

Annual Report | Balance Sheet

Balance Sheet JUNE 30, 2017 and 2016

	6/30/2017	6/30/2016
ASSETS		
CURRENT ASSETS		
Cash	\$ 172,552	\$ 393,572
Accounts receivable	11,322	11,090
Inventory	441,843	441,519
Other current assets	11,670	13,483
Investments - trading securities	107,147	96,889
	<u>744,534</u>	<u>956,553</u>
PROPERTY AND EQUIPMENT		
Property and equipment	4,609,790	4,591,541
Less accumulated depreciation	(1,809,495)	(1,627,734)
	<u>2,800,295</u>	<u>2,963,807</u>
OTHER ASSETS		
Deposits & Receivables	2,152	2,152
	<u>2,152</u>	<u>2,152</u>
TOTAL ASSETS	<u>\$3,546,981</u>	<u>\$3,922,512</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	244,699	253,617
Federal & State Tax payable	-	1,493
Accrued payroll and related taxes	108,837	98,655
Current portion of long-term debt	436,029	358,200
Total current liabilities	<u>789,565</u>	<u>711,965</u>
LONG TERM DEBT		
External Lenders	1,649,447	1,775,054
Member Loans	262,646	394,624
Total long term liabilities	<u>1,912,093</u>	<u>2,169,678</u>
Total liabilities	<u>2,701,658</u>	<u>2,881,643</u>
MEMBERS' EQUITY		
Class A Shares	173,455	165,337
Class B Shares	644,239	622,969
Additional paid-in-capital	89,393	89,368
Retained Earnings	(61,764)	163,195
Total members' equity	<u>845,323</u>	<u>1,040,869</u>
TOTAL LIABILITIES AND EQUITY	<u>\$3,546,981</u>	<u>\$3,922,512</u>

Board of Directors

<i>President</i>	Tedd Evans
Cathy Menard	David Marshall
<i>Vice President</i>	Tracie Sponenberg
Krista Helmboldt	Derek Owen
<i>Treasurer</i>	
Finis Williams	
<i>Secretary</i>	
James McConaha	

Annual Report | Statement of Operations

Statement of Operations FOR THE YEARS ENDED JUNE 30, 2017 and 2016

	Year Ended 6/30/2017		Year Ended 6/30/2016	
		% Sales		% Sales
REVENUE				
Net sales	\$ 7,331,918	100.0%	\$ 8,121,683	100.0%
Cost of goods sold	<u>4,505,093</u>	<u>61.4%</u>	<u>4,955,013</u>	<u>61.0%</u>
Gross profit	<u>2,826,825</u>	<u>38.6%</u>	<u>3,166,670</u>	<u>39.0%</u>
OPERATING EXPENSES				
Personnel	1,988,878	27.1%	1,989,925	24.5%
Occupancy	470,317	6.4%	502,413	6.2%
General and administrative	483,181	6.6%	563,831	6.9%
Total operating expenses	<u>2,942,376</u>	<u>40.1%</u>	<u>3,056,169</u>	<u>37.6%</u>
Operating profit	<u>(115,551)</u>	<u>-1.6%</u>	<u>110,501</u>	<u>1.4%</u>
OTHER INCOME (EXPENSE)				
Interest income	104	0.0%	217	0.0%
Appreciation in investments	10,258	0.1%	10,647	0.1%
Miscellaneous income	16,437	0.2%	14,553	0.2%
Interest expense	(123,359)	-1.7%	(133,761)	-1.6%
Total other income (expense)	<u>(96,560)</u>	<u>-1.3%</u>	<u>(108,344)</u>	<u>-1.3%</u>
Income (Loss) before taxes	<u>(212,111)</u>	<u>-2.9%</u>	<u>2,157</u>	<u>0.0%</u>
INCOME TAXES				
State	12,848	0.2%	13,403	0.2%
Total taxes	<u>12,848</u>	<u>0.2%</u>	<u>13,403</u>	<u>0.2%</u>
NET INCOME (LOSS)	<u>\$ (224,959)</u>	<u>-3.1%</u>	<u>\$ (11,246)</u>	<u>-0.1%</u>

The financial statements presented reflect the auditor's final report for the twelve months ended June 30, 2017.

*Independent audit conducted by
Rowley & Associates, P.C.*

Management Team

<i>General Manager</i>	Chris Gilbert	<i>Store Mgr. New London</i>	Shane Smith
<i>Cust. Service Manager</i>	Adam Orcutt	<i>Produce Manager</i>	Patrick Gale
<i>Finance Manager</i>	Peter Deleault	<i>Executive Chef</i>	Keith McCormack
<i>HR Manager</i>	Beverly LaPage	<i>Bakery Manager</i>	Amanda Christian
<i>Operations Manager</i>	Nick Schneider		
<i>Director of Development</i>	Greg Lessard		

Concord Food Co-op

Concord • New London

Annual Report

Fiscal Year 2017

July 2016 - June 2017



From the Board

There's good reason for all of us to be excited about the next few years.

Concord has a beautifully renovated Main Street, alive with people walking around downtown. Outside our store, the life-size cutout of Stacey Cooper, the Co-op's Organic Farm Manager at Canterbury Shaker Village, catches the eyes of passersby, encouraging them to stop by for quality local, organic and natural foods. The Co-op is also growing again with record numbers of new members and sales are rebounding.

We are very fortunate to have Chris Gilbert's capable leadership in the role of general manager. The Co-op has made progress toward our goal of being an excellent place to work. The Board was pleased that several employees attended a Board meeting to discuss the results of the annual staff survey. Staff indicated a strong sense of collegiality, pride in the high quality of work produced and connection to the mission of the Co-op. The Board is immensely grateful to the Co-op's talented and dedicated staff.

The Co-op exists to meet our members' needs, and we have heard clearly from members that pricing is a concern. Chris Gilbert has responded by lowering prices throughout the store. His team is actively working to bring additional price reductions to our members.

The Board looks forward to visiting the New London store as part of our annual retreat. At the retreat, we will hear about the percentage of local goods on our shelves. This information will help guide the Board's work in crafting the Co-op's future direction. Our deep thanks go to all members for your continued support and patronage of our Co-op.

From the General Manager

My first full year as general manager at Concord Food Co-op was a thrilling ride. The entire store banded together and we were able to weather the storm of the Main Street construction project. I truly believe that we became a stronger team through that project. I also want to thank our loyal members and customers who safely navigated their way to the store during the project.

We made several changes to the store this past year, including eliminating some programs and revamping others. We surveyed our members to see how the store was doing, and to ask for suggestions and comments. One of the comments we saw most frequently was that our pricing is on the higher side. I want to let everyone know that we are working very diligently to lower our prices throughout the store and have already begun to lower prices in several sections.

Membership is growing weekly and we welcome the nearly 400 new members who joined last year. Sales are trending positive and I know we are going to have a great upcoming year.

Thank you again to all of the members and customers who shop at our stores and make the Concord Food Co-op what it is today.

Community Involvement

PARTIAL LIST OF NONPROFITS AND ORGANIZATIONS THAT THE CO-OP HAS SUPPORTED OR PARTNERED WITH IN FISCAL YEAR 2017:

Abbot-Downing School	Friends Program
BITS	Friendly Kitchen
Bow High School	Intown Concord
Boys and Girls Club	Junior Service League
Canterbury Shaker Village	Make a Wish NH
CCEH	McKenna House
Chamber of Commerce	NCGA
Concord & New London	NH Farm Bureau Federation
Childhood Cancer Lifeline	NH Food Bank
City of Concord	NH DOT
Colon Cancer Coalition	NHPR
Concord Hospital	NOFA-NH
Concord Hospital Center for Health Promotion	Pope Memorial SPCA
Concord High School	Seeds for the Future
Crisis Center of Central NH	Society for the Protection of NH Forests
Currier Art Gallery	Wilmington Fire Dept.
Families in Transition	4H Highland Riders
Friends of Forgotten Children	5 Rivers Conservation Trust

Highlights of the Year

WE WELCOMED 389 NEW MEMBERS, a large portion of whom took advantage of our new online sign-up option. This allows customers to easily become a Co-op member from the comfort of their own home.

CO-OP eSHOP was launched, giving our customers access to their favorite co-op items from the convenience of their smart phone or computer. They can now order online and pick up curbside at the Co-op, without even leaving their car!

OUR PRODUCE DEPARTMENT transitioned into being 100% organic - woohoo! You'll also notice we revamped the whole department by rearranging the displays and redoing all signage, giving the department a fresh, new look.

WELLNESS EDUCATION, consisting of free and low-cost wellness classes and workshops, was provided to our community. Our partnership with local Traci Komorek to offer a free in-store Ask a Nutritionist program continued.

SPECIAL SHOPPER DEALS included monthly and biweekly sales, such as Co+op Deals, Buyers Picks, and Member Perks. Member Appreciation Punch Cards were given out, and the Co+op Basics program continued to offer everyday low prices on staple kitchen and household items. Many prices around the store have been lowered and we are working diligently to continue lowering prices.

Fiscal Report

Main Street is finally settling down after two years of construction and things are slowly returning to normal. Sales have not rebounded as quickly as we had hoped or anticipated but they are finally improving and we are looking forward to a good year ahead.

Sales were down at our Concord store by 9.65% vs. prior year. Our New London store experienced a flat growth rate over prior year. Some of the decline in sales is attributed to a national cooperative trend as well as Main Street construction.

Our overall expenses were down last year which helped to mitigate some losses. A contributing factor to our higher cost of goods this past year was due to the conclusion of our Green Stamp Program. This resulted in a total of \$208,986 in retail products given away to green stamp redemption as opposed to \$131,823 in the prior year. This of course led to a much lower profit margin and greater losses.

This past June we paid down our member loans in the amount of \$170,977.38 in principal and \$21,609.05 in interest. This accounts for the large decrease in our cash accounts.

We welcomed 389 new members to our Cooperative this past year, well over the prior year of 274 new members. Last year we had a total of 35 members terminating due to various reasons, mostly to moving out of state. At year end we had a total of 6,965 members. Our net increase in member share equity was \$33,127 for the year with \$9,050 being new member A Shares and an additional \$24,077 of B Shares.

Despite losses over the past several years we continue to remain a viable cooperative with strong membership growth and improving sales. We are confident that our sales will continue to grow in the upcoming year and beyond. Thank you to all our members and customers who continue to support local by shopping at the Concord Food Cooperative. We look forward to an exciting and healthy new year!



New London location



Concord location