



cooperation

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.

Principles

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

I. Voluntary & 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 & 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.

VOTE for the Board of Directors!

The Board election (see pages 4 - 6) is your chance to participate in your co-op by voting for the Board of Directors.

Weaver Street Market is governed by a seven-member Board of Directors. Two Directors are elected by the consumerowners, two by the worker-owners, and two are appointed by the Board itself. The seventh position is held by the General Manager. The Board term is two years with no term limit.

The Board is directly accountable to the consumer and worker-owners for the activities and accomplishments of the store. Specifically, it is responsible for:

Interacting with the owners - to understand their values and vision for the store.

Developing, monitoring, and revising a body of policies to guide the co-op so that it achieves outcomes that are consistent with the owners' values and vision. Ensuring, through consistent monitoring mechanisms, that management achieves the goals set by the Board and that the Board operates according to its established processes.

The Board fulfills its responsibilities through a system of governance called Policy Governance, as developed by John Carver.

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

David Bright Jacob Myers consumer-owner worker-owner

Curt Brinkmeyer Linda Stier appointed

Rickie White Dave Rizzo appointed

Ruffin Slater general manager

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he Board extends our heartfelt thanks to our staff and owners for the phenomenal financial turnaround last year. We went from the worst financial year in the co-op's history to one of the best. This turnaround was made possible by the dedication of our worker-owners and other staff who worked long and hard to reduce expenses and make other needed changes. It was also made possible by continued support and patronage of our consumer owners. Last year proved that a co-op owned by its workers and consumers is a powerful force. We have a lot to be proud of. Thank you and each of you for your contribution.

A year ago Weaver Street Market made a transition from discounts to dividends. Instead of a discount at the register, consumer owners are eligible to receive a patronage dividend from year-end profits. The Board is responsible for deciding how much of the annual profit to keep in reserve and how much to distribute as a patronage dividend. A patronage dividend is distributed on a pro-rata basis according to the amount each owner purchased during the year for consumer owners or how much each owner worked during the year for worker owners.

When the Board talked with owners before the transition to patronage dividends, we heard loud and clear that our top priority should be to re-establish the co-op's financial sustainability. In pursuit of this goal, we decided not to declare a patronage dividend for either consumer or worker owners for the fiscal year that ended in June. Instead, we decided to reinvest the entire profit of \$475,000 back into the co-op. By retaining all of the profit, we are able to offset all but \$340,000 of our accumulated loss. This puts the co-op on the strongest possible financial footing for the future.

The Board expects to be able to declare a patronage dividend after the current year ends next June. We are using our time before then to determine the most cost effective method to distribute the dividend. We also want to provide dividend recipients with the flexibility to receive the dividend in the form of a gift card or, if you choose, to donate it to our Cooperative Community Fund.

Although we did not pay a dividend, WSM did make it a priority to reward owners in other ways. We started weekly owner specials—substantial discounts on a selection of products each week just for owners. We have received positive feedback on this program: some owners told us that they like the owner specials better than the old discount. The co-op also offered periodic owner coupons for both the stores and Panzanella.

We think it's important that the co-op provides value to our owners. We also think that it's important that our owners understand how they can help the co-op succeed. One thing owners can do to help reduce expenses is to pay for your groceries using cash, check or a rechargeable gift card, which saves the co-op the transaction fee associated with using credit or debit cards. See the accompanying article for more details on how you can help in this way.

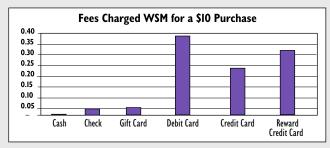
Thank you for your continued support and patronage. Thanks to the loyalty of our owners and the dedication and hard work of our staff, our co-op is once again on a solid financial footing. By working together, we can continue to strengthen our co-op so that it can serve our needs far into the future.

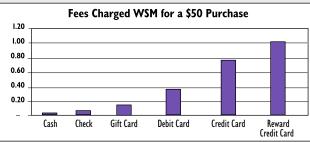
Grab your Gift Card and Help our Co-op Save!

One of Weaver Street Market's largest expenses is debit and credit card swipe fees. These fees cost Weaver Street Market about half a million dollars a year, about as much as we pay in rent. These fees have quadrupled in the last decade and are a big reason that Visa and MasterCard posted a \$48 billion net profit last year.

There is hope that debit card fees (but not credit card fees) will come down as a result of the recent financial reform law. In the meantime, you can help Weaver Street Market greatly reduce these fees without giving up the convenience of using a card by using a rechargeable gift card.

On average, using a gift card saves the co-op 80% of the costs associated with using a debit or credit card. When you use a gift card to shop, Weaver Street Market pays only a one-time fee when you purchase or recharge the card. There is no fee when you use the gift card each time that you shop.





Cash and check are the most cost effective ways to pay, closely followed by gift cards. Debit cards are more expensive on small purchases, since the fee is a fixed amount regardless of purchase size. On purchases over \$25, credit cards are the most expensive way to pay and reward credit cards (e.g. that provide airline miles) are the most expensive type of credit card.

To realize this savings, you need to purchase or recharge a gift card using cash, check or a debit card, but not a credit card. The reason a debit card works is that it has a fixed fee that is less significant on large purchases, compared to a credit card, whose fee goes up in proportion to the purchase amount.

Of course, you can always pay by cash. Some banks have ATM machines nearby our stores. There is also a surcharge-free CashPoints ATM machine in Carr Mill Mall that doesn't add a fee for other bank's users.

Our new gift card is a joint project of co-ops across the county who banded together to negotiate a no-fee gift card. You can use your gift card to shop at any Weaver Street location or to dine at Panzanella. As an added benefit, you can use your Co-op Gift Card to shop at over 50 other co-ops across the country or to send as a gift to friends and family that live near these co-ops. You can find participating co-ops online at www.ncga.coop/giftcardlocations.

And remember that saving the co-op money benefits you as an owner since it increases your patronage dividend at the end of the year. We hope that you will give our new Co-op Gift Card a try. Grab your gift card and help your co-op save.





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Meet the Consumer-Owner Candidates

for the Weaver Street Market Board of Directors

Each applicant was asked to respond to the following questions:

Current professional work: Previous professional work: Current community involvement: Previous community involvement:

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

Briefly, describe any experience you have had with worker or consumer cooperatives or with other small community-minded businesses.

Briefly, describe any experiences you have had developing organizational policies or plans that reflect the values of that organization.

Include anything about yourself that you may like others to know:



audra marotta

Current professional work: I co-founded Violent Orchid, a management consulting firm that provides accounting, finance, marketing, and operations guidance to the creative community. Our focus lies with

craft breweries, artists, startups, and not-for-profits. We offer C-level direction without the financial burden of C-level salary and take pride in helping bring one's vision to economically sound, sustainable fruition.

Previous professional work: Prior to my return to Hillsborough, I served as the Controller at Dogfish Head Craft Brewery in Milton, Delaware. Known as the company that creates "off-centered ales for off-centered people", I oversaw the daily operations of the Accounting/Compliance department. I directed the general ledger, subsidiary accounting, accounts payable/receivable, and reconciliation processes; I ensured thorough documentation and necessary reporting of all financial activities and controls was in place.

Although most of my experience lies in finance and accounting at small to midsized entities, I have also been able to flex my marketing muscle and leverage social media to help raise brand awareness. At Caterpillar Inc., my year and a half dance with large business, I served as a Commercial Consultant and Work Tools Accounting Supervisor; I was also the lone financial representative who earned Brand Advocate status within the Building Construction Products division. In short, I was a financial reporting margin warrior at the same time I was scrutinizing copy layout and studying Caterpillar's global branding imprint. Juxtaposition indeed.

Audra Marotta continued page 6



david bright

Current occupation: I am currently the Site Services Manager at Novo Nordisk Pharmaceuticals a manufacturer of insulin. I manage the environmental, health, and safety programs in addition to a large variety

of contract services used to maintain the site. I enjoy working for this Danish firm that puts into practice the triple bottom line concept (financial, social, and environmental responsibility) rather than just talking about it.

Previous occupation: My experience has been in the manufacturing sector, chemical and pharmaceutical, working in various roles such as engineering, environmental, health, safety, manufacturing management, and coaching self led teams. I have worked for Reichhold Chemicals, Entropy, NL Industries and O'Brien & Gere Engineers.

Current community Involvement: My community involvement is currently as a Board member at Weaver Street for the last 2 years and with my church, United of Chapel Hill. I also enjoy being part of United Voices of Praise, a gospel choir that works to unite Chapel Hill and Durham communities.

Previous Community Involvement: In the past I was one of the initial members of Peace Ist, a night volunteer at the IFC shelter, volunteered for Habitat for Humanity here and abroad, and served on a variety of boards at United Church of Chapel Hill including the Board of Outreach and Service.

Why would you like to serve on the Board of Directors? I am interested in continuing to serve on the Board of Directors at WSM because I believe in their mission, community involvement, and WSM.s success in creating community. I would like to use my skills

David Bright continued page 6



will alexander

Current occupation: I am currently a freelance writer and editor. For the past four years I have been working as a writer or editor for various progressive organizations in Chapel Hill, such as Ipas and MEASURE Evaluation.

Previous occupation:

Community involvement: For the past three years I have an officer on the board of the local condominium homeowner's association. I have also been a part of UNC-Chapel Hill's International Friendship Program for the past five years, where I have met with, tutored, and showed visiting graduate students from China and Korea around Chapel Hill and Carrboro. My friends and family (parents, in-laws, brother and his wife) live in the Triangle, and I visit them regularly.

Previous community involvement:

Why would you like to serve on the Board of Directors? I have been doing almost all of my grocery shopping at Weaver Street Market for the past three years, and I feel very invested in the store's future. I enjoy cooking, and I believe investing in local sustainable agriculture is very important; Weaver Street Market is the only place I know where I can purchase grass-fed beef, locally grown tomatoes and cream cheese brownies. As a freelance writer and editor, I have a flexible schedule and time that I did not have working full-time, and I'd like to invest it in the community. With my knowledge of the stores, (Southern Village in particular—I shopped there on a daily basis during my two years at Ipas, and I know most of the people who work there), shopping and cooking experience, and other expertise (see below), I think I'd be a good candidate.

Will Alexander continued page 6



Instructions for filling out ballot:

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.

Each person on share votes for one candidate. Each person on share uses a separate ballot.

For example: if you have a two person share, each person on the share should fill out a separate ballot for a total of two ballots to be counted.

MAIL TO: Election at Weaver Street Market, 437 Dimmocks Mill Rd., Hillsborough, NC 27278

OR DEPOSIT: in Ballot Box near the check-out at any WSM store.

Additional ballots available at the Ballot Box in each store.

Use a SEPARATE ballot for each person on the share.

VOTE by 10 am Consumer-Owner Representative Ballot for Weaver Street Market Board of Directors					
Vote for one candidate. Each person on share uses	Ballots must include the following to be counted:				
a different ballot I vote for the following:	Print Name (one name only)				
☐ Audra Marotta☐ David Bright	Signature				
☐ Will Alexander	Owner Number				
Boletos en espanol es disponible en las tiendas.					
MAIL TO: Election at Weaver Street Mar OR DEPOSIT: in Ballot Box near the	ket, 437 Dimmocks Mill Rd., Hillsborough, NC 27278 e check-out at any WSM store.				

Use a SEPARATE ballot for each person on the share.

by 10 am Nov. 1	Ballots must include the following
Vote for one candidate. Each person on share uses	to be counted:
a different ballot I vote for the following:	Print Name (one name only)
Audra Marotta	Signature
□ David Bright□ Will Alexander	Owner Number
Boletos en esp	panol es disponible en las tiendas.

Use a SEPARATE ballot for each person on the share.

(by 10 am) for We	er-Owner Representative Ballot aver Street Market Board of Directors			
Vote for one candidate. Each person on share uses	Ballots must include the following to be counted:			
a different ballot I vote for the following:	Print Name (one name only)			
☐ Audra Marotta☐ David Bright	Signature			
☐ Will Alexander	Owner Number			
Boletos en espanol es disponible en las tiendas.				

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audra marotta

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Two and a half years of public accounting with a heavy emphasis on internal controls and compliance within the governmental, not-for-profit, and small business sectors; three and a half years as a HUD Accounting Supervisor at a social services agency, and just over four years as the Controller at Durham NC-based Duda/Paine Architects round out the rest of my post-collegiate career.

Current community involvement: Currently I serve as the Financial Advisor for the North Carolina Brewers Guild, chair the Nominations Committee while also serving on the Finance Committee for the OneMBA Global Alumni Association (through UNC's Kenan-Flagler Business School), and sit on the National Alumni Board of Loras College (Dubuque, IA).

Previous community involvement: My past community involvement includes two years of service as the Treasurer/VP of Finance for the Triangle Chapter of the American Marketing Association, where I was responsible for all aspects of the chapter's finances, from monthly financial reporting and margin analysis to budgeting and forecasting. I also served on the Finance Committee of the Board of Directors at Ten Thousand Villages of Raleigh, a not-for-profit fair trade retail shop, where I helped instigate social media initiatives for future business development in addition to providing commentary and analysis for the monthly financial statements. Finally, I sat on the Board of the Orange County Arts Commission until I had to relocate to Delaware to work for Dogfish Head.

Informally, I have volunteered my time to Habitat for Humanity and the Volunteer Income Tax Assistance (VITA) Program as circumstances

Why would you like to serve on the Board of Directors? Excited to read about the positive financial results from the 2010 fiscal year, I want nothing more than to offer my accounting/finance background, MBA knowledge, and creativity to the cooperative to keep momentum going forward. I was raised on a farm in a rural household where my parents taught me the value of hard work, reliance on community, sustainability, and supporting the local and independent business. Weaver Street's mission couldn't be more aligned with my own professional oath. I feel my purpose is to lead people and manage resources to create value responsibly. Every day I awaken grateful to live in such a gorgeous community within Orange County; serving on the Board would be the ideal rewarding way I could express my gratitude.

Briefly, describe any experience you have had with worker or consumer cooperatives or with other small community-minded businesses. Violent Orchid, my business, is focused largely on providing guidance to small, local businesses in the areas of accounting infrastructure and financial reporting systems in order to support expected exponential growth. By helping our local businesses grow, I feel I am providing the tools and education to the Davids within our community to fight the faceless corporate Goliaths.

At Ten Thousand Villages of Raleigh, I was blessed to spend over a year providing financial commentary and analysis for a fair-trade, notfor-profit retail establishment whose artisan partners were encouraged to use environmentally friendly processes, sustainable natural resources, and recycled materials to ensure every product had been handcrafted responsibly. I also worked with the Marketing Manager to initiate social media initiatives and build brand awareness within the local

Lucky enough to serve as Treasurer for two years at the Triangle AMA, I witnessed firsthand the degree of organization and dedication local marketers put forth to provide educational (workshops, conferences, publications) and interactive (networking socials) resources for the local marketing community.

Both Duda/Paine Architects (dudapaine.com) and Dogfish Head Craft Brewery (dogfish.com) were locally-minded businesses where I was tasked with providing finance, investment, and/or accounting leadership. Duda/Paine offered educational scholarships and intern opportunities to top local graduates while both partners would speak at local community functions or serve on panels. Duda/Paine designed some of the most innovative buildings within our local community while keeping sight of the triple bottom line; many won design awards throughout the years. Dogfish Head sponsored numerous events where all the proceeds would go to local charities. Such events included road races, kayak trips, and challenging muddy obstacle courses.

One initiative I'd like to see come to fruition is local businesses leveraging mobile devices within their marketing plans, much like how I presented an outline to local businesses in Delaware in March (Search for "A QWERTY love letter to Rehoboth" on YouTube.com).

Briefly, describe any experiences you have had developing organizational policies or plans that reflect the values of that organization. Other than the organizational plan I drafted with my business partner for my own locallyminded business, I have been tasked with developing internal controls, policies and procedures for a number of small businesses and not-for-profits throughout my professional career. When I was in public accounting, my job was to test entities' policies and controls against Generally Accepted Accounting Principles (or Generally Accepted Auditing Standards), as well as the entity's mission, to ensure there were no conflicts of interest or strategy, diagnose the weaknesses, and then suggest improvements. Often times I had to familiarize myself with specific governmental regulations very quickly to ensure appropriate procedures were being followed and then work with others in cross-functional teams to determine a collaborativelydriven communication plan for the entire company.

That hasn't changed much today. Most often when drafting or evaluating organizational policies or plans I will be part of a crossfunctional team who has the organization's mission and strategic plan sitting in plain view while drafting our documentation.

Include anything else about yourself that you may like others to know. I've immersed myself in social media, study its effects on consumer behavior, and consider myself an analytics geek. Though I'm not a millenial, many of my interests lie in areas that allow me to connect with younger generations.

Transparency is key as you evaluate me as a candidate, so I encourage you to connect with me on LinkedIn (http://www.linkedin. com/in/agm1127) and engage in conversation with me on Twitter (@audragmarotta is my personal account, while @Violent Orchid is our business account).

david bright

to further enhance WSM's success in fulfilling our mission. I look forward to serving the owners, working on creating a greater connection between the Board and the ownership and the community as a board member. Briefly, describe any experience you have had with worker or consumer cooperatives or with other small community-minded businesses. I have been a member of WSM for 14 years and have been a volunteer for many years in the Wellness Department where I enjoy interacting with both customers and employees. I believe in the value of increasing the engagement of employees and streamlining processes to make it easier for them to perform their job. This can increase productivity, quality, and financial performance and at the same time reduce stress and remove road blocks that can get in the way of great performance.

Briefly, describe any experiences you have had developing organizational policies or plans that reflect the values of that organization. To bring about understanding and consensus in dealing with a complex issue, I have found that it is beneficial to take the time to frame the issue to develop a clear understanding of the problem at hand and what the benefits could be if the issue was resolved. Then a variety of methods can be used to gather the input and ideas from the stakeholders, grouping them into common themes, assessing their viability, and agreeing on the path forward. Communication and availability for input is important to the success of implementation.

I enjoy working on strategic development, planning and reviewing organizations to improve their efficiency, customer service and quality. I am used to developing long term plans along with a road map on how to achieve them. I like to brainstorm new and creative ways to achieve a goal.

Include anything else about yourself that you may like others to know. I am married to Virginia Bright a wonderful partner who is a social worker working with low income elderly. I have two wonderful daughters Victoria and Caroline, and two grandsons, Jacob and

will alexander continued from page 4

Briefly, describe any experience you have had with worker or consumer cooperatives or with other small community-minded businesses.

Briefly, describe any experiences you have had developing organizational policies or plans that reflect the values of that organization. In addition to my time on the Brookwood Homeowner's Board, I have headed and been a team member on projects from the short (deadlines and timelines of less than one day) to the very long term (deadlines and timelines of more than six months).

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

- I have a great deal of writing and editing experience that would be useful to Weaver Street Market: I have written and edited newsletters, Web sites, brochures, and promotional pieces professionally for the past four years.
- I understand Weaver Street Market's mission: I have a thorough commitment to eating and cooking from sustainable, local sources, as well as other progressive causes. I have lived in Chapel Hill and Durham for the past 10 years, and I do almost all of my shopping at Weaver Street Market.
- I understand Spanish; I can read and comprehend at a near-fluent level and can communicate complex thoughts and ideas through writing and speech.
- I have completed advanced first aid and am licensed as an Emergency Medical Technician (basic level).

gear in review 10

eaver Street Market achieved a major financial turn around last year. We made a profit of \$475,000 compared to a loss of \$975,000 the previous year, for an improvement of \$1.45 million. Sales improved from month to month and ended the year even with the previous year. There were three reasons for our improved profitability. First and foremost, our staff did an outstanding job reducing expenses and making other needed changes. Second, our consumer owners supported the switch from discounts to dividends with their continued patronage. Third, we sold the corner building across from the Carrboro store. I want to thank our dedicated staff for their tremendous efforts and thank our consumer owners for their continued support and patronage. We are fortunate to have a community that cares so much about our co-op.

Achieving positive financial results is integral to accomplishing Weaver Street Market's social and environmental mission. Money spent at our co-op stays within the community and benefits farmers and other local businesses. We purchased over \$3 million from local farmers and food producers last year. 42% of the money spent at our co-op stays in the local community. Weaver Street Market created a total of \$15 million in local economic impact last year.

The improved financial situation enabled us to lift our wage freeze. Last year we couldn't afford to give any raises, but this September we were able to give raises that averaged 6%.

Weaver Street Market stores are an economic engine for our downtowns which are so important to our community identity. Our Carrboro store and Panzanella help make downtown Carrboro one of the most vibrant downtowns in the South. Our Southern Village store helps make Southern Village an important village center. Our Hillsborough store anchors a redeveloped downtown that includes a new library and county offices above both the store and library. This cooperative project between Weaver Street Market, Orange County, and the developer is a great example of a successful public-private partnership. Together we accomplished the important goal of keeping vital country services downtown while at the same time providing Weaver Street Market with a new store on Hillsborough's main street. We are proud that Weaver Street Market stores anchor three of the downtowns in Orange County.

The Hillsborough store also provides the important environmental benefit of reducing the miles traveled to shop for groceries. Hillsborough residents shopping locally instead of traveling to Durham or Chapel Hill saved over 20,000 travel miles last year.

Our product line is integral to accomplishing our mission. This year we started offering a better value on local and organic produce, and in response owners purchased 25% more produce at the co-op this summer than a year ago. We continue to work with non-profit NC Choices to improve our offerings of local meats. We are the only store selling 100% pasture-raised beef. Our new Food House provides locally-produced deli and bakery items of unmatched quality and freshness using ingredients that we select ourselves. "Taste the Season," our new biweekly flyer that started in September, allows us to better commutate the unique benefits of our products.

As much as we are pleased with the improved financial situation, we realize that we need to improve our product offerings to be a product leader in the coming years. In the end, our success is based on our ability to be an effective buying agent for you, our owners. Our top priority is to improve our product selection, eliminating redundant

choices, and replacing them with local, organic, and Weaver Street Market-made products. So far, these efforts are showing up in improved sales, which are up 10% overall and 20% in Hillsborough in the first two months of this fiscal year.

By working together using the cooperative model, we will have a profound impact on the way food is produced, sold, and enjoyed. Our goals are to reinvent a local and sustainable food system, to reinvigorate the downtown commercial center, and to re-establish a sense of community centered upon food. Please contact me with your ideas and suggestions about how Weaver Street Market can do more to accomplish these goals, or with any other thoughts or concerns, at: ruffin@weaverstreetmarket.coop.

Thank you for your continued support in helping turn around our co-op's financial fortunes. Through all of our efforts, and in spite of the worst economic situation in decades, we have been successful in returning our co-op to a strong financial footing. We are looking forward to continuing to build a local and sustainable food system that will serve our owners and community for years to come.

Ruffin Slater, General Manager

PS. This year we also said good-bye to Marilyn Butler in June. Marilyn was one of the three co-founders of Weaver Street Market. I had the pleasure of working with Marilyn for 23 years to start and grow Weaver Street Market and wish her the best in her new endeavors.





family & friends COUPON one-time discount only

WSM Owner #

Weaver Street Market Owners are invited to treat their family & friends to a meal at **Panzanella, Sunday - Thursday ONLY** and receive **20% OFF** the entire check total (excluding alcohol). **CLOSED Monday night**

919.929.6626

One time discount only. This coupon must be presented to receive discount. Does not apply to Farm Dinners. Alcohol not included. Good through October 31, 2010. www.panzanella.coop

LAST YEAR WEAVER STREET MARKET DIRECTLY OR INDIRECTLY PROVIDED OVER





Weaver Street Market in the news

Relocalization proponent Michael Shuman to speak in North Carolina

Michael Shuman, a nationally known proponent of community-based economies, will speak in two places in NC this month. Shuman, author of "The Small-Mart Revolution: How Local Businesses Are Beating the Global Competition" will speak to the Weaver Street Market members in Carrboro.

- By Morgan Glover, News & Record, October 2009

Co-ops Support Weaver Street Market: Just one of the many ways co-ops are stronger together

In June 2008, Weaver Street opened its third retail location in Hillsborough, NC and at the same time opened a 25,000 sq ft central kitchen/Food House operation. This ambitious expansion coincided with openings of two new local competitors and a weakened economy, causing WSM's cash to erode and placeing the co-op in fiscal jeopardy by the end of 2008. The NCGADC moved quickly to assist WSM in raising additional working capital.

- By Mari Roseman, Cooperative Grocer, March- April 2010

Small Triangle Town Doing Big Things in a Down Economy

Throughout the state the economy is expected to grow slowly — or even contract — in the first half of 2010. But some Triangle towns, like Hillsborough are doing just fine. Last year, a new organic grocer store, WSM, opened downtown. WSM's Food House relocated to Hillsborough, marking the beginning of a new era for locally grown food and for handcrafted baked goods.

- Chapel Hill/Orange County Visitors Bureau

Weaver Street Market Rebounds

After reporting a \$1.2 million loss last year, WSM announced a profit of \$300,000 for the fiscal year that ended in June, and could provide dividends to members the the end of next year.

- By Susan Dickson, Staff Writer, The Carrboro Citizen

Piedmont Farm Tour promotes sustainable agriculture

The sustainable farming movement gained momentum this weekend as farms across the Piedmont took part in the 15th Annual Piedmont Farm Tour. Sponsored by the Carolina Farm Stewardship Association and Weaver Street Market, the tour featured 40 farms.

- WRAL, Capitol Broadcasting Company, April 2010

Weaver Street Cake Apple of their eye

More than just a grocery co-op and café, the original Weaver Street Market and its tree-shaded lawn have served as Carrboro's unofficial town square for more than two decades. The concept has proved to be so popular that additional locations have opened in Chapel Hill and Hillsborough.

- By Greg Cox, Food Writer, News & Observer, March 2010

Weaver Street back in black

A year ago, WSM, faced with financial slippage brought on by a combination fo the economic recession and increased competitioin, did away with its long-held system of providing discounts at the cash register for co-op members. The year is now up, and WSM's board of directors says the changes have worked just as they hoped.

- Dave Hart, Staff Writer, Chapel Hill News, August 2010

you're invited!

owner street market

HILLSBOROUGH STORE
SUNday, october 10
I PM - 3 PM

southern village store Sunday, october 10 5 PM - 7 PM

sunday, october 24

- TALK INFORMALLY WITH THE BOARD -
 - DISCUSS LAST YEAR'S RESULTS
 - GIVE YOUR FEEDBACK AND IDEAS
 - ASK THE BOARD QUESTIONS
 - MEET THE CANDIDATES -
 - VOTE FOR THE BOARD OF DIRECTORS



year in review

weaver street market balance sheet

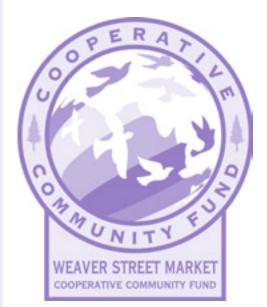
TOTAL LIABILITIES & EQUITY	12,300,970	14,122,903
TOTAL EQUITY	3,209,106	2,641,412
Retained Earnings	(340,035)	(812,646)
Community Loans	1,900,750	1,825,750
Consumer Owner Equity	1,323,053	1,255,004
Preferred Consumer Shares	52,980	53,180
Consumer Owner Shares	1,270,073	1,201, 824
Worker Owner Equity	325,338	373,304
Retained Patronage Dividends	259,409	322,741
Worker-Owner Shares	65,929	50,563
EQUITY		
TOTAL LIABILITIES	9,091,864	11,481,491
Total Liabilities	7,164,872	8,581,453
Capitol Leases Net of Current Portion	87,543	132,331
Long-Term Debt Net of Current Portion	7,077,329	8,449,122
LONG-TERM LIABILITIES		
Total Current Liabilities	1,926,992	2,900,038
Accrued Expenses	502,597	650,224
Accounts Payable	929,978	1,728,493
Current Portion of Capitol Leases	43,826	39,761
Current Portion of Long-Term Debt	450,591	481,560
LIABILITIES & EQUITY		
TOTAL ASSETS	12,300,970	14,122,903
Other Assets	259,803	487,614
Fixed Assets Net of Depreciation	10,589,988	12,204,284
Accumulated Depreciation	(3,727,355)	(2,995,371)
Fixed Assets - Cost	14,317,343	15,199,655
Cash Held in Reserve Account	205,703	215,189
Total Current Assets	1,245,476	1,215,816
Prepaid Expenses	109,647	111,621
Inventory	1,022,042	972,925
Accounts Receivable	58,630	114,636
Cash	55,157	16,634
Current Assets		
ASSETS	2010	2009



weaver street market income statement

	2010	%	2009	%
Sales	25,373,988	100.0%	25,036,224	100.0%
Cost of Goods	14,279,615	56.3%	14,285,872	57.1%
Gross Profit	11,094,373	43.7%	10,750,352	42.9%
Expenses				
Personnel	5,637,123	22.2%	5,963,798	23.8%
Occupancy	1,458,192	5.7%	1,401,928	5.6%
Operating	1,094,284	4.3%	894,632	3.6%
Administrative	870,838	3.4%	1,248,329	5.0%
Governance	60,950	0.2%	121,817	0.5%
Member Sales Discounts	10,587	0.0%	690,343	2.8%
Donations	51,866	0.2%	52,604	0.2%
Promotions	360,339	1.4%	339,231	1.4%
Total Expenses	9,544,179	37.6%	10,712,682	42.8%
Operating Income	1,550,194	6.1%	37,670	0.2%
Other Income & Expenses				
Other Income	61,721	0.2%	133,025	0.5%
Depreciation & Amortization	(765,663)	-3.0%	(798,932)	-3.2%
Interest	(544,429)	-2.1%	(640,532)	-2.6%
Gain on Disposal of Assets	411,449	1.6%	16,363	0.1%
Provision for Income Taxes	(240,000)	-0.9%	275,841	1.1%
Total Other Income & Expenses	(1,076,922)	-4.2%	(1,014,235)	-4.1%
NET INCOME/(LOSS)	473,272	1.9%	(976,565)	-3.9%





WEAVER STREET MARKET'S

fifth annual

WEAVER STREET MARKET'S Cooperative Community Fund

The CCF is established as a permanent fund whose interest will be given annually to local groups working on issues related to sustainable agriculture and organic food, hunger and malnutrition, environmental protection, and cooperatives. We expect that the CCF will grow rapidly to become a major factor in the achievement of our co-op's mission to be a vibrant, sustainable commercial center.

Several community groups responded to our call for applications for this year's Cooperative Community Fund. And a great group of Weaver Street Market owners volunteered to process the applications and determine who would receive this year's awards. Choosing from among all the wonderful groups working in our community is a difficult task. Thanks to all of our volunteers who helped in this process.

Cooperative Community Fund Grants

2010 CCF GRANT WINNER

SUSTAINABLE ALAMANCE

Sustainable Alamance was founded to assist ex-offenders by providing resources and teaching skills in order to allow individuals to make life changes in order to be successful members of society. The group seeks to find and develop employment opportunities so that individuals with criminal histories are able to find successful work, reducing the recidivism rate and creating a more sustainable community.

With this grant, Sustainable Alamance plans to purchase equipment in order to move forward with their community urban farm project, teaching skills and raising produce to be made available locally.

2010 CCF GRANT WINNER

TABLE

TABLE is a hunger relief organization based in Carrboro which combines a coalition of college students and community volunteers committed to feeding hungry children in Chapel Hill and Carrboro and raising awareness and response to the increasing rate of childhood hunger in our area. TABLE is perhaps best known for their Weekend Backpack Program, providing nutritious food for Chapel Hill-Carrboro elementary school age children who are at risk for hunger during weekends when federally funded public school breakfasts and lunches are not available.

With this grant, TABLE plans to fund their TABLE for Two Mentoring program in which local food-insecure children and college student mentors prepare healthy snacks together from fresh, in-season ingredients.

2010 CCF GRANT WINNER

THE COMMUNITY LUNCH

The mission of the Community Lunch is to provide food assistance to the unemployed, culturally marginalized, physically and mentally disabled, and otherwise hungry people in need of Chatham County. A largely volunteer-run program, the Community Lunch attempts to make use of local resources to meet local needs while ensuring long term sustainability through their use organics where possible, composting leftovers, and offering basic education in nutrition and culinary skills to its volunteers.

With this grant, the Community Lunch plans to purchase a new refrigerator to allow them to store a greater amount of food and ultimately better serve their increasing number of guests.

Prst Std US Postage **PAID** Permit #191 Chapel Hill, N.C. 27514 Your Community-Owned Grocery **Piedmont Farm Tour Maple Spring Gardens** Ken Dawson & Libby Outlaw Cedar Grove, NC

over \$3 million purchased from local producers last year