

Condensed store income and expense statement, Jan 10										
	<u>Jan 10</u>	<u>Jan 09</u>	<u>Comparison</u>			<u>Jun 09 - Jan 10</u>	<u>Jun 08 - Jan 09</u>	<u>Comparison</u>		
	Actual	Actual	Difference	Change, %	F/U	Actual	Actual	Difference	Change, %	F/U
Sales										
Total sales	117355	125746	-8391	-6.7%	U	948371	917591	30780	+3.4%	F
Total COGS	-93994	-102472	8478	-8.3%		-764599	-755419	-9180	+1.2%	
Gross margin, \$	23361	23274	87	+0.4%	F	183773	162172	21601	+13.3%	F
Gross margin, % of total sales	19.9%	18.5%	1.4%		F	19.4%	17.7%	1.7%		F
Expenses										
Total wages and benefits paid out	18422	23997	-5575	-23.2%	F	149929	188790	-38861	-20.6%	F
Non-working offsets	-3061	-3427	367	-10.7%		-23322	-25253	1931	-7.6%	
Wages & benefits net of offsets	15362	20570	-5208	-25.3%	F	126607	163537	-36930	-22.6%	F
Other expenses excl. consulting	9487	7016	2471	+35.2%	U	72993	56920	16073	+28.2%	U
Total expenses excl. consulting	24849	27586	-2737	-9.9%	F	199600	220457	-20857	-9.5%	F
Total expenses excl. consulting, % of sales	21.2%	21.9%	-0.8%		F	21.0%	24.0%	-3.0%		F
Operating Income										
	-1488	-4312	2824	-65.5%	F	-15827	-58285	42458	-72.8%	F
Miscellaneous store income (excl. building fees)	92	82	10	+12.2%	F	673	1522	-849	-55.8%	U
Building fees	2214	0	2214	N/A	F	9117	0	9117	N/A	F
Contract negotiations and other consulting	-1739	-61	-1678	+2762.7%	U	-18977	-536	-18441	+3438.8%	U
Net Store Income	-921	-4291	3370	-78.5%	F	-25015	-57300	32285	-56.3%	F
Condensed membership income and expense statement, Jan 10										
Membership revenue (excl. building fees)	459	468	-9	-1.9%	U	13175	13966	-791	-5.7%	U
Membership administration	43	173	-130	-75.0%	F	1349	1654	-305	-18.4%	F
Newsletter	0	0	0	N/A		45	588	-543	-92.4%	F
Other committee expenses	810	168	642	+382.9%	U	4343	3747	596	+15.9%	U
Total committee & membership expenses	810	168	642	+382.9%	U	4388	4335	53	+1.2%	U
Net Membership Income	-394	127	-521	-410.7%	U	7438	7977	-539	-6.8%	U
Balance sheet highlights, Jan 10										
	<u>Jan 10</u>	<u>Jan 09</u>	<u>Comparison</u>			<u>Jan 10</u>	<u>Start of FY</u>	<u>Comparison</u>		
			Difference	Change, %	F/U			Difference	Change, %	F/U
Cash, net of current liabilities (excl. building loans)	-135685	-116152	-19533	17%	U	-135685	-175750	40064	-23%	F
Building loans (incl. accrued interest)	-66000	-57519	-8481	15%	F	-66000	-60000	-6000	10%	F
Accounts receivable	4186	15410	-11225	-73%		4186	35590	-31404	-88%	
Inventory	111414	135174	-23761	-18%		111414	112635	-1221	-1%	
Fixed assets (building & equipment)	282231	265838	16393	6%		282231	291299	-9068	-3%	
Active mandatory member loans	134872	133709	1163	1%		134872	128959	5913	5%	
Co-op net worth	-60576	-42291	-18285	43%	U	-60576	-42999	-17577	41%	U
Value of each \$70 member loan	\$39	\$48	-\$9	-19%	U	\$39	\$47	-\$8	-17%	U

Analysis of Operations, year-to-date, Jun 09 - Jan 10, 8 months**The last physical inventory was taken in 40087**

	Jun 09 - Jan 10	Jun 08 - Jan
SALES		
Retail, to members	919,877	886,904
Wholesale, to staff	28,494	30,687
SALES REVENUE (excluding non-work charges)	948,371	917,591
PURCHASES		
Cost, net of discounts and inventory changes	764,599	755,419
GROSS PROFIT		
As a percentage of sales revenue	19.4%	17.7%
OPERATING EXPENSES		
Staff costs: Salaries, wages, contract staff	149,929	188,790
Non-work surcharge plus flat fees (offset against staff costs)	-23,322	-25,253
Other expenses	72,993	56,920
TOTAL OPERATING EXPENSES	199,600	220,457
OPERATING PROFIT		
As a percentage of sales revenue	-1.7%	-6.4%
NON-OPERATING ACCOUNTS		
Miscellaneous store income (excl. building fees)	0	225
Building fees	9117	0
Contract negotiations and other consulting	-18977	-536
TOTAL OPERATING AND NON-OPERATING PROFIT	-25687	-58596
As a percentage of sales revenue	-2.7%	-6.4%
SHRINKAGE ANALYSIS		
Average retail mark-up	35.8%	35.2%
Net cost of retail sales (excluding staff sales)	677,541	655,910
Net cost of staff sales	27,808	30,071
Net cost of all goods sold	705,349	685,981
Cost of goods purchased but unsold (shrinkage)	59,249	69,438
Shrinkage as a percentage of wholesale purchases	7.7%	9.2%

How fast are Karma sales recovering from being 12% below 2007-2008 sales?

Analysis updated by Howard Kaplan, February 14, 2010

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Actual sales 2007-2008	143032	127280	119141	132704	139292	138063	147456	142749	132843	140257	136482	145126
Monthly sales that would mean no recovery	125868	112006	104844	116779	122577	121495	129761	125619	116902	123426	120104	127711
YTD actual sales 2007-2008	143032	270312	389454	522158	661449	799512	946968	1089717	1222560	1362816	1499299	1644424
YTD sales that would mean no recovery	125868	237875	342719	459499	582075	703571	833332	958951	1075853	1199278	1319383	1447093
Sales target, % compared to 2007-2008	-12.0%	-11.5%	-10.9%	-10.4%	-9.8%	-9.3%	-8.7%	-8.2%	-7.6%	-7.1%	-6.5%	-6.0%
Sales target	125868	112701	106144	118951	125616	125261	134587	131069	122699	130311	127549	136418
YTD sales target	125868	238569	344713	463664	589280	714541	849127	980197	1102896	1233207	1360756	1497174
YTD sales target relative to no-recovery line	0	694	1994	4165	7205	10970	15796	21246	27043	33928	41373	50080
Actual sales 2009-2010	119766	115380	105191	114734	127231	121650	127065	117355				
YTD actual sales 2009-2010	119766	235145	340336	455070	582301	703951	831016	948371				
YTD sales, relative to no-recovery line	-6103	-2729	-2383	-4428	226	380	-2315	-10579				
YTD sales, % relative to no-recovery line	95.2%	98.9%	99.3%	99.0%	100.0%	100.1%	99.7%	98.9%				
Actual sales, % of target	95.2%	102.4%	99.1%	96.5%	101.3%	97.1%	94.4%	89.5%				
YTD sales, relative to target	-6103	-3424	-4377	-8594	-6979	-10590	-18111	-31826				
YTD sales, % of target	95.2%	98.6%	98.7%	98.1%	98.8%	98.5%	97.9%	96.8%				
YTD sales, relative to 2007-2008	-16.3%	-13.0%	-12.6%	-12.8%	-12.0%	-12.0%	-12.2%	-13.0%				
% of desired sales recovery achieved	N.A.	-393.1%	-119.5%	-106.3%	3.1%	3.5%	-14.7%	-49.8%				
YTD summary	Total actual sales YTD are 96.8% of target sales, based on 8 months' data.											
Months of data present	8											

At this point in the year, we were hoping that YTD sales would be \$21,246 ahead of the line of no recovery. Instead, they are \$10,579 behind the line of no recovery, and they are \$31,826 behind the targeted sales recovery. YTD sales are a full 13% below two years earlier.

