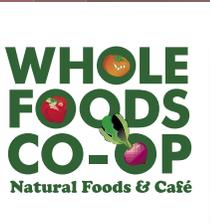


# 2018 | annual report



## Whole Foods 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.

Whole Foods Co-op is a full-service natural foods grocery store with a wide variety of healthy foods, wellness products, and body care products from local and national brands. Our focus and mission each day is to provide the best possible customer experience for each and every person who walks through our doors. Our buyers do their best to create a product selection that encompasses the daily needs of our customers by providing options with the consideration of a variety of dietary needs as well as budgets.

## Whole Foods Cooperative Ends Statements

Because of the Whole Foods Cooperative, 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's report

By Claire Desantis, Board President

If being in business was easy, everyone would do it. How often have you heard this? I am here, at the end of my term as president of the Board of Directors, to tell you that it is true. Being in business is a game of chess that is far more intricate than most of us want to admit...or tackle in our personal lives. Managing risk is complicated, but inertia can be just as complicated.

The good news is there are certain things you can always count on: change, growth, debate, happy member-owners, disgruntled member-owners. What is also true is that none of the decisions we make are ever particular to this board, with this profile. Conversations about where the Co-op goes next or how to become more visible and more engaged in the community, for example, last for many incarnations of a board, through elections and on to the next board. And with those evolutions come new opinions about how to proceed. So, for those who think the decision-making process is too slow or too fast, I believe it can be no other way. Every person on the board represents every one of you. What they bring to the table, ultimately, is a snapshot of who we are as a community and where we want to be in the future. We should also remind ourselves of the interconnectedness of everything, from the impact of increasing gas prices

to changing weather patterns that damage crops and disrupt shipping, to technologies that are advancing our understanding of the food we eat and the products we choose. What's the take way? Most everything impacts business. We try to weigh all of this when we make decisions, and we do our best to play the odds and hope it always falls in our favor. It doesn't always fall our way, but, in the end, what we try to do above all is be good stewards of the responsibility you have given us.

The highlights of this year include the launching of the SorcErie food truck, a venture that has been in the works for years. The Co-op was also offered the opportunity to partner with the Erie Art Museum, which aligned with our vision to expand our footprint in the Erie community, and we prioritized our efforts toward a living wage for employees. We made these decisions fully expecting we would not realize a profit in the first year. As I said at the beginning, if it was easy, everyone would be doing it. The challenges included a beast of a snowstorm that closed the city down for days, additional expenditures for plowing and snow removal, replacement of the rooftop heating units, and chronic flooding of our rental property adjacent

to the store. Those are few of the unexpected challenges we faced. So as we announce that the board is unable to provide a patronage refund, please understand that we stand by the decisions we made, knowing full well that it might not increase the bottom line for this year, but that the decisions we supported were in an effort to move closer to our goals: to be a more inclusive and desirable place to work for the employees, to get the Co-op out into the community and introduce ourselves to a wider audience, to provide healthy food options to more people in more venues without sacrificing what we do in our flagship store. We are, to be sure, always concerned about the impact each decision has on the bottom line. But a co-op is about its members and its vision. We have tried to respect that as we also try to move forward. The diversity of opinion we all bring to the table is what makes that process that much more complicated. It is also what makes us so much richer. In the end, the cooperative model has and will continue to work. And we want to ensure that—by listening, by discussing, by gathering information, by adjusting policy and, in the end, by doing what we believe is in the best interest of the Co-op and its members.

# general manager's review

By LeAnna Nieratko, General Manager

This past year was an adventure! We took on new challenges, re-evaluated old practices and worked to be the best Co-op we could be for our member-owners, our staff and our community. There are a few big highlights from the past fiscal year that will be expanded on further in this report; We increased our staff benefits and wages, we rolled out the SorcERIE food truck, we introduced the Grow-Op and we tackled some surprising issues.

## on surprising issues

On December 25th, the Co-op was closed so that our staff could celebrate the holidays with their families. As the day began, it was Crosby-esque; a beautiful white Christmas. Then hours passed, and the snow piled, we began to realize that this was no ordinary snow storm. After 5 ft. fell, it became clear that we would need to evaluate the impact on the business. We decided to close in accordance with the City of Erie's "Do not drive" directive that was in effect from Dec 25- Dec 27th as many roads that our employees travel were impassable. These were anticipated to be regular volume sales days and all employees who were scheduled were permitted to use PTO to cover the loss of their hours. The loss of sales was significant, but also the loss of prepared product that went out-of-date during that time span, as well as the cost of snow clean-up was further significant. The snow piling on our roof caused a shortage of our heating units which cost near \$25,000 to fix. All-in-all, the snowstorm caused several issues that went directly against our operational net income for the year.



The beginning of the 2017-2018 fiscal year began with new challenges. Our Co-op underwent seismic changes in rapid succession first the Everyday Low Pricing strategy that brought new products to our shelves, then the change in the member-owner discount, the roll out of patronage, and a brand-new General Manager. Any one of these changes would have been a large undertaking for a small Co-op.

When the benefits were changing, the former Board and GM planned that we would maintain our sales volume without the loss of the discount expense. We discovered quickly that the loss of the discount expense was tied with near-identical sales volume loss. Some of the lower sales results were due to the lowering of every day items through our Everyday Low Pricing strategy, but it was apparent that the change in member-owner benefits impacted our sales potential because our transactions were consistently down in the wake of patronage.

Since our staffing is relative to our sales volume, it became a top priority to ensure an increase in our sales to secure the livelihoods of our staff. We did a deep analysis of our business (including data analysis, surveys, and general feedback monitoring) and found that there



were a few primary complaints; 1) A perception that our prices were high, 2) The purpose of the Co-op wasn't immediately apparent, and 3) We are always consistent with our selection and presentation. The greatest impact of these 3 concerns was a loss in total transactions, meaning that people weren't coming as often or weren't coming anymore at all.

These results inspired a clear priority; bring people to our Co-op. While the idea is simple, the execution includes a few different solutions rooted in a few different causes. We tackled some location issues by spreading out into our satellite location at The Erie Art Museum,

we launched The SorcERIE food truck and we brought in exciting new items like Kombucha on Tap and a wide variety of CBD oil products. These strategies were designed to remind people that we can quickly adapt to the needs of our consumers with respect to the needs of our community at large.

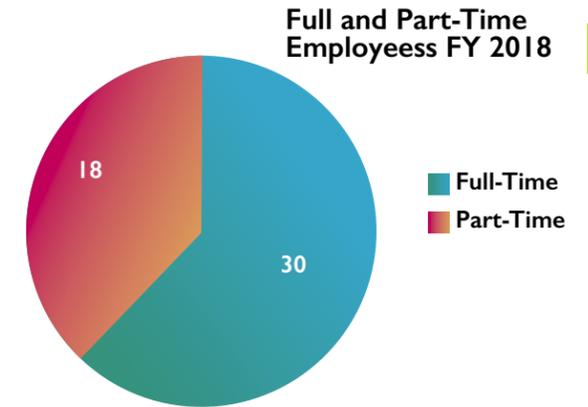
We also put a focus on the benefit of working for the Co-op as a means to demonstrate our value to the Erie community. We added retirement benefits, focused on keeping staff above a living wage and rolled out Open Book Management to harness the power of working together.

# employment at the co-op

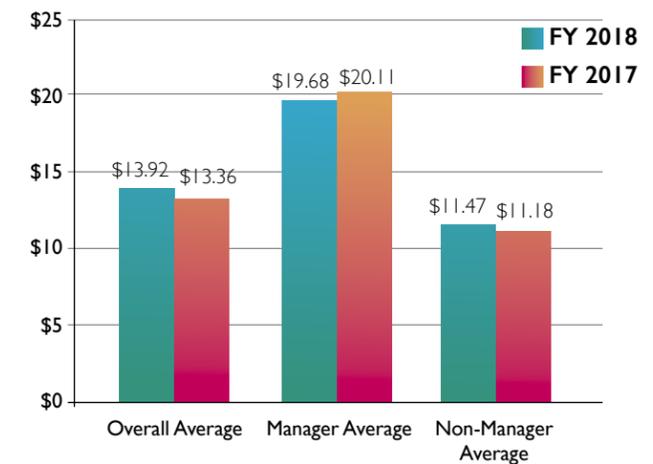
By Tim Rowe, Human Resource Manager

Over the last year the Co-op has strived to live up to the Erie ends statement. One way we have supported the Erie community is through employment opportunities. Our endeavors with the food truck and our café at the Erie Art Museum have created additional well-paying jobs within the community. As of the end of the 2018 fiscal year, 48 members of the local community called the Co-op their employer.

These 48 employees earned an average wage above the living wage for Erie County, Pennsylvania. While the overall average wage at the Co-op was \$13.92 per hour, the average wage for non-manager employees was \$11.47 per hour. This is more than a dollar per hour over the \$10.42 living wage as calculated by the Massachusetts Institute of Technology. Year over year, both the overall average and the non-manager average wages have increased in the 2018 fiscal year.



Average Wages 2017 vs 2018



## helping employees save for retirement

Effective January 1, 2018, the Co-op rolled out a simple IRA retirement plan for employees to help them prepare for life after work. In addition, the Co-op matches employee contributions dollar-for-dollar up to three percent of the employee's salary. To date, while Employees have saved over \$18,000 dollars for retirement, the Co-op has matched over \$16,000 in contributions.

## making a difference in the community

The Barber National Institute works with supported individuals to help them prepare for the workforce. As part of this, the Barber National Institute works with employers including Whole Foods Co-op to assess and establish job readiness for supported individuals. In the last year, Whole Foods Co-op worked with the Barber National Institute to provide an opportunity for six supported individuals and their job coaches to work alongside Co-op employees in our grocery, produce, and front end departments. These individuals have helped out on a variety of tasks from stocking shelves to bagging groceries. In support of our Erie end statement, Whole Foods Co-op continues to serve as a resource to the Erie community to help prepare individuals for entry into the workforce.



## thank you

This upcoming year is well on its way already, packed with exciting new initiatives and goals (and certainly its own challenges to come). We are focusing on how pursuing our Ends Statements can make us stronger. We are engaging our staff and member-owners to make positive impacts including reducing our plastic waste, expanding our local vendor selection and improving the classes in our community room. This report will highlight some of the work being done towards our Ends in the upcoming year as told by those who are leading the changes.

The context of the world in which we live have changed the needs of our community and Co-op. I am grateful for the staff, Board Members, member-owners, shoppers and community members who continue to choose the Co-op as a radical way to impact our community through food. The background of Cooperatives is rich in stories of how the 7 cooperative principals can drive organizations of purpose to meet the needs of the people around them.

Thank you for your continued support and engagement. As you share with us your needs, we will continue to grow and change with the knowledge of the incredible people who participate.

# Storewide Goals 2018-19 Fiscal Year

## Pursuant to the End: Erie

The Co-op will continue to pursue and refine what differentiates from our competition and meets the needs of our community members.

### Core Store

- We will continue efforts to implement strategic pricing that allow food accessibility to all customers while maintaining the margin necessary to sustain the Co-op and our staff.
- The Marketing department will focus on our brand identity inside and outside of the store including refining our external voice and visual presence. This includes engagement opportunities for member-owners to participate.
- We will reset our grocery aisles to bring in additional skus of fresh meat, cheese and pet food based on trend research.
- We will adjust our store hours to reflect shopping patterns to expand into a breakfast and coffee program.

### SorcERIE Food Truck and Art Museum Café

- Both locations will be focusing on driving sales and bringing in new customers through line efficiency, consistency and exciting menu options that meet the needs of the communities they are in. Marketing strategies will focus on increased community involvement and presence in key locations.

## Pursuant to the End: Environment

The Co-op will put a concentrated focus on reducing and eliminating plastic waste this year. We will also put additional focus on agricultural initiatives the enrich our community.

- We will be looking to begin a reusable shopping bag program to eliminate our paper bags.
- We will be investigating alternatives to our plastic utensils and plastic pre-packs while still maintaining Health Code guidelines.
- We will look to eliminate the use of plastic straws
- Our Agricultural Initiatives Coordinator, Sei, is working to partner with urban farms to begin a small vendor program in our produce department.

## Pursuant to the End: Education

The Co-op will work to define our education strategy through effective use of our community room. This includes engaging member-owners and community members on what classes and offering would be an asset and effective use of that space. We added a marketing specialist position this year to help drive outreach initiatives and build more intentional programming in the community room.

# environment committee

By Ben Bowman, Scan Coordinator/MOD, Chair of the Staff-lead Environment Committee

There is a growing concern in the world over the increasing use of plastic and its improper disposal in addition to over production of unnecessary waste. The goal of the Whole Foods Co-op Environment Committee is to reduce waste and plastic use within the store and community through providing alternatives to plastic (i.e. – reusable containers and bags, recycled paper bags, and other sustainably sourced household items). We believe this can be achieved by providing these items for purchase and by educating the staff and community on how to reduce waste in-store and in the home. With these practices in execution the Environment Committee will look to preserve this culture for future employees and members of the community.

The first point of action planned is to start within the store to make the necessary changes to reduce waste. The store itself spent approximately \$22,600 on giveaway plastic items such as bags in the Bulk section, to-go containers in the Café, and plastic spoons in the dining area. While these items are calculated into the cost of items being purchased, we may be able to greatly reduce the use of plastic and these costs by providing recycled papers bags instead of plastic, reusable glass containers, reusable bags for Produce and the Front End, and other eco-friendly items available from the General Merchandise department.

The prospective result being that the customer will be utilizing their reusable container, allowing us to scale back the amount of giveaway items purchased. There will an opportunity to lower cost to the customer due to less giveaway items being ordered, and the amount of plastic waste will be greatly reduced as it will no longer be as necessary to purchase.

There are several local organizations that the Co-op has worked with previously that are able to offer education and practical application concerning waste reduction. Environment Erie has held several Zero Waste classes in our community room, GreenEriePA.org is an excellent resource for education as well as providing up to date information about keeping the city of Erie as environmentally conscious as possible, and the TREC Foundation has a state-of-the-art campus hosting lectures and seminars regarding the environmental issues of the area. Teaming up with these organizations to educate our staff and customers will allow us to establish a culture of waste reduction within the store and community. We are also in the planning stages of utilizing these connections in conjunction with promotional events in the store. For example, classes about waste reduction and pantry prepping before a scheduled Bulk department sale.

While committing to these changes and transitioning into a store and community that wastes less, we will still be looking to the future. With this committee we will keep striving for improvements to make in the store, searching for new technology to help with our goal, and new procedures to make this culture a part of our everyday lives. We have purchased more recycling receptacles to place around the store to manage the separation of recyclable materials and will be purchasing a large recycle bin to be placed by the garbage bin at the front of the store. The committee will also start looking into possibilities of composting on site to reduce organic waste. One major resource we must use to further promote this culture is the Community Room. With this room we will be able to provide more classes and education on the culture of waste reduction for our staff and customers.

The Environment Committee is dedicated to bringing these goals to reality. We are currently making changes to bring this culture to the store and community as well as looking to the future to make it part of everyday life. This will benefit not only the environment and our conscience but will ultimately benefit the store as well by reducing spending and will allow us to provide this ethos to future members of our staff and our community.



## education committee

By Heidi Yeagle, Marketing and Member Services Manager, advisor to the Education Committee

For many years I have been overseeing the educational classes in the Community Center. We have had some really great teachers come through the Community Room. Some of which have drawn a large crowd, while others struggle to get a decent attendance, even though we thought they would be of interest. It is a wonderful opportunity for us to have a committee to help plan for educational opportunities in the future. Not only do we talk about what sorts of classes we would like to offer, but we also approve the fee vouchers for events in the room. We

are always looking for groups that allow open membership so that if our members have the need, they have the opportunity. The one thing that we could do better is the communication end of things. If we are not sponsoring the class, where do we advertise it? There is only so much room on the posters and handouts that we have in the store. Here comes in the value of the group. Maybe there is something we haven't thought of? We will be working on making improvements on not only the variety of classes, but also how we get the word out. We would also like to hear from our customers so we know what sorts of things they would like to know more about. There have been

several inquiries from customers for some sort of basics class, like how to cook grains. In response, we are having a class called "Cooking from the Bulk Bins". We are hoping this will help demystify those grains that look so unusual to many and encourage bulk shopping and cooking from scratch. We will also be having a couple of classes focused on making your own body care items. Not only do these make great gifts, but they save you money as well! Our committee is looking forward to developing some great programming for you in the future, and we would love your feedback. Please feel free to drop us a line in the customer comment box anytime.

## grow-op & erie committee

An interview with Sei Paulson, Produce Manager/Agricultural Initiatives Coordinator, Chair of the Staff-lead Erie Committee

### What inspired you to start The Grow-Op?

From the conversations I've had with our member-owners, I know many of us are eager to start growing and selling our own produce. We all agree that the Co-op should be a leader and an innovator when it comes to local agriculture. Small, sustainable farms improve soil health and biodiversity, create jobs, and keep revenue circulating within the community.

Many growers lack the experience and the space to grow at the wholesale level, so we started with a small "micro-local" display. This gave potential market gardeners (that is, our friends and neighbors) a space to develop their agricultural skills, with low risk and overhead. The Co-op was there to provide industry contacts, clarify produce safety guidelines, and answer questions for our beginner growers.

### What are some of your favorite items brought in this year through this program?

Easy to answer! The loofah melon is fascinating and delicious. We got them from Mrs. Thuy Nguyen, who lives down the road. It was something that not a lot of people have seen before and yes, it is the same plant that becomes a loofah sponge! Next year I would like to grow them in the front garden.

### What is your vision for the fall/winter months?

We're really working to make the connections for next spring/summer when there is a greater variety of items we can get locally. During winter down-time we will be meeting with local farmers to production plan for the upcoming season.

We also have Fedco bareroot fruit trees! We're group ordering and teaching people how to plant the trees. They make great presents.

We're also looking to do some classes including a Sumo Chanko Nabe hotpot cooking class and hopefully have John Forti, a gardening expert, come in to do a talk on heirloom edibles.

In the next few years I hope to expand the micro-local table concept, to provide more training and guidance to would-be farmers. I have also been developing ideas for a series of workshops, summer training programs, and much more. I believe that the Co-op can and should spearhead the development of a thriving food system, right here in Erie. To this end we are working with Lauren Azotea, our local Vista coordinator, and Erie FPAC.

### What other ways will the Erie Committee seek to engage local vendors this year?

We're really in a fact-finding phase right now. We want to make targeted and effective changes, so we want to be sure we understand the gaps for local vendors to address any problems most effectively.



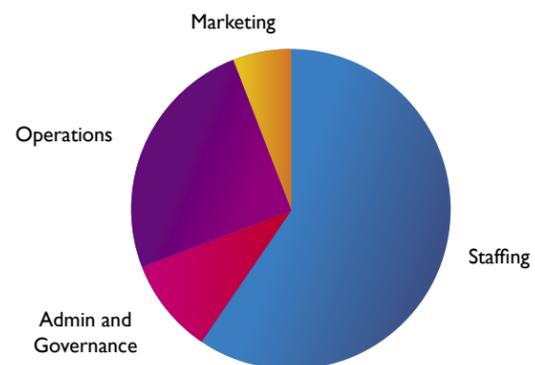
## Profit and Loss Statement

	2018	2017	2016	2015
<b>Sales</b>	\$5,003,209	\$5,142,012	\$5,425,082	\$5,322,014
<b>Cost of Goods</b>	\$3,049,804	\$3,010,100	\$3,172,930	\$3,222,760
<b>Gross Profit \$</b>	\$1,953,405	\$2,131,912	\$2,252,152	\$2,099,254
<b>Gross Profit as a % of Sales</b>	39.0%	41.5%	41.5%	39.4%
<b>Operating Expenses</b>	\$937,572	\$610,201	\$524,850	\$523,787
<b>Staff Wages, Benefits &amp; Taxes</b>	\$1,279,631	\$1,243,502	\$1,278,919	\$1,259,206
<b>Member-owner Discounts</b>	\$10,141	\$115,596	\$298,296	\$294,263
<b>Depreciation, Building &amp; Equipment</b>	\$83,926	\$75,704	\$77,121	\$73,537
<b>Property Taxes</b>	\$20,728	\$20,686	\$20,533	\$20,391
<b>Bank Card Fees</b>	\$65,528	\$67,586	\$65,257	\$58,703
<b>Total Expenses</b>	\$2,151,675	\$2,133,275	\$2,264,976	\$2,229,887
<b>Income from Operations</b>	(\$198,270)	(\$1,363)	(\$12,824)	(\$130,633)
<b>Other Income</b>	\$31,983	\$15,649	\$31,709	\$54,272
<b>Rental Income</b>	\$59,460	\$57,660	\$59,460	\$57,960
<b>Total Other Income</b>	\$91,443	\$73,309	\$91,169	\$112,232
<b>Net Income Before Taxes \$</b>	(\$106,827)	\$71,946	\$78,345	(\$18,401)
<b>Net Income Before Taxes as a % of Sales</b>	-2.2%	1.4%	1.4%	-3%
<b>Taxes</b>	(\$1,542)	\$18,725	\$18,295	\$4,470
<b>Benefit for Corporate Income Taxes</b>	\$24,305	(\$14,590)		
<b>Net Income After Taxes \$</b>	(\$82,522)	\$60,283	\$60,050	(\$13,931)
<b>Net Income After Taxes as a % of Sales</b>	-1.7%	1.2%	1.1%	0%

## a deeper look at expenses

For the 2017-2018 fiscal year, we planned our expenses to pursue a few specific priorities; Increase staff benefits that drive performance, increase member-owner engagement opportunities and brand relevance, and focus on the products that differentiate us from our competitors. This required some investment that worked against our operational net income. Each month, we reported out to the board the impact of these decisions as they relate to our net income, but also as they related to other indicators (including our transaction count, and our new member-owners).

2017 - 2018 Expenses Less Cost of Goods



Cash Flows from Operating Activities	2018	2017
Net Income (Loss) Adjustments	(\$108,369)	\$60,283
Operating Activities	\$70,349	\$77,682
Changes in Operating Assets and Liabilities	\$55,301	\$31,988
<b>Net Cash Provided by Operating Activities</b>	<b>\$17,281</b>	<b>\$169,953</b>

Cash Flows from Investing Activities	2018	2017
Purchase of Property and Equipment	(\$130,474)	(\$50,885)
Increase of Investment in Suppliers	(\$11,353)	(\$6,936)
	(\$141,827)	(\$57,821)

Cash Flows from Financing Activities	2018	2017
Proceeds from Long-Term Debt	\$105,000	
Repayments of Long-Term Debt	(\$66,544)	(\$77,127)
Common Stock Issued and Subscribed	\$28,505	\$28,542
Common Stock Redemptions	(\$7,728)	(\$14,979)
	\$59,233	(\$63,564)
<b>Net Change in Cash</b>	<b>(\$65,313)</b>	<b>\$48,568</b>

## Balance Sheet

Assets	2018	2017
<b>Cash</b>	<b>\$215,070</b>	<b>\$280,383</b>
<b>Current Assets</b>	<b>\$310,943</b>	<b>\$303,132</b>
<b>Fixed Assets</b>	<b>\$1,597,730</b>	<b>\$1,551,182</b>
<b>Other Assets</b>	<b>\$88,678</b>	<b>\$77,325</b>
<b>Total Assets</b>	<b>\$2,212,421</b>	<b>\$2,212,022</b>

Liabilities	2018	2017
<b>Accounts Payable</b>	<b>\$165,647</b>	<b>\$108,740</b>
<b>Current Portion of Long Term Debt</b>	<b>\$86,037</b>	<b>\$68,950</b>
<b>Other</b>	<b>\$34,422</b>	<b>\$43,717</b>
<b>Total Current Liabilities</b>	<b>\$286,106</b>	<b>\$219,431</b>
<b>Long Term Debt</b>	<b>\$751,742</b>	<b>\$731,719</b>
<b>Other</b>	<b>\$20,569</b>	<b>\$21,890</b>
<b>Total Liabilities</b>	<b>\$1,101,720</b>	<b>\$1,014,521</b>

Equity	2018	2017
<b>Common Stock</b>	<b>\$721,009</b>	<b>\$701,222</b>
<b>Paid in Capital</b>	<b>\$16,690</b>	<b>\$16,690</b>
<b>Retained Earnings</b>	<b>\$389,692</b>	<b>\$496,279</b>
<b>Total Equity</b>	<b>\$1,110,701</b>	<b>\$1,197,501</b>

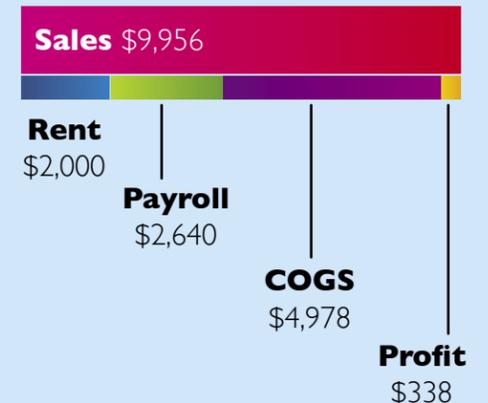
## investments

This year the Co-op explored two methods to bring healthy, organic locally sourced foods out into our community. In March of 2018 we opened our satellite café at the Erie Art Museum and in May of 2018 we launched the SorcERIE Food Truck.

While both ventures brought an increase of sales, they also appear to have had a tangible benefit of bringing in new member-owners, as can be seen in the member-owner analysis on page 13.

## art museum

\*Note, the art museum shares expenses with the café that are not broken out. COGS and Payroll are best estimations.



# perspectives of a food truck manager named jessee

By Jessee Treiber, Food Truck Manager

Walking into the food truck community of Erie I really had no idea what to expect. Food trucks were, and still are, a brand new aspect of Erie. This past summer over twenty five trucks made their way into the community to serve people of all demographics. Before becoming the manager of the SorcERIE food truck I was always inspired by the people who ran food trucks and all of the work that I knew must go into the business. Now that I have been immersed in this world for almost six months, my gratitude has become much deeper and my sense of vision and insight has grown more and more every day. The two facets of SorcERIE that lay at the forefront of our mission and priority are those of community and of a healthy and balanced nutrition.

The community of food trucks in Erie is one that has genuinely and continuously proved to amaze and motivate me. I was thrown into the world of food trucks not completely knowing all of the ins and outs of the business dynamic. There is a lot that goes into what seems like a simple lunch event between different

licensing and vendor agreements, food and vehicle preparation, truck maintenance, ect. It takes a lot of behind the scenes kind of work that most people aren't aware of to make these things happen. Luckily for me, I have had the resource of the Erie Food Truck Alliance. Every food truck in Erie is invited to be a part of this group. We have a Facebook page where we can reach out to each other to share events, look for replacements for events, communicate different ideas, and just reach out to each other with any kind of questions we might have for each other. We even have meetings to discuss different issues and collectively collaborate upon each other's ideas.

This alliance illustrates a true and heartening sense of community in my eyes. I cannot tell you how many issues I have had that have been resolved so much more quickly and effectively simply because rather than having to take the time to figure it out myself, I simply inquire with the Alliance and someone who has already gone through the issue and knows exactly how to proceed, is there to direct me. The Erie Food Truck Alliance has truly and absolutely been my

greatest asset managing the food truck. I entered the community assuming there would be such great tension and sense of competition between food trucks, but instead we work to uplift and support each other's endeavors.

My initial passion for the co-op was sparked by my incredible love of nutrition. I am currently finishing up a bachelor's degree in nutrition and have always been amazed by the effect of the food that we eat on our bodies. If I have learned anything from pursuing nutrition thus far it is that the quality of our food directly correlates to the overall quality of our entire lives. Eating the kind of fresh, local, and healthy food provided both at the co-op and from the food truck legitimately equips people to live happier, healthier lives in more ways than most realize. The food that we eat affects us both physically and mentally. Another passion of mine is just the fierce love I have for people in general. If I can make a person feel good, I feel that much more fulfilled in my own life. So serving the kind of food that we do, with all of the valuable nutrients that it carries, that in turn make people feel good both mentally and physically. . .well, that's my jam.

## Expenses

Payroll- \$44,486

Food Truck- \$92,000

Operational- \$48,196

## Cash In

Sales- \$22,878

Loan- \$105,000

## Additional Investment

Store- \$56,804

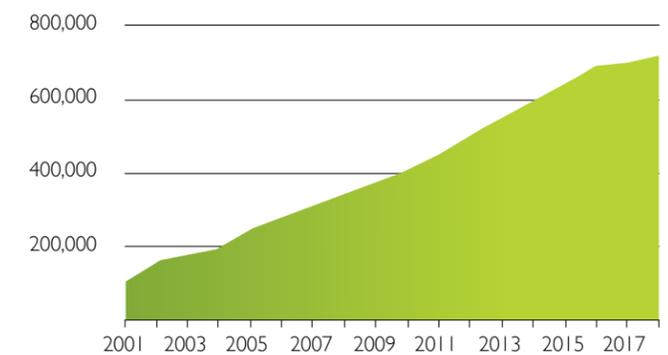


# sales and growth

## member-ownership: your co-op

For the 2017-2018 Fiscal year, we saw large increases over our plans for new member-owners that directly correlate to the launch of the SorcERIE food truck and the Art Museum Café. We completed a member-owner audit this year looking at our total number of member-owners in addition to our total equity held. As of July 1st 2018, we have \$721,009 in member-owner equity and 7,854 member-owners.

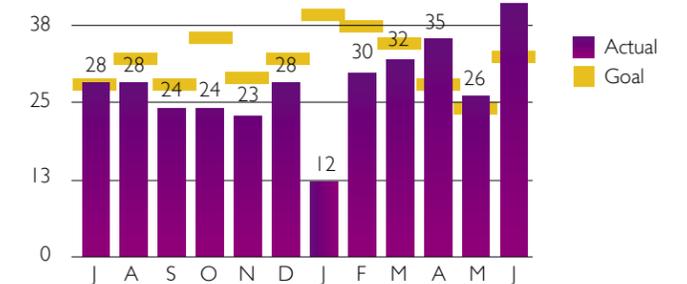
## Reported Member-Owner Equity



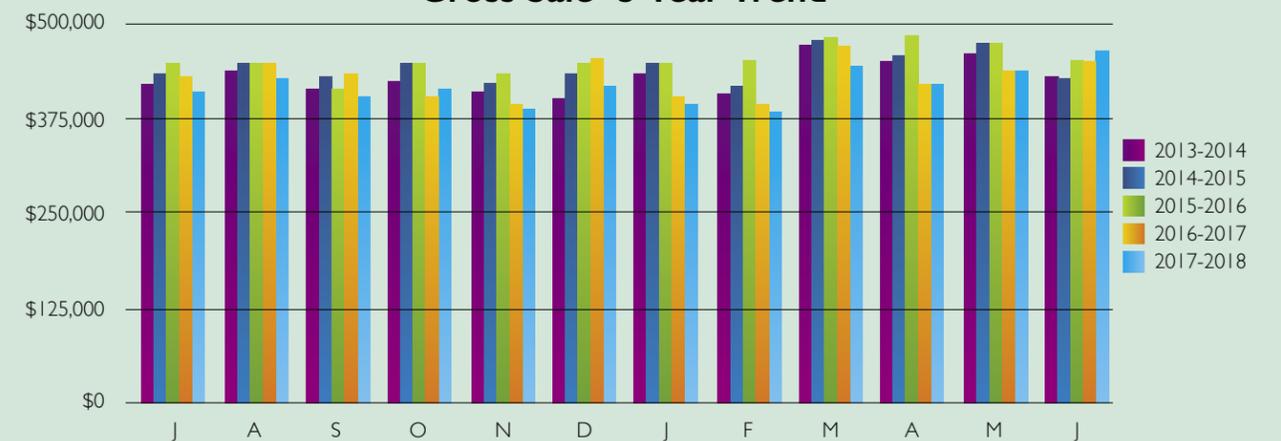
## sales

For most of the year we averaged down 3% in sales and 4% in transactions. We were able to stabilize our average basket, meaning that people were spending the same amount each trip, but taking less total trips in. Following the launch of SorcERIE and the Erie Art Museum Café, we have had positive results to last year, as can be seen starting in June, where we had our highest sales volume June on record.

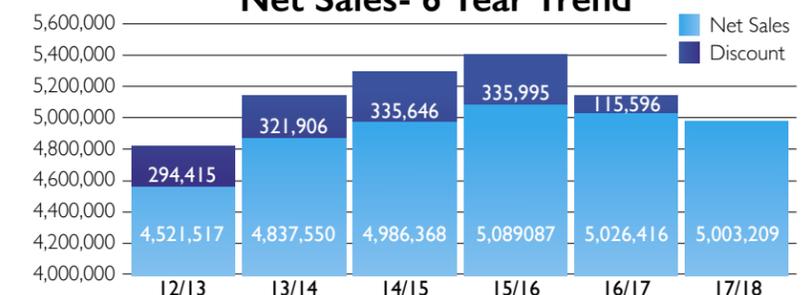
## New Member-Owners



## Gross Sale- 5 Year Trend



## Net Sales- 6 Year Trend



Ever since the discontinuation of the monthly member-owner discount and the roll-out of everyday low prices, we have found it pressing to analyze our sales with respect to the total discount expense. This gives a clearer picture of usable sales volume that can be turned back into staff compensation, new initiatives and lower prices.