

## Annual Report | Balance Sheet

### Balance Sheet JUNE 30, 2018 and 2017

	6/30/2018	6/30/2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 276,003	\$ 172,552
Accounts receivable	9,279	11,322
Inventory	391,958	441,843
Other current assets	1,771	11,670
Investments	111,253	107,147
	<u>790,264</u>	<u>744,534</u>
<b>PROPERTY AND EQUIPMENT</b>		
	4,626,622	4,609,790
Less accumulated depreciation	(1,953,414)	(1,809,495)
	<u>2,673,208</u>	<u>2,800,295</u>
<b>OTHER ASSETS</b>		
Deposits & Receivables	19,057	2,152
	<u>19,057</u>	<u>2,152</u>
<b>TOTAL ASSETS</b>	<b><u>\$3,482,529</u></b>	<b><u>\$3,546,981</u></b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	221,422	244,699
Federal & State Tax payable	-	-
Accrued payroll and related taxes	125,931	108,837
Current portion of long-term debt	303,198	436,029
Total current liabilities	<u>650,551</u>	<u>789,565</u>
<b>LONG TERM DEBT</b>		
External Lenders	1,963,499	1,649,447
Member Loans	-	262,646
Total long term liabilities	<u>1,963,499</u>	<u>1,912,093</u>
Total liabilities	<u>2,614,050</u>	<u>2,701,658</u>
<b>MEMBERS' EQUITY</b>		
Class A Shares	180,405	173,455
Class B Shares	668,243	644,239
Additional paid-in-capital	89,742	89,393
Retained Deficit	(69,911)	(61,764)
Total members' equity	<u>868,479</u>	<u>845,323</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$3,482,529</u></b>	<b><u>\$3,546,981</u></b>

## Annual Report | Statement of Operations

### Statement of Operations FOR THE YEARS ENDED JUNE 30, 2018 and 2017

	Year Ended 6/30/2018		Year Ended 6/30/2017	
		% Sales		% Sales
<b>REVENUE</b>				
Net sales	\$ 7,551,851	100.0%	\$ 7,331,918	100.0%
Cost of goods sold	4,534,862	60.0%	4,505,093	61.4%
Gross profit	<u>3,016,989</u>	<u>40.0%</u>	<u>2,826,825</u>	<u>38.6%</u>
<b>OPERATING EXPENSES</b>				
Personnel	1,986,967	26.3%	1,988,878	27.1%
Occupancy	446,988	5.9%	470,317	6.4%
General and administrative	503,172	6.7%	483,181	6.6%
Total operating expenses	<u>2,937,127</u>	<u>38.9%</u>	<u>2,942,376</u>	<u>40.1%</u>
Operating profit (loss)	<u>79,862</u>	<u>1.1%</u>	<u>(115,551)</u>	<u>-1.6%</u>
<b>OTHER INCOME (EXPENSE)</b>				
Interest income	104	0.0%	104	0.0%
Appreciation in investments	4,106	0.1%	10,258	0.1%
Miscellaneous income	44,260	0.6%	16,437	0.2%
Interest expense	(123,432)	-1.6%	(123,359)	-1.7%
Total other income (expense)	<u>(74,962)</u>	<u>-1.0%</u>	<u>(96,560)</u>	<u>-1.3%</u>
Income (Loss) before taxes	<u>4,900</u>	<u>0.1%</u>	<u>(212,111)</u>	<u>-2.9%</u>
<b>INCOME TAXES</b>				
State	13,047	0.2%	12,848	0.2%
Total taxes	<u>13,047</u>	<u>0.2%</u>	<u>12,848</u>	<u>0.2%</u>
<b>NET (LOSS)</b>	<b><u>\$ (8,147)</u></b>	<b><u>-0.1%</u></b>	<b><u>\$ (224,959)</u></b>	<b><u>-3.1%</u></b>

The financial statements presented reflect the auditor's report for the years ended June 30, 2018.

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

# Concord Food Co-op

Concord • New London

# Annual Report

# Fiscal Year 2018

July 2017 - June 2018



## Board of Directors

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

## Management Team

<i>General Manager</i>	Chris Gilbert	<i>Grocery Manager</i>	Lexi Cartier
<i>Customer Service Manager</i>	Adam Orcutt	<i>Health &amp; Wellness Manager</i>	Vincent Ardizzone
<i>Finance Manager</i>	Peter Deleault	<i>Produce Manager</i>	Patrick Gale
<i>HR Manager</i>	Beverly LaPage	<i>Executive Chef</i>	Keith McCormack
<i>Operations Manager</i>	Nick Schneider	<i>Bakery Manager</i>	Jacob Maxwell
<i>Director of Development</i>	Greg Lessard	<i>Co-op Organic Farm Manager</i>	Andy Messenger
<i>Store Mgr. New London</i>	Shane Smith		

## From the Board

The Board of Directors is pleased to report that the Co-op experienced a strong year of financial progress, membership growth and improvements in customer satisfaction. A few key points:

The board approved a replacement of the Co-op's point-of-sale (POS) system and members can expect to see improvements in the checkout line. According to Chris Gilbert, General Manager, the new system is possible because of the Co-op's financial progress: "This is a direct result of staff efforts and of support from our members." Staff members are excited about the upgrade; according to Ethan Archer, POS Coordinator, "It's like going from chisels and stone tablets to the 21st century."

An effort is underway at the Co-op to address safety concerns related to genetically modified organisms (GMOs) in our food supply. Twenty years ago, Europe banned GMO foods while the United States went full steam ahead, especially with soybeans and corn. What happened? According to the New York Times (10/29/16), the yields were not better for GMO crops, and the U.S. increased its chemical and pesticide use by 21%, whereas Europe saw a 65% reduction. The Co-op board agreed to provide education, information and customer choice related to the consumption of genetically modified foods and products. Chris Gilbert, General Manager, will investigate the practical and financial implications of this effort.

The board was deeply saddened to learn of Nancy Girard's recent death due to Lou Gehrig's disease. Nancy was extremely dedicated to the Co-op during her 10 years on the Board of Directors, 7 of them in the role of President. We extend our sympathies to Nancy's family.

## Community Involvement

### PARTIAL LIST OF NONPROFITS AND ORGANIZATIONS THAT THE CO-OP HAS SUPPORTED OR PARTNERED WITH IN FISCAL YEAR 2018:

Abbot-Downing School  
Bishop Brady  
Bow High School  
Boys and Girls Club  
Canterbury Shaker Village  
CCEH  
Chamber of Commerce  
Concord & New London  
Childhood Cancer Lifeline  
Christa McAuliffe School PTO  
City of Concord  
Concord Hospital  
Concord Hospital Center  
for Health Promotion  
Concord High School  
Concord Parks & Recreation  
Crisis Center of Central NH  
DOT Wellness Fair  
Families in Transition  
Family Fun Run  
Friends of Forgotten Children

Friends Program  
Friendly Kitchen  
Intown Concord  
Junior Service League  
McKenna House  
NCGA  
NH Food Bank  
NH PBS  
NHPR  
NHTI  
NOFA-NH  
Pope Memorial SPCA  
Ride for Life  
Rock n' Race  
Society for the Protection  
of NH Forests  
Saint Mathews House  
Saint Pauls  
Salvation Army  
Unitarian Church  
5 Rivers Conservation Trust

## From the General Manager

As I enter my third year here at Concord Food Co-op, I reflect back on where the store was, where it is now, and where it is going. What I take away from this is the positivity and resiliency of all our members and staff. Without all of you, we would not be heading in the positive direction that we are going. For that, I wish to thank you!

Our total sales were close to 3 percent higher than last year. Being in the natural food business, where more stores every day are carrying natural foods, this 3 percent increase is great. Our membership grew by almost 300 members last year and our weekly customer count continues to grow. As you are aware, last year we had a net loss of almost \$225,000. I am happy to report that we had a 96% improvement on that and ended the year with only a slight loss of approximately \$8,100

We have been working all year on increasing our sales on local products. With over 100 local vendors last year, we had sales of \$2.6 million in local products. This is an increase of 50% versus last year. Our goal is to increase this number annually.

One thing that we have heard is that our prices are high. We have worked the past year on lowering some of our prices and we will work harder this year to lower prices throughout the store.

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.

## Highlights of the Year

### WE WELCOMED 289 NEW MEMBERS TO THE CO-OP!

**MEMBERSHIP BENEFITS** were widened to include discounted rates on auto, home, and other personal insurance products through Liberty Mutual. Free individual membership to Canterbury Shaker Village for the 2018 season was added as well.

**LED LIGHTS** were installed throughout the whole store, replacing our outdated florescent ones. We were lucky enough to receive a grant from Unifit who in collaboration with Prism made it possible to switch to these energy saving lights.

**WELLNESS EDUCATION** was expanded to include a weekly spot on "Wake Up NH with Peter St. James & Pat Kelly" on 107.7 FM. Every Friday, 8:30 AM - 9:00 AM, our wellness educators talk health, nutrition, and spread valuable knowledge on their subjects of expertise. Be sure to tune in!

**TURKEY BUCKS** were introduced, which allowed Co-op members and customers to earn stamps for their spending at the Co-op in the months leading up to Thanksgiving. When Thanksgiving rolled around, stamps could be redeemed for money off Thanksgiving turkeys, meals, pies, and groceries! It was a big hit, saving our customers hundreds of dollars combined off their purchases during the redemption period. A similar program, "Bunny Bucks", was launched around Easter and had a positive response as well.

## Fiscal Report

I am very happy to report that fiscal year 2018 was a successful year for our food cooperative. We saw growth and improvement in many areas. Our overall sales were up by 3% over fiscal year 2017. Both Concord and New London experienced sales growth. Adding to our good sales numbers we saw a decrease in our overall expenses. This combination led to much lower losses for the year. Our overall losses for the year were only \$8,147 as opposed to the prior year losses of \$224,959.

The good news in these figures is that our cash position improved dramatically. We finished the year on June 30th 2018 with \$103,451 more than we started with on July 1st 2017. This went a long way in reducing our cash reserve deficit that we had been facing over the last few years. There were several factors that led to this dramatic increase. We did need to access our line of credit with Merrimack County Savings Bank in the amount of \$30,000 early last October for working capital to get us through the holiday season. We also re-structured our member loan debt with the Cooperative Fund of New England who kindly refinanced our remaining member loan principal and extended the payment amortization over a longer period of time. This allowed us to honor our commitment to repaying our member loans in a timely fashion while improving our cash flow over the coming years. This along with increased sales and lower expenses allowed us to improve our cash position.

We welcomed 289 new members to our Cooperative this past year, about one third less than the prior year of 389 new members. Last year we had a total of 26 members terminate which was less than the 35 members who terminated the prior year. At year end we had a total of 7,254 members. Our net increase in member share equity was \$30,954 for the year with \$6,950 being new member A shares and an additional \$24,004 of B shares.

Our continued growth in membership and sales along with new changes for the coming year gives me great confidence in our ability to continue to serve our members, customers and community for many years to come. As always, thank you to all our members, customers and everyone who works or donates their time, money and support in keeping the Concord Food Cooperative a thriving community organization.

