

Community Co-op Market

2022

Annual Report

Fiscal 2022



Community
Co-op Market



Our Mission

Community Co-op Market (CCM) exists to improve the health and wellness of the communities it serves through its retail food stores. CCM operates as a cooperative owned by its members and is dedicated to improving the quality of life for its staff, customers, suppliers and neighbors.

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Board Chair Report

C.E. Pugh



Board member Zoila Rivera completed her three-year term and chose to step off the board as of the May 2023 election. We are grateful for Zoila's thoughtful contributions to the board's work over the past three years and we hope she will consider further board service at some point in the future. We appreciate Zoila's infectious positivity and leadership, and her service as vice chair over the past year.

The board continues to meet quarterly, and we appreciate those members who took time to join us virtually in 2022. We look forward to meeting in-person this year and I hope you will join us.

It was a busy, but difficult year! I am thankful for the collective and individual work of our board. Each person brings their full attention to the job, and everyone is open to hearing opposing viewpoints and to considering experiences outside of their own. And of course, our co-op would not be possible if not for the commitment, support, and talent of our management team, and staff. I invite you to continue to engage with us and the staff throughout this year, as we continue our work to sustain the co-op and increase our impact on the health and well-being of our community.

As noted in the financial report below, our co-op's sales decreased by almost 10% in 2022, resulting in a loss of over \$500,000. The co-op's management team and staff worked diligently to reduce costs as sales declined and they secured \$700,000 in additional funding

through an IRS Employee Retention Credit and SBA Economic Injury Disaster Loan maintaining sufficient cash to sustain the co-op's operations and secure more time to improve the sales and financial performance.

It is no secret that grocery is a volume business, dominated by a small group of very large players. Even the biggest food co-ops in the country are small by comparison. And yet here we are, building community wealth by being regenerative rather than extractive businesses. The COVID-19 pandemic taught us many things, chief among those was the need for flexibility and adaptability. Those skills will remain necessary as we work against the norm, building a local and just food system in an increasingly global economy. One that leaves us susceptible to any number of challenges: pandemics, labor shortages, and supply chain disruptions.

The challenges are great, but this type of work is familiar to us. In fact, it is what we're here for. A cooperative is simply a people enterprise. We work together to deliver impacts important to us and this is only possible through your support and patronage of the co-op. We thank you and look forward to earning your continued engagement and business.

C.E. Pugh

A Letter From The CEO

Troy Bond

Last year, the interim CEO's annual report exclaimed that 2021 was a "wild ride!" Covid dominated our lives and disrupted our buying habits. Supply chain breakdowns were overwhelming. On top of that, CCM started 2022 with a leadership vacuum that ended when I was hired as CEO on May 30th.

Given CCM's precarious launch and the upheavals that followed, my priority was to stabilize the business, reach out to the community, increase the number of relationships with local farmers and producers, and develop a proactive and engaged co-op staff.

Membership + Community are CCM's Foundation

Between May 2022 and April 2023, our membership has grown a whopping 166%. In that time CCM went from 1,400 to nearly 2,400 members... and we continue to grow.

One of the many benefits of membership is that members who are SNAP recipients are automatically signed up for Fresh Access Bucks, a new program that is exclusively available in Leon County only at CCM. Fresh Access Bucks (FAB) allows SNAP recipients up to \$10 of free fruits and vegetables simply by using their SNAP card. Since we rolled out the program last September, we've made a positive impact on food access for dozens of shoppers. In just six months our SNAP transactions increased 22%, while 68% Fresh Access Bucks were issued, and a whopping 85% of FAB was redeemed.



"...my priority was to stabilize the business, reach out to the community, increase the number of relationships with local farmers and producers, and develop a proactive and engaged co-op staff."

Local Farmers + Producers

Local food does so much good for our health, for sustainability and for our local growers. I pledged that at a minimum 10% of the products we carry are local. (Local is defined as within a 400 mile radius which includes much of Florida, and parts of Georgia and Alabama.) In fact, we surpassed our goal with a total of 16% local product. The Made-in-Florida product count alone increased by 7.35%, among them are:

- **Martin's Harvest, Marianna, FL:**
Founded by Walter and Tonya Martin in 2020 with a love for growing sustainable, eco-friendly and local produce.
- **TC Bakery, Crawfordville, FL:**
Jennifer Young's bakery went from home to storefront in 2019, and now her women-owned, minority-owned business is expanding its offering of deliciously simple southern-style baked goods.

- **Rocky Soil Family Farm, Monticello, FL:**
Kiona and Chris provide seasonal veggies, herbs, and artisan breads made from Old World recipes.

Co-op Staff + Customer Experience

Inevitably after any leadership change, there is turnover. But our new faces bring renewed enthusiasm and excitement to our departments. Our Deli has never had so much variety and quality, the Grocery and Produce departments are constantly sourcing more local products while our Wellness department continues to be the leading resource for natural remedies in Tallahassee.

I can tell by the interactions at weekly manager meetings how the leadership team at CCM collaborates and solves problems together. We share information, we help each other out when scheduling issues occur, and we collaborate on merchandising and marketing initiatives. Our Friendsgiving Feast, for instance, was wildly popular among those who attended, but especially for the staff. We enjoyed putting on one big party for our

customers. It gave us a chance to show how much we care about the co-op and guests while serving a sumptuous holiday meal.

“Let’s make this the friendliest store and the cleanest store in town, and make it a great day!”

The key to CCM’s continued success is our dedicated staff. Before we open the store every day, I hold a ‘morning huddle’ and I end with these words: “Let’s make this the friendliest store and the cleanest store in town, and make it a great day,” in the hopes that we can create a neighborhood space that is welcoming and inclusive.

Thank you for your continued support of your food co-op in Tallahassee.

In cooperation,
Troy

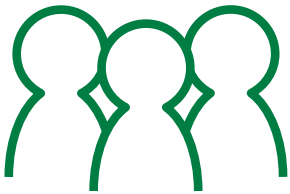


16% of the items carried by CCM in 2022 came from local producers, like TC Bakery, pictured here >>

Highlights

\$5,441,759
Annual Sales

Everyone Welcome



1,754
Total
Members

Member Sales



\$1.9M in sales came
from members

Members earned
\$18,320 in
Member Rewards

A Community That Cares



\$15k
Register
Donations
To Local
Organizations

Committed To Our Staff



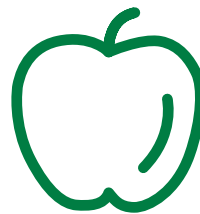
83% Full Time
+ Eligible For
Health Benefits

Shopper Satisfaction



72% of shoppers
surveyed were
satisfied or
extremely
satisfied with
their visit

Local Impact



2,448+ lbs of
food donated

Community Minded



90 Local Vendors
\$57k Local Sales

Well Chosen Product



16% Of All Products
Are Certified Organic

16% Of All Products
Are Locally Produced

A Robust Cooperative Economy

Community Co-op Market is a viable economic enterprise that puts the needs of our members first and our values at the center of our operations.

Annual Sales

\$5,441,759

Annual Transactions

175,421

New Members

35% Sales From Members

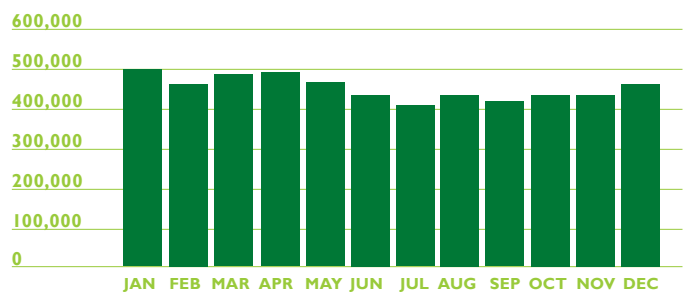
\$147,150 Equity Paid

Member Benefits

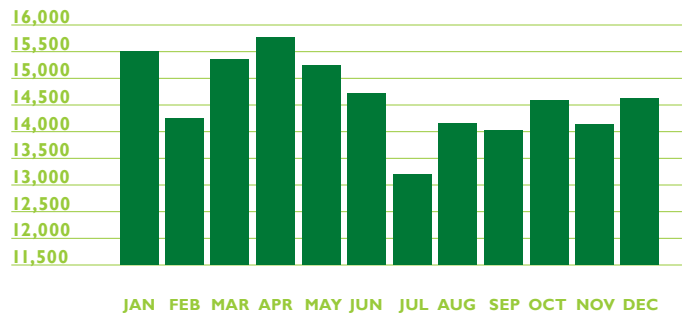
Everyone is welcome to shop at the co-op, but members earn more!

- New member bonus coupons when you join
- Members earn points on each purchase with Member Rewards
- Healthy Food Access program – qualifying members receive 10% off purchases
- Opportunity to run for the CCM Board of Directors and vote in our election

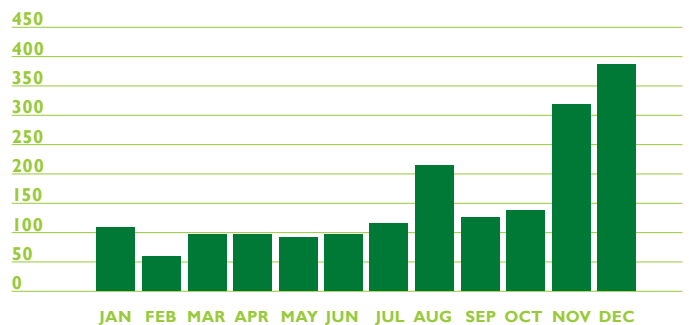
MONTHLY SALES



MONTHLY TRANSACTIONS



MEMBERS JOINED BY MONTH



A Robust Cooperative Economy

Committed To Our Staff

Creating jobs helps grow our cooperative economy.

\$1.3M

Total Investment In Staff

wages + benefits + staff discounts + other personnel expenses

35

Number Of Employees

100%

Co-op Employees Receive Membership
For Duration Of Employment

\$18K

Saved Annually with Employee Discount

82%

Eligible for Health Benefits

75%

of Health Benefit Costs Covered

2%

Match on 401k

Additional Benefits

- 15% Employee Discount
- 100% Making a Livable Wage
- Short/Long Term disability insurance
- Life Insurance
- Paid Time Off
- Holiday Pay
- Employee Assistance Program



Easy Access To Sustainable Healthy Food

Sustainability is a key principle of the cooperative movement.

SNAP/EBT



\$105,703
Annual Sales



HFA Sales

\$2,171 Saved Annually

We interpret easy access to sustainable, healthy food as: providing a diverse community a range of choices of organic, natural, and sustainably produced products.

Value Brands Carried

Essential Everyday,

Field Day + CCM

Co+op Deals

Bi-weekly savings on a wide selection of seasonal, organic, fair trade, environmentally friendly and high-quality grocery and wellness items.

800+ Items

Always Available

Co-op Basics

We've cut prices on hundreds of products, providing better access to high-quality organic and natural grocery, dairy, freezer and paper products.

350+ Items

Always Available



A Thriving Community Centered On Hospitality, Kindness, and Generosity

Benefits To Our Local Community

90

Local Vendors + Producers

Florida + 400 miles from CCM

10.5%

Local Products

\$16k

Donations + Sponsorships

2,448+ lbs

Food Donations

More Local

- Encouraging shoppers to purchase locally-made products reduces our carbon footprint and strengthens our local economy while building a sense of community.
- Supporting a vibrant local economy that reinvests profits to make sure everyone has access to healthy, delicious food.
- Helping shoppers connect with like-minded customers and local producers who want to share knowledge about health, nutrition, local farmers and great food.
- Supporting local producers while enjoying fresh, healthy foods and sustainable products, regularly available at the co-op.

Change for the Community Register Round-up

Loose change really adds up! This simple giving opportunity empowers our customers to round-up their grocery bill to the nearest dollar and donate the difference to our chosen non-profit recipient.

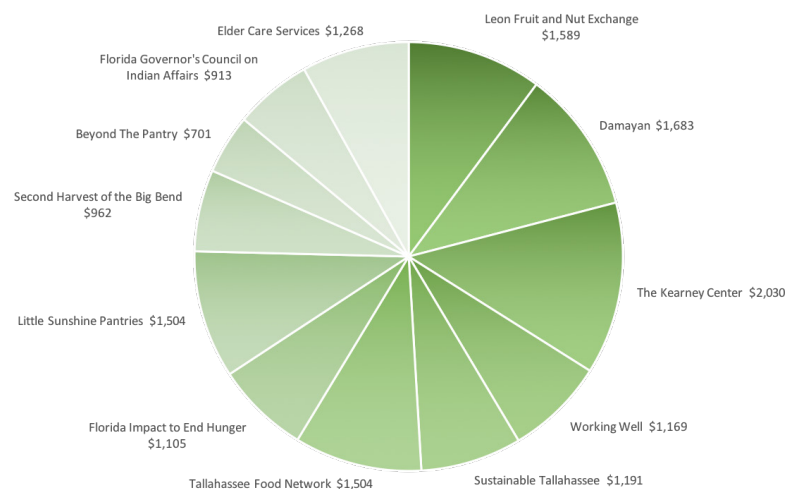
12 Non-profit Organizations

Collected + Awarded As Change for the Community Register Donations

\$15,619

Donations made at the register

Change for the Community Donations





Local

Balance Sheet as of 12/31/22

ASSETS

CURRENT ASSETS

Cash	\$	188,567
Accounts receivable		25,803
Inventory		405,323
Prepaid expenses		2,168
Total current assets		621,861

Leasehold improvements and equipment, net		804,692
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OTHER ASSETS

Investments in other cooperatives		103,925
Security deposits		62,000
Net deferred tax asset		256,000
Right of use assets		4,306,739
Total other assets		4,728,664

Total assets	\$	6,155,217
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LIABILITIES

CURRENT LIABILITIES

Accounts payable	\$	163,041
Accrued liabilities		49,973
Current portion of long-term debt		85,325
Current portion of lease liability		144,866
Total current liabilities		443,205

LONG-TERM LIABILITIES

Long-term debt net of current portion and debt issuance costs		838,866
Lease liability net of current portion		4,186,676
Total liabilities		5,468,747

MEMBERS' EQUITY

Class A patron units		147,150
Class B non-patron units		1,000,000
Total accumulated deficit		(460,680)

Total members' equity		686,470
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Total liabilities and members' equity	\$	6,155,217
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Consolidated Statement of Income FY 2022

	AMOUNT	%
SALES REVENUE		
Gross sales	\$ 5,441,759	100.00
Cost of goods sold	3,429,643	63.02
Gross profit	2,012,116	36.98
OPERATING EXPENSES		
Personnel	1,438,355	26.43
Occupancy	364,056	6.69
Operations	363,503	6.68
Administrative	156,588	2.88
Depreciation	134,706	2.48
Promotions	131,535	2.42
Governance	41,494	0.76
Total operating expenses	2,630,237	48.33
Income from operations	(618,121)	(11.36)
OTHER INCOME (EXPENSES)		
Miscellaneous income	242,085	4.45
Interest expense	(49,217)	(0.90)
Total other income	192,868	3.54
Net income before provision for income taxes	(425,253)	(7.81)
Provision for income taxes	(122,000)	(2.24)
Net Loss	\$ (303,253)	-5.57

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