

# willy street co-op Annual Report

www.willystreet.coop



Everyone Welcome!

## Fiscal Year 2019

July 3rd  
2018

TO

June 30th  
2019



Pounds of  
**LOCAL**  
cheese sold:  
**331,949 lbs**



**7,695 lbs**  
of food  
donated  
to local  
food pantries  
& food banks



**35.67%**  
of the products  
the Co-op  
purchases are **local!**



**153**  
Classes &  
Nutrition  
Consultations



**35,578**  
Active Owners

## GENERAL MANAGER REPORT

### Anya Firszt, General Manager

a.firszt@willystreet.coop

Hello Dear Owners!

We opened our first storefront in 1974, and after 45 years, Willy Street Co-op is still open for business doing what we do best: working to meet the ever-changing needs of Owners and customers, sourcing local goods and services, employing people, operating the business efficiently for our Owners' long-term benefit, and contributing to our community's overall health.

You are a significant part of this truly remarkable journey; because of your new and continued patronage, our operation has grown to include three retail stores, a production facility and a central administrative office. Last fiscal year we served over 35,578 Owners, employed 428 people, and achieved annual sales of \$56 million.

In addition to growing sales and creating the infrastructure to offer online sales last year, we completed the Willy West expansion and remodel work, as well as added much-needed office and meeting space at Willy North. If you still have not had an opportunity to visit Willy West since the remodel or have not ventured out to see Willy North, you have a treat in store! In addition, Willy East continues to thrive despite challenges with limited space and parking.

Whether you are a weekly or seasonal shopper or you purchased an Owner Bond to help pay for our growth and expansion projects, you make good things happen here. Thank you.

Another group of people who are key to making good things happen here is our staff. It is this group of people that we owe thanks for our continued growth and success; they show up at o-dark-thirty to accept deliveries and stock product, place orders, ring out customers at the register,

and find answers to a myriad of questions. Here's to them for all they do for you!

Fiscal Year 2019 was a great year. Thank you for your continued support and being part of the journey. It remains an honor and privilege to serve you.

Here's to another 45 years!

## Food Accessibility

### Access Discount

 1,404 Owners enrolled

 \$244,505 in savings distributed

 78,247 transactions

### FoodShare/QUEST

 31,349 transactions

 \$757,698 in sales

### WIC

 1,113 transactions

 \$22,659 in sales

### Double Dollars

 11,760 vouchers distributed  
(88% were redeemed)

 \$51,376 worth of fruits & vegetables given

## BOARD OF DIRECTORS REPORT

### Jeannine Bindl, Board President

board@willystreet.coop

Thank you, Willy Street Co-op Owners, for a wonderful year. Fiscal Year 19 (FY19) was marked by the finishing of our Willy West expansion, over 3,000 new Owners, and significant investment in our local community. I am proud of how our Co-op has worked towards meeting our Global Ends this year.

Our Global Ends policy (see graphic at right) is the foundation of our business model at the Co-op. It is what makes us different from all other grocery retailers. Throughout this Annual Report, we have highlighted some of the ways our Co-op worked towards achieving our Global Ends in FY19. For good measure, here are a few of the things you helped us achieve:

### In FY19 the Co-op donated:

 \$70,098 via the Double Dollars Fund (which is acquired via scan card donations and reusable bag savings)

 \$10,000 to our local food pantry partners (distributed to Goodman Community Center, Lussier Community Education Center, Middleton Outreach Ministry, The River Food Pantry, and Wil-Mar Neighborhood Center)

 \$302,710 to Community CHIP™ (Would you like to CHIP? These funds are distributed to Community Shares of Wisconsin and are reinvested directly into our community.)

While we grow and continue to invest heavily in our community, your Board of Directors is thinking about the future. Where will we be in 10 years? How can we enable health and create wealth in our community? And how can we cooperate

locally to achieve these things? We are leaning on the cooperative principles and you, as part of our Co-op's communities, for guidance. It is my hope that we, the Board of Directors, are an accessible resource for our Co-op's Owners in a way that enables us to grow and change for the benefit of everyone. Please feel free to reach out at any time in the year. We can be contacted at board@willystreet.coop.

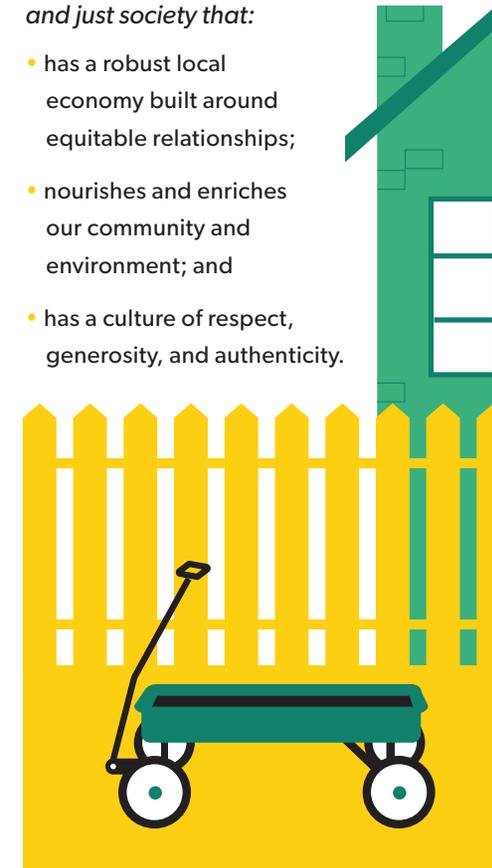
Thank you for investing in your Co-op.

## willy street co-op

### GLOBAL ENDS POLICY:

*Willy Street Grocery Co-op will be at the forefront of a cooperative and just society that:*

- has a robust local economy built around equitable relationships;
- nourishes and enriches our community and environment; and
- has a culture of respect, generosity, and authenticity.





For the first time, we won Gold in the *Madison Magazine* "Best of Madison" readers' poll.



It took the help and hard work of many staff members to move entire aisles during the Willy West expansion.



*Isthmus* readers voted us their favorite Grocery Store and their favorite Health Food & Juice Spot.



We won Best Grocery Store and Best Health Food Store in the "Star of Madison" readers' poll.



Communications Director Brendon Smith and Board Member Pat Butler pose with a Wisconsin Better Business Bureau Torch Award for Ethics.



The Co-op awarded a total of \$25,000 in Community Reinvestment Fund (CRF) grants to 11 local nonprofit projects.



In August of 2018, we held our first-ever \$5 Dinner at Willy North, and we've continued to have it every third Thursday since.

# GIVING BACK



Charitable giving amounts by type:

**\$51,194**

in donations of food, gift bags, gift cards and other products and services (302 nonprofits & schools)



**\$60,000**

**Local event sponsorships** (including La Fête, the Good Neighbor Festival, River Food Pantry's Harvest Dinner, and many more)



**\$25,000**

**Community Reinvestment Fund** (11 organizations)



**\$17,147**  
From customers

for local flood relief to **Second Harvest Foodbank**



**\$70,098**  
From customers and the Co-op

**Double Dollars Fund** (customer donations and reusable bag savings)



**\$10,000**

**Pantries of Plenty** (Goodman Community Center, Lussier Community Education Center, Middleton Outreach Ministry, The River Food Pantry, and Wil-Mar Neighborhood Center)



**\$302,710**  
From customers

**Community CHIP™**  
See details at [www.communityshares.com](http://www.communityshares.com)



**\$586,149** TOTAL IN FY19 DONATIONS

## FINANCE REPORT

**Paige Wickline, Finance Director**

p.wickline@willystreet.coop

Fiscal Year 2019 (FY19), which ended June 30, 2019, was a year of investment and steady sales growth. We completed our Willy West expansion project and started a smaller project at North to add much needed meeting and office space at that location. The Willy West expansion project had a capital budget of \$2.1 million, and actual costs came in slightly under budget at \$2.04 million. This project will support our strategic focuses of customer experience, growth, and providing value to the community. The smaller project at Willy North was near completion by year-end and all the work was finalized in the first quarter of Fiscal Year 2020.

We continued to have strong sales in FY19 with sales of \$56 million and 8% growth year-over-year. We had budgeted for a net loss of \$474,390, and our

actual loss was much less, coming in at \$198,946. Our losses were \$275,444 less than budgeted and many factors contributed to this variance. The \$275,444 reduction in loss was the net of sales and expenses exceeding budgeted amounts, and a reduction in our provision for income tax.

When we opened Willy North three years ago, we planned to have losses the first three years totaling \$2.4 million. Our actual losses for the three years totaled \$673,733; these losses were \$1.324 million before reductions in our tax liability of \$650,000 during this three-year span. Willy North has been a success for our Co-op and for our community. Thank you to all who helped make Willy North a reality.

The three-year Owner Bonds sold to fund Willy North came due at the end of FY19. We had \$429,500 in three-year Bonds and of these \$122,500 were paid out in June. The remaining \$307,000 were paid out in July and August and will be reflected on the balance sheet in FY20.

Our cash and equity positions remain strong. Cash at year-end was \$3.086 million, down \$500,000 from the previous year. Owner equity increased by \$90,000 bringing Owner equity to \$2.758 million.

Your Co-op continues to grow, and we look forward to serving our Owners while remaining financially sustainable.

Thank you for supporting your Co-op!

## Save Some Trees

Get our newsletter (and Annual Report) via email at [willystreet.coop/subscribe](mailto:willystreet.coop/subscribe)

The Balance Sheet, which provides a snapshot of the Co-op's resources (assets) and the financing of the resources (liabilities + equity), reflects the financial stability of the Cooperative. Liabilities are our obligations to creditors (banks, vendors, employees). Equity is comprised of our Owners' contributions via Fair Share payments, retained patronage refunds and unallocated earnings. We round to the nearest decimal or dollar.

Balance Sheet	FY 2019	%	FY 2018	%
<b>Assets</b>				
Cash & Equivalents	3,086,199	21.18%	3,541,110	25.35%
Inventory	2,049,920	14.07%	1,899,247	13.60%
Income Tax Receivable	3,127	0.02%	3,127	0.02%
Other Current Assets	258,962	1.78%	280,849	2.01%
Property & Equipment - net	8,404,397	57.67%	7,631,578	54.63%
Other Assets	771,122	5.29%	614,236	4.40%
<b>Total Assets</b>	<b>14,573,727</b>	<b>100.00%</b>	<b>13,970,147</b>	<b>100.00%</b>
<b>Liabilities &amp; Equity</b>				
Accounts Payable	1,921,812	13.19%	2,333,160	16.7%
Patronage Refund Payable	0	0.00%	0	0.0%
Other Current Liabilities	2,376,825	16.31%	1,971,316	14.1%
Long-Term Liabilities	5,210,146	35.75%	4,491,467	32.2%
<b>Total Liabilities</b>	<b>9,508,783</b>	<b>65.25%</b>	<b>8,795,943</b>	<b>63.0%</b>
Fair Share	2,758,332	18.93%	2,668,646	19.1%
Retained Patronage Refunds	1,449,506	9.95%	1,449,506	10.4%
Retained Unallocated Earnings	857,106	5.88%	1,056,052	7.6%
<b>Total Equity</b>	<b>5,064,944</b>	<b>34.75%</b>	<b>5,174,204</b>	<b>37.0%</b>
<b>Total Liabilities and Equity</b>	<b>14,573,727</b>	<b>100.00%</b>	<b>13,970,147</b>	<b>100.0%</b>

The Income Statement measures our profitability. Sales, gross profit margin (sales less costs of goods sold), and personnel expenses are the key indicators of whether we can expect to meet budgeted profitability.

Income Statement	FY 2019	%	FY 2018	%
<b>Sales</b>				
Non-Owner Surcharge	0	0.00%	0	0.00%
Access Discount	-244,505	-0.43%	-244,348	-0.47%
Gross Sales	56,211,662	100.00%	52,061,575	100.00%
Cost of Goods Sold	-36,163,070	-64.33%	-33,621,982	-64.58%
<b>Gross Profit Margin</b>	<b>20,048,592</b>	<b>35.67%</b>	<b>18,439,593</b>	<b>35.42%</b>
<b>Expenses</b>				
Personnel Expense	14,531,013	25.85%	13,502,262	25.94%
Occupancy Expense	2,063,509	3.67%	1,938,090	3.72%
Operating Expense	1,603,655	2.85%	1,441,957	2.77%
Promotional Expense	688,268	1.22%	567,340	1.09%
Depreciation & Amortization	893,350	1.59%	733,545	1.41%
Administrative Expense	563,906	1.00%	512,588	0.98%
Governance Expense	137,055	0.24%	144,630	0.28%
<b>Total Operating Expense</b>	<b>20,480,756</b>	<b>36.44%</b>	<b>18,840,412</b>	<b>36.19%</b>
Other Income	277,914	0.49%	330,312	0.63%
Interest Expense	-173,586	-0.31%	-166,203	-0.32%
Other Expense	-65,110	-0.12%	0	0.00%
<b>Total Other Income (Expense)</b>	<b>39,218</b>	<b>0.07%</b>	<b>164,109</b>	<b>0.32%</b>
Income (Loss) Before Income Taxes	-392,946	-0.70%	-236,710	-0.45%
Income Taxes	194,000	0.35%	456,000	0.88%
<b>Net Income (Loss)</b>	<b>-198,946</b>	<b>-0.35%</b>	<b>219,290</b>	<b>0.42%</b>

Number of people the Co-op employs:

**428**

Number of staff eligible for benefits:

**312**

(Healthcare benefits for staff working at least 30 hours per week.)