



**WEAVER  
STREET  
MARKET**

Your  
Community-Owned  
Grocery

Prst Std  
US Postage  
**PAID**  
Permit #191  
Chapel Hill, N.C.  
27514

**annual report**  
2005

**panzanella**

COVER PHOTO: TODD E. GAUL



# Proposals to Change Ownership System Withdrawn

*Owner feedback indicates proposals are too controversial.*



Weaver Street Market has decided to withdraw the proposals for changing the owner investment and return system. As a result, there is not a referendum about related bylaw changes in this year's election.

In June, Weaver Street Market sent out a special owners' newsletter asking owners to comment on draft values regarding owners' investment in the co-op and their expected return. Owner comment about the Draft Values was positive, but there was strong concern about two of the Draft Proposals: changing from a discount to a patronage refund, and increasing the share

amount to \$200. In addition to these concerns, owners also asked lots of questions about how the current system worked, particularly the worker-owner aspect.

Given the level of concern with the draft proposals, and the confusion surrounding the existing system, the Board of Directors decided that there needs to be more discussion with the ownership before changes of this magnitude are considered.

The Board has learned a lot from the owners in this process. To begin with, the Board realizes that it has not made a compelling case for need for change. There is a disconnect between the Board's concern for the co-op's future, and owner perception that the current system works fine. A second learning was that WSM needs better systems for collecting owner feedback. Although the BOD was pleased that 200 owners provided feedback, it also wants to hear from the other 7,800. A third learning came from the alternatives that owners suggested, such as a variable discount that changes based on the co-op's financial performance.

The Board also wants to recognize the contribution of the owner taskforce that drafted the Values on owner investment and return. The work of this taskforce helped define the broader implications of the ownership system. The work of this taskforce has been translated into a new board policy that will guide the Board in this area.

The Board's next step is to translate these learnings into an ongoing process for discussing these issues with owners. Here are some next steps in that process:

1. Owners made several suggestions for alternatives to the draft proposals that would accomplish the Values. Some of these suggestions seemed to have significant support in the owner forums. These suggestions need to be analyzed and their financial implications modeled to see if they are worth pursuing.
2. At a co-op conference in June, board members learned about innovative ways to provide a return to owners. Particularly worthy of further study is the OS&G co-op in England.
3. WSM will begin providing regular information in our newsletters about how our current ownership system works.
4. WSM will develop additional techniques to obtain the opinions of a broader range of owners, such as surveys and discussion groups with randomly selected owners.
5. The Board will begin work on some uncontroversial adjustments to WSM's ownership system, such as creating a reserve fund. The BOD will report to the owners about its progress in this area.

The BOD continues to think that changing the owner investment and return system is an important issue for the future of WSM. Although WSM just had its best financial year ever, which ameliorates some of the boards concerns in the short run, the Board feels strongly that we need a system that is fair and sustainable in the lean years as well as the rich ones.

## Owner Investment and Return: Toward a Shared Set of Values

*A task force of owners and board members engaged in a series of discussions over a two-month period. They concluded that a owner investment and return policy should:*

- (1) result in ownership investment sufficient to fulfill WSM's mission
- (2) result in long-term growth in ownership
- (3) allow multiple opportunities for owner involvement, investment, and benefit
- (4) be mutually beneficial, non-exploitative, and fair and equitable in risk and reward for individual owners and for ownership groups
- (5) be transparent, accountable and actively communicated to the ownership, as well as easy to explain and understand
- (6) be motivational of performance and participation among owners
- (7) be not unduly prone to abuse
- (8) not preclude ownership participation by low-income households
- (9) not put the organization at risk of financial jeopardy
- (10) not vary from the international democratic standard for primary cooperatives - one owner, one vote

# october is national cooperative month

## events:

### sunday jazz brunch

Sunday, October 2, 9, 16 and 23  
11 am - 1 pm Carrboro Lawn

### owner specials

Throughout October  
Watch for Owner-only specials throughout the month!  
Your favorites!

### Weaver Street Market annual meeting

Sunday, October 23  
Noon - 2:00 pm at the Century Center  
Lunch provided . . . see invitation to the right . . .

### 10% off

Sunday - Thursday thru October  
5:30 - 9pm at Panzanella  
WSM Owners will get 10% off all month.  
Does not include alcohol.  
Please present your Owner Number

### tastings

Throughout October  
Carrboro & Southern Village

### wine sale begins!

Friday, October 7  
Carrboro & Southern Village  
Our two week wine sale begins today, watch for wine tastings  
throughout the sale!

### october wine dinner

"Spooky Syrah & Goulish Grenache"  
Monday, October 24 7 - 9 pm  
Panzanella \$35 see WSM's front desk

## Weaver Street Market Annual Meeting invitation

Sunday, October 23  
at the Carrboro Century Center

Noon: lunch (provided)

12:30 pm: annual meeting

- \* Engage in lively dinner conversation about the Co-op of the future!
- \* Hear the "State of the Co-op" reports from the General Manager and the Board of Directors!
- \* Meet the candidates for Board of Directors!
- \* Vote for a candidate for the Board of Directors!

### all month long . . .

Great Owner Specials . . . Raffles for Great Prizes .  
. . . Balloons . . . Samplings . . . VOTE  
Carrboro & Southern Village

### wine shows

Saturday, October 8

1:00 - 5:00 pm under the tent in Carrboro  
Great buys on a huge variety of wines, wine-tastings, music, food . . .  
Rain or Shine!  
Tickets \$5: Portion of proceeds benefit our Hurricane Katrina Relief Fund

Saturday, October 15

1:00 - 5:00 pm at Southern Village  
More great buys on a huge variety of wines, wine-tastings, music, food . . .  
Rain or Shine!  
Tickets \$5: Portion of proceeds benefit our Hurricane Katrina Relief Fund



## billy madden

t

his year's election of a Consumer-Owner to the Board of Directors is one of THE most important in the history of the Co-Op! The

Co-Op could very well make a large shift in your consumer-owner share and if you haven't learned what it's about, I want you to read it now.

And first, I have been directed to tell you a little about myself. Fate brought me to Carrboro back in October 1990 and I've called this community home ever since. I have also seen the Co-Op make monumental steps since that time; nearly all for the best. Blessed am I that after working at the Carrboro WSM for 2 ½ years, I got on broad the team at Community Realty (right across the street from WSM), the nation's first non-profit owned real estate firm. I am a fully licensed Broker and REALTOR®. And it makes me feel good about my job knowing that my company helps fund local, affordable housing for below-median income folks. In my spare time, I also referee college varsity (including UNC-Chapel Hill men's and women's) and Latino soccer. In the past, my community involvement included teaching Standard First Aid and CPR courses in Carrboro as a volunteer of the Orange County chapter of the American Red Cross.

While I worked at the Carrboro WSM store I encouraged many of you to make the decision to become consumer-owners. And even with the new possible changes, I encourage you to remain active consumer-owners and keep with the program.

And here's why: I volunteered for the task force that reviewed the values of the ownership program for both the worker-owners (of which I used to belong) and the consumer-owners (of which I now belong). We reviewed the fact that consumer-owners received their portion of the Co-Op's profit before it was determined the Co-Op even produced a profit, as a point-of-sale discount while the worker-owners received their portion of the profit only at the end of the sales year if there was a profit. We also realized that worker-owners were buying their share at a cost of \$500 while a consumer-owner was investing as little as \$75! Sounds fair? No, we did not think so either.

At the same time, several consumer-owners and I viewed the task force as a means to legitimize plans to raise more money so as to leverage financing to complete the proposed store in Hillsborough. WSM Co-Op staff informed us that this

# election

## Meet the Candidates for Weaver Street Market Board of Directors

was not the case and that the financing would come from other sources.

One thing I am certain of and will press when you elect me to the Board of Directors: I will see to it that the exact and correct information is made available for consumer-owners. I will make certain to speak with as many of you and discuss this so as to make most of us happy with the results. And I will carry your thoughts to the Board meetings and speak up for you! Many of you will remember that I was an outgoing and personable employee when I worked in the Customer Service Department of the Carrboro WSM store. When you elect me, I will carry on this quality in order to gather your opinions and assist the Board in forming the best ownership structure that we can. So, if you feel you haven't been offered enough information about the possible changes in the ownership program and you want to be sure your input is considered, be sure to vote for Billy Madden no later than Saturday October 29!



## james morgan

### Current professional work:

designer (residential and light commercial) in private independent practice

### Previous professional work:

same for last fourteen years, previously architectural designer in the UK.

### Current community involvement:

Board member of WSM

### Previous community involvement:

Founder and principal organizer of Public Gallery of Carrboro and Art On Weaver; member and chair of Town of Carrboro Downtown Development Commission

### Why would you like to serve on the Board of Directors?

I have a passion for Weaver Street Market as a hub of community life, and I believe that I can make a positive contribution to WSM's future by continuing to serve on its Board of Directors.

### Briefly, describe any experience you have had with worker or consumer cooperatives or with other small business.

I have been actively involved with Weaver Street Market since 1992 and a Board member since 1997. I was previously involved as a volunteer with St. Peter Food Cooperative in Minnesota. I have been a small business owner and operator since 1992 and a member of Carrboro's downtown business community since 1993.

*continued next page*

## Consumer-Owner Representative Ballot for Weaver Street Market Board of Directors

Your owner number is: \_\_\_\_\_

### Each share size is entitled to the following number of votes:

1 person share (\$75) - 1 vote    2 person share (\$135) - 2 votes  
3 or more person share (\$175) - 1 vote for each adult listed on your share.

### The person(s) on this share cast a vote of:

(Please write number of votes on line provided.)

Number of votes: \_\_\_\_\_

**VOTE  
by 9 pm  
Saturday,  
October 29**

Billy Madden

James Morgan



# lection

**In your personal life or when working with organizations, especially ones you discussed in above, what strategies have you used to bring about understanding and consensus when dealing with complex issues?**

I have much experience in my professional life of guiding clients faced with complex issues of home design - resolving differences of taste, attitude and style as well as functional concerns. I always seek to understand prime motivations and values in order to generate solutions that have clarity and consensus and are truly balanced rather than compromised.

**Briefly describe any experiences you have had with the following:**

- a) Value-based policy development
- b) Planning
- c) Organizational evaluation

As a WSM board member I have been deeply involved with Weaver Street Market's implementation of policy governance since 1997, including the development and languaging of values-based ends policies, I have reviewed, evaluated and provided guidance to the General Manager in planning strategies for WSM's growth and development, and I have participated in extensive organization evaluation on a regular basis.

**Include anything else about yourself that you would like others to know.**

Growing up in the U.K., co-ops were always part of my family background - my grandfather spent his whole working life as a co-op baker in Plymouth, England and my parents were members for as long as I can remember, so it was natural for me to become a consumer-owner member of Weaver Street Market almost as soon as I moved to the Carrboro area in 1991. My connection with the coop deepened through my professional involvement as designer of three rounds of physical expansion of the Carrboro store, and I was honored to be elected to its Board of Directors for the first time in 1997. I am now nearing the end of my fourth consecutive term as an elected consumer-owner Board member and I would like to be considered once more for the honor of serving the Weaver Street Market community in this way. I feel very fortunate to be associated with this very special organization and am eager to continue to serve it in the best way I know how. I hope to be part of its future, whether as a Board member or otherwise, for many years to come.

## Board Member Inspired By National Cooperative Conference

By James Morgan, WSM Board Member



This June in Albuquerque marked the fourth time I've been able to attend the Consumer Cooperative Management Association annual conference since becoming a board member of Weaver Street Market in 1997, and it was by far the best. Not for the food (ho-hum convention hotel) or the location (I love visiting New Mexico but compared to Carrboro downtown Albuquerque is dead, dead, dead) but for the program. My biggest issue was in deciding which of the many workshops to attend: the board track at CCMA, once a single line, now has branches, and many concurrent sessions had special relevance to our current board work at WSM. And as always it was very rewarding to make contact with folks from other coops across the nation, many of them very different from our own WSM but all making a difference in their communities in profound ways.

Several workshop sessions focussed on building an enhanced sense of ownership through better communication, through a clearer sense of purpose, and through more effective ownership structures. For many coops this has included switching from point-of-sale owner discounts to patronage rebates. Coops which made this shift in the last two to five years reported on the problems and pitfalls of the process, and also on the results: all of them had experienced substantial ownership growth after a brief initial downturn, all were reporting a sense of greater financial stability and control, and that their owners were becoming better informed and more fully involved with the business. They stressed the importance of understanding that the true return on investment in a coop was neither the discounts nor the patronage rebates but rather the sustainable and continued presence of the coop as a key community benefit and resource: in a word, priceless!

Other workshop sessions focussed on dealing with minority voices, on the importance of ensuring that their insights were truly heard and understood in balance to the majority view. It occurred to me that coops are truly

fortunate in their tradition of building consensus out of diversity. There were wide-ranging discussions of governance and democracy, defined as a relationship embodying certain values: equity, openness, voluntarism, equal rights and opportunities, self-determination and autonomy.

In the plenary sessions the focus was on the big picture. Speaker Paul Hazen of the National Cooperative Business Association connected the experience of food coops in the USA over the last few decades with that of a large regional English coop which has had extraordinary success over the last ten years (after a long period of decline) as a result of communicating with its ownership around the shared values of fair trade and environmental responsibility. Brett Fairbairn from the University of Saskatchewan also stressed the importance of coop basics like values, identity and engagement as well as the importance of our experience in balancing financial, social, and environmental goals in a world striving for sustainability. Indeed one of the major challenges for coops is recognizing just how significant this experience, together with our swiftly growing management and governance skills, can become in the future of both the US and the world economy. Another challenge is finding the courage and confidence to ask our communities for the necessary participation to grow the coop presence in the larger economy: participation in equity growth, in patronage, and in governance. In a stirring keynote address, historian Gar Alperovitz of the University of Maryland picked up on these themes with a vision of the cooperative movement being, just possibly, the source of the next great transformation in American cultural and economic history. Tracing the multi-decade cycle of social justice movements - the Universal Franchise, the New Deal, the Civil Rights movement - Alperovitz envisioned that over the next twenty or so years the cooperative movement could become the leading force in bringing true accountability into the mainstream of American business practice. Coops, says Alperovitz, are poised to become "historic actors" in the future of the world. A challenge indeed.

# year in review

BY: RUFFIN SLATER  
GENERAL MANAGER



When we look back on the past year, we measure our accomplishments with not one but with three bottom lines—financial, social and environmental. Our commitment to this triple bottom line is affirmed in our Mission Statement, which sets out our desired impact: “A vibrant, sustainable commercial center for the community of owners and potential owners.”

## Financial Bottom Line

The fiscal year that ended in June was our best year ever, thanks to the support of our owners and the work of our staff. Our net profit was \$266,000. One reason for our financial success is that all of our locations posted strong sales increases over the previous year. Southern Village sales increased 13%, and Carrboro and Panzanella sales each increased 9%.

Our Southern Village store celebrated its third anniversary in June, and I’m happy to report that it reached its three-year goal for sales and profitability. It’s a milestone in our industry to achieve profitability within this timeframe, and I want to thank store manager Marilyn Butler and the Southern Village staff for the great work they are doing.

## Social Bottom Line

An increase in our sales also means an increase the portion of our food dollars that stay in our local community. About 50 cents of every dollar spent at WSM stays in our community, compared to about 15 cents of every dollar spent at a chain store. One reason for this is the amount that we purchase from local farmers and food producers. Last year, we purchased almost \$1.5 million from local producers.

In addition to purchasing from local producers, we also promoted local food products in innovative ways. Over

the summer, Panzanella hosted four dinners in which virtually all the ingredients were produced in North Carolina, and four dinners in which the menu was based upon the products from a nearby farm. Panzanella also had a special wine-tasting that featured wines from North Carolina’s burgeoning wine industry.

In our grocery stores, we started selling grass-fed beef from Baldwin Family Farms in northern Orange County, and poultry from growers in nearby Chatham County. We also featured North Carolina wines in our grocery stores, and even sponsored a bus tour to North Carolina wineries. Another aspect of local food production is the food we produce ourselves in our bakeries and kitchens. Our bakers and cooks take pride in the outstanding quality of our breads, pastries, prepared meals, and salads. When you total the food we make in-house with the food we purchase from local producers, almost half the food we sell is produced locally!

Another way we contribute to our social bottom line is, well, to make our community more social. We hosted 210 community events throughout the year—an average of four per week. Our enjoyable public space and our frequent events provide an opportunity to visit with neighbors, listen to local musicians, and to watch and discuss what’s happening in our community and the world.

We made substantial donations to non-profit groups that contribute so much to our community. We made over \$57,000 in direct donations to non-profits and schools. In addition, we helped the Carolina Farm Stewardship Association raise over \$12,000 from Piedmont Farm Tour, and helped many non-profits raise funds at our Thursday night events. We also contributed \$10,000 to our own foundation, the Co-op Community Fund, which now has an endowment of \$30,000 that will fund future donations. All told, we directly or indirectly provided over \$88,000 to community groups.

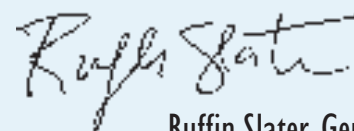
## Environmental Bottom Line

We pride ourselves on being a business that strives to protect the environment. This year saw an expansion of our recycling

programs. We now recycle 14 different waste streams: corrugated and waxed cardboard, metal cans, plastic bottles, three colors of glass, three types of paper, packing peanuts, plastic bags, cooking oil, and food waste for compost. This year we also started packaging many of our deli products in compostable deli containers.

A basic benefit of our cooperative structure is that it allows us to return money back to our owners — both consumer owners and worker owners. Our consumer owners receive a cash register discount, which this year totaled \$320,000. Our worker owners receive a patronage dividend based on hours worked, which totaled \$160,000. Both of these are record returns from the co-op to our owners.

All in all, it was a successful year in terms of how Weaver Street Market measures success—by the contribution we make to the financial, social, and environmental sustainability of our community.



Ruffin Slater, General Manager

## UPDATE ON THE HILLSBOROUGH STORE

*“Are you still going to open a store in Hillsborough?”*

We’ve been asked this question by several people recently, and the answer is Yes! We do plan to open a Weaver Street Market store in Hillsborough, hopefully about two years from now. We have secured a site in downtown Hillsborough, and plan to build a Weaver Street Market from the ground up. We have been working with an adjoining property owner to resolve some vehicle and truck access issues. One of our next steps will be to start a membership and member investment campaign. We’ll be relying heavily on current and new supporters in Hillsborough to finance the Hillsborough store.

# year ahead

BY: RUFFIN SLATER, GENERAL MANAGER



One of our major goals in the coming year is to protect the co-op's financial position in the face of increased competition with the arrival of Earthfare. I'm happy to report that 10 weeks into our new fiscal year our sales continue to be strong. As of this writing, our sales are up 14% at Southern Village and 6% at Carrboro (as well as being up 12% at Panzanella) when compared to last year.

The loyalty of Weaver Street Market's owners to our co-op is the key to our success. We understand that you have an increasing number of food shopping choices, and that we need to constantly improve in order to earn your patronage. We have plans to spruce up and remodel parts of our Carrboro store in the coming year. We are also embarking on a new program to measure and improve our level of service, and we've added a full-time staff training position to help our staff become more knowledgeable.

And of course, we'll continue to do all the things that don't show up in the traditional bottom line, but which you've come to expect from us. We plan to purchase even more from local producers. We're working closely with farmers to turn the local poultry processing plant in Chatham County into a co-op, in order to ensure the continued supply of locally grown chicken and turkey.

One of our most important services is our enjoyable public space and frequent events. So expect the usual jazz brunch and after hours, community July 4<sup>th</sup> parade, ghost stories on Halloween, and the annual non-profit volunteer fair. We'll continue to use our events as fundraising opportunities, and hope to involve our local community radio station WCOM in broadcasting more of our events live.

In the environmental area, we are focusing this year on green energy. We will be running our truck exclusively on bio-diesel, and will purchase 10% of our electricity from green energy sources.

Thank you for your continued support and patronage. It makes a big difference each time you choose to shop at Weaver Street Market. We don't have outside investors providing capital, but we do have the support of our community of owners. Every shopping trip you make here and not elsewhere is important; every product you purchase here and not elsewhere is significant—we rely on your business. For the last 17 years, Weaver Street Market has worked every day to make Carrboro and Chapel Hill a better place to live. With your support, we'll continue these efforts next year and far into the future.

Ruffin Slater, General Manager

## WEAVER STREET MARKET WINS NATIONAL BUSINESS ETHICS AWARD

It isn't often that a small business is nominated for a national award, much less wins one. So we are excited to announce that Weaver Street Market is the 2005 recipient of a prestigious national award for socially responsible business. The **Living Economy Award**, presented by *Business Ethics Magazine*, recognizes a company that is "locally-based, human scale, stakeholder-owned, democratically accountable, life-serving, and seeking fair profits rather than maximum profits."

Each year, the magazine presents four different "Business Ethics Awards," which recognize four US companies that have demonstrated innovation and commitment in the area of business social responsibility. The awards are reported in the October issue of *Business Ethics Magazine*, and presented at the Business for Social Responsibility conference in the Omni Shoreham Hotel in Washington D.C.

### WSM Mission Statement

Weaver Street Market's mission is a vibrant, sustainable commercial center for the community of owners and potential owners, which is

**Cooperative** - control and profits stay within the community

**Local** - maximizes local resources to meet local needs

**Ecological** - works in harmony with the environment

**Primary** - provides for basic community needs

**Fair** - mutually beneficial and non-exploitative

**Inclusive** - accessible to the whole community

**Interactive** - creates opportunity for community interaction

**Empowering** - enables fulfilling work and customer experiences

**Educational** - develops an informed community

**And is reliant on community support** - to purchase goods and services, invest in the cooperative, and participate in governance

### Weaver Street Market Board of Directors

Michael Sligh  
consumer-owner

Jacob Myers  
worker-owner

Andy Cohen  
appointed

Christy Raulli  
worker-owner

James Morgan  
consumer-owner

Linda Stier  
appointed

Ruffin Slater  
general manager



# year in review

SP2 SUPER



Photo by M. J. Sharp

## 2005 Donations

Fund for Public Interest  
Southern Village Swim Team  
Eno River Association  
UNC Integrative Medicine Program  
K-16 Camp UNC  
NC Peace Action Peace LEAP  
Daylight Magazine  
Youth Creating Change  
Orange Co Rape Crisis Center  
Send a Kid to Camp  
UNC Birthpartners  
State Employee Combined Campaign  
OC EMS Heavy Equipment Campaign  
Friends of Bolin Creek  
Hunger Lunch at UNC  
Windsong Caregiver Retreat  
UNC Integrative Medicine  
YMCA University Woodland Trail  
Arthritis Walk  
La Leche League  
United Way Leadership Giving  
Friends of the Farmers' Market Dinner

NC Warn  
Women's Birth Center  
Assn for Severely Handicapped  
Family Violence Prevention  
Triangle Vegetarian Society  
NC Women's Center  
Club Nova  
Ipas  
People of Faith Against the Death Penalty  
Abundant Life Church Food Bank  
Scrap Exchange  
UNC Healthy Student Behaviors  
CH Women's Center  
SURGE  
Help the World  
Minority Health Conference  
NC Growers Coop  
Tsunami Relief Fund  
Traceworks Trails Advocacy  
Internationalist Books  
OC Commission for Women  
Eastern Carolina Organics

Smart Start Family Fest  
Conservation Fund  
Interfaith Council  
Grady Brown Health Fair  
Peace Day  
Heads Up! Therapeutic Riding  
CHICLE  
Empowerment Community Safety  
Human Kindness Foundation  
Red Cross Blood Drive  
Democracy NC  
Son Rise Program  
Meredith College Organic Garden  
Carolina Farm Stewardship Assoc.  
ALBC  
Southern Village Holiday 5K Run  
Central Carolina Community Collge  
Chatham Marketplace  
Sustainable Agriculture Conference  
Carrboro Music Festival



# Weaver Street Market in the news

## Summer Excursions: Fresh. Destination Carrboro

The people of this humble mill town that has blossomed into the “Paris of the Piedmont” take freshness seriously, especially when it comes to food. Spending time on the Weaver Street Market lawn during After Hours will refresh you.

- *News and Observer, August 2005*

## Co-ops Catch On

Since Weaver Street Market opened 17 years ago, sales have risen six fold, topping \$12 million a year. Now, other areas are catching on. Using the downtown Carrboro store as a model, Chatham, Hillsborough and Raleigh are gearing up for similar co-op markets to open in their town centers as soon as this fall.

- *Herald Sun, May 2005*

## The Wireless Triangle

Demand for Muni Wi-Fi is huge...Chapel Hill and Carrboro are creating free wireless access channels across the towns...Donated equipment and bandwidth from local businesses, Weaver Street Market in particular, keep costs down.

- *The Independent Weekly, March 2005*

## New Store Takes Seat at the Table

Weaver Street Market takes the imminent arrival of Earth Fare seriously. The issue, Slater said, is whether the local consumer base can support three major natural foods outlets.

- *Chapel Hill News, March 2005*

## High-Speed Office Away From the Office

Nextel customers can access the Internet from the Weaver Street Market lawn. - *News & Observer, January 2005*

## Hope for the Holidays Tops Previous Effort

The Weaver Street Market Hope for the Holidays fundraiser in December brought in more than \$4800 to be split among three local charitable groups. - *Chapel Hill News, January, 2005*

# in the news

## Co-ops Count on Natural Selection

Triangle groups plan member-owned stores to focus on whole foods based on the Weaver Street Market model. Weaver Street Market's success is due to its focus on what customers want and by being open to non-member sales.

- *News and Observer, October 2004*

## Boosters Strive to Get Low-Power Station into High Gear

WCOM still needs money, a manager, training, and wiring. Be patient: the toe-tapping, booty-shaking' music from Carrboro's newest radio station will be running live, with disc jockeys and all the works. Eventually.

- *Chapel Hill Herald, October 2004*

## Co-op Housing Opens New Door

Weaver Community Housing Association purchases the Pleasant Drive apartments to turn into co-op housing.

- *Chapel Hill Herald, September 2004*

## Radio Station Close to Hitting the Airwaves

WCOM-FM project has jumped through all the hoops and expects to offer local programming and music within a month. The low-power community radio station, 103.5 on your radio dial, has been in the works for four years.

- *Chapel Hill News, September 2004*

## Deals of the Month

Pick up organic picnic supplies at Carrboro's Weaver Street Market before the Thursday evening or Sunday brunch concerts on the lawn out front.

- *Condé Nast Traveler, August 2004*

## Panzanella Gives Local Foods Top Billing

Panzanella, like its mother grocery, is as much a philosophical statement as a business, rabidly devoted to locally-produced, hand-crafted and seasonal foods. It recently has even experimented with occasional all-local menus in which nearly every ingredient comes from within North Carolina — a novel idea that's not easily executed.

- *Herald Sun, August 2004*

## Totally Local Dinners in Carrboro

SlowFood-USA and Panzanella are hosting three “Totally Local Dinners,” ... These dinners do many things — for one, 10 percent of proceeds goes to the Carolina Farm Stewardship Association, but the dinners also bring community members together, create educated diners, and show us what our local growers are capable of producing.

- *The Independent Weekly, August 2004*

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# year in review

## weaver street market balance sheet

### ASSETS

#### Current Assets

|                                     |                |
|-------------------------------------|----------------|
| Cash                                | 299,256        |
| Inventory                           | 472,357        |
| Prepaid Expense                     | 28,814         |
| Accounts Receivable                 | 30,089         |
| Current Portion of Notes Receivable | 4,000          |
| <b>Total Current Assets</b>         | <b>834,516</b> |

|                     |                    |
|---------------------|--------------------|
| Fixed Assets        | 3,662,645          |
| Other Assets        | 101,708            |
| <b>TOTAL ASSETS</b> | <b>\$4,598,868</b> |

### LIABILITIES & EQUITY

|                                  |                |
|----------------------------------|----------------|
| Accounts Payable                 | 373,053        |
| Other Current Liabilities        | 619,919        |
| <b>Total Current Liabilities</b> | <b>992,972</b> |

|                          |                  |
|--------------------------|------------------|
| Long-Term Liabilities    | 1,640,591        |
| <b>TOTAL LIABILITIES</b> | <b>2,633,563</b> |

### EQUITY

|                     |                  |
|---------------------|------------------|
| Worker-Owner Equity | 288,836          |
| Consumer Equity     | 821,388          |
| Community Loans     | 442,561          |
| Retained Earnings   | 146,140          |
| Net Income          | 266,381          |
| <b>TOTAL EQUITY</b> | <b>1,965,305</b> |

|                                       |                  |
|---------------------------------------|------------------|
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>4,598,868</b> |
|---------------------------------------|------------------|

Photo by M. J. Sharp



## weaver street market income statement F2005

|                     |                  |              |
|---------------------|------------------|--------------|
| Sales               | 16,933,729       | 100.0%       |
| Cost of Goods       | <b>9,506,593</b> | 56.1%        |
| <b>Gross Profit</b> | <b>7,427,136</b> | <b>43.9%</b> |

### Expenses

|                        |                  |              |
|------------------------|------------------|--------------|
| Personnel              | 4,634,888        | 27.4%        |
| Occupancy              | 993,540          | 5.9%         |
| Operating              | 430,817          | 2.5%         |
| Administrative         | 75,368           | 0.4%         |
| Governance             | 34,094           | 0.2%         |
| Member Sales Discounts | 405,226          | 2.4%         |
| Promotions             | 191,811          | 1.1%         |
| <b>Total Expenses</b>  | <b>6,765,744</b> | <b>40.0%</b> |

|                         |                |             |
|-------------------------|----------------|-------------|
| <b>Operating Income</b> | <b>661,390</b> | <b>3.9%</b> |
|-------------------------|----------------|-------------|

### Other Income & Expenses

|  |                  |              |
|--|------------------|--------------|
| Other Income                             | 55,923           | 0.3%         |
| Depreciation & Amortization              | (317,443)        | -1.9%        |
| Interest                                 | (125,536)        | -0.7%        |
| Loss on Disposal of Assets               | (7,953)          | 0.0%         |
| <b>Total Other Income &amp; Expenses</b> | <b>(395,009)</b> | <b>-2.3%</b> |
| <b>NET INCOME</b>                        | <b>266,381</b>   | <b>1.6%</b>  |



# Cooperation

## Principles

### What is a Cooperative?

Quite simply, a Co-op is an organization owned by and operated for the benefit of those who use its services.

Members of a cooperative support it with their patronage, participate in decision-making, and share in the profits generated by the organization's activities. Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

### The Cooperative Principles

#### Statement of Cooperative Identity

The International Cooperative Alliance, established in 1895, is considered to be the final authority for defining cooperatives and the principles by which they operate. The organization has made three formal statements of cooperative principles over the past 100 years in an effort to keep them relevant to the contemporary world. At its 100th anniversary meeting in September 1995 in Manchester, England, the Alliance adopted the following "Statement of Cooperative Identity."

#### Definition

A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise.

#### Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity. In the tradition of their founders, cooperative members believe in the ethical values of honesty, openness, social responsibility, and caring for others.

The cooperative principles are guidelines by which cooperatives put their values into practice.

#### 1. Voluntary and Open Membership

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

#### 2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership. In primary cooperatives members have equal voting rights (one member, one vote), and cooperatives at other levels are also organized in a democratic manner.

#### 3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital is usually the common property of the cooperative. Members usually receive limited compensation, if any, on capital subscribed as a condition of membership. Members allocate surpluses for any of the following purposes: developing their cooperative, possibly by setting up reserves, part of which at least would be indivisible; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

#### 4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control by their members and maintain their cooperative autonomy.

#### 5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives. They inform the general public - particularly young people and opinion leaders - about the nature and benefits of cooperation.

#### 6. Cooperation Among Cooperatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

#### 7. Concern for Community

Cooperatives work for the sustainable development of their communities, through policies approved by their members.





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