

Annual Report | Balance Sheet

Balance Sheet JUNE 30, 2020 and 2019

ASSETS	6/30/2020	6/30/2019
CURRENT ASSETS		
Cash	\$ 561,827	\$ 296,164
Accounts receivable	4,471	7,528
Inventory	369,882	414,100
Other current assets	22,190	12,408
Investments	122,154	114,951
	<u>1,080,524</u>	<u>845,151</u>
PROPERTY AND EQUIPMENT	4,654,957	4,638,802
Less accumulated depreciation	(2,168,246)	(2,063,581)
	<u>2,486,711</u>	<u>2,575,221</u>
OTHER ASSETS		
Deposits & Receivables	5,617	5,617
TOTAL ASSETS	<u>\$3,572,852</u>	<u>\$3,425,989</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	288,119	250,776
Accrued payroll and related taxes	143,602	123,810
Current portion of long-term debt	312,557	306,532
Total current liabilities	<u>744,278</u>	<u>681,118</u>
LONG TERM DEBT		
Long Term Debt(net current portion)	1,750,364	1,864,643
SBA Payroll Protection Plan Loan	382,900	—
Total long term liabilities	<u>2,133,264</u>	<u>1,864,643</u>
Total liabilities	<u>2,877,542</u>	<u>2,545,761</u>
MEMBERS' EQUITY		
Class A Shares	197,327	187,645
Class B Shares	714,852	687,707
Additional paid-in-capital	89,742	89,742
Retained Deficit	(306,611)	(84,866)
Total members' equity	<u>695,310</u>	<u>880,228</u>
TOTAL LIABILITIES AND EQUITY	<u>\$3,572,852</u>	<u>\$3,425,989</u>

Board of Directors

President
Cathy Menard

Vice President
Pete Engel

Treasurer
Chuck Gilboy

Krista Helmboldt

Tracie Sponenberg

Traci Komerek

Finis Williams

Gary Janinda

Annual Report | Statement of Operations

Statement of Operations FOR THE YEARS ENDED JUNE 30, 2020 and 2019

	Year Ended 6/30/2020	% Sales	Year Ended 6/30/2019	% Sales
REVENUE				
Net sales	\$ 8,081,295	100.0%	\$ 7,851,890	100.0%
Cost of goods sold	4,957,173	61.3%	4,735,427	60.3%
Gross profit	<u>3,124,122</u>	38.7%	<u>3,116,463</u>	39.7%
OPERATING EXPENSES				
Personnel	2,232,201	27.6%	2,075,985	26.4%
Occupancy	406,011	5.0%	394,640	5.0%
General and administrative	606,973	7.5%	536,986	6.8%
Total operating expenses	<u>3,245,185</u>	40.2%	<u>3,007,611</u>	38.3%
Operating profit (loss)	<u>(121,063)</u>	-1.5%	<u>108,852</u>	1.4%
OTHER INCOME (EXPENSE)				
Interest income	351	0.0%	377	0.0%
Appreciation in investments	7,203	0.1%	3,698	0.0%
Miscellaneous income	22,994	0.3%	10,992	0.1%
Interest expense	(119,336)	-1.5%	(126,261)	-1.6%
Total other income (expense)	<u>(88,788)</u>	-1.1%	<u>(111,194)</u>	-1.4%
(Loss) before taxes	<u>(209,851)</u>	-2.6%	<u>(2,342)</u>	0.0%
INCOME TAXES				
State	11,894	0.1%	12,613	0.2%
Total taxes	<u>11,894</u>	0.1%	<u>12,613</u>	0.2%
NET (LOSS)	<u>\$ (221,745)</u>	-2.7%	<u>\$ (14,955)</u>	-0.2%

The financial statements presented reflect the auditor's report for the years ended June 30, 2020 and 2019

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

Management Team

General Manager
Chris Gilbert

Store Manager
Adam Orcutt

Store Manager | New London
Shane Smith

Controller
Peter Deleault

Director of Development
Greg Lessard

HR Coordinator
Corrina Sysyn

Data Integrity Manager
Nick Schneider

Customer Service Manager
Dylan Chase

Food Service Manager
Jacob Maxwell

Grocery Manager
Lexi Cartier

Health & Wellness Manager
Rianna Bentley

Produce Manager
Patrick Gale

Bulk Manager
Doris McGurrian

Co-op Organic Gardens Manager
Andy Messenger

Concord Food Co-op

Concord • New London

Annual Report

Fiscal Year 2020

July 2019 - June 2020



From the President

An Ordinary Visit to the Co-op during Extraordinary Times

I arrive at the Co-op at 8:00 am to do my grocery shopping in the quiet early hours. My 70-year-old neighbor Debbie is already there, taking advantage of the special hours for people over 60, or with an underlying medical condition, on Senior discount days. The grocery carts are clean and gleaming. Onward to organic produce!

The first treat that catches my eye is broccoli, grown by Andy Messenger, Co-op Organic Farm Manager, in our gardens at Canterbury Shaker Village. Then Swiss chard and Lacinato kale go into my cart. While deciding whether to get more greens, I wave to Doris McGurkin in the bulk department and see that walnuts are on sale. Thanks to the efforts of Lynn Chamberlain in the dairy department, I'm able to get almond yogurt in a larger container. And in the grocery aisles, my favorite vegan crackers are back in stock – hooray!

As I checkout, I see that the nearby register dedicated for curbside service is quite busy. Curbside service is yet another way that the Co-op has adapted during COVID-19. Fortunately for the Co-op, the commitment of staff and managers has served us extraordinarily well this year. To keep our two stores operating safely for all, they have quickly and effectively responded to retail and operational changes. As a well-deserved gesture of thanks, the Co-op implemented a 10% hazard pay increase, because employees continue to provide heroic front-line services to our community. Yes, the Co-op and especially the Co-op staff and management are truly extraordinary.

From the General Manager

To say this was an interesting year would be an understatement at the very least. I have been in the retail business for over 30 years and I thought that I had seen just about every odd thing that could possibly happen. Boy was I wrong — hello 2020! The best way to look at last fiscal year is to split it up into two completely different years. Prior to mid-March when Covid reared its head in these parts, combined sales for both stores were 3.25% ahead of last year and .20% ahead of budget. Concord was up 2% and New London was up 14.8%. Sales changed in mid-March with the New London store averaging a 40%+ sales increase every week. Concord has seen a loss in sales since mid-March due to the shutdown of the food bars. Even with all of this, we reached the \$8 million sales mark for the first time.

The retail environment changed, probably forever, in mid-March. We had to adapt really quickly to the reality of the situation. This would not have been possible without the fantastic staff that works here at both of our stores. They were flexible, understanding, and most importantly, they gave 110% to keep the store operating and serving all of our owners and customers. THANK YOU!

We have made many changes to our operations including the offering of online shopping. This was a great success and allowed even our most vulnerable customers to get the products they needed and wanted in a safe manner. The safety and well-being of our staff and customers are of the utmost importance and we have taken steps to ensure they are protected. Our stores are cleaned and sanitized throughout the day and we have PPE available at all times.

On behalf of myself and the entire Co-op staff, thank you for all of your support this year. It is because of your dedication to the Co-op that we continue to serve the local communities.

Highlights of the Year

We welcomed **400 new owners** to the Co-op!

Since its start, Co-op shoppers **raised \$59,000+** for local organizations through our Round-It-Up at the register program. *Thank you for supporting the local community!*

We began offering **Curbside Pickup**, which was so successful, we transitioned it into **Co-op eShop**, access to your Co-op favorites from your smart phone or computer!

Fiscal Report

Fiscal year 2020 came with a virus, I wish we could uninstall it and start over. Needless to say it presented several challenges financially in the latter half. The hardest part was and is not knowing what to expect or where we are headed until we get a handle on this coronavirus.

Sales were up by 2.9% over fiscal year 2019 in spite of the crisis thanks to our dedicated members and shoppers. Concord saw a marginal growth of .4% while New London had a banner year of growth with sales at 27%. We experienced an overall increase in operating expenses of 7%. Our losses for the year were \$221,477 compared to the prior year of \$14,955.

We improved our cash position last year with an increase of \$265,663 over prior year due entirely to the PPP SBA loan that we obtained in April. We are confident that we will acquire forgiveness for the entire loan amount of \$382,900.

We welcomed 400 new members to our Cooperative this past year with a total of only 14 members terminating. This resulted in a growth rate of 5.3% which is the largest we have seen in the past 3 years. At year end we had a total of 7,911 members. Our net increase in member share equity was \$36,826.59 last year which was \$10,000 more over the prior year's increase.

Please see the attached audited financial statements for years 2020 and 2019 for more detailed information on fiscal activities.

Although our future is uncertain during the pandemic, we remain optimistic that our members and shoppers will continue to support their cooperative while we make adjustments to sustain our financial security. As always, thank you to all our members and customers for your support in keeping the Concord Food Cooperative a thriving community organization. Be well and stay healthy!

Community Involvement

PARTIAL LIST OF NONPROFITS & ORGANIZATIONS THAT THE CO-OP HAS SUPPORTED OR PARTNERED WITH IN FY 2020

- | | | | |
|---------------------------------|-------------------------------------|---------------------------------|--|
| • Bow High School Football | • Empty Bowls | • Katie Angeloro Benefit | • NHPR |
| • Boys and Girls Club | • Equality Health Center | • Lake Sunapee Chamber | • NOFA-NH |
| • Canterbury Shaker Village | • Families in Transition | • Live and Let Live Rescue Farm | • Pope Memorial SPCA |
| • CATCH Neighborhood Housing | • Fellowship Housing | • Makers Matter | • Pop Warner Football - New London |
| • CCEH | • Five Rivers | • McKenna House | • St. Mathew's House |
| • Chamber of Commerce (Concord) | • Friends Program | • NAMI NH | • Salvation Army |
| • Community Action Program | • Friendly Kitchen | • NCGA | • Society for the Protection of NH Forests |
| • Concord Hospital | • Friends of Concord PD K-9 Program | • NEHSA | • Tidal Force Robotics (Team 1721) |
| • Concord High School | • Forest Society | • NH Food Bank | • UNH |
| • Crisis Center of Central NH | • Intown Concord | • NHTI | • 5 Rivers Conservation Trust |
| • David's House | • Junior Service League | • NHPBS | |