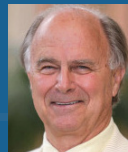


Message from the Executive Director and Chairman



Leslie Mead,
Executive Director



Gasper Kovach, Jr.,
Chairman of the Board

In 2016, the Cooperative Development Foundation grew in financial strength and efficacy as we strove to realize our mission of promoting community, economic and social development through cooperatives. As the audit shows, the Foundation is on firm financial footing that will enable us to dedicate more resources to programmatic activities such as the development of home care cooperatives.

The Foundation has steadily rebuilt its operating capital after several lean years. This year, CDF fulfilled the board's directive to consolidate and spin off some of the smaller funds the Foundation previously managed. The MSC, Emergency and Innovation Funds were combined. The assets of the

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Jones, Sullivan, and Kagawa Funds were granted to organizations in closer alignment with the goals of those funds.

These changes allowed CDF to spend more time working with thought leaders and technical assistance providers on a cooperative solution to quality home care services that meet the needs of both clients and workers. In addition to working with individual home care cooperatives, CDF commissioned a study of home care cooperative replication models and markets, and hosted the first-ever meeting of home care cooperatives and technical assistance providers.

CDF and NCBA CLUSA continue to work together where the missions of the two organizations are in alignment. NCBA CLUSA supports the CDF home care cooperative development initiative through communications, advocacy, and partner cultivation. CDF advances the work of NCBA CLUSA projects by serving as a fiscal sponsor for a variety of grants, including a grant from the Starbucks Foundation to support well construction in the coffee growing regions of Indonesia, a grant from the Christopher Reynolds Foundation to support the US-Cuba Working Group, and a grant from the Nationwide Foundation in support of the Cooperative Impact Conference. CDF established the Emerging Leaders Fund in memory of NCBA CLUSA membership director Thomas Bowen, which supports the participation of the next generation of cooperative

leaders in NCBA CLUSA events. Additionally, CDF's Cooperative Development Fund provided direct financial support for NCBA CLUSA's work in Cuba.

The Foundation supported projects at the request of the cooperative community. We were happy to assist in raising funds for the recovery of Ecuadorian cocoa growers associations impacted by a devastating earthquake. With Equal Exchange as a partner, CDF managed a fundraising campaign and contributed funding from the Cooperative Development Fund to support the effort. We continue to serve as fiscal sponsor for the Cooperatives for a Better World Initiative while the group awaits its tax exemption ruling.

In an effort to enhance our support for cooperatives, the CDF Board adopted a policy to invest 50 percent of the Foundation's assets into cooperatives. Earlier in the year, the Foundation's financial advisor began selling current investments and purchasing cooperative investment instruments such as preferred stock.

Looking ahead, we will continue to work closely with NCBA CLUSA as our organizations chart a domestic cooperative development agenda. We will continue to capitalize on our national position to bring together technical assistance providers, cooperatives, funders, and thought leaders to address the issues of the day through democratic, user-controlled cooperatives.

Impact: Home Care Cooperatives

Cooperative Care, a 50 member home care cooperative in rural Waushara County, Wisconsin, was at a crossroads. State reimbursement rates for its public pay clientele were not keeping up with costs, making it increasingly difficult to attract home care workers. While the Co-op struggled to meet the demand of its public pay contract, it was turning away higher-paying private pay business for a lack of workers. The 15-year-old, woman-run cooperative — one of the largest employers in the county — would be out of business without the help of the Cooperative Development Foundation.

By aggregating financial support from USDA and the Cooperative Development Fund of CDF and drawing on our longstanding relations with quality technical assistance providers such as the University of Wisconsin Center for Cooperatives and The ICA Group, CDF was able to coordinate the financial and

business assistance the cooperative needed.

Armed with a model to estimate costs, a better understanding of compensation rates, and a more strategic approach to recruitment, the sharp and dedicated “core four” of the Co-op board are now leading the cooperative to stability and expansion. Cooperative Care is just one example of the Cooperative Development Foundation’s impact in the effort to address an elder crisis with significant financial and social implications for our country.

Cooperatives offer the potential to provide quality jobs, wages and care in a field well-known for their absence. Our work with Cooperative Care informs technical assistance to other home care cooperatives and establishes best practices. Monthly, CDF brings together technical assistance providers working with home care cooperatives to discuss development issues. These calls represent a brain trust of thinkers and doers that learn from each other to expand the knowledge base in the field.



Home Care Facts

Caregivers by the numbers

2.5

million workers



40% on public assistance



58% high school education or less



90% women, 56% non-white



Median wage \$10 per hour, \$20,000 per year

Current Co-op Landscape



8 existing home care cooperatives



6 home care cooperatives in development



Cooperative Home Care Associates, Bronx, NY is the largest worker cooperative in the U.S.

Washington State has the **greatest concentration of home care cooperatives**

Cooperative Care in Wautoma, WI is the longest operating rural home care cooperative

In 2016, CDF organized the first ever National Home Care Cooperative Conference attended by cooperatives and technical assistance providers from across the US. Hosted by the National Rural Utilities Cooperative Finance Corporation and supported by grants from USDA and the CHS Foundation, the conference provided networking and education opportunities for home care cooperatives that often lack the resources to attend such events. Participants reported that the sessions on governance, finance, and marketing were especially impactful to their work.

The conference laid groundwork for additional financial resources from Capital Impact Partners and the AARP Foundation to support comprehensive model and market research for developing a replicable, scalable model for home care cooperative

growth. The result of this research, which is being conducted by The ICA Group, will be available in the Fall of 2017.

Our vision for home care cooperative development aims to replicate the success of electric cooperatives in rural America. Through support of cooperatives on an individual basis or on a larger scale, CDF is at its best working with partners to harness financial and intellectual capital to meet the needs of communities.

CDF dedicated
\$194,440
to home care cooperative
research and development
in 2016.



Events

Co-op 5K – Over 175 cooperators from the Washington, DC area participated in this annual Co-op Month activity, which raised over \$53,000.

Cooperative Hall of Fame – Cooperators from across the country honored Dennis Bolling, former president and CEO of United Producers, Inc., Columbus, OH; Dennis Johnson, former president and CEO of the St. Paul Bank for Cooperatives, and Dr. Jessica Gordon Nembhard, professor of Community Justice and Social Economic Development at CUNY and author of “Collective Courage: A History of African American Cooperative Economic Thought and Practice” at their induction into the Cooperative Hall of Fame. All inductees held a track record of accomplishments that have benefited the cooperative community. Individually and collectively, they advanced cooperative enterprises, empowered people through their association with cooperatives, and contributed to the broader acceptance of the cooperative model in the United States and around the world. The 2016 Cooperative Hall of Fame raised \$216,672 in support of the Foundation.



Cooperative Issues Forum – The Forum featured a panel discussion on “The Changing Nature of Work and the Role of Cooperatives,” and was moderated by Ellis Carr, President of Capital Impact Partners. The event featured a keynote presentation by Vickie Choitz, Associate Director of the Economic Opportunities Program at the Aspen Institute, and a panel discussion that included Dan Arnett of Co-op Central, Melissa Hoover of the Democracy at Work Institute, and Thomas Beckett of Carolina Common Enterprise. Attendees took part in a discussion about trends in the labor market, challenges to raising wages and the quality of working conditions, and opportunities to anchor wealth in communities. The event was sponsored by the Ralph K. Morris Foundation.



Impact: Food Cooperative Board and Staff Training

Guided by the Fifth and Sixth Cooperative Principles to promote education, training, and cooperation among cooperatives, the Howard Bowers Fund invests in the professional growth and development of food cooperative staff and board members. In an environment where resources are often lacking to propel cooperatives to advanced stages of growth and development, the Howard Bowers Fund helps bridge funding gaps for training to improve business.

In 2016, the Howard Bowers Fund granted 20 scholarships for participation in the Consumer Cooperative Management Association Conference, “Disrupting the Future: Cooperative Food and the Next Generation.” Bowers Fund grantee West Chester Food Co-op described the energy and the community to be “truly inspiring—especially for cooperators like us who are building a startup—it gave us a vision of what we one day will be.”

The Fund provided support for the Small and Strong Conference in Bloomington, Minnesota which held educational sessions for both existing and start-up cooperatives on governance, marketing and operations. The conference benefitted upper-Midwestern food cooperatives with strategies for improving merchandising, staff management, and regional collaboration.

Additionally, the Fund supported the fast-growing Up and Coming Conference in Milwaukee, Wisconsin, a series of workshops for startups on topics such as the evaluation of operational performance indicators and relationship development with lenders. Support from the Bowers Fund helped accommodate high

demand for the sixth-annual conference, in which participation increased by 50 percent over 2015.

Alongside benefits for grantees, the Bowers Fund creates opportunities for mature food cooperatives to pay their successes forward by funding scholarships for trainings and education. Karen Zimelman of the National Cooperative Grocers Association described the opportunity as, “our own Fund to take the successes that we build in our local communities and help expand and grow that to other communities.”

The Howard Bowers Fund positively impacts the food cooperative community by investing in both cooperative member development and organizational growth. These investments continue to strengthen economic development within communities across the nation.



Special Gift

Edith Jean Werts Bequest – Ms. Werts, a long-time cooperator left CDF \$26,240 for cooperative development in her will.

A graduate of Kansas State University and the University of Chicago Divinity School, Ms. Werts’s passion for cooperatives developed in Chicago.

She moved to Ohio to work for the Ohio Farm Bureau, where she served for many years as coordinator of women's activities and interests. Ms. Werts contributed both her time and money to a range of local, national, and international charities and organizations. She lived her passion for promoting rights for women, racial equality, and economic justice.

CDF Family of Funds

Cooperative Development Fund – Helps cooperatives recover from disasters, promotes cooperative development for people with limited resources domestically and internationally and supports the needs of seniors through cooperative enterprises.

2016 Grants: \$80,000

Grants since 1993: \$3,479,533

Emerging Leaders Fund – Established in 2016 in memory of NCBA/CLUSA staffer Thomas Bowen to support cooperative education.

2016 Fundraising: \$6,000

Howard Bowers Fund – Supports the education and training of food co-op staff, management, and board members.

2016 Grants: \$68,000

Grants since 1994: \$450,000

Revolving Loan Fund – Provides loans to develop senior cooperative housing.

Key Donors and Partners

Capital Impact Partners

CCA Global Partners

Christopher Reynolds Foundation

CHS Foundation

CHS Inc.

CoBank

Edith Jean Werts Bequest

Emmet, Marvin & Martin, LLP

Equal Exchange

IFFCO

Loeb & Loeb

National Co+op Grocers

National Cooperative Bank

National Rural Utilities Cooperative Finance Corporation

Nationwide

Nationwide Insurance Foundation

Ralph K. Morris Foundation

Starbucks Foundation

USDA Rural Development

Audited Financial Statement 2016

CDF Unrestricted	2015	2016
Support and Revenue		
Contributions and grants	132,459	176,217
Government contracts	231,826	265,242
Special events, net expenses	299,705	206,267
Investment Income (loss)	(6,705)	(6,679)
Administration fee income	7,004	7,004
Loan interest		
Net assets released from restrictions	385,195	813,490
Total Support and Revenue	1,049,484	1,461,541
Expenses		
Program	646,541	1,126,151
Management and general	95,509	99,558
Fundraising	48,640	51,670
Total Expenses	790,690	1,277,379
Net Income	258,794	184,162

CDF Temporarily restricted	2015	2016
Support and Revenue		
Contributions and grants	316,015	363,240
Investment income (loss)	62,324	51,684
Loan Interest	5,215	1,775
Net assets released from restrictions	(385,195)	(813,490)
Total Support and Revenue	(1,641)	(396,791)
Expenses	--	--
Net Income	1,641	(396,791)

All CDF	2015	2016
Support and Revenue	1,047,843	1,064,750
Expenses	790,690	1,277,379
Net Income	257,153	(212,629)

Reserves	2015	2016
Unrestricted (Beginning)	204,578	463,372
Unrestricted (Ending)	463,372	647,534
Temporarily Restricted (Beginning)	4,071,513	4,069,872
Temporarily Restricted Ending	4,069,872	3,673,081
Permanently Restricted Beginning	381,151	381,151
Permanently Restricted Ending	381,151	381,151
Total Net assets beginning of year	4,657,242	4,914,395
Total Net Assets, end of year	4,914,395	4,701,766

Audit conducted by Kositzka, Wicks and Company, Certified Public Accountants

2016 CDF Board of Directors

Gasper Kovach, Jr., Chair, Highland Exchange Service Cooperative (HESCO) (retired), Lakeland, FL

Larry Blanchard, CUNA Mutual, Palm Springs, CA

Karen Blickley, Nationwide Insurance Foundation, Columbus, OH

Carla Decker, District Government Employees Federal Credit Union, Washington, DC

Christina Jennings, Shared Capital Cooperative, Minneapolis, MN

Richard Larochelle, National Rural Utilities Cooperative Finance Corporation (retired), Fredericksburg, VA

Charles Snyder, National Cooperative Bank, Arlington, VA

Linda Tank, CHS Inc. (retired), Cottage Grove, MN

Deborah Trocha, Indiana Cooperative Development Center, Indianapolis, IN

Judy Ziewacz, *ex officio*, NCBA CLUSA, Washington, DC

CDF Staff

Leslie Mead, Executive Director

Ellen Quinn, Funds Manager

Cassandra Durand, Events Coordinator & New Media Specialist

Kristen Kiewiet de Jonge, Communications Manager



For more information, please visit CDF's websites: cdf.coop, heroes.coop, and seniors.coop

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