New Deal Café General Manager's Report

March 9, 2003

It is hard to believe that the cooperative coffeehouse that a small group of people dreamed of in 1994 has actually been open in Roosevelt Center for almost three years. And in the original space that it was envisioned in! This is an incredible accomplishment, and would not have happened without the generosity, support and hard work of many. Our café has truly become an integral part of Greenbelt. During the past year, we have had live music every weekend, numerous local and civic group meetings, catered luncheons, hosted parties, presented outdoor music festivals, showcased local artists, and much more. We currently host a weekly children's chess club. New residents rave about us. Our challenge, as always, is to stay open and remain true to our vision, as the past year has been full of both exciting developments and continuing struggle.

Since our last meeting 5 months ago the café began selling beer and wine. As it turns out, we initiated this change just in time. Prior to receiving the liquor license, the café's sales had sunk us almost to the breaking point (the sniper and the economy taking lots of the blame). The first month of beer and wine sales produced almost enough profit to cover all of the expenses of obtaining the license, though sales haven't hit that high again yet. Initial concerns surrounding the beer and wine license have been allayed, and the modest increase in income the sales have brought have been essential in keeping us open. Feedback from customers has been overwhelmingly positive.

Four months ago I hired Ellen Siegel as our Kitchen Manager. Ellen is a Greenbelt native who has returned from California with lots of food service experience and a love of cooking. As many of you are aware, I am extremely happy to be relieved of managing the kitchen. Ellen's full-time presence in the café brings much-needed stability to daily operations and finally releases me from overseeing absolutely every detail concerning the cafe. As kitchen manager, Ellen is responsible for day-to-day operations in the kitchen – the menu, ordering, staff scheduling and training, and catering. (I remain the general manager and am responsible for overall café operations, finances, administrative duties, publicity, special events, and community relations.) Ellen, together with our hard-working, experienced staff, has continued to improve the service and variety at the café. I've included a list of our awesome employees, most of who have worked at the café for over one year. Their dedication and support has been crucial to holding the café together, and our ultimate success depends on them.

The Board of Directors has been busy having monthly meetings for the longest-running stretch since I became manager. Our incorporation was reinstated after we completed inventories and personal property tax returns that had never been filed. The non-profit Friends of the New Deal Café Arts was formed to support the visual, performing and literary arts presented at the café, and we are excited about the collaborations that may come from this enthusiastic new group. Thanks go especially to those on the board who also shoulder responsibility as regular volunteers at the café, helping to keep our costs down.

And now to that never-ending question, how is the café doing? I've attached financial summary information to this report.

Over the past year, the New Deal Café will have grossed approximately $216,000 and will probably have taken a loss of approximately $1500. Though sales were about 10% less than last year (averaging $18,043/month in 2002 compared to $20,111/month during 2001), our total loss was significantly less in 2002 than in 2001. This is good news, we are closer to breaking even, but it shows how precarious our situation still is. We received $6945 in donations and paid about $7500 in back debts. The Offer-in-compromise has finally been received by the IRS, after being returned to us because additional tax returns from the year 2000 were missing. They have interviewed me, and we are supposed to receive a response on our proposal by October of this year. Payments on our sales tax debt from 2000 should stop around the same time. We currently owe around $65,000. We continue to receive new memberships and donations though, and support for the café is strong. We now take Visa and Mastercard, which should lead to customers spending more money. The focus of café management continues to be dominated by working to reduce costs, increase business and keep our creditors happy, without losing sight of why we started the New Deal Cafe in the first place.

Some exciting changes may be underway, if we can find the funds to finance them. We are currently negotiating to purchase a used dishwasher, which would greatly improve our efficiency and reduce our labor costs. We may also have access to a used range hood, which would go with the used gas range that we already have in storage. Installation of the range and hood and required fire suppression system will cost thousands of dollars, though. Most importantly, our hand-me-down cash register has been fussy lately, requiring hours of volunteer labor to repair, and so a new register is at the top of our wish list. We would also like the capability of tracking our sales a little better, which a more sophisticated machine would do. We believe all of these improvements are necessary, but they will require far more capital than we currently have. So look for a fundraiser or two to help us achieve these goals.

The New Deal seems to be very, very close to making ends meet, and I am cautiously optimistic that with continued perseverance, teamwork and loving care, the cafe can survive and even prosper over the coming year. Thanks to all who have helped us come this far, your continued support is essential to our success.

Terri Rutledge

Terri Rutledge

NEW DEAL CAFÉ EMPLOYEES

Ellen Bakke
Beth Bukoski
Ginger Farnham
Elizabeth Fitzmaurice
Liza McMahon-Brlansky
Rachel Milligan
David Morris
Prisca Mpanda
Terri Rutledge
Ellen Siegel
Deborah Taylor
Julia Wade

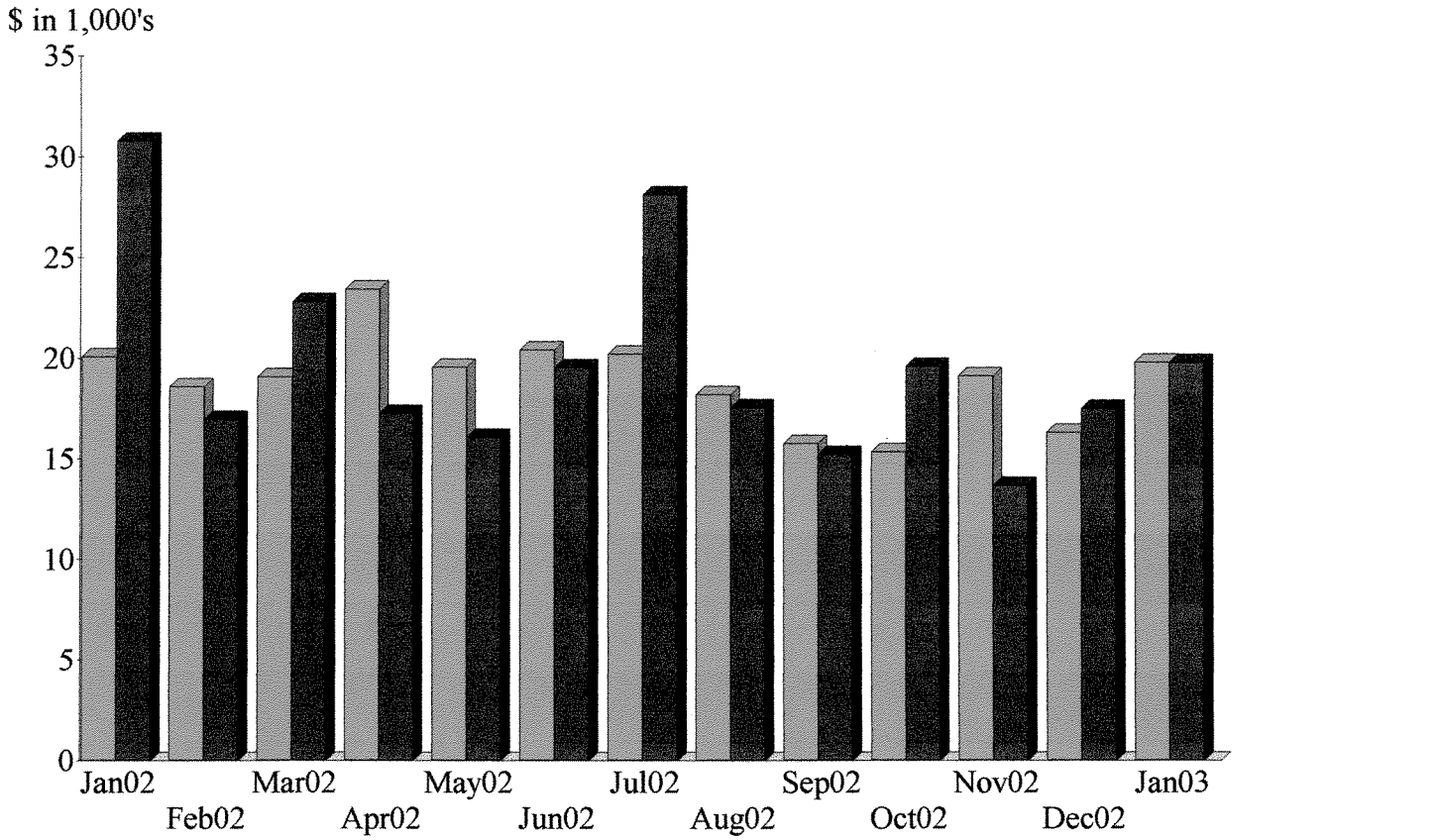
NDC Outstanding Debts & Cash Assets Summary – 2/28/2003

Debts	Amount	Status
IRS (payroll tax)	$15,000	in negotiation
MD (sales tax year 2000)	$1980	payment plan
MD (unemployment taxes)	$3000	in negotiation
City of Greenbelt	$10,000	payment plan
Member Loan	$18,000	on hold
Equal Exchange (coffee)	$2600	payment plan
Silver Spoon (espresso machine)	$700	payment plan
Co-op Loan	$7000	on hold
Deferred manager pay	$5000	on hold
Espresso Machine	$1700	payment plan
Total Debt	**$64,980**	

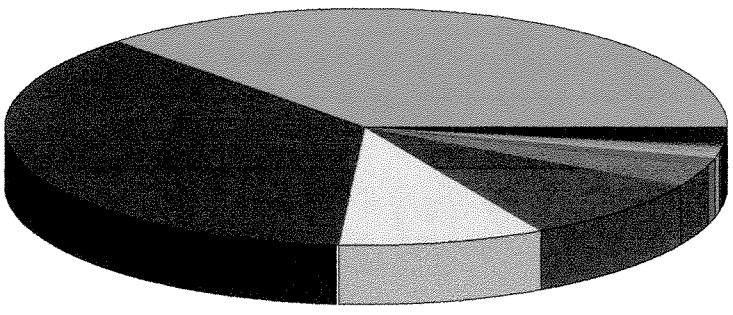
Bank Account Balances

Checking	$4903
Sales Tax	$1902
Donations	$3628

Income and Expense by Month
January 2002 through January 2003



Expense Summary
January 2002 through January 2003



6560 · Payroll Expenses	%37.24
6430 · Cost of sales	36.78
6820 · Taxes	9.30
6290 · Rent	8.81
6390 · Utilities	3.00
6230 · Licenses and Permits	1.13
6180 · Insurance	0.89
6170 · Equipment Rental	0.69
6550 · Office Supplies	0.33
6432 · - Kitchen Tools	0.30
Other	1.53
Total	$254,753.18

New Deal Cafe, Inc.
Custom Summary Report
January 2002 through January 2003

	Jan 02	Feb 02	Mar 02	Apr 02	May 02	Jun 02	Jul 02	Aug 02	Sep 02	Oct 02	Nov 02	Dec 02	Jan 03	TOTAL
Ordinary Income/Expense														
Income														
Donations	2,325.00	100.00	0.00	1,397.00	0.00	0.00	430.00	0.00	50.00	0.00	1,479.00	0.00	1,164.92	6,945.92
Donations-checking	338.47	340.34	187.96	263.62	166.10	177.21	180.51	111.42	107.88	120.87	363.22	119.68	78.09	2,555.37
4030 · Reimbursed Expenses	0.00	500.00	0.00	420.00	0.00	0.00	273.66	0.00	0.00	0.00	0.00	0.00	80.00	1,273.66
4050 · Sales	17,407.95	17,650.80	18,896.43	21,340.40	19,386.58	20,225.08	19,318.90	18,088.17	15,610.71	15,227.24	17,267.34	16,196.09	18,457.35	235,073.04
Total Income	20,071.42	18,591.14	19,084.39	23,421.02	19,552.68	20,402.29	20,203.07	18,199.59	15,768.59	15,348.11	19,109.56	16,315.77	19,780.36	245,847.99
Expense														
6120 · Bank Service Charges	25.80	34.00	23.95	73.59	22.05	41.80	35.80	33.70	24.05	59.89	18.60	13.45	31.45	438.13
6160 · Dues and Subscriptions	0.00	0.00	0.00	0.00	40.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	129.00	169.00
6170 · Equipment Rental	0.00	0.00	800.00	200.00	200.00	0.00	0.00	150.00	100.00	150.00	0.00	100.00	50.00	1,750.00
6175 · Equipment Purchase	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	250.00	250.00
6180 · Insurance	0.00	546.00	0.00	546.00	0.00	546.00	0.00	0.00	0.00	0.00	0.00	638.00	0.00	2,276.00
6230 · Licenses and Permits	0.00	30.00	734.07	0.00	0.00	50.00	701.25	54.00	750.00	247.50	95.66	0.00	222.70	2,885.18
6240 · Miscellaneous	15.00	124.29	44.29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	183.58
6245 · Music and entertainment	0.00	500.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6250 · Postage and Delivery	7.70	20.75	10.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	18.85	6.29	7.40	71.69
6260 · Printing and Reproduction	0.00	0.00	0.00	0.00	46.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	46.25
6265 · - Advertising	13.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.25	152.03	171.08
6290 · Rent	1,610.00	1,600.00	1,630.00	1,600.00	1,630.00	1,600.00	1,620.00	1,750.00	1,650.00	1,650.00	1,650.00	2,750.00	1,700.00	22,440.00
6291 · - Commercial Fee	0.00	0.00	125.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00
6300 · Repairs	0.00	0.00	0.00	0.00	28.00	0.00	0.00	162.65	208.51	0.00	27.06	-27.06	0.00	399.16
6340 · Telephone	0.00	0.00	233.61	0.00	150.88	50.37	46.91	0.00	116.09	0.00	0.00	101.06	0.00	698.92
6350 · Travel & Ent	0.00	0.00	0.00	0.00	0.00	130.00	0.00	0.00	0.00	140.00	0.00	0.00	0.00	270.00
6390 · Utilities	1,027.31	0.00	977.61	331.65	240.00	356.80	1,746.36	0.00	1,124.00	559.02	407.00	574.10	298.40	7,642.25
6430 · Cost of sales	7,217.00	6,248.93	10,182.09	7,549.94	6,930.64	8,744.19	8,869.91	8,510.02	4,559.67	7,559.28	4,908.23	7,176.47	5,235.65	93,692.02
6432 · - Kitchen Tools	63.99	0.00	52.23	95.36	0.00	82.00	52.98	159.44	0.00	199.71	0.00	52.13	0.00	757.84
6550 · Office Supplies	78.19	39.30	23.64	145.24	8.97	113.12	18.32	7.90	68.15	223.06	0.00	42.27	82.41	850.57
6560 · Payroll Expenses	12,163.39	7,594.20	7,265.49	6,072.60	6,786.11	6,712.01	9,446.71	6,704.91	6,182.67	6,112.30	6,546.18	5,395.89	7,891.03	94,873.49
6561 · Payroll Expense - Med Care Comp	0.00	225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	225.00
6820 · Taxes	8,540.85	0.00	696.44	293.94	0.00	1,100.00	5,565.72	0.00	440.00	2,686.72	0.00	660.00	3,714.23	23,697.90
6999 · Uncategorized Expenses	0.00	0.00	0.00	340.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	340.12
Total Expense	30,763.03	16,962.47	22,799.12	17,248.44	16,082.90	19,526.29	28,103.96	17,532.62	15,223.14	19,587.48	13,671.58	17,487.85	19,764.30	254,753.18
Net Ordinary Income	-10,691.61	1,628.67	-3,714.73	6,172.58	3,469.78	876.00	-7,900.89	666.97	545.45	-4,239.37	5,437.98	-1,172.08	16.06	-8,905.19
Other Income/Expense														
Other Income														
7010 · Interest Income	5.67	4.99	3.96	2.80	3.40	2.88	2.45	2.26	2.01	1.91	1.72	2.17	0.00	36.22
Total Other Income	5.67	4.99	3.96	2.80	3.40	2.88	2.45	2.26	2.01	1.91	1.72	2.17	0.00	36.22
Net Other Income	5.67	4.99	3.96	2.80	3.40	2.88	2.45	2.26	2.01	1.91	1.72	2.17	0.00	36.22
Net Income	**-10,685.94**	**1,633.66**	**-3,710.77**	**6,175.38**	**3,473.18**	**878.88**	**-7,898.44**	**669.23**	**547.46**	**-4,237.46**	**5,439.70**	**-1,169.91**	**16.06**	**-8,868.97**

ACTUAL NET INCOME

-8868.97

-6945.92 take out donations

-15,814.89

+13,709.09 take out back debt payments and 2001 sales tax

-2105.80

+600.00

$-1505.80