

From the Board

We're pleased to report that last year was another year of steady progress for the Concord Food Co-op. The Co-op has seen growth in membership from 7,254 to 7,525 total members. Our overall customer satisfaction rating (measured by an annual survey) increased to 88%. Financially, we ended the year with a small loss for both our Concord and New London stores, however, sales were strong and well ahead of last year. Our progress is due to the work of a remarkable team of employees. We wish to thank Chris Gilbert, General Manager, and all the rest of the Co-op's employees for guiding the Co-op successfully through another year. From the Board's perspective, the Co-op is currently in a phase with two main financial goals: first, paying down the loans (that supported the 2012 Concord store expansion), and second, building our cash reserves, which will position us well for the years ahead.

From the General Manager

It's hard to believe it's been a full year since our last member celebration – this year has definitely flown by! Over the past four years, since I came on board as the General Manager of the Co-op, I've witnessed a lot of exciting changes both around us in the city of Concord and within our two stores. Amidst all this change, one thing has stayed consistent: you, our loyal members. Without the support of over 7,500 of you, the Concord Food Co-op would not be the incredible asset to the community that it is today. For that, I say "THANK YOU!"

Sometimes it helps to have numbers to tell a story: total combined sales for the Concord and New London stores were over \$7.8M, an increase over last year just shy of 4%. This kind of growth is extremely exciting to see. How did we achieve it? An additional 20,000 shoppers went through our stores. Membership grew by 333, putting us at more than 7,500 members. Though we did show a small loss on our bottom line, we were able to increase wages for all employees

The Co-op is also a place that supports local community. For example, the Round-It-Up at the Register program is an easy way for shoppers to donate to local nonprofits by rounding up their purchase to the next dollar. It's amazing how these small-change donations add up to a generous \$3,000 (or more!) each month, which is given to local nonprofits.

The Co-op serves its members by providing fresh, high quality, organic and local food. We strive to balance the selection of innovative and specialty items with affordability. We have improved in-store demos and sampling to enhance the store experience for our customers. A huge thank you to our members for your participation and support by shopping at the Co-op!

and install a new and improved POS system to better serve our customers.

Early last summer, we were approached by UNH Law School, located here in Concord, asking us to operate their campus café. Fortunately we were ready and able to jump at the opportunity – the Jury Box Café opened at the end of August 2018. Over the past year the café has evolved and it's been a valuable learning experience for all. We've become great partners with UNH and look forward to this relationship continuing.

I want to thank the entire staff in Concord and New London. They are what makes the stores operate and succeed. These are the faces that make the Concord Food Co-op a fantastic place to work and shop.

On behalf of myself and the entire Co-op staff, thank you, again, for your support and dedication to our Co-op. We cannot do this without you!

Fiscal Report

Another fiscal year behind us with good growth and a promising future! For those who are new to our food cooperative, our fiscal year starts on July 1st and ends on June 30th of each year. So fiscal year 2019 began on July 1, 2018 and ended on June 30, 2019.

Our overall sales were up by 4% over fiscal year 2018. Concord saw a 3.7% growth in sales while New London saw a 6.8% sales growth. We experienced an increase in operating expenses of 2.4% with most of that increase occurring in expenses such as store supplies. Our overall loss for the year was \$14,955 compared to the prior year's loss of \$8,147.

We continued to improve our cash position with an increase of \$20,161 over prior year. We welcomed 333 new members to our cooperative this past year, giving us 44 more new members than the prior year's growth of 289. Last year we had a total of 44 members terminate which was greater than the 26 members who terminated the prior year. At year end, we had a total of 7,525 members up from 7,254. Our net increase in member share equity was \$26,705 for the year with \$7,240 being new member A shares and an additional \$19,464 of B shares.

Over the past five quarters our financial ratios continued to improve. We also continued to reduce our debt and improve our equity over the past fiscal year. We remain confident and optimistic about our sales growth and financial stability over the coming years.

Please see the attached audited 2019 and 2018 financial statements for more information on fiscal activities.

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 Co-op a thriving community organization.

Highlights of the Year

WE WELCOMED 333 NEW MEMBERS TO THE CO-OP!

ROUND-IT-UP AT THE REGISTER

We introduced our Round-It-Up at the Register program, which is an easy way for Co-op shoppers to donate to local organizations that are making our community a better place. Round-It-Up at the Register is a simple program which empowers our shoppers to round their purchases up to the nearest dollar and donate the difference to our partner organizations. We thank all our members and customers for already raising thousands of dollars by rounding up!

WELLNESS EDUCATION VIDEOS

We started filming our weekly spot on "Good Morning 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 or watch on our Facebook page, YouTube channel, or on ConcordTV and NH1.

Community Involvement

PARTIAL LIST OF NONPROFITS/ORGANIZATIONS THAT THE CO-OP HAS SUPPORTED OR PARTNERED WITH IN FY 2019

- | | | | |
|--------------------------------|--|--|--------------------------|
| • Abbot-Downing School | • Concord Coachman | • Future in Sight | • NHTI |
| • Angelora Family Fund Raiser | • Colon Cancer Coalition | • Intown Concord | • NHPBS |
| • Annual Herb and Garden Day | • Concord High School Ready to Learn | • International Association of Firefighters | • NHPR |
| • Bishop Brady | • Concord High School Girls Basketball | • Junior Service League | • NOFA-NH |
| • Boston Children's Hospital | • Concord High School Crimson Closet | • Manchester Community School | • Operation Santa Claus |
| • Bow High School PTO | • Concord High School Football | • McKenna House | • Pope Memorial SPCA |
| • Capital City Children's Camp | • Concord Parks and Rec | • Multi Cultural Festival | • Quarterback Club |
| • Canterbury Shaker Village | • Concord TV | • NAMI NH | • Rock and Race |
| • CCEH | • Crisis Center of Central NH | • NCGA | • St. Mathews House |
| • Concord Chamber of Commerce | • CRVNA | • NEHSA of NL | • St. Paul's |
| • Sunapee Chamber of Commerce | • CSC Booster Club | • New Hampshire Brewers Association | • Suncook Valley Chorale |
| • Champions for the Kids | • Families in Transition | • New Hampshire DOT Wellness Fair | • Unitarian Church |
| • Child and Family Dev. Center | • Family Fun Run | • New Hampshire Permaculture Festival | • Zonta Center |
| • Christa McAuliffe School PTO | • Friends of Forgotten Children | • New Hampshire Department of Environmental Services | |
| • City of Concord | • Friends Program | • New London Hospital Days | |
| • Concord Chorale | • Friendly Kitchen | | |

Annual Report | Balance Sheet

Balance Sheet JUNE 30, 2019 and 2018

	6/30/2019	6/30/2018
ASSETS		
CURRENT ASSETS		
Cash	\$ 296,164	\$ 276,003
Accounts receivable	7,528	9,279
Inventory	414,100	391,958
Other current assets	12,408	1,771
Investments	114,951	111,253
	<u>845,151</u>	<u>790,264</u>
PROPERTY AND EQUIPMENT	4,638,802	4,626,622
Less accumulated depreciation	<u>(2,063,581)</u>	<u>(1,953,414)</u>
	<u>2,575,221</u>	<u>2,673,208</u>
OTHER ASSETS		
Deposits & Receivables	<u>5,617</u>	<u>19,057</u>
TOTAL ASSETS	<u>\$3,425,989</u>	<u>\$3,482,529</u>
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	250,776	221,422
Accrued payroll and related taxes	123,810	125,931
Current portion of long-term debt	306,532	303,198
Total current liabilities	<u>681,118</u>	<u>650,551</u>
LONG TERM DEBT		
External Lenders	1,864,643	1,963,499
Total long term liabilities	<u>1,864,643</u>	<u>1,963,499</u>
Total liabilities	<u>2,545,761</u>	<u>2,614,050</u>
MEMBERS' EQUITY		
Class A Shares	187,645	180,405
Class B Shares	687,707	668,243
Additional paid-in-capital	89,742	89,742
Retained Deficit	<u>(84,866)</u>	<u>(69,911)</u>
Total members' equity	<u>880,228</u>	<u>868,479</u>
TOTAL LIABILITIES AND EQUITY	<u>\$3,425,989</u>	<u>\$3,482,529</u>

Annual Report | Statement of Operations

Statement of Operations FOR THE YEARS ENDED JUNE 30, 2019 and 2018

	Year Ended 6/30/2019		Year Ended 6/30/2018	
		% Sales		% Sales
REVENUE				
Net sales	\$ 7,851,890	100.0%	\$ 7,551,851	100.0%
Cost of goods sold	<u>4,735,427</u>	<u>60.3%</u>	<u>4,534,862</u>	<u>60.0%</u>
Gross profit	<u>3,116,463</u>	<u>39.7%</u>	<u>3,016,989</u>	<u>40.0%</u>
OPERATING EXPENSES				
Personnel	2,075,985	26.4%	1,986,967	26.3%
Occupancy	394,640	5.0%	446,988	5.9%
General and administrative	<u>536,986</u>	<u>6.8%</u>	<u>503,172</u>	<u>6.7%</u>
Total operating expenses	<u>3,007,611</u>	<u>38.3%</u>	<u>2,937,127</u>	<u>38.9%</u>
Operating profit	<u>108,852</u>	<u>1.4%</u>	<u>79,862</u>	<u>1.1%</u>
OTHER INCOME (EXPENSE)				
Interest income	377	0.0%	104	0.0%
Appreciation in investments	3,698	0.0%	4,106	0.1%
Miscellaneous income	10,992	0.1%	44,260	0.6%
Interest expense	<u>(126,261)</u>	<u>-1.6%</u>	<u>(123,432)</u>	<u>-1.6%</u>
Total other income (expense)	<u>(111,194)</u>	<u>-1.4%</u>	<u>(74,962)</u>	<u>-1.0%</u>
Income (Loss) before taxes	<u>(2,342)</u>	<u>0.0%</u>	<u>4,900</u>	<u>0.1%</u>
INCOME TAXES				
State	12,613	0.2%	13,047	0.2%
Total taxes	<u>12,613</u>	<u>0.2%</u>	<u>13,047</u>	<u>0.2%</u>
NET (LOSS)	<u>\$ (14,955)</u>	<u>-0.2%</u>	<u>\$ (8,147)</u>	<u>-0.1%</u>

The financial statements presented reflect the auditor's report for the years ended June 30, 2019 and 2018

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

Concord Food Co-op

Concord • New London

Annual Report

Fiscal Year 2019

July 2018 - June 2019



Board of Directors

<i>President</i>	Chuck Gilboy
Cathy Menard	Gary Janinda
<i>Vice President</i>	Traci Komorek
Krista Helmboldt	Tracie Spenberg
<i>Treasurer</i>	Finis Williams
Pete Engel	
<i>Secretary</i>	
James McConaha	

Management Team

<i>General Manager</i>	<i>Grocery Manager</i>
Chris Gilbert	Lexi Cartier
<i>Customer Service Manager</i>	<i>Health & Wellness Manager</i>
Adam Orcutt	Rianna Bentley
<i>Finance Manager</i>	<i>Produce Manager</i>
Peter Deleault	Patrick Gale
<i>HR Coordinator</i>	<i>Bakery Manager</i>
Chelsea Spears	Jacob Maxwell
<i>Operations Manager</i>	<i>Executive Chef</i>
Nick Schneider	Keith McCormack
<i>Director of Development</i>	<i>Bulk Manager</i>
Greg Lessard	Doris McGurrian
<i>Store Mgr. New London</i>	<i>Co-op Organic Farm Manager</i>
Shane Smith	Andy Messenger