TPSS Co-op

2021 ANNUAL REPORT

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ABOUT TPSS CO-OP

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!

LOCATION & CONTACT

201 Ethan Allen Avenue
Takoma Park, MD 20912
301.891.2667
www.tpss.coop

MANAGEMENT TEAM

General Manager: Mike Houston
Store Manager: Hussein Choteka
Assistant Store Manager: Mherete Belhu
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: Kijakazi (Kay) Rashid
Grocery Manager: Joao Carlos Vieira
Produce Manager: Mauricio Pineda
Refrigeration Manager: Ron Walker
Wellness Manager: Jane Batt

BOARD OF REPRESENTATIVES

Diane Curran
President
Term Expires: 2021
[redacted]
Environmental Lawyer

Bob Gibson
Vice President
Term Expires: 2021
[redacted]
Energy Consultant

Adam Frank
Treasurer
Term Expires: 2023
[redacted]
Immigration Attorney

Elizabeth Teuwen
Treasurer
Term Expires: 2023
[redacted]
Lawyer, Chef, Food Security Outreach Vista

Susan Cho
Term Expires: 2022
[redacted]
Co-Owner of Fulfillery

Esteban de Dobrzynski
Term Expires: 2021
[redacted]
Attorney, Inter-American Development Bank

Fred Feinstein
Term Expires: 2022
[redacted]
Labor Lawyer

Katea Stitt
Term Expires: 2021
[redacted]
Program Director, WPFW

Katherine Tsantiris
Term Expires: 2022
[redacted]
Senior Government Relations Manager, Ocean Conservancy

LETTER FROM THE PRESIDENT

DEAR CO-OP MEMBERS AND FRIENDS,

As I come to the end of my three-year stint as your Board President, I'm reflecting on all that has happened since I started in the fall of 2019. Sad to say that for the past year and a half, the COVID-19 pandemic has dwarfed all other challenges we have faced. Yet, I feel proud and grateful for how well we have faced the challenges of this awful and dauntingly persistent plague! Under the strong and careful leadership of our General Manager (GM) Mike Houston, the Co-op continues to offer a safe place to work and shop for healthy food. We continue to provide key help to community groups fighting food insecurity. And our business remains stable, thanks in part to a second U.S. Paycheck Protection Program loan and the strong support from you and the entire Co-op community.

I also want to take note of some other important Board achievements during my time as Board President, independent of our pandemic response. A highlight — and one of our principal responsibilities — was working with our GM during his first full three years with the Co-op in a supervisory and collaborative role. The Board oversaw Mike's management of the Co-op during some important changes, such as negotiating our first union contract and raising of the minimum Co-op wage to $15/hour before it was legally required. We collaborated on increased Board communications with the members, and special educational events with community partners Small Things Matter and Crossroads Community Food Network. Under the Board's leadership, we also collaborated with Mike on revamping and modernizing our website. Please visit us at tpss.coop! And recently, the Board negotiated a new three-year contract with Mike. We're very pleased with Mike's management of the Co-op and look forward to working with him in coming years.

During my time as Board President, we have also maintained a cooperation agreement with the Neighborhood Development Company (NDC), our landlord on the adjacent City-owned parking lot where we have safely taken our deliveries since 1998, and where many of our customers park. Under the cooperation agreement, which we entered in 2018, we have agreed not to oppose NDC's application to the Montgomery County Planning Board for development of the lot, in exchange for specific reasonable accommodations to our deliveries. It is reasonable to expect that the Planning Board's review process will be completed during the next year.

In a separate matter, this past spring we filed a lawsuit in the Montgomery County Circuit Court to prevent NDC from evicting us from the parking lot. Thanks to the Court's ruling in our favor, our legal right to use the parking lot for our deliveries is now clearly established. As before, we will continue to use the parking lot safely, and in compliance with our parking lot lease and our cooperation agreement.

Serving as Board President has been challenging, educational, and fun! Now I am ready to hand over the reins to another Board member, with tremendous confidence in this talented and dedicated group. To anyone interested in serving on the Co-op Board, I urge you to get in touch with us to learn more about this great experience.

With best wishes and thanks for your support,

Diane
Diane Curran

2021 FINANCIAL REPORT

TREASURER'S REPORT

ADAM FRANK, TREASURER

As you all know, the COVID pandemic has greatly affected many businesses, including ours. While some businesses were affected more than others, those that took precautions to protect shoppers and employees were hit the hardest because of their concern. Takoma Park Co-op was one of those stores. Luckily we are recovering from the worst of the effects. Our sales are steadily increasing, our bottom line is looking better, and most importantly, we were able to see out the pandemic, so far, without having to have any layoffs (thank you Paycheck Protection Program loans). Overall, it was a tough year, but a hopeful year as well. Our gross sales for this year (starting July 1, 2020 and ending on June 30, 2021) were down from last year (July 1, 2019 through June 30, 2020) by about $1.2 million. Despite this, our net sales (gross sales less cost of goods and adding in other income) were only down about $60,000 year over year, and our net income (net sales minus expenses) increased over $200,000, from ($148,143) to $72,602. In addition, our total assets also increased about $200,000.

Despite the overall lower sales, the Co-op remains in a very good financial position. We still have ample reserves in the bank to help see us through whatever else the pandemic throws at us. Our sales are looking better and have been steadily increasing, especially since the new fiscal year began on July 1, 2021. Thanks to our General Manager and all the staff of TPSS, we are in a good position to increase our sales again this year, hopefully getting back to pre-pandemic levels. Thank you all for your patronage.

OWNERS BY THE NUMBERS

241 = + $24,231
NEW OWNERS

10,220
OWNERS

$1,077,084
OWNER EQUITY

2021 FINANCIAL REPORT

YEAR END FINANCIAL STATEMENTS

YEAR END: JUNE 30, 2021

Income Statement

	FY 2020-2021 7/1/2020-6/30/2021	FY 2019-2020 7/1/2019-6/30/2020	Change
Sales	$ 7,764,277	$ 8,945,156	$ (1,180,879)
Other Income	406,678	24,736	381,942
Less: Cost of Goods Sold	(5,453,106)	(6,244,317)	791,211
Gross Income	2,717,849	2,725,575	(7,726)
Interest income	4,847	58,248	(53,401)
Total Net Revenues	2,722,696	2,783,823	(61,127)
Expenses			
Personnel Costs	1,963,101	2,135,767	(172,666)
Occupancy	270,175	272,093	(1,918)
Operating Costs	260,949	330,574	(69,625)
Administration / Other	154,147	114,224	39,923
Marketing & Outreach	12,567	28,646	(16,079)
Governance	110,587	84,781	25,806
Total Expenses	2,771,526	2,966,085	(194,559)
Loss before Interest, Taxes, Depreciation & Amortization (EBITDA)	(48,830)	(182,262)	133,432
Less: Depreciation	1,168	4,281	(3,113)
Loss before Interest & Taxes (EBIT)	(49,998)	(186,543)	136,545
Benefit from Income Taxes	(122,600)	(38,400)	(84,200)
Net Income (loss)	$ 72,602	$ (148,143)	220,745

Balance Sheet

Assets	**30 June 2021**	**30 June 2020**	**Change**
Current Assets			
Cash	$ 3,227,447	$ 1,200,815	$ 2,026,632
Certificates of Deposit	250,060	1,759,853	(1,509,793)
Inventory	334,867	359,107	(24,240)
Other Current Assets	116,757	173,786	(57,029)
Total Current Assets	3,929,131	3,493,561	435,570
Net Fixed Assets	4,393	5,561	(1,168)
Certificate of Deposit	-	250,107	(250,107)
Other Assets	270,845	276,705	(5,860)
Total Assets	$ 4,204,369	$ 4,025,934	178,435
Liabilities & Equity			
Liabilities			
Current Liabilities			
Trade Debt	168,910	96,055	72,855
Other Current Liabilities	154,314	144,782	9,532
Short Term Debt-PPP	363,287	149,594	213,693
Total Current Liabilities	686,511	390,431	296,080
Long-term Liabilities	33,118	247,596	(214,478)
Total Liabilities	719,629	638,027	81,602
Equity			
Member Paid-in Capital	1,077,084	1,052,853	24,231
Donated Capital	324,800	324,800	-
Retained Earnings	2,082,856	2,010,254	72,602
Total Equity	3,484,740	3,387,907	96,833
Total Liabilities & Equity	$ 4,204,369	$ 4,025,934	178,435

LETTER FROM THE GENERAL MANAGER

When it's raining where I am it's hard for me to imagine that anywhere is dry. I picture the whole country, the whole world feeling the same rain drops I am, scurrying for an umbrella or an overhang. When I feel good it's hard to remember others around me are in pain. We're small myopic people and keeping a larger context in our head is impossible minute by minute. It's why we all value space, perspective, step backs, opportunities to refocus and regain the big picture mindset. To live outside ourselves.

Everyone's experience over the 12 months covered by this annual report has been different, maybe even within the same household. We've experienced varying degrees of loss and loneliness, but also hope and resilience. The TPSS community was shocked and saddened by the sudden loss of longtime employee Michele Byrd, and we came together to celebrate her life. We've also welcomed newborns to the Co-op family and cherished the small acts of kindness that pandemic-perspective now allows us to appreciate more fully.

In July 2020 the store had just reopened to the public for the first time after being online-only for sales for 80 days. We reopened with limited shopping hours to allow for extra cleaning, as well as time to shop for online orders. We slowly expanded hours as more people felt comfortable shopping in person and staff was able to complete online orders more efficiently. The year was marked by supply chain disruptions and businesses of all types pivoting to deal with the effects of the pandemic. TPSS managed to grow sales month over month for most of the year despite starting from a much lower sales volume than normal.

As we moved through the holidays and winter cases of coronavirus began to rise both locally and nationally. We double masked, we sanitized our hands what felt like constantly, and we waited for the vaccines. In February 2021 the first TPSS staff members were able to receive vaccines. I remember this period of time in particular for so many people and groups from our community reaching out with help getting our staff appointments. Our HR Manager Irene Cox was also dogged and tireless, helping to sign staff up the second appointments became available.

The Co-op's response to the pandemic throughout has been to prioritize our people over our profits. To eschew chasing sales and focus on safety protocols like limited entry and extra distancing space throughout the store. With an airborne disease, a community rises or falls as one. Nothing has been easy about running a grocery store since early March of 2020, but I'm so proud of the staff of this store and the community that surrounds it. The care, patience, and grace we've all given each other throughout this time have helped us avoid what could have been so much worse, as we've seen other places in our country.

I ended last year's annual report by saying in part "I write this update looking back on our unusual year while still very much in the midst of the COVID-19 pandemic." Unfortunately, that sentence is applicable again, but there are exciting things in store for our Co-op nevertheless. We have staff who have stepped into new leadership roles around the store helping to improve our operations every day. We will continue to celebrate the Co-op's 40th anniversary over the next year and hope to engage all our members in that endeavor. Our Co-op continues to be an active participant in policy advocacy and regional partnerships to help strengthen our local food system.

We have faced a difficult year as a collective and we will meet tomorrow's challenges together. If it's dry where you are, remember those around you for whom it's still raining.

Mike
Mike Houston

NEWS FROM OUR DEPARTMENT MANAGERS

HR What a year it was for us between keeping up with the forever changing COVID-19 related laws and guidelines on top of working so hard to get our staff vaccinated. Thank goodness we had some help to make this possible. In the mist of the craziness of COVID, we were able to pick up two Employee Assistance Programs. These programs will benefit our staff greatly while dealing with the hardship COVID has caused.

IT It has been a crazy and dynamic year with the pandemic and the IT Department has really stepped up to the plate to accommodate. We set up a register outside to do curbside service (rain or shine), upgraded our website from the one we built in four days to one that is much more sustainable in the long term, created a VPN so that staff can safely work from home, and more. Whatever the situation has called for, we've provided the tools to make it happen!

FRIDGE Our refrigerated department has continued to work with dozens of local companies to sell ready-to-eat meals, dairy, meat, and alternative products. We've worked closely with our vendors through the difficulties of the supply chain and products being unavailable at various times. We're excited for the future and to continue to stock new and interesting products, many made right here in our area!

BEER & WINE Earlier this year, local breweries had to work around a can shortage, which resulted in many more offerings in the 16oz size. Breweries have come and gone, but several new local breweries are now represented on our shelves. Our wine selection has changed a bit due to tariffs and shipping issues, while remaining very diverse both in terms of prices and types of wine. Looking for a special bottle? Make sure to have a look at our impressive "connoisseur's corner." Our new steward, Charlotte, will be happy to help you navigate through our selections.

NEWS FROM OUR DEPARTMENT MANAGERS

PRODUCE

During the pandemic we had to carry a lot of prepackaged produce items for our online orders. As things began to stabilize, we got rid of most prepackaged items to reduce plastic and unnecessary waste andto guarantee only the freshest produce. We continue our commitment to support local and small farmers from the well-known to the not so known farmers.

GROCERY

As sales have continued to increase in the grocery department over the past year, we have brought in many new and popular products. Among them are Frozen Goodpops, a hit with the kids, and Mom's Munchies cookies are popular with Gluten-Free fans. On the plant milk shelf, we have added 3 new oat milk companies: Rise, Dream Oat Beverage, and Pacific Oat. We also added new flavors of Michelle's Granola: Lemon Pistachio and Almond Butter. We look forward to bringing you many more new and delicious foods in the coming year, based on what we discover at this week's Natural Products Expo in Philadelphia!

WELLNESS

The wellness department has been gradually perking back up over the past year, with a great demand for sleep formulas, herbal immune support, and smoothie protein powders. We have a new display of local vendors at Register 2. New plastic-free packaging has arrived in personal care. Our newest staff members, Buyer Angela and Sales Associate Shay, have been sharing their knowledge and cooperative spirit with the Community.

FRONT END

The front of store team has seen big changes in the past year. Since the Coop gradually re-opened, we have seen many old friends return. We have also met many new customers who have discovered the Coop for the first time. Whether you are an old friend or a new one, whether you live down the street or come from far away, we look forward to seeing you soon!

PARTNERING WITH 209 LOCAL VENDORS IN 2021

19 HYPER LOCAL VENDORS

WITHIN 2 MILES

3 Stars Brewing Company
Aku Wellness Tea
ANXO Cidery
Artisan Wellness Project
Astro Lab Brewing
Bete Ethiopian Cuisine
Cheryl's Kitchen
Civiltea
Denizens Brewing Company
Everlasting Life
Health Neurotics
IOKTS Productions
Olive Tree
Purple Mountain Organics
RoMaSteel Soap
Silver Branch Brewing Company
Soupergirl
Spring Mill Bakery
With Good Intention

190 LOCAL VENDORS

WITHIN 150 MILES

67 Naturals
7 Locks Brewing
8 Myles
Aellen Brothers Farm Brewery
Albert's Organics
Amello's Family Bakery
Arcadia Publishing
Archaikos Foods
Argentine Chef
Asmar's Mediterranean
Atlas Brewing
Aufschnitt Meats
Avenue Gourmet
Baguette Republic
Bakefully Yours
Baltimore Baked Goods
Baltimore Beer Works
Bao
Believe N Bread
Better Wine Company
Beyond Body Butter
Black-Eyed Susan Spice Company
Blind Dog Cafe
Blue Mountain Organics
Blue Nile Botanicals
Blue Ridge Bucha
Bold Rock
Boordy Vineyards
Brawling Bear Brewing
Broodjes & Bier
Brookeville Brewing
Buncha Bucha
Canela Bakery
Capitol Cider House
Capitoline Vermouth
Ceremony Coffee
Charm City Meadworks
Checkerspot Brewing
Chesapeake Bay Roasting Company
Chocotenango
Chouquette
Chris Luckman Art
Cinnamon Tree Organics
Clipper City Brewing Company
Coastal Sunbelt Produce
Crooked Crab Brewing Company
Cured & Crisp
Dallas Popcorn
Danisas Fresh Flowers
DC Brau
District Cider Company
Diya Candles
Dodah's Kitchen
Dogfish Head Brewery
Dr. Gordshell's
Dress It Up Dressings
Duclaw Brewing Company
Eat Pizza
EatSmart
Elder Pine Brewing
Ester's Granola
Ever Bar
Evolution Craft Brewing Company
Farafina Beverage
Farmer Focus
Fells Point Meats
Feridies
Firehook Bakery
Flying Dog Brewery
Freya's Blossom
Full Tilt Brewing
Go Nanas
Golden Angels Apiary
Greek Table
Green Acres
Guess What's Poppin'?
Gunter's Honey
Harmony Creek Farm
Harrisburg Dairies
Heavy Seas Beer
Heba's Health Foods
Hex Ferments
Honest Tea
Honey's Banana Bread
Hummingbird Farms
Hysteria Brewing Company
Ive City SmokedHouse
IZAR's Natural Products
Jada Body Butter
Jailbreak Brewing Company
Jannah By Jay
Jehovah-Jireh Farm
Josi Severson Home Fashion
Kalu's Seasoning Blends & Catering
Key Brewing
Kija Textiles
Kipps Family Grapes
La Pasta
Lancaster Farm Fresh Coop
Licking Creek Bend Farm
Linganore Winecellars
Livity Foods
Locust Point Farms
Lucinda's
M & M Sea Moss Deluxe
MaKa
Makiko Masks
Manor Hill Brewing
Maryland Honey Company
Mason Dixon Biscuits
Mastiha
McCutcheon's Farm
Michele's Granola
Michelle Bailey Cups & Shirts
Michelle Wilson
Mike Tabor
Mobtown Fermentation
Moorenko's Ice Cream
Motisola
Mount Royal Soaps and Candles
Nagadi Coffee
Nana's Cocina
Nature's Yoke
New Day Farms
Nisani Farm
NoBull Burger
North Bay Trading Company
Ohm Nutritionals
Old Ox Brewery
Old Time Bakery
Oliver Brewing Company
Olney Winery
Orinoco Coffee and Tea
Oscar Sushi
Outer Aisle
Owluma
Palden Imports
Para Hita
Paradise Delites
Peabody Heights Brewery
Poppy's Salsa
Port City Brewing Company
Potomac Sprout Company
Potomac Whole Foods
Rainforest Distribution
RaR Brewing
Red Bandana Bakery
Revol Snax
Safta's
Shepherd's Health
Shiloh Farms
Simply Sausage
Skin Can Do
Smoketown Brewing Station
South Mountain Creamery
Southern Exposure Seed Exchange
Sticky Fingers
Stoney Point Farm Market
Stumptown Coffee Roasters
Summer Creek Farm
SunNeen
Sweet and Natural
Tall Tales Brewing Co
Tasty6 Juices
Ten Eyck Brewing
The Akron House Tea Company
The Common Market
The Honest Stand
Thibaut-Janisson Winery
Troegs
True Respite Brewing Company
Tsiona Foods
Tuscarora Organic Growers
Twin Oaks Community Foods
Two Roosters
Ula Tortilla
Union Craft Brewing
Union Kitchen
Up In Arms Deodorant
Uptown Bakers
Urban Winery
Vanish Farmwoods Brewery
Veggie Confetti
Washington Homeopathics
Whisked!
Wild Kombucha
Your Way Foods
Z&Z
Zeke's Coffee
Zion Roar

SHOP IN-STORE 8AM - 10PM

SHOP ONLINE TPSS.COOP/SHOP **PICK UP 9AM - 7PM**

COMMUNITY | NOURISHMENT | JUSTICE

1981 40 YEARS 2021

Takoma Park Silver Spring Co-op