

Annual Report | Balance Sheet

Balance Sheet

JUNE 30, 2014 and 2013

<u>ASSETS</u>	<u>6/30/2014</u>	<u>6/30/2013</u>
CURRENT ASSETS		
Cash	\$474,613	\$341,927
Accounts receivable	17,970	9,039
Inventory	486,096	477,216
Other current assets	19,920	22,096
Investments - trading securities	68,881	45,286
	<u>1,067,480</u>	<u>895,564</u>
PROPERTY AND EQUIPMENT		
Less accumulated depreciation	4,486,435	4,453,758
	<u>(1,245,409)</u>	<u>(1,045,925)</u>
	<u>3,241,026</u>	<u>3,407,833</u>
OTHER ASSETS		
Deposits & Receivables	2,152	2,152
	<u>2,152</u>	<u>2,152</u>
TOTAL ASSETS	<u>\$ 4,310,658</u>	<u>\$ 4,305,549</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable	\$267,141	\$242,376
Federal & State Tax payable	1,718	3,472
Accrued payroll and related taxes	108,810	103,426
Current portion of long-term debt	236,298	246,146
Total current liabilities	<u>613,967</u>	<u>595,420</u>
LONG TERM DEBT		
External Lenders	2,064,672	2,227,183
Member Loans	600,000	606,840
Total long term liabilities	<u>2,664,672</u>	<u>2,834,023</u>
Total liabilities	<u>3,278,639</u>	<u>3,429,443</u>
MEMBERS' EQUITY		
Class A Shares	151,247	143,472
Class B Shares	582,869	563,121
Additional paid-in-capital	89,265	79,333
Retained Earnings	208,638	90,180
Total members' equity	<u>1,032,019</u>	<u>876,106</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 4,310,658</u>	<u>\$ 4,305,549</u>

Board of Directors

President
Finis Williams

Vice President
Patti Dann

Treasurer
Krista Helmboldt

Secretary
Marie Colbath

Tedd Evans
Nancy Girard
David Marshall
Susan Murray
Derek Owen

Annual Report | Statement of Operations

Statement of Operations

FOR THE YEARS ENDED JUNE 30, 2014 and 2013

	<u>Year Ended</u>		<u>Year Ended</u>	
	<u>6/30/2014</u>	<u>% Sales</u>	<u>6/30/2013</u>	<u>% Sales</u>
REVENUE				
Net sales	\$7,617,368	100.0%	\$6,592,848	100.0%
Cost of goods sold	<u>4,467,959</u>	<u>58.7%</u>	<u>3,843,289</u>	<u>58.3%</u>
Gross profit	<u>3,149,409</u>	<u>41.3%</u>	<u>2,749,559</u>	<u>41.7%</u>
OPERATING EXPENSES				
Personnel	1,825,058	24.0%	1,706,772	25.9%
Occupancy	478,533	6.3%	412,211	6.3%
General and administrative	593,074	7.8%	562,628	8.5%
Total operating expenses	<u>2,896,665</u>	<u>38.0%</u>	<u>2,681,611</u>	<u>40.7%</u>
Operating profit	<u>252,744</u>	<u>3.3%</u>	<u>67,948</u>	<u>1.0%</u>
OTHER INCOME (EXPENSE)				
Interest income	2,992	0.0%	3,641	0.1%
Appreciation in investments	23,595	0.3%	9,256	0.1%
Miscellaneous income	4,426	0.1%	6,984	0.1%
Interest expense	<u>(153,739)</u>	<u>-2.0%</u>	<u>(153,087)</u>	<u>-2.3%</u>
Total other income (expense)	<u>(122,726)</u>	<u>-1.6%</u>	<u>(133,206)</u>	<u>-2.0%</u>
Income (Loss) before taxes	<u>130,018</u>	<u>1.7%</u>	<u>(65,258)</u>	<u>-1.0%</u>
INCOME TAXES				
State	11,560	0.2%	11,874	0.2%
Total taxes	<u>11,560</u>	<u>0.2%</u>	<u>11,874</u>	<u>0.2%</u>
NET INCOME (LOSS)	<u>\$ 118,458</u>	<u>1.6%</u>	<u>\$ (77,132)</u>	<u>-1.2%</u>

*The financial statements presented reflect the auditor's final report for the twelve months ended June 30, 2014
Independent audit conducted by Rowley & Associates, P.C.*

Management Team

General Manager
Paula Harris

Cust. Service Manager
Joshua Bourassa

Finance Manager
Peter Deleault

HR Manager
Beverly LaPage

Director of Development
Greg Lessard,

Director of Purchasing
Nick Schneider

Store Mgr. Kearsarge
Adam Orcutt

Perimeter Manager
Shane Smith

Produce Manager
Shawn Menard

Executive Chefs
Scott Jones & Elaine Speer

Concord Food Co-op

Concord • New London

Annual Report



Fiscal Year

2014

July 2013 - June 2014

From the Board | Growing 1 to 7

It's amazing how the Concord Food Co-op has grown in the last decade. You can describe it as going from 1 to 7: from \$1 million to more than \$7 million in gross revenue, from 10 to 70 employees, and from 1,000 to 7,000 members. It's a pleasure to know that an organization that works to provide locally grown organic food, serve the community, and reach out to its members has grown so much in just 10 years.

We are already off to a strong start for our next fiscal year. The Co-op kitchen expanded into the space at Café Indigo, whipping up delicious vegan, gluten-free, and organic baked goods and prepared foods to sell at the Co-op and wholesale to other area stores. And we're on the lookout to purchase our very own Co-op farm to cater and host weddings and events, educational programs, and grow organic food. Please take our Vision Survey on the web.

We appreciate the hard work of our General Manager Paula Harris and her staff that helped facilitate this growth!

Community Involvement

Partial list of nonprofits and organizations that the Co-op has supported or partnered with in Fiscal Year 2014:

In-Town Concord	NH Public Television
Merchants Round Table	NH Rivers Council
Chamber of Commerce	NH Right to Know GMO
Concord & New London	NOFA-NH
Green Concord	NE Farmers Union
NCGA	Just Label It
CGIN	5 Rivers Conservation Trust
Business After Hours	NH Audubon Society
City of Concord	CATCH Neighborhood
Friends Program	Housing
Auction Committee	American Cancer Society
Winter Farmers Market	Good News Garage
at Cole Gardens	Capital Area Cycling Club
Riverbend Community	Easter Seals
Mental Health	NH Make-A-Wish Foundation
Heart of the Grape	Fellowship Housing
Friends of Concord Crew	Opportunities Inc.
Friendly Kitchen	Bow Little League
Concord Boys & Girls Club	PFC CRUNA Silent Auction
Crisis Center of Central NH	UU Church
Families In Transition	YES Team

Highlights of the Year

HOSTED special Co-op events including Spring into Healthy Living Fair, Octoberfest, and Jingle Bell Bash, which attracted thousands of attendees to our Concord store to sample delicious food and drink, listen to live music, and connect with the community. More than 500 members attended our Farm Fest at Vegetable Ranch Farm, and the new Cheesy Wine Down Wednesdays are a big hit.

COMMUNITY INVOLVEMENT with a wide range of community and nonprofit organizations (see left).

WELLNESS EDUCATION provided to our community via free wellness classes, low-cost wellness and cooking series, a free in-store Ask a Nutritionist program in partnership with a local dietitian nutritionist. We expanded our Wellness Educator program, and partnered with the City of Concord. Nearly 1,000 people attended our classes.

OUR CAFE & BAKERY helped launch successful foodie events including Grillin' & Chillin' and a long-running World Cuisine Tour. Catering is booming!

PUBLISHED five Co-op newsletters as well as an active blog with topics in cooking healthy food, wellness, green living, action alerts, and Co-op news.

WELCOMED 370 NEW MEMBERS, approximately of whom joined the Co-op 200 during our August-September and February-March Member Drives.

SPECIAL SHOPPER DEALS included the extremely successful Co-op Green Stamps Program – redeemable for great merchandise – a new Wines of the Month program, monthly and biweekly sales, and new coupons for Member Appreciation Day (MAD).

ADVOCATED FOR LOCAL FARMS & REAL FOOD including the local and national campaign to label genetically modified organisms (GMOs). We sent action alerts to customers and members, gathered petition signatures, attended hearings, hosted a sold-out screening of GMO OMG with a panel discussion. We partnered with NH Right to Know GMO, NOFA-NH, and Just Label It. Provided small-scale farmer support and community education in regards to the Farm Bill and the Food Safety and Modernization Act.

CONNECTED CUSTOMERS WITH LOCAL FARMS via Farm Fest and organic u-pick parties at the Vegetable Ranch, our Co-op Hoop House, articles and blogs, and store signage. We carry thousands of products from approximately 300 New England farms and vendors.

Fiscal Report | Things are Lookin' Up

From the starting gate at the beginning of the year we took off and never looked back.

Our first quarter (summer 2013) sales skyrocketed to 29.45% for our Concord store and 5% for our New London store, giving us an overall growth rate of 26.9%. The second (holiday) quarter saw continued growth and expansion in product lines. Our growth continued very strong at 22.6% halfway through the year at the Concord store and 4.1% in New London and remained strong during the second half of the year, finishing the year at 18.1% for Concord and a slight decline of 1.4% in New London. We finished well above our budget as well as our original post-renovation projections.

Our total net sales for fiscal year 2014 were \$7,617,368, up by more than \$1 million compared to fiscal year 2013. The Green Stamp Program continued to be extremely popular. Our members and customers received \$77,640 worth of green stamp prizes throughout the fiscal year.

We welcomed 370 new Co-op members and lost 69 members due to various reasons. At the end of the year we had 6,956 members with 5,663 of them active members.

We paid \$23,484 in interest on our member loans and reduced the principal on our 2005 renovation loans by \$6,860, leaving a remaining balance of \$6,840 scheduled to be paid off next June. We saw a significant increase in cash reserves this past year, which is needed in order to meet our debt service over the next few years. Principal payments on our 2012 member renovation loans begins in June of 2016.

Our expenses grew by 8% this past year, with most increases associated with personnel, occupancy, promotions, and depreciation costs. We reduced our total liabilities by \$150,804 this past year, and all our ratios are trending in the right direction.

With the advent of our new "Bakehouse" this past June – made possible by the generous donation of our Board member Patti Dann – the Co-op is now producing and selling Café Indigo products. Our wholesale division is rapidly expanding, and sales are heading skyward. All indications suggest that our new Bakehouse will be the springboard for another year of significant growth and development and more product selection.

The upcoming fiscal year 2015 looks like it will be an exciting year with continued positive growth and development with our cooperative principals leading the way.