



Annual Report

2025



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Another Year of Building at LEAF!

In FY 2025, LEAF remained focused on delivering impact while maintaining the financial strength, operational discipline, and adaptability required to navigate a changing economic environment.

LEAF deployed capital to support enterprises across our core sectors: affordable housing, small business, and healthy food systems. Last year LEAF made almost \$7 million in loans.



“At the heart of LEAF’s mission is a commitment to broad-based ownership and community agency.”

Our work supports models such as employee ownership, community land trusts, and food cooperatives, structures that empower communities to build wealth, exercise control over local assets, and determine their own paths forward.

A priority in FY2025 was strengthening LEAF as a resilient financial institution. We invested in our internal infrastructure, including technology to improve data quality, portfolio monitoring, and reporting. Our investments enable LEAF to streamline workflows, enhance risk management, and better serve borrowers and capital partners, ensuring operational capacity grows alongside our impact. I was happy when one of the small business owners LEAF funded for an expansion project said that their revenues were 75% higher than expected. As a result, she plans to raise salaries (which were already \$25/hour). This outcome multiplied by tens of thousand times is what the CDFI industry is all about!

None of this work is possible without the continued partnership of our investors, funders, borrowers, and collaborators. As we look ahead, LEAF thanks you for your ongoing support. We look forward to deploying capital that builds ownership and resilience in the communities we serve.

—Gerardo Espinoza, Executive Director



Dr. Christina Clamp, BOD Chair

We have over 40 years of experience supporting cooperatives and entrepreneurs who have difficulty accessing conventional capital markets. LEAF's work is more essential now, than ever.

Growing Community Wealth Through Action

Community Development Financial Institutions (CDFIs) exist to serve communities that conventional lenders may fail to reach. CDFIs take disciplined risks and provide technical assistance to bring small businesses, cooperatives and affordable housing projects into the bankable sphere.

We partner with the city and state government to turn policy into action. Each dollar invested goes further: CDFIs leverage \$8 in private capital for every \$1 of federal funding.*

LEAF focuses on economic models that keep wealth local: employee ownership, affordable housing, and underserved businesses.

Conventional Lenders vs. LEAF

The difference is not just who receives capital, but who builds wealth over time.

	Conventional Lenders	LEAF (CDFI)
Goal of Capital	Maximize financial return and minimize risk	Access to capital for underserved communities
Who Has Power	Ownership and decision-making concentrated with investors and shareholders	Ownership shared with workers, residents, and community members
What Gets Financed	Businesses and projects that meet conventional underwriting standards	Small businesses, affordable housing, and food systems outside traditional lending criteria
Long-Term Impact	Wealth often leaves the community	Wealth stays local through employee ownership, cooperatives, and community land trusts



FETZ Plumbing Co-op Owners. When the workers share the risks and rewards, workers build wealth alongside the business. The workers bought Fetz plumbing and heating. The business value stays with the people who built it.

25 million U.S. employees (about 18 % of the workforce) hold some form of ownership stake in the firm where they work through ESOPs, equity compensation plans, stock options, employee stock purchase plans, worker cooperatives, and employee ownership trusts (EOTs). Credit: Aspen Institute

* The U.S. Treasury CDFI Fund

Built for Uncertain Times

Underwriting for Stronger Businesses and Resilient Communities

As a mission-driven lender, we evaluate risk constantly, financial and social. The calibration matters: too much risk undermines investor confidence, too little limits our impact.

LEAF is a CDFI grounded in the belief that economic health stems from broad-based ownership.

LEAF specializes in ownership models that anchor wealth locally. Employee-owned businesses keep profits with workers. Cooperative housing and community land trusts preserve homes for long-term stability. Underserved entrepreneurs gain capital and skills to build durable enterprises whose benefits extend beyond a single storefront. Food retailers expand access to healthy, affordable food.

History is reassuring. CDFIs proved resilient through 2008 and COVID, and research shows why: **long-term net write-offs for CDFIs average just 0.6%, compared to 1.9% for commercial banks.*** LEAF grew through both crises.

This year, despite federal cuts and economic headwinds, LEAF strengthened revenue, net assets, and loan loss reserves. We've diversified funding, tightened exposure on start-up loans, and invested in stronger technology and controls.

Our loans span industries and geographies, but share one throughline: broad-based ownership. Taken together, our loans are nudging the economic system toward greater equity.

LEAF Lending History

	Amount (\$) of Loans Closed	Number (#) of Loans Closed
FY 2022	\$3,639,650	19
FY 2023	\$8,000,100	29
FY 2024	\$9,693,492	43
FY 2025	\$6,734,667	39

LEAF has loaned and leveraged more than \$400 million since our founding in 1982.

* "The Financial Performance of Impact Investing Through Private Debt" April 2018. Global Impact Investing Network.

Co-op Homes and Community Land Trusts

Finance Cooperative Housing; Build Stability

JD Sullivan once worked two jobs to avoid homelessness in Grand Rapids. Today, he serves as board president of his limited-equity co-op. That's what cooperative housing does. It doesn't just shelter people, it builds leaders.

Behind that transformation is infrastructure. Dave Rugg and the Michigan Community Land Cooperative bring 45 years of experience to making resident-owned housing work — and keep working. When financing threatened to raise monthly payments by 26%, LEAF restructured the deal, bringing that increase down to 3.5%. The difference between 26% and 3.5% is the difference between collapse and stability.

Traditional lenders rarely fit co-ops. LEAF centers its work around community ownership.

Traditional lenders are rarely a good fit for co-ops, as they often have higher rates, shorter terms, and little flexibility. LEAF, by contrast, is structured for this work.

— Dave Rugg, MI Community Land Trust



LEAF Housing Loans (Community Land Trusts and Housing Co-ops)

Fiscal Year	# of Loans	LEAF's Loans	Total \$ Leveraged
2021	2	\$725,000	\$1,038,660
2022	4	\$1,230,000	\$133,450,000*
2023	7	\$3,794,100	\$4,143,288
2024	4	\$3,375,688	\$3,785,017
2025	8	\$2,700,799	\$5,419,424
Total	25	\$11,825,587	\$147,836,389

* The leveraged dollar amount is the total amount of non-LEAF funding in a financial transaction in which LEAF participated. One 2022 LEAF loan went to a particularly large project, hence the outlier leveraged amount.

Healthy Food: From Access to Ownership

Cooperative Ownership: A Durable Model for Food Access

Co-op lenders like LEAF aren't typical bankers. They act like our brain trust. LEAF understands the industry really well.

— Christopher DeAngelis, External Relations Manager, People's Food Cooperative

LEAF funds food cooperatives across the US and, in Massachusetts, co-administers the Massachusetts Food Trust Program, which funds local farmers and independent grocery markets in food deserts. People's Food Co-op in Portland, OR is a LEAF client and a testament to what cooperative ownership makes possible. Founded in 1970 by university students who converted a grocery store into a democratically governed cooperative, People's has been expanding access to healthy food ever since.



Today, People's Food Co-op is growing even as challenges to the small grocery industry intensify. The co-op employs 23 full-time and 12 part-time staff, who participate democratically. With guidance from LEAF and the National Cooperative Bank, the food co-op purchased property next door to their store to strengthen operations. The cooperative (workers, members, neighbors) is planning its next phase to advance shared ownership, a democratically run business, and local food access.

LEAF Healthy Food Loans (Food Co-ops and Healthy Food Retailers)

Fiscal Year	# of Loans	LEAF \$ Deployed	Total \$ Leveraged
2021	3	\$492,929	\$3,173,900
2022	3	\$800,000	\$3,144,700
2023	9	\$2,785,000	\$12,979,038
2024	10	\$3,106,000	\$7,041,421
2025	12	\$1,599,799	\$9,746,503
Total	37	\$8,783,728	\$36,085,562



Lift up Small Businesses; Lift up Communities

Small Business Stability Means Stable Communities. When Businesses Struggle, Workers and Families Feel It Immediately.

The Elevate Small Business Program partners with underserved businesses to build conditions for long-term success with three core areas: Access to Advice, Access to Capital, and Access to Markets. The Elevate program works directly with owners to strengthen financial management, improve visibility into future outcomes, and navigate critical moments.

In 2025, LEAF deployed \$1,251,439 to stabilize and grew 12 Massachusetts small businesses with barriers to capital and growth. LEAF conducts financial analysis, negotiates with creditors, advises on contracts and supports restructuring efforts. The goal is not only business survival, but stronger, more resilient local economies.



LEAF Clients in the Collage
Top: L Friends of Garden,
R Brown Bear Early Learning
Bottom L: Boston Flower Co,
R: PYNRS, Pioneers Running Club

Elevate Impact Since 2021

In FY25 the program engaged 1,130 entrepreneurs with a range of services including 1-on-1 advisory, loans and workshops.

12 loans made.

\$1,251,439 LEAF loaned.

\$4,217,160 leveraged.

Resilience in Practice

Fresh Food Generation (FFG), a Dorchester-based Caribbean restaurant and catering company founded by Cassandra Campbell and Jackson Renshaw, has been a LEAF partner since 2020. Over that time, FFG grew from a shared commissary kitchen to a multi-channel operation serving their community through a brick-and-mortar restaurant, catering services, and institutional contracts.

In 2025, FFG faced a challenge familiar to many mission-driven food businesses: the abrupt loss of major institutional contracts. Contracts that had represented a significant portion of revenue, including meal programs serving healthcare patients and emergency shelter residents, ended as funding priorities shifted.



We're reframing our business. We want to focus on more stable revenue streams that won't require dramatic ramp-ups and ramp-downs, more predictability.

— Cassandra Campbell, Co-founder, Fresh Food Generation

LEAF has provided \$400,000 in financing to FFG since 2020. Fresh Food Generation's journey highlights a systemic challenge, cash flow gaps created when institutional contacts pay up to 180 days after service delivery. LEAF has initiated a program, Uplift Procure, to address the gaps.

Loans to Employee-Owned and Small Businesses

Fiscal Year	# of Loans	LEAF's Loans	Total \$ Leveraged
2021	7	\$981,500	\$3,398,000
2022	12	\$1,609,650	\$5,366,000
2023	13	\$1,421,000	\$4,727,219
2024	29	\$3,211,804	\$8,970,973
2025	19	\$2,434,069	\$4,476,581
Total	80	\$9,658,023	\$26,938,773

Connecting Small Businesses to Institutional Markets

Contract Financing as a Pathway to Small Business Stability

Small businesses often wait 60 to 180 days to be paid by large institutions creating cash flow challenges. Without access to affordable capital, many turn to high-cost financing that may weaken long-term viability.

Uplift Procure is a technology platform that addresses this gap by connecting small businesses to institutional buyers and providing contract financing to bridge payment delays. In this way, businesses meet payroll, purchase supplies, and fulfill contracts.



Waku Tea Co-Owners,
Juan Giraldo and Nico Estrella

Our Uplift Procure financing provided Waku with timely working capital, reducing payment cycles from 45 days to 5 days avoiding lender fees as high as 70%. We offer this service because our clients need it.

In 2025, we built the infrastructure to scale this work, including underwriting systems and operational processes. LEAF also created a foundation for co-investment, bringing in additional mission-aligned capital to meet growing demand.

When institutions purchase from local, underrepresented businesses, public spending becomes a tool for community wealth building.

2025 Highlights

Developing contract financing product infrastructure and underwriting framework.

Building systems to support co-investment from additional funders.

When anchor institutions source from underrepresented vendors, and when those vendors can access financing to fulfill contracts, entire communities benefit.

LEAF's Ecosystem

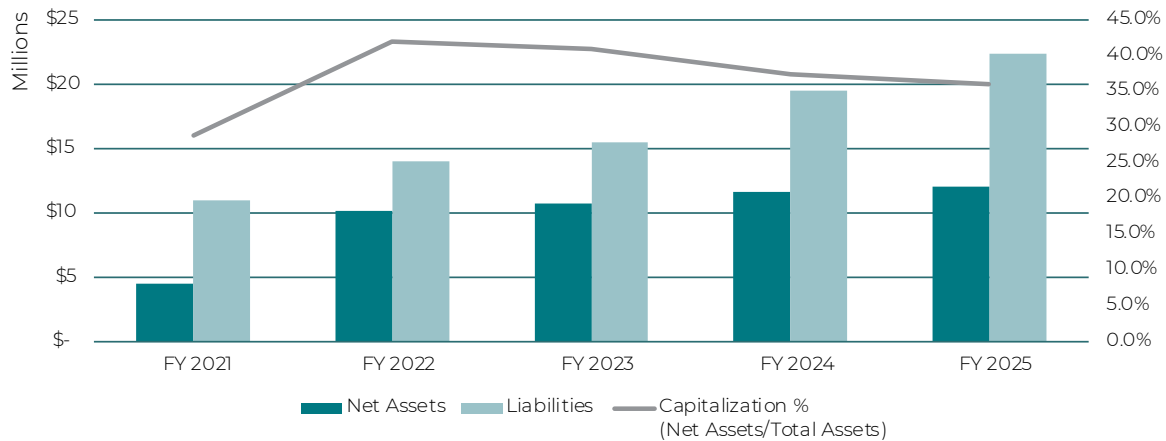
We are grateful to the partners, funders, and clients working with LEAF to create this solidarity economy. We couldn't do our work without them.



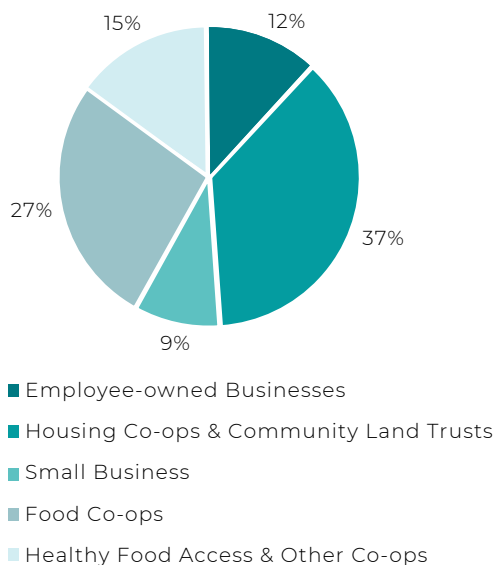
Capitalization & Portfolio Quality

Since its inception in 1982, LEAF has paid 100% of its liabilities and investors have never lost a penny. The fund has detailed lending and risk management policies and regularly sets aside earnings in a separate account to cover costs from unforeseen or unpreventable events that result in credit losses. This healthy reserve (or “allowance for credit losses”) plus well-reasoned loans has delivered the financial returns and impact that attract additional capital.

LEAF's Strong Capitalization Drives its Impact



FYE 2025 Portfolio by Lending Area



Select LEAF Portfolio Metrics, FYE2025

"Delinquencies (> 90 Days/Outstandings)"	LEAF	3.4%
	Peer Median	1.7%
"Gross Charge-Offs (Percent of Outstandings)"	LEAF	1.6%
	Peer Median	1.6%
Allowance for Credit Losses/Outstandings	LEAF	7.5%
	Peer Median	5.9%
"Loan Deployment (Loans Outstanding/Total Assets)"	LEAF	83.6%
	Peer Median	67.1%

*Median calculated by Aeris from 26 Business & Microlender peers with \$20-50 Million in Assets

Source: Aeris Cloud

Statement of Financial Position

	12/31/25 (unaudited)	FYE 2025 (audited)	FYE 2024 (audited)
Assets			
Cash and cash equivalents	\$5,591,013	\$9,268,432	\$7,523,273
Loans receivable (net of allowance for credit losses)*	\$30,210,049	\$24,823,760	\$22,324,855
Grants & other receivable	\$30,366	-	\$1,186,707
Fixed & Other assets	\$116,082	\$385,453	\$108,935
Total assets	\$35,947,510	\$34,477,645	\$31,143,770
Liabilities & Net Assets			
Debt (loan capital)	\$21,818,786	\$19,280,323	\$18,142,358
Accounts payable and accrued expenses	\$366,054	\$3,006,372	\$1,211,712
Other liabilities	\$606,899	\$125,942	\$145,290
Total liabilities	\$22,791,738	\$22,412,637	\$19,499,360
Total net assets	\$13,155,771	\$12,065,008	\$11,644,410
*Allowance for credit losses	\$2,371,489	\$2,027,293	\$1,502,153

Statement of Activities

FYE 2025 (as of May 31, 2025)

Support and Revenue

Loan interest & fee income	\$ 1,498,012
Contributions & grants	\$ 3,137,299
Investment income	\$ 224,660
Other Earned Income	\$ 447,919
Total support and revenue	\$ 5,307,890

Expenses

Personnel	\$ 2,985,611
Professional services	\$ 176,377
Interest	\$ 458,205
Occupancy	\$ 77,987
Allowance for credit losses	\$ 930,434
Other expenses	\$ 258,678
Total expenses	\$ 4,887,292

Change in Net Assets	\$ 420,598
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Wholehearted Bookkeeping is a worker-owned cooperative that provides bookkeeping and financial services. The cooperative's structure allows workers to participate in decision-making and share in the business's growth and profits. Wholehearted delivers a valuable service: consistent financial support while maintaining a workplace grounded in collaboration, empathy, and shared responsibility. We provided flexible financing so Wholehearted could expand to meet demand.

Worker Cooperatives and Democratic Workplaces have grown **34% since 2020**. Traditional small businesses have grown **13% since 2019** (source: US Chamber of Commerce)

The US has **1,300** worker cooperatives and democratic workplaces, employing **16,000 workers**.



*The story doesn't end here.
Get the next chapter delivered to your inbox.*



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