

# Durham Coop Market

Everyone Welcome



**ANNUAL REPORT, November 2015**

**Average  
daily  
customer  
count:  
570**

**Pro forma  
projection  
for first 6  
months of  
sales:  
\$1,325,833**

**Actual sales  
for first 6  
months:  
\$2,174,538**

**We have 39  
people on  
staff.  
Twenty live  
within a mile  
of the store.**

**We currently  
have 2578  
owners. 1021  
have joined  
since our last  
annual meeting.**



**everyday low prices for everyone**

**We have over 100 pantry staples that we run at low margins every day. Look for the Co-op Basics logo on products around the store! Here are just a few examples**

Field Day Organic Beans.....99¢

Latta Medium Eggs.....\$1.99

Cascadian Farms Org.

Frozen Vegetables.....\$2.99

Rolled Oats..... 99¢/lb

Muir Glen Org. Tomatoes...\$1.69

Org. Bananas.....99¢

Field Day Pasta Sauce.....\$1.99

**and many more...**

**Our top 20  
products are:**

1. Hot Bar
2. Bananas
3. Avocados
4. Hot Coffee
5. Ground Beef
6. Chicken Breast
7. Broccoli
8. Red Grapes
9. Large Eggs
10. Salmon
11. Roast Chicken
12. Pink Lady Apples
13. Peaches
14. Local Tomatoes
15. Chocolate Chip Cookies
16. Lemons
17. The Erwin
18. Ex. Large Eggs
19. The Club
20. Onions

**Average  
Basket Size  
\$22.51**

**The average  
hourly wage for  
full time-  
workers  
including the  
health benefit  
is \$11.72/hour.**

**We have  
sold 108,372  
Latta eggs  
since we  
opened.**



## Local Impact - Vendors and Service Providers

We are working hard to expand our already extensive local product selection. A big part of the economic impact of the co-op comes from our investment in local businesses.

From the money we spent with our architects and contractors to our NC-based point of sale system, and even our shopping carts, we always look for local options first.

Buying local allows us to offer you the freshest product, and it supports your neighbors. By purchasing local products you multiply the impact of your spending on our local economy.



Ryan O'Keefe and Chuck Wilson of CT Wilson (who built our amazing building!) and Michael Bacon, one of our founding owners, on opening day.



Brewmaster's Mustard

## Local Spending So Far

Products:  
**\$876,712**

Design & Construction  
**\$597,672**

Wages:  
**\$536,144**

Other stuff:  
**\$87,130**

(POS system, lawyers, window cleaners, musicians, etc.)

**Total:**  
**\$2,097,659**

# DURHAM CO-OP MARKET LOVES LOCAL

The collage includes logos for the following businesses:

- ASHE
- COUNTER CULTURE COFFEE
- MOTHER EARTH BREWING
- CARRBORO COFFEE ROASTERS
- NATTY GREENE'S BREWING COMPANY
- Imagine That Gluten Free
- BOXCARR HANDMADE CHEESE
- juvng
- Good Health Natural Foods
- Charlotte & Dick Levin JCC
- Larry's Beans
- FIRSTHAND FOODS
- GOAT LADY DAIRY
- BIG SPOON ROASTERS
- LOAF
- WHITE STREET BREWING CO.
- FOOTHILLS CRAFT BEERS
- TWO CHICKS FARM
- lib + bihold
- THE Parlour
- buchi KOMBUCHA
- Chapel Hill Creamery
- CHARLIE'S SOAP
- BAKERY Gughupe
- WEAVER STREET MARKET
- LOCOPOPS
- BURGER AND BULL CITY BREWERY
- Melina's FRESH PASTA
- HAIRIZON beauty
- NEW BELGIUM BREWING
- stepig
- Chapel Hill Toffee
- BIG BOSS BREWING COMPANY
- Videri CHOCOLATE FACTORY
- Maple View FARM
- Aviator BREWING COMPANY
- The Blakemere Company
- tsdesigns printing t-shirts for good
- TRUST LOCAL LOCALS SEAFOOD
- eastern carolina organics eco
- gaia HERBS
- FULLTEAM
- HOMELAND CREAMERY

# Durham Co-op Market

Everyone Welcome

**MATI**  
healthy energy



## Community Outreach

### • donations, education, volunteering •

Our tag line at the Durham Co-op Market is “everyone welcome” and we take that very seriously. We opened our doors on March 18th in a beautifully diverse neighborhood. We knew that we would have to be intentional about living up to our tagline.

We have made it our priority to support Durham organizations through outreach, programming, and food donations. We have assisted community organizations, schools, non-profits and other co-ops. These activities strengthen our presence in Durham as a community resource and assist in healthy living initiatives across our community.

We loved seeing you all at the Bulls game where we introduced healthy snacks (and ourselves) to several hundred thousand Bulls fans this summer.



**Fresh fruit at the  
Durham Bulls Ballpark**

**We taught students about the importance of eating healthy and local by leading tours for:**

- NCSSM
- Forestview Elementary
- DSA
- Camelot Academy
- Northern
- and even our Congressman David Price

**We donated healthy and local food to:**

- Lyon Park Kitchen Grand Opening
- The Pauli Murray Project
- The Scrap Exchange
- The Beaver Queen Pageant
- Student Action with Farmworkers
- Claymakers
- Sustainable Spirits
- Catholic Charities
- Durham Rescue Mission
- First Calvary Baptist Church
- West End Summer Food Bank



**Celebrating the  
Renaissance  
Community  
Co-op  
groundbreaking**



**Making salsa with kids from the  
Lyon Park Community Center**



**Handing out bananas at  
Burch Avenue Play Streets**



## Events

Events are a way for us to broaden our customer base, celebrate our vibrant community, highlight our products and vendors, exhaust our staff, and show Durham that the Co-op is a fun place to be.

We threw a HUGE Grand Opening party on April 11th. There were three bands, great sales, and Firsthand Foods burgers and bratwurst. We served over 1000 people that day! It was a true celebration of the years of work that so many people put in to making the store a reality. We were honored to be joined by Mayor Bill Bell, several members of city and local government, and many founders and owners of the co-op.

Next we celebrated Oktoberfest ... in June. Junetoberfest was a Bavaria-style beer fest with beer from four Durham breweries, local sausages and brezels, a German band, and a DJ playing traditional Bavarian techno. We blew through 400 tickets. For those of you who missed out, we promise it will be even bigger next year.

In Late August, we wanted to thank our owners, so we threw an after hours Pop-up Speakeasy. We had a secret password, a bouncer, a variety of schmanzy cocktails, and the NCCU jazz band.

In September, just after Labor Day, we celebrated the neighborhood with Neighbor Day: a down-home cookout with hot dog combos, free hair cuts, free face painting, outdoor games, and a vinyl DJ and a Reggae band.

## Grand Opening- April 11, 2015



## Upcoming Events

### Oyster Roast!

- **Nov. 13th 5-8 pm**
- **Eat here or pre-order for take home! Ask for a form!**
- **All NC oysters**
- **Wild or cultivated**

### Wine Case Sale!

- **Now through Nov 17**
- **20% off any 12 bottles**

### Pre-Order Your Turkeys!

- **Order by Nov. 23 to pick up before Thanksgiving**
- **Full menu of sides and pies**
- **Vegan options available, including a vegan roast**

### DCM Supplement Sale!

- **Buy one DCM Supplement, get 5% off your WHOLE CART**
- **Buy two, get 10% off your WHOLE CART (sale ends Nov. 17)**



## Junetoberfest- June 6, 2015

## Pop Up Speakeasy- August 22, 2015



## Neighbor Day- September 19, 2015





## Local Impact - Jobs

One of our best efforts in community outreach has been hiring from our surrounding community. We are proud to support our neighborhood by creating new jobs in the community. We have made it a priority to hire employees from the surrounding neighborhoods and provide training and job skills development for internal advancement.

We are proud to say that of our 39 employees, twenty live within a mile of the store.

We are also very, very proud to have such a friendly, creative, hard-working, eager-to-learn staff. Opening a store presents more than its share of challenges. Part of our Team Credo asks employees to maintain “An attitude that recognizes that problems can be solved, and that solutions can come from anywhere.” During the final days of construction and the first days of having an open store, many, many staff members applied diligence, endless energy, and creative problem solving to tasks both within and well outside of their job descriptions.



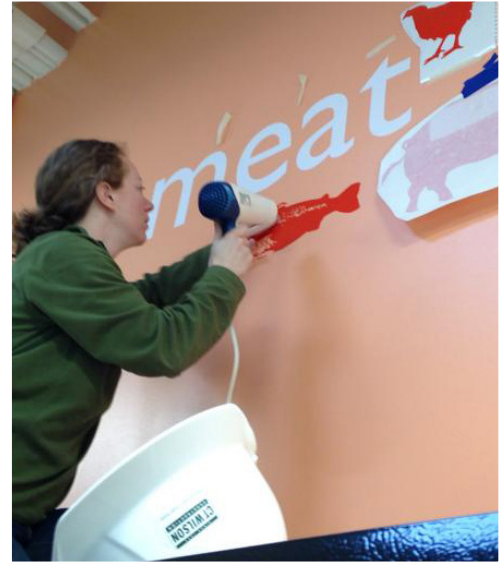
**Anna stocking local apples**



**Yamina making coffee**



**Dalea stocking shelves**



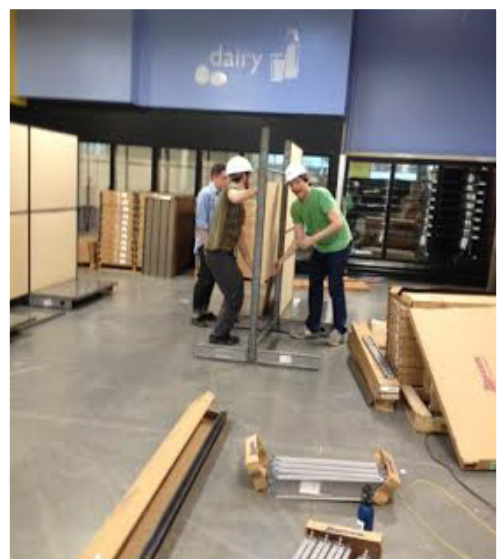
**Leila applying wall decals**



**Laura and Diamanté**



**Clarence serving beer at the Grand Opening**



**Building shelves**



## Local Impact - Job Training

We have implemented a badge system for tracking job skills. Each badge is associated with a training session and test. Once employees pass the test, they receive the corresponding badge. Some badges are required, such as Store Safety and Customer Service. Others allow employees room for growth inside and outside of their departments. For example, Alvin Hunter, one of our Front End Shift Supervisors, has earned the “Dough Boy,” (our bakery product knowledge badge) “Captain Vegetable,” (our vegetable identification badge) and “I Spy,” (our product location badge). Other badges include “What’s Cooler,” (cooler inventory management) “Ask Me About Organics,” “Back That Cash Up,” (back-up cashier) and “Green Team” (for members of our sustainability team).

By emphasizing training and documentation, we help prepare employees to fill positions of increasing skill and responsibility (and higher wages) as those positions become available. Since we opened in March, seven employees have received title-changing promotions. (Two of whom are profiled below.)

ask me  
about  
organics

ask me  
about  
becoming  
an owner



### STAFF PROFILE- Diamond Riley

Born and raised in Durham, Diamond Riley is a West End resident.

She was one of the first cashiers hired at the Durham Co-op Market. She came on board before the store was even finished being built and helped with general opening tasks.

She immediately demonstrated her commitment to excellent customer service, and within a month of the store opening was promoted to Front End Manager.

As Front End Manager Diamond has led cashier trainings, started our Co-op Explorers program, become an owner herself, and emceed our Neighbor Day festival. Her favorite product in the store is the Spinach-Artichoke dip found in the Deli.



### STAFF PROFILE- Steph Carter

Steph Carter is a New Yorker who has been living in Durham for the past five years. He is a great artist and has started to draw cartoons of the co-op employees.

Steph started at the Co-op as a Deli Counter Clerk. He has been here since opening day making killer sandwiches and Counter Culture espresso beverages. He has attended Barista training at Counter Culture and plans to move up the coffee ladder to Expert Barista.

In September, Steph was promoted to Deli Counter Supervisor. He now hires and trains new employees, makes the schedule, and manages general deli operations. His favorite sandwich is the Erwin!



## Financial Report

Since the middle of August, after the typical Durham summer slow-down, sales have taken off, continually hovering around \$80,000/ week in sales. This is over 40% higher than projected in our original pro forma. For this next fiscal year ending June 30, 2016, we are projecting \$4.2 million in sales, and are well on our way on meeting or surpassing that goal.

Before opening our doors, Durham Co-op Market worked with various consultants to determine the benchmarks with which we would measure our financial health, including the creation of five year projections that took into account the repayment of our community investment notes and dividends to preferred shareholders. These projections include a projected loss of \$218,360 in the first six months. After six months into our first year of operation, and thanks to our

loyal owners, customers and an amazing team we managed to achieve losses of only \$87K in our first 6 months. By losing only a fraction of what was anticipated, DCM is on the road to continued growth and positive impact on our surrounding community.

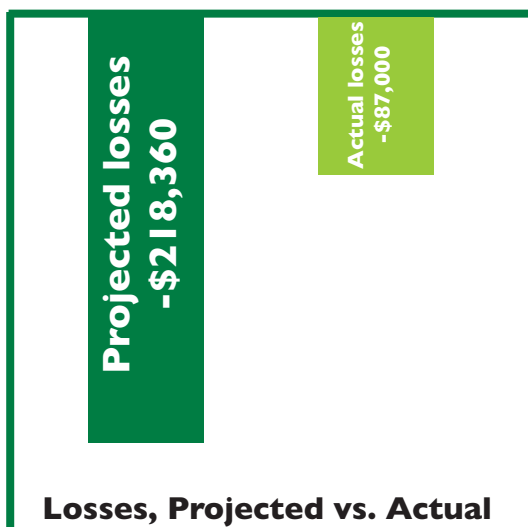
We always want to improve and are making adjustments daily to meet our member and community needs, from product selection based on customer requests to smart purchasing to get the best deals to pass on to our membership, such as the fair-trade, certified organic, family-owned-cooperative produced La Riojana wine (on sale for \$6.99 this month, plus 20% off if you buy a case!) We are also consistently reinvesting and tweaking the physical space to provide a bright, open and welcoming space where you can spend as much (or as little) time as you need.



**Mackenzie in the stock room**



**Local summer produce**



## Weekly Sales, Projected vs. Actual





<b>BALANCE SHEET</b>			
As of September 26, 2015			
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	531,619		
Accounts Receivable	12,837		
Grocery Inventory	125,725		
Deli Inventory	20,057		
Produce/Meat Inventory	13,370		
Beer/Wine Inventory	32,545		
Wellness Inventory	83,974		
Other Current Assets	2,329		
Total Current Assets		822,456	
Leasehold Improvements	87,778		
Furniture and Equipment	652,705		
Accumulated Depreciation	(35,561)		
Total Fixed Assets		704,922	
Total Other Assets		161,729	
<b>TOTAL ASSETS</b>		1,689,107	
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Total Current Liabilities		135,276	
Total Long Term Liabilities		860,923	
Total Liabilities		996,199	
Total Equity		692,909	
<b>TOTAL LIABILITIES &amp; EQUITY</b>		1,689,108	
Current Ratio =	6.08		
Debt/Equity =	1.44		

## Income summary

Durham Central Market, Inc.			
<b>INCOME STATEMENT</b>			
March 1 – September 26, 2015 *			
Total Sales	2,161,772		99.4%
Total Sales Discounts	10,698		0.5%
Total Income	2,174,538		100.00%
Cost of Goods Sold	1,418,707		65.2%
Gross Profit	755,831		34.8%
Expenses			
Personnel Expenses	472,121		21.7%
Other Operations Expenses	318,686		14.7%
Depreciation Expense	35,562		1.6%
Total Expense	826,369		38.0%
Net Ordinary Income	35,555		1.6%
Other Income/Expense			
Interest Expense	50,969		2.3%
Taxes	2,530		0.1%
Net Income	(86,873)		-4.0%

\*This report presents the first six months of store operations.