

COOPERATIVE FUND

OF THE NORTHEAST

Financing Co-ops Since 1975

Winter 2022

Our Mission

We work for economic, social, and racial justice by advancing community-based, cooperative, and democratically owned or managed enterprises with a preference for assisting cooperatives in low-income communities by:

- providing financial products at reasonable rates
- developing business skills
- offering an investment opportunity that promotes socially conscious enterprise

Our Vision

Economic justice for all through thriving cooperative enterprises

What Is a Cooperative? 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.

Principles: Cooperatives embrace the principles of voluntary open membership, democratic owner control, owner economic participation, autonomy and independence, education, training and information, cooperation among cooperatives, and concern for community.

Visit us online at www.coopfund.coop to find links to our borrowers, access our loan application, request our prospectus, and learn more about cooperatives.

Email us at cfne@coopfund.coop for additional information

PO Box 970, Watertown, MA 02471

New(ish) Name, New Look

As you can see on the masthead of this newsletter, the Cooperative Fund of New England is now the Cooperative Fund of the Northeast! We worked with Collectiveeffort (www.collectiveeffort.co) of Troy, NY, on a process to refine and elevate the CFNE brand, reflecting our service and commitment to co-ops across the northeast. Through brand research exercises and facilitated discussions, Collectiveeffort designed a refreshed take on CFNE's successful history, leaning into a simple and clean aesthetic to represent CFNE's core values of Equity, Sustainability and Integrity. For more information, read the Executive Director's letter on page 2.

Loans Approved and Funded

In the final quarter of 2021, CFNE advanced new loan funds totaling \$1,180,000.

Inspired by shared values of racial justice and worker-ownership, the founders of **Kalché** launched a new winery in Fletcher, Vermont, dedicated to producing and selling high quality natural wines from local fruits using viticulture fermentation methods. Financing from CFNE in partnership with Vermont Employee Ownership Center is providing the business with start-up working capital, and they are already achieving industry praise for bringing their core justice values to fine wine-making.



In New York's Hudson Valley, **Earth Designs Cooperative**, an ecological landscape designer and a long-time CFNE borrower, fulfilled a long-held goal of purchasing property. With new financing in 2021 from CFNE, they bought a 45-acre parcel with agricultural easements to support their nursery operations and ongoing growth. The business has seen revenue triple in five

years and they now employ around 25 people during the busy season.

We provided financing for the purchase of a manufacturing facility and for working capital to artisans forming a worker-owned, eco-friendly casket making cooperative in Hartford, CT. The founder of **Kingstown Green Inc. Eco-Friendly Caskets** carries on the family funeral-related business of making caskets and teaching the next generation, while creating opportunity for shared ownership. With a patent on their design and production techniques they are well-positioned to provide elegant caskets that meet the

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FROM THE EXECUTIVE DIRECTOR

I am very excited to announce that we are changing our name to [drumroll] the Cooperative Fund of the Northeast! This change reflects the fact that we have deepened our work outside of New England by hiring two New York staff members last year, Johan Matthews and Joe Marraffino. While in the past we have financed a limited number of co-ops in NY State, we are expanding our work in the state, and wanted our name to reflect our whole service area.

While our name is changing, many things are not, including 1) our mission, 2) our commitment to supporting co-ops and communities in Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut, and 3) our model of geographically based loan officers. Also, this name change will not require changes to existing loan documents for either borrowers or investors, nor will it require a change to our emails, web URL, or acronym CFNE. These all will continue as before.

If you visit our website, you will notice a new look. Over the coming months we will be rolling out some new content. The new colors and logos reflect our efforts to evolve with the times. Our strategic plan's focus on racial equity highlights our programmatic evolution. This new logo and color scheme represents our brand evolution.

If you have any questions about any of this, please reach out.

In cooperation, Micha Josephy

FROM THE BOARD OF TRUSTEES

Hello, CFNE community!

I am excited to serve as your CFNE Board President. It is an important time to move in our purpose and actualize our strategic plan, with our primary goal of racial justice and ensuring that Black, Indigenous, and People of Color communities have equitable opportunities to form, fund, and operate successful co-ops. We've got challenging and rewarding work ahead of us, and exciting changes already happening, including a new name (hooray!) to better reflect the expanded area we serve and our new work and partnerships in New York.

"Concern for Community" is at the heart of the cooperative movement, and in my work with the Neighboring Food Co-op Association, I've seen how our food co-ops have worked together and risen to address new public health challenges, while continuing to provide our communities with safe, healthy food and serve as trusted hubs for information and connection. The large variety of cooperatively-owned businesses in our region has helped our communities be more resilient in this crisis. Our co-ops prioritize serving and being accountable to the needs of their members and community, which is the way our economy should work.

I look forward to working with our wonderful Board and incredibly hard working and heartfelt Staff on our shared vision of economic justice for all through thriving cooperative enterprises. Thank you for your support of CFNE and your role in supporting this vision.

Go Co-ops! Bonnie Hudspeth, President

PEOPLE AT CFNE

CFNE is pleased to welcome two new staff members to our team.

Tiffany Browning is stepping into the new position of Loan Administrator and Bookkeeper. In her role, she will support our lending team in closing and servicing loans, portfolio maintenance, and bookkeeping. Based in Maine, Tiffany has worked in the banking industry, and most recently served as Loan Administrator for a non-profit CDFI mortgage and small business lender.



Vikas Mangipudi is our new Loan and Outreach Officer for Vermont and New Hampshire. Vikas was born and raised in NH and is active in



co-op development in the Burlington, VT area. He serves as treasurer of the Vermont Solidarity Investing Club, is a board member of the Vermont Real Estate Cooperative, and is a member of multiple other co-ops. His professional background is in software development and data science, most recently at a mid-sized employee-owned (ESOP) software company.

Lane Fury, who has been CFNE's Loan and Outreach Officer in Vermont and New Hampshire for five years, is

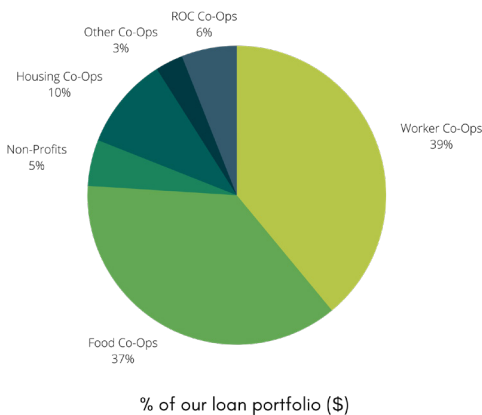


moving on to discover other avenues for their talents. They have been a valuable member of our team, and while we wish them great success in all they may choose to do, we will miss them!

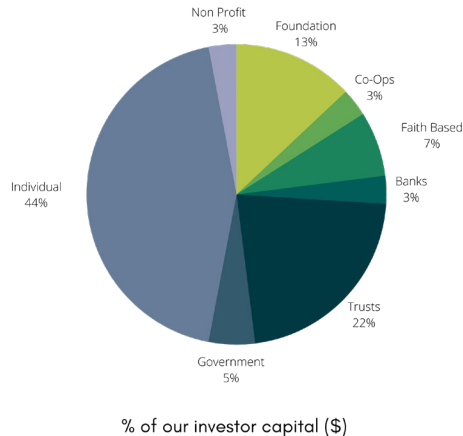
CFNE PROGRESS REPORT

	2021	Since inception
Loans made	61	1,165
Dollars disbursed	\$7,120,518	\$76,466,671
Loan loss	0	1.13%
Loans repaid	\$6,527,679	98.87%
Average loan	\$116,730	\$89,673
Smallest loan	\$5,500	\$400
Largest loan	\$1,500,000	\$1,500,000
Jobs created/retained	416	16,342
Affordable housing units created/retained	637	7,580

2021 Borrowers by Type



2021 Investors by Type



CFNE HOSTS PARTICIPATORY MANAGEMENT INITIATIVE

Beginning March 7, CFNE will host our second cohort of the Participatory Management Initiative (PMI) in collaboration with the Cooperative Development Institute and with financial support from the Massachusetts Growth Capital Corporation. Ten businesses completed our inaugural program in fall 2021, including five with majority BIPOC worker-owners and seven led by women and non-binary people.

PMI is a four-month, five-session virtual training program that helps develop workplace democracy. It assists small businesses and cooperatives strengthen and improve management practices, resilience, and leadership.

Nationally recognized trainers lead sessions on clarifying roles and responsibilities, developing transparency around key drivers of business health, and using HR and financial practices to learn from mistakes and drive innovation. Participants engage with peers during class sessions and can learn at their own pace with on-demand videos and resources. They also engage with 1:1 coaching to tailor PMI tools to their workplaces and implement the new practices they learn.

There may still be time to register for the program, but seats are limited. Priority is given to small businesses from underserved communities and constituencies in Massachusetts. Learn more or register at: <https://cdi.coop/participatory-management-initiative/>

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The Cooperative Fund of the Northeast (CFNE) is a regional nonprofit community loan fund, serving cooperatives and community-based nonprofits. Founded in 1975 by co-op activists and social investors to provide financial assistance to food cooperatives, CFNE now offers 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.

CFNE serves borrowers and partners from offices in various locations across New England and NY State.

CFNE is a U.S. Treasury certified Community Development Financial Institution (CDFI).



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www.coopfund.coop

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Loans Approved and Funded, con't.



Kingstown Green, Inc.

Green Burial Council's natural burial requirements.

We also disbursed funds to worker cooperatives Southwick Social Ventures in

Lawrence, MA; Real Pickles in Greenfield, MA; CERO in Boston, MA; Pioneer Valley Photovoltaics in Holyoke, MA; Ewing Controls in Greenfield, MA; A Yard and a Half in Waltham, MA; Sankofa Cooperatives in Bridgeport, CT; and Warrenstreet Architects in Concord, NH; to

food cooperative Urban Greens in Providence, RI; and to farmer cooperative Pioneer Valley Growers Association in Greenfield, MA.

We are excited to note that our lending has returned to pre-pandemic levels. While many of our borrowers are still challenged by navigating the workforce, supply chain, and health and safety issues of the pandemic (and we are supporting them through this tough time), we see the higher lending as a positive sign.

Notably, 77% of 2021 new loan volume went to worker co-ops, compared to an average of 28% over the past four years. This tracks with some national trends showing the worker co-op sector growing much faster than other co-op sectors. That said, early 2022 activity points to a strong year across our three major co-op sectors (food co-ops, housing co-ops, and worker co-ops), so 2021 looks to be an outlier.