

# willy street co-op

Fiscal Year 2024  
JULY 3RD 2023 TO JUNE 30TH 2024

Number of Employees



387

72% of staff have access to full-time benefits

356,897  
POUNDS



of Fair Trade bananas sold

## Food Accessibility



### Access Discount:

1,571 Owners enrolled

74,377 transactions

\$324,584  
in savings  
distributed



### Double Dollars:

\$54,055 worth  
of fruits &  
vegetables given



### FoodShare \QUEST:

42,664 transactions

33,850

Active Owners; 2,168 of them added in FY24

34% of the Co-op's sales are local products

More than  
70,074 lbs  
of food donated to local food pantries

# GENERAL MANAGER REPORT

Anya Firszt, General Manager  
a.firszt@willystreet.coop

Greetings!

In the world of grocery cooperatives, Willy Street Co-op is considered one of the country's largest consumer grocery co-ops with three retail stores, a production kitchen, a centralized administrative office, and our newest community space, Aubergine. In my time here, I have seen our Co-op grow from \$1 million a year in sales, to more than \$1 million a week in sales.

## Why do sales matter?

Sales drive everything we do. By shopping at your Co-op, you provide the sales revenue needed to make everything happen. You strengthen the local economy by purchasing products sourced from hundreds of local farmers, producers, and service providers, by employing people from the community, and by giving back to the community.

## How did we do financially?

Despite strong sales last fiscal year, we had a net loss of \$287,000. Simply put, we need more sales to cover our expenses. We focused on increasing opportunities for local and Inclusive Trade vendors, enhanced promotions, along with expanding and realigning our products offerings among sites. We expanded offerings of Field Day products (our private label), which provides lower prices on quality products, as well as an array of curated local and artisanal products along with grocery staples. See the financial report for more information.

## What else happened last fiscal year?

The Board of Directors adopted a new

Cooperative Principle, Principle 8: Diversity, Equity, and Inclusion. The original Seven Cooperative Principles were written in 1844 in Rochdale, England, codify their values. The addition of an eighth principle is to acknowledge the direction we want our Co-op to take, which is to incorporate diversity, equity, and inclusion at all levels of our organization to better serve our Owners and customers, show them they are valued, and ensure they receive equitable service.

We negotiated a new labor contract with the United Electrical Radio and Machine Workers of America. We're proud to say we are a union shop, where the employees collectively bargain for their pay and benefits. As a result, the wage and benefit package at Willy Street Co-op is equitable and at the top in Dane County. We know there are a lot of choices where to shop, and hopefully, you vote for us with your shopping dollars since they help us maintain equitable wages and benefits for our staff.

We opened Aubergine, our newest community space, in March 2024. Aubergine is space to be used by Co-op and community members for Co-op and community events, cooking classes, private rentals, and also offers gallery space for local artists. If you are looking for a space to host an event, consider Aubergine; find details at [www.willystreet.coop/Aubergine](http://www.willystreet.coop/Aubergine).

We carried on the tradition of giving back to the community through our Community Reinvestment Fund program. In fiscal year 2024, we awarded \$65,000 to grant recipients, which grew our total giving to \$588,000 since the inception of the program in 1992.

Thank you all for being part of our Co-op during our first 50 years!

# BOARD PRESIDENT REPORT

Sarah Larson, Board President  
s.larson@willystreet.coop

On behalf of your Co-op's Board of Directors, I want to thank you for your support in FY24.

First, let's hold space for making it 50 years—this is something to acknowledge, celebrate, and learn from. This has been a wonderful year for acknowledging Co-op history, hearing from past leaders, reminding us of the origin of Eggie (our eggplant mascot), and more. Thank you to everyone's part and place in both the Co-op's history and the future.

Your Board is focused on the future and ensuring we are living into our values, focusing resources on strategic priorities, responding to consumer and market needs, and planning for succession of key roles.

The Board will continue to work alongside the Co-op's general management team to support progress and movement on our three strategic priorities:

1. Ensure the future success of Willy North
2. Become an employer of choice in Dane County
3. Empower our Owners and shoppers on their wellness journey

Surrounding these priorities is our ongoing work to support a long-term vision for the Co-op that centers diversity, equity, and inclusion; long-term profitability/viability; and ensures we can serve the community for another fifty years.

We are proud of our adoption of an eighth cooperative principle around diversity, equity, and inclusion. And of our commitment to community and education through the opening of Aubergine and distribution of Community

Reinvestment Fund grants. Our Co-op is strongest when our producers, partners, stakeholders, and community members are well-supported.

We move forward in this work together. Thank you to our Owners, our partners, and to the Willy Street Co-op staff for their continued commitment, dedication, and energy.

We appreciate the opportunity to represent you on the Co-op's Board of Directors. We can be reached by email at: board@willystreet.coop (Board only) or all-board@willystreet.coop (Board and some management).



Madison Magazine readers voted for their top choices in a variety of categories and Willy Street Co-op got silver in the Grocery Store category, moving up the bronze we'd typically received. Thanks to all who voted for us!



**Health Food Store**



**Grocery Store**

Madison.com readers voted for their top choices in a variety of categories, and we placed in two of them. Thanks to all who voted for us!

# Giving Back



## CHARITABLE GIVING AMOUNTS BY TYPE

*"Abandoned equity" is Owner equity paid to join the Co-op that is unclaimed or donated by Owners who leave or do not shop at the Co-op for at least three years. By law, funds are donated annually to a charitable fund. "Operations" refers to money budgeted as an expense for the purpose listed.*

**\$339,000**

From Customers

### Community CHIP®

See details at [www.communityshares.com](http://www.communityshares.com)



**\$324,584**

From Operations

### Access Discounts

(1,571 participants)



**\$28,629**

From Operations

### Donations of food, gift bags, gift cards, and other products and services (to 214 nonprofits and schools)



**\$72,695**

From Operations, Customers, and Abandoned Equity

### Double Dollars Fund

11,839 Double Dollars vouchers distributed (down 4,824 from FY23)

92% were redeemed (up 6% from FY23)

\$54,055 worth of fruits & vegetables given (down \$16,913 from FY23)

\$10,000 matched from abandoned equity for our food pantry partners

See details at [www.willystreet.coop/double-dollars](http://www.willystreet.coop/double-dollars)



**\$65,000**

From Abandoned Equity

### Community Reinvestment Fund

22 organizations; \$10,000 and 1 more organization than in FY23.



**\$3,555**

From Operations

### Support to local schools through the Co-op's Scrip Program



**\$10,000**

From Abandoned Equity

### Matched Double Dollars Fund donations

Given to our five local food pantry partners



**\$90,700**

From Operations

### Local event sponsorships

(including the Good Neighbor Festival, Fête de Marquette, YWCA Racial Justice Summit, and many more)



**\$934,163** TOTAL IN FY24 DONATIONS



1. IT Director Forrest Herschelmann tests out the new self-checkouts at Willy East.
2. Owner Resources Coordinator Amanda Ikens, General Manager Anya Firszt, and Customer Experience Manager Kristina Kuhaupt cut the ribbon at the Aubergine grand opening.
3. The Madison Children's Museum's Lunchbox Café started to offer Co-op-made products.
4. Celebrating the completion of the UE Union contract.

# FINANCE REPORT

Paige Wickline, Finance Director  
p.wickline@willystreet.coop

## Financial Strength

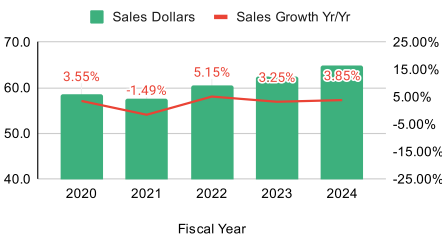
Our Co-op continues to be financially strong as in past years. We ended our fiscal year with just under \$3 million in cash and a strong liquidity position. Liquidity is a financial measure of the ability of our Co-op to meet our financial obligations as they come due. Liquidity can be measured by dividing current assets such as cash, investments, and inventory by current liabilities such as accounts payable to our vendors, payroll, along with loan and Owner bond payments coming due.

Our current assets are greater than 1-to-1 of our current liabilities. This means for every dollar we owe, we have more than one dollar in liquid assets. At this time, many large Co-ops have a liquidity ratio of less than 1-to-1, so, our liquidity greater than 1-to-1 is an indicator of financial strength for our Co-op.

## Sales

Our \$64.9 million in sales was an increase of almost 4% over the previous year. This shows strong growth compared to other Co-ops our size who averaged around 3%.

### Sales Dollars and Sales Growth Yr/Yr



## Commitment to Willy North

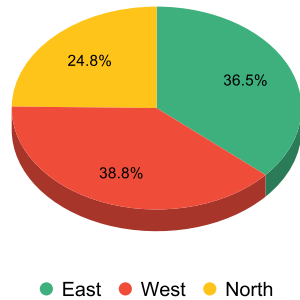
In spite of lower sales growth than originally projected at Willy North, we continue to be committed to its

success. Willy North had the largest sales growth of our three stores this past year at 4.62%, with both Willy East and Willy West coming in under 4%.

The costs of running North are similar to East and West, but the sales at North represent only 25% of overall sales. One of our goals over the next two years is for Willy North's sales to grow at a faster rate than their expenses. This will ensure that North is able to cover the costs to run that store and contribute to the overall financial success of our Co-op.

Some sales focus initiatives for North include: a recent product reset for prepared foods, cheese, and refrigerated grocery; upgrades of merchandising in produce and grocery; and a review of the products we carry to ensure it is the correct mix for folks living on the northside of Madison. We have also refocused our outreach efforts in the northside community along with looking for ways to work with the other businesses at the Northside Town Center.

### Sales By Location



## Margin/Gross Profit

Our margin or gross profit, the funds remaining after we pay our vendors for the cost of the products we sell, has remained stable. Margin dollars are the gross profits we have to pay for wages, benefits, and other operating expenses such as rent and utilities. Maintaining a stable margin has been

an operational challenge for many co-ops; at our Co-op, we have worked to develop a strong infrastructure to ensure we maintain margin even when wholesale prices fluctuate.

### **Inflation**

Rising food costs are a concern for us all. Inflation has continued to impact the food supply and grocery industry but has slowed compared to 2022. The inflation rate for Food At Home Prices in 2023 ran at 5% compared to more than 11% in 2022. This was due to a number of factors, including an easing of supply chain issues, wholesale food prices, and economy-wide inflationary pressures.

The price increases you have seen at our Co-op are due to increases in the wholesale cost from our vendors. Inflation has continued to impact the prices you see at our stores as wholesale costs have gone up. This caused many shoppers to evaluate how they spend their food budget dollars and look for bargains or lower-priced items when possible. As shopper behavior changed, we found our sales growth to be much lower than inflation in 2022 and 2023 while the increases in our expenses and cost of labor ran at rates closer to inflation rates.

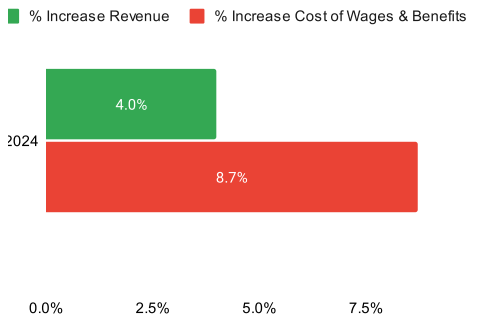
### **Expense Growth**

In spite of strong sales growth last year, we had a net loss of \$287,000 which is small as a percent of sales at -.4%. This loss was due to our expenses growing faster than our sales revenue. We are anticipating that we will also have a loss in the current year. It will take us two years to get our revenues and expenses back in alignment and by FY26 we anticipate we will again be profitable.

The expense item that has grown significantly as a percent of sales is personnel costs. Personnel costs include

the wages we pay staff along with their benefits such as health insurance and paid time off. The increase in personnel costs was due to wage increases, as inflation has continued to put pressure on wages along with expanded benefits, and being fully staffed as unemployment rates have gone down. In FY24, we experienced a 4% increase in sales revenue and an increase of 8.7% in wages and benefits. This gap is the primary cause of our losses.

### **Revenue Growth & Labor Expense Growth**



### **Summary**

We realize we have some heavy lifting to do in terms of growing sales and managing expenses. Our continued focus on sales growth along with reviewing our expenses and determining what programs and services make long-term financial sense will allow us to return to profitability and be able to again pay profit share to staff and patronage to our Owners as we did in FY22 and FY23. Each of you can help us reach our financial goals by continuing to shop at your Co-op regularly. This supports not only your Co-op, but also local producers and neighboring local businesses.

### **For Additional Information**

If you would like to see our full audited financial statements, they can be viewed at [willystreet.coop/Fy24-financial-statement](http://willystreet.coop/Fy24-financial-statement).