

WHOLE FOODS COMMUNITY CO-OP, INC.

# - 2019 -ANNUAL REPORT

FOR FISCAL YEAR
JULY 1, 2018 – JUNE 30, 2019



## MANAGEMENT REPORT for the 2019 Fiscal Year, July 2018 – June 2019

by Sarah Hannigan, General Manager



Our middle name is Community. Whole Foods Community Cooperative, Inc is our legal name; and though we use a shortened version of the name for business purposes, we can't deny that without community, our cooperative wouldn't and couldn't be what it is today. As you'll see here in the pages of this year's annual report people are the heart of our community. Staff, vendors, Owners and neighbors.

Together, we've worked hard this year.

Together, we've made progress on many fronts. And together, we've identified areas for continued growth and improvement ahead.

We asked for community feedback in a few different ways this year: our shopper satisfaction survey was completed in the spring and showed us that we've made progress in bringing better alignment between our stores. It also showed us that there's work ahead in ensuring that we have the product selection our customers desire. Product availability and items offered has also been echoed as an area for improvement in the real-time online customer experience survey we invite shoppers to complete every day.

We made significant changes to merchandising at the Hillside store – expanded upright refrigeration and modular display tables replaced inefficient equipment in our produce department; grocery aisle shelving was expanded and reorganized; deli grab and go merchandising capacity was doubled. These improvements brought 100s

of new items to our selection of offerings during the year.

This year, we also asked for feedback from our community of employees through a satisfaction survey administered by a thirdparty. We learned that while our employees are relatively happy overall, there are areas with considerable diversity of opinion about satisfaction. Communication, transparency, training and opportunities for advancement were the biggest areas for improvement, and we've been working on initiatives to respond. Examples include increased internal communications including a staff newsletter, and annual refresher training for all employees. We continue our commitment to giving staff opportunity for advancement, and during the reporting period, 23 employees were promoted from within WFC.

Co-op wide sales growth for the year came in at 0.89% overall, with most of the growth realized at the Denfeld store. Expenses were kept in line with budget through the year, and for the first time since expanding

#### Y OWNED. THAT'S THE DIFFERENCE.

to two stores, WFC realized positive net income. The unaudited financial statements show a small profit – not enough to warrant a patronage dividend, but enough to truly indicate that we continue to head in the right direction. WFC's cash position remains strong, and the co-op continued the repayment of the loans received by Owners to support the Denfeld expansion. During the period, \$335,718 in principle and interest was repaid to Owner investors.

"...and for the first

time since expanding to

two stores, WFC realized

One shining star in our community story is the growing impact of our GIVE round-up program which gives shoppers the opportunity to donate change from their transactions to local organizations and programs. In the fiscal year, shopper donations totaled \$97.660!

WFC made a tremendous impact in our economy through local purchasing – Owners

and shoppers bought products from 95 independent vendors from the immediate bioregion and over 152 from Minnesota and Wisconsin. Purchases made at the co-op supported training, wages, and benefits for a team of over 135 employees.

Our focus continues to be on sustaining our cooperative community – and ensuring the shared success of stakeholders into the future. We remain fiercely dedicated to

delighting our customers, connecting to our community, engaging

our staff, adding value for our Owners, growing our regional economic impact, reducing our environmental footprint – all while operating a thriving cooperative enterprise.

positive net income.

Cooperative enterprise.

We appreciate your continued enthusiasm and support for your Whole Foods Co-op. We'll be sharing our gratitude for our Owners by issuing a special appreciation discount closer to the holidays – we wouldn't be here without you and can't thank you enough!





### WHOLE FOODS CO-OP

TOTAL SALES \$20,294,474

**SALES TO OWNERS** 

\$14,500,402

% OF TOTAL SALES TO OWNERS 71.45%







**INVESTMENT IN STAFF** 

\$4,598,146

in wages, benefits, staff discounts and other personnel-related costs



WHOLE FOODS CO-OP







WHOLE FOODS CO-OP

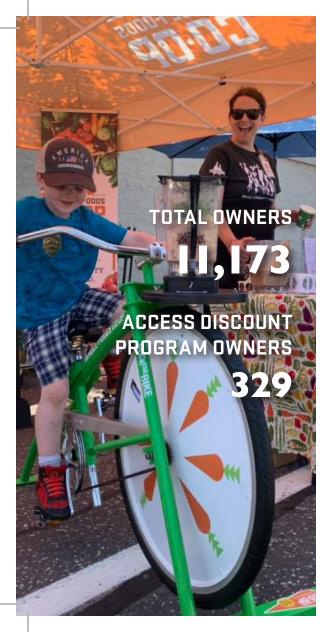


TOTAL ROUND UP DONATIONS FROM SHOPPERS TO LOCAL COMMUNITY PROGRAMS

\$97,660

## **Recipients:**

- Pinewood Duluth, Inc.
- PAVSA (Program for Aid to Victims of Sexual Assault)
- Zeitgeist Arts
- Fran Skinner Memorial Co-op Ownership Matching Fund
- Domestic Abuse Intervention Program
- Wildwoods Wildlife Rehabilitation
- Lincoln Park Children and Family Collaborative
- NAACP Duluth Branch (National Association for the Advancement of Colored People)
- CHUM Food Shelf
- Co-op Access Discount Program
- Damiano Center
- Superior Hiking Trail Association



309 op basics
EVERYDAY LOW PRICE ITEMS

CLASS PARTICIPANTS
took 42 different classes

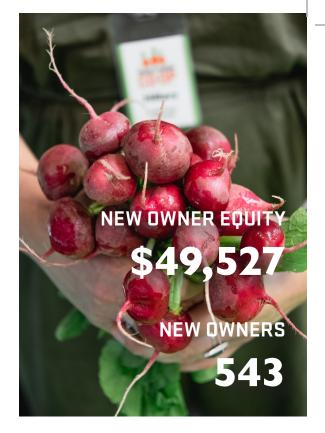


**TOTAL CASH DONATIONS** 

\$42,589

to 25 different local organizations & non-profits

WHOLE FOODS CO-OP



2 COMMUNITY EVENTS ATTENDED OR HOSTED



-357,191

31,587

**OTHER INCOME/EXPENSE** 

**NET INCOME** 

#### **2019 ANNUAL REPORT**

BALANCE SHEET	FY 2019 unaudited	FY 2018 audited
	6/30/2019	6/30/2018
ASSETS		
Current Assets	2,119,601	2,129,149
Property/Building/Equipment	10,244,998	10,756,084
Other Assets	795,860	759,097
TOTAL ASSETS	13,160,459	13,644,330
LIABILITIES		
Current Liabilities	1,706,213	1,569,157
Long-Term Liabilities	6,550,691	7,203,532
TOTAL LIABILITIES	8,256,905	8,772,689
EQUITY		
Owner Equity	4,404,213	4,353,525
Fran Skinner Memorial Fund	18,545	19,706
Retained Earnings	480,796	498,410
TOTAL EQUITY	4,903,554	4,871,64
TOTAL LIABILITIES & EQUITY	13,160,459	13,644,330

## WHOLE FOODS CO-OP

-127,605



\$4,675,521
PERCENT OF TOTAL PURCHASES 36.7%

INVENTORY PURCHASES FROM BIOREGION \$1,397,938
PERCENT OF TOTAL \$1.0%





Independent vendors located in Minnesota or Wisconsin like farmers, bakers, cheese makers and more!

The co-op prioritizes purchases from vendors located in the Lake Superior Bioregion.

Vendors marked with a \* are located in the counties immediately surrounding Lake Superior.

WHOLE FOODS CO-OP

A. M. Soap Company Alakef Coffee Roasters\* Albert Hanson Almanac Coffee LLC\* Alotti Biscotti\* Amazing Grace Bakery & Cafe\* American Fish and Seafood, Inc. Anahata Herbals\* Artists to Watch Ashland Baking Company Inc.\* Bar Bell Bee Ranch\* Bay Produce\* Bayfield Foods\* Blue Fortune Farm Bodin's. Inc.\* Brainstorm Bakery\* Bumbleberry Farm, LLC\* Burning River Farm\* Cafe Coco\* Carol Hinnenkamp\* Castle Rock Organic Dairy LLC City Girl Coffee\* Classic Provisions, Inc. Clover Valley Farms\* Comfort Community

Foods, LLC

Co-op Partners Warehouse Dan I. Borntreger David Siltanen\* Derek Hoffbauer\* Duluth Coffee Company\* Duluth Firewood Inc.\* **Duluth Preserving** Company\* Duluth's Best Bread\* **Energy For Life** Connection\* Epicurean\* Erin Hangero Fairhaven Farm\* Ferndale Market LLC Fika Coffee\* Finnegan's Farm\* Food Farm\* Fraboni's\* Glacial Ridge Growers Great Dog Co. Great Oak Farm LLC\* Happy Hollow Creamery\* Happy Nest Mock Duck LLC\* Harmony Hills HealthWorksUSA Hedlyn Farm\*

Helen Ojard\*

Hendrycks & Spenader, LLC Hermit Creek Farm\* Holy Land Brand Inc. Homestead Mills\* Honey Hill Farms\* Hugh's Gardens Husnik Meat Co. I & B Group lack and The Green Sprouts, Inc. lack Sneve\* lames Lake Farms, Inc. Jane Borgren\* loe Berger\* Joseph Bontrager Just Coffee Cooperative Kadejan, Inc. Kettle River Pizza\* Kickapoo Coffee Koehler & Dramm Kyle Boutin\* Lake Superior Brewing Co. LLC\* Lake Superior Fish Company\* Larry & Mary Antonich\* Larry A Schultz Laughingstock Design\* Leo Youderin\* Locally Laid Eggs\* Lotus Light Enterprises

Luci Daum\* Mandy McDonald\* Mark Dockal\* Mark Geving\* Marquette Honey Farms Marvelous Melissa\* Matilda's Dog Bakery\* Max Organics\* Meadowlands Chocolate Company\* Michaud Dist. Inc.\* Midwest Best Water. Mike Gellerman\* Minneapolis Oxygen Company Minnesota Mittens Minnesota Smoothies & More Mora Produce Coop Nativa Yerba Mate, Inc New Scenic Cafe\* Norsland Lefse North Wind Organic Farm\* Northern Harvest Farm\* Northern Star Food Equip\* Northland Natural Pet Northstar Bison\*

On Eagles Wings Farm\* One Love Bread LLC Orgainc Breezy Hill Pastures A Plenty Co. Peace Coffee Positively 3rd Street Bakery\* Prairie Spy Orchard Pranarom PRD Seed\* Pripps Sugar Bush\* Promised Land Farm\* Range Paper\* Rare Farth Ready 2 Fruit Mushrooms Red Hoof Farms\* Regents of University of MN Rice Lake Gardens\* Rising Phoenix Community Farm\* Russ Davis Rustic Inn Pies\* Simple Gifts\* Steve Appelwick\* SunLeaf Naturals Sunrise Dairy of St. Louis Co\* Superior Small Batch\* Talmadge Farms\* Teresa Harrold

The Kenspeckle Letter Press\* The Snooty Fox Tea Shop\* There and Back Books\* Tiny Farm Duluth\* Tobies Restaurant Inc\* Tri Star Foods Inc. Twin Ports Paper Supplies\* Uff-da Organics\* UMD Land Lab\* Veriditas Botanicals **PRANAROM** VIP Pizza\* Western Lake Superior Sanitary District\* Widdes Feed & Farm Supply\* Wild Country Maple Products\* Wild Fern Herbal Soaps\* Wildly Organic\* Wisconsin Sheep Dairy Соор Worker B Wyndmere Naturals, Yker Acres\*

Zenith Bread Project\*

**BOARD REPORT** for the 2019 Fiscal Year (July 2018 – June 2019)

## **Board, committee work** stronger than ever

by Mickey Pearson, WFC Board President



When the Owners approved our new bylaws in the Fall 2018 election, the Board was given an opportunity to broaden and deepen our work, most notably through the addition of two more seats. With new faces and perspectives on our ongoing work, our year was one of acclimation, evaluation and exploration, making full use of our four new members and added capacity.

First and foremost, our committee work was stronger than ever. We established

the new Owner Engagement Committee, an ad hoc task force who evaluated the many ways we work to communicate with WFC's 11.000+ Owners. Our recruitment committee doubled down on 2018's success and helped to garner a diverse and exciting roster of candidates for yet another contested election. The Finance Committee worked closely with management to keep us all abreast of the key financial indicators for our co-op's success. Finally, the General Manager Evaluation Committee looked to staff surveys, adherence to regular performance metrics and policy review to ensure our General Manager receives consistent

This year also saw our first official engagement with our labor union with their first annual presentation in March. The Board welcomed this new means of open communication and feedback from those with a unique point of view on our organization and we look forward to next spring's presentation.

As we look to the coming year, the boardroom table is set for a natural evolution. We will continue our drive to grow our ranks with diverse leaders and find ways to better provide our Owners with opportunities to be part of their co-op community. With the enthusiastic and now-seasoned crew of

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Board stewards, we will undoubtedly face 2020 with strong, passionate leadership and a culture of clear-eyed, thoughtful decision making.

WHOLE FOODS CO-OP

feedback.



## **Community Owned Since 1970**

Whole Foods Co-op is a thriving consumer-owned cooperative that supports, invests and partners to create a healthy community. A healthy community is one which nurtures emotional, mental, spiritual and physical health.

## WFC creates a healthy community by:

- Requiring a robust local, sustainable food system
- · Nourishing and replenishing water, air and soil
- Fostering relationships and human connection
  - · Resting on local and shared Ownership
    - Prioritizing equity and diversity
    - Whole Foods Co-op ENDS



## HILLSIDE

610 East 4th Street Duluth, MN 55805

### **DENFELD**

4426 Grand Avenue Duluth, MN 55807

www.wholefoods.coop

218.728.0884

OPEN DAILY - 7 AM - 9 PM



**Community Owned Since 1970**