

Cooperative Fund of New England

Celebrating 40 years of financing co-ops www.coopfund.coop



MISSION:

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

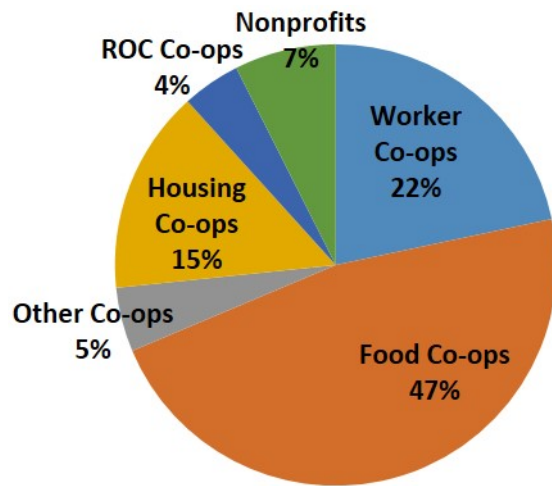
- Providing financial products at reasonable rates
- Developing business skills
- Offering an investment opportunity that promotes socially conscious enterprise



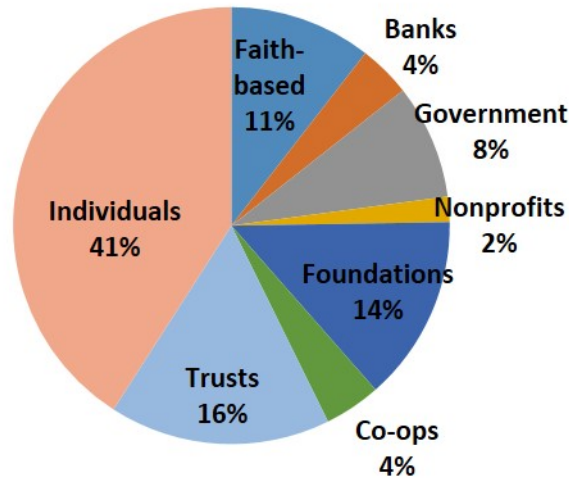
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Cooperative Fund of New England

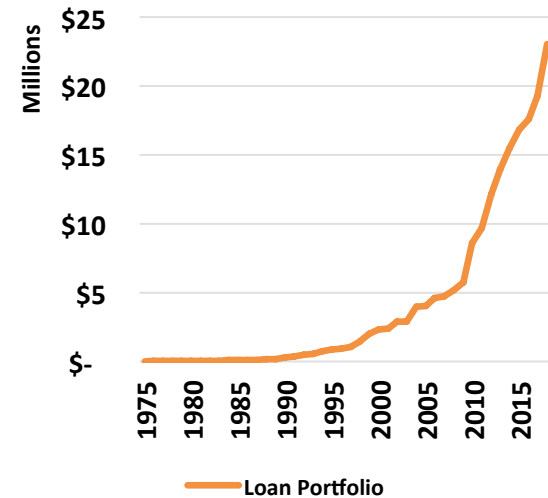
BORROWERS BY TYPE 2018



INVESTORS BY TYPE 2018



PORTFOLIO SIZE (THRU 2018)



Conversions Are Good Business

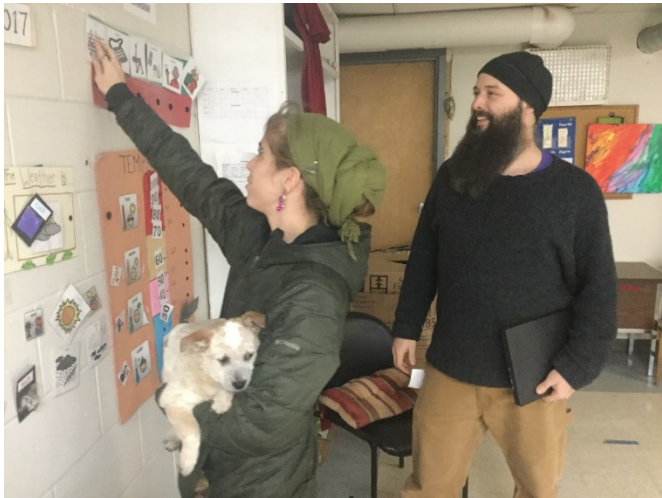
15 Co-op Conversions Financed since 2012

- 9 Business Acquisition loans, 12 working capital lines
- \$4.4M in Loan Approvals
- \$2.6M in Loans Receivables
- 52% of worker co-op portfolio, 11% of total portfolio
- Of the 15 borrowers:
 - 9 are consistently profitable
 - 3 have small losses that we expect will be addressed
 - 2 has more significant losses that we are watching
 - 1 closed, and we were fully repaid
 - Average reserve on this subportfolio: 2.5% (vs. 3.5% CFNE-wide)
- Pipeline: 12 Businesses (9 active)



Ewing Controls
converted 2017

Conversion Financing Sources



The New School of Montpelier
converted 2015

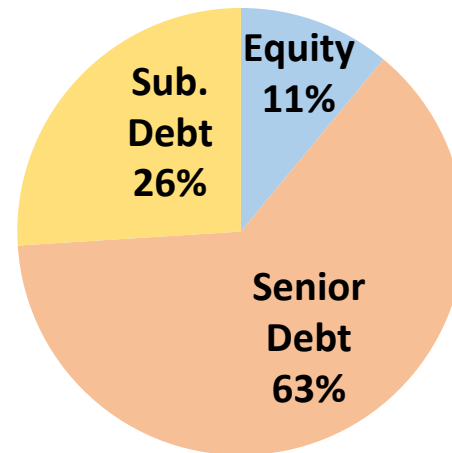
	Members	Non-Members
Equity	Voting Shares	Preferred Shares Contributions & Grants
Debt	Member Loans	Bank Debt (inc. NCB) CDFI Debt (inc. CFNE) Seller Financing Community Loans

A Yard & A Half Landscaping Co-op



A Yard & A Half Landscaping Co-op

Equity	
Owners Equity	\$62,000
Contributions	\$5,000
Debt	
CFNE (Senior)	\$400,000
Seller Loan (Sub.)	\$77,000
Friends/Family (Sub.)	\$91,000
Total Sources	\$635,000
Business Purchase	\$450,000
Working Capital	\$185,000
Total Uses	\$635,000

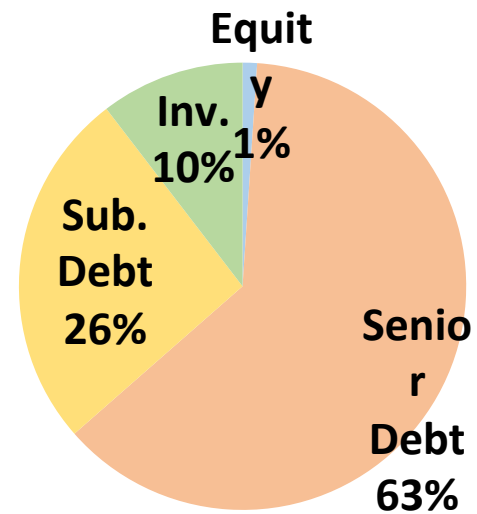


Island Employee Cooperative



Island Employee Cooperative

Debt	
Bank (Senior)	\$1,800,000
CEI (Senior)	\$1,000,000
CFNE (Senior)	\$800,000
Seller (Sub.)	\$1,500,000
AGNE	\$500,000
Total Sources	\$5,600,000
Purchase of Business	\$4,250,000
Inventory	\$930,000
Working Capital	\$175,000
Closing Costs	\$130,000
Technical Assistance	\$115,000
Total Uses	\$5,600,000



Underwriting Worker Co-ops



Real Pickles
converted 2013

Sole Proprietorship	Cooperatives
<ul style="list-style-type: none">• Credit Scores	<ul style="list-style-type: none">• Management & Governance Experience• Sufficient Support Resources• Relationship Building
<ul style="list-style-type: none">• Personal Guarantees	<ul style="list-style-type: none">• Business Assets• Identify Other Capital Sources• Use Collateral Support Fund

Partnerships

	Developers	Lenders
Why	<ul style="list-style-type: none"> • Promotion (media, public speaking) • Pipeline Development • Technical Assistance 	<ul style="list-style-type: none"> • Co-lending or Participating for: <ul style="list-style-type: none"> • Risk Mitigation • Full Capitalization • Local Relationships • Diverse Capital
Who	<ul style="list-style-type: none"> • Cooperative Development Institute • ICA Group • Valley Alliance of Worker Co-ops • Vermont Employee Ownership Center 	<ul style="list-style-type: none"> • Coastal Enterprises Inc. • MaineStream Finance • National Cooperative Bank • PVGrows • VT Employee Ownership Center