



COOPERATIVE FUND
of New England

Celebrating **35** years growing co-ops



2009 Annual Report

Our Mission

CFNE advances community-based, co-operative, and democratically owned enterprises with preference to those that serve low income communities through:

- ❖ provision of prompt financial assistance at reasonable rates;
- ❖ provision of an investment opportunity that promotes socially responsible enterprise; and
- ❖ development of a regional reservoir of business skills with which to assist and advise the above groups.

The Cooperative Fund of New England (CFNE) was founded in 1975 by co-op activists and social investors to provide financial and technical assistance to food cooperatives. Since then, the organization has expanded its focus, offering development loans and technical assistance to a wide range of co-ops and nonprofit groups that share CFNE's vision of equality, justice, and social responsibility. A "virtual" organization, CFNE serves the New England region through an administrative office in North Carolina and four outreach offices in New England.

In its 35 years of operation, CFNE has made over \$19 million in loans to over 450 co-ops and community organizations without one investor losing a single penny.



Cover photos: Pioneer Valley PhotoVoltaics, Evergreen Manufactured Housing Co-op, Putney Food Co-op, Deep Root Organic Co-op



Sawyer Hill Mosaic Commons Cohousing, Berlin, MA

What is a Cooperative?

Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

COOPERATIVE FUND of New England

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This annual report was printed and designed by Red Sun Press. Red Sun Press, Jamaica Plain, Massachusetts

A worker cooperative providing printing services with a focus on the nonprofit sector, co-op, and social justice movements.
www.redsunpress.coop

Dear Cooperators:

We are pleased to present the fiscal year 2009 annual report for the Cooperative Fund of New England. This report focuses on the themes of jobs, food, housing and co-op networking.

As we celebrate CFNE's 35th anniversary in 2010, we are filled with pride at the work and accomplishments over the history of the Fund. It is the commitment and trust of our social investors and borrowers that makes it possible. Starting in 1975 with \$11,000 in social investment loans, an initial \$2,000 loan was made to Buffalo Mountain Food Co-op. Since then we have lent over \$19 million! Many of our borrowers have become investors.

That is 35 years of growing cooperatives in the New England economy. Although 2009 was a challenging year, our borrowers and cooperatives in general have done well and have continued to help create jobs, provide affordable housing, and bring healthy food to the community. Cooperatives are local sustainable businesses that help meet economic needs. In 2009 loans made by CFNE resulted in retention or creation of **490 jobs and 444 units of affordable housing**. In 2009 we made loans to six new start-up businesses.

By the end of 2009, current social investment loans to CFNE exceeded \$6.1 million and CFNE had worked with over 450 co-ops, worker-owned businesses, and community-based nonprofits since our founding, providing the capital and assistance they needed to grow their businesses, serve their communities, and contribute to a more just economy. This report highlights CFNE's role in the cooperative community and illustrates our efforts towards growing good green jobs, local food systems, opportunities for home ownership, and cooperative networks.

We want to thank all of you - investors, borrowers, friends, and supporters - who helped CFNE make a difference. We hope you will join us in celebrating and will spread the word about the great work of which you are all part.

In cooperation,



LJ Taylor
President



Rebecca Dunn
Executive Director



Board of Trustees

LJ Taylor, *President*
Donald Kreis, *Vice President*
Erbin Crowell, *Clerk*
Tim Wingate, *Treasurer*
Margaret Atkinson
Andy Danforth
Rebecca Dunn
Cory Greenberg
Mary Hoyer
Phebe Quattrucci

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Don Schramm
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Left to right seated: Betsy Black, Phebe Quattrucci, Donald Kreis, Margaret Atkinson, Cory Greenberg; standing: Erbin Crowell, LJ Taylor, Glen Ohlund, Andy Danforth, Mary Hoyer, Maggie Cohn, Tim Wingate. Not pictured: Rebecca Dunn.

JOBS, FOOD, HOUSING, NETWORKS

35 YEARS GROWING...

Good Green Jobs

There is a lot of talk these days about green jobs—creating employment in emerging industries that are focused on preserving or restoring environmental quality. But green jobs should also be good jobs, and worker co-ops like **Pioneer Valley PhotoVoltaics (PV)²** are growing good, green, *cooperative* employment for people in their communities. A designer and installer of renewable energy systems including solar, wind, and small hydro projects across southwestern New England, (PV)² is committed to the highest quality service while creating jobs at fair wages. Their mission is “to increase the use of renewable energy, to reduce the region’s dependence on fossil fuels, and to help communities reduce their environmental footprint.” A line of credit from the Cooperative Fund has helped the co-op grow, serve its customers better, and create new opportunities for cooperative ownership.



Red Sun Press, Boston, MA

“I love what you do, so please keep doing it. For those of us that believe cooperatives offer the best solution for economic and social progress, we simply must invest in a manner that supports our values. If we don’t, how can we expect others to adopt our principles? This is why I choose to invest in the Cooperative Fund of New England.”

Adam D. Schwartz, Vice President Public Affairs &
Member Services
National Cooperative Business Association



JOBS, FOOD, HOUSING, NETWORKS



The Cooperative Capital Fund (CCF) is up and running! The first round of capital investment in the new CCF was completed in 2009 and applications are coming in. CCF is source of patient capital that may act as equity without requiring co-ops to give up control over management or pay high venture capital returns.

In October 2009, CCF's first investment loan was made to Rising Tide Cooperative. A second investment was approved for Honest Weight Food Co-op's anticipated expansion, and another application is pending at this writing. A number of co-ops in natural foods and the alternative energy fields are interested in applying as well.

A second infusion of funds may begin once the first allocation is placed. The CCF Board includes members of the cooperative community: Bruce Boardman, Jon Crystal, Andy Danforth, Rebecca Dunn, Cory Greenberg, Mary O'Hara, LJ Taylor, and Adam Trott. For more information, www.coopcapital.coop.



Local Food Systems

Food co-ops in our region have been pioneers in building a more just, democratic and sustainable food system, from organic foods to Fair Trade. **Rising Tide Community Market** in Damariscotta, ME is an example of the power of cooperative ownership and a business rooted in the community it serves. Rising Tide is also the first recipient of an investment from the Cooperative Capital Fund, CFNE's sister organization that was launched to provide additional equity and patient debt to start-up and growing co-ops. Funds supported the relocation and expansion of the co-op into a former car dealership "repurposed" as a community grocery store with expanded space for locally-sourced products. "While sales drive all other numbers in the grocery business," write co-managers Scott Cooper and Maryanne Serebinski, "we recognize that it is the triple bottom line – social, economic and environmental – that we are really working towards."



JOBS, FOOD, HOUSING, NETWORKS

Opportunities for Home Ownership

In this economy, home ownership is at risk or simply out of reach for many people. For tenants in manufactured housing parks, the situation can be even more challenging as the land that a house sits on can be sold out from under the homeowner. In 2009, the Cooperative Fund helped resident-owners in communities such as the **Evergreen Manufactured Housing Co-op** in Warren, MA gain more control over their lives. When the current owner decided to sell, residents organized and purchased the land themselves. A loan from CFNE supported the purchase and the renovation of long neglected facilities.

As a result of a CFNE loan, 32 resident-owners purchased their land, made improvements, and became a co-op.



Faire Bande a Part Housing Co-op, Lewiston, ME

"With nowhere to turn, the previous owners abandoning the park, the board of health condemning the septic fields and no authority to make decisions, CFNE helped clear the way for us to buy the land our homes were on. They helped us to settle liens that far exceeded the value of the land and coached us through the process of getting engineering studies and hiring contractors.

Although we have much more to do, the park is no longer under a condemnation order, and our cash flow is more than adequate to cover our debts. We are now prepared for the future with the foresight to plan for continued improvements to our park. In one short year, we went from trying to sell or relocate our homes to actually adding more homes to our park, all because of CFNE."

Remo Pizzichemi, Resident-owner
Evergreen Realty Co-op



Franklin County DIAL/SELF, Greenfield, MA

JOBS, FOOD, HOUSING, NETWORKS



Green Mountain Spinnery, Putney, VT



Networks for Change

A core principle of the cooperative movement is “cooperation among co-ops” which recognizes that “cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.” The Cooperative Fund has been working closely with co-ops in our region to help them build networks for sharing ideas and resources across sectors. Organizations such as **Cooperative Maine**, the **Neighboring Food Co-ops Association**, and the **Valley Alliance of Worker Co-ops** are emerging examples of co-ops working together on strategic planning, enterprise development, and technical support to grow their businesses and expand the wider co-op movement.

“I think investing in co-ops is a great way to create significant social impact as well as democratize participation for small investors.”

Wes Selke, CFA-Investment Manager
Good Capital, LLC



CFNE developed “shelf talkers”

Loans as of 12/31/09

Belfast Cooperative Store, Belfast, Maine

A retail food cooperative; loans to fund roof and store repairs and working capital.

Bethlehem Children's School, Slingerlands, New York

A cooperative primary school; loan for purchase and renovation of school building for school expansion.

Boston Community Cooperative, Boston, Massachusetts

A limited equity urban housing co-op; loans for property purchase, refinancing, and renovation.

Brattleboro Food Cooperative, Brattleboro, Vermont

A long-standing food cooperative; loan to enable member participation loans for the cooperative expansion and economic development project.

Broad Park Development Corporation, Hartford, Connecticut

A nonprofit housing developer serving the local Latino population; loan for predevelopment costs.

Burlington Cohousing Development, Burlington, Vermont

A cohousing development providing 33 new homes; loan for predevelopment costs.

Chatham Food Market, Chatham, New York

A start-up retail food cooperative store; loan for working capital and inventory purchase.

CleanScape, Inc., Providence, Rhode Island

A recycling and landscaping company planning to convert to a worker cooperative; loans for start-up funding, working capital, and equipment purchases.

Cold Pond Community Land Trust, Acworth, New Hampshire

A community of families dedicated to conserving the land and providing affordable homes; loan to purchase land.

Collective Copies, Amherst, Florence, and Belchertown, Massachusetts

A worker cooperative copy store; loans for renovations, expansion, relocation, and working capital.

Common Fire Foundation, Tivoli, New York

A nonprofit student housing cooperative; loan to build energy efficient housing.

Concord Cooperative Market, Concord, New Hampshire

A retail food cooperative; loan to expand retail space and operations.

Datasystems, Burlington, Vermont

A worker cooperative computer programming company; loan to enable ownership share purchase for its newest owner.

Dollars & Sense, Boston, Massachusetts

A collective publisher of *Dollars & Sense* magazine; loan for seasonal working capital.

Evergreen Cooperative, Warren, Massachusetts

A new resident-owned cooperative; loan for property purchase and infrastructure repairs.

Faire Bande a Part Housing Cooperative, Lewiston, Maine

A limited equity housing cooperative; loan for first time home ownership property acquisition.

FEDCO Seeds, Waterville, Maine

A worker and consumer co-op offering seeds, trees, and other farming and gardening supplies; loan to renovate production facility.

Fenway Studios, Boston, Massachusetts

A housing co-op for artists; loan for energy efficient renovation of building.

Fiddleheads Food Cooperative, New London, Connecticut

A retail food cooperative; loan for start-up and equipment purchases.

Flynn Avenue Cooperative Homes, Burlington, Vermont

A limited equity housing cooperative; loan to renovate common property.

Francis Small Heritage Trust, Limerick, Maine

A rural land trust; loan to purchase property for land conservation.

Franklin County/DIAL SELF, Greenfield, Massachusetts

A nonprofit providing at-risk youth services; loan for predevelopment costs and working capital.

Green Mountain Spinnery, Putney, Vermont

A worker cooperative that processes yarn; loan for seasonal working capital.

Hampden Hampshire Housing Partnership (HAP, Inc.), Springfield, Massachusetts

A nonprofit that provides a wide range of housing services (home ownership, rental assistance, lead abatement, and safe housing for domestic violence victims) to low income people in its area; loan for working capital.

Handwork, Inc. Ithaca, New York

A retail artisan cooperative; loan for building renovations.

Hartbeat Ensemble, Hartford, Connecticut

A nonprofit community theater group dedicated to social change; loan to meet cash flow needs.

Intervale Center, Burlington, Vermont

The oldest nonprofit, community-supported agriculture (CSA) farm in Vermont; loan for working capital, renovation, and construction of composting operation.

Land for Good, Keene, New Hampshire

A small nonprofit that fosters sustainable land use and farm succession; loan for working capital.

Littleton Consumer Cooperative Society, Littleton, New Hampshire

A retail food cooperative; loan for start-up equipment purchases.

Local Sprouts, Portland, Maine

A worker cooperative community kitchen and café; loan for start up and working capital.

Oak Street Cooperative of Bath, Bath, Maine

A limited equity housing cooperative; loan for first time home ownership property purchase.

Onion River Cooperative d/b/a City Market, Burlington, Vermont

A retail food cooperative; loan for equipment purchase.

Pelham Auto, Belchertown, Massachusetts

A worker co-op and car repair shop; loan to purchase land and for working capital.

Pioneer Cooperative of Franklin County, Greenfield, Massachusetts

A scattered-site limited equity affordable housing cooperative; loan to facilitate cost effective improvements and to meet cash flow needs.

Pioneer Valley Photo Voltaics, Greenfield, Massachusetts

A worker cooperative providing design and installation services for solar, wind, and small hydroelectric generation; loan for working capital.

Putney Consumers Cooperative, Putney, Vermont

Retail food cooperative; loan to expand store and cafe area.

Red Sun Press, Jamaica Plain, Massachusetts

A worker cooperative providing printing services with a focus on the nonprofit sector, co-op, and social justice movements; loan for equipment purchase.

ReNew Building Materials and Salvage, Brattleboro, Vermont

A nonprofit that deconstructs buildings, provides job training, and conserves resources by recycling and selling the materials; loan for working capital.

Rising Tide Community Market, Damariscotta, Maine

A retail food cooperative; loans for move, expansion, and inventory purchase.

River Valley Market, Northampton, Massachusetts

A retail food cooperative; loan for start-up and working capital.

Sawyer Hill - Mosaic Commons and Camelot Cohousing, Berlin, Massachusetts

A cohousing project providing 34 new units of housing; loan for predevelopment funding.

Turnpike Park Cooperative, Westborough, Massachusetts

A new resident-owned cooperative; loan for property purchase and infrastructure repairs.

Urban Oaks Organic Farm, New Britain, Connecticut

A nonprofit urban farm; loan for seasonal working capital.

Voluntown Peace Center, Voluntown, Connecticut

A cooperative of nonprofits that was formed to buy the former Equity Trust property for a retreat center; loan for land purchase.

Willimantic Food Co-op, Willimantic, Connecticut

A retail food cooperative; loan for move and expansion.



Intervale Center, Burlington, VT

OTHER LOANS PENDING, APPROVED, OR RECENTLY REPAID

Ark Housing Cooperative, Shutesbury, Massachusetts

A small limited equity housing cooperative; loan for first time home ownership property purchase.

Community Economic Development Center of Southeast Massachusetts, New Bedford, Massachusetts

Local community development corporation with programs including business counseling, job training, job referral, and fishermen support functions; loan to cover cash flow needs.

Corporation for Independent Living, Wethersfield, Connecticut

A nonprofit provider of affordable, accessible housing and other services; loan for working capital.

Deep Root Organic Truck Farmers Cooperative, Johnson, Vermont

A rural farmers co-op; seasonal line of credit for working capital during growing season.

Harvest Co-op Markets, Cambridge and Jamaica Plain, Massachusetts

A two-location food cooperative; loan for renovations and working capital.

Honest Weight Cooperative, Albany, New York

A large retail food cooperative; loan for move and expansion.

Institute for Environmental Awareness, Petersham, Massachusetts

A small nonprofit that provides education on environmental issues; loan for working capital.

Massachusetts Woodlands Cooperative, Greenfield, Massachusetts

A hardwood producer farmer co-op dedicated to sustainability; loan for working capital.

Operation Hope, Fairfield, Connecticut

A nonprofit that provides support and services to those in need of housing and food (a homeless shelter, daycare drop-in center, community kitchen, and other support); loan for cash flow.

South Royalton Food Cooperative, South Royalton, Vermont

A retail store front; loan for expansion and working capital line of credit.

SunBuild Cooperative, Boston, Massachusetts

A worker cooperative of engineers dedicated to building solar power installations on public buildings; loan for predevelopment work.

Troy Food Cooperative, Troy, New York

A start-up retail food cooperative store; loan for working capital and inventory purchase.

Hartbeat Ensemble, Hartford, CT



CFNE Progress Report

Investments Received

New investments in 2009	\$559,000
Total investments at 12/31/09	\$5,839,104
Average individual investment	\$12,311
Number of individual investors	86
Average institutional investment	\$86,915
Number of institutional investors	55
Investor dollars lost since inception	\$0

Loans Made

	2009	Since Inception
Loans made	42	485
Dollars disbursed	\$1,973,031	\$18,756,327
Loan loss	\$1,122	1.1%
Loans repaid	\$1,510,367	98.9%
Average loan in 2009	\$46,977	\$38,672
Smallest loan in 2009	\$2,500	\$400
Largest loan in 2009	\$290,000	\$400,000
Total loans at 12/31/09	\$5,754,037	

Statement Of Activities year ended December 31, 2009 Consolidated CFNE and CCF

Support and Revenue

Contributions and Grants**	\$47,650
Investment Income	\$30,855
Loan Interest	\$380,433
Other Program Income**	\$25,970
Total Support and Revenue	\$484,908

Expenses

Personnel	\$237,085
Interest Paid to Investors	\$179,325
Loan Loss Expense*	\$5,434
Other Expenses	\$110,598
Total Expenses	\$532,442
Change in Net Assets**	(\$47,534)

Statement Of Financial Position as of December 31, 2009 Consolidated CFNE and CCF

Assets

Cash and Investments	\$1,376,643
Loans Receivable	\$5,754,037
Loan Loss Reserve*	(\$201,826)
Other Assets	\$82,735
Total Assets	\$7,011,589

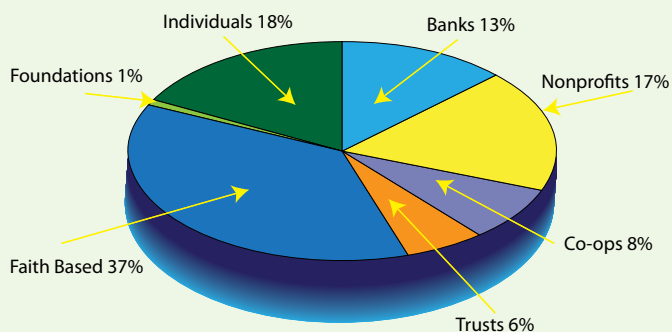
Liabilities & Net Assets

Social Investment Loans	\$6,102,104
Total Liabilities	\$6,102,104
Net Assets	\$909,485
Total Liabilities & Net Assets	\$7,011,589

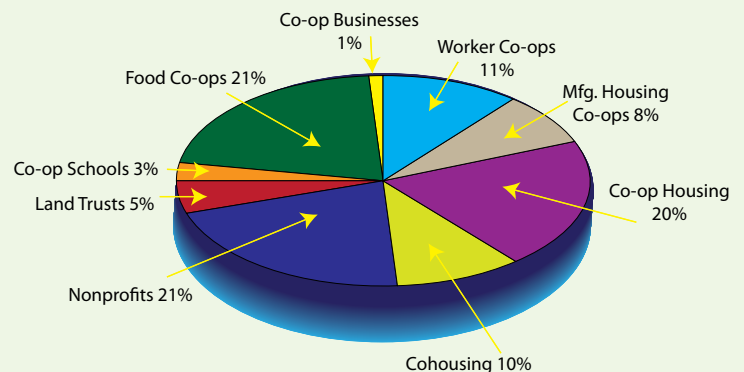
*dollars set aside as a resource against possible loan losses
**\$54,243 in grant funds received in prior years to cover 2009 expenses is not included in income.



Investors



Borrowers



CFNE investors and supporters include more than 200 individuals, and...

Adrian Dominican Sisters
Ascension Health
Bank of America
Basilian Fathers of Toronto
Ben and Jerry's Foundation
Berkshire Co-op Market
Brattleboro Food Co-op
Cabot Creamery Cooperative
Catholic Health Initiative
Calvert Foundation
Cambridge Mustard Seed Foundation
Cape Ann Food Co-op
Chase Bank
Chittenden Bank/Peoples United
Christ Church Parish
Christina Callan Charitable Trust
Citizens Bank Foundation
Circinus Financial Corporation
Coalition for Human Needs
Collective Copies
Community Builders
Community Stomach
Community Foundation of Western Massachusetts
Co-op Parish Sharing Fund
Cooperative Development Foundation
Dance New England
Daughters of Charity
Developmental Disabilities Council CT
Disabilities Opportunity Fund
Dominican Sisters of Hope
Dominican Sisters of Springfield
Economic Justice Fund
Ensworth Foundation
Episcopal City Mission
Episcopal Church of USA
Episcopal Diocese of Connecticut
Episcopal Diocese of Massachusetts
Equal Exchange
FEDCO Seeds
Franciscan Sisters of Mary
Franklin Research and Development
Gadfly Trust
Good Search
Great Bay Food Co-op
Green Living Journal/Public Press, LLC
Green Mountain Mutual Aid
Green Mountain Spinnery Co-op
Handwork, Inc.
Hanover Consumer Cooperative Society
Haymarket Peoples Fund
Howard Bowers Fund
Hunger Mountain Food Co-op
Hungry Hollow Food Co-op
James Penney Foundation
Jewish Funds for Justice/Shefa Fund
Karuna Trust
King Arthur Flour
Knox Foundation
Loring, Wolcott & Coolidge
Marianist Sharing Fund
Mercy Partnership Loan Fund
Middlebury Natural Foods Co-op
Midwest Minnesota Community Development Corporation
Monarch Community Fund
Mount Holyoke College
NCB Capital Impact and NCB, FSB
Neighboring Food Co-op Association
New Alliance Foundation
New England Yearly Meeting of Friends (Quakers)
New York City People's Life Fund

Oberlin Student Cooperative Association
Onion River Co-op d/b/a City Market
Opportunity Finance Network
Partners for the Common Good
Pelham Fund
People's Bank
Putney Consumers Cooperative
Rhode Island Office of Housing and Community Development
Rockett Trust
Rose Trust
Seton Enablement Fund
Sinsinawa Dominican Sisters
Sisters of Charity of Mount St. Joseph
Sisters of Charity of the Incarnate Word
Sisters of Charity of St. Elizabeth
Sisters of Mercy of the Americas-Detroit
Sisters of St. Francis of Philadelphia
South Mountain Company Foundation
Threshold Foundation
Trillium Asset Management
Troll Investment Management Trust
Twin Pines Cooperative Foundation
Twin Pines Housing Trust
Tzedec Economic Development Fund
United States Trust Company
Upper Valley Food Co-op
US Department of Treasury, CDFI Fund
Vermont Community Foundation
Vote Boston
Wainwright Bank and Trust Company
Walden Management
Willimantic Food Co-op
White River Food Co-op
Woodlands Investment Management
Your Computer Guy

Please note that our policy is not to list the names of our individual investors. Notify us if we have inadvertently omitted your organization's name.

"Why invest? I was looking for a way to support the co-ops I admire. And judging from your newsletter and prospectus, the list of clients served by CFNE reads like a Who's Who of cooperatives in our region."

Harrison Drinkwater, co-op member and
former CFNE Board member
Hanover Consumer Society Cooperative
Hanover, NH

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NETWORK

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35 Years Growing Co-ops... Together!

When you take a loan from the Cooperative Fund of New England, you are not just growing your own co-op.

You are also helping to ensure that financial resources are available to the next generation of cooperators.

We welcome your investment or charitable contribution.

