



# 2018 ANNUAL REPORT



# About the TPSS Co-op



## OUR MISSION STATEMENT

Takoma Park-Silver Spring Co-op promotes healthful living by offering wholesome food, high quality products, and community resources in clean, friendly cooperative grocery stores...that you can own!

### STORE HOURS - LOCATION

Open Daily | 8:00 a.m. - 10:00 p.m.  
[www.tpss.coop](http://www.tpss.coop)

201 Ethan Allen Avenue  
Takoma Park, MD 20912  
301-891-2667

### ANNUAL REPORT TEAM

Editors: Martha Whitman and Leandra Nichola

### CO-OP MANAGEMENT TEAM

**General Manager:** Mike Houston  
**Store Manager:** Hussein Choteka  
**Human Resources Manager:** Irene Cox  
**Finance Manager:** Yodit Gebremeskel  
**Grocery Manager:** Joan Carlos Vieira  
**Beer & Wine Manager:** Leandra Nichola  
**Front End Manager:** Mherete Belhu  
**Produce Manager:** Erick DeLeon  
**Refrigeration Manager:** Ron Walker  
**Wellness Manager:** Jane Batt

### BOARD OF REPRESENTATIVES

**President**  
*Rachel Hardwick*  
7400 Flower Ave  
Takoma Park, MD 20912  
Occupation: Attorney  
Term Ends: November 2019

**Vice President**  
*Robert Anderson*  
7120 Woodland Ave  
Takoma Park, MD 20912  
Occupation: Educator and  
Psychologist (retired)  
Term Ends: November 2018

**Treasurer**  
*Adam Frank*  
408 Boyd Ave  
Takoma Park, MD 20912  
Occupation: Immigration  
Attorney  
Term Ends: November 2020

**Secretary**  
*Julia Eddy*  
5055 8th St NE  
Washington DC 20017  
Occupation: IT Manager, Business  
Developer  
Term Ends: November 2018

*Fred Feinstein*  
7114 Sycamore Ave  
Takoma Park, MD 20912  
Occupation: Labor Lawyer  
Term Ends: November 2019

*Susan Cho*  
251 Manor Circle  
Takoma Park, MD 20912  
Occupation: Co-Manager,  
Maitri House  
Term Ends: November 2019

*Diane Curran*  
22 Montgomery Avenue  
Takoma Park, MD 20912  
Occupation: Lawyer  
Term Ends: November 2020

*Susanne Lowen*  
7002 Sycamore Ave  
Takoma Park, MD 20912  
Occupation: Self-employed baker  
Term Ends: November 2020

*Mary Rooker*  
804 Larch Avenue  
Takoma Park, MD 20912  
Occupation: Shamanic  
Practitioner  
Term Ends: November 2018

## Letter from the President of the Board

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It's been quite a year since our last annual report! With the departure of our prior management team, we welcomed Martha Whitman who quickly arrived from New Mexico and managed our store on an interim basis from July 2017 to February 2018. Our store manager, Hussein Choteka, filled in as interim general manager from February until September. The Board is so grateful for Martha and Hussein's work in keeping the store running and looking great. The Board worked throughout that time to find a permanent general manager and we are proud to report that Mike Houston is now on board. Mike is learning all about TPSS quickly, brings a wealth of experience and knowledge about the natural grocery industry, and has a lot of energy and ideas around improving the store and the shopping experience.

Our Board also worked tirelessly on issues related to the Junction. The City of Takoma Park chose a developer of the city-owned lot that abuts our store to construct a multi-use building that will take up much of the lot and Takoma Auto Clinic. TPSS is laser-focused on its operational needs for receiving deliveries during and after construction, parking for shoppers and employees, operations during construction, management of our waste, customers' experience, convenience and comfort while shopping, all while striving to be and remain a good neighbor to those residents and businesses near and around the store.

Mediation between the developer and TPSS began in July to address these issues and continues as I write this. An enormous amount of resources have gone into this process. From the bottom of my heart, I thank all of you who talked with your city councilperson, the mayor, the city manager, your friends and neighbors, and with us in an effort to find a way forward. We have fought for the Co-op's survival in the Junction, our home for 20+ years. If TPSS cannot get its deliveries, shoppers won't find the products they have come to expect, will take their business elsewhere, and we won't be able to make payroll, buy products, and pay our rent. We are working hard to make this work, and we thank the community for its energy, enthusiasm, and passion throughout this process. We are thankful to the City Council for encouraging mediation. Thank you!

This is my last "letter from the president." I've served as president for five years and it's time to pass the baton. I will remain on the Board for another year and look forward to taking a step back, assisting the new officers in their new roles. It's been a great experience, I've learned a lot about the grocery industry, board service, and our community. I encourage you to consider running for the Board. You can find information on board elections at [tpss.coop](http://tpss.coop).

Be well and thank you for supporting TPSS Co-op!

*Rachel*

Rachel Hardwick, Board President



## Takoma Park Silver Spring Cooperative

Year End: June 30, 2018

### Income Statement

	FY 2017-2018 7/1/2017- 6/30/2018	FY 2016-2017 7/1/2016- 6/30/2017	Change
Sales	\$9,700,525	\$9,635,292	\$65,233
Other income	17,736	35,887	(18,151)
Less: Cost of Goods Sold	(6,673,856)	(6,465,667)	(208,189)
Gross Income	3,044,405	3,205,512	(161,107)
Interest and Dividend Income	11,054	1,782	9,272
Total Net Revenues	3,055,459	3,207,294	(151,835)
<b>Expenses</b>			
Personnel Costs	1,642,397	1,686,409	(44,012)
Occupancy	247,620	270,123	(22,503)
Operating Costs	298,337	302,184	(3,847)
Administration / Other	117,774	174,835	(57,061)
Marketing & Outreach	35,885	24,220	11,665
Governance	374,250	68,547	305,703
Total Expenses	2,716,263	2,526,318	189,945
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)	339,196	680,976	(341,780)
Less: Depreciation	18,142	21,846	(3,704)
Earnings before Interest & Taxes (EBIT)	321,054	659,130	(338,076)
Less: Provision for Income Tax	(12,000)	(283,200)	(270,200)
<b>Net Income</b>	<b>\$333,054</b>	<b>\$375,930</b>	<b>(42,876)</b>

### Balance Sheets

Assets	30 June 2018	30 June 2017	Change
<b>Current Assets</b>			
Cash	\$1,324,089	\$2,300,402	(976,313)
Certificates of Deposit	1,496,273	501,099	995,174
Inventory	328,997	323,970	5,027
Other Current Assets	173,627	93,584	80,043
Total Current Assets	3,322,986	3,219,055	103,931
<b>Net Fixed Assets</b>			
Certificate of Deposit	250,000	-	250,000
Other Assets	259,064	176,162	82,902
<b>Total Assets</b>	<b>\$3,856,133</b>	<b>\$3,423,450</b>	<b>432,683</b>
<b>Liabilities &amp; Equity</b>			
<i>Liabilities</i>			
<b>Current Liabilities</b>			
Trade Debt	274,636	169,340	105,296
Other Current Liabilities	145,288	148,901	(3,613)
Total Current Liabilities	419,924	318,241	101,683
Long-term Liabilities	19,156	67,592	(48,436)
<b>Total Liabilities</b>	<b>439,080</b>	<b>385,833</b>	<b>53,247</b>
<i>Equity</i>			
Member Paid-in Capital	968,307	921,925	46,382
Donated Capital	324,800	324,800	-
Retained Earnings	2,123,946	1,790,892	333,054
<b>Total Equity</b>	<b>3,417,053</b>	<b>3,037,617</b>	<b>379,436</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$3,856,133</b>	<b>\$3,423,450</b>	<b>432,683</b>



## 2018 Treasurer's Report

Adam Frank, Treasurer

I am happy to report that the finances of the Co-op continue to be positive this past year. In terms of our sales, our gross sales were approximately \$9.7 million, holding steady with last year. Our net income was approximately \$333,000. While our net income was down slightly, we attribute this to the lack of a permanent General Manager the entire fiscal year. Hussein did a great job maintaining the store during this transitional time and taking on multiple roles, and we are thankful for his steady hand that benefited our employees, members and customers; however, not having a permanent GM whose position includes planning for the future did limit our ability to grow at a stronger pace. In addition, uncertainty about the development on the city lot as well as associated costs for consultants to help guide us through this process have also caused some constraints on our finances and ability to grow the store. We are confident that Mike Houston, our new General Manager, is the right person to lead us in planning for what's ahead and we will see increasing sales this year.

We do still have a good amount of cash on hand that we had saved for possible expansion. Because of all the uncertainties still surrounding the development on the city lot, we need to ensure that we continue to maintain sufficient funds to improve our store and to see us through the entire build-out period for the city lot. As of this writing, we continue to be in mediation with the developer, NDC, so there remain issues we will need to address. Therefore, we continue to expand our cash on hand to ensure we have sufficient funds. The entire staff has done an excellent job ensuring not only that our finances are on solid ground, but also that our books are in good shape, enabling our accountants to complete the audit in a very short time. We thank the staff for their continued hard work.

## Letter from the General Manager

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Hello TPSS family! I am so excited to be the new General Manager of TPSS. I have worked in natural foods for the last nine years at small independent stores in Brooklyn, NY and most recently as Store Manager of Dawson's Market in Rockville. The values of the industry like environmentalism, sustainability, health, wellness and community both drew me to and keep me working in this ever changing world of natural and organic products. Joining TPSS is especially thrilling because co-operative principles are how I believe business should operate. Concern for community should inform how businesses conduct themselves. Businesses should provide education, training and information to their workers and the community. Democratic ownership offers an important check on any business straying from its founding mission. If all businesses operated like TPSS, we would have a better community and world!

The 2017-18 year left us with many reasons to be grateful. I offer tremendous gratitude and praise to Martha Whitman and Hussein Choteka who both served as General Managers of TPSS over the past year while the Board looked for (and found!) a permanent hire. They guided the Co-op through a time of external challenges and kept the store not only running, but thriving. Our HR manager Irene Cox is a fabulous addition to TPSS to help with our most important asset: our staff! The staff worked hard under both Martha and Hussein, always providing excellent healthy products, outstanding customer service while showing flexibility, patience, and dedication.

On July 1st 2018, TPSS honored its commitment to the tremendous staff who keep the store operating, stocked and clean by raising our minimum hourly wage to \$15. The Co-op continues to support

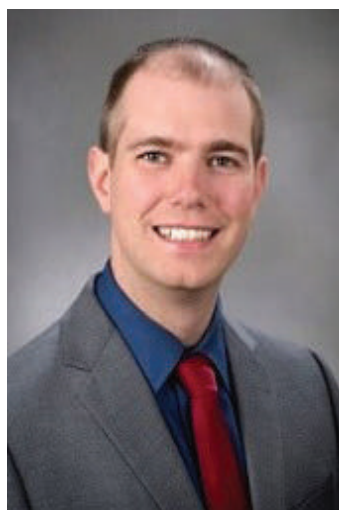
and work with the IWW union that represents our staff and we are committed to working together to make TPSS an employee friendly workplace. The 47 employees who make sure all our member-owners and shoppers have access to healthy food on a daily basis are an incredible group. I have gotten to know the staff since I started in September and I can say I am very lucky to have such a dedicated and knowledgeable team to work with. The Co-op made a further step toward ensuring a humane workplace this past year by closing on Thanksgiving Day so that our employees have time off with family and friends.

I want to also thank our dedicated and loyal member-owners. Over the past year you have supported us by shopping at the Co-op, participating in our community events, and most importantly by making your voice known about the future of Takoma Junction. I appreciate each and every person who in some way helped to advocate for the Co-op and our place in this community. I am very pleased the Co-op has signed a sublease to continue use of the city Junction parking lot. We can continue receiving deliveries and offer free parking to our employees and shoppers. TPSS has committed to keep this space free of charge to the public and open for community events for as long as we are able to lease it. There are pieces of the Co-op's future that are in flux right now, but what I do know is that we remain committed to being Takoma Park's neighborhood natural foods market.

Our store is unique and vibrant, and most communities aren't lucky enough to have a place like TPSS. I am very excited for the future here and enthusiastic about getting to know each of you.

*Mike Houston*

Mike Houston, General Manager



# NEWS FROM OUR DEPARTMENT MANAGERS

## HR

We increased our starting wage from **\$11.50 to \$15.00 per hour!** This change, along with our extensive benefits package, demonstrates our commitment to our staff as well as providing us a competitive edge to attract qualified people to join our team. In addition to the change in pay, we hired a new General Manager.

## FRIDGE

The Refrigeration department is staffed with four awesome employees who work together to ensure you have a variety of healthy beverages and local and organic foods to enjoy. Furthering our commitment to supporting local vendors, we added more than 20 new locally-produced prepared food options this year.

## BEER & WINE

Beer and wine brought in about 10% of our revenue last year with just two staff people—making it a small, but efficient, department. The big changes

## PRODUCE

you've seen on the shelves reflect our efforts to align our beer and wine offerings with the Co-op's values. We've reduced the number of conventionally-produced products to just a quarter and significantly increased the number of local, sustainable, organic, and micro-produced products.

In the Produce Department, we built new, flat displays for fruits and vegetables and started using chalkboard signs. We also improved diversity in the local producers we work with, adding Lancaster Farm Fresh Co-op and The Common Market, a non-profit, regional local produce distributor. And, we instituted a rotating weekly sales protocol that has resulted in access to more, lower priced seasonal produce for our shoppers.

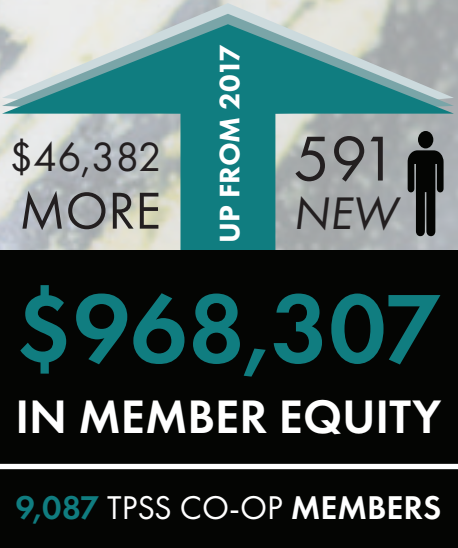
## GROCERY

This past year, the Grocery Department has focused on keeping the shelves consistently full. Supply problems has led TPSS to look for alternate vendors. Prioritizing local vendors, you will see new, smaller-produced items replacing some other brands you might be more familiar with. All it means is that now you will be able to find your favorite product when you want it!

## WELLNESS

We continue to build our fairtrade product offerings, like the crafts from Oinofyta, a refugee camp in Greece, and hyper-local products, like the incense and balms from Artisan Wellness, produced just 2 blocks from the Co-op (and by a former Co-op employee!) Perhaps the most popular addition to our department is our CBD products. We have oils in capsules, droppers, mists, balms, as well as chocolate and even honey!

## MEMBERSHIP BY THE NUMBERS

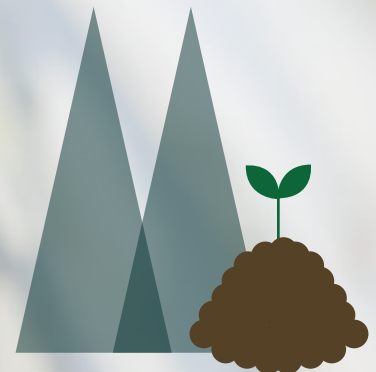


## KEEPING IT LOCAL



Mike Tabor of Licking Creek Bend Farms - a long time Co-op supporter, Takoma Park resident, and a favorite local vendor!

Our commitment to supporting local vendors is stronger than ever! Last year, we increased our local vendors by 70 (110 to 180!) and offered over 600 locally-produced items.



This year we started composting. We diverted **10,972 pounds** of raw organics and **750 pounds** of coffee grounds from landfill! Most of the compost we helped make went to the Washington Youth Garden at the National Arboretum.

# CELEBRATING STAFF



On May 1st, the Co-op celebrated International Workers' Day.

We celebrate our staff for their hard work and commitment to the Co-op and its values.

# CELEBRATING COMMUNITY



# GIVING BACK

Three times per week, we donate dry grocery goods, produce, and bread that we cannot sell in the store to organizations who can use it to help those in need. This year, our donated food went to Adventist Community Services of Greater Washington and Shepherd's Table.

# SPARE CHANGE



Simply by rounding up your purchases, along with our matching, we were able to donate **\$4100** to Feeding Texas following the hurricane there, **\$1000** to Hispanic Federation for Puerto Rico Relief following the two hurricanes there, and **\$500** to Haiti Projects.

Look out for us at your favorite Takoma Park event! This past year we participated in Play Day, Shop Local Weekend, Takoma Park Street Festival, Monsterbash, Pajamarama, Takoma Park MLK Jr. Day Food Drive, Takoma Tap Takeover, TP5K Challenge, and Crossroads Farmers Market, plus our own Earth Day Celebration.



This year, **YOU** helped raise **\$275** for Manna and **\$160** for the Takoma Park Volunteer Fire Department.

# SUPPORTING OUR LOCAL VENDORS



During the past year, we have added hundreds of new local products to our shelves. Here is a list of our local vendors:

- |                          |                           |                         |                            |
|--------------------------|---------------------------|-------------------------|----------------------------|
| 3 Stars                  | Dr. Gordshell's           | Langenfelder            | RoMaSteel Soap             |
| 7 Locks Brewing          | Drinkmore Water           | Liberty Delight         | Roseda                     |
| ANXO Cidery              | Duclaw Brewing Co         | Licking Creek Bend Farm | Route 11 Potato Chips      |
| Archaikos Foods          | Elk Run                   | Linganore               | Sanga Peace Cushions       |
| Artisan Wellness         | Elysian Fields            | Locust Point Farms      | Secret Garden by Connie    |
| Asmar's Mediterranean    | Ever Bar                  | Lumi                    | Seven Stars                |
| Atlas Brewing            | Everlasting Life          | Manor Hill Brewing      | Shiloh Farms               |
| Baba's Brew              | Evolution Brewing         | Maschhoff               | Sipp                       |
| Baguette Republic        | Feridies                  | McCutcheon's Farm       | Skin Can Do                |
| Baltimore Baked Goods    | Fin City Brewing          | Melanie's Medleys       | Soap Box                   |
| Baltimore Beerworks      | Firehook Bakery           | Michele's Granola       | Soupergirl                 |
| Bao                      | Flying Dog Brewery        | Michelle Bailey         | Spring Mill Bakery         |
| Bates Family Farm        | G Natural                 | Milton's Local          | Starr Hill                 |
| Beautiful Universe       | Garrett Valley            | Mixabar                 | Stoney Point Farm          |
| Bee George               | George's Veggie Garden    | Mobtown Fermentation    | Summer Creek Farm          |
| Bete Ethiopian Cuisine   | Golden Angels Apiary      | Moorenko's Ice Cream    | SunNeen                    |
| Blind Dog Cafe           | Golden Sun                | Motisola's              | Sunnyside Gourmet          |
| Blue Mountain Organics   | Greek Table               | Mountain View Farm      | Susana Gross               |
| Blue Nile Botanicals     | Green Acres               | Nagadi Coffee           | Sweet and Natural          |
| Blue Ridge Bucha         | Guess What's Poppin'?     | Nana's Cocina           | The Akron House Tea Co.    |
| Bold Rock Hard Cider     | Gunter's Honey            | Natural by Nature       | The Common Market          |
| Boordy Vineyards         | Gypsy Diva Fresh          | Natural Zing            | The Fillo Factory          |
| Breads Unlimited         | Harmony Creek Farm        | NatureReflections       | The Winery at Olney        |
| Brewers Art              | Harney and Sons           | Nature's Yoke           | Three and Half Peppers     |
| Burley Oak               | Harrisburg Dairies        | Nisani Farm             | Tio Gazpacho               |
| Café Kreyol              | Heavy Seas Brewing        | Ohm Nutritionals        | Titi Wreh Aprons           |
| Canela Bakery            | Heba's Health Foods       | Old Oriole Park Brewery | Toigo Orchard              |
| Capitoline               | Hempzel's                 | Old Time Bakery         | Tree Line                  |
| Caprikorn Farms          | Hex Ferments              | Olive Tree              | Trickling Springs Creamery |
| Caribe                   | Hummingbird Farms         | Oliver Brewing Co.      | Truly Life                 |
| Ceremony Coffee Roasters | IOKTS Productions         | Oregon's Wild Harvest   | Tsiona Foods               |
| Charm City Meadworks     | Jailbreak Brewing Company | Orinoco Coffee and Tea  | Tuscarora Organic Growers  |
| Cherry Glen              | Jehovah-Jireh Farm        | Natural Sushi           | Twin Oaks                  |
| Chesapeake Bay Roasters  | Karlacá Coffee Co.        | Paradise Delights       | Two Roosters               |
| Chouquette               | Katz District Coffee      | Peabody Heights Brewery | Ula Tortilla               |
| Dallas Popcorn           | Key Brewing               | Plainville Farms        | Uncle Bruthas              |
| DC Brau                  | Keys                      | Port City Brewery       | Union Brewery              |
| DC Dills                 | Kipps Family Grapes       | Potomac Sprout Company  | Unique                     |
| DC Vegan Catering        | Kite Hill                 | Potomac Whole Foods     | Uptown Bakers              |
| DeHiwi                   | Knob Hall Winery          | Public Works Ale House  | Virginia Peanuts           |
| Denizens Brewing Co.     | Kudji                     | RaR                     | Whisked                    |
| Diya Candles             | La Pasta                  | Raw Bliss               | Wild Kombucha              |
| Dodah's Kitchen          | Lancaster Farm Fresh Coop | Really Raw Honey        | Winfield Cheese            |
| Dogfish Head             | Lancaster Food Company    | Rebel Crumbs            | Zeke's Coffee              |