



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 third-party. 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

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.

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.

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!

"...and for the first time since expanding to two stores, WFC realized positive net income."



Thank You!

TOTAL SALES
\$20,294,474

SALES TO OWNERS
\$14,500,402

% OF TOTAL SALES
TO OWNERS
71.45%



OWNER DISCOUNTS
\$187,162

ACCESS DISCOUNTS
\$51,911
for co-op owners with
limited means



INVESTMENT IN STAFF

\$4,598,146

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





MINNESOTA FOOD
SHARE DONATIONS
\$15,542

\$170,648 IN FOOD
WAS DIRECTLY DONATED TO LOCAL
AGENCIES FIGHTING HUNGER”



GIVE! PROGRAM

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



TOTAL OWNERS

11,173

ACCESS DISCOUNT
PROGRAM OWNERS

329

309 **Co-op** basics
EVERYDAY LOW PRICE ITEMS

CLASS PARTICIPANTS

took **42** different classes

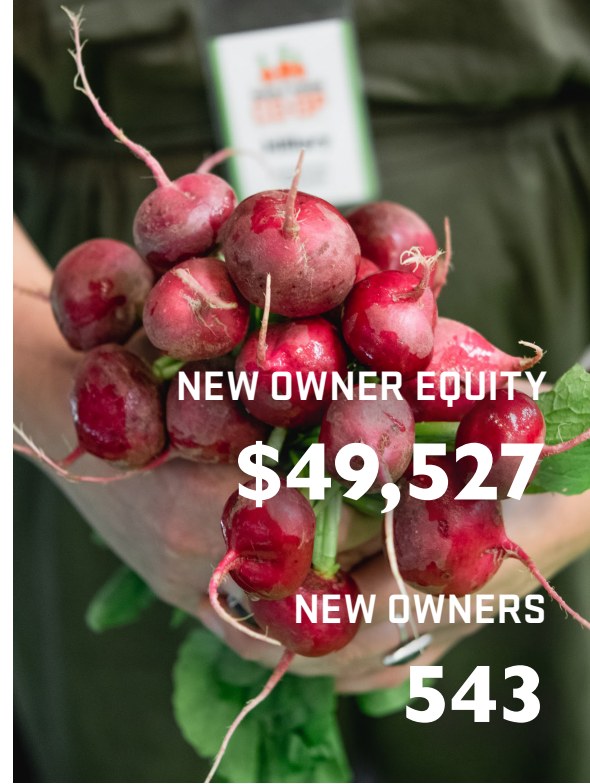


TOTAL CASH DONATIONS

\$42,589

to **125** different local
organizations & non-profits

WHOLE FOODS **CO-OP**



NEW OWNER EQUITY

\$49,527

NEW OWNERS

543

121 COMMUNITY
EVENTS ATTENDED
OR HOSTED

2019 ANNUAL REPORT



local
economy

INCOME STATEMENT

	FY2019 <i>unaudited</i>	FY2018 <i>audited</i>
SALES	20,294,474	20,114,550
<i>less cost of goods sold</i>	-12,750,797	-12,707,149
NET SALES	7,543,677	7,407,401
OPERATING EXPENSES	7,154,899	-7,182,822
GAIN FROM OPERATIONS	388,778	222,579
OTHER INCOME/EXPENSE	-357,191	-350,186
NET INCOME	31,587	-127,605

BALANCE SHEET

	FY 2019 <i>unaudited</i>	FY 2018 <i>audited</i>
	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

Local
purchasing
(Minnesota/
Wisconsin)

LOCAL
VENDORS

152

BIOREGION
VENDORS

95



LOCAL INVENTORY PURCHASES
\$4,675,521

PERCENT OF TOTAL PURCHASES 36.7%

INVENTORY PURCHASES
FROM BIOREGION

\$1,397,938

PERCENT OF TOTAL 11.0%



WHOLE FOODS CO-OP



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.

2019 ANNUAL REPORT

A. M. Soap Company	Co-op Partners Warehouse	Hendrycks & Spenader, LLC	Luci Daum*	On Eagles Wings Farm*	The Kenspeckle Letter Press*
Alakef Coffee Roasters*	Dan J. Borntrager	Hermit Creek Farm*	Mandy McDonald*	One Love Bread LLC	The Snooty Fox Tea Shop*
Albert Hanson	David Siltanen*	Holy Land Brand Inc.	Mark Dockal*	Organic Breezy Hill Pastures A Plenty Co.	There and Back Books*
Almanac Coffee LLC*	Derek Hoffbauer*	Homestead Mills*	Mark Geving*	Peace Coffee	Tiny Farm Duluth*
Alotti Biscotti*	Duluth Coffee Company*	Honey Hill Farms*	Marquette Honey Farms	Positively 3rd Street Bakery*	Tobies Restaurant Inc*
Amazing Grace Bakery & Cafe*	Duluth Firewood Inc.*	Hugh's Gardens	Marvelous Melissa*	Prairie Spy Orchard	Tri Star Foods Inc
American Fish and Seafood, Inc	Duluth Preserving Company*	Husnik Meat Co	Matilda's Dog Bakery*	Pranarom	Twin Ports Paper Supplies*
Anahata Herbals*	Duluth's Best Bread*	J & B Group	Max Organics*	PRD Seed*	Uff-da Organics*
Artists to Watch	Energy For Life Connection*	Jack and The Green Sprouts, Inc.	Meadowlands Chocolate Company*	Pripps Sugar Bush*	UMD Land Lab*
Ashland Baking Company Inc.*	Epicurean*	Jack Sneve*	Michaud Dist. Inc.*	Promised Land Farm*	Veriditas Botanicals PRANAROM
Bar Bell Bee Ranch*	Erin Hangero	James Lake Farms, Inc.	Midwest Best Water, Inc	Range Paper*	VIP Pizza*
Bay Produce*	Fairhaven Farm*	Jane Borgren*	Mike Gellerman*	Rare Earth	Western Lake Superior Sanitary District*
Bayfield Foods*	Ferndale Market LLC	Joe Berger*	Minneapolis Oxygen Company	Ready 2 Fruit Mushrooms	Widdes Feed & Farm Supply*
Blue Fortune Farm	Fika Coffee*	Joseph Bontrager	Minnesota Mittens & More	Red Hoof Farms*	Wild Country Maple Products*
Bodin's, Inc.*	Finnegan's Farm*	Just Coffee Cooperative	Minnesota Smoothies	Regents of University of MN	Wild Fern Herbal Soaps*
Brainstorm Bakery*	Food Farm*	Kadejan, Inc.	Minnepa Produce	Rice Lake Gardens*	Wildly Organic*
Bumbleberry Farm, LLC*	Fraboni's*	Kettle River Pizza*	Mora Produce Coop	Rising Phoenix Community Farm*	Wisconsin Sheep Dairy Coop
Burning River Farm*	Glacial Ridge Growers	Kickapoo Coffee	Nativa Yerba Mate, Inc	Russ Davis	Worker B
Cafe Coco*	Great Dog Co.	Koehler & Dramm	New Scenic Cafe*	Rustic Inn Pies*	Wyndmere Naturals, Inc.
Carol Hinnenkamp*	Great Oak Farm LLC*	Kyle Boutin*	Norsland Lefse	Simple Gifts*	Yker Acres*
Castle Rock Organic Dairy LLC	Happy Hollow Creamery*	Lake Superior Brewing Co. LLC*	North Wind Organic Farm*	Steve Appelwick*	Zenith Bread Project*
City Girl Coffee*	Happy Nest Mock Duck LLC*	Lake Superior Fish Company*	Northern Harvest Farm*	SunLeaf Naturals	
Classic Provisions, Inc.	Harmony Hills	Larry & Mary Antonich*	Northern Star Food Equip*	Sunrise Dairy of St. Louis Co*	
Clover Valley Farms*	HealthWorksUSA	Larry A Schultz	Northland Natural Pet	Superior Small Batch*	
Comfort Community Foods, LLC	Hedlyn Farm*	Laughingstock Design*	Northstar Bison*	Talmadge Farms*	
	Helen Ojard*	Leo Youderin*		Teresa Harrold	
		Locally Laid Eggs*			
		Lotus Light Enterprises			

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 feedback.

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

"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."



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



DULUTH . MN

HILLSIDE

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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
