

2008 FINANCE REPORT

Wow. What a year 2008 was. We've experienced our highest sales to date, up a whopping 19% from 2007, and we're projecting an increase of 15% for 2009. This kind of growth has its fair share of ups and downs. It's enabled us to pay off the remainder of our second Portland Development Commission loan, leaving us virtually free of long-term debt for the first time in our history. We also opened a high yield savings account at Forest Park Federal Credit Union to be used for bigger investments in the future. At the end of 2008 this Capital Fund had over \$15,000 in it, and we are planning to increase that amount to over \$45,000 by the end of 2009.

With Net Income comes taxes. We have had a positive net income since 2004, but we've also had enough loss from previous years that we carried over to avoid paying any taxes on the income. Until now, that is. The loss roll over has run out, and in 2008 we paid out big for 2007 taxes - \$21,242 to be exact. We grumbled and cursed "the man" but it did little to change our reality. We are a profitable business, whether we like it or not. I've received a crash course in business taxes from our CPA and together we are finding ways to reinvest that money back into the coop instead of handing it over to the government. At this point, our estimated 2008 tax due is around \$24,450. In 2008, we made \$21,155 in quarterly prepayments towards this balance.

On the bright side, we invested heavily in capital assets again this year with another shelving project – in Health/Household and bulk – and the purchase of a cold table which serves the produce, perishables, and alcohol departments. Another big related accomplishment this year was finally moving the last of our external compressors that maintain temperature for our produce walk-in and our wet rack from the basement to the roof. We moved them out of the basement, where they were running at 80% of their capacity (the combination of poor air quality and a hot environment forced them to work much harder than was optimum) to the roof. By moving them into the open air, we should be able to conserve energy, save money on utilities, and increase the lifespan of these very important pieces of equipment. This will also reduce future costs for the Co-op and prevent unnecessary electronic waste for the environment! We have applied for a reimbursement for this project with the Energy Trust of Oregon and are waiting, with fingers crossed, for news on what that might be.

Our main challenge continues to be space. We've pushed the limits of our current space in order to accommodate our needs, but with the rapid growth we have seen over the past few years it's clear that we need to start exploring other options. In our fantasies, we would own our building and it would be big enough to house our back stock, provide our workers with plenty of office space, allow us to better serve our member-owners with a usable community space, and maybe even have enough room left over for an in-house kitchen and deli!

At this year's Annual Membership Meeting, we will be presenting an update from the past year of research into our space options. We'll be going over the history of our current space, what we've heard our member-owners request, what's possible for us to do, how much it'll cost, and how we can pay for it. If you aren't able to attend, there will be a number of future opportunities to participate in this dialogue about what's next for your Co-op!

Alberta Cooperative Grocery Profit & Loss Statement January - December 2008

Sales	\$ 2,431,352
Cost of Goods	\$ 1,538,367
Gross Profit	\$ 892,985

Expenses	
Personnel	\$ 541,674
Occupancy	\$ 76,100
Depreciation/Amort.	\$ 5,102
Operating	\$ 37,003
Administrative	\$ 30,392
Governance	\$ 20,111
Member Discounts	\$ 16,483
Promotional	\$ 10,893
Interest	\$ (1,779)
Income Taxes	\$ 42,859

Total Expenses	\$ 778,838
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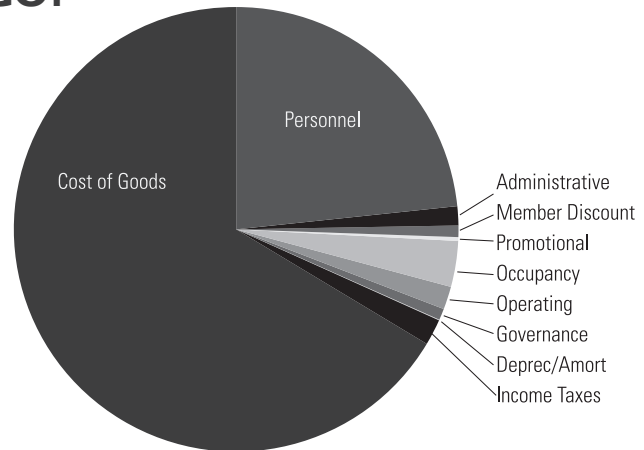
Net Ordinary Income	\$114,147
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Other Income	\$ 41,379
Other Expenses	\$ 39,634
Net Other Income	\$ 1,745

Net Income	\$ 115,891
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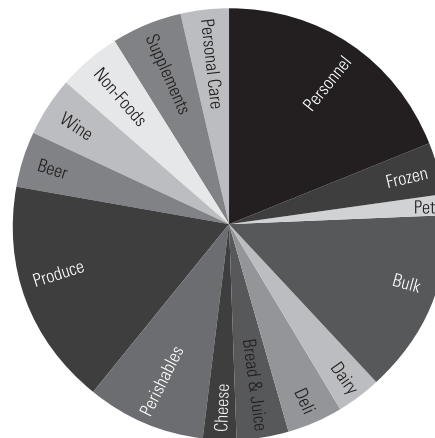
WHERE DOES THE MONEY GO?

1) Personnel.....	\$541,674
2) Deprec/Amort	\$5,102
3) Administrative	\$30,392
4) Member Disc.....	\$16,483
5) Promotional	\$10,893
6) Occupancy	\$76,100
7) Operating	\$37,003
8) Governance	\$20,111
9) Income Taxes.....	\$42,859
10) Cost of Goods.....	\$1,538,367



WHERE DOES THE MONEY COME FROM?

1) grocery.....	\$461,366
2) frozen.....	\$94,367
3) pet.....	\$25,820
4) bulk.....	\$340,277
5) dairy.....	\$79,190
6) pre-packaged deli.....	\$101,598
7) bread & juice.....	\$92,831
8) cheese.....	\$61,129
9) perishables.....	\$213,848
10) produce.....	\$413,067
11) beer.....	\$101,890
12) wine.....	\$107,069
13) non-foods.....	\$113,542
14) supplements.....	\$126,394
15) personal care.....	\$83,906



ALBERTA COOPERATIVE GROCERY ANNUAL SALES

SALES GROWTH CHART

2002	\$980,635
2003 (up 9% from '02).....	\$1,072,878
2004 (up 16% from '03).....	\$1,243,134
2005 (up 11% from '04).....	\$1,383,160
2006 (up 17% from '05).....	\$1,621,100
2007 (up 22% from '06).....	\$1,974,869
2008 (up 23% from '07).....	\$2,431,352

