

## Annual Report | Balance Sheet

### Balance Sheet

JUNE 30, 2015 and 2014

|  | 6/30/2015                  | 6/30/2014                  |
|--|----------------------------|----------------------------|
| <b>ASSETS</b>                          |                            |                            |
| <b>CURRENT ASSETS</b>                  |                            |                            |
| Cash                                   | \$441,827                  | \$474,613                  |
| Accounts receivable                    | 19,765                     | 17,970                     |
| Inventory                              | 481,822                    | 486,096                    |
| Other current assets                   | 26,479                     | 19,920                     |
| Investments - trading securities       | 86,242                     | 68,881                     |
|  | <u>1,056,135</u>           | <u>1,067,480</u>           |
| <b>PROPERTY AND EQUIPMENT</b>          |                            |                            |
|  | 4,554,788                  | 4,486,435                  |
| Less accumulated depreciation          | (1,439,649)                | (1,245,409)                |
|  | <u>3,115,139</u>           | <u>3,241,026</u>           |
| <b>OTHER ASSETS</b>                    |                            |                            |
| Deposits & Receivables                 | 2,152                      | 2,152                      |
|  | <u>2,152</u>               | <u>2,152</u>               |
| <b>TOTAL ASSETS</b>                    | <b><u>\$ 4,173,426</u></b> | <b><u>\$ 4,310,658</u></b> |
| <b>LIABILITIES AND MEMBERS' EQUITY</b> |                            |                            |
| <b>CURRENT LIABILITIES</b>             |                            |                            |
| Accounts payable                       | \$297,878                  | \$267,141                  |
| Federal & State Tax payable            | 329                        | 1,718                      |
| Accrued payroll and related taxes      | 121,995                    | 108,810                    |
| Current portion of long-term debt      | 386,905                    | 236,298                    |
| Total current liabilities              | <u>807,107</u>             | <u>613,967</u>             |
| <b>LONG TERM DEBT</b>                  |                            |                            |
| External Lenders                       | 1,922,909                  | 2,064,672                  |
| Member Loans                           | 413,023                    | 600,000                    |
| Total long term liabilities            | <u>2,335,932</u>           | <u>2,664,672</u>           |
| Total liabilities                      | 3,143,039                  | 3,278,639                  |
| <b>MEMBERS' EQUITY</b>                 |                            |                            |
| Class A Shares                         | 159,287                    | 151,247                    |
| Class B Shares                         | 607,316                    | 582,869                    |
| Additional paid-in-capital             | 89,343                     | 89,265                     |
| Retained Earnings                      | 174,441                    | 208,638                    |
| Total members' equity                  | <u>1,030,387</u>           | <u>1,032,019</u>           |
| <b>TOTAL LIABILITIES AND EQUITY</b>    | <b><u>\$ 4,173,426</u></b> | <b><u>\$ 4,310,658</u></b> |

## Board of Directors

*President*  
Finis Williams  
*Vice President*  
Patti Dann  
*Treasurer*  
Marie Colbath  
*Secretary*  
Krista Helmboldt

Tedd Evans  
Nancy Girard  
David Marshall  
Susan Murray  
Derek Owen

## Annual Report | Statement of Operations

### Statement of Operations

FOR THE YEARS ENDED JUNE 30, 2015 and 2014

|                               | Year Ended<br>6/30/2015  |                     | Year Ended<br>6/30/2014  |                    |
|-------------------------------|--------------------------|---------------------|--------------------------|--------------------|
|                               |                          | % Sales             |                          | % Sales            |
| <b>REVENUE</b>                |                          |                     |                          |                    |
| Net sales                     | \$8,433,123              | 100.0%              | \$7,617,368              | 100.0%             |
| Cost of goods sold            | <u>5,019,904</u>         | <u>59.5%</u>        | <u>4,467,959</u>         | <u>58.7%</u>       |
| Gross profit                  | <u>3,413,219</u>         | 40.5%               | <u>3,149,409</u>         | 41.3%              |
| <b>OPERATING EXPENSES</b>     |                          |                     |                          |                    |
| Personnel                     | 2,121,648                | 25.2%               | 1,825,058                | 24.0%              |
| Occupancy                     | 550,536                  | 6.5%                | 478,533                  | 6.3%               |
| General and administrative    | 645,059                  | 7.6%                | 593,074                  | 7.8%               |
| Total operating expenses      | <u>3,317,243</u>         | <u>39.3%</u>        | <u>2,896,665</u>         | <u>38.0%</u>       |
| Operating profit              | <u>95,976</u>            | <u>1.1%</u>         | <u>252,744</u>           | <u>3.3%</u>        |
| <b>OTHER INCOME (EXPENSE)</b> |                          |                     |                          |                    |
| Interest income               | 236                      | 0.0%                | 2,992                    | 0.0%               |
| Appreciation in investments   | 17,361                   | 0.2%                | 23,595                   | 0.3%               |
| Miscellaneous income          | 5,374                    | 0.1%                | 4,426                    | 0.1%               |
| Interest expense              | (143,293)                | -1.7%               | (153,739)                | -2.0%              |
| Total other income (expense)  | <u>(120,322)</u>         | <u>-1.4%</u>        | <u>(122,726)</u>         | <u>-1.6%</u>       |
| Income (Loss) before taxes    | <u>(24,346)</u>          | <u>-0.3%</u>        | <u>130,018</u>           | <u>1.7%</u>        |
| <b>INCOME TAXES</b>           |                          |                     |                          |                    |
| State                         | 9,851                    | 0.1%                | 11,874                   | 0.2%               |
| Total taxes                   | <u>9,851</u>             | <u>0.1%</u>         | <u>11,874</u>            | <u>0.2%</u>        |
| <b>NET INCOME (LOSS)</b>      | <b><u>\$ -34,197</u></b> | <b><u>-0.4%</u></b> | <b><u>\$ 118,458</u></b> | <b><u>1.6%</u></b> |

*The financial statements presented reflect the auditor's final report for the twelve months ended June 30, 2015*

*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. New London*  
Adam Orcutt & Nick Schneider

*Perimeter Manager*  
Shane Smith

*Produce Manager*  
Shawn Menard & Jay Sjostrom

*Executive Chefs*  
Scott Jones & Rob Cone

*Bakery Manager*  
Lori Paquette

# Concord Food Co-op

Concord • New London

# Annual Report



Concord • New London

## Fiscal Year

# 2015

July 2014 - June 2015

## 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.

Co-op staff have big plans and expectations for Shaker Organic Gardens, especially Garden Manager Stacey Cooper who has already started working the land for 2016 crops. The 2015 growing season has been a great success with Stacey supplying plenty of variety to the Co-op's produce department, the Celery Stick Café and the Shaker Lunch Box and Farm Stand without stepping on the toes of our local farmers who already provide high quality produce.

We appreciate the hard work of all Co-op employees who help provide our community with the highest quality all-natural groceries and products.

## Community Involvement

### PARTIAL LIST OF NONPROFITS AND ORGANIZATIONS THAT THE CO-OP HAS SUPPORTED OR PARTNERED WITH IN FISCAL YEAR 2015:

|                           |                             |
|---------------------------|-----------------------------|
| Abbot-Downing School      | Intown Concord              |
| Canterbury Shaker Village | NCGA                        |
| CCEH                      | NH AITC                     |
| Chamber of Commerce       | NH Audobon Society          |
| Concord & New London      | NFI North                   |
| City of Concord           | NOFA-NH                     |
| Concord Boy & Girls Club  | Pope Memorial SPCA          |
| Concord YMCA              | SNOB Film Festival          |
| Co-operative Fund         | Society for the Protection  |
| of New England            | of NH Forests               |
| Families in Transition    | United Way                  |
| Friends of Bridges        | UU Church                   |
| Friends Program           | Webster Elementary School   |
| Friendly Kitchen          | Winter Farmers Market       |
| Girl Scouts               | at Cole Gardens             |
| Green Concord             | 5 Rivers Conservation Trust |

## Highlights of the Year

**WELCOMED 370 NEW MEMBERS**, a large portion of whom joined during our Member Drive, which we kicked off in January and extended into mid-March.

**HOSTED** special Co-op events including our Spring into Healthy Living Fair, where we offered delicious food and drink samples to thousands of attendees. Farm Festival at Vegetable Ranch, which included our Annual Member Meeting, was a success, and our customers enjoyed a variety of in-store samples at our Snowflake Social. Our Valentine's Day Dinner at Canterbury Shaker Village sold out almost instantly; meanwhile Cheesy Wine Down Wednesdays continued to be a big hit.

**WELLNESS EDUCATION**, consisting of free wellness classes, low-cost wellness classes, and cooking series were provided to our community. Our partnership with a local dietician nutritionist to offer a free in-store Ask a Nutritionist program continued. We maintained our partnership with the City of Concord, as well as extending our classes to both our New London location and Canterbury Shaker Village.

**CONNECTED CUSTOMERS WITH LOCAL FARMS** by use of in-store signage, articles and blogs, our Co-op Hoop House & our Farm Festival. We continue to carry thousands of products from hundreds of New England farms and vendors.

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

**STRATEGIC PARTNERSHIP** with Canterbury Shaker Village has led to the creation of Shaker Organic Gardens, which supplies both the Co-op produce department and kitchen with organic produce regularly. The Village also provides space for various Co-op events as well as classroom space for Co-op classes.

**PUBLISHED** five Co-op newsletters as well as an active blog with topics in wellness, green living, healthy cooking, Co-op news and most recently, updates of our organic gardens at Shaker Village.

**OUR CAFE & BAKERY** set sail on another successful World Cuisine Tour, in addition to providing themed hot bars throughout the year including Chinese cuisine, Caribbean cuisine, and Mother's Day Brunch. Grillin' & Chillin' was a great success and catering continued to grow.

**SPECIAL SHOPPER DEALS** included monthly and biweekly sales, our successful Co-op Green Stamp Program, which continued to be a favorite, and our Wines of the Month program. Additionally, new Member Appreciation Day (MAD) punch cards were introduced to our members.

## Fiscal Report

Fiscal year 2015 (July 1, 2014 through June 30, 2015) saw continued growth for both our Concord and New London stores. Gross sales were up 8.8% for Concord and 16.4% for New London. Our overall sales growth including our Bakehouse commercial kitchen was 10.71% over fiscal year 2014. Even though we saw great sales growth our new Bakehouse commercial kitchen location for Café Indigo and gluten free products did not meet expectations in growth and posted significant losses. The Bakehouse location was divided into two production kitchens, one for Café Indigo products and the other smaller kitchen for gluten free products which we received our Gluten Free Production Facility Certification from GIG (Gluten Intolerance Group of North America).

Our total sales from all three facilities were \$8,433,123 for last year which was up by \$815,755 over fiscal year 2014. Our total discounts to members, seniors and the Flower program were \$271,440. We gave away \$123,539 worth of prizes through our Green Stamp Program last year.

Our expenses also grew last year, mainly in the area of personnel costs, payroll, taxes and benefits. Rent, utilities and repairs and maintenance were also up over prior year. We saw significant increases in bank charges and credit card fees, store supplies and training and conferences, while we had a decrease in advertising and promotion expenses. We posted an overall loss for fiscal year 2015 of \$34,197.

We added 370 new members to our cooperative last year with only 32 withdrawn, most for reasons of relocation. At year end we were 7,479 members strong with 1,267 of those members inactive and another 1,128 members being non-paid Senior Member accounts. We closed the year with a total of \$9,250 new A shares and \$26,900 new B shares issued. We refunded \$1,210 in withdrawn A shares and \$2,453 in withdrawn B shares and refunded patronage B shares.

We paid \$23,250 in interest on our member loans and finished paying off the remaining principal on our 2005 member loans. Principal payments on our 2012 member renovation loans begin next June. Members' equity remains strong at \$1,030,387.

With new challenges facing our cooperative this year, a solid member base, conservative approach and all of us working together, I am confident our cooperative will remain strong and continue to grow and be a viable resource to our community.