

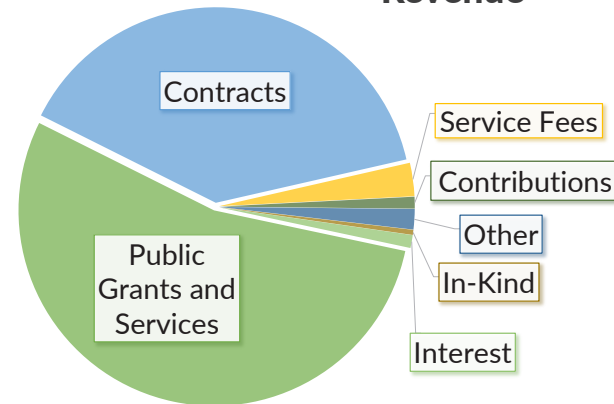
2017 Audited Financial Statements

October 1, 2016 to
September 30, 2017

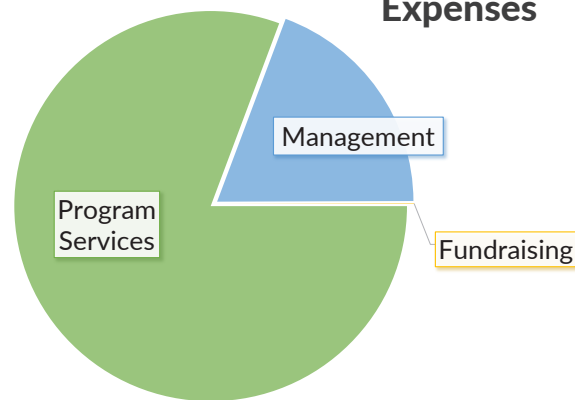
Statement of Activities

Support and Revenue	
Public Grants and Services	\$ 406,497
Contract Income	293,783
Service Fee Income	20,720
Contributions	7,332
Other Income	12,683
In-Kind	3,150
Interest Income	8,000
Total Support and Revenue	<u>752,165</u>
Expenses	
Program Services Expense	581,645
Management Expense	138,918
Fundraising	387
Total Expenses	<u>720,950</u>
Change in Net Assets	31,215
Net Assets, Beginning of Year	<u>436,791</u>
Net Assets, End of Year	<u>\$ 468,006</u>

Revenue



Expenses



Statement of Financial Position

	2017	2016	Change
Assets			
Current Assets	\$ 483,489	\$ 415,432	\$ 68,057
Equipment	8,732	8,619	113
Other Assets	103,480	84,383	19,097
Total Assets	<u>\$ 595,701</u>	<u>\$ 508,434</u>	<u>\$ 87,267</u>
Liabilities			
Total Current Liabilities	\$ 127,695	\$ 71,643	\$ 56,052
Net Assets			
Unrestricted Net Assets	369,006	337,791	31,215
Restricted Net Assets	99,000	99,000	0
Total Net Assets	<u>468,006</u>	<u>436,791</u>	<u>31,215</u>
Total Liabilities and Net Assets	<u>\$ 595,701</u>	<u>\$ 508,434</u>	<u>\$ 87,267</u>



Northwest Cooperative Development Center 2018 Annual Report

Fellow Cooperators!

I'm happy to report that 2018 was a great year for the Center and cooperatives across the Pacific Northwest. Our team of dedicated developers, under the guidance of our Board of Directors, successfully took on projects **spanning multiple states** and **crossing varied sectors**.

Since 1986, NWCDC has grown from a nonprofit start-up with a staff of one, to a regional development center employing **eight cooperative developers** and organizing up to **thirty projects** at a time across three states. We are now positioned as the regional resource on cooperative conversions. With congress passing the Main Street Employee Ownership Act, we are already looking to facilitate and support a new wave of worker cooperatives.

This work requires strong partnerships to address the wide and changing needs of our communities. NWCDC has proudly continued its work the **USDA, Washington State Housing Finance Commission, ROCUSA, CooperationWorks!**, and more. Just this year, NWCDC joined the **Worker to Owner Collaborative**, a project aimed at confronting the wave of retiring small business owners by promoting the cooperative model.

Cooperatives are **values driven** businesses born out of real people's needs, guided by **democratic decisions**, that build **honest wealth** among their members. For 32 years, NWCDC has worked to further the role of cooperatives in society and bring this model to more workplaces, homes, and communities. We look forward to building on our successes as we plan for 2019 and beyond.

Board of Directors

David Carrier, Chair
Cindy Lyden, Vice Chair
Martin Desmond, Treasurer
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Dave Warren
Juan Aguilar
Ralph Honhongva
Debbie Wege
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Executive Director

Diane Gasaway

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Diane Gasaway, Executive Director

Our work bringing cooperative solutions to rural America embraces the new **Main Street Employee Ownership Act** with an ambitious **Legacy Project**!

We're building healthy communities by **preserving affordable housing** and starting up new **homecare cooperatives** across the Northwest.

1 NWCDC Launches Legacy Project

The USDA Rural Development program awarded three Rural Business Development Grants to NWCDC and the Washington State Grange to fund its Legacy Project in Washington, Idaho, and Oregon. The Legacy Project seeks to build awareness of worker co-ops as an option for business succession planning by educating trusted business advisers in rural communities. When a rural business owner decides to retire, there may not be a willing purchaser for the business or a family member interested in continuing the operations. Selling to workers keeps the business operating along with the jobs and economic benefits that a local business brings to a small town.

2 Dumpster Values Sells to Workers

Dumpster Values, a retail store in downtown Olympia specializing in refurbished clothing, is the newest worker co-operative in Thurston County. Dumpster Values approached NWCDC in 2016 about converting the store from the single proprietorship to a collectively owned and worker managed business. After several months of education, training, and information, the conversion took place on December 31, 2017. NWCDC continues to assist the fledgling collective with strategic planning, marketing, financial training, and operations management.



3 Main Street Employee Ownership Act Becomes Law

The Main Street Employee Ownership Act became law on August 13, 2018. This landmark legislation provides new direction to the Small Business Administration to assist worker cooperatives and employee stock ownership programs (ESOPs).

This development will create new opportunities for worker co-ops throughout the nation, but will also help NWCDC's Legacy Project gain initial momentum over the coming year.



The Act provides 4 key provisions:

1. Support the transition to worker ownership by financing transition costs, waiving equity requirements, and allowing seller to remain with new company.
2. Make SBA Loans more accessible to cooperatives.
3. Promote employee ownership and cooperatives and create interagency working group to assist with employee ownership transitions.
4. Improve current SBA Lending programs.

4 4th Caregiver Co-op in Washington Incorporates

Washington caregivers have quickly become a leader in the national co-op community. With the addition of Peninsula Homecare and Capital Homecare, Washington provides a model for small co-op development based on the state's unique market and regulatory environment. With assistance from NWCDC staffer Deborah Craig, caregivers in Skagit County have incorporated Heartsong Homecare Cooperative (HHC) with a 5 member steering committee. HHC expects to submit their license application soon and have begun seeking start-up capital. This is the 4th Homecare Co-op to incorporate in Washington since Circle of Life began operations in 2009.

Two more co-ops along the I-5 Corridor are in the works: a King County based group held their very first outreach meeting on September 1st and Island Home Care Co-op in Islands County have also begun organizing.



5 Upper Lakeshore Homeowners Cooperative becomes 5th Resident Owned Community in Moses Lake

After falling out of contract due to infrastructure issues, a purchase price was renegotiated and the cooperative's final loan was approved. The Community, through a democratic process, approved their bylaws and community rules.

Three of the current board members received scholarships to attend the ROC Leadership Institute, a 3-day co-op leadership training in New Hampshire designed to strengthen the voices and skills of voluntary leaders from Resident Owned Communities.

As a part of the transaction, all of the residents are on a pathway to homeownership and building equity rather than renting. The residents will now own both their homes and the land beneath them.

6 NWCDC Hosts Caregiver Co-op Development Tour

The Homecare Foundation (HCF), based in Olympia, and the California Center for Cooperative (CCCD) Development toured Washington in early August to learn more about NWCDC's methods of caregiver co-op development. The NWCDC has assisted in the development of six caregiver co-ops, five of which are or will be operating in Washington. The tour includes the Executive Directors of HCF and CCCD along with interested developers in Arizona and Texas. The tour began with NWCDC staff and Capitol Homecare in Olympia, then on to Bellingham to meet with Circle of Life and NWCDC staffer Deborah Craig; wrapping up in Port Townsend with Peninsula Home Care.