

## Dear Friends,

On behalf of the entire Board of Directors, I'm happy to report 2012 as another year of important growth for NCF and our client cooperatives. With a transaction in Lindstrom, Minnesota, we successfully assisted another fifty manufactured homeowners purchase their community and secure their future through cooperative ownership. By the end of 2012, there were six NCF-sponsored resident-owned communities in Minnesota, housing nearly 470 families. Our Manufactured Home Placement Program has now sited seventy homes, providing quality, affordable housing to families in need and strengthening the financial bottom lines of the cooperatives where the homes are located. Over the last year, we improved and expanded the cooperative training and leadership development programs we provide. Since the inception of our award-winning Kris Olsen Traveling Cooperative Institute, a total of 59 formal training events have been held, attended by more than 1,200 individuals from 150 different cooperatives. Our training methods and curricula are ever evolving to maximize effect and reflect changing best practices.

We see our organization as a powerful catalyst for change. We have a collaborative nature to our work, consistent with principles of cooperative development. In that vein, we thank you for our partnerships with you and the key interest and support you have provided, allowing us to continue to advance our mission of "Helping Transform Lives and Communities Through Cooperative Enterprise".

There is a growing awareness of the benefits of cooperative ownership. People are banding together in all kinds of efforts, cooperating, so that they can accomplish together, what they can't individually. Contact us anytime to talk about how you can be part of what we do.

Warm Regards,



Gayle Cupit  
Board Chair

# NCF

Northcountry Cooperative Foundation

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Helping Transform Lives  
and Communities Through  
Cooperative Enterprise.

## Stonegate Cooperative – Lindstrom, MN

NCF sent a letter to residents of the Stone Gate Mobile Home Park in February of 2011 inviting them to a meeting at the local library to discuss the potential for a resident purchase. Residents showed up in force, with over 80% of households attending that first meeting.

After concerted work by the interim board of directors and committee members, Stonegate Cooperative took ownership of this 50-site community in Lindstrom, Minnesota on September 5, 2012, becoming Minnesota's sixth resident-owned community.

NCF provided technical assistance and support throughout the acquisition process, leading resident meetings, supporting Stonegate Cooperative's due diligence efforts and working closely with all parties to help ensure a successful transaction.

"I'm really proud of us, that we were able to work together to accomplish this purchase," said Stephanie Bushard, Interim Board President of Stonegate Cooperative. "We're excited about the future of our community." The park was previously owned and operated by Pinewood Properties, Inc. "This was a good outcome for me," said Steve Bodenschatz, Manager of Pinewood Properties. "NCF worked with the Cooperative to deliver on everything promised. When I'm ready to sell another community, my first call will be to NCF."



Since closing, Stonegate has elected a permanent board of directors, completed a Capital Improvement Plan, and made several thousand dollars worth of improvements to the park.

Stonegate Cooperative is the second NCF project to be financed by ROC USA Capital, a financing affiliate of ROC USA. ROC USA was formed by non-profit and financial institutions to support resident ownership of manufactured housing communities nationwide. NCF is a ROC-certified technical assistance provider (CTAP). As a CTAP, NCF has access to ROC's pool of capital at attractive rates and terms, and also receives support from ROC's network of other CTAPs. To date, more than 140 communities nationwide have been converted to resident ownership with the assistance of ROC USA and ROC CTAPs like NCF.

*"We're excited about the future of our community."*



## NCF Audited Financial Statements

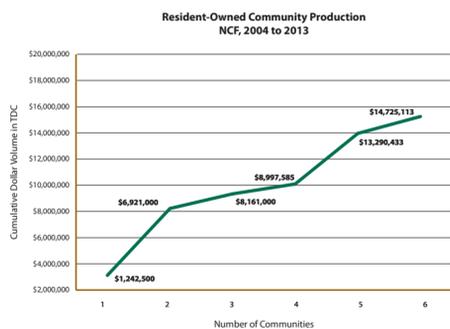
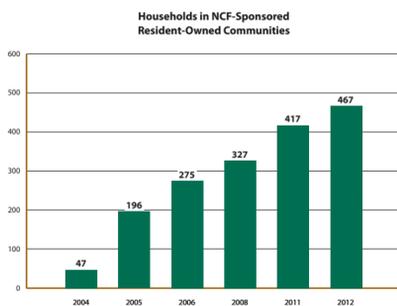
Years ending December 31, 2012 and 2011

### Statement of Activities

	2012	2011
Grant Revenue	255,000	29,339
Government Contracts	238,752	220,812
Contract Revenue	13,732	11,605
Development Fees	50,835	125,509
Interest, loan fee Income	12,928	28,781
Surplus Maintenance Fees	52,663	19,066
Loan Servicing Fee	20,903	12,315
Other Income	13,727	1,189
<b>Total Income</b>	<b>658,540</b>	<b>448,616</b>
<b>Operating Expenses</b>		
Labor	227,065	213,984
Contract Services	90,489	54,732
Occupancy	24,274	15,234
Travel	22,022	10,723
Other operating	143,713	117,665
Administration	24,130	21,590
<b>Total Expenses</b>	<b>531,693</b>	<b>433,928</b>
<b>Change in Net Assets</b>	<b>126,847</b>	<b>14,688</b>

### Statement of Financial Position

	2012	2011
Cash	318,212	369,763
Other current assets	303,316	614,997
<b>Total Current Assets</b>	<b>621,528</b>	<b>984,760</b>
Other Assets		
Other Real Estate Owned	994,619	1,042,185
Total Other Assets	994,619	1,042,185
<b>Total Assets</b>	<b>1,616,147</b>	<b>2,026,945</b>
<b>Liabilities</b>		
Accounts Payable	63,441	58,647
Note Payable	318,000	616,526
Deferred Revenue	79,355	79,355
<b>Total Current Liabilities</b>	<b>460,796</b>	<b>754,528</b>
<b>Total Long-Term Liabilities</b>	<b>560,579</b>	<b>804,492</b>
Beginning Net Assets	467,925	453,237
Change in Net Assets	126,847	14,688
<b>Total Net Assets</b>	<b>594,772</b>	<b>467,925</b>
<b>Total Liabilities and Net Assets</b>	<b>1,616,147</b>	<b>2,026,945</b>



## Northcountry-sponsored workshops

and conferences have been enhancing the skills of co-op leaders and providing venues for peer-to-peer learning and support for over 25 years. These learning opportunities traditionally have been offered regionally by NCF, and more recently have been expanded through NCF's affiliation with ROC-USA.



Regional trainings are offered under the auspices of NCF's Kris Olsen Traveling Cooperative Institute (TCI). TCI seminars are designed to develop and support local leadership and staff development by offering a variety of educational training opportunities to Midwestern co-ops. Originally offered only to natural food co-ops, TCIs were expanded early on to include housing co-op leaders and members. Today, TCIs are being tailored to meet the specific needs of co-op audiences and are



offered in both classroom and co-op boardroom environments.

Beginning in 2012, leaders of ROC-USA-financed housing co-ops were offered the opportunity to attend ROC's Community Leadership Institute (CLI). The CLI is an annual three-day conference for resident owned manufactured home park co-op leaders from around the country. The CLI offers participants an opportunity to network with and learn from other housing co-op leaders, engage with ROC USA staff, and take leadership-themed workshops.

NCF staff continue to look for innovative ways to expand the scope and effectiveness of NCF-sponsored training.

