

erie  
**FOOD**  
co-op 

# ANNUAL REPORT



food  
for all!



2022-2023

## Erie Food Co-op Mission Statement

*To serve our community as the foremost provider of foods and products that enrich health and well-being, cultivating a spirit of community through excellent service and education.*

The Erie Food Co-op is a community owned grocery store with two locations: 1341 West 26th, and 34 North Park Row both located in Erie, PA. Our focus and mission each day is to provide the best possible customer experience for each and every person who comes through our doors in order to support a thriving local food system for our member-owners. We recognize that healthy food can mean different things to different people. Our buyers at each location do their best to get to know the needs of our shoppers and create a product selection that encompasses options for different budgets and dietary needs.

## Erie Food Co-op Ends Statements

Because of the Erie Food Co-op, the Erie community and our member-owners will:

- 1. Erie** - Our Erie community will flourish as a result of our support for a local and value-based food system, our efforts to foster a culture of inclusion, and our commitment to a living wage.
- 2. Environment** - Our environment will be minimally impacted by the Co-op's own practices, and our members, neighbors, and civic leaders will be able to follow our example toward a greener future.
- 3. Education** - Our members, shoppers, and community will look to the Co-op as a trusted resource for information about nutrition, health, sustainability, and cooking practices. Our civic leaders will look to the Co-op as a trusted resource on the Cooperative business mode.

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# BOARD PRESIDENT *Report*

By: Shari Gross (Board President)

Comic books and graphic novels are full of special places, special people and secret super powers. Since this year's annual report is a story told in this style, let me jump right in.

Our co-op has a long tradition of being not just a place to get your groceries, but also a special place. That place where you can sip a smoothie in the cafe and run into half a dozen friends. Where you can get a recommendation from the staffer at the register about the amazing asian pears in the produce department (so good it makes you go back and get some.) It's a place where you see your friend and their family re-supplying at the end of a long day. Where you run in for cheese, english muffins and vegetarian sausage patties but stop right in your tracks when you see the coffee cake in the bakery case. That place where you can learn something about sustainable packaging and tips about bulk food storage from cheerful staff or even an undercover board member.

At the downtown store, more tables and chairs appeared as we make the space more welcoming to those who want to sit, study, rest, visit or take in a coffee or a wrap. Sales at the downtown store increased this year, even with the limitations of continued construction, access and parking. And even as more people are finding the downtown store to be a special place, sales at the West 26th Street store have increased to a point not seen in quite some time!



But this isn't just a story about a place. Our story has always been about our special people. The staff who remember you and greet you with a smile. The ones who go out of their way to help you find what you need. The ones whose super-creative abilities give our stores their special looks and features. Whose relationships within the greater Erie Community result in such support for our co-op that it really feels like a super-power must be responsible.

Our story this year was about continued growth and sustainability of a member-owned food cooperative during a time when our city's food deserts worsened with the closure of large chain grocery stores. It is about trying to be where we need to be, offering what our members and other shoppers need us to provide. It's about persisting even when conditions present some obstacles. It's about using our super powers for good. We may not be heroes exactly, but it will be really ok if it turns out that way.

# CEO / GM Review

By: LeAnna Nieratko (CEO/GM)

This fiscal year ran from July 2022 to June 2023. The theme for the year seemed to be “A Very Special Episode” the old sitcom trope in which the main character finds themselves in an unusually challenging situation where they learn a life lesson that gets neatly resolved by the end of the episode.

At the start of the year, we find our main character in a bit of a pickle, having opened the Downtown store to discover that it was going to be way lower sales volume than we had planned. This meant we had to rethink all our original plans to adjust to a new lower sales volume, and with it, less dollars for payroll, goods, supplies, etc... For each day we didn't scale down, we burned more of the money we set aside to get on our feet. Working through this experience challenged us as an organization to look at both stores differently in terms of where we could get easy wins. We also had to get creative and find non-traditional routes of securing funds to keep the store operating while we were figuring it out. This included working with our community partners, who would often come through at exactly the right time.

Thankfully, the team at 26th had hit a great stride mid-year through work on resetting the store, building strong internal teams, and focusing on consistency. This resulted in increasing sales, outperforming its plan, month after month. While some of the team was hyper focused on logistics and operations, others were focused on working towards our Ends.

We did more outreach events than ever this year; had important conversations about inclusion, launched our reusable jar library and had opportunities to advocate for food accessibility in wider platforms.

By June 30th, we had worked out a mid-term solution for funding the Downtown store, increased sales significantly at 26th street and had cash in the bank. As we stepped into July, it was clear that the work of the next fiscal year would be new and forward thinking. Not only did we start our new member-owner discounts in July, we also launched a customer service survey at both locations which will help us build the plans that will better meet our communities' needs. We have a ton of exciting things on the way and are so grateful for your continued support and the support of our community partners.



# STORE MANAGER

26th Street Review

By: Chad Seblink (26th Street Store Manager)

Personally,  
I take great pride in the impactful  
endeavors undertaken at our 26th  
street location, all aimed at  
elevating the customer experience.

Over the past year, our organization has achieved remarkable progress. We joyously celebrated the one-year milestone of our downtown store, we welcomed several exceptional new individuals who added depth to our already tenured team, and we witnessed a substantial surge in foot traffic as well as sales following the closure of Tops.



To start, the introduction of Nitro Cold Brew Coffee on draft embodies our commitment to provide an exceptional and distinctive addition to our already outstanding range of brewed coffees. Since its debut, it has garnered resoundingly positive feedback and sparked a surge in demand.

Additionally, the forthcoming installation of a natural gas backup generator underscores our unwavering dedication to seamless service, complete with a meticulously crafted contingency plan.

Finally, the implementation of a new 1,000 gallon grease interceptor for our café serves as a tangible symbol of our dedication to sustainability and strict adherence to regulatory standards, ensuring the utmost efficiency in waste management.

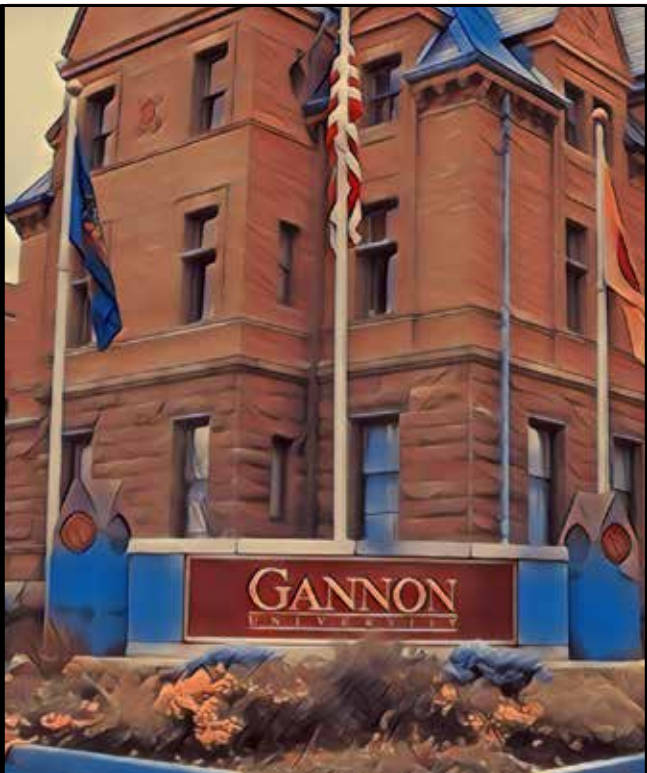
These collective initiatives embody the forward-thinking ethos of Erie Food Co-op, exemplifying our unwavering pursuit of delivering an unparalleled customer experience to our valued patrons. The future of Erie Food Co-op is very promising, and we stand poised to meet any forthcoming challenges, determined to be the locally owned grocery store that exceeds its diverse community's needs.

# STORE MANAGER

*Downtown Review*

By: Vivian McCullum (Downtown Store Manager)

Last year at the Downtown Co-op was quite the journey, featuring some awesome changes, valuable partnerships, and our team really stepping up their game.



So, here's the scoop on what's been happening at our Downtown Co-op over the past year. First off, we jumped on board with GU Gold, which has been a real game-changer. It's not only simplified life for Gannon University students but has also given us a nice boost in our revenue. But here's the kicker – we've also teamed up with Flagship to bring the convenience of free delivery to our customers within the city of Erie. It's like having your groceries come to you, and who wouldn't love that?

But that's not all! Erie Insurance is now offering daily promotions to its employees when they shop at our co-op. So it's a win-win for everyone. Alongside all these cool developments, we've introduced the Summer Earn and Learn Program and embraced dual role positions, which have made our team even more awesome. It's been quite an exciting year, and we're all stoked about what's coming up next!

As we wrap up this year at the Downtown Co-op, it's been all about making our customers happy and gearing up to face whatever comes our way. We're all set to be the coolest local grocery store for our diverse community and keep providing you with a top-notch experience. Cheers to the journey ahead!

# HUMAN RESOURCES

## Report

By: Chris Wrobel (Human Resources Manager)

In a challenging year, our organization embraced remarkable growth, improving training programs across the Co-op for employee excellence.

We piloted our “in-house” Food Safety Manager Certification Training program back in October 2022 to ensure that our employees are focusing on providing the best quality of foods in our café. This year, we saw 13 employees undertake the rigorous training and examination process, and we are proud to announce that all 13 individuals have successfully passed, underscoring our unwavering commitment to maintaining the highest standards of quality and safety in everything we do.



Our conference attendance experienced a new level of energy and participation, with more of our employees attending events across the United States than ever before. This surge in attendance is a clear testament to our expanding influence in the industry and the growing recognition of our experts and thought leaders, who have been actively contributing to the success of these events. Notably, at CCMA in June 2023, our HR Manager, Chris Wrobel, and our CEO, LeAnna Nieratko, had the honor of presenting to various members of the Cooperative community about HR best practices in the field of Talent Acquisition. Their insights and expertise were well-received, further solidifying our organization’s reputation as a support to other Cooperatives around the country.

Our dedication to fostering a diverse and inclusive workplace is unyielding, and this year, our commitment to diversity, equity, and inclusion (DE&I) has remained a central focus. Our comprehensive DE&I training programs have continued to flourish, facilitating understanding, empathy, and inclusion across all organizational levels. We believe that a diverse and inclusive workplace is not just a goal but a fundamental driver of our organization’s success.

Looking ahead, we’re also making strides towards streamlining department-specific training programs. This initiative aims to reduce redundancy, save time, and ensure that employees receive the most relevant and up-to-date training for their roles, contributing to a more efficient and effective work environment. As we reflect upon the remarkable achievements of the past year, we remain steadfast in our commitment to the growth and development of our employees, the safety and quality of our products, and the principles of diversity and inclusion. We’re excited about the journey ahead, as we continue to invest in our greatest asset: our people.

# EDUCATION

By: Heidi Yeagle (Marketing and Member Services Manager)

The downtown location has provided us with a new series of educational opportunities such as the Erie Food Tours, events at local schools and Erie Insurance. During these events we like to educate people on what a co-op is through not only distributing information but working it into the presentation.

We partner with Erie Food Tours at our Downtown location: The Erie Food Tours alone have brought in 344 people between July 2022-June 2023. During these tours we serve a primarily vegan menu with smoky chipotle tofu, to show our dedication to specialty needs diets. Bread from Majestic Bakery allows us to showcase the work we do with local vendors while the presenter is standing in front of a map of the local producers we carry. We also feature dragon fruit to show some of the unique and nutritious foods you can find at the co-op. We finish with Equal Exchange chocolates to highlight the steps we take to ensure fair trade and provide a living wage for all.

We use our online presence to get people engaged. We regularly post on social media; staff picks, what is a co-op (and why is it important), we promote member drives, current sales events, local artists in the cafe on 26th street, and board meeting reminders are just a few examples of the education that we provide online. We have also maintained the print newsletter (full of recipes and current events) as well as various print materials in store for those interested.



# ENVIRONMENT

By: Heidi Yeagle (Marketing and Member Services Manager)

We know you love books! We have kept our Little Free Library going strong while we were looking to upgrade our container. What better way to support reusing and recycling than to pass along your gently used books to others!

Increasing our dedication to reducing our carbon footprint does not come all at once but with one small change at a time. Whether it be the compostable straws now carried by our cafe, the silverware made from 100% recycled plastics, the 5 cent credit being extended to the use of reusable containers, repurposed boxes as an alternative to bags, or milk in returnable glass bottles, there are always lots of small changes happening.



Did you know we are a member of the Green Building Alliance? In July 2021, our 26th Street Store Manager, Chad Seblink was certified as a Green Building Alliance Technician. Our lighting is all LED and we have annual energy audits.

One of the biggest programs we launched this year was the Reusable Jar Library in our bulk department. This was a bit of a challenge, since we had to make sure we weren't breaking any health code violations. We worked with the local health department to make sure we could get clean, safe jars for you. It has been a huge success! The amount of reusable jars that are donated have kept it going steady and we are so pleased that our customers have been so generous with their donations!

We have also continued our Partnership with Lake Erie Arboretum at Frontier (LEAF) through our "leaves for leaf" program that allows us to plant one tree every year while providing additional funds toward the re-leaf program which has the goal to plant one tree for each person living in Erie County. In July 2022, we sold 880 "leaves". We purchased an Accolade Elm tree in 2022. The American Elm suffered a major blight from Dutch Elm disease. Accolade Elm is the disease resistant variety that was brought in to serve the vacant ecological role.

# ERIE

By: Heidi Yeagle (Marketing and Member Services Manager)

Our social media has reflected our commitment to Erie in so many ways. We have been promoting local events that our followers might take an interest in such as Erie Art Museum Gallery Nights, Sisters of Saint Joseph Farmers Market, Celebrate Erie, and Pride Events, and outdoor event opportunities in the warmer months. We have also made an effort to promote other local businesses on our social media. Every little bit helps!

We also partnered with some really great non-profits this year including, but not limited to: Lake Erie Arboretum at Frontier (LEAF), Sisters of Saint Joseph, Emmaus Soup Kitchen, Second Harvest Food Bank, Erie City Mission, NWPA Pride, and Opened Eyes.

We had an opportunity to participate in some community events again this year. We passed out free pizza coupons at the NWPA Pride Fest in Perry Square in order to promote our downtown location. We made several trips to the Gannon campus to pass out "Co-op Cash" to students to also promote the downtown location. We partnered with Shawnta' Pulliam-Brown DNM, BCHHP, CYSP, CD to offer classes at our downtown location featuring our products and offering discounts to those she provides services to at her practice.

In February, several representatives of the Co-op attended the Food Policy Advisory Council held in Edinboro. It was a great opportunity to network and see what we could do to address the issues we are having locally.

In the Spring of 2022 we launched our Food for All program. This enables low-income members of our community to become members of the Co-op at a reduced rate and receive extra discounts on their purchases. This year we created an online application and dedicated web page to make the program more accessible.

In store, in addition to our map of local producers we have to show our commitment to local businesses, we also created a brochure that lists them and enables customers to take the information home. We also created a poster that we distributed to several other local businesses that says we are looking for local producers. They can scan the QR code and visit our google form to apply to be a potential vendor.

We are always looking for ways to make our store more affordable for everyone and we were able to offer BOGO (buy one get one) sales this fiscal year. We're hoping to continue these sales with the support of NCG. We also host quarterly "Squirrel It Away" bulk sales for everyone. For one day, all customers receive 20% off their bulk purchases. Where would we be without talking about local art? We feature monthly local artists in our cafe dining area (26th) and partnered with Glass Growers Gallery at our downtown location to feature local artists. We also hired local musicians to play music at our annual meeting in October. There is so much great talent in our city and we have to do our best to help promote them!



# WE LOVE LOCAL

By Ash Smitham (Marketing Specialist)

At our community co-op, we love local. Local artisans contribute to a diverse range of handmade products, and our body care section boasts a high-quality selection of products crafted from natural, locally sourced ingredients. It's worth mentioning that we've been experiencing steady growth in the number of local producers collaborating with us, which has greatly enriched our fresh produce section. And when hunger strikes, don't forget to explore Chef Lisa's scrumptious ready-to-eat meals. It's not just shopping; it's a community experience.



## Troyer Growers

Troyer Growers Inc. has been a part of this community for over 70 years. Throughout this time the Troyer family has pride themselves with giving back to the community locally made products that they can trust. First with the locally famous Troyer Farms Potato Chips and now with our Certified Organic Produce the Troyer's have done just that. We would like to thank our customers for their loyalty and we look forward to continuing to provide fresh organic produce for years to come.

## Dinner Is Served By Chef Lisa

Lisa Heidelberg is a culinary "triple threat," excelling as a personal chef, event caterer, and restaurant owner. With over 28 years of culinary expertise, she combines classic Southern American cooking with cherished family recipes, creating a range of offerings that cater to diverse tastes and occasions. From healthy, ready-to-reheat home-cooked meals to sumptuous custom catering for events, Lisa's culinary creations are designed to leave a lasting impression. Her commitment to excellence has earned her prestigious accolades, making her a celebrated figure in the culinary world.

Beyond her personal chef and catering services, Lisa's signature eatery, Dinner Is Served Cafe, offers gourmet coffee, delectable breakfast options, wraps, soups, salads, and desserts to satisfy every craving. Her culinary prowess promises not only delicious meals but also an unforgettable dining experience.



# FINANCIALS

## MEMBER EXCLUSIVE SALES

Members Saved  
\$92,732.50

## POT O GOLD BOTTLE RETURNS

4,278  
milk cartons not in  
the land fill

## LEMON LIME



Discounts Given  
\$1106.91  
Donations Collected  
\$3436.98

## REUSABLE BAG CREDITS

12,693  
one time use  
shopping  
bags not used

43

Local producers

\$146,785.41

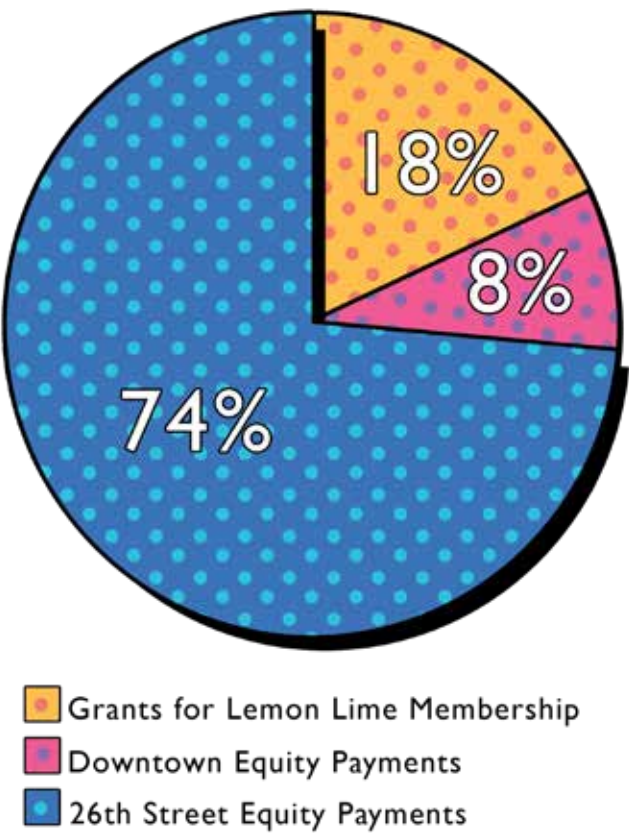
Dollars kept local

### A Note on Financial Statements

The financials reflected in this report are preliminary and awaiting review from our CPA. Once reviewed, any variances will be noted in the Board minutes.

# Equity and New Members

This year we welcomed 426 new member-owners to the Co-op. This is a 14% increase over last year and 78% increase over the year before. Between new member-owner and other equity payments, we brought in \$40,723. As a part of working towards greater accessibility for everyone to participate in the cooperative economy, we launched our Lemon equity fund to cover \$75 of the equity cost for people receiving financial assistance. We had 83 new member-owners join through this program, which was also funded by a grant from the Erie Community Foundation through the Erie Downtown Development Corporation (EDDC).



# Operating Revenue



The story of the year really was a rocky start and a solid finish. In January, we re-evaluated our sales plan based on actual increased sales at 26th and the decreased sales Downtown. We also had worked out some more viable and creative solutions to maintain operations Downtown while 5th street is closed. The majority of sales and the highest dollar growth over last year for both locations came from packaged grocery. Food service saw the biggest increase over last year at both locations.

# Net Income

	2023	2022	2021	2020	2019
Sales	\$5,210,156	\$4,914,995	\$4,625,942	\$4,960,795	\$5,173,98
Cost of Goods	\$3,125,531	\$2,991,288	\$2,725,456	\$2,967,934	\$3,145,865
Gross Profit \$	\$2,084,625	\$1,923,707	\$1,900,486	\$1,992,861	\$2,028,117
<b>Gross Profit %</b>	<b>40.01%</b>	<b>39.14%</b>	<b>41.08%</b>	<b>40.17%</b>	<b>39.20%</b>
Operating expenses	\$615,418	\$630,056	\$525,549	\$580,938	\$625,664
Staffing	\$1,813,198	\$1,586,610	\$1,334,132	\$1,319,092	\$1,321,207
Member-owner discounts	\$53,062	\$27,277	\$38,559	\$17,92	\$12,481
Depreciation, building & equipment	\$96,071	\$106,508	\$84,220	\$87,864	\$88,870
Property taxes	\$36,275	\$22,529	\$22,283	\$22,345	\$21,190
Bank card fees	\$82,768	\$73,396	\$59,463	\$69,929	\$71,614
<b>Total Expenses</b>	<b>\$2,696,792</b>	<b>\$2,446,375</b>	<b>\$2,064,206</b>	<b>\$2,098,089</b>	<b>\$2,141,026</b>
<b>Income from Operations</b>	<b>\$(612,167)</b>	<b>\$(522,668)</b>	<b>\$(163,720)</b>	<b>\$(105,445)</b>	<b>\$(112,909)</b>
Other income	\$797,548	\$202,889	\$65,388	\$254,312	\$97,027
Rental income	\$74,000	\$64,860	\$64,860	\$63,660	\$59,460
<b>Total other income</b>	<b>\$871,548</b>	<b>\$267,749</b>	<b>\$130,248</b>	<b>\$317,392</b>	<b>\$156,487</b>
<b>Net Income before Taxes \$</b>	<b>\$259,381</b>	<b>\$(254,919)</b>	<b>\$(33,472)</b>	<b>\$211,947</b>	<b>\$43,578</b>
Net Income before Taxes %	4.98%	-5.19%	-0.72%	4.27%	0.84%

While we did end up with a positive net income this year, it was primarily from other income unrelated to general operations. Since patronage comes from member-owner sales activity, this means there is no pool of money for a patronage dividend. This was anticipated, as we started the new year just getting on our feet from the sales realities of the Downtown location.



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