



COOPERATIVE FUND of New England

Supporting Co-ops since 1975



2007 Annual Report

OUR MISSION

CFNE advances community-based, cooperative, and democratically owned or managed 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.

www.coopfund.coop





COOPERATIVE FUND of New England

From the President and Executive Director

Dear Friends,

We are pleased to report to you, our borrowers, investors, lenders, co-operators, community activists, and other supporters, that 2007 was another successful year for CFNE. What this really means is that it was another successful for our borrowers. In 2007, CFNE made over 30 loans to food co-ops, land trusts, worker-owned businesses, housing co-ops, community schools, farmer co-operatives, and non-profits in New England. And these partners then put these resources to work developing innovative, participatory and lasting solutions for their communities. Our success is a shared success.

To do this work, CFNE also depend on our individual, organizational and co-op investors. New investments and the continued high renewal rate among current investors has been a powerful expression of continued faith in our work and the work of our partners. As you can see from our list of borrowers on the following pages, we work hard to put these resources to work in our communities. And at year end we had loaned out all of the resources that you had invested.

CFNE also continues to be creative in thinking about how to advance cooperative enterprise in our region. In 2007, we launched the Cooperative Capital Fund (CCF), a sister fund that provides needed patient, near equity without compromising the democratic, member-owned nature of cooperatives. Contact us for more information on this new effort, or visit www.coopcapital.coop.

As we enter 2008, we are looking to you, our supporters and partners, to help ensure another year of shared success. Please keep the Fund in mind when you consider your investments, charitable donations or organizational borrowing needs. Together, we are contributing to a more just, sustainable and cooperative economy.

Thank you.



Erbin Crowell, President



Rebecca Dunn, Executive Director



Mary Hoyer



Phebe Quattrucci



Brenda Pfahnl



Mary O'Hara

BOARD OF TRUSTEES

- Erbin Crowell, President
- Brenda Pfahnl, V. President
- Andy Danforth, Clerk
- Tim Wingate, Treasurer
- John Abrams
- Rebecca Dunn
- Cory Greenberg
- Jennifer Gutshall
- Mary Hoyer
- Donald Kreis

BOARD OF ADVISORS

- Valerie Dahl
- Kathy L. Dalton
- Susy Ellis
- Linda Gallagher
- Jane Livingston
- Don Schramm
- Marc Reich
- John Talvacchia
- Stan Warner

STAFF & CONSULTANTS

- Rebecca Dunn
Executive Director
rdunn@cooperativefund.org
- Mary Hoyer
Southwestern New England Outreach Coordinator
mhoyer@cooperativefund.org
- Brenda Latvala-Pfahnl
Northwestern New England Outreach Coordinator
brenda@cooperativefund.org
- Mary O'Hara
Southeastern New England Outreach Coordinator
mohara@cooperativefund.org
- Phebe Quattrucci
Northeastern New England Outreach Coordinator
phebe@cooperativefund.org



CFNE BOARD AND OUTREACH

(L-R standing) Tim Wingate, Andy Danforth, Erbin Crowell, Mary Hoyer, Cory Greenberg, Rebecca Dunn, (L-R seated) Donald Kreis, Brenda Pfahnl, Jen Gutshall, and John Abrams.

CFNE Progress Report

Investments Received

as of 12/31/07

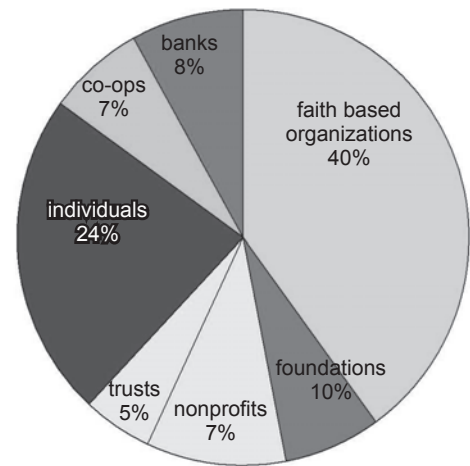
New investments 2007	\$622,500
Total investments outstanding 12/31/07	\$4,882,394
Average individual investment	\$14,094
Number of individual investors	79
Average institutional investment	\$73,882
Number of institutional investors	51
Investor dollars lost since inception	0

Loans Made

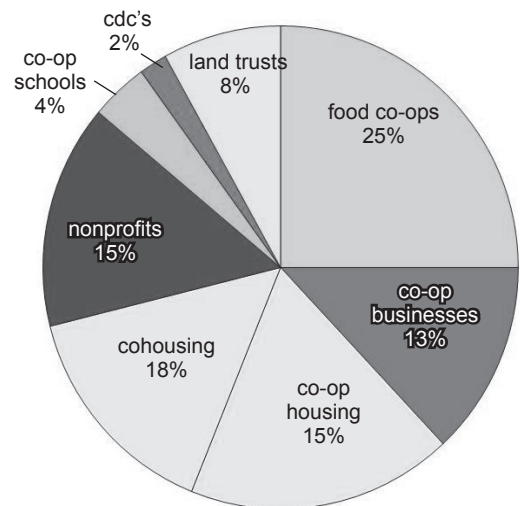
as of 12/31/07

	2007	Since Inception
Loans made	31	411
Dollars disbursed	\$1,371,500	\$14,744,064
Loan loss	0	1.4%
Loans repaid	\$1,253,547	98.6%
Average loan size	\$44,242	\$35,874
Smallest loan size	\$2,000	\$400
Largest loan	\$249,000	\$350,000
Total loans outstanding 12/31/07:		\$4,728,019

CFNE INVESTORS MIX 12-31-07



CFNE LOAN MIX 12-31-07



2007 HIGHLIGHTS

- Launched the Cooperative Community Capital Fund
- Increased investment by 5%
- Maintained self-sufficient operations
- Kept all loans current
- Deployed all invested funds in support of community development
- Assisted in the creation or retention of 431 jobs and 193 units of housing
- Received US Treasury CDFI Fund grant and awarded a second grant

LOANS AS OF 12/31/07

Belfast Food Co-op

Belfast, Maine

A retail food cooperative; loan to fund roof repair and store repairs.

Bethlehem Cooperative School

Slingerlands, New York

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



Burlington Cohousing Residents
community dining hall

Boston Community Cooperative

Boston, Massachusetts

A small urban housing co-op; loan for property purchase and renovation.

Broad Park Development Corporation

Hartford, Connecticut

A nonprofit housing developer serving the Hispanic population in Hartford, CT; loan for predevelopment costs.

Burlington Cohousing

Burlington, Vermont

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

Cleanscape

Providence, Rhode Island

A worker-owned paper recycling company created by a community development corporation; loans for start-up funding and equipment purchases.

"I like that our asking for help from the Cooperative Fund actually helps support the Fund. It is nice when it goes both ways."

Carol Schmook, Handwork, Ithaca, NY



Tessa at the Co-op

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, Massachusetts

A worker-owned copy store; loans for renovations, expansion in new location, and working capital.

Collective Voice

Colrain, Massachusetts

An employee-owned fundraising telemarketing collective; loan for working capital.



Sawyer Hill Cohousing Construction

Commonfire Foundation

Tivoli, New York

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

Community Children's Center

Mansfield, Connecticut

A nonprofit childcare provider; loan to purchase land for new facility.

Community Economic Development Corporation of Southeast Massachusetts

New Bedford, Massachusetts

The only CDC in New Bedford with a number of programs including business counseling, job training, job referral, and fishermen support functions; loan to cover cash flow needs.

Concord Food Co-op

Concord, New Hampshire

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

Corporation for Independent Living

Wethersfield, Connecticut

A nonprofit provider of affordable, accessible housing and other services.

Deep Root Farmers Co-op

Johnson, Vermont

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

"CFNE helped us fulfill our dreams of starting the first housing cooperative in Lewiston, Maine.."

Faire Bande a Part Housing Co-op Lewiston, ME



Faire Bande a Part Co-op residents

Dollars & Sense

Boston, Massachusetts

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

Faire Bande a Part Housing Cooperative

Lewiston, Maine

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

Flynn Avenue Housing Co-op

Burlington, Vermont

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

Success Story: Renew Building Materials and Salvage, Brattleboro, VT

Renew Building Materials and Salvage is an earned-income nonprofit building materials reuse store and deconstruction services provider. Their work diverted 458 tons of construction materials from the landfill in 2007. They operate a recycled and "green" building materials store; provide deconstruction services; educate the general public, homeowners, and builders about reuse alternatives; and provide job skills training opportunities for individuals. A \$20,000 loan from CFNE enabled Renew to meet cash flow needs when working capital was needed.

*"The line of credit from CFNE allowed us to maintain full employment through the slower winter months."
Renew Building Materials & Salvage, Inc.*





Hartbeat Ensemble production actors

FEDCO Seeds

Waterville, Maine

A hybrid worker and consumer cooperative wholesaler and distributor of seed and gardening products; loan to renovate production facility.

Fenway Studios

Boston, Massachusetts

A housing co-op for artists; loan for renovation of building facade. Participation loan with National Co-op Bank.

14 Carrots Food Co-op

New London, New Hampshire

A retail food cooperative; loan to purchase inventory and for working capital.

Francis Small Heritage Trust

Mimerick, Maine

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



HAP ribbon cuttings

"We could not have built the great building we did for our expansion without your help."
Steve Koch, Middlebury Food Co-op, Middlebury, VT

Green Mountain Spinnery

Putney, Vermont

A worker-owned wool spinning mill; loan for seasonal working capital.

Handwork

Ithaca, New York

A retail artisan cooperative; loan for building renovations.



Handwork Co-op

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 survivors) to low income people in its area; loan for working capital.

Hartbeat Ensemble

Hartford, Connecticut

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

Harvest Cooperative Market

Cambridge, Massachusetts

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

Intervale Foundation

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

Massachusetts Woodlands Cooperative

Deerfield, Massachusetts

A hardwood producer/farmer co-op dedicated to sustainability; loan for working capital. (This annual report's cover photo depicts a lumber-raising of the co-op's product at the new River Valley Co-op's storefront construction.)

Oak Street Housing Cooperative

Bath, Maine

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

Onion River Co-op d/b/a City Market

Burlington, Vermont

A large retail food cooperative; loan for equipment purchase.

Operation Hope

Fairfield, Connecticut

A nonprofit that provides 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.

"CFNE made Red Tomato one of the most important loans we've received in our eleven year life. It was in the early stages when the risk was high, and our operating model was unproven. We so much appreciate to this day the belief that loan demonstrated in our mission and in us as people. When we went through a couple of tough years, CFNE stood fast by our side. And we were able to get back on track and pay the loan down. It's great having a financial backer whose values line up so close to one's own."

Michael Rozyne, Red Tomato, Canton. MA

Pelham Auto

Belchertown, Massachusetts

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

Putney Food Cooperative

Putney, Vermont

Retail food cooperative; loan to purchase point of sale registers.



Katja and Steffen at the co-op

Success Story: Harvest Food Cooperative, Boston, MA

Harvest Food Cooperative is a cooperatively owned retail food store that was started in the early 1970's as a buying club to provide natural foods not available in the regular grocery stores. The shoppers are the owners and elect the Board of Directors. The co-op has two locations, one in Cambridge and one in Jamaica Plain. Funds have been needed over the years for working capital and most recently for the renovation of the storefronts. A \$170,000 line of credit from CFNE enabled Harvest to refinance equipment, improve the store's facade and meet cash flow needs.

*"When times were tough and money was tight and no one else would lend to us, CFNE was there."
Harvest Food Co-op*





Renew Building Materials Employee

Renew Building Materials and Salvage

Brattleboro, Vermont

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

River Valley Cooperative Market

Northampton, Massachusetts

A retail food cooperative; loan for start-up.

Rutland Area Food Co-op

Rutland, Vermont

A small, rural retail food cooperative; loans to fund start-up of initial storefront operation and inventory.



Rose and Felix at the co-op

Sawyer Hill Cohousing

Berlin, Massachusetts

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

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.

Women's Economic Development Corporation

Providence, Rhode Island

A nonprofit housing developer and housing service provider; loan for working capital credit line.



Cabot Creamery Cooperative farm

OTHER LOANS PENDING, RECENTLY REPAID, OR APPROVED

Cantine's Island

Saugerties, New York

A cohousing project; loan for common house construction and land purchase.

Fiddleheads Food Co-op

New London, Connecticut

A retail food cooperative; loan for start-up.

Green Fields Market

Greenfield, Massachusetts

A cooperative retail storefront; working capital line of credit for store renovations.

"Cabot has a long history of investing in communities.... We see CFNE's mission and our support of that mission as continuing that investment. We also look forward to working with CFNE to promote and educate others about the cooperative business model and how effective this model can be in growing strong viable communities."

Cabot Creamery Cooperative
Cabot, Vermont

Littleton Food Co-op
Littleton, New Hampshire

A retail food cooperative; loan for start-up.

Middlebury Natural Food Cooperative

Middlebury, Vermont

A retail food cooperative; loan for expansion.

Red Tomato

Canton, Massachusetts

A nonprofit that strengthens family farms through market development and education; line of credit for seasonal working capital.

Turnpike Co-op

Westborough, Massachusetts

A new manufactured housing cooperative; loan for property purchase.

We Care About Homes

Beverly, Massachusetts

A nonprofit developer of housing co-ops; loan to purchase and de-lead urban property.

Wildoats Food Cooperative

Williamstown, Massachusetts

A retail food co-op; loan for working capital.

COOPERATIVE
CAPITAL
FUND of New England



Cooperative Capital Fund launched

In honor of our 30th anniversary and in recognition of the need for long term, "patient", near-equity funding for cooperatives, the CFNE Board started to develop the new Cooperative Capital Fund of New England (CCF). After two years of hard work the CCF was launched in October, 2007 and is in the process of attracting investors. A prospectus for CCF is complete and now available.

We designed CCF as a means of augmenting CFNE loans and to provide a much needed piece of funding that may act like equity without requiring co-ops to give up control over their own management and destiny or pay high fees, as traditional venture capital might.

Now socially responsible investors can meet their goals by choosing to invest in CFNE and CCF. It is the intent of CCF to build a more just economic system by:

- creating the possibility for systemic change that lifts people out of poverty;
- opening up conventional capital markets for cooperative businesses; and
- supporting and sustaining cooperative businesses that provide environmental, economic and social benefit to their communities.

For more information visit www.coopcapital.coop.

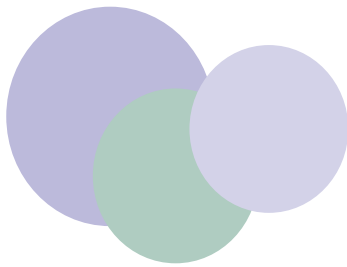
Success Story: Oak Street Housing Co-op, Bath, ME

Oak Street Housing Cooperative is a new limited equity housing co-op which provides affordable living to five families. The co-op was formed with the assistance of the City of Bath which purchased the multifamily property in the downtown and assisted in its renovation. For two years resident members worked on the project. The co-op is within walking distance from the center of town where residents can go to the post office, bank, library, market and small businesses. The property is also on the summer trolley line for transportation. Every unit in the building has views of the water. A loan for \$249,000 from CFNE provided additional permanent financing.

"The co-op becomes more than just four walls I pay rent on. It becomes a place where I can hang a picture and the hole in the wall is mine to care for. It becomes a home."

Karen Bartlett, Oak Street Housing Co-op





"...Providing resources to facilitate the accomplishment of a community vision is good work to do in the world."

Rochelle Prunty
River Valley Cooperative Market
Northampton, Massachusetts

- | | | |
|---|---|--|
| More than 190 individuals and
Adrian Dominican Sisters
Ascension Health
Bank of America
Ben and Jerry's Foundation
Berkshire Co-op Market
Cabot Creamery Cooperative
Catholic Health Initiative
Calvert Foundation
Cambridge Mustard Seed
Foundation
Cape Ann Food Co-op
Chase Bank
Chittenden Bank
Christ Church Parish
Christina Callan Charitable Trust
Citibank
Citizens Bank
Coalition for Human Needs
Collective Copies
Community Stomach
Community Foundation of Western
Massachusetts
Co-op Parish Sharing Fund
Cooperative Development
Foundation
Dance New England
Daughters of Charity
Developmental Disabilities Council
of Connecticut
Dominican Sisters of Hope
Dominican Sisters of Springfield
Economic Justice Fund
Ensworth Foundation
Episcopal City Mission | Episcopal Church of USA
Episcopal Diocese/Connecticut
Episcopal Diocese/Massachusetts
Equal Exchange
Franciscan Sisters of Mary
Franklin Research and Development
Gadfly Trust
Good Search
Great Bay Food Co-op
Green Living Journal
Green Mountain Mutual Aid
Hanover Food Co-op
Haymarket Peoples Fund
Howard Bowers Fund
Hunger Mountain Food Co-op
Hungry Hollow Food Co-op
James Penney Foundation
Karuna Trust
Knox Foundation
Loring, Wolcott & Coolidge
Marianist Sharing Fund
Mercy Loan Fund
Middlebury Natural Foods Co-op
Mount Holyoke College
National Co-op Bank
National Health System
New Alliance Foundation
New England Foundation for the
Arts
New England Yearly Meeting of
Friends (Quakers)
NYC 's People's Life Fund
Oberlin Student Cooperative
Association | Opportunity Finance Network
Partners for the Common Good
Pelham Fund
Putney Food Co-op
People's Bank
Seton Enablement Fund
Shefa Fund
Sinsinawa Dominican Sisters
Sisters of Charity of Mount St. Joseph
Sisters of Charity/Incarnate Word
Sisters of Charity/St.Elizabeth
Sisters of Mercy of the Americas/
Detroit Province
Sisters of St. Francis of
Philadelphia
South Mountain Company Foundation
Threshold Foundation
Trillium Asset Management
Tucker Anthony
Twin Pines Cooperative Foundation
Twin Pines Housing Trust
Tzedec Economic Development
Fund
United States Trust Company
Upper Valley Food Co-op
US Treasury CDFI Fund
Walden Management
Willimantic Food Co-op
White River Food Co-op
Woodland Investments |
|---|---|--|

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

"Thanks for all the cool stuff you do with co-ops!"
Nicole Faulkner, Investor, Jamaica Plain, MA

"I'm proud to support you!"
Peter Buck,
Equal Exchange employee-owner and CFNE investor
Roslindale, MA

STATEMENT OF FINANCIAL POSITION

as of December 31, 2007

Assets

Cash and Investments	\$950,386
Loans Receivable	\$4,728,019
Loan Loss Reserve*	(\$176,951)
Other Assets	\$85,265
Total Assets	\$5,586,719

Liabilities & Net Assets

Investor Loans Payable	\$4,882,380
Total Liabilities	\$4,882,380
Net Assets	\$704,339
Total Liabilities & Net Assets	\$5,586,719

STATEMENT OF ACTIVITIES

Year ended December 31, 2007

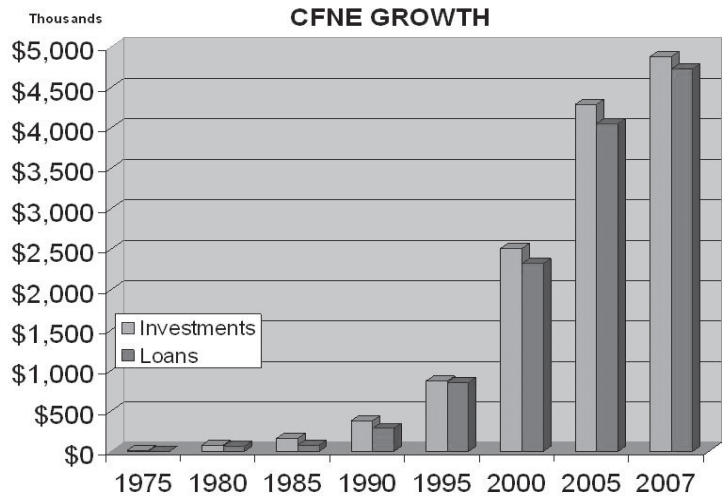
Support and Revenue

Contributions and Grants	\$148,182
Investment Income	\$50,157
Loan Interest	\$345,664
Other Program Income	\$11,195
Total Support and Revenue	\$555,197

Expenses

Personnel	\$181,551
Interest Paid to Investors	\$156,574
Loan Loss Expense*	\$17,000
Other Expenses	\$88,407
Total Expenses	\$443,532
Change in Net Assets	\$111,665

* dollars set aside as a resource against possible loan losses



Definition of 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.

Visit us on line at:

www.coopfund.coop

to learn about our borrowers; print out our loan application; download our prospectus; find links to our borrowers, other community development organizations, socially responsible investing sites, and cooperative business assistance sites.

This report was printed by Red Sun Press, a worker-owned cooperative serving the non-profit sector and social justice movement. Red Sun Press, located in Boston, is a proud CFNE borrower. For more information, visit www.redsunpress.org.



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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 other support to a wide range of cooperatives and nonprofit community-based 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 Massachusetts, New Hampshire, Connecticut, and Maine.

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