



The Village Store  
Co-Op



A Cooperative serving the  
community with wholesome,  
affordable foods in a spirit of  
respect for each other  
and our world.

Winter 2009



# Village Store Co-op

## Proposed Village Store Co-op Budget for 2009

At the January 2009 member meeting, the budget for FY 2009 (January 1 through December 31, 2009) will be presented to the members for their consideration and approval. At the Board meeting on December 8, 2008, the Board approved recommending to the members the proposed budget as shown in the table below. Also shown are the **preliminary** actual expenditures and, for comparison, the approved budget amounts for FY 2008. The Board is proposing an operating expense budget of \$80,552, an increase of 8.3% from FY 2008. Surprisingly, in FY 2008 total sales were about \$330,500, a 12.7% increase compared to FY 2007. And on a preliminary basis the net income for FY 2008 should be more than \$3,000. Based on the current economic climate the proposed budget projects a slight decrease in sales, a very conservative assumption given our recent history. Both the rent and utilities categories have been increased to take into consideration Hubbard Hall's new policy on assessing heating costs.

Category	Preliminary Jan 1 – Dec 31 2008 Actual*	Approved Budget FY 2008	Proposed FY 2009 Budget
Personnel	\$47,180	\$47,971	<b>\$49,652</b>
Insurance	2,910	2,500	<b>3,000</b>
Licenses and Fees	2,954	2,100	<b>3,000</b>
Professional Fees	3,858	4,120	<b>4,100</b>
Rent	4,200	4,200	<b>4,800</b>
Utilities	5,995	5,500	<b>6,600</b>
Equipment, Supplies, Repairs	5,470	5,200	<b>6,200</b>
Taxes	44	100	<b>100</b>
Telephone	589	700	<b>700</b>
Education	213	250	<b>250</b>
Outreach	1,702	1,250	<b>1,650</b>
Contingency	0	500	<b>500</b>
<b>Total Expenses</b>	<b>\$75,115</b>	<b>\$74,391</b>	<b>\$80,552</b>
<b>Gross Profit (Actual/Projected)</b>	<b>\$78,896*</b>	<b>\$74,391</b>	<b>\$80,552</b>
<b>Sales (Actual/Projected)</b>	<b>\$330,495</b>	<b>\$304,000</b>	<b>\$325,000</b>
<b>Gross Margin (Actual/Projected)</b>	<b>23.9%*</b>	<b>24.5%</b>	<b>24.8%</b>

\* To be finalized once inventory is completed.

## **Capital District Community Loan Fund (CDCLF)**

As you know, the Co-op has \$5,000 invested in the CDCLF at a 2.5% interest rate. Each year the membership must approve our continued investment in the CDCLF. The Board recommends that at the January member meeting, the members approve the investment of \$5,000 at 2.5% interest in the CDCLF for FY 2009.

## When Co-ops Succeed

By Elizabeth Archerd, Wedge Community Co-op, Minneapolis, MN

Dec 08 Jan 09 Newsletter

Who benefits when co-ops succeed? This is one of the most complex things to explain to people who are new to co-ops. When a cooperative is obviously thriving, some shoppers voice suspicions that it is not a “real co-op,” suggesting that co-ops are only “real” when they are badly run or barely making it.

A successful co-op is profit that a community can care for itself by developing a self-sustaining business to provide the goods and services it needs. Co-op success means that an essential part of the local economy reinvests much of its wealth back into the community. There is no profit motive in consumer co-ops. There is, or should be, profit. Co-op profit is a measure of performance; it indicates that management and staff control expenses, offer products the members need, and manage the members' money well. Profit is a way for members to know that their business is in competent hands.

In the traditional terminology of the co-ops, profit was known as “surplus.” The surplus generated by a well-run co-op is a resource for the co-op membership as a whole. A large chunk of the profit is reinvested in the business itself - true in any well-run business - or used to fund new services for the members. Any remainder can be distributed to the members at the end of each fiscal year.

An important cooperative tradition is that no member profits at the expense of any other member or of the co-op as a whole. This means that co-ops should not offer member benefits that put them in a risky financial position. The unique way that co-ops handle profit was designed to institutionalize this tradition: the proportional patronage refund means that every member gets back only profit generated by his or her own purchases.

The concept of the co-op as community wealth can be lost if members regard their co-op merely as a source of immediate savings. Co-ops are at risk when little thought is given to long-term business health. Only co-ops can become major players in the economy, nudging the food industry toward a more service-oriented, environmentally friendly ethic.

It is increasingly important for members to understand that the crucial difference between co-ops and other stores does not lie in the product line, pricing or management style, but in the very purpose of the business itself. Co-ops exist to provide service to their members. Co-ops are a way for communities to fulfill their aspirations to become economically healthier and more equitable.

To the founders of the modern co-op movement, cooperation was more than “getting along.” It was interaction for a purpose. Competition is about getting ahead of others, but cooperation stresses getting ahead with others on behalf of the common good.

### Co-Op Board of Advisors:

Marriane Pender chair; Clem Crowe, vice-chair; Ed Dauenheimer, treasurer; Louisa Matthews, Jim Morgan, Penelope Poor, Jack Guzi, Kathleen Breault, Bethany McCauley, Bill Figlozzi

### Staff:

Nancy Bariluk Smith, manager; Barb Dooley, assistant manager; Jane Wright, Saturday shift supervisor; Winona Hathaway, bookkeeper

**Co-Op Business Hours:** Mon—Sat 10:00am—5:00pm Open Thursdays until 8:00pm  
Open Sundays 11:00am—2:00pm

# Shop Local!

