

Annual Report | Balance Sheet

Balance Sheet JUNE 30, 2016 and 2015

	6/30/2016	6/30/2015
ASSETS		
CURRENT ASSETS		
Cash	\$ 393,572	\$ 441,827
Accounts receivable	11,090	19,765
Inventory	441,519	481,822
Other current assets	13,483	26,479
Investments - trading securities	96,889	86,242
	<u>956,553</u>	<u>1,056,135</u>
PROPERTY AND EQUIPMENT	4,591,541	4,554,788
Less accumulated depreciation	<u>(1,627,734)</u>	<u>(1,439,649)</u>
	<u>2,963,807</u>	<u>3,115,139</u>
OTHER ASSETS		
Deposits & Receivables	<u>2,152</u>	<u>2,152</u>
TOTAL ASSETS	<u>\$3,922,512</u>	<u>\$ 4,173,426</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	253,617	297,878
Federal & State Tax payable	1,493	329
Accrued payroll and related taxes	98,655	121,995
Current portion of long-term debt	358,200	386,905
Total current liabilities	<u>711,965</u>	<u>807,107</u>
LONG TERM DEBT		
External Lenders	1,775,054	1,922,909
Member Loans	394,624	413,023
Total long term liabilities	<u>2,169,678</u>	<u>2,335,932</u>
Total liabilities	<u>2,881,643</u>	<u>3,143,039</u>
MEMBERS' EQUITY		
Class A Shares	165,337	159,287
Class B Shares	622,969	607,316
Additional paid-in-capital	89,368	89,343
Retained Earnings	163,195	174,441
Total members' equity	<u>1,040,869</u>	<u>1,030,387</u>
TOTAL LIABILITIES AND EQUITY	<u>\$3,922,512</u>	<u>\$ 4,173,426</u>

Board of Directors

<i>President</i>	Charlie Cole
David Marshall	Tedd Evans
<i>Vice President</i>	Bill Graham
Krista Helmboldt	Derek Owen
<i>Treasurer</i>	Finis Williams
Cathy Menard	
<i>Secretary</i>	
James McConaha	

Annual Report | Statement of Operations

Statement of Operations FOR THE YEARS ENDED JUNE 30, 2016 and 2015

	Year Ended 6/30/2016	% Sales	Year Ended 6/30/2015	% Sales
REVENUE				
Net sales	\$ 8,121,683	100.0%	\$ 8,433,123	100.0%
Cost of goods sold	<u>4,955,013</u>	<u>61.0%</u>	<u>5,019,904</u>	<u>59.5%</u>
Gross profit	<u>3,166,670</u>	<u>39.0%</u>	<u>3,413,219</u>	<u>40.5%</u>
OPERATING EXPENSES				
Personnel	1,989,925	24.5%	2,121,648	25.2%
Occupancy	502,413	6.2%	550,536	6.5%
General and administrative	<u>563,831</u>	<u>6.9%</u>	<u>645,059</u>	<u>7.6%</u>
Total operating expenses	<u>3,056,169</u>	<u>37.6%</u>	<u>3,317,243</u>	<u>39.3%</u>
Operating profit	<u>110,501</u>	<u>1.4%</u>	<u>95,976</u>	<u>1.1%</u>
OTHER INCOME (EXPENSE)				
Interest income	217	0.0%	236	0.0%
Appreciation in investments	10,647	0.1%	17,361	0.2%
Miscellaneous income	14,553	0.2%	5,374	0.1%
Interest expense	<u>(133,781)</u>	<u>-1.6%</u>	<u>(143,293)</u>	<u>-1.7%</u>
Total other income (expense)	<u>(108,344)</u>	<u>-1.3%</u>	<u>(120,322)</u>	<u>-1.4%</u>
Income (Loss) before taxes	<u>2,157</u>	<u>0.0%</u>	<u>(24,346)</u>	<u>-0.3%</u>
INCOME TAXES				
State	13,403	0.2%	9,851	0.1%
Total taxes	<u>13,403</u>	<u>0.2%</u>	<u>9,851</u>	<u>0.1%</u>
NET (LOSS)	<u>\$ (11,246)</u>	<u>-0.1%</u>	<u>\$ (34,197)</u>	<u>-0.4%</u>

*The financial statements presented
reflect the auditor's final report for
the year ended June 30, 2016*

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

Management Team

<i>General Manager</i>	<i>Store Mgr. New London</i>
Chris Gilbert	Mark Abrams
<i>Cust. Service Manager</i>	<i>Perimeter Manager</i>
Adam Orcutt	Shane Smith
<i>Finance Manager</i>	<i>Produce Manager</i>
Peter Deleault	Jay Sjostrom
<i>HR Manager</i>	<i>Executive Chef</i>
Beverly LaPage	Rob Cone
<i>Operations Manager</i>	<i>Bakery Manager</i>
Nick Schneider	Amanda Christian
<i>Director of Development</i>	<i>Assistant Cust. Service Manager</i>
Greg Lessard	Marianne Cameron

Concord Food Co-op

Concord • New London

Annual Report



Concord • New London

Fiscal Year 2016

July 2015 - June 2016

From the Board

This past year has been quite eventful for the Concord Food Co-op. When members met last fall, the Co-op was in transition, the decade-long service of our prior General Manager having just ended. The Co-op Board of Directors immediately began a search for a new GM, while Nick Schneider stepped up as the Interim General Manager. The search was thorough and deliberate, and Chris Gilbert became our new GM in April. The Board wishes to extend our heartfelt thanks to Nick and the Co-op staff for working cheerfully and tirelessly throughout this interim period. Thanks to them, the Co-op has emerged from this management transition a stronger and closer organization and community than before.

The Board also wishes to thank the many member-owners who stepped up and deferred payment of their loans (that supported the 2012 expansion of the Concord store) for a year to help the Co-op even out its cash flow during this interim period. Also, thank you to the members who responded to our member survey recently. And, we wish to thank Chris Gilbert and all of the rest of the Co-op's employees for guiding the Co-op successfully through this past season of Main Street construction—a project that should provide long-term benefits for the Co-op and its community, but has been stressful and demanding in the short term.

The Co-op has emerged from this transition year in a strong leadership position, providing our community with quality, healthy, organic and natural food and products. We are excited to help the Co-op meet the needs of our member-owners and shoppers in this upcoming year.

Community Involvement

PARTIAL LIST OF NONPROFITS AND ORGANIZATIONS THAT THE CO-OP HAS SUPPORTED OR PARTNERED WITH IN FISCAL YEAR 2016:

Abbot-Downing School	Green Concord
Canterbury Shaker Village	Intown Concord
CCEH	McKenna House
Chamber of Commerce	NH Food Bank
Concord & New London	NCGA
City of Concord	NOFA-NH
Concord Boys & Girls Club	Pope Memorial SPCA
Concord YMCA	Society for the Protection
Crisis Center of Central NH	of NH Forests
Families in Transition	UU Church
Friends of Forgotten Children	Winter Farmers Market
Friends Program	at Cole Gardens
Friendly Kitchen	5 Rivers Conservation Trust

From the General Manager

This past year at the Co-op can only be defined as one of significant change and growth, both as an organization and throughout the community. My family and I moved to New Hampshire in 2014, and I became a part of the Co-op team earlier this year with the hope that my 27 years of experience in the grocery industry would be an asset to this cooperative. The Co-op had just faced some of its largest challenges with the transition in management, and the recent Main Street Construction project has brought additional hardships to overcome. The Co-op employees have done an exceptional job at pulling together as a team throughout these changes and have welcomed me with open arms. As we all eagerly await the conclusion of the construction project that is sure to revitalize downtown, we also give thanks to the loyal members and customers that have stuck with us throughout these challenges and have continually supported our Co-op. Our entire team is looking forward to what the future holds for the Co-op as we let go of the past and continue with our positive growth.

Highlights of the Year

WE WELCOMED 274 NEW MEMBERS, a large portion of whom joined during our Membership Drive, which we kicked off mid-February and extended through the end of March.

SPECIAL SHOPPER DEALS included monthly and biweekly sales, our Co-op Green Stamp Program, our Wines of the Month program, along with Member Appreciation Day (MAD) punch cards. Member only sales were added into the mix and our Co-op Basics Program, which offers everyday low prices on a variety of items throughout the store, was introduced.

SHAKER ORGANIC GARDENS, managed by Co-op Organic Farm Manager Stacey Cooper, had an overall production increase of 30% from last season. While our kitchen utilized twice the amount of fresh produce from the gardens this year, including cucumbers, cherry tomatoes, summer squash, peppers, romaine lettuce, heirloom tomatoes, and kale, our produce department received mostly specialty crops from the gardens such as multi-colored carrots, escarole, garnet dandelion greens, red stem turnips, and shallots. A substantial amount of root crops and scallions were provided to Micro Mama's to be used in their lacto-fermented veggie products, along with a significant amount of onions and carrots being donated to the NH Food Bank.

FREE WELLNESS CLASSES & LOW-COST WORKSHOPS were provided to our community. Our partnerships with both the City of Concord and Canterbury Shaker Village provided us with the space to host all of these classes & workshops. Local dietitian nutritionist Traci Komorek continued to offer a free in-store Ask a Nutritionist program throughout the year.

Fiscal Report

This past year has been a challenge both financially and operationally. We saw major changes in management as well as the beginning of construction on South Main Street. Construction continues to have a major impact on our sales as South Main Street continues to be a one way and our entrance or exit is often blocked by construction making it difficult for our members and customers to get to and from our store. Sales were down at our Concord store by 3.7% below prior year. Our New London store had a growth rate of 10.1% over prior year. Some of the decline in sales is contributed to the closing of the Bakehouse last December. However, closing the Bakehouse resulted in a lower net loss for the year. Net loss for FY16 was -\$11,246 compared to -\$34,197 net loss for FY15.

Our overall expenses were also down last year helping keep our losses to a minimum. Due to net losses over the past two years it was necessary to go to our member lenders and request a deferral of the principal payments on their loans. This past year we were scheduled to begin paying our member loans back in June in the amount of \$181,977 in principal. As usual our members responded with great support and we were able to defer \$152,579 in principal payments. We paid out \$29,398 in principal and \$22,829 in interest last June. We do have a budget in place to meet our obligation next June of \$170,977 of principal payments to our member loans. A big Thank You to all our member lenders for their generosity and support!

We welcomed 274 new members to our cooperative last year with 35 terminating due to various reasons, mostly to moving out of State. At year end we had a total of 6,613 members. Our net increase in member share equity was \$21,703 for the year with \$6,050 being new member A Shares and an additional \$15,653 of B Shares.

Even though we have seen many changes along with some financial losses these past two years we remain financially strong. We are confident that our sales will rebound with the return of two way traffic on South Main Street and the completion of construction and a return to profitability in the coming year and beyond. Thank you to all our members and customers who have braved the construction and delays since last Spring to keep our cooperative viable and we look forward to a prosperous new year!