2022 ANNUAL REPORT

TPSS Co-op

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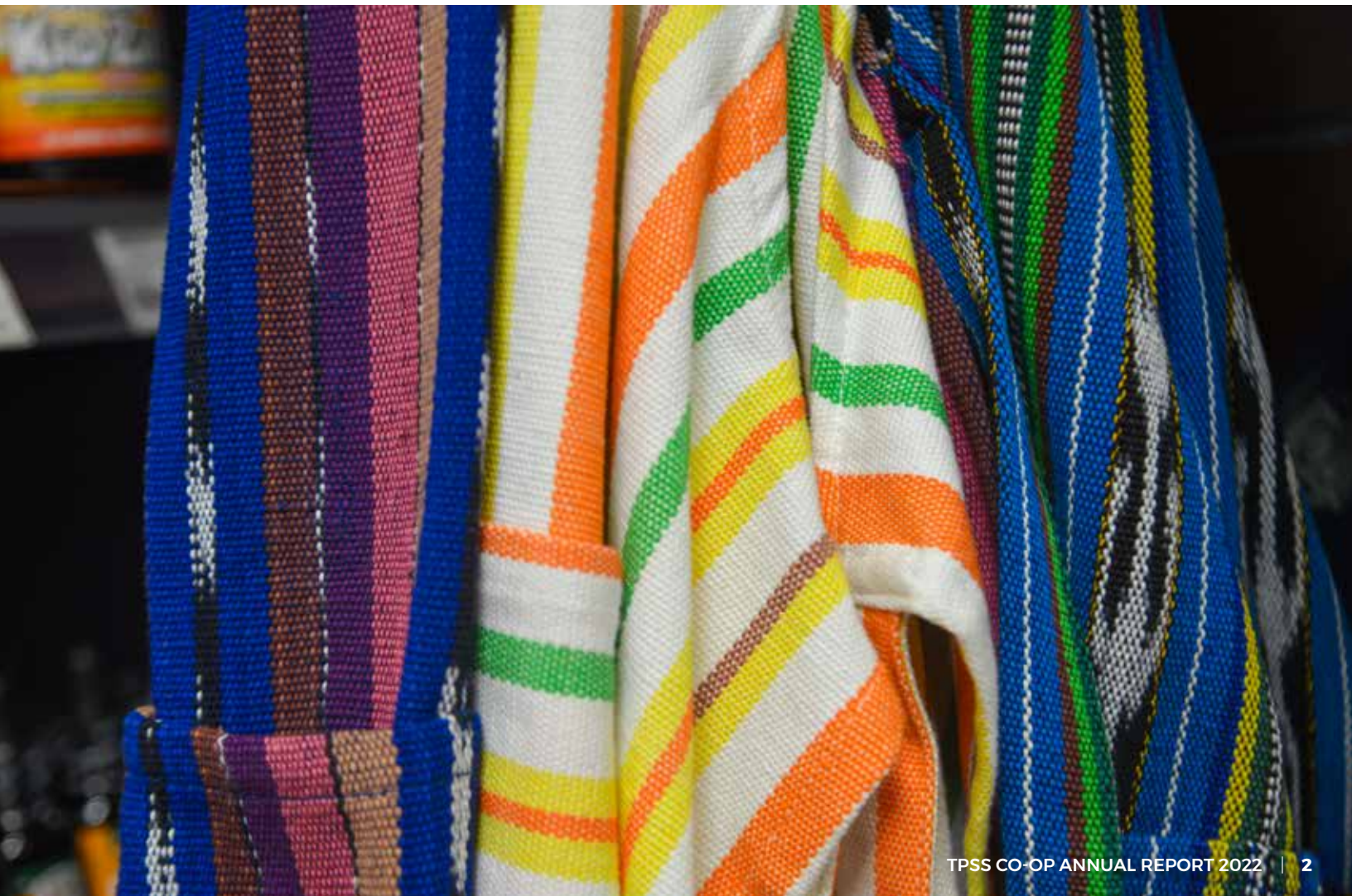

ABOUT TPSS CO-OP

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: Chloe Thompson
Finance Manager: Yodit Gebremeskel
Human Resources Manager: Irene Cox
Information Technology Manager: Eddie Brosnan
Beer & Wine Manager: Philippe Varlet
Front End Manager: Kija Rashid
Grocery Manager: Joao Carlos Vieira
Produce Manager: Mauricio Pineda
Refrigeration Manager: Edwin Zarate
Wellness Manager: Jane Batt

BOARD OF REPRESENTATIVES

Contact your Board of Representatives at board@tpss.coop

President
Bob Gibson
Term: 2024
[redacted]
Consultant

Vice President
Diane Curran
Term: 2023
[redacted]
Lawyer

Treasurer
Adam Frank
Term: 2023
[redacted]
Immigration Attorney

Secretary
Elizabeth Teuwen
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: 2024
[redacted]
Attorney, Inter-American Development Bank

Fred Feinstein
Term Expires: 2022
[redacted]
Labor Lawyer

Katea Stitt
Term Expires: 2024
[redacted]
Program Director, WPFW

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

LETTER FROM THE PRESIDENT OF THE BOARD

DEAR CO-OP MEMBERS AND FRIENDS,

When I became the TPSS Board President last December, the Co-op was facing challenges. Like almost every other retail business, we had absorbed a significant loss of business as a result of the pandemic. The practices and procedures required to protect human health inconvenienced shoppers but placed a much heavier burden on our employees. All the while, along with the rest of the Takoma Park community, we were waiting to see how county and state planning and regulatory bodies would rule on the development application for the lot adjoining our store.

In spite of these uncertain times, we have quite a lot to celebrate over the past year. Here are a few of the highlights:

- As we enter the last quarter of 2022 the Co-op is closing in on a return to the record sales numbers we were experiencing right before the pandemic hit. Our recovery can be credited to the leadership of our general manager Mike Houston, including obtaining significant federal Covid support grants; the dedication of our employees; and the loyal support of members and shoppers.
- In April we reached an amicable agreement on a new three-year contract with the Union representing our hourly employees. Our contract includes a starting salary of $16.53, along with full medical benefits.
- Thanks in part to our competitive wages and benefits, our staff turnover rate of 11% was below the national average for food co-ops and far below the typical retail grocery store in our region.

- In April we saw the return of an Earth Day celebration hosted by TPSS on the parking lot and in May we enjoyed our first in-person Membership Meeting in two and one-half years (at the fire station).
- The Co-op continued to offer recipients of Supplemental Nutrition Assistance Program (SNAP) benefits the ability to double the value of their fresh produce purchases. We teamed up with Crossroads to apply to the U.S. Department of Agriculture for a grant to continue the program during the coming years. This SNAP “Double-Up” program helps lower-income shoppers stretch the value of their dollars spent. The benefit is significant for the more than 22% of Co-op shoppers who live in households earning less than $50,000 a year.

Finally, I want to call particular attention to a new Board initiative undertaken in 2022: a several-week program of Diversity, Equity and Inclusion training. Our nine-person Board joined 13 members of the TPSS management team in examining how centuries of racism and prejudice have led to damaging inequalities in the U.S. and around the world. We undertook this study in hopes that it would deepen our sensitivities to realities that exist close to home. What can we do differently to create a more just and fair society? How might we conduct our business in ways that serve the lofty aspirations contained in our Co-op mission and Ends statements? We will use what we have learned as we go about the business of governing the Co-op and we hope to continue this important work in the future.

One of the unexpected benefits, from the Board's perspective, was the occasion to spend time with employees (if only virtually). We were impressed with how much the staff enjoy their jobs and value their interactions with member-owners and shoppers. They see the Co-op as a special place – and that is an invigorating reminder to the Board of why our work matters.

As we look forward to the coming year, I am proud that the Co-op will continue to serve as a strong anchor business and employer in the heart of the Takoma Park community. We are happy to be able to offer free parking and space for events on the city-owned lot (which we sublease from the Neighborhood Development Company). We are also happy to see that the lot is full almost every day with shoppers who come not just to the Co-op but to the other existing and new businesses in the Junction.

We will also be looking at opportunities for growth and expansion. As we explore our options, we hope our member-owners will join us in the process. Please watch our newsletter for more information in the coming months.

Finally, a big thank you for your continued patronage and support of the Co-op!

All the best,

Bob

Bob Gibson
Board President

2022 FINANCIAL REPORT

TREASURER'S REPORT

ADAM FRANK, TREASURER

The ongoing effects of the Covid pandemic are still with us today. However the Co-op has recovered from the worst of the effects and is returning to its pre-pandemic levels, albeit slowly. This is due to two significant factors. First, the General Manager and Staff have all worked extremely hard to ensure that the store is successful. Second, Government relief programs and associated tax benefits have greatly helped us cover any gaps in our income versus pre-pandemic levels.

Our gross sales for this year (starting July 1, 2021 and ending on June 30, 2022) were up from last year (July 1, 2020 through June 30, 2021) by about $1.5 million. In addition, our net sales (gross sales less cost of goods and adding in other income) was up by over $1 million year over year, and our net income (net sales minus expenses) increased by almost $700,000. While the increased sales is great to see, the large increases in net sales and net income are very much due to the Government relief programs and tax benefits.

The Co-op also 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 as well as for any reinvesting in our store and improving the space to help our shoppers as well as our bottom line. Our sales are looking better and have been steadily increasing. 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 fully to pre-pandemic levels. Thank you all for your patronage.

2022 FINANCIAL REPORT

YEAR END FINANCIAL STATEMENTS

YEAR END: JUNE 30, 2022

Income Statement

	FY 2021-2022 7/1/2021-6/30/2022	**FY 2020-2021** 7/1/2020-6/30/2021	**Change**
Sales	$ 9,260,096	$ 7,764,277	$ 1,495,819
Other Income	1,105,772	406,678	699,094
Less: Cost of Goods Sold	(6,468,225)	(5,453,106)	(1,015,119)
Gross Income	3,897,643	2,717,849	1,179,794
Interest income	707	4,847	(4,140)
Total Net Revenues	3,898,350	2,722,696	1,175,654
Expenses			
Personnel Costs	2,070,807	1,963,101	107,706
Occupancy	326,163	270,175	55,988
Operating Costs	323,178	260,949	62,229
Administration / Other	145,660	154,147	(8,487)
Marketing & Outreach	43,865	12,567	31,298
Governance	134,553	110,587	23,966
Total Expenses	3,044,226	2,771,526	272,700
Loss before Interest, Taxes, Depreciation & Amortization (EBITDA)	854,124	(48,830)	902,954
Less: Depreciation	1,535	1,168	367
Loss before Interest & Taxes (EBIT)	852,589	(49,998)	902,587
Benefit from Income Taxes	103,700	(122,600)	226,300
Net Income (loss)	$748,889	$ 72,602	676,287

Balance Sheet

Assets	**30 June 2022**	**30 June 2021**	**Change**
Current Assets			
Cash	$ 1,819,951	$ 3,227,447	$ (1,407,496)
Certificates of Deposit	742,513	250,060	492,453
Inventory	335,064	334,867	197
Other Current Assets	752,216	116,757	635,459
Total Current Assets	3,649,744	3,929,131	(279,387)
Net Fixed Assets	12,007	4,393	7,614
Certificate of Deposit	744,715	-	744,715
Other Assets	270,619	270,845	(226)
Total Assets	$ 4,677,085	$ 4,204,369	472,716
Liabilities & Equity			
Liabilities			
Current Liabilities			
Trade Debt	211,030	168,910	42,120
Other Current Liabilities	155,783	154,314	1,469
Short Term Debt-PPP	-	363,287	(363,287)
Total Current Liabilities	366,813	686,511	(319,698)
Long-term Liabilities	44,558	33,118	11,440
Total Liabilities	411,371	719,629	(308,258)
Equity			
Member Paid-in Capital	1,109,169	1,077,084	32,085
Donated Capital	324,800	324,800	-
Retained Earnings	2,831,745	2,082,856	748,889
Total Equity	4,265,714	3,484,740	780,974
Total Liabilities & Equity	$4,677,085	$ 4,204,369	472,716

LETTER FROM THE GENERAL MANAGER

My wife and I were blessed this June to welcome our second child, a baby girl named Tessa. Our first child was turning 3 that same month. With a newborn in the house again, the muscle memory all comes flooding back. The needs of a baby are so incredibly different from what you become accustomed to with a toddler. Overnight wakeups, diaper changes, nap schedules, fussiness, rocking, soothing and a lack of ability to communicate with words all mark the first few months. Meanwhile a toddler is focused on play, socialization, artwork and breaking everything in the house they can get their hands on.

Businesses have lifecycles that they all go through just like people. New businesses experience dramatic growth and change, while mature businesses focus on steady growth and keeping up with new market forces. How you operate a store with high sales and staff continuity differs dramatically from building a new store. Our Co-op celebrated its 40th anniversary last year, a monumental achievement. Every one of those years took hard work and dedication from staff, member-owners, vendors and so many more that make our store what it is.

Covid has provided a significant disruption to both individual families like mine, and to our Co-op as a business over the last two and a half years. I'm thankful that the foundation of our cooperative is strong enough to withstand new shopping patterns, supply chain disruptions and any manner of unexpected challenges. As we learn to live with a pandemic transitioning to endemic, we are ready once again to look to the next life stage of TPSS.

We have exciting reinvestment coming for our aging store. We'll be looking to replace and modernize equipment to provide a better sales experience and more environmental efficiency. We also announced this year that we're beginning to look at the possibility of expansion for our Co-op. It's an exciting opportunity to think about the next 40 years of TPSS and envision a future with even more cooperative owned and operated grocery stores in our region. TPSS is committed to helping boost the cooperative economy and lending support and knowledge to other cooperators.

We will always keep our commitment to community, to the standards of products we sell and to the staff that keeps our store going. I was thrilled to help TPSS sign a new 3-year contract with our unionized workforce and

provide for raises and bonuses based on years of service. We deepened our commitment to local vendors, but also to products that carry Organic, Fair Trade, B Corp and other important certifications. This spring saw the return of in-person events such as Earth Day where we welcomed our wider community and celebrated every day progress.

Every kid is different. Some sleep well, others keep you up all night. Some need constant attention, others you forget are in the same room with you. All Co-ops are unique as well and have different needs depending on their unique circumstances. Our Co-op has accomplished incredible things in the last 40 years and served tens of thousands of customers. The future of TPSS is coming into focus and I'm excited to think about bringing the impact of this store and this community to even more people. Thank you all for the role you each play in helping our Co-op moving forward.

Mike

Mike Houston
General Manager

NEWS FROM OUR DEPARTMENT MANAGERS

HR We are seeing light at the end of the tunnel with Covid this year! We are shifting our focus back to all of the fun we were able to implement prior to Covid era, including staff training. So excited to be bringing this back to our staff, while keeping them safe and masked up!

WELLNESS Wellness Department has been welcoming more Local Business like Push Services and 67 Naturals. We now carry Shafa Herbal Blends and Lemuria Moringa Soaps. Muldoon Hemp and Sunny C's make CBD gummies and tinctures. The Wellness Department also offers Global Fair Trade products such as lavender sachets from Haiti, dresses from Tanzania, and Pashmina Shawls from Nepal. We continue to add non-plastic packaging with Attitude Deodorant from Canada and Up in Arms Deodorant from Baltimore.

PRODUCE The produce department continues thriving and recovering from the pandemic. We continue to fulfill our missions of offering the best organic and local produce to our customers.

BEER & WINE We are happy to welcome Leo, our new associate, as a member of the Beer & Wine Department staff.

GROCERY In the Grocery Department this year, Field Day products have been selling very well. They are all organic, and reasonably priced. Overall, sales are increasing!

IT IT worked to upgrade equipment around the store and keep our online shopping experience running smoothly.

FRONT END Our cashiers are happy with more normalcy in the store, and it's exciting to have more customers shopping in-person. A great year for the front end!

FRIDGE The Refrigerated Department is pleased with the increases in sales, especially with specialty beverages and vegan treats.

YEAR AT A GLANCE

SNAP Supplemental Nutrition Assistance Program

The Co-op contributed $61,786 to our Double Up program which doubled fresh fruit and vegetable spending for customers paying with SNAP

Partnering with Small Things Matter to feed folks in Takoma Park

The return of Earth Day

Time for change - inspiring positive change in the community and our world

Keeping staff and shoppers safe

Sponsoring the Crossroads Farmer's Market

CO-OP OWNERSHIP

353
NEW OWNERS

10,573
OWNERS

$32,085
NEW OWNER EQUITY

$1,109,169
TOTAL OWNER EQUITY

PARTNERING WITH 203 LOCAL VENDORS IN 2022

17 HYPER LOCAL VENDORS

WITHIN 2 MILES

3 Stars Brewing Company
Aku Wellness Tea
ANXO Cidery
Artisan Wellness Project
Astro Lab Brewing
Bete Ethiopian Cuisine
David's Natural Market
Demeter's Pantry
Denizens Brewing Company
Everlasting Life
Health Neurotics
Olive Tree
P.U.S.H
Purple Mountain Organics
Silver Branch Brewing Company
Soupergirl
The Vegetable Garden

186 LOCAL VENDORS

WITHIN 150 MILES

67 Naturals
7 Locks Brewing
8 Myles
Aellen Brothers Farm Brewery
Albert's Organics
Arcadia Publishing
Asmar's Mediterranean
Atlas Brew Works
Aufschnitt Meats
Baguette Republic
Bakefully Yours
Baltimore Baked Goods
Baltimore Beer Works
Believe N Bread
Bete Ethiopian Cuisine & Cafe
Beyond Body Butter
Blind Dog Cafe
Blue Mountain Organics
Blue Nile Botanicals
Blue Ridge Bucha
Blueberry Bill Farms
Body Butters by Jada
Bold Rock
Boordy Vineyards
Broodjes & Bier
Brookeville Brewing
Canela Bakery
Capital Baking Company
Capitol Cider House
Capitoline Vermouth
Ceremony Coffee
Charm City Meadworks
Checkerspot Brewing
Chesapeake Bay Roasting Company
Chouquette
Chocotenango
Chris Luckman Art
Cinnamon Tree Organics
City-State Brewing
Coastal Sunbelt Produce
Compass Coffee
Crooked Crab Brewing Company
Cured & Crisp
Dallas Popcorn
Danisas Fresh Flowers
Dutch Touch
DC Brau
DC Vegan Catering
Demeter's Pantry
Denizens Brewing Co.
Dodah's Kitchen
Dogfish Head Brewery
Duclaw Brewing Company
Eat Pizza
Elder Pine Brewing
Ever Bar
Evolution Craft Brewing Company
Everlasting
Farmer Focus
Fells Point Meats
Feridies
Firehook Bakery
Flying Dog Brewery
Full Tilt Brewing
George's Vegetable Garden
Golden Angels Apiary
Golden Barrel
Goldilocks Goodies
Grandma G's
Greek Table
Green Acres
Green Meadows
Greenjar Smoothies
Gunter's Honey
Harmony Creek Farm
Harrisburg Dairies
Heavy Seas Beer
Heba's Health Foods
Hex Ferments
Honest Tea
Hummingbird Farms
Hysteria Brewing Company
Ivy City SmokedHouse
IZAR's Natural Products
Jailbreak Brewing Company
Jannah By Jay
Jar Goods
Jehovah-Jireh Farm
Josi Severson Home Fashion
Joyhound Beer Company
Key Brewing
Kija Textiles
Kirchenberg Farm
La Pasta
Lancaster Farm Fresh Coop
Licking Creek Bend Farm
Linganore Winecellars
Living MaKa
Livity Foods
Locust Point Farms
M & M Sea Moss Deluxe
Mad Magic Kombucha
MaKa
Manor Hill Brewing
Maryland Honey Company
Mason Dixon Biscuits
Mastiha
McCutcheon's Farm
MeatCrafters
Michele's Granola
Michelle Bailey
Michelle Wilson
Mike Tabor
Mobtown Fermentation
Montgomery County Food Council
Moorenko's Ice Cream
Mrs. Kaufmann's Coffee Cakes
Nagadi Coffee
Nana's Cocina
Nature's Kitchen
Nature's Yoke
Nepenthe Brewing Company
Nisani Farm
NoBull Burger
North Bay Trading Company
Ohm Nutritionals
Old Ox Brewery
Old Time Bakery
Oliver Brewing Company
Olney Winery
Oscar Sushi
Outer Aisle
Palden Imports
Para Hita
Peabody Heights Brewery
Port City Brewing Company
Potomac Sprout Company
Potomac Whole Foods
Prescription Chicken
Rainforest Distribution
RaR Brewing
Raw Bliss
Roseda Farm
Rosendorff's Bakery
Safta's
Shepherd's Health
Shiloh Farms
Sho Nuf Turkey Farm
Simply Sausage
Skin Can Do
Smoketown Brewing Station
South Mountain Creamery
Southern Exposure Seed Exchange
Sticky Fingers
Stoney Point Farm Market
Streets Market
Summer Creek Farm
Sunbelt Natural Foods
SunNeen
Sweetkiwi
Sweet and Natural
Tall Tales Brewing Co
Tasty6 Juices
The Common Market
The Winery At Olney
Thibaut-Janisson Winery
Troegs
True Pop
True Respite Brewing Company
Tsiona Foods
Tuscarora Organic Growers
Ula Tortilla
Union Craft Brewing
Union Kitchen
Up In Arms Deodorant
Uptown Bakers
Urban Winery
Vanish Farmwoods Brewery
Veggie Confetti
Vegheaven
Washington Homeopathics
Whisked!
Wild Kombucha
Your Way Foods
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