TPSS CO-OP

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

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
[redacted]
Occupation: Attorney
Term Ends: November 2019

Vice President
Robert Anderson
[redacted]
Occupation: Educator and Psychologist (retired)
Term Ends: November 2018

Treasurer
Adam Frank
[redacted]
Occupation: Immigration Attorney
Term Ends: November 2020

Secretary
Julia Eddy
[redacted]
Occupation: IT Manager, Business Developer
Term Ends: November 2018

Fred Feinstein
[redacted]
Occupation: Labor Lawyer
Term Ends: November 2019

Susan Cho
[redacted]
Occupation: Co-Manager, Maitri House
Term Ends: November 2019

Diane Curran
[redacted]
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
[redacted]
Occupation: Shamanic Practitioner
Term Ends: November 2018

Letter from the President of the Board

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.

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)
Expenses			
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	(57,016)
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)
Net Income	$333,054	$375,930	(42,876)

Balance Sheets

Assets	**30 June 2018**	**30 June 2017**	**Change**
Current Assets			
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
Net Fixed Assets	24,083	28,233	(4,150)
Certificate of Deposit	250,000	-	
Other Assets	259,064	176,162	82,902
Total Assets	$3,856,133	$3,423,450	432,683
Liabilities & Equity			
Liabilities			
Current Liabilities			
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)
Total Liabilities	439,080	385,833	53,247
Equity			
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
Total Equity	3,417,053	3,037,617	379,436
Total Liabilities & Equity	$3,856,133	$3,423,450	432,683

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.

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 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.

PRODUCE

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 keepings 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

$46,382 MORE

UP FROM 2017

591 NEW

$968,307

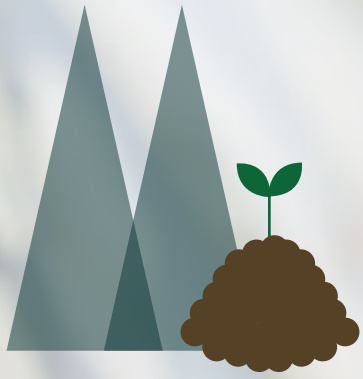
IN MEMBER EQUITY

9,087 TPSS CO-OP **MEMBERS**

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.

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.

POKER CHIP = = $0.05

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

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.

CELEBRATING COMMUNITY

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.

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