

ANNUAL REPORT

2023



**IT'S BEAN
AN AWESOME
YEAR!**

Durham
coopMarket
Everyone Welcome

FROM OUR BOARD

Fellow Durham Co-op Market Owners,

It's hard to predict how 2023 will be remembered in history texts: as the fourth year of the COVID-19 pandemic? The second year of the war in Ukraine? The year that marked a shift toward more ambitious climate policy in the US? The year Taylor Swift's Eras tour began? There's no doubt, however, that 2023 was momentous for the Co-op, as we bid farewell to the store's first General Manager (GM) and welcomed Matt Colley into the role!

Though he's only been GM since June of 2023, Matt joined the Co-op staff in 2017 and was promoted to Operations Manager in 2022. When Leila Wolfrum, Durham Co-op's previous GM since it opened in 2015, announced in January that she would be leaving the Co-op to work with National Co-op Grocers, Matt stepped into the Interim GM role and the Board began the search for a new leader. After four months spent working with a consultant to define the present (and future) needs of the organization, reviewing resumes, and interviewing candidates from across the country, the Board concluded that Matt was the best person to help the Co-op practice its core values, and we were thrilled that he accepted the offer to become the next GM.

In the months since, Matt and the team have dedicated substantial energy to aligning profit margin with our goals for the store's financial health. While margin is probably not something that most consumer owners think about while perusing the produce section, the GM does, and it's a significant indicator because it lies at the intersection of inflation (something most of us are thinking about), the Co-op's commitment to paying living wages, and its mission to make healthy food available to the community. Keeping all of these factors in balance with profitability isn't easy, but it's what differentiates the Co-op from other grocery stores, and it's a pleasure to report that in August, for the first time since the pandemic began, the Co-op had a profitable quarter, which strengthens our ability to do more mission-fulfilling work in the years to come.

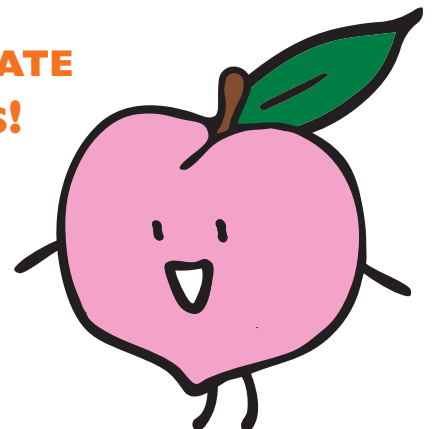
While the new GM is by far the most significant change, our board also elected a new President, Kim Ionescu, taking over from Lenore Hill, who stepped down in July after three years at the helm. We welcomed three new consumer members to the Board: Zoey Best, Nina Drumgoole, and Donna Frederick. Bringing three new people onto a board of only nine total members revealed that we had some gaps in our onboarding and education processes, which we're looking forward to improving upon for the benefit of this year's (and future) new board members. We had two departures from the board this year: Nina Drumgoole was not able to complete her term due to scheduling conflicts, and Raafe Purnsley, the Co-op's Community Outreach Coordinator, stepped down from their position as one of the board's two worker-owners after two years of official board service and four years of supporting the board through community engagement.

As we look ahead to 2024, we're excited by the prospect of more in-person events at the Co-op, a few changes to the store's layout that will make it easier to shop for the products you love and, as always, the opportunity to grow and change to meet the needs of the Co-op's owners and community.

In cooperation,

The Durham Co-op Board of Directors

**WE A-PEACH-IATE
OUR OWNERS!**



FY 2023 HIGHLIGHTS



We hired a new general manager! Matt Colley has been with the Co-op since 2017. After serving as Interim GM for several months, he was officially hired as the new GM in May.



23 new employees joined our staff in 7 different departments.



365 new folks joined our community of owners, including 120 Food For All owners. Our total number of owners to date is 6983!

Our average customer count was 4263 shoppers per week.



Our average basket size was \$37.54 per shopping trip.



We won Best Cheese Shop for the INDY Week's 2023 Readers' Poll for Durham County. Thank you for voting for us!



Durham Co-op was featured in the 9th Street Journal and Durham Magazine's Ultimate Durham Checklist.

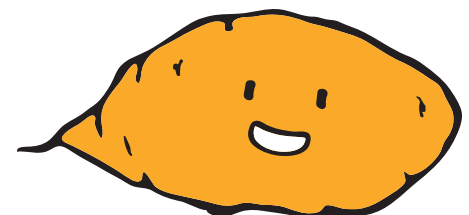


We were finalists in WRAL TV Voters' Choice Awards for Best Grocery Store in the Triangle!



We celebrated our 8th year of business in April!

SWEET!

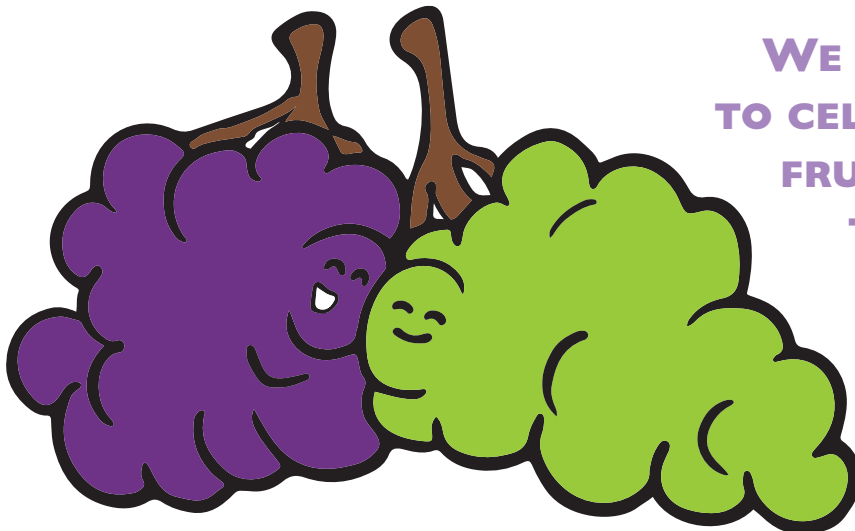


OUR VALUES

At the Durham Co-op Market, each and every decision we make is made based on our core values. We are guided by our Ends—the commitments that shape how we put our values into action.

While our mission remains the same, what progress looks like varies year over year, and in Fiscal Year 2023, we navigated some big changes, achieved more growth, and developed new strategies for providing Durham with great food while staying true to our Ends. From product updates and improvements to our operations, to positive impacts for our community and loads of fun, we are pleased to mark another year as your community-owned grocery store.

We are excited to share our recap with you.



**WE ARE GRAPE-FUL
TO CELEBRATE ANOTHER
FRUITFUL YEAR AT
THE CO-OP!**

The Durham Co-op Market will: **CREATE AN OPEN, INCLUSIVE, AND DIVERSE STORE THAT WELCOMES OUR COMMUNITY**



We hosted 8 community events this year, including two plant and seed swaps, our 8th anniversary, a meet and greet with board members, plus other educational gatherings and celebrations. Events are a meaningful and fun way to engage our owners, uplift local partnerships, and welcome our community.

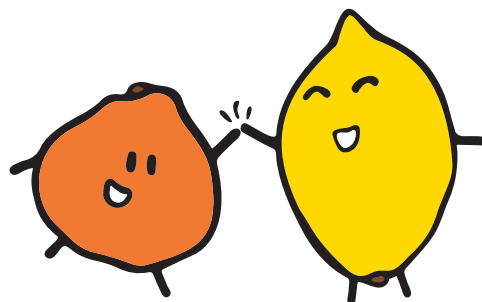


We continue working with Tilde Translation Services to enable us to have translated staff meetings, performance reviews, and training sessions. We have bilingual signage and documents thanks to Tilde as well!

After closing down our cafe early on in the pandemic, we finally reopened indoor seating in January. We have enjoyed once again making a gathering space accessible for the community and love seeing folks utilize the tables and ample seating for working, hosting meetings, and of course, sharing meals.



**WE PUT THE “US”
IN “CITRUS!”**



We work with dozens of local organizations throughout the year to help our community thrive. Our community outreach involves redistributing food, sparking new connections, supporting local projects and initiatives, and uplifting the work of our peers. We provided regular donations to organizations working to bridge gaps caused by food insecurity. We continued supporting Durham Community Fridges, Feed Durham, the Ellerbe Creek Watershed Association, Community Empowerment Fund, and the Lyon Park Community Center. New partners this year included E. Carver Living Community, NC Fatherhood Collective, and Art Ain't Innocent.

The Durham Co-op Market will: **MAKE HIGH-QUALITY, NOURISHING FOOD AFFORDABLE AND ACCESSIBLE**

We ran our Fresh Bucks program for the fourth year in a row, offering a 50% discount on fresh produce for Food For All owners last fall.



Prepared Foods focused on menu development this year, refining new recipes and housemade options. We launched the lunch bowl program, plus tacos, ribs, pulled pork, paninis, hot sandwiches, and more. Smoothies returned, we boosted our breakfast options, and added bubble tea to our beverage lineup.



We ran more than 5 BOGO campaigns featuring many grocery essentials.



Buy One, Get One FREE



All housemade Grab n' Go sandwiches and most half wraps got a price drop. With grocery prices trending up, we were delighted to cut costs on some of our most popular lunch options.



Durham Community Fridges has become one of our core community partners. DCF is a free fridge mutual aid project supporting equal access to fresh food with fridges stationed at several Durham locations near downtown. Working with DCF allows the Co-op to make good food more accessible to community members and reduce food waste.

We now work with KeHE, a certified B Corp distributor, to bring more natural, organic, and specialty options to our bulk department. Our Grocery team made this change to broaden our selection and circumvent product availability issues that have been difficult to resolve in the past.



**CO-OP PRODUCE,
GROCERIES, AND
PREPARED
FOODS ARE
EAT-RESISTABLE!**



The Durham Co-op Market will:

SUPPORT THE LOCAL ECONOMY AND LOCAL FOOD SYSTEMS

We introduced 27 new local vendors across 5 different departments, including Beju Caffè', King's Pepper, Benevolence Farm, Gill and Spore Farms, and more.



Several of our monthly owner giveaways featured local products, including LocoPops, MoonDance Soaps, and apples.



We restarted demos and regularly bring in local vendors to sample products directly with customers.



Our Produce Department was recognized as an official Happy Dirt Produce Vital Customer for our longstanding order quantities. We love working with Happy Dirt to bring our community fresh produce.

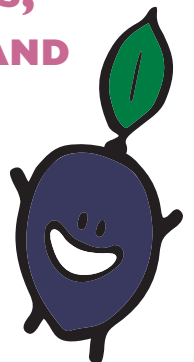


We support our Lakewood neighbors, Part and Parcel, by ordering milk on their behalf so they can offer it at their bulk foods store.

We partner with community members for events and special projects. Local author, Frank Hymen led a chicken care talk for our 8th Anniversary Party. Wendy Padilla of Sunflower Turning shared her knowledge during a planting activity at Garden Day. Ian Strickland, a Co-op owner, directed, filmed, and edited our "All Durham, No Bull" video. Whenever we have live music during events, we hire local musicians



**OLIVE OUR LOCAL
FARMERS,
VENDORS, AND
ARTISANS!**



The Durham Co-op Market will: **MODEL ENVIRONMENTAL SUSTAINABILITY IN OUR PRACTICES AND PRODUCTS**

Over half of our community events this year focused on environmental stewardship. We hosted two plant and seed swaps in collaboration with the Master Gardeners, TheRecollective, and Digging Durham Seed Library. In the spring, we held a Garden Day event with a group of young Co-op community members. Raafe, our Community Outreach Coordinator provided attendees with a seed bomb activity and Wendy Padilla of Sunflower Turning led a planting demonstration using several of our garden beds which we have enjoyed seeing bloom this year. During our anniversary party, local author and Co-op owner, Frank Hymen gave a talk on chicken rearing, and Co-op Wellness Coordinator, Tracie, spoke on the importance of medicinal mushrooms during Mushroom Month.

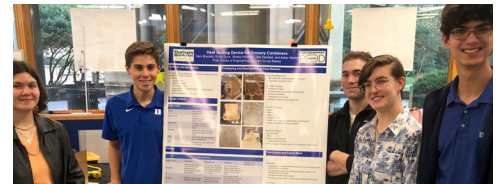


In January, we gifted owners with reusable tote bags, reducing use of plastic and paper bags. Bananas, soap, and pumpkins were distributed package-free. In September, we gifted owners pens made with recycled PET that we sourced through Ethical Swag, and one percent of sales from our order was donated to environmental nonprofits in partnership with 1% For The Planet.



We installed a cardboard bailer last year, which allowed us to remove the cardboard dumpsters that were being emptied 2-3 times per week. Now our cardboard bails are picked up for recycling once a week.

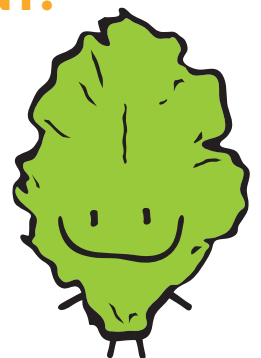
We worked with the Duke Design Pod first year engineering lab to brainstorm packaging solutions. We are grateful for the opportunity to engage our community in conversation about ways to improve our sustainability practices and products.



Since November 2022, we have diverted 45,100lbs of food waste and compostable material with Compost Now.



**LETTUCE ROMAINE
VIGILANT!**

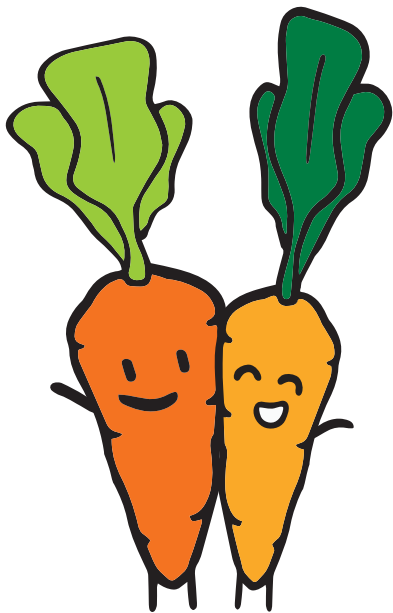


The Durham Co-op Market will: **FOSTER A HEALTHY WORKPLACE BASED ON DIGNITY, OPPORTUNITY, AND FAIR COMPENSATION.**

All staff received a 3% pay increase this summer. Now more than half of staff wages surpass living wage.



**WE CARROT TON
ABOUT OUR TEAM
MEMBERS, VENDORS,
AND SERVICE
PROVIDERS.**



The Co-op was recognized by the Mayor's Committee For Persons With Disabilities and several staff attended their Annual Holiday Social along with many other Durham organizations supporting folks of different abilities within the community.



We celebrate our unique community at the Co-op by serving food made using recipes and the creative input of our staff. This year, the Prepared Foods team started serving Abbi's Three Sisters Stew as a staple meal at the service counter.

For Black History Month this year, we interviewed our most tenured Black staff members, sharing their reflections on the history they create here at the Co-op and in the world, creating conversation around Black History Month, and celebrating our community members of color.



9 staff members attended conferences this year and 11 were trained for new responsibilities in their role.



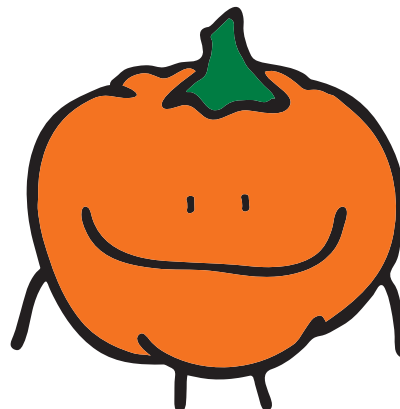
FINANCIAL SUMMARY

Durham Co-op Market Profit and Loss July 2022 - June 2023

| | | |
|-----------------|---|-----------------------|
| INCOME | TOTAL INCOME | \$8,132,571.64 |
| | TOTAL COST OF GOODS SOLD | \$5,495,857.01 |
| | GROSS PROFIT | \$2,636,714.63 |
| EXPENSES | PERSONAL EXPENSES | \$1,326,271.03 |
| | NON-PERSONAL EXPENSES | \$659,226.17 |
| | TOTAL EXPENSES | \$2,464,408.30 |
| | NET OPERATING INCOME | \$172,306.33 |
| | OTHER INCOME | \$232,829.04 |
| | OTHER EXPENSES (INTEREST/PATRONAGE/DEPRECIATION) | \$199,708.96 |
| | NET OTHER INCOME | \$33,120.08 |
| | NET INCOME | \$205,425.41 |

Balance Sheet As of June 30th, 2023

| | | |
|-------------------------------|--|------------------------|
| ASSETS | | |
| CURRENT ASSETS | TOTAL BANK ACCOUNTS | \$1,084,655.99 |
| | TOTAL ACCOUNTS RECEIVABLE | \$93,089.38 |
| | 11100 PREPAID EXPENSES | \$10,000.00 |
| | 11115 PREPAID EXPENSES | \$2,007.00 |
| | TOTAL 13100 INVENTORY ASSET | \$381,624.81 |
| | 19999W DEFERRED TAX ASSET | \$195,000.00 |
| | TOTAL CURRENT ASSETS | \$1,766,377.18 |
| FIXED ASSETS | 18100 LEASEHOLD IMPROVEMENTS | \$820,121.69 |
| | 18300 FURNITURE & EQUIPMENT | \$903,561.21 |
| | 18400 ACCUMULATED DEPRECIATION | -\$1,047,206.61 |
| | TOTAL FIXED ASSETS | \$676,476.29 |
| | TOTAL OTHER ASSETS | \$72,812.97 |
| | TOTAL ASSETS | \$2,567,999.63 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | TOTAL CURRENT LIABILITIES | \$450,375.11 |
| | TOTAL LONG-TERM LIABILITIES | \$1,386,156.02 |
| | TOTAL LIABILITIES | \$1,836,531.13 |
| | TOTAL EQUITY | \$731,468.50 |
| | TOTAL LIABILITIES AND EQUITY | \$2,567,999.63 |



**LOOKING
GOURD!**

THANK YOU!

True success means thriving together.

**The Co-op wouldn't be here without you
and our community of owners,
staff, neighbors, and friends.**

**We are so grateful for your support
and look forward to another great year ahead!**

**WE ARE
EGG-CITED FOR
THE FUTURE!**

