



TPSS
CO-OP

2019 ANNUAL REPORT



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.

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

www.tpss.coop

BOARD OF REPRESENTATIVES

Contact your Board of Representatives at board@tpss.coop

President

Diane Curran

Term: 2020

22 Montgomery Avenue
Takoma Park, MD 20912
Lawyer



CO-OP MANAGEMENT TEAM

General Manager: Mike Houston

Store Manager: Hussein Choteka

Community Engagement Manager: Leandra Nichola

Finance Manager: Yodit Gebremeskel

Human Resources Manager: Irene Cox

Information Technology Manager: Eddie Brosnan

Beer & Wine Manager: Philippe Varlet

Front End Manager: Mherete Belhu

Grocery Manager: Joao Carlos Vieira

Produce Manager: Erick DeLeon

Refrigeration Manager: Ron Walker

Wellness Manager: Jane Batt

Vice President

Fred Feinstein

Term: 2019

7114 Sycamore Ave
Takoma Park, MD 20912
Labor Lawyer



Treasurer

Adam Frank

Term: 2020

408 Boyd Ave
Takoma Park, MD 20912
Immigration Attorney



Secretary

Julia Eddy

Term: 2021

5055 8th St NE
Washington DC 20017
IT Manager



Susan Cho

Term: 2019

251 Manor Circle
Takoma Park, MD 20912
Co-Manager, Maitri House



Rachel Hardwick

Term: 2019

7400 Flower Ave
Takoma Park, MD 20912
Attorney



Sawa Kamala

Term: 2021

8313 Eastridge Ave, Apt 6
Takoma Park, MD 20912
Community Health Worker



Susanne Lowen

Term: 2020

7002 Sycamore Ave
Takoma Park, MD 20912
Self-employed baker



Katea Stitt

Term: 2021

Interim Program
Director, WPFW
8000 Greenwood Ave, #2
Takoma Park, MD 20912

Some photos provided by Ocean Yaraay.

Member-owners and friends of the TPSS Co-op:

As your Board president, I am pleased and proud to deliver this Annual Report for 2019. The Co-op continues to be a thriving grocery store, progressive and responsible employer, and community institution serving our member-owners and shoppers.

One of the best things about 2019 was having our new General Manager, Mike Houston's, energy and savvy at the helm. Mike passed his first anniversary with us in September. Under Mike's leadership, the store has maintained its impressive level of sales and has seen revenue grow. Mike has overseen much-needed improvements to store operations and communications. And he has assembled a strong leadership team, including our new Information Technology Manager, Eddie Brosnan, and a new Beer and Wine Manager, Philippe Varlet. And Leandra Nichola has moved to the position of Community Engagement Manager. The Co-op Board also continues to be grateful for the commitment and skills of the more than 50 hard-working people who staff our departments and are the backbone of the store.

I am also proud of the Co-op's leadership in progressive employment practices. In March, after almost two years of negotiations, the store ratified a contract with the Takoma Park Workers Union. The contract ensures a wage increase, maintains the generous benefits and paid time-off package all full-time employees receive, and adds employee perks like training and gift certificates for anniversaries. And, in April, the store completed a staff survey that showed a high overall level of satisfaction among our staff members and a strong sense of connection to the store.

The Co-op has initiated some great new member services too—check out the awesome list of innovations on page 5, “Behind the Scenes and In the Community.” One of my favorites is the new electronic touchpad at Customer Service—making it easier for you to make suggestions, put in special orders, and vote in elections. And I am proud to report that we continue our leadership role on many fronts, including participating in community events and donating food and funds to local organizations.



Keep your eye out for news of our Green America Gold Certification for environmental excellence, posted on the sides of Ride On buses!

It has been about a year since we completed mediation with the Neighborhood Development Corporation regarding NDC's proposed development on the parking lot next door. Under our agreement with NDC we lease the parking lot, primarily for our deliveries. And we have made good use of the lot to provide free parking to Junction patrons, host Co-op events, and offer the lot for events by our community partners. We are monitoring NDC's development proposal, which is now in the review process at the county and state level. Should NDC's proposed development be approved, we are committed to doing all we can to ensure the Co-op continues to thrive at the Junction.

It's an exciting time for the Co-op and we are looking forward to seeing more growth in the coming years. I want to invite each of you to become an active participant in your Co-op. Join a committee, help staff an outreach event, pitch an idea for the blog, offer a suggestion—or just commit to shopping at the store a little more. This amazing place would not be possible without you. Thank you for your support!

Sincerely,

Diane Curran

Diane Curran, Board President



Takoma Park Silver Spring Cooperative

Year End: June 30, 2019

Income Statement

	FY 2018-2019 7/1/2018- 6/30/2019	FY 2017-2018 7/1/2017- 6/30/2018	Change
Sales	\$ 9,899,594	\$9,700,525	\$ 199,069
Other Income	17,232	17,736	(504)
Less: Cost of Goods Sold	(6,917,850)	(6,673,856)	(243,994)
Gross Income	2,998,976	3,044,405	(45,429)
Interest Income	49,664	11,054	38,610
Total Net Revenues	3,048,640	3,055,459	(6,819)
Expenses			
Personnel Costs	2,018,815	1,642,397	376,418
Occupancy	273,101	261,283	11,818
Operating Costs	301,383	298,337	3,046
Administration / Other	140,935	104,111	36,824
Marketing & Outreach	32,434	35,885	(3,451)
Governance	207,380	374,250	(166,870)
Total Expenses	2,974,048	2,716,263	257,785
Earnings before Interest, Taxes, Depreciation & Amortization (EBITDA)	74,592	339,196	(264,604)
Less: Depreciation	14,241	18,142	(3,901)
Earnings before Interest & Taxes (EBIT)	60,351	321,054	(260,703)
Less: Provision for Income Tax	25,900	(12,000)	37,900
Net Income	\$34,451	\$333,054	(298,603)

Balance Sheet

Assets	30 June 2019	30 June 2018	Change
Current Assets			
Cash	\$1,408,262	\$1,324,089	\$84,173
Certificates of Deposit	1,251,915	1,496,273	(244,358)
Inventory	331,712	328,997	2,715
Other Current Assets	151,525	173,627	(22,102)
Total Current Assets	3,143,414	3,322,986	(179,572)
Net Fixed Assets	9,842	24,083	(14,241)
Certificate of Deposit	501,838	250,000	251,838
Other Assets	259,873	259,064	809
Total Assets	\$3,914,967	\$3,856,133	58,834
Liabilities & Equity			
Liabilities			
Current Liabilities			
Trade Debt	242,701	274,636	(31,935)
Other Current Liabilities	147,726	145,288	2,438
Total Current Liabilities	390,427	419,924	(29,497)
Long-term Liabilities	25,770	19,156	6,614
Total Liabilities	416,197	439,080	(22,883)
Equity			
Member Paid-in Capital	1,015,573	968,307	47,266
Donated Capital	324,800	324,800	-
Retained Earnings	2,158,397	2,123,946	34,451
Total Equity	3,498,770	3,417,053	81,717
Total Liabilities & Equity	\$3,914,967	\$3,856,133	58,834



2019 Treasurer's Report

Adam Frank, Treasurer

I am happy to report that the finances of the Co-op continued to be positive over the last year. Overall sales were up 2% last year, after two years of relatively flat sales. While most of the increase came in the later part of the year, this is a positive trend that should continue into the next fiscal year, given increased foot traffic, greater staffing consistencies, and growth in Co-op memberships.

Our net income for last year was \$34,451, down significantly from the previous year, which was \$333,054. This significant change in our bottom line can be attributed to several financial changes that happened over the past year. First, while we had a large deferred tax benefit in 2018, it did not carry over into 2019. (Unfortunately, our auditors do not see that deferred tax benefit occurring next year either). In addition, we increased salaries and raised our minimum wage to \$15 per hour. This wage increase resulted in almost \$375,000 in additional personnel costs. Finally, we completed needed maintenance around the store that had been put off for too many years. Catching up with that deferred maintenance cost another almost \$65,000.

On the whole, it is very positive news that we could absorb the large increase in personnel costs, complete some important and overdue maintenance projects, and still come out with a positive net income. Unfortunately, the lower net income also means that we have less to contribute to our savings for a potential expansion and to see us through the development of the lot next door. However, we do still have a good amount of cash on hand that we had saved for possible expansion. The entire staff has done an excellent job ensuring that our finances are on solid ground and that our books are in good shape, enabling our accountants to complete their audit in a very short time. We thank the staff for their continued hard work. We wish to also thank Mike Houston, our General Manager, for his hard work to ensure the continued success of TPSS Co-op.

If there is one way to describe the 2019 financial year at the Co-op, it would be change and growth. I officially joined the Co-op in September 2018, two months into our year. It is hard to believe the number of things this store, our staff, the Board of Representatives and our owners and volunteers have accomplished in that time by working together. TPSS embodies the spirit of cooperation and sits in a special place within our community thanks to receiving support from our customers, and in turn supporting those around us who need it.

The Co-op experienced much-needed sales growth over this past year. After two years of flat growth, TPSS grew by just over 2%. Sales growth helps to keep up with rising costs and keeps the Co-op in a position to support our priorities financially. Department managers and their staff worked hard to keep shelves full, bring in more local products than ever, and serve the needs of everyone who shops with us. Co-op memberships continue to grow each month as people learn about the store and the benefits of ownership through our outreach efforts.

The store deepened its commitment to our staff when we finalized our union contract in March. The contract provided for wage and benefit growth for the dedicated employees who keep us functioning, and provide everyone who comes to TPSS with friendly and knowledgeable service.

Growth and change might be an understatement for the tremendous community engagement and outreach efforts the Co-op undertook this year. We hosted events on our parking lot including our annual Earth Day, and our new Thursdays at the Co-op concert series. We supported local non-profits and community partners with our wallets and our time. We hosted a record number of community events and engaged with new organizations. The Co-op strives to bring about meaningful and positive change in our work with the community.

I sit on the Old Takoma Business Association Board to give voice to issues of the Co-op and the Junction businesses within the local economy. I was also selected to serve a two-year term on the Montgomery County



Food Council and, in that capacity, help connect TPSS to issues around our regional food system. I continue to serve on the Business Advisory Council for SEEC (Seeking Employment, Equality, and Community), an organization that looks to expand inclusive hiring for people with developmental disabilities.

TPSS was proudly granted Gold Certification by Green America in May thanks to our environmental standards and practices. Green America Gold Certification automatically qualified TPSS entry to the Montgomery County Green Business Program, and we became the first grocery store in Montgomery County to achieve gold certification and entrance to this program. Our commitment to sustainability remains unwavering and we continue to learn and grow as the natural food industry makes meaningful changes in products, growing practices and packaging.

The last piece of growth and change was personal, my son Eli was born in June. My wife and I are thrilled to welcome Eli into our lives and to the Co-op's extended family. I want to continue guiding TPSS in a positive direction that will make owners proud of their Co-op and Eli proud of his father. Thank you all for your support.

Mike Houston

Mike Houston, General Manager



BEHIND THE SCENES

It's amazing what we can accomplish together! This has been a very productive year for improving the shopper experience, connecting with owners, making the Co-op a community space, and living up to our mission of being a community resource.

We heard shoppers' suggestions and this year we have improved signage in the store, added kids' shopping carts, offered more than 150 demos and tastings, and have added an express lane at Customer Service when the store is busy. Additionally, we rolled out our participation in the National Cooperative Grocers' (NCG) Co-op Basics program that allows us to offer staples at competitive prices (look for the purple tags!). On the back end, we've streamlined some of the procedures for cashiers in order to ensure a speedier move through the line.

The Co-op is working hard to make meaningful connections with owners. We rolled out a much-needed new website, added a blog, improved our social media presence, and added a Co-op Corner in the store for news and updates. Our tablet at Customer Service allows owners to leave suggestions, place a Buying Club order, sign up for e-receipts, and vote in elections and surveys. Because our owners are so much more than shoppers, during the government shutdown, we offered a line of credit to owners who were furloughed. We also began the tradition of surveying owners to determine which organizations we'll support for the year in our Poker Chip Charities program.

Our exclusive use of the parking lot has allowed the Co-op to do some real community-building. We hosted a vibrant Earth Day Celebration, partnering with more than 30 planet-centered organizations and vendors and bringing together local leaders, musicians, and community members. We also worked with the City to host their Success Fair in May and the Old Takoma Business Association for Art and Wine Hop in April and Trukgarten in June. Our Thursdays @ The Co-op concert series brought hundreds of Takoma folks to the parking lot to enjoy music from more than 30 local musicians, engage with two dozen local non-profits, and support food vendors over the course of 25 weeks (with only 3 rain days!). We've also brought a number of new faces inside the Co-op through our partnership with Kokua Foods, offering two pop-up food distributions to families in the store's basement.

We are so lucky to be able to use our financial resources and buying power to support large- and small-scale community groups and projects. Last year, over \$12,000 was allocated for giving to around 50 different causes. Additionally, through the Poker Chip Charity program, we donated a combined total of \$2,200 to Manna Food Center, Adventist Community Services, Eco City Farms, and the Takoma Park Volunteer Fire Department. Shoppers also dug into their own pockets for an MLK Day round up, raising \$500 for Adventist Community Services. And, we hosted a winter clothes and necessities drive with the Takoma Park People of Color Collaborative. There's no doubt that TPSS Co-op is much more than a grocery store.

In co-operation,

Leandra Nichola

Leandra Nichola, Community Engagement Manager



IN THE COMMUNITY

Outreach Events

- Takoma Foundation's Nuclear-Free Beerfest
- Annual Play Day
- Folk Festival
- Street Festival
- National Night Out
- Earth Day at the Department of Commerce
- Celebrate Takoma
- 4th of July Parade

Co-op Events

- Earth Day
- Thursdays @ The Co-op
- Food for Change Film Screening
- Heirloom Apple Celebration

Partnerships

- City of Takoma Park's Success Fair
- Trukgarten
- Art & Wine Hope
- Kokua Foods
- Neighborhood Sun
- VegWeek
- Alternative Gift Fair

Sponsorships

- Crossroads Community Food Network's annual market
- Historical Takoma's House and Garden Tour
- Healthy School Food Maryland's
- Takoma Park Children's Business Fair
- MoCo Made Food Expo
- NCG's Bill Geisner Fund

NEWS FROM OUR DEPARTMENT MANAGERS

HR

Between ratifying and implementing the union contract, maintaining a full staff, and coordinating the employee survey, the Human Resources Department has been very busy. We have also added a number of all-staff trainings and participated in the Take Your Child to Work Day for the first time. Joining the store-wide effort to reduce waste, we have moved to electronic pay stubs, as well as electronic internal forms.

IT

Eddie Brosnan, joined the team in September as the new IT Manager. The department has worked to get both software and hardware updated, including replacing our server, making a major update to our point of sale system, and moving staff to GSuite. We also added WiFi to the parking lot, making it a place to work while enjoying the picnic tables outside.

FRIDGE

The only shortage in the Refrigerated Department is space. The Department is bursting at the seams with new and exciting drinks, prepared foods, and dairy and dairy alternatives, many of which are local. If you're looking to try something new, head straight for the fridge. This year, the Department also worked to find less expensive offerings that align with Co-op values for staples, like eggs and milk.

BEER & WINE

The Beer and Wine Department has a new manager, Philippe Varlet. The next most exciting accomplishment is the attribute identifiers on price tags in the Department. This makes it easy to spot the organic, biodynamic, sustainable, vegan, Kosher, and local wines. And, the Department has continued to steadily offer weekly beer and wine tastings on Thursday or Friday nights, allowing shoppers to try many of the hundreds of offerings.

PRODUCE

The Produce Department has made significant efforts to reduce the prices of high-quality and sustainably grown produce this year. By changing margins, buying in large quantities, and improving ordering protocols (and reducing losses), the Department has been able to help shoppers save money. Produce also added new offerings, including salad toppers and locally-sourced fruit and vegetable seeds, and made an impressive display of pumpkins outside. Compostable bags became available in the Department rather than conventional plastic and shoppers can always find a stash of reusable bags available for sale.

GROCERY

Grocery—also known as “center store”—is the department that looks most different from last year. The Department added dozens of new products, with a special emphasis on items produced in Montgomery County (look for the MoCo Made signs) and foods from around the world. The Co-op Basics program has highlighted the hundreds of value items offered in the Department.

WELLNESS

In the Wellness Department, CBD continues to grow in popularity and now has its own section. The Department remains committed to offering local and fair trade products, adding a new line of greeting cards, soaps, body butter, and textiles. And, as our long-time Wellness Associates learn even more about health and nutrition, customer service is increasingly attentive and knowledgeable.

FRONT END

The Front End Department has benefited the most from having a full staff. With a few new Shift Coordinators (those friendly faces at Register 1), improved scheduling, staff cross-training, and an express lane at Customer Service for big rushes, the Department is well-equipped to ensure speedy check outs, even on high-volume days. Updates to key cashier procedures, such as returns and the option to decline a receipt, streamlines the work of cashiers and improves the customer experience.

MEMBERSHIP BY THE NUMBERS



\$47,266
MORE

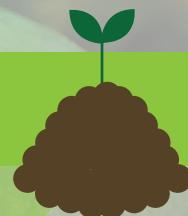
579
NEW



\$1,015,573
IN MEMBER EQUITY

9,574 TPSS CO-OP MEMBERS

GREENING THE STORE



- Diverted **12,000+ lbs** of food waste to be converted into compost
- Diverted **10,000+ lbs** for food to be used by neighbors in need through Community Food Rescue
- Introduced compostable produce and bulk bags
- Introduced e-receipts and asking customers if they need a receipt at each transaction
- Began collecting beer holders for reuse by local breweries
- Reduced the use of paper grocery bags by starting a take one, leave one bag bin
- Started offering our boxes for reuse as moving boxes for shoppers
- Added a toy exchange for kids to bring a toy and take one

SUPPORTING OUR 187 LOCAL VENDORS



15 Hyper-Local Vendors (within 2 miles)

3 Stars Brewing Co.
Artisan Wellness Project
Bee George Honey
Bete Ethiopian Cuisine
ButterKup Flowers
Chris Luckman Art
Denizens Brewing Co.
Everlasting Life

Michelle Bailey
Olive Tree Works
RoMaSteel Soap
Silver Branch Brewing Co.
Soupergirl
Spring Mill Bakery
With Good Intention

172 Local Vendors (within 150 miles)

7 Locks Brewing
8Myles
Acégélia
Antietam Brewery
ANXO Cidery
Archaikos Foods
Asmar's Mediterranean Food
Atlas Brewing
Avenue Gourmet
Baba's Brew
Baguette Republic
Bakefully Yours
Baltimore Baked Goods
Baltimore Beerworks
Bao
Blind Dog Cafe
Blue Mountain Organics
Blue Nile Botanicals
Blue Ridge Bucha
Bold Rock Hard Cider
Boordy Vineyards
Broodjes & Bier
Buncha Bucha
Burley Oak Brewing Co.
Canela Bakery
Capitoline Vermouth
Caprikorn Farms
Ceremony Coffee Roasters
Charm City Meadworks
Cherry Glen
Chesapeake Bay Roasting
Chocotenango
Chouquette
Coastal Sunbelt Produce
Dallas Popcorn
DC Brau
DC Dills
DeHiwi
Demeter's Pantry
Diya Candles
Dodah's Kitchen
Dogfish Head Brewery
Dr. Gordshell's

Dress It Up Dressings
Duclaw Brewing Co.
Easy N Tasty
Eat Pizza
Elder Pine Brewing
Erivan
Ester's Granola
Ever Bar
Evolution Craft Brewing Co.
Fells Point Meats
Feridies
Fight Juice
Fin City Brewing
Finadenne
Firefly Farms
Firehook Bakery
Flying Dog Brewery
Four Seasons Produce
Full Tilt Brewing
Garden Spot Distributors
George's Veggie Garden
Golden Angels Apiary
Greek Table
Guess What's Poppin'?
Gunter's Honey
Gypsy Diva Fresh
Harney and Sons
Harrisburg Dairies
Health Neurotics
Heavy Seas Beer
Heba's Health Foods
Hex Ferments
Honey's Banana Bread
Hummingbird Farms
Hysteria Brewing Co.
Jailbreak Brewing Co.
Jannah by Jay
Jehovah-Jireh Farm
Karlacá Coffee Co.
Key Brewing Co.
Kipps Family Grapes
La Pasta
Lancaster Farm Fresh Coop

Licking Creek Bend Farm
Linganore Winecellars
Liverty Foods
Locust Point Farms
M&M Sea Moss Deluxe
Manor Hill Brewing
Mason Dixon Biscuits
Mastiha
McCutcheon's Farm
Michele's Granola
Mixabar
Mobtown Fermentation
Molly's Bakeovers
Moorenko's Ice Cream
Motisola
Mountain View Farm
Nagadi Coffee
Nana's Cocina
Nature's Caretaker Farm
Nature's Yoke
Neilly's
Nisani Farm
NoBull Burger
North Bay Trading Co.
Ohm Nutritionals
Old Oriole Park Brewery
Old Time Bakery
Oliver Brewing Co.
Olney Winery
Open Heart Tea Co.
Orinoco Coffee and Tea
Oscar Sushi
Owluna
Pale Fire Brewing Co.
Pamper Yourself
Paradise Delights
Parahiita
Peabody Heights Brewery
Philly Soft Pretzel Bakery
Poppy's Salsa
Poppy's Stuffed Bagels
Port City Brewing Co.
Potomac Sprout Co.

Potomac Whole Foods
Public Works Ale House
Rainforest Distribution
RaR Brewing
Raw Bliss
Red Sherman Farm Brewery
Reginald's Homemade, LLC
Revol Snax
Right Proper Brewing
Shenandoah Valley Organics
Shepherd's Health
Shiloh Farms
Skin Can Do
Southern Exposure Seed Exch.
Starr Hill Brewery
Stoney Point Farm
Summer Creek Farm
SunNeen
Sunnyside Gourmet
Susana Gross
Sweet and Natural
Tasty6 Juices
The Akron House Tea Co.
The Brewer's Art
The Common Market
The Vegetable Garden
Trickling Springs Creamery
True Respite Brewing Co.
Truly Life
Tsiona Foods
Tuscarora Organic Growers
Twin Oaks
Two Roosters
Ula Tortilla
Union Craft Brewing
Uptown Bakers
Urban Winery
Veggie Confetti
Virginia Peanuts
Whisked!
Wild Kombucha
Z&Z
Zeke's Coffee