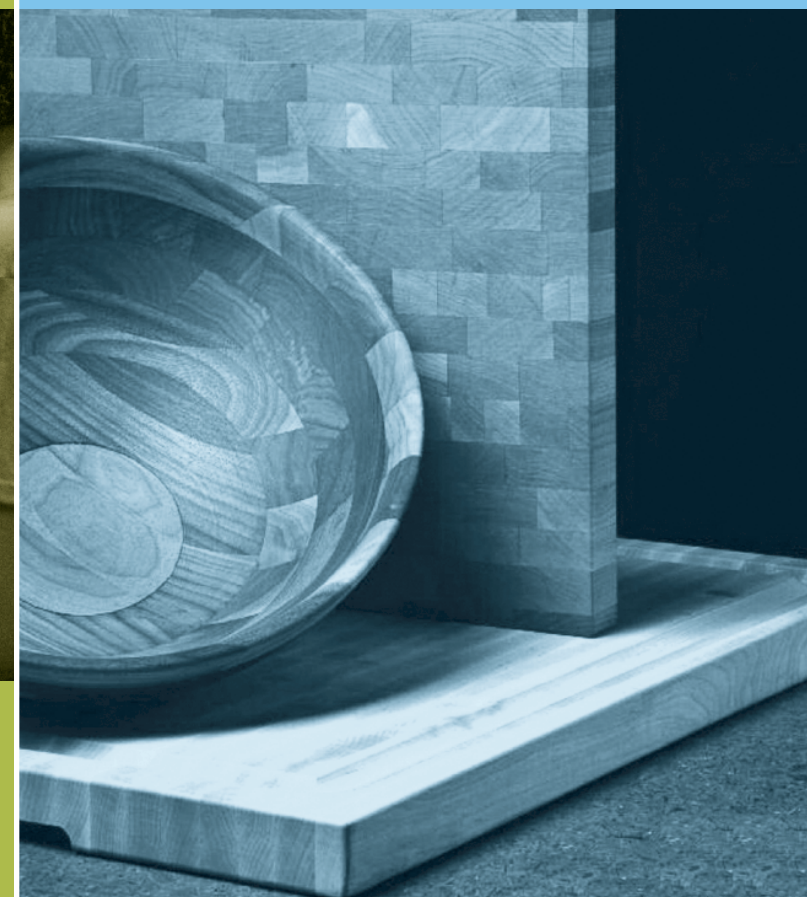
Britt and four other women, all of whom had formerly been incarcerated, launched ChiFresh Kitchen in April 2020. They began by serving 50 meals a week to their community. ChiFresh partnered with transitional housing and shelters to address food insecurity and reach those most in need in Chicago. The 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 rhythm 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.

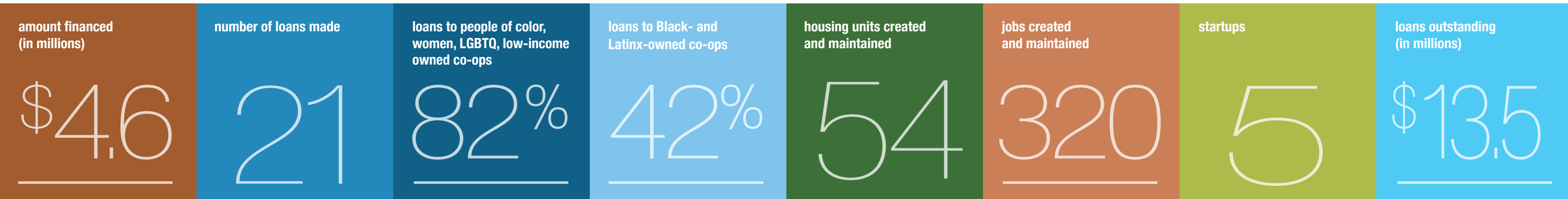


Cooperative Solutions for End of Life

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
 Bush Foundation
 Capital Impact Partners
 Catholic Health Initiatives
 CDFI Fund of the US Department of Treasury
 CDS Consulting Co-op
 College Houses
 Colorado Solidarity Fund
 Common Good Finance
 Common Ground Food Co-op
 Community Housing Expansion of Austin
 Community Mercantile
 Community Pharmacy
 Cook County Whole Foods
 Cooperative Development Foundation
 CP Local 001
 Cronin-Geller Social Justice Fund

Eastside Food Cooperative
 Episcopal Diocese of Iowa Alternative
 Investment Fund
 Ever'man Natural Foods
 Federated Youth Foundation
 Federation of Southern Cooperatives
 Flatbush Food Co-op
 Franciscan Sisters of Little Falls
 Frederick County Consumer Cooperative
 Fresh Pond Capital clients
 Fund for Democratic Communities
 Fund for Economic Democracy, LLC
 Grain Train Natural Food Co-op
 GreenStar Cooperative Market
 Grow With Google Fund
 Hall Capital Partners clients
 Hunger Mountain Cooperative

Inter-Cooperative Council at Ann Arbor
 Isthmus Engineering
 Kansas Midwives LDF
 Keweenaw Cooperative
 Lexington Cooperative Market
 Littleton Consumer Cooperative Society
 Loring Wolcott & Coolidge Sustainability Group clients
 Madison Community Co-op
 Middlebury Natural Foods Co-op
 Mifflin Street Co-op
 Mississippi Market
 Molehill Housing Co-op
 Monadnock Food Co-op
 MSU Student Housing Cooperative
 NASCO Properties
 National Co+op Grocers
 National Cooperative Bank

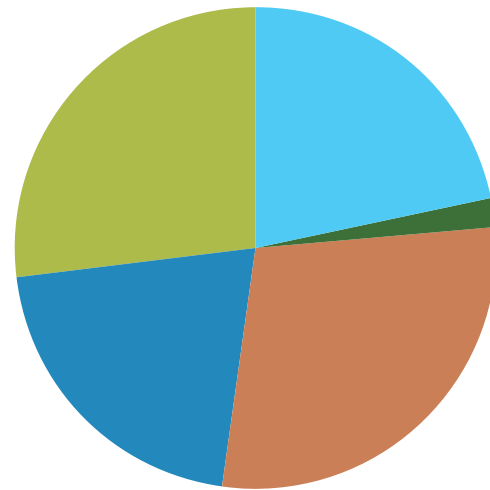
Neighborhood Co-op Grocery
 Neighboring Food Cooperative Association
 New England War Tax Resistance
 New Pioneer Co-op
 New Riverside Café
 New Visions Investments, LLC
 New World Foundation
 Northstar Asset Management clients
 Northwest Area Foundation
 Oberlin Student Cooperative Association
 Olamina Fund LLC
 Oneota Community Co-op
 Onion River Cooperative
 Open Harvest Food Co-op
 Organic Valley Family of Farms
 Oryana Food Co-op
 Outpost Natural Foods

Ozark Natural Food Co-op
 Park Cooperative Apartments
 People's Food Co-op
 People's Food Co-op of Kalamazoo
 People's Food Cooperative
 River Valley Cooperative
 Riverton Community Housing
 Roots and Fruits Produce
 School Sisters of Notre Dame
 School Sisters of St. Francis
 Seward Community Co-op
 Sinsinawa Dominicans
 Sisters of St. Francis of Philadelphia
 Sisters of St. Joseph of Carondelet
 Sisters, Servants of the Immaculate Heart of Mary
 St. Peter Food Co-op
 Sioux Falls Food Co-op

The Food Co-op
 The Kentron Foundation
 Three Rivers Market
 Twin Cities Co-op Partners
 Twin Pines Cooperative Foundation
 Union Cab of Madison Cooperative
 United Natural Foods
 Valley Alliance of Worker Cooperatives
 Valley Natural Foods
 Weaver Street Market
 Weavers Way Cooperative Association
 Wheatsville Co-op
 Whole Foods Community Co-op
 Wild Oats Cooperative
 Willimantic Food Co-op
 Willy Street Co-op

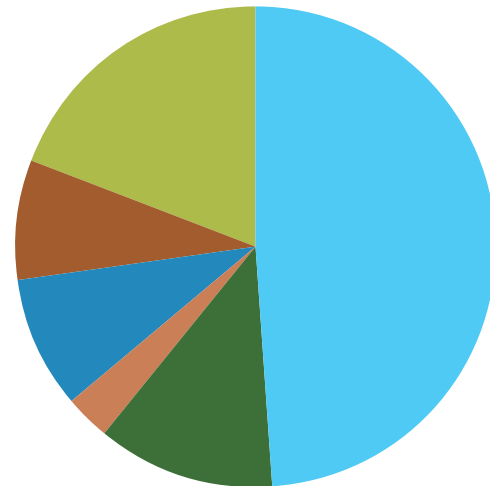
2020-21 Lending by Purpose

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



2020-21 Lending by Co-op Type

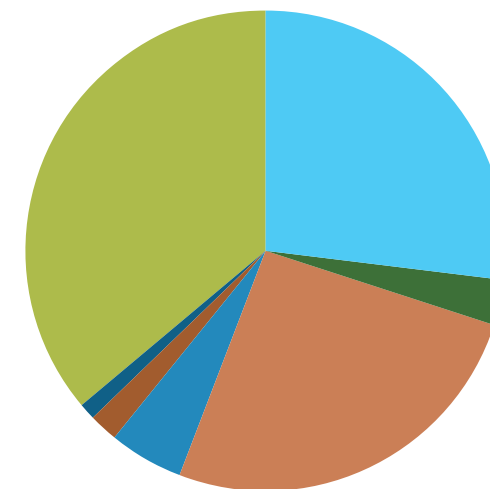
- 49% Worker
- 12% Consumer Food
- 3% Consumer - Other
- 9% Producer
- 8% Federation
- 19% Housing



Loan Portfolio by Co-op Type

As of December 31, 2021

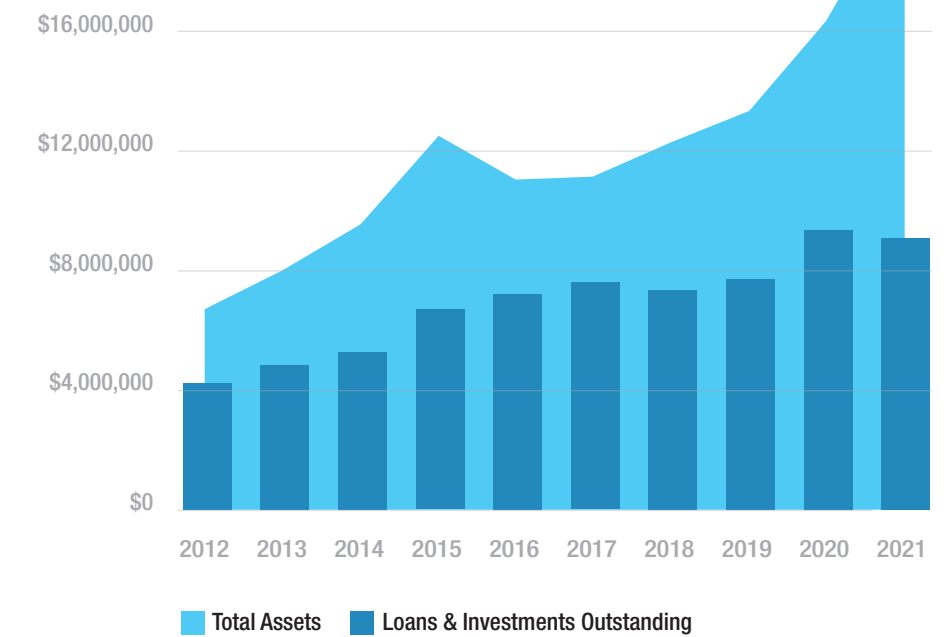
- 27% Consumer Grocery
- 3% Consumer (other)
- 26% Housing
- 5% Federation
- 2% Producer
- 1% Purchasing
- 36% Worker



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

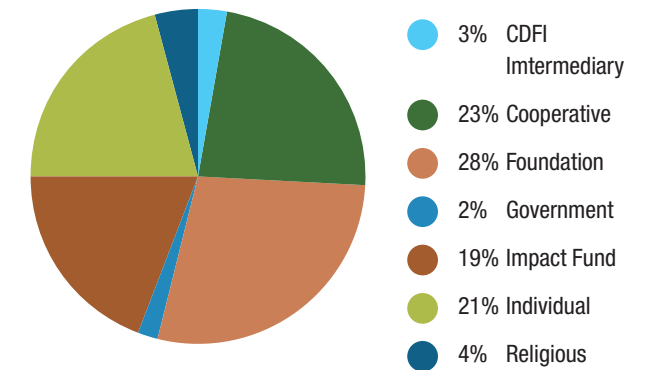
Balance Sheet (as of December 31)

ASSETS	2021	2020	LIABILITIES AND EQUITY	2021	2020
CURRENT ASSETS					
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
OTHER ASSETS					
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	LONG-TERM LIABILITIES		
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	EQUITY		
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

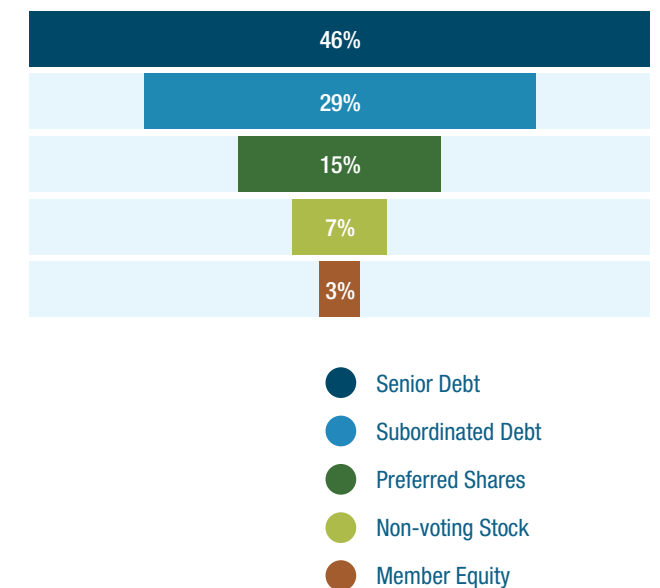
Income Statement (Fiscal year ending December 31)

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
EXPENSES		
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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