

WOLFEBORO



COMMUNITY FOOD COOPERATIVE

BUSINESS PLAN



WOLFEBORO COMMUNITY FOOD COOPERATIVE

Executive Summary

The Wolfeboro Community Food Cooperative is a start-up, member-owned not for profit entity that is focused on providing local, organic and natural foods to the Lakes Region. The start-up business is currently seeking new members and start-up capital to purchase equipment and inventory for a projected opening in March of 2017. Financial projections indicate moderate losses in the first two years, breaking even by year 3 and moderate profits in the fourth and fifth years of operations. In its second year of planning and start up, the Cooperative has achieved a membership of over 250 local supporters and has secured a location at 50 Bay Street in Wolfeboro. The facility is currently under a month to month lease pending final financing.

The Cooperative currently has approximately two thirds of its capital in place, derived from memberships, donations, fund-raising and member loans. The remaining capital is expected to come from loans and grants. The Board stands ready to execute a longer-term lease, purchase equipment and inventory and staff and manage the store. The team is passionate and committed to the success of the store and has engaged experienced management to appropriately advise and staff the store.

Our Mission

Wolfeboro Community Food Cooperative is a consumer-owned, democratically-run cooperative that will operate a retail grocery store that emphasizes local, organic and natural foods and quality local goods.

Our Goals

Our goals are to be a community resource that supports:
access to healthy foods ♦ local producers ♦ low-income members ♦ sustainable agriculture ♦ clean food processing and production ♦ humane treatment of animals ♦ education for healthier living ♦ fair prices to consumers as well as producers ♦ fair business practices ♦ good stewardship of the environment ♦ equality for all

Steering Committee

The Steering Committee currently acting as the Board of Directors for the Wolfeboro Community Food Cooperative is comprised of six member-owners residing in the local community. They are:

Donna Cleaves, 96 Kings Highway, New Durham, NH 03855
Rita Roberts, 23 Stoneham Road, Wolfeboro, NH 03894
Maureen Boornazian, 39 Abenaukee Road, Wolfeboro, NH 03894
Gene Leone, 324 Cotton Valley Road, Wolfeboro, NH 03894
Ivette Babylon, 543 Beech Pond Road, Wolfeboro, NH 03894
Don Shure, P.O. Box 1586, Wolfeboro, NH 03894



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Description of Business

Overview

Many people now have concerns about the health and sustainability of the industrialized food system. By focusing on local, organic and natural foods and products, Wolfeboro Community Food Cooperative (WCFC) will offer a more sustainable shopping option to Wolfeboro and the surrounding communities. By serving as a retail outlet for local products, the co-op will also add to the sustainability of local agriculture and promote responsible farming practices.

Food Cooperatives

Food cooperatives are not new; there are successful models throughout New Hampshire and the rest of the world. Food cooperatives are businesses that are democratically run, member-owned and committed to supporting a sustainable food supply chain. Members invest in the co-op by purchasing a share (currently priced at \$150) which allows them to vote for board members and vote on how much profit to keep for the store's capital needs and how much to distribute to owners via patronage rewards.

The Wolfeboro Community Food Co-op store is located at 50 Bay Street in downtown Wolfeboro. The planned store will be large enough to accommodate dry grocery, bulk herbs and grains, produce, frozen meats/foods and dairy/refrigerated foods. The store will develop good relationships with local producers and farmers to feature a wide variety of, organic, natural and locally-produced food and products. The store will also highlight a large selection of supplements, dietary needs, health and beauty products, household supplies, general merchandise, pet food products, and a small reference library. Additionally, we plan to have a community area available for meetings, classes and presentations for our member-owners, customers, as well as local schoolchildren learning about healthy foods and diet concepts, sustainable farming, and cooperative-based business endeavors.

The Grocery Business

The industrial grocery business is very competitive. Most conventional grocery stores now offer a limited variety of organic and natural products purchased from national supply chains rather than local or regional ones. The small selection of available products offered is often viewed by consumers as a supplemental source for their organic and natural food needs.

Some of the obstacles to opening a grocery store are equipment costs and retail space. Build out costs, store inventory, and working capital also require a healthy upfront investment. Although national retailers may have more available financial capital to get a store up and running, cooperatives have the advantage of a base of member-owners who share the start-up risks.

In many ways, food co-ops have an advantage over conventional grocers. Consumers of natural goods are often motivated to shop at a food co-op because of the large selection of local and organic foods, dietary needs, bulk herbs, grains and nuts, quality vitamins and natural and household products. Consumers are also driven to shop at food co-ops out of loyalty to a cause, general concern for sustainability and a concern for health. Once they find easy access to their food needs they are unlikely to switch to another store. Additionally, by owning the cooperative store, members are more vested and more likely to support it. Loyal customers will shop at the store because of the knowledgeable staff, product quality, close connection to suppliers and transparency in the supply chain.



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Because food cooperatives are locally owned and have a close connection to the food supply chain, co-op grocers have the ability to grow at rates equal to or better than the regional rates of business growth. A comparative study of the grocery industry showed that the natural food market grew at a rate of 5-10% per year while the conventional food market grew by only 2%. It also showed how Co-op stores in small communities have a larger trade area than conventional stores usually extending into larger rural areas.

Market Analysis

The Co-op Grocery Industry

Grocery cooperatives like Wolfeboro Community Food Co-op are actually a part of two industries: the organic and natural food industry and retail cooperatives. The organic and natural food industry has been growing steadily at 5% - 10% annually (while the conventional grocery industry has shown a growth of 2%) and has an established and growing network of regional and national distributors. The cooperative food industry provides information on co-op business models, management, vendors, farmer relations and a network of distributors. Natural food trade organizations such as the National Cooperative Grocers Association, Cooperative Grocers Information Network and The National Cooperative Business Association gather information from co-op groceries and provide comparative data and information on industry norms.

Wolfeboro Co-op Business

The Wolfeboro Community Food Cooperative will open a full-service grocery store in downtown Wolfeboro offering local, organic and natural food and products. As a cooperative, community members become WCFC owners by purchasing a \$150 share of non-appreciating common stock. While anyone can shop at the food co-op, members demonstrate their commitment to supporting a sustainable food system and vote annually on how much to distribute back to owners in patronage refunds and how much profit to keep in retained earnings.

WCFC will practice sustainability by reducing packaging and food waste and will work with farmers and producers to create a demand for sustainably produced goods. We will also be part of creating a more sustainable and vibrant town by filling an essential need that supports the health of the community.

Geographic/Trade Area

The WCFC is restricted to the State of New Hampshire by the statute under which it was organized and to downtown Wolfeboro by the stated goals of the organization. The marketing plans are currently targeting Wolfeboro and the surrounding towns, including those that participate in the local school district. In addition to the town of Wolfeboro; Alton, Ossipee, Brookfield, Tuftonboro, Mirror Lake, New Durham, Wakefield, Middleton and Milton are expected to provide a substantial portion of the customer base.

WCFC has identified a fairly large trade area bounded by demographic, geographic and competitive barriers. Based on other natural and co-op food stores in similar types of markets, it appears that the primary trade area will include several surrounding towns.

For purposes of this study, the area to be served by Wolfeboro Community Food Co-op extends about 40 miles to the north, where it is limited by distance and several other retail centers; 60 miles to the east, where it is limited by the existence of Portland, Maine retail area and the ocean; 50 miles to the south, where it is limited by distance and the existence of the Portsmouth retail area; and about 40 miles to the west, where it is limited by distance and the existence of Concord, New Hampshire retail area.



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Psychographic

In analyzing the Co-op's potential customer base, we have identified the following groups: residents and the workforce in downtown Wolfeboro, those in the surrounding communities where natural foods stores are non-existent, people looking for healthy foods and household goods, those with interests in economic, environmental, social, and health issues, and local farmers/producers who want a high-quality store in which to sell their products.

Perhaps the most indicative market statistic is that over 250 households have purchased shares in the cooperative, and each of these households represents future shoppers. Industry benchmarks suggest that once WCFC completes its financing and begins its build-out, the membership base will grow rapidly.

Local Demand for a Co-op Food Store

- Town residents and workforce
- Those in the surrounding communities where there is no access to natural food stores
- The yearly summer resident population of 20,000
- People looking for competitive prices on health products
- Those with interests in health, environmental, social and economic issues
- Local farmers and those in the cottage industry looking for a good quality store to sell their products

Demographic

The primary target market for the Co-op will be Wolfeboro residents and seasonal residents, age 20 to 65 and over. The demographics, per census information are provided below, though it should be noted that Wolfeboro has a significant seasonal population which triples its size during the summer. The seasonal residents are generally well educated, wealthy and lead active, healthy lifestyles.



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Demographics, American Community Survey (ACS)

	Wolfeboro	Ossipee	Tuftonboro	Alton	Brookfield	New Durham	Wakefield	Milton
Population by Gender								
Male:	2,950	2,139	967	2,813	406	1,388	2,415	2,246
Female:	3,281	2,162	1,289	2,457	380	1,260	2,631	2,346
Population by Age Group								
Under age 5	144	166	129	267	26	150	221	219
Age 5 to 19	954	907	403	894	180	502	658	929
Age 20 to 34	748	496	265	746	81	354	639	854
Age 35 to 54	1,207	1,208	455	1,530	173	819	1,616	1,313
Age 55 to 64	1,141	663	497	917	147	470	908	656
Age 65 and over	2,037	861	507	916	179	353	1,004	621
Median Age	55.8	45.2	50.5	44.8	46.7	45.6	50.1	41.2
Educational Attainment, population 25 years and over								
High school graduate or higher	93.30%	86.80%	97.60%	95.50%	93.30%	94.70%	89.60%	90.70%
Bachelor's degree or higher	40.30%	16.00%	38.50%	30.70%	36.60%	30.30%	21.50%	17.10%

(ACS 2010-2014) Income, Inflation Adjusted \$

Per capita income	\$34,975	\$21,752	\$33,143	\$31,068	\$33,824	\$33,985	\$28,040	\$33,178
Median family income	\$70,199	\$57,788	\$64,265	\$74,390	\$71,000	\$84,167	\$56,493	\$66,144
Median household income	\$62,200	\$45,649	\$60,855	\$66,045	\$65,313	\$78,583	\$44,794	\$60,032
Median Earnings, full-time, year-round workers								
Male	\$52,004	\$44,911	\$44,493	\$45,332	\$63,750	\$53,517	\$47,045	\$55,913
Female	\$43,365	\$34,271	\$30,962	\$39,774	\$43,750	\$43,935	\$28,910	\$32,288
Individuals below the poverty level	6.90%	22.00%	7.20%	7.90%	3.50%	5.60%	5.60%	8.10%

(NHES - ELMI) Labor Force

	2015	2015	2015	2015	2015	2015	2015	2015
Annual Average Civilian Labor Force	2,937	1,845	1,203	3,094	315	1,503	2,428	2,309
Employed	2,816	1,737	1,157	2,986	300	1,436	2,316	2,185
Unemployed	121	108	46	108	15	67	112	124
Unemployment Rate	4.10%	5.90%	3.80%	3.50%	4.80%	4.50%	4.60%	5.40%

(NHES - ELMI) Employment & Wages

	2014	2014	2014	2014	2014	2014	2014	2014
Annual Average Covered Employment								
Goods Producing Industries								
Average Employment	214	137	n	46	8	n	67	273
Average Weekly Wage	\$819	\$1,023	n	\$626	\$873	n	\$646	\$831
Service Providing Industries								
Average Employment	2,262	1,010	n	719	7	n	499	241
Average Weekly Wage	\$727	\$498	n	\$481	\$1,052	n	\$906	\$840
Total Private Industry								
Average Employment	2,477	1,147	n	764	15	137	566	514
Average Weekly Wage	\$735	\$561	n	\$490	\$952	\$554	\$875	\$835
Government (Federal, State, and Local)								
Average Employment	517	541	96	334	0	103	323	68
Average Weekly Wage	\$822	\$705	\$508	\$723	\$0	\$583	\$679	\$661
Total, Private plus Government								
Average Employment	2,993	1,687	n	1,099	15	240	889	582
Average Weekly Wage	\$750	\$607	n	\$561	\$952	\$566	\$804	\$815

If "n" appears, data does not meet disclosure standards.



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The Cooperative plans to honor SNAP cards and work with local welfare offices and food banks to ensure that the Cooperative provides for the needs of its most vulnerable community members. Plans are in place to provide baskets to the “End 68 Hours of Hunger” program at local schools and to provide workshops on healthy eating, gardening and canning targeting low income families. The Cooperative’s Bylaws also provide for donating food items to the local food bank in the event the Cooperative ceases operations.

Community Support

The most revealing market statistic is that more than 250 households have purchased member-owner shares in the cooperative. Each of these households represents future shoppers. Many community members will shop and support the co-op and never become member-owners. The co-op has received donations and loans totaling \$33,000 or 1/3 of the capital needed to open the store.

Business Economics

Gross and Operating Margins

First year gross margins are estimated to be 20%, moving to 25% in year two and beyond. Operating expenses as a percentage of gross sales begin at 26.1% reflecting increased startup promotions, staffing and consulting. Operating expenses drops to 24.5% in year 3 to a stabilized rate of about 20% as the Co-operative achieves operational stability.

Profit Durability and Potential

Cooperatives groceries operating with relatively slim margins can develop significant profit potential through sales volume. WCFC is projecting losses in the first two years, modest profits growing from just over breakeven in year 3 to \$20K in year 4 and \$35K in year 5, with steady profit growth thereafter. Long-term profit durability can be affected by many factors, but cooperatives have shown, with strong governance and management, their ability to yield steady profit as a sustainable and long-term business.

Fixed, Semi-variable and Variable Costs

Cost of Goods Sold is the main cost category at over 75% of gross sales. Personnel is next starting at 10% in year 1 as the store is expected to be staffed primarily with volunteers during its first year of operations. In year 2, personnel costs are projected to increase to approximately 15% of revenue and stabilize at approximately 12% by year three. Occupancy is a comparatively small expense starting at 10% in year 1 and dropping to 5% thereafter.

Break-Even Timeline

Estimated breakeven point is late in the third year, with positive cash flow occurring late in the second year.

Marketing Plan

Pre-Opening

In the early stages of WCFC’s development the most important components of marketing have involved recruiting member-owners and establishing our name in the community. These efforts have proved successful. WCFC has held several community events and had a presence at the farmer’s market. Board members and volunteers network with the community at these local happenings with the purpose of sharing our vision of opening a co-op food store that will also serve as a welcoming community information center for health and nutrition and sustainable agriculture.



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Our news updates are sent via email to keep members informed of events, achievements and milestones in the growth of the co-op. The co-op has also created a website that will include announcements, updates, newsletters, the business plan and information on cooperative principles. The WCFC will hold an annual meeting for members in July. At that time, the annual report will be given, officers will be elected, co-op progress and future direction will be discussed and concerns will be addressed.

There is strong community support for the co-op as membership numbers have increased steadily over the past year. Over 250 households have invested in the co-op and there is strong interest from potential members. Interest has been maintained by brochures, word-of-mouth, events, local radio and newspaper. WCFC has also used Facebook for event publicity and community interest.

Post Opening

Marketing strategies will generally be initiated by the co-op store's manager and the board will encourage the use of email, internet, direct mail, radio and print media to attract new store patrons. Advertising for featured products and in-store specials will also be distributed to member-owners and target groups. To help meet our community health and sustainability goals, the co-op will promote community awareness events, teach farm to table concepts, teach nutrition and cooking classes and serve as an outreach to young people - all of which are vital to the success of the co-op.

Development Plan

WCFC's development plan consists of three important stages: 1. Organizing Stage, which is completed, 2. Feasibility and Planning stage, which is almost completed, and 3. Implementation Stage.

The focus of the board of directors at this point, is to complete the Feasibility and Planning stage and lay the foundation for the Implementation stage.

Now that we have found a building, the primary goals are to continue to grow our membership base and complete the financing. In addition to individual members, the WCFC is actively reaching out to local providers and vendors as both members and investors.

Difficulties and Risks

The biggest risk to the co-op's development plan is to fail to meet target goals for financing, which would create additional costs and increase the time it takes to open our doors.

An additional risk is the possibility of another natural food store coming into town, filling the same competitive space. There are no apparent candidates at this point, but the risk is there until we get the store open.

Finally, it is much more difficult to secure bank financing for businesses structured like WCFC, fortunately we have had strong financial backing from community members.

Social Media

The WCFC maintains an online presence on Facebook and at: <http://www.wolfeborocoop.org/>

There are currently no plans to provide online shopping.



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Operations Plan

Project Development Plan

The WCFC is following a three-stage development plan. It has completed the Organizing Stage-WCFC was planned, incorporated and leadership was recruited. It is close to completing the Feasibility and Planning Stage – we have developed a business plan, done a market study, finished a financial pro forma, and worked on a store design. It will continue its membership drive thru fundraising events, a presence at the farmer’s market and the media. It is working on a member loan program, has done paperwork for managing position details and has negotiated a lease. As WCFC moves into the Implementation Stage, the board of directors will complete the financing, hire a general manager, finalize the lease and stock the store.

Business Location

Wolfeboro Community Food Cooperative will be located at:
50 Bay Street
Wolfeboro, NH 03894

Mailing address: PO Box 565, Wolfeboro, NH 03894
Phone/email: 603-569-5704 / wolfeborofoodcoop@gmail.com

Online presence: <http://www.wolfeborocoop.org/>

Financial Requirements

Opening WCFC will require substantial financial resources. Our plans currently call for raising \$100,000 from a combination of sources. Sales of member-owner shares and member investments account for \$53,000. Subordinate debt from community loans and vendor credits account for \$17,000. An additional \$30,000 will be obtained from financial institutions or private lenders. Major expenses include \$5,000 for insurance down payments, \$15,000 for equipment and supplies, and \$35,000 for store inventory. Budget plans include a contingency for the first 6 months of utilities, rent and salaries as well as a \$15K allowance for working capital. Current projections are for a positive cash flow in the third full year of operation. Detailed financial plans and projections are included in the full business plan.

Schedule

The Co-op’s project schedule is following the timeline below:

Organizing

- Community meetings, begin to organize
- Recruit board
- Incorporate
- Set up financial systems

Feasibility

- Complete a feasibility study
- Write business plan
- Set up membership
- Prepare membership materials



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Planning

- Start membership drive and recruit members
- Finalize business plan and member loan materials
- Develop supplier relationships

Site Development

- Recruit new members based on site selection
- Finalize external funding and member loans
- Secure site and finalize for renovations
- Hire a General Manager

Preparation for Opening

- Finalize Budget
- Train staff
- Order and install equipment
- Advertise store opening
- Recruit new members

Facilities and Improvements

This site we have found is owned by a co-op owner and board member and is in the process of being built out to our specifications at no charge to us.

Strategy and Plans

The founders and board of directors are focused on membership growth and a successful completion of the membership drive to secure a significant share of the capital required to open the store. The membership drive has started and will be ongoing until it has reached its goal of \$100,000

The co-op's board of directors understands that an experienced store manager will be necessary for WCFC to succeed. Plans relating to the stocking, opening, and operation of the store will be made once a search has led to the hiring of the position.

Timeline to Opening

The WCFC board is working hard to get the store open by March of 2017. Finalizing the lease and completing the financing will determine the exact timeline. At this time, we have a verbal commitment to our building owner who is also a co-op board member. A lease has been negotiated and is currently on a month to month basis, however, we expect to be signing for a longer term by March of 2017. Once the member investment drive has reached its goal of 500 members or in kind donations/loans and the space and financing are finalized, we will be hiring a general manager. The general manager will begin developing formal agreements with local farmers and suppliers, staffing the store, and preparing for opening.

Good and Services

The planned store will include a variety of items such as dry grocery, bulk grains and herbs, frozen and refrigerated foods, produce, health and beauty, specialty foods and dietary needs. In addition, the store will have a selection of household supplies and general merchandise. It will actively seek out relationships with local farmers and producers to bring in a large selection of organic, natural and locally-produced food and products. It will also have a small reference library, a community bulletin board and an area for presentations, classes and outreach in the wellness, nutrition and sustainable farming practices.



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Management Team

Organization

Currently, Management of WCFC is comprised of a steering committee which is currently acting as the Board of Directors for the Cooperative. The Board of Directors continue to manage the development of the co-op as they have for the last year and a half. Consistency of volunteer management has been extremely high over this period, building strength, trust and knowledge of the organization in the larger community. The goal is to continue to grow the number of member-owner households, which now stands at over 250.

WCFC has a highly stable and committed board of directors, many of whom have worked together for over a year and a half. The board is made up of 6 members who have a strong commitment to cooperative values and bring expertise in finance, business development, graphic design and marketing, working with non-profits and co-ops and governance. Member-owner volunteers with other special skills have also been instrumental in the co-op's development.

The Board realizes the importance of hiring an experienced, knowledgeable store manager. We are carrying out a search for a manager and have identified a strong candidate. Our objective is to hire someone who is able to manage the store profitably during the more challenging first years of business.

We believe our current location is ideal, within walking distance of downtown Wolfeboro and accessible from the Town Docks for Island Residents. The location has ample parking, is visible from the street and is out of the way of busy summer traffic. The space has been fully built out to the specifications of the Board and the landlord is a supportive member of the co-op and board member.

The Board has set a policy for the oversight role of the board. Once the store manager is hired, it will be his/her responsibility to hire staff, provide training, and generally run the store under the policy directives of the board.

Management Compensation and Ownership

The Board of Directors will receive no payment. All Board members must be members of the co-op. The Board of Directors will govern the salary for the manager, who will then supervise all additional employees. In profitable years and upon the vote of the membership at the annual meeting, the Board of Directors, as member-owners of WCFC, will also be eligible to receive patronage refunds. Regardless of the number of shares purchased, member households are entitled to one and only one vote per household membership.

Other Investments

The articles of incorporation and bylaws of WCFC permit the purchase of additional investments outside the member share of \$150 but these carry no additional voting rights.

Employment

Management and employees will be member-owners and will be limited to one vote as are all other member households.

Shareholders Rights and Restrictions

All shareholders who have purchased a membership from the Wolfeboro Community Food Cooperative are entitled to one and only one vote; more rights and restrictions are listed in the Bylaws and Certificate of Organization of the co-op, which is available to all member-owners.



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Risks & Assumptions

Risks

The fundamental risk to the success and long-term business viability of WCFC is insufficient capital to open and stock a store. Specific issues related to this include:

The co-op is thinly capitalized, making it challenging to implement the business plan and qualify for loans. Because investment in the co-op is high risk with low return, raising enough capital through the member loan program or the sale of memberships is speculative.

The co-op will be unable to implement its business plan if it is unable to secure the financing represented by the Member Loan Program or other anticipated funding opportunities.

The Notes are offered and issued pursuant to the “intrastate” offering exemptions from registration provided under the federal Securities Act of 1933. If the Cooperative is unable to comply with its requirements some (or all) of the Note holders could have the right to withdraw their loans. If that should occur, the cooperative would face challenging financial demands, which could adversely affect the co-op and the remaining Note holders. In addition to the risks related to financing, there are other, more typical risks, including the following:

General Risks

There are risks involved in any business enterprise but encountered in start-up businesses in particular. And many of these are beyond the scope of co-op management. The risks include: a weak economy, insufficient capital, credit availability, delays and expenses, rising food prices, regulatory changes, competition, marketing issues, product sourcing and market acceptance of products.

The retail food industry is highly competitive with large, diversified food companies, owning many of the WCFC’s potential competitors and having far more resources.

Neither the management staff nor the Board of Directors has any legal commitment regarding their length of service with the co-op.

It is uncertain whether the co-op will be able to recruit and retain people possessing the skills and experience needed by the co-op.

Assumptions

WCFC’s underlying assumption is that the community wants the co-op to happen. Anecdotal evidence such as surveys, member comments and marketing analysis support this assumption. There are many co-ops in towns with similar populations, who have used similar organizational methods to find great success. (Littleton Food Co-op).



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The Financial Plan

In the section that follows, the Wolfeboro Community Food Co-op's financial planning information is presented. Current Financial Statement, Income and Expenditures, Financial Pro Forma, Breakeven Analysis and Projects Sources and Uses.

Financial projections indicate that Wolfeboro Community Food Co-op will realize a positive cash flow in its third year of operations. The fluctuations in cash flow in years four through ten reflect the payback of both the bank and member loans. Additional member loans may supplant some of the bank financing which would improve the cash flow even further. The desire is to reach positive cash flow as quickly as possible and for cash flow to remain stable and steadily grow. The numbers shown compare favorably to other successful cooperative grocery startups.

Current Financial Statement

Wolfeboro Food Cooperative, Inc. Historical Financial Statements

Balance Sheet	12/31/2015	12/31/2016	Statement of Operations	From inception to 12/31/2015	12/31/2016
Cash	16,890	27,661	Events Revenue	-	3,588
Membership receivables	300	650	Rent income (sublease)		800
Prepaid expenses			Interest income	1	8
Property and equipment	-	1,500	Total Revenue	1	4,396
	-	-			
Total assets	17,190	29,811	Operating expenses		
			Event costs		2,461
Accounts Payable	-	-	Brochures and mailers		1,450
Member loans	-	-	Supplies		404
Long Term Debt	-	-	Rent		6,400
Membership	19,550	37,000	Telephone		44
Paid in capital	2,200	4,325	Credit card fees	85	106
Retained earnings (deficit)	(4,560)	(11,514)	Website		215
Total liabilities and equity	17,190	29,811	Dues		260
			Other		10
			Start up costs	4,476	
			Total expenses	4,561	11,350
			Net loss	(4,560)	(6,954)



WOLFEBORO COMMUNITY FOOD COOPERATIVE

Pro Forma Income Statement

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	300,000	575,000	650,000	750,000	850,000
Cost of sales	240,000	431,250	487,500	562,500	637,500
Gross profit	60,000	143,750	162,500	187,500	212,500
Operating expenses					
Manager salary	30,000	40,000	42,000	44,100	46,305
Other wages	-	41,600	43,680	45,864	48,157
Payroll taxes	3,000	8,160	8,568	8,996	9,446
Rent	19,200	20,160	21,168	22,226	23,338
Utilities	9,600	10,080	10,584	11,113	11,669
Snow removal/plow	350	368	386	405	425
Insurance	6,000	6,300	6,615	6,946	7,293
Supplies	1,200	1,260	1,323	1,389	1,459
Telephone	1,200	1,260	1,323	1,389	1,459
Repairs	2,400	2,520	2,646	2,778	2,917
Cleaning and disposal	2,400	2,520	2,646	2,778	2,917
Advertising	3,600	3,780	3,969	4,167	4,376
Credit card fees	3,000	5,750	6,500	7,500	8,500
Office	1,200	1,260	1,323	1,389	1,459
Vehicle	500	525	551	579	608
Interest - CoOp Loan	1,500	1,500	1,500	1,500	1,500
Interest - member loans	510	510	510	510	510
Other	3,600	3,780	3,969	4,167	4,376
Total operating expense	89,260	151,333	159,261	167,799	176,713
Net income before depreciation and taxes	(29,260)	(7,583)	3,239	19,701	35,787

	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	80.0%	75.0%	75.0%	75.0%	75.0%
Gross profit	20.0%	25.0%	25.0%	25.0%	25.0%
Operating expenses					
Manager salary	10.0%	7.0%	6.5%	5.9%	5.4%
Other wages	0.0%	7.2%	6.7%	6.1%	5.7%
Payroll taxes	1.0%	1.4%	1.3%	1.2%	1.1%
Rent	6.4%	3.5%	3.3%	3.0%	2.7%
Utilities	3.2%	1.8%	1.6%	1.5%	1.4%
Snow removal/plow	0.1%	0.1%	0.1%	0.1%	0.1%
Insurance	2.0%	1.1%	1.0%	0.9%	0.9%
Supplies	0.4%	0.2%	0.2%	0.2%	0.2%
Telephone	0.4%	0.2%	0.2%	0.2%	0.2%
Repairs	0.8%	0.4%	0.4%	0.4%	0.3%
Cleaning and disposal	0.8%	0.4%	0.4%	0.4%	0.3%
Advertising	1.2%	0.7%	0.6%	0.6%	0.5%
Credit card fees	1.0%	1.0%	1.0%	1.0%	1.0%
Office	0.4%	0.2%	0.2%	0.2%	0.2%
Vehicle	0.2%	0.1%	0.1%	0.1%	0.1%
Interest - CoOp Loan	0.5%	0.3%	0.2%	0.2%	0.2%
Interest - member loans	0.2%	0.1%	0.1%	0.1%	0.1%
Other	1.2%	0.7%	0.6%	0.6%	0.5%
Total operating expense	29.8%	26.3%	24.5%	22.4%	20.8%
Net income before depreciation and taxes	-9.8%	-1.3%	0.5%	2.6%	4.2%



WOLFEBORO COMMUNITY FOOD COOPERATIVE

Projected Sources and Uses

Wolfeboro Food Cooperative, Inc.

Forecasted Start Up Costs - Sources and Uses

Memberships	40,000	
Rita Roberts	10,000	Donations
Mark Watson	1,000	Donations
Clover Co-op	2,000	Donations
Patty Walker	2,000	Loan
Steve Pruchansky	3,000	Loan
Maureen Boornazian	1,000	Loan
Fran & Beverly Phillips	5,000	Loan
Reeve Curry	4,000	Loan
Pat Jones	2,000	Loan
Other Pledges	-	Loan
Co-op Loan	25,000	
Co-op Grant	5,000	

Total Sources	100,000
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Associated Buyers - Inventory		
Bulk containers	35,000	
Freezer	4,500	
Fridge	3,900	3 Doors
Shelving	1,500	
Shopping baskets	150	20 baskets
Chamber membership	150	
Store supplies	500	
Brochures and mailers	1,000	
Computer and office supplies	1,000	
Advertising	500	
Dues	150	
Insurance	5,000	
Rent	8300	6 months
Water & Sewer	558	6 months
Electric	2,250	6 months
Fairpoint	270	6 months
iPad & Shopkeep hardware	690	6 months



WOLFEBORO COMMUNITY FOOD COOPERATIVE

Projected Sources and Uses cont'd

Shopkeep	420	6 months
Store manager Salary & Taxes	4,800	240 40 hours a month
Startup costs incurred to date	12,000	
Miscellaneous	2,000	
Additional Working Capital	15,362	
Uses	100,000	



WOLFEBORO COMMUNITY FOOD COOPERATIVE

Projected Sources and Uses

Memberships	40,000		
Rita Roberts	10,000		Donations
Mark Watson	1,000		Donations
Clover Coop	2,000		Donations
Patty Walker	2,000		Loan
Steve Pruchansky	3,000		Loan
Maureen Boornazian	1,000		Loan
Fran & Beverly Phillips	5,000		Loan
Reeve Curry	6,000		Loan
Other Pledges	4,000		Loan
Co-Op Loan	25,000		
Co-Op Grant	5,000		
Total Sources	100,000		
Associated Buyers - Inventory	35,000		
Bulk containers	4,500		
Freezer	3,900	3	Doors
Fridge	3,900	3	Doors
Condenser	5,000		
Fridge/Freezer installation	2,500		
Shelving	1,500		
Shopping baskets	150	20	baskets
Chamber membership	150		
Store supplies	500		
Counters	1,000		
Computer and office supplies	1,000		
Advertising	500		
Insurance	5,000		
Rent	9,600	6	months
Water & Sewer	558	6	months
Electric	2,250	6	months
FairPoint	270	6	months
iPad & ShopKeep hardware	690	6	months
ShopKeep	420	6	months
Store manager Salary & Taxes	4,800	240	40 hours a month
Start-up costs incurred to date	12,000		
Additional Working Capital	4,812		
Uses	100,000		



WOLFEBORO COMMUNITY FOOD COOPERATIVE