



Port Orford CommUnity Co-op

A local and regional market in Port Orford, Oregon



Business Plan

October 2012

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Executive Summary

This business plan will introduce the opportunity to develop a consumer food cooperative (“co-op”) business in the Port Orford, Oregon area. This type of business is similar to health food stores but is community owned. They have operated successfully in the United States for decades. The Port Orford Community Co-op Co-op will be the first food cooperative in Port Orford - a market where “going green” is a rapidly growing trend.

The Port Orford Community Co-op will offer more sustainable products than other grocery stores in the area will be a more practical choice than what's available in the county and will empower its members through thoughtful education and social events. The economics and demographics of this opportunity look promising.

The founding Board of Directors and steering committee has been researching this issue since March 2011, have made connections (both locally and nationally) to useful resources and have received much positive feedback from area residents.

This is an opportunity to develop an organization that will be the catalyst for further community involvement. The Port Orford Community Co-op will significantly contribute to the commerce, fellowship and green culture of the region.

This document describes the Port Orford Community Co-op’s business plan and budget for Fiscal Year 2013-2014. The plan was developed by the Co-op’s Business Planning team in conjunction with the Board of Directors and input from community members.

The financial projections for FY2013-2014 have sales growth increasing at a conservative rate.

Mission and History

Mission:

The mission of the Port Orford Community Co-op is to enhance our community by establishing a year-round market to showcase local/regional food, crafts, and services.

The Birth of Port Orford Community Co-Op Market Idea

February 16, 2011 the PO Main Street Revitalization Association sponsored an informational meeting with a State Representative to explore a State Program called FEAST. There were nine citizens in attendance to hear the presentation. After the presentation a group of citizens stepped up to begin the Port Orford effort to start a local Food Co-op. At that first meeting were local growers, producers and interested parties, many remained as the steering committee.

The Port Orford Main Street Revitalization Association (POMSRA), a 501c3 organization, being the sponsors to the project, has adopted this group as a Standing Committee until such time as the Co-op becomes a 501c3 or For Profit Organization on its own.

The Director of Curry County Economic Development met with the group shortly after the first meeting and gathered ideas from which a Concept Paper was crafted for the USDA Rural Business Enterprise Grant program for technical assistance. The Concept Paper resulted in a grant application request from USDA. The grant was awarded and used for the technical aspects of starting a co-op including a cost analysis, business plan, marketing plan, website development, board recruitment and training, and long-term strategic planning.

The Steering Committee met monthly to gather information and lay the beginning foundation work in anticipation of the needs of a Board of Directors for the co-op. The new Board of Directors was seated in June of 2012 and quickly assessed all of the past information which included the cost analysis, marketing surveys, possible building locations, governance documents, and membership options. The Board of Directors moved forward with the information certain that a co-op would be a financially viable entity and enhance the community.

The Board of Directors completed the development of the governance documents, membership status, and legal papers needed to form the co-op. The Co-op was officially formed as an Oregon Cooperative Corporation later that year.

The vision list for the Market includes: Local and Regional produce, products with a focus on local farmers and producers, local meat & fish, classes in food preparation & nutrition, deli of local items to eat in or out, support of local artists & crafters; all in a friendly country store atmosphere. Additionally, a commercial kitchen located at the co-op would offer local producers to make and sell value added products, adding another level of income for the co-op through the rental of the certified kitchen.

Description of Business

The Port Orford Community Co-op is a member-owned food co-op which will feature foods, gifts, crafts, and household items, with an emphasis on buying local. The co-op will be centrally located in Port Orford at 812 Oregon Street. The building is 1680 square feet with two commercial kitchens, ADA restrooms, storage and office space, and adequate store space. The co-op will purchase food and other products from local producers, install a small deli for eat in or take out, offer education and information on nutrition, health, and sustainable environmental practices. The co-op will rent out its commercial kitchen to local producers who wish to produce value added products for sale in the co-op or other venues.

Products and Services

The Port Orford Community Co-op will provide fresh local and organic produce and other grocery items, as well as crafts, gifts, and household products either directly from local producers (when possible) or wholesale from local and regional suppliers. Over 75 suppliers have been identified who currently deliver year round to similar businesses, or have expressed an interest in supplying the co-op with product.

The Port Orford Community Co-op will also provide rental use of its certified kitchen to local producers to make value added products for sale at the co-op or other venues.

Additional services the Co-op will provide are educational and informational opportunities regarding healthier lifestyles, nutrition, and sustainable environmental practices.

Pricing

When picking a pricing strategy, the Co-op must keep in mind several important points. First, it is easy to mark up items, but this can hurt sales and make customers think the co-op is high priced. Likewise, it is easy to mark down items and seem like a low-priced store while driving themselves out of business. Finally, the Co-op must find the right balance of pricing strategies that fit their items' markets and provide an acceptable margin. The financial projections reveal a mix of margin and mark-up pricing that is used by many area Co-ops.

Margin vs Mark-up

Mark-up is determined by multiplying your cost by a fixed percentage and adding the result to the cost. Determining the mark-up percentage by the average gross profit percentage needed to pay all bills and still make an adequate profit. This is also called cost-plus pricing.

Margin is the difference between the selling price and the cost. Determine the selling price of an item by dividing the cost of the item by 1 minus the desired gross profit percentage. For example, if an item's

cost is \$10, and you want a 20% gross profit percentage, the selling price would be $10 \div (1 - .20)$, or $10 \div .8$, which is \$12.50.

The following is how you calculate mark-up, or cost-plus pricing:

$$\text{cost} + (\text{cost} \times \text{mark-up}) = \text{sell price}$$

For example, if the item's cost was \$1.50, and you wanted a 33.3% mark-up, the calculation would be:

$$1.50 + (1.50 \times .333) = 2.00$$

Calculate margin as follows:

$$\text{cost} \div (1 - \text{margin}) = \text{sell price}$$

For example, if the same item's cost was \$1.50, but you wanted a 25% margin, the calculation would be:

$$1.50 \div (1 - .25) = 2.00$$

These examples show how different mark-up and margin are. Although the cost and sell price were the same for both, the mark-up was 33.3%, and the margin was only 25%.

Margin vs Markup Chart

15% Markup = 13.0% Gross Profit	40% Markup = 28.6% Gross Profit
20% Markup = 16.7% Gross Profit	43% Markup = 30.0% Gross Profit
25% Markup = 20.0% Gross Profit	50% Markup = 33.0% Gross Profit
30% Markup = 23.0% Gross Profit	75% Markup = 42.9% Gross Profit
33.3% Markup = 25.0% Gross Profit	100% Markup = 50.0% Gross Profit

Industry

Co-op income statement performance is among the best in the industry, with strong sales growth and robust net income. Co-op balance sheets are again strong and indicate continued capacity for growth and expansion. Aggregate balance sheets are not leveraged and show a lot of liquidity. Overall, co-ops performed well, almost as well as Whole Foods Market (WFM) and much better than Wild Oats Market (WOM).

Sales growth

The Natural Foods Merchandiser reports that "for the first time since 1999" natural products retailers posted double-digit sales growth at 10.9% and "outpaced all other channels but the Internet." Average food co-op sales growth was on par with the natural products retailers, with identical-store sales growth of 10.5%.

Owner earnings

One way to compare net income between cooperatives and public companies is to add back the patronage refunds (aka patronage dividends) that cooperatives have provided to owners. In a co-op, patronage refunds are booked in the Other Expense category. In a public company, declared dividends are not—they are taxable income.

Additionally, some co-ops assign profit to owners through member discounts at the register. This amount is also added back to net income in order to get an accurate total of owner earnings. Co-op owner earnings at 2.2% compare favorably with those of Whole Foods investor owners at 2.9% and were far better than Wild Oats at 0.3%.

Small- and large-sized co-ops' results were strong, with both increased sales growth and improved operational performance.

Balance sheet

Co-op balance sheets remain strong, with indications that co-ops are investing in improved and expanded fixed assets. This is encouraging news. Fixed assets were 55% of total assets this year, compared to 52% a year ago. Aggregate balance sheet strength is muted by co-ops' inability to easily transfer underused cash from one co-op to another co-op where it could provide higher member returns. And cash represents more than 20% of total aggregated assets.

Additional signs of strength are both the percent of assets financed by owners and the ratio of liquid assets to short-term obligations (current ratio). Almost 50% of assets are financed by member owners in cooperatives.

Maturing natural foods industry

The natural foods industry is changing rapidly. To understand the impact of these changes on food co-ops, it's helpful to apply Harvard Business School Professor Michael Porter's "Competitive Forces" model. Porter believes that industries frequently become less profitable as they mature. This reduced profitability typically affects many companies within the industry—in CoCoFiSt (Common Cooperative Financial Statements) terms, it's a common cause.

Porter's model can be used to analyze competitive forces in the natural foods industry. One key competitive force is the entry of new competitors and new strategies of current competitors.

In response to industry changes, it is imperative for co-ops to develop a significant differentiator on par with Wal-Mart's low price, Whole Foods' broad selection, or Trader Joe's unique products. Each of these companies does a superb job of differentiating itself. How about co-ops?

In a maturing industry, Porter warns against being "stuck in the middle" trying to do too many things and not being unique and best at anything. "Industry maturity tends to widen the performance differences between firms with a winning strategy and those that are stuck in the middle, because it exposes ill-conceived strategies that have been carried along by rapid growth," says Porter.

According to National Cooperative Grocers Association's Hartman study, co-ops have historically and instinctively adopted a differentiation strategy with a narrow focus on the core natural food market. As the industry has changed, successful co-ops have started to change too.

Competition

The Port Orford CommUnity Co-op does not have direct competition in the Port Orford region. The only other grocer in the city is a local chain, Ray's, who carries a small selection of organic products, and fewer local products. However, there is a natural grocer, Mother's, in Bandon thirty miles to the north. Mother's is a privately owned grocery store and carries organic and earth friendly products that are not necessarily local. The Port Orford CommUnity Co-op will place their emphasis on local first.

Gold Beach, thirty miles to the south, and Bandon both have seasonal farmer's markets 1-2 days per

week. These farmer's markets are not year around as will be the Port Orford CommUnity Co-op.

Location

The Port Orford CommUnity Co-op intends to purchase the building at 812 Oregon Street, which offers Highway 101 frontage, adequate parking, main street visibility, two kitchens, storage and office space, deli space and ample store area.

Suppliers

The Port Orford CommUnity Co-op Board of Directors has already contacted dozens of local producers who are interested in supplying product to the Co-op. Additional suppliers will consist of local and regional outlets including Azure Standard, Organically Grown Company (OGC), Good Earth Organics, UNFI, and others.

The suppliers carry everything from meat and dairy, to local gifts and household items.

Management

The Port Orford CommUnity Co-op will rely on member participation for its existence: from joining and shopping, to serving on the Board of Directors, to voting in elections and volunteering. Through the Member Volunteer Program, every member has the opportunity to be actively involved with the Co-op. Working members will also enjoy the added benefits of earning additional discounts and contributing to the success of the co-op. A volunteer manual has been developed with key job descriptions and requirements that will be the criteria for selecting the General Manager and Volunteer Manager. These two positions will be crucial to the success of the co-op, and these positions will also be volunteer positions. All co-op volunteers will work under the direction of the General Manager, who works under the direct supervision of the Board of Directors.

Financial Plan

This financial plan will address:

- Estimated Start-Up Funds
- Fixed Operating Expenses
- Sales Forecast 2013 & 2014
- Projected Income Statement 2013& 2014
- Balance Sheet
- Breakeven Analysis
- Cash Flow Statement

The financial plan assumes that the cooperative's members will provide 35% of the start up funds, which is within the recommended range of 30% - 50% to represent member-owner equity. Of the additional

funds needed, the assumption is that 35% will be provided through external donations and 30% will be provided through other financing, such as a loan. The loan in this financial statement is at 8% for fifteen years, based upon commercial rates and owner carried notes. Additional possible funding sources may be found through the following:

<http://www.foodcoopinitiative.coop/>

<http://ncdf.coop/>

http://www.rurdev.usda.gov/BCP_FundingForCoops.html

<http://www.extension.org/pages/63193/food-co-op-initiative>

<http://www.cdf.coop/funds/>

<http://www.craft3.org/>

The costs are grouped as Start Up Costs and Operating Costs. The Start Up Costs are assumed to cover the three months before the store opens for business. The operating costs are estimated per year after startup.

The start-up store size is 1,300 square feet, with approximately 800 square feet of retail space and 500 square feet for storage, kitchens, office space and a restroom.

Sales are estimated at a level to reach breakeven in the third year of operation, to illustrate the relationship of expenses and sales.

Improvements to the facility will be paid by the co-op. The cost of improvements can vary widely, depending upon the condition of the building and retail space which must meet food and safety requirements for public business. External improvements, such as for signage and parking, will need to be considered.

Equipment purchase costs can also vary widely. The proposed location has coolers, freezers, and all kitchen appliances. The condition of the appliances must be taken into consideration for replacement or repair. This plan provides for repair and maintenance of the equipment at an average of \$150 per month.

The Start-up Funds include \$10,000 of cash on hand. This cash helps, for example, to cover expenses when sales are not as great as expected. When this cash on hand is depleted, a line of credit may be needed.

Start-Up Funds		Amount
Fixed Assets		
	Real Estate (Purchase)	\$150,000
	Improvements	10,000
	Equipment (refrig cases,shelves.checkout)	20,000
	Furniture and Fixtures	5,000
	Vehicles	-
	Other Fixed Assets	-
	Total Fixed Assets	185,000
Operating Capital		
	Pre-Opening Salaries and Wages	-
	Prepaid Insurance Premiums	500
	Opening Inventory	10,000
	Legal, Acctng, Design, Misc. Fees	3,000
	Rent Deposits	-
	Utility Deposits	700
	Supplies	1,000
	Advertising and Promotions	1,000
	Licenses	500
	Other Initial Start-Up Costs	1,500
	Working Capital (Cash On Hand)	10,000
	Total Operating Capital	28,200
	Total Required Funds	213,200
Sources of Funding		Amount
	Owner's Equity (300 members x \$100)	\$30,000
	Donations	\$20,000
	Additional Loans or Debt:	
	Commercial-Private Loan	\$33,200
	Commercial-Private Mortgage	\$130,000
	Credit Card Debt	-
	Vehicle Loans	-
	Total Required Funding	\$213,200

Fixed Operating Expenses (after Start-Up)				Monthly		Year One	
Expenses							
Advertising				100		1,200	
Bank & Merchant Fees				25		300	
Equipment Repair & Maint.				150		1,800	
Dues and Subscriptions				20		240	
Miscellaneous				50		600	
Insurance (Liability and Property)				100		1,200	
Licenses/Fees/Permits				30		360	
Legal and Professional Fees				100		1,200	
Office Expenses & Supplies				100		1,200	
Postage and Delivery				50		600	
Taxes-Property				80		960	
Telephone and Communications				100		1,200	
Utilities				400		4,800	
Total Expenses				1,305		15,660	
Other Expenses							
Depreciation				416		4,992	
Interest							
(5% x 7 yrs) (5% x 10 yrs)	Commercial Loan			470	350	9,039	4,200
(5% x 15 yrs) (5% x 30 yrs)	Commercial Mortgage			1,030	700	12,360	8,400
Total Other Expenses				1,916	1,466	26,391	17,592
Total Expenses				3,221	2,771	42,051	33,252

Sales Forecast (12 Months)

Port of Ford Community Co-op

Fiscal Year Begins

Jan-13

12-month Sales Forecast

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Annual Totals
Produce						3000	3000	3000	3000	2800	2500	2500	19900
35% mark up	0	0	0	0	0	3,000	3,000	3,000	3,000	2,800	2,500	2,500	19,800
Produce TOTAL	0	0	0	0	0	3,000	3,000	3,000	3,000	2,800	2,500	2,500	19,800
Bulk						1700	1700	1700	1700	1700	1700	1700	11900
40% margin	0	0	0	0	0	1,700	1,700	1,700	1,700	1,700	1,700	1,700	11,900
Bulk TOTAL	0	0	0	0	0	1,700	1,700	1,700	1,700	1,700	1,700	1,700	11,900
Refrigerated						1400	1400	1400	1400	1400	1400	1400	9900
35% margin	0	0	0	0	0	1,400	1,400	1,400	1,400	1,400	1,400	1,400	9,800
Refrigerated TOTAL	0	0	0	0	0	1,400	1,400	1,400	1,400	1,400	1,400	1,400	9,800
Meats						1200	1200	1200	1200	1200	1200	1200	8400
30% margin	0	0	0	0	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	8,400
Meat TOTAL	0	0	0	0	0	1,200	1,200	1,200	1,200	1,200	1,200	1,200	8,400
Supplements						300	300	300	300	300	300	300	2100
50% margin	0	0	0	0	0	300	300	300	300	300	300	300	2,100
Supplements TOTAL	0	0	0	0	0	300	300	300	300	300	300	300	2,100
Household Items						400	400	400	400	400	400	400	2,800
35% mark-up						400	400	400	400	400	400	400	2,800
Household TOTAL						400	400	400	400	400	400	400	2,800
Deli						500	500	500	500	500	500	500	3500
50% margin						500	500	500	500	500	500	500	3,500
Deli TOTAL	0	0	0	0	0	500	500	500	500	500	500	500	3,500
Kitchen Rental						250	250	250	250	250	250	250	2050
60% margin						250	250	250	250	250	250	250	2,050
Kitchen rental TOTAL	0	0	0	0	0	250	250	250	250	250	250	250	2,050
Categories	0	0	0	0	0	8,750	8,750	8,750	8,750	8,650	8,350	8,350	60350

Profit and Loss Projection (12 Months)

Port Orford Community Co-op

Fiscal Year Begins

Jan-13

	IND. %	Jan-13		Feb-13		Mar-13		Apr-13		May-13		Jun-13		Jul-13		Aug-13		Sep-13		Oct-13		Nov-13		Dec-13		YEARLY	%					
		%	B/A	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%	%			%				
Revenue (Sales)																																
Produce	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Bulk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Refrigerated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Meats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Supplements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Deli	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Household	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Kitchen rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Total Revenue (Sales)	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	8,750	100.0	8,750	100.0	8,750	100.0	8,750	100.0	8,750	100.0	8,750	100.0	8,750	100.0	8,750	100.0	8,750	100.0		
Cost of Sales																																
Produce	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Bulk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Refrigerated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Meats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Supplements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deli	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Household	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Kitchen rental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Cost of Sales	0	-	0	-	0	-	0	-	0	-	0	-	5,516	63.0	5,516	63.0	5,516	63.0	5,516	63.0	5,516	63.0	5,516	63.0	5,516	63.0	5,516	63.0	5,516	63.0		
Gross Profit	0	-	0	-	0	-	0	-	0	-	0	-	3,234	37.0	3,234	37.0	3,234	37.0	3,234	37.0	3,234	37.0	3,234	37.0	3,234	37.0	3,234	37.0	3,234	37.0		
Expenses																																
Bank-Merchant fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-				
Dues-subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Office and supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Repairs-maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Misc. (unspecified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Accounting and legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Postage & Delivery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Telephone	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Taxes (real estate, etc.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Licenses-fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Mortgage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Misc. (unspecified)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Total Expenses	0	-	0	-	0	-	0	-	0	-	0	-	3,221	36.8	3,221	36.8	3,221	36.8	3,221	36.8	3,221	36.8	3,221	36.8	3,221	36.8	3,221	36.8	3,221	36.8		
Net Profit	0	-	0	-	0	-	0	-	0	-	0	-	13	0.1	13	0.1	13	0.1	13	0.1	13	0.1	13	0.1	3	0.0	-102	-1.2	-102	-1.2	-149	-0.2

Cash Flow (12 months)

Port Orford Community Co-op

Fiscal Year Begins: Jan-13

	Pre-Startup EST	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Total Item EST
Cash on Hand (beginning of month)		0	0	0	0	0	0	429	858	1,287	1,716	2,135	2,449	0
CASH RECEIPTS														
Cash Sales							8,750	8,750	8,750	8,750	8,650	8,350	8,350	60,350
Collections fm CR accounts														
Loan/ other cash inj.														
TOTAL CASH RECEIPTS	0	0	0	0	0	0	8,750	8,750	8,750	8,750	8,650	8,350	8,350	60,350
Total Cash Available (before cash out)	0	0	0	0	0	0	8,750	9,179	9,608	10,037	10,366	10,485	10,799	60,350
CASH PAID OUT														
Purchases (merchandise)							5,516	5,516	5,516	5,516	5,426	5,231	5,231	37,952
Bank-Merchant Fees							25	25	25	25	25	25	25	175
Dues-Subscriptions							20	20	20	20	20	20	20	140
Office and Supplies							100	100	100	100	100	100	100	700
Repairs-Maintenance							150	150	150	150	150	150	150	1,050
Advertising							100	100	100	100	100	100	100	700
Miscellaneous							50	50	50	50	50	50	50	350
Accounting & legal							100	100	100	100	100	100	100	700
Postage & Delivery							50	50	50	50	50	50	50	350
Telephone							100	100	100	100	100	100	100	700
Utilities							400	400	400	400	400	400	400	2,800
Insurance							100	100	100	100	100	100	100	700
Taxes (real estate, etc.)							80	80	80	80	80	80	80	560
Licenses-Fees							30	30	30	30	30	30	30	210
SUBTOTAL	0	0	0	0	0	0	6,821	6,821	6,821	6,821	6,731	6,536	6,536	47,087
Loan payment-Building							1,030	1,030	1,030	1,030	1,030	1,030	1,030	7,210
Loan payment-Other							470	470	470	470	470	470	470	3,290
Other startup costs														
Reserve and/or Escrow														
Owners' Withdrawal														
TOTAL CASH PAID OUT	0	0	0	0	0	0	8,321	8,321	8,321	8,321	8,231	8,036	8,036	57,587
Cash Position (end of month)	0	0	0	0	0	0	429	858	1,287	1,716	2,135	2,449	2,763	2,763

Sales Forecast (12 Months)

Port offord CommUnity Co-op

Fiscal Year Begins Jan-14

12-month Sales Forecast

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Annual Totals
Produce	2,500	2,500	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,000	3,000	2,800	36,800
35% mark up													
Produce TOTAL	2,500	2,500	3,000	3,000	3,000	3,500	3,500	3,500	3,500	3,000	3,000	2,800	36,800
Bulk	1,700	1,700	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,400
40% margin													
Bulk TOTAL	1,700	1,700	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,400
Refrigerated	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,900
35% margin													
Refrigerated TOTAL	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,900
Meats	1,200	1,200	1,200	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,300
30% margin													
Meat TOTAL	1,200	1,200	1,200	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	15,300
Supplements	300	300	350	350	350	350	350	350	350	350	350	350	4,100
50% margin													
Supplements TOTAL	300	300	350	350	350	350	350	350	350	350	350	350	4,100
Household Items	400	400	400	400	400	400	400	400	400	400	400	400	4,800
35% mark up													
Household TOTAL	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Dell	500	500	600	600	600	700	700	700	600	500	500	500	7,000
50% margin													
Dell TOTAL	500	500	600	600	600	700	700	700	600	500	500	500	7,000
Kitchen Rental	350	350	400	400	450	450	450	450	400	400	400	400	4,900
60% margin													
Kitchen rental TOTAL	350	350	400	400	450	450	450	450	400	400	400	400	4,900
Categories	8,350	8,350	9,150	9,250	9,300	9,900	9,900	9,900	9,750	9,150	9,150	8,950	111,100

Profit and Loss Projection (12 Months)

Port Orford Community Co-op

Fiscal Year Begins

Jan-14

Revenue (Sales)	IND. %	% B/A												YEARLY												
		Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14													
Produce	2,500	29.9	2,500	29.9	3,000	32.8	3,000	32.4	3,000	32.3	3,500	35.4	3,500	35.4	3,500	35.9	3,000	32.8	3,000	32.8	2,800	31.3	36,800	33.1		
Bulk	1,700	20.4	1,700	20.4	1,800	19.7	1,800	19.5	1,800	19.4	1,800	18.2	1,800	18.2	1,800	18.5	1,800	19.7	1,800	19.7	1,800	20.1	21,400	19.3		
Refrigerated	1,400	16.8	1,400	16.8	1,400	15.3	1,400	15.1	1,400	15.1	1,400	14.1	1,400	14.1	1,400	14.4	1,400	15.3	1,400	15.3	1,400	15.6	16,800	15.1		
Meats	1,200	14.4	1,200	14.4	1,200	13.1	1,300	14.1	1,300	14.0	1,300	13.1	1,300	13.1	1,300	13.3	1,300	14.2	1,300	14.2	1,300	14.5	15,300	13.8		
Supplements	300	3.6	300	3.6	350	3.8	350	3.8	350	3.8	350	3.5	350	3.5	350	3.6	350	3.8	350	3.8	350	3.9	4,100	3.7		
Deli	500	6.0	500	6.0	600	6.6	600	6.5	600	6.5	700	7.1	700	7.1	700	7.1	600	6.2	500	5.5	500	5.6	7,000	6.3		
Household	400	4.8	400	4.8	400	4.4	400	4.3	400	4.3	400	4.0	400	4.0	400	4.1	400	4.4	400	4.4	400	4.5	4,800	4.3		
Kitchen rental	350	4.2	350	4.2	400	4.4	400	4.3	450	4.8	450	4.5	450	4.5	450	4.1	400	4.4	400	4.4	400	4.5	4,900	4.4		
Total Revenue (Sales)	8,350	100.0	8,350	100.0	9,150	100.0	9,250	100.0	9,300	100.0	9,900	100.0	9,900	100.0	9,900	100.0	9,750	100.0	9,150	100.0	8,950	100.0	111,100	100.0		
Cost of Sales	1,625	65.0	1,625	65.0	1,950	65.0	1,950	65.0	1,980	65.0	2,593	74.1	2,593	74.1	2,593	74.1	2,593	74.1	1,950	65.0	1,950	65.0	2,075	74.1	25,447	69.1
Bulk	1,020	60.0	1,020	60.0	1,324	73.6	1,324	73.6	1,324	73.6	1,324	73.6	1,324	73.6	1,324	73.6	1,324	73.6	1,324	73.6	1,324	73.6	15,280	71.4		
Refrigerated	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	910	65.0	10,920	65.0		
Meats	840	70.0	840	70.0	840	70.0	956	73.5	956	73.5	956	73.5	956	73.5	956	73.5	956	73.5	956	73.5	956	73.5	11,124	72.7		
Supplements	150	50.0	150	50.0	175	50.0	175	50.0	175	50.0	175	50.0	175	50.0	175	50.0	175	50.0	175	50.0	175	50.0	2,050	50.0		
Deli	250	50.0	250	50.0	300	50.0	300	50.0	300	50.0	350	50.0	350	50.0	350	50.0	300	50.0	250	50.0	250	50.0	3,500	50.0		
Household	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	296	74.0	3,552	40.0		
Kitchen rental	140	40.0	140	40.0	160	40.0	160	40.0	180	40.0	180	40.0	180	40.0	180	40.0	160	40.0	160	40.0	160	40.0	1,960	40.0		
Total Cost of Sales	5,231	62.6	5,231	62.6	5,955	65.1	6,071	65.6	6,091	65.5	6,784	68.5	6,784	68.5	6,784	68.5	6,714	68.9	6,021	65.8	6,021	65.8	6,146	68.7	73,833	66.5
Gross Profit	3,119	37.4	3,119	37.4	3,195	34.9	3,179	34.4	3,209	34.5	3,116	31.5	3,116	31.5	3,116	31.5	3,036	31.1	3,129	34.2	3,129	34.2	2,804	31.3	37,267	33.5
Expenses	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	25	0.3	300	0.3		
Bank-Merchant fees	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	20	0.2	240	0.2		
Dues-subscriptions	100	1.2	100	1.2	100	1.1	100	1.1	100	1.1	100	1.0	100	1.0	100	1.0	100	1.0	100	1.1	100	1.1	1,200	1.1		
Office and supplies	150	1.8	150	1.8	150	1.6	150	1.6	150	1.6	150	1.5	150	1.5	150	1.5	150	1.5	150	1.6	150	1.7	1,800	1.6		
Repairs-Maint.	100	1.2	100	1.2	100	1.1	100	1.1	100	1.1	100	1.0	100	1.0	100	1.0	100	1.0	100	1.1	100	1.1	1,200	1.1		
Advertising	50	0.6	50	0.6	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.6	600	0.5		
Misc. (unspecified)	100	1.2	100	1.2	100	1.1	100	1.1	100	1.1	100	1.0	100	1.0	100	1.0	100	1.0	100	1.1	100	1.1	1,200	1.1		
Legal	50	0.6	50	0.6	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.6	600	0.5		
Postage & Delivery	50	0.6	50	0.6	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.5	50	0.6	600	0.5		
Telephone	100	1.2	100	1.2	100	1.1	100	1.1	100	1.1	100	1.0	100	1.0	100	1.0	100	1.0	100	1.1	100	1.1	1,200	1.1		
Utilities	400	4.8	400	4.8	400	4.4	400	4.3	400	4.3	400	4.0	400	4.0	400	4.0	400	4.1	400	4.4	400	4.5	4,800	4.3		
Insurance	100	1.2	100	1.2	100	1.1	100	1.1	100	1.1	100	1.0	100	1.0	100	1.0	100	1.0	100	1.1	100	1.1	1,200	1.1		
Taxes (real estate)	80	1.0	80	1.0	80	0.9	80	0.9	80	0.9	80	0.8	80	0.8	80	0.8	80	0.8	80	0.9	80	0.9	960	0.9		
Licenses-fees	30	0.4	30	0.4	30	0.3	30	0.3	30	0.3	30	0.3	30	0.3	30	0.3	30	0.3	30	0.3	30	0.3	360	0.3		
Depreciation	416	5.0	416	5.0	416	4.5	416	4.5	416	4.5	416	4.2	416	4.2	416	4.2	416	4.3	416	4.5	416	4.6	4,992	4.5		
Mortgage	1,030	12.3	1,030	12.3	1,030	11.3	1,030	11.1	1,030	11.1	1,030	10.4	1,030	10.4	1,030	10.6	1,030	10.6	1,030	11.3	1,030	11.5	12,360	11.1		
Other Loan	470	5.6	470	5.6	470	5.1	470	5.1	470	5.1	470	4.7	470	4.7	470	4.8	470	4.8	470	5.1	470	5.3	5,640	5.1		
Misc. (unspecified)																							0	0.0		
Total Expenses	3,221	38.6	3,221	38.6	3,221	35.2	3,221	34.8	3,221	34.6	3,221	32.5	3,221	32.5	3,221	32.5	3,221	33.0	3,221	35.2	3,221	35.2	3,221	36.0	38,652	34.8
Net Profit	-102	-1.2	-102	-1.2	-26	-0.3	-42	-0.5	-12	-0.1	-105	-1.1	-105	-1.1	-105	-1.1	-185	-1.9	-92	-1.0	-92	-1.0	-417	-4.7	-1,385	-1.2

Cash Flow (12 months)

	Port Orford Community Co-op												Fiscal Year Begins:	Jan-14
	Pre-Startup EST	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Total Item EST
Cash on Hand (beginning of month)	2,763	2,763	8,308	13,853	20,198	26,643	33,138	34,717	36,296	37,875	39,304	40,223	41,337	2,763
CASH RECEIPTS														
Cash Sales		8,350	8,350	9,150	9,250	9,300	9,900	9,900	9,900	9,750	9,150	9,150	8,950	111,100
Collections fm CR accounts														
Loan/ other cash inj.														
TOTAL CASH RECEIPTS	0	8,350	8,350	9,150	9,250	9,300	9,900	9,900	9,900	9,750	9,150	9,150	8,950	111,100
Total Cash Available (before cash out)	2,763	11,113	16,658	23,003	29,448	35,943	43,038	44,617	46,196	47,625	48,454	49,373	50,287	113,863
CASH PAID OUT														
Purchases (merchandise)							5,516	5,516	5,516	5,516	5,426	5,231	5,231	37,952
Bank-Merchant Fees		25	25	25	25	25	25	25	25	25	25	25	25	300
Dues-Subscriptions		20	20	20	20	20	20	20	20	20	20	20	20	240
Office and Supplies		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Repairs-Maintenance		150	150	150	150	150	150	150	150	150	150	150	150	1,800
Advertising		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Miscellaneous		50	50	50	50	50	50	50	50	50	50	50	50	600
Accounting & legal		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Postage & Delivery		50	50	50	50	50	50	50	50	50	50	50	50	600
Telephone		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Utilities		400	400	400	400	400	400	400	400	400	400	400	400	4,800
Insurance		100	100	100	100	100	100	100	100	100	100	100	100	1,200
Taxes (real estate, etc.)		80	80	80	80	80	80	80	80	80	80	80	80	960
Licenses-Fees		30	30	30	30	30	30	30	30	30	30	30	30	360
SUBTOTAL	0	1,305	1,305	1,305	1,305	1,305	6,821	6,821	6,821	6,821	6,731	6,536	6,536	53,612
Loan payment-Building		1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	1,030	12,360
Loan payment-Other		470	470	470	470	470	470	470	470	470	470	470	470	5,640
Other startup costs														
Reserve and/or Escrow														
Owners' Withdrawal														
TOTAL CASH PAID OUT	0	2,805	2,805	2,805	2,805	2,805	8,321	8,321	8,321	8,321	8,231	8,036	8,036	71,612
Cash Position (end of month)	2,763	8,308	13,853	20,198	26,643	33,138	34,717	36,296	37,875	39,304	40,223	41,337	42,251	42,251