

Annual Report

2014-2015

811 I St. Arcata, CA 95521 (707) 822-5947 • 24 4th St. Eureka, CA 95501 (707) 443-6027 • www.northcoast.coop

A Celebration of Our Co-op This Past Year

By Kelli Reese, General Manager



Welcome to the Fiscal Year 2015 Annual Report. The Annual Report is my favorite article to compile as it gives us the opportunity to stop and take a look at all we've accomplished in the last fiscal year (April 2014 – March 2015). We have a lot of wheels turning around here and we don't often get the chance to slow down for a moment and take stock of how much we've done.

This past fiscal year marked the completion of the first year of our Strategic Plan 2014-2018. I had the opportunity to write the Annual Operational Plan for the fiscal year, which reflected the priorities for implementation of fiscal year 2015. We accomplished a great deal in our first year of the plan, laying ground work in order to set us on the right course for the upcoming years.

Of the many accomplishments you'll read about in this report, these are a few of the standouts for me, operationally, because they've shown great results and helped to enhance the shopping experience overall for you, our member-owners.

Ten Pin Warehouse

We opened the Ten Pin Warehouse in FY15 which allows us to provide warehouse space for a forward buying program that offers shoppers competitive prices on a variety of

products throughout the store. In addition, the warehouse allowed us to increase office space for administrative staff in the Arcata store by moving some administrative departments to the Ten Pin.

Arcata Administrative Offices

We upgraded the Arcata administrative offices, creating office and desk space for a number of managers and department heads who didn't have them. We jazzed up the space in general by replacing the carpet with wood laminate flooring (up to 75% recycled), painting, and rearranging the layout. It was a huge improvement over the previously crowded, cluttered space.

Co-op Basics

We continued to offer the Co-op Basics program to our member-owners and shoppers. This program provides lower prices on basic items such as butter, eggs, milk and bread. This past year we added two new Equal Exchange specialty coffee blends you can't find anywhere else. They were named by Co-op staffers and sell for an extremely competitive price, and includes a 5 pound and decaf option too.

Wellness Wednesday

We started a Wellness Wednesday program. On the first Wednesday of every month shoppers receive 10% off in the Wellness Department. Department sales in both stores have steadily increased and shoppers have been incredibly responsive.

Our Strategic Plan Goals

Develop Our Local Foodshed

Our goal is to collaborate in sustainable, local, and regional food system development that addresses gaps in food production, storage and/or distribution.



Invest in Our Future

Our goal is to strengthen our leadership position in the community by investing in opportunities that significantly serve our members to ensure a viable co-op for our future.



Educate and Advocate

Our goal is to engage our members to make positive changes around essential local and national issues which affect our community's future, and advance our mission, principles and cooperative values.



Enhance the Co-op Experience

Our goal is to foster and develop talent, leadership, engagement and passion, creating an inspiring environment at our Co-op.



Promote Environmental Responsibility

Our goal is to continue to improve the environmental practices in our day-to-day operations.



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Painting and Signage

We painted the outside of both stores. At the Arcata store we had a stretch of great weather which afforded us the opportunity to have the painting team get it completed earlier than we planned. In Eureka, our landlord footed the bill on the outside painting project. Once completed, both stores were outfitted with our sprout logo since neither store had our logo on the exterior. We love the end result and hope you do too.

Employee Satisfaction Survey

We conducted a comprehensive employee satisfaction survey, and learned a great deal through the process about what areas of the organization needed our immediate attention and we identified opportunities for

collaboration and employee feedback with a goal of coming together in order for our Co-op to be an even better place to work and shop.

Meat Department Consultant

Our aim is for the meat department at the Arcata store to really be exceptional, so we had a consultant work with us for three days,

conducting a thorough audit of systems. Some of the upgrades included resetting of the meat cases and adding eighteen value added items to the rotation. Since the consultant's visit, sales are up significantly in the department. The meat department team has adjusted well to the increased business and the new systems have been well received.

Throughout this Annual Report you'll find additional areas where we feel we've made advances and/or grown as an organization. For me, the growth is the most rewarding part. Not everything we did this past year was stress-free, but growth happens when we are pushed outside our comfort zone. We continue to work on finding ways to create a dynamic place to shop and work and I sincerely thank you for being a part of our continued success. With your patronage we are able to make advancements on fulfilling the Co-op's mission and goals of the 2014-2018 Strategic Plan. ■



THIS PAST YEAR IN OUR **Arcata Store** *By Kevin Waters, Arcata Store Manager*



Fiscal Year 2015 was a very positive year for the Arcata Store; from the standpoint of sales and financial success, one of the best ever. Halfway through FY15, we were \$100 off from budgeted sales of \$9.5 million.

Then we doubled our rate of sales increases for the entire rest of the year, setting various all-time highs and sales benchmarks.

There were lots of stories behind the great year we had in FY15, but one of the best was the promotion of Lauren Fawcett to head the Prepared Foods Department. The improvements she and her team made have been instrumental in improving results for the rest of the store.

Another great story was that of the Meat Department. We worked with a consultant to reset the department, replace all storage/display materials, and create a value-added meat program that includes house made sausage, stuffed chops, and the ever popular salmon burgers. The customer response has

been great, and these products are selling better than ever.

General Merchandise is another department that underwent some significant changes. Numerous resets and display changes saw the addition of dozens of product lines and multiple categories, the net result being a whole lot of new sales and new areas of growth.

All in all, the combination of some targeted merchandising changes, service improvements, as well as the Co+op Deals, Co+op Basics, Warehouse Deals, Co+op Coupons, and programs like Wellness Wednesday seem to be resonating well with our shoppers. Merchandising Manager Ron Sharp especially, as well as many others, deserve great credit for the massive success of the Ten Pin warehouse forward buying/promotion management.

None of this successful year would be possible without the mighty help of some of the best employees in Humboldt County. It is a great team effort happening at the Co-op, and that was recognized as we took the prize for the Best Grocery Store in Humboldt County, as voted in the North Coast Journal. Thanks everyone!

It was great to see six employees gain promotions to positions of additional responsibility. As well we had six employees who made department or job changes to better suit their desires or career goals. Congratulations! With turnover being a fact of doing business, we added 17 new employees last year, and we will benefit if these great employees make a career with us.

Our employees have embraced the concept of Open Book Management, and we continue to improve in our use of this powerful tool. The produce department in Arcata participated in our first ever “mini game” in quarter 4, and the result was a massive success, an amazing quarter for the department and a great reward at the end of it.

Other events included the painting of the exterior of the Arcata store, which was a resounding success, and the additions to our maintenance team which have been amazing. We said goodbye to Michael Turner who retired after decades of amazing service, and Ralph Smith who passed away.

Reviewing the events of the last fiscal year reminds me of what a great group of people I work with, and how much I enjoy my job! ■

THIS PAST YEAR IN OUR **Eureka Store** *By Toby Massey, Eureka Store Manager*



We had a very good year at our store here in Eureka. Our landlord footed the bill on the outside painting project. Hamanaka Painting did a great job of refreshing our beautiful store. Our new

LED signs look great along with our LED parking lot lighting. Everything is brighter, safer and using less electricity...a triple win!

Wellness Wednesday was one of the biggest retail changes we made and it has been an overwhelming success, allowing our incredibly knowledgeable Wellness staff to reach out and create relationships with more folks than ever. Once again we participated in both the Humboldt County Fair and Red-

wood Acres Fair, supporting the next generation of local agriculture through 4-H and FFA. The grocery department is being heavily supported by our wildly successful warehouse forward buying program based out of the Ten Pin building. Everyone has no doubt seen our great values in our lobby displays.

Tourism continues to be a huge part of our business during the good weather seasons. If social media is any gauge they love us! On Yelp, of our 79 reviews for the Eureka store 63 were 4 or 5 stars! On TripAdvisor we're ranked #10 out of the 149 restaurants in Eureka! It's really rewarding to be able to offer good food, great ingredients and introduce travelers to the Co-op experience.

With low unemployment rates in Eureka it has been challenging at times to keep the store staffed with great team members throughout this last year, but we are doing our best

to find and retain wonderful new members of our Co-op family. Turnover happens and we are actually below the average for Co-ops nationally, but we're still working hard to create the best team possible to serve our members.

Our Facilities team, lead by Duncan Thomas and Derik Powell, continue to amaze with their high quality of work and proactive approaches to maintenance and repair of our store.

Feedback is the lifeblood of helping us improve our Co-op for our members and customers. Use the member comment forms. Use the telephone (707) 443-6027 ext. 141. Email me tobymassey@northcoast.coop. Let's talk!

We never stop looking for ways to grow, improve and provide a great experience for our members, staff and customers. Here's to a successful FY16! ■



Co-op Kids

We expanded our Co-op Kids commercials, geared toward empowering kids to make healthy choices, to include a broader demographic of our community. There are now 22 videos available to share on You Tube, including a Spanish version!



Our Cooperative Community Fund (CCF) awarded grants to ten community groups for projects pertaining to sustainable agriculture, food security and food nutrition and education, for a total of \$18,068. CCF grew by \$8,708 through paper bag sales which go directly to CCF and \$4,181 through donations by member-owners and shoppers.



Best of Humboldt

North Coast Journal readers voted us Best Grocery Store in the 2014 Best of Humboldt poll!

Supporting Our Community

The following organizations have received support from the North Coast Co-op in the form of a donation or sponsorship in FY15. That's more than 200 groups receiving a total of **\$22,259!**

- 4H
- Access Humboldt
- Aim for the Sun Consortium
- American Association of University Women
- American Cancer Society
- American Legion
- AmeriCorps Watershed Stewards Project
- Arcata Bottom 4-H Club
- Arcata Chamber of Commerce
- Arcata Christian School
- Arcata Economic Development Corporation
- Arcata Elementary School Parent Teacher Organization
- Arcata Food Project
- Arcata High Madrigal Choir
- Arcata High School
- Arcata High School Safe and Sober
- Arcata House Partnership
- Arcata Interfaith Gospel Choir
- Arcata Kiwanis Club
- Arcata Police Department
- Bayside Park Farm
- Big Brothers Big Sisters of the North Coast
- Blue Lake Parks & Recreation
- Blue Lake Union Elementary School
- Blue Lake Volunteer Fire Department
- Boosters Club of Agnes J. Johnson Elementary School
- Boys & Girls Club Humboldt County Teen Court
- California Center for Cooperative Development
- California Native Plant Society
- CASA of Humboldt
- Changing Tides Family Services
- Christ the King Parish
- Circus of the Elements
- City of Eureka
- City of Eureka Parks & Recreation Department
- City of Eureka Public Works Department
- Clarke Historical Museum
- Coastal Ecosystems Institute of Northern California
- Coastal Grove Charter School

- Coats for the Cold
- Commercial Fishermen's Wives of Humboldt
- Cooper Gulch Classic
- CR Foundation
- Cutten 4-H Club
- Cutten/Ridgewood School Parent Teacher Association
- Eel River Watershed Improvement Group
- Emma Center
- Engineers Without Borders North Coast Professionals Chapter
- Eureka Center for Spiritual Living
- Eureka High EAST Lab
- Eureka Main Street
- Eureka Police Officers Association
- Eureka Woman's Club
- Families Advocating Autism Now FFA
- Food for People
- Fortuna High School
- Friends of the Dunes
- Garfield Elementary School
- Girl Scouts of Northern California Troop 70202
- Godwit Days
- GORUCK Humboldt
- Hemp History Week
- Hempstead Project Heart
- Holy Ghost Celebration
- Hope Equestrian Relay Organization
- Hospice of Humboldt
- HSU American Sign Language Club
- HSU Campus Center for Appropriate Technology
- HSU Center Activities & Humboldt Bay Aquatic Center
- HSU Chapter of Society of American Foresters
- HSU Children's Center
- HSU Cycling Club
- HSU Department of History and Politics
- HSU Geology Club
- HSU Graduation Pledge of Social & Environmental Responsibility
- HSU Humboldt Film Festival
- HSU Humboldt Juggling Society
- HSU Marketing and Communications Department

- HSU Museum and Gallery Practices Class
- HSU Renewable Energy Student Union
- HSU Women's Resource Center Humboldt and Del Norte Building and Construction Trades
- Humboldt Arts Council
- Humboldt Bay Critter Crawl
- Humboldt Bay Firefighters
- Humboldt Builders Exchange
- Humboldt Capoeira Academy
- Humboldt Community Breast Health Project
- Humboldt County 4-H Council
- Humboldt County Fair
- Humboldt County Historical Society
- Humboldt County History Day
- Humboldt County Public Safety Dispatchers
- Humboldt Del Norte Section of California Ag Teachers Association
- Humboldt Deputy Sheriffs' Organization
- Humboldt Educare
- Humboldt Film Commission
- Humboldt Fish Action Council
- Humboldt Food Policy Council
- Humboldt Grassroots
- Humboldt Green Week
- Humboldt Light Opera Company
- Humboldt Literacy Project
- Humboldt Mediation Services
- Humboldt Permaculture Guild
- Humboldt Pride
- Humboldt Roller Derby
- Humboldt State University
- Humboldt Swim Club
- Humboldt Tri-Kids Triathlon
- Humboldt Wildlife Care Center
- HumLiNK & CR LiNK
- Ink Annex Collective
- Ink People Center for the Arts
- Jacoby Creek Land Trust
- Jacoby Creek School
- Jefferson Community Center
- KEET
- Kinetic Video Team
- Kiwanis Club of Henderson Center
- Klamath-Trinity Joint Unified

School District Fish Fair Committee
 Kneeland School District
 Lafayette Elementary School Parent Teacher Association
 Laurel Tree Charter School
 Locally Delicious
 Long Prairie Gun and Archery Club
 Lost Coast 4x4's
 Lost Coast Interpretive Association
 Marshal School Family Resource Center
 Mateel Community Center
 Mattole Valley Community Center
 McKinleyville Boy Scout Troop 180
 McKinleyville Chamber of Commerce
 McKinleyville High School Safe & Sober Parent Committee
 Mid Klamath Watershed Council
 Mothers of Preschoolers
 Newspapers in Education/Times-Standard
 Non-GMO Project
 NorCal Oasis
 North American Students of Cooperation
 North Coast Community Garden Collaborative
 North Coast Growers Association
 North Coast Learning Academy Charter School
 North Humboldt Recreation & Park District, Arcata Community Pool
 Northcoast Children's Center
 Northcoast Environmental Center
 Northcoast Preparatory and Performing Arts Academy
 Northcoast Regional Land Trust
 Northern California Indian Development Council
 One Small Step
 Pacific Coast Fish, Wildlife and Wetlands Restoration Association
 Pacific Union Elementary School
 Pacific View Charter School
 Par Infinity Disc Golf Club
 Point in Time Committee
 Redwood Acres
 Redwood Christian School
 Redwood Coast Chapter of American Association of Zoo Keepers
 Redwood Coast Energy Authority
 Redwood Community Action Agency
 Redwood Empire BMX
 Redwood Jazz Alliance

Redwood Life Member Club of the AT&T Pioneers
 Redwood Palliative Psychology
 Redwood Parks Association
 Redwood Preparatory Charter
 Redwood Region Audubon Society
 Redwood Teen Challenge
 Relay for Life California Cancer Crusher Team
 Relay for Life Committee
 Ride for Reading/Bikes There
 Rotary Club of Arcata
 SCRAP Humboldt
 Sequoia Humane Society
 Sequoia Park Zoo
 Sequoia Park Zoo Foundation
 Six Rivers Charter High School
 Six Rivers Planned Parenthood
 Soroptimist International of Arcata
 Soroptimist International of Eureka
 Southern Trinity Area Rescue
 St. Bernard's Academy
 St. Joseph Ergonomic Specialists
 St. Joseph Hospital Foundation
 Teens Turning Green
 The Arcata-Camoapa Sister City Project
 The Humboldt Folklife Society
 Transition Humboldt
 Tri-County Independent Living
 Triumphant Life Camp
 US Coast Guard Enlisted Association
 US Fish & Wildlife
 US Servas
 Washington School Parent Teacher Association
 Watershed Stewards Program
 Wild Souls Ranch
 Ya Habibi Dance Collective
 Yurok Tribe
 Yurok Tribe Environmental Program ■

Our donation philosophy is to say "yes!" to as many groups as possible, even if it is only a small gift card or raffle item.

FY15 CO-OP ACCOMPLISHMENTS

Co-op Pumpkin Patch

Celebrated 28 years of the Co-op's Pumpkin Patch. We hosted 3,723 kids from 36 area schools at Warren Creek Farm, providing educational tours and allowing each child to pick out a free pumpkin from the Co-op.



Fighting Hunger

We donate all of our excess food to the food bank, Food for People, and Arcata House Partnership, resulting in 53,358 pounds of food going to feed people in our community.

Community Kitchen

We offered 76 classes and workshops through our Co-op Community Kitchens in Eureka and Arcata, and more than 800 people enrolled! In addition to classes offered by the Co-op, we provided a free venue and free promotion for classes offered by community organizations such as Public Health, Food for People, and the Master Food Preservers.



Support Local Youth

We spent \$23,000 at the Junior Livestock Auction to support local youth in agriculture. We also provided more than \$1,000 in cash and gift card prizes to youth exhibitors at the Humboldt County Fair.

Share the Spirit

During the holiday season we raised money to support our local food bank, Food for People, through our Share the Spirit program. Shoppers donated at the register and the Co-op matched their donations (up to \$5,000) for a total of \$14,468!



A Look Back on Board Achievements

By Jessica Unmack, Board President

We welcomed 704 new members, resulting in a total of 16,182 members owning the North Coast Co-op.

★★★★★
Four and five star ratings on Yelp!

We partnered with the Yes on P campaign to ban the cultivation of Genetically Modified Organisms (GMOs) in Humboldt County; Measure P passed with 60% of the vote.

More than 800 people responded to our Shopper Survey, allowing us to see patterns in member-owner satisfaction.



Board activity this past fiscal year has kept us plenty busy, as in most years. The business of directing this amazing institution not only keeps us on our toes with regular Co-op governance and policy issues, it also keeps us forward

thinking towards long-term Co-op goals and plans.

Regular and on-going governance and policy issues include a wide range of topics from finance to forming committees. For example, at each quarterly Co-op Finance Committee meeting we discussed the current C share dividend rate. This past year the board approved an interest rate of 2% for whole C shares each quarter. In September of last year the board approved the 2014 Fiscal Year Audit and issued a patronage refund which was paid out to member-owners in December 2014. In January of this year we approved the updated Shareholder Disclosure Document, and in March approved the budget for Fiscal Year 2016.

In February, we had our annual board retreat to review our Strategic Plan and discuss board committee structure. With increased input from members and lengthy talks about how to organize and arrange current issues facing the Co-op and the board, several committees were reconvened and a new, exciting Policies and Procedures Committee was formed to handle bylaws, administrative code, securities permit and other miscellaneous

eral Manager. These committees, the members who have been involved, and the output from the meetings have assisted us with policy and governance issues and have given us direction on long-term Co-op topics.

The Board still sets aside a lengthy portion of meetings when possible for its own education and engagement. In March Carolee Colter presented her findings from the Co-op's Employee Satisfaction Survey to the board and a large member audience; and in April, Co-op Shopper Survey results were presented by HSU business students. We have continued to benefit from facilitation of our board meetings; building our efficiency and professionalism, and enabling us to spend more time on the conversations that matter.

This past election cycle we bid farewell to John Wooley and Tim Silva who were both valued board members for their participation and perspective. Filling those two empty seats, we welcomed two former board members Cheri Strong and Dave Feral. Both had served previously and have signed on for another invigorating three year term. Occasionally the need arises to fill a board vacancy mid-term. Earlier this year we bid adieu to Kelly Boehms (Employee Director) and wished her well in her future endeavors when she left the Co-op for other work within the community. With a vacant Employee Director seat, Co-op employees held an impromptu election in March, and in early April the board welcomed first-time board member Jeremy Cotton to fillout the term.

The year ahead will surely keep the Co-op, the board, its committees and members busy as usual with standard governance and policy issues, but it is those details of business, organization and education that are the foundation on which we build our long-term goals. Stronger together. ■



BOARD OF DIRECTORS FY15

Board Members (from left):

- Cheri Strong, *Employee Director*
- Jessica Unmack, *Board Chair*
- Dave Feral, *Secretary*
- Kate Lancaster, *Treasurer*
- Kelly Boehms, *Employee Director*
- Steve Suttell, *Vice Chair*
- Fred Moore, *Board Member*

board policies. The active committees for this past year were the Finance Committee, Nominating Committee, Member Action Committee, and the Policies and Procedures Committee. It was also discussed at our retreat in February that the Sustainability Committee, identified in the Strategic Plan, would become an operational committee and would be convened by the Gen-



SUSTAINABILITY

We enrolled in Co+efficient, the National Co-op Grocers program that allows co-ops to enter data to track sustainability metrics.



▲ WE EMPLOYED 195 ROCKSTARS!

Creating and Maintaining Local Jobs

As one of the largest employers in our area, we employ an average of 195 people: most of them are full-time benefited positions. We also offer great benefits to our part-time employees. We are proud of what we were able to provide to our employees in fiscal year 2015!

Health Care

Offering quality health care benefits to our employees has always been important at the Co-op. Our health plan covers medical, dental, vision and life insurance, as well as affordable dependent health insurance coverage. We provide an affordable health plan (\$350 deductible) with a premium of only \$35.00 per pay period (bi-weekly) for employee only coverage and 30 percent co-pay by the employee. We also have a lower cost/higher deductible (\$1000) option. This health care plan is extremely competitive in today's health care landscape. Currently, 148 employees are enrolled in our insurance. Total cost for FY15 was \$1,069,533.

Retirement

The benefits don't stop with health care; we also offer a 401(k) match up to 5% and employees are fully vested as soon as they begin working. In FY15 the Co-op contributed \$192,505.

Employees who have worked for the Co-op for 25 years or more receive, upon retirement, dividend-earning C shares valued at \$100 for each year they worked. They can either keep the investment in the Co-op or redeem it for cash.

While working their way to retirement, employees who have worked for the Co-op for 20 years or more receive a \$50 gift card to the restaurant of their choice every fifth year.

Bonuses & Perks

Every year, employees receive a Winter Solstice bonus based on the number of years worked, a discounted gym membership, as well as free food in the break rooms.

All Co-op employees receive a 15% discount on their purchases from the Co-op every day.

Those who wish to, participate in an employee only buying club, purchasing cases of product at near wholesale cost.

We give generous paid time off, as much as five weeks per year for long-term (6 or more years) employees. Total cost for FY15 was \$409,856.

Gainsharing

As a part of Open Book Management, employees participate in efforts to achieve gainsharing. Sales goals are set for each department, which contribute to the overarching goal of net profit for the entire organization. When we win, we all win together. When we lose, we all lose together. In FY15, we were able to pay out \$27,724 to our employees for the first two quarters.

Recognition

Our employees nominate co-workers for recognition awards when they have gone the "Extra Mile" for a customer, co-worker or the Co-op in general. In FY 2015 we gave 39 recognition awards to our employees. We have seen a lot of benefit from peer to peer recognition. It is a great way to say thank you and I appreciate you.

PTO Donation Program

Employees can donate their Paid Time Off hours to co-workers that are on an approved

leave of absence and don't have enough PTO to cover their time off. This is a wonderful and generous program that has allowed employees paid time off in their time of need. Without these donations, there are times when employees would be off unpaid or be forced to return to work too soon. Last year a total of 293.86 hours were donated to co-workers from their peers.

Education, Training & Information

We are dedicated to the professional growth of our employees and continue to offer regular training to our employees including, Orientation, Co-op 101, Customer Service and Open Book Management. A number of employees attend Co-op specific trainings offered by National Co-op Grocers and various local trainings and food shows. In fiscal year 2015 we continued with Communication Training to new employees and we presented Retrain Your Brain, Reframe Your Life training for all employees. We are looking forward to new changes and improvements to our training program in FY 2016. ■



Co-op employees enjoy their lunch at the 10th annual Thrill of the Grill Barbecue and Benefit. Over \$2,300 was raised for Food for People's Child Nutrition Program.

Financial Year 2015 at the Co-op

By Kelli Costa, Chief Financial Officer



What a year it was. Our fiscal year began on March 30, 2014 and ended on March 28, 2015. Our sales overall were .2% above budget and we ended the year with a combined sales increase of

3.03% higher than last year. Of course a large amount of our sales are contributed to our member-owners that shop and year over year we saw a 2.20% increase of member-owner sales.

Our COGS (Cost of Goods Sold) ended the year higher than budget by 1.18%. This brought our margin to 36.01% of our sales

and we budgeted to be at 37.19%.

Our payroll expense came in over budget due to some health expenses that I talked about in the July 2015 Co-op News. In case you missed that article, the Co-op is self-insured and we have good years and bad years. Several large claims came in during the fourth quarter, but we were able to manage the additional expense due to sound operations and increased sales. We did see a drop in cash, but we recovered quickly.

Our operating and occupancy expenses finished the year slightly higher than budget by a marginal percentage of .27%. We always work hard to keep expenses in line and were even able to accomplish some needed repairs and upgrades that we had planned in our budget.

Now that the annual audit is complete we ended up taking a loss of \$19,378. When

all was said and done, this was minimal when considering the unforeseen health care expenses. Unfortunately, there will not be a patronage refund for this year; however, we have started the new fiscal year out really strong. We have budgeted for increased competition facing the Arcata store, but for now we are seeing great sales growth in Arcata.

It was a great year to be part of the Co-op team and we hope to see continued growth in the coming year. When we are financially stable, we get to walk our talk: using our resources, passion and skills to make our community better – together. But really the Co-op difference is simple, it's You! You are what makes the North Coast Co-op the thriving, bustling, vibrant “more than a store” that it is today. Your membership, patronage and participation in this business is what makes it what it is. Thank you! ■

Income Statement

	FY 15	%	FY 14	%
NET SALES REVENUE	32,691,850	100.00%	31,728,957	100.00%
Cost of goods sold	20,918,404	63.99%	20,147,942	63.50%
GROSS MARGIN	11,773,446	36.01%	11,581,015	36.50%
Payroll Expense	8,562,634	26.19%	8,069,365	25.43%
Occupancy Expense	928,043	2.84%	847,983	2.67%
Operating Supplies	378,164	1.16%	350,156	1.10%
Operating Expenses	1,744,416	5.34%	1,735,445	5.47%
Depreciation	205,143	0.63%	215,886	0.68%
Total operating expenses	11,818,400	36.16%	11,218,835	35.35%
Other income (expense)	60,565		76,409	
Provision for income taxes	(34,989)		(55,386)	
NET INCOME (LOSS)	(19,378)	-0.08%	383,203	1.21%

Balance Sheet

	FY 15	FY 14
Assets:		
Current Assets	3,174,804	3,368,136
Property & Equipment	2,597,320	2,616,896
Other Assets	377,203	331,099
Total Assets	6,149,327	6,316,131
Liabilities:		
Current Liabilities	2,081,280	2,014,719
Long Term Liabilities	21,000	295,142
Total Liabilities	2,102,280	2,312,861
Member Equity:		
Current Owner Shares	3,500,315	3,437,160
Retained Earnings	546,732	566,110
	4,047,047	4,003,270
Total Liabilities & Equity	6,149,327	6,316,131

