

2023-2024

ANNUAL REPORT





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In the last annual report, the Co-op was in its sit-com era, with the year-ending on an exceptionally high note after a full year of struggles. This fiscal year, that ran from July 23-June 24, was more like two distinct episodes; the first punctuated with high highs and low lows, and the second being blissfully less interesting and much more stable.

Episode I: The best laid plans...

We started our year with some cash-in-hand and used it to catch up on much-needed facility upgrades at 26th street including finally putting in a grease trap, fixing a section of the parking lot, and making a down-payment on our generator. Simultaneously, we were working at finding some sustainable path at the Downtown store. We began working with Giant Eagle to find some more affordable conventional distribution, and were plugging away at online shopping portal.



As 26th street thrived, Downtown continued to struggle; not only with sales due to our still-closed main street, but also with repeated equipment failures that finally made it clear that a sustainable path was not coming. In January, after 3 major product losses due to equipment failure in 3 weeks, the EDDC decided to close the market entirely. We completely vacated in less than a month.



Episode 2: Closure after closure

As we moved forward into the new year as a single store operation, we were lucky to maintain high sales at 26 th street and saw several record-breaking bulk sales in a row. Still, we had to reorganize as a single store operation. While we were able to minimize the impact to some degree, we did have to make difficult decisions that had ripple effects over the organization.



Through the transitions we saw some out-of-stock, some missed special orders, and other stressors. We were so grateful for all the patience we were extended as we worked through it. While ripples still pop-up, we have mostly found a stable place just 9 months after the Downtown store's unexpected and rapid closure.

As we're headed into a new year, we are much more stable with a clearer focus. We have been working on streamlining some processes including our chart-of-accounts which will hopefully reduce the administrative burden and open up avenues for us to focus more deeply on our Ends.

Thank you for your continued support of our Co-op!





In thinking back on the past year, two words keep coming to the forefront of my mind - “change” and “focus”. I have been on the Board of Directors for four years now, and in that time, change has been a near constant. When I first joined the board, we were in the early stages of a global pandemic. There were, of course, a multitude of changes happening at that time - way too many to even attempt to list here. And change has continued ever since then. Among other things, we sold the food truck, changed our name, and - not least of all - opened the Downtown store as part of the Flagship City Market.

Then, when 2024 was only days old, change struck yet again with the closing of the Flagship City Market and the Downtown store. Something so many people had worked so hard on and put so much passion into was suddenly gone. It was disappointing and it hurt. I would be lying if I said that wasn't the case. It was a reminder that, despite the best laid plans, the universe sometimes has different ideas.

Instead of viewing it as a defeat, though, that situation forced us to regroup and presented us with an opportunity to focus. Focus on doing what we do best. Focus on our Ends (Erie, Environment, Education). Focus on showing love to the 26th St store. Focus on our employees and member-owners. Focus on being a good citizen in our community.

As we close out 2024 and move into 2025, these are the things we will continue to focus on. We know that change will happen; it's inevitable. By continuing to focus our energy in the right places, we will continue to be a positive source of change in our community.

Erie: Strengthening Our Local Community



At Erie Food Co-op, we prioritize supporting our local community.

Over the past year:

- We donated seedlings to the Sisters of Saint Joseph Neighborhood Network after their gardens were vandalized.
- Our “Get Soup, Give Soup” promotion donated 5% of soup sales to Emmaus Soup Kitchen.
- We contributed spoilage from our 26th Street store to Second Harvest Food Bank.
- In December, we offered \$1 in Co-op Cash for every local item purchased.
- Additionally, we supported inclusion by celebrating cultural holy days and featuring BIPOC-owned brands.

We partnered with local nonprofits like GEAE and LEAF, and our living wage commitment ensures that our median full-time wage of \$18.85 remains above industry standards.

Environment: Reducing Our Impact

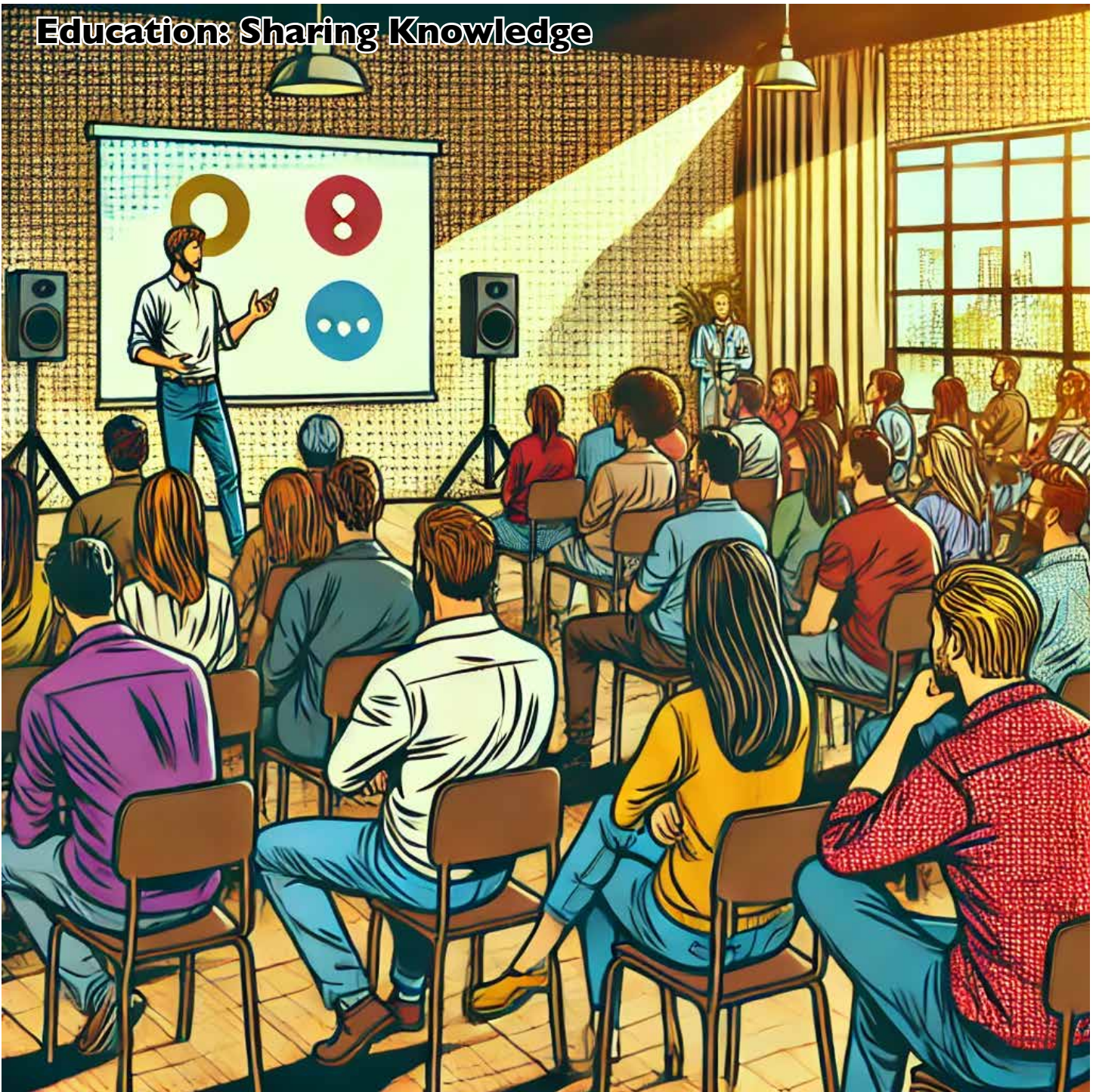


Erie Food Co-op is dedicated to environmental sustainability. We:

- Conduct annual energy audits as part of our Green Building Alliance membership.
- Offer reusable bulk jar libraries and compostable cutlery.
- Provide milk in returnable glass bottles and offer glass recycling in our parking lot.

One of our signature environmental initiatives is the “Leaves for Leaf” program. Through this program, customers purchase paper leaves for \$1 to place on a tree display in-store, with the goal of raising \$1,000. Once this goal is reached, LEAF plants a new tree in Frontier Park. Any extra funds raised support LEAF’s broader mission to enhance green spaces throughout Erie County.

Education: Sharing Knowledge



We aim to be a trusted resource for our members and the community. Through our monthly newsletter, we cover topics on nutrition, health, sustainability, and the cooperative model.

In partnership with Erie Food Tours, we shared the story of local food, and we continue to educate staff on cooperative principles through training programs. Our outreach efforts include school events and presentations at local businesses, reinforcing our role as a community resource.

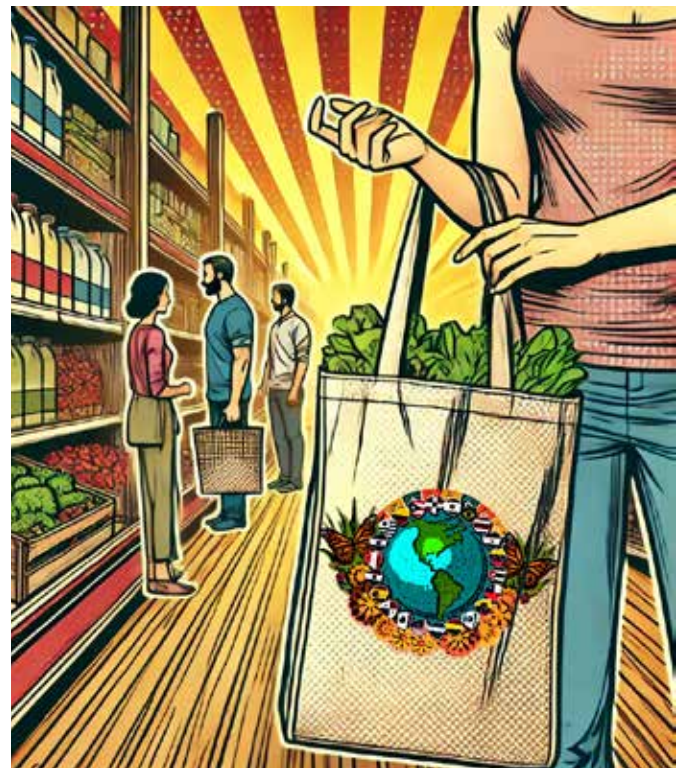
The Future: Making A Measurable Difference

Continuous Dedication to Our Ends

At Erie Food Co-op, our commitment to sustainability and community support is demonstrated daily through long-standing initiatives like the Reusable Bag Program and Wood Nickel Program. These programs reflect our ongoing dedication to the Co-op's core values, or Ends, and show how small, everyday choices can have a lasting impact.

- **Reusable Bag Program:** In addition to encouraging customers to bring their own reusable bags, our program features limited-edition designer bags, created by local artists. With each purchase of a designer bag, \$5 is donated to local nonprofits, helping to fund important community initiatives while promoting the use of sustainable shopping bags. This unique blend of sustainability and local creativity brings both environmental and social benefits to our community.
- **Wood Nickel Program:** Customers who use reusable bags receive wood nickels, which can be donated to one of several nonprofit organizations. These nickels are placed in clear tubes representing different local nonprofits, allowing customers to support causes they care about through their eco-friendly actions. Each wood nickel provides a direct, trackable contribution to a nonprofit, empowering customers to make meaningful choices with their everyday shopping habits.

Together, these two programs not only reduce waste and promote sustainable shopping practices but also help foster a deeper sense of community involvement. By linking environmentally conscious actions to charitable giving, we encourage both sustainability and social responsibility. The trackable metrics behind these programs enable us to measure our success and continuously refine our efforts, ensuring that we remain on track to achieve our environmental and social goals. This ongoing dedication exemplifies our commitment to making positive, measurable impacts within Erie and beyond.



Refocusing on Our Ends: Annual Nonprofit Fundraisers

Each year, we take time to refocus on our core values through a series of three nonprofit fundraisers, each one serving as a dedicated, two-month-long focus on a specific End. These programs allow us to reflect on the progress we've made and look ahead to what more can be done to support our community.

Environment:

Leaves for Leaf: This fundraiser allows customers to purchase paper leaves for \$1 each, contributing to our goal of planting a tree in the Lake Erie Arboretum. It's a direct way for our community to engage with environmental conservation efforts.



Education:

Classroom Supplies Drive: Focused on education, this initiative invites customers to donate art supplies, which are distributed to the Inner City Neighborhood Art House. Through these contributions, we ensure that students have the materials needed to nurture their creativity.

Erie:

Gift of Co-op Cash: Customers receive Co-op Cash for every local product purchased. This program strengthens the bond between the Co-op and local producers, supporting our economic sustainability goal by keeping revenue within our community.



These fundraisers serve as an annual reminder of our Ends and a time for our community to come together in support of causes aligned with our mission. The results of each fundraiser are easily trackable, allowing us to measure our impact and refine our efforts for the future.

Through initiatives like the Reusable Bag Program, Wood Nickel Program, and our annual nonprofit fundraisers, Erie Food Co-op consistently works toward fulfilling our Ends by promoting sustainability, supporting local nonprofits, and fostering community involvement. These programs not only reduce waste and empower customers to contribute to environmental efforts, but also provide tangible support to local causes. With trackable metrics guiding our progress, we ensure that every action, from purchasing a reusable bag to donating art supplies, aligns with our mission to create a positive, lasting impact on both the environment and our community.



Financials

Note on Financial Statements

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

New Chart of accounts

We recently worked with a team of finance and accounting professionals from National Cooperative Grocers and Columinate to change our chart of accounts. These changes are designed to make us more aligned with other Co-ops. This will give us have better comparative data so that we can see areas for improvement based on the performance of other Co-ops our size. While the changes will move some items around and change how some of our key-performance-indicators looks, it does not ultimately change anything on the bottom line.

Bigger Changes

While the entire chart has quite a few changes, most of them will not change anything we look at more broadly, however some will, including:

- **Supplies:** Any supplies that are required to sell a product will be moved to our cost of goods; this primarily impacts food service, bakery and bulk. One of our key performance indicators is margin. It is the difference between how much it costs to make/buy a product and how much we sell it for. We use the difference in cost to pay for labor, mortgage, and all the other store operations including the cost of supplies. While we are not going to have more expenses, we will appear to have a lower margin in some areas where we previously expensed packaging as a supply, it will now be included in the cost of goods. We will adjust our margin goals to reflect this.
- **Discounts:** Sales discounts will now be taken off of our total sales as opposed to being expensed below. Where before we might list a \$10 sale with a 20% discount as \$10 in revenue, and below a \$2 expense discount, it will not show as \$8 in revenue.

Changes from last years' report of '22-'23

We also had some changes to last years final financial statements after the annual report came out. They include:

- **Forfeited Equity:** Each year we review shopper activity and remit forfeited equity for those who have not shopped in 5 years. This work was completed after the annual report and represented \$35,605 in additional income. This years' report includes the forfeited equity already.
- **Store Accounts:** We have had store accounts on our profit and loss statements that work almost like gift cards. Historically, when money was put on the account or spent from the account, it went into other income. This year, we are treating it the same as the changes several years ago to gift card reporting where it now lives on the balance sheet. This looks like a significant reduction in income (over \$180,00), but really is just the movement of reporting from revenue to a liability.

2023/2024 Financial Statements

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

Profit and Loss	Jul 2023 - Jun 2024
Total Sales	\$5,031,365.94
Sales Discounts	(\$66,577.97)
Income from Service Fees	\$191,905.00
Total Income from Sales and Service Fees, less Discounts	\$5,156,692.97
Total Cost of Goods Sold	\$3,143,057.91
Gross Profit	\$2,013,635.06
Personnel Expenses	\$1,654,524.22
Occupancy Expenses	\$164,196.92
Operating Expenses	\$223,551.72
Administrative Expenses	\$148,929.54
Marketing & Outreach	\$45,178.88
Governance	\$15,099.56
Depreciation & Amortization	\$75,716.83
Total Expenses	\$2,327,197.67
Total Other Income	\$199,029.49
Total Other Expenses	\$32,960.60
Net Income	(\$147,493.72)

Balance Sheet	2023/2024
ASSETS	
Total Current Assets	\$476,405.85
Total Fixed Assets	\$1,265,768.77
Total Other Assets	\$339,923.53
TOTAL ASSETS	\$2,082,098.15
LIABILITIES AND EQUITY	
Liabilities	
Total Current Liabilities	\$497,596.73
Total Long-Term Liabilities	\$706,712.49
Total Liabilities	\$1,204,309.22
Equity	
Member Stock	\$595,051.50
Retained Earnings	\$430,231.15
Net Income	(\$147,493.72)
Total Equity	\$877,788.93

Equity And Returns

This year we welcome 394 new member-owners to our Co-op! The vast majority of equity came from 26th street at \$31,369. While we did see a slow down in new member-owners joining after Downtown closed, we did not see an increase in equity returns.

Member Payments	\$33,015.00
Equity Refunds	(\$2,060.00)
Total Growth	\$30,955.00
Remitted Equity	(\$81,110.00)
Ending Balance	\$595,051.50

New Member-Owner Growth Cumulative by Month

