

Karma Co-operative Inc.- 739 Palmerston Ave, Toronto
rolf struthers
Treasurer's Report December 6th, 2006
Liaison to Finance Committee
Last meeting November 20th, 2006
Next meeting December 18th at 250 Robert St.

Action items not completed:
Line of Credit (Graeme & rolf) (ongoing discussions with Alterna Savings)
Appraisal of the store's property

Greetings,

Let me congratulate our new Treasurer Anil Reddi.

The Finance Committee had a line-by-line discussion of the profit and loss figures for October. Although things look quite balanced on the whole we are quite concerned with the outcome of the mid-year inventory and cannot really make prognostications on how things are going without these results. As inventory was just completed on Sunday Nov. 26th and as these results do not become available for weeks after the count it will be difficult to say how we are doing until after these figures are available to add to the November monthly statements.

With regard to the Big Buck loans it was agreed that we would consult Brian Iler and try to locate a copy of the original Big Buck loan documents to move forward with creating a new document for loans. Such a document will include:

- basic rate formula and when compounded;
- term of loan and penalty if any for early redemption;
- conditions of redemption/renewal, etc.
- targets for loan contributions over time, when needed, and a maximum of borrowing.

As well a complete budget (five year or ten year) constructed by the Treasurer that demonstrates at a minimum Karma's ability to repay all of the new capital and still maintain a viable store operation. The budget should include any bridge financing from an institutional lender, and whether or not capital received from members is to be leveraged into additional borrowing from an institution.

The Board needs to, as well, approve a prospectus that will be filed with the Ontario Government.

We should also get an appraisal done of the building. The committee has obtained one quote but should secure two others before recommending a firm to proceed with to the Board.

best regards,

Regards,
rolf struthers - Treasurer – Karma Coop Inc. 539 Palmerston Ave. To.