



ANNUAL REPORT | 2017





Board Report

The past year has been one of growth, resolve and change. I began my term as president of Eastside Food Co-op's Board of Directors on the heels of our expansion project. I'm sure that you, like me, have enjoyed getting to know our new store. Whether it's gathering with friends and neighbors in the beverage bar or finding that new item that you can't live without (it's fresh, hand-cut seafood for me) we love our co-op!

Since the beginning of the expansion project we grew ownership of the co-op by 38%! You can now call more than 7,400 people your fellow owners. All of these friends, neighbors, and casual acquaintances are regularly gathering in our bright and inviting store. My challenge to you is to help us continue to expand our reach in the community. Our cooperative community is strongest when it serves all of the people that call Northeast and the surrounding areas home.

Last summer and fall we asked owners to debate the pros and cons of consolidation. This question inspired Eastside owners to think more deeply about their connection to the co-op and resulted in engagement on a record level. As a democratically run organization, this engagement is a true measure of our success. With that consolidation vote, we decided to remain an independent, neighborhood-based food co-op.

Next year, the board of directors will embark upon a strategic visioning process to create the plan that will allow the co-op to continue to grow, evolve, and thrive in the rapidly changing grocery industry. In this process, we look to partner with our new general manager, John Lacaria, as well as the staff, owners and other community members for which Eastside has become such an important part of their lives. We truly are a democratic organization, rooted in our neighborhood, and controlled by owners, like you, who actively participate in making critical decisions for the future.

Thank you for your ongoing commitment to Eastside Food Cooperative. You are the reason we have been able to grow the size of our store, our membership and our impact in the community. Your passionate engagement is what makes our store unique and we are counting on your continued engagement as we shape the vision for our co-op's future.

Carolyn Buzza
Board President





Letter from the GM

What an amazing year we just had at Eastside Food Co-op! Before I tell you a little about it, let me first say hello. I've been working at Eastside since 2010, and, as a result, know many of you, but this is my first opportunity to present the annual report as the general manager. For those who may not know me, my wife, Sara, and I live with our two boys, John Lee and Sam in South Minneapolis. Even though our house is south of the river and I can't call myself a true "Northeaster," Northeast Minneapolis and the people who call it home are my community. Thank you for welcoming me and my family into your lives.

I'd like to take a moment to officially recognize the incredible work that Amy Fields did for Eastside Food Co-op and the Northeast Community. Having your mentor leave is always difficult, but I'm so happy that Amy is still serving the cooperative community in her new role at National Cooperative Grocers. I'm also so grateful that I had the opportunity to learn from a person who truly understands the amazing things that you can do when you deeply engage with a passionate group of community members. Our beautiful, expanded store is a testament to this work.

Now that we've been operating in our new space for a little over a year, it's time to celebrate! It's hard for me to believe that store sales grew by over 45%. It wouldn't have been possible for us to handle this impressive growth without the additional 40+ jobs that the expansion created. We now have over 110 people who rely on the co-op for a paycheck.

In the spring of 2017 the employees voted to join the United Food and Commercial Workers Union Local 653. We have always strived to be a great employer for our employees and we believe that this is a great opportunity for us to more closely meet the needs of our diverse staff.

As we move into the future, I'm looking forward to working with the board of directors on determining our future vision. Owner participation in this process will be critical to our success. Over the coming year, we will be exploring different methods for engaging with owners and shoppers so that we can continue to meet their needs, wants, and desires. The future is bright for Eastside Food Co-op and I so look forward to serving each and every one of you in my new role!

John Lacaria
General Manager



FINANCIALS

Balance Sheet

ASSETS	JUNE 30, 2017		JUNE 30, 2016	
CURRENT ASSETS				
Cash & Investments	\$	549,598	\$	1,546,033
Accounts Receivable	\$	11,783	\$	32,752
Inventory	\$	436,842	\$	381,003
Refundable Income Taxes	\$		\$	11,470
Prepaid & Deposits	\$	15,965	\$	28,051
TOTAL CURRENT ASSETS	\$	1,014,188	\$	1,999,309
FIXED ASSETS				
Furniture & Equipment	\$	1,491,288	\$	1,457,580
Building, Land & Leasehold Improvements	\$	5,635,242	\$	5,597,317
Less Depreciation	\$	897,359	\$	453,645
TOTAL FIXED ASSETS	\$	6,229,171	\$	6,601,252
OTHER ASSETS				
Investment in Other Co-ops	\$	297,356	\$	272,374
Other Assets	\$	443,250	\$	337,292
TOTAL OTHER ASSETS	\$	740,606	\$	609,666
TOTAL ASSETS	\$	7,983,965	\$	9,210,227
CURRENT LIABILITIES				
Accounts Payable	\$	465,467	\$	502,049
Accrued Expenses	\$	240,399	\$	1,230,958
Current Maturities of Long-term Debt	\$	137,807	\$	75,674
TOTAL CURRENT LIABILITIES	\$	843,673	\$	1,808,681
Long-Term Debt	\$	5,583,525	\$	5,727,299
Other Liabilities	\$	148,881	\$	196,478
TOTAL LIABILITIES	\$	6,576,079	\$	7,732,458
EQUITY				
Membership/Ownership Stock	\$	741,036	\$	647,151
Class B Stock	\$	266,759	\$	266,759
Stock Subscriptions Receivable	\$	(55,318)	\$	(50,421)
Class C & D Stock	\$	657,600	\$	652,600
Retained Earnings	\$	(202,191)	\$	(38,320)
TOTAL EQUITY	\$	1,407,886	\$	1,477,769
TOTAL LIABILITIES & EQUITY	\$	7,983,965	\$	9,210,227

Statement of Income and Retained Earnings

	JUNE 30, 2017			JUNE 30, 2016		
GROSS SALES	\$	14,114,532	100.0%	\$	9,738,880	100.0%
Less: Member Discounts	\$	(113,837)	(0.8%)	\$	(85,714)	(0.9%)
NET SALES	\$	14,000,695	99.2%	\$	9,653,116	99.1%
Cost of Goods Sold	\$	8,880,740	62.9%	\$	6,071,863	62.3%
GROSS PROFIT	\$	5,119,955	36.3%	\$	3,581,253	36.8%
OPERATING EXPENSE						
Wages & Benefits	\$	3,284,888	23.3%	\$	2,394,452	24.6%
Depreciation & Amortization	\$	443,714	3.1%	\$	162,064	1.7%
General & Administrative	\$	1,424,217	11.0%	\$	976,995	10.0%
OPERATING INCOME	\$	(32,864)	(0.2%)	\$	47,792	0.5%
Other Income	\$	59,839	0.3%	\$	91,384	1.0%
Other Expense	\$	(255,970)	(1.7%)	\$	(460,745)	(4.7%)
Patronage Refund	\$	-	0.0%	\$	-	0.0%
Preliminary Provision for Income Taxes	\$	(65,124)	(0.4%)	\$	(98,599)	(1.0%)
NET INCOME	\$	(163,871)	(1.2%)	\$	(222,970)	(2.2%)
RETAINED EARNINGS	\$	(202,191)		\$	(38,320)	

A year of growth! | 2017

Staff



**40 NEW JOBS
THIS YEAR**



**67% OF OUR STAFF
LIVE IN NORTHEAST**



111 TOTAL STAFF

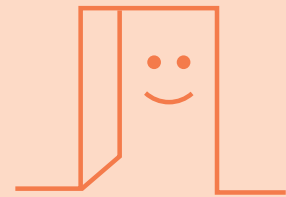
Community



**OVER \$16,000
IN DONATIONS AND
SPONSORSHIPS TO
70+ ORGANIZATIONS**



**\$21,915 RAISED
BY ROUNDING UP
AT THE REGISTER FOR THE
SEEDLINGS PROGRAM**



**168 CLASSES AND
GATHERINGS IN OUR
NEW COMMUNITY ROOM**

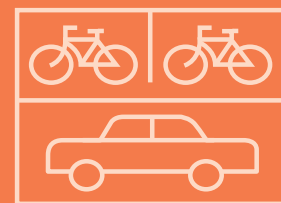
Co-op



**975 NEW OWNERS
AN AVERAGE OF
18/WEEK JOINED IN 2017**



**OVER 28,000 LBS
HOT/SALAD BAR
SERVED THIS YEAR**



**NEW PARKING SPACES
CARS: FROM 36 TO 63
BIKES: FROM 16 TO 82**



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