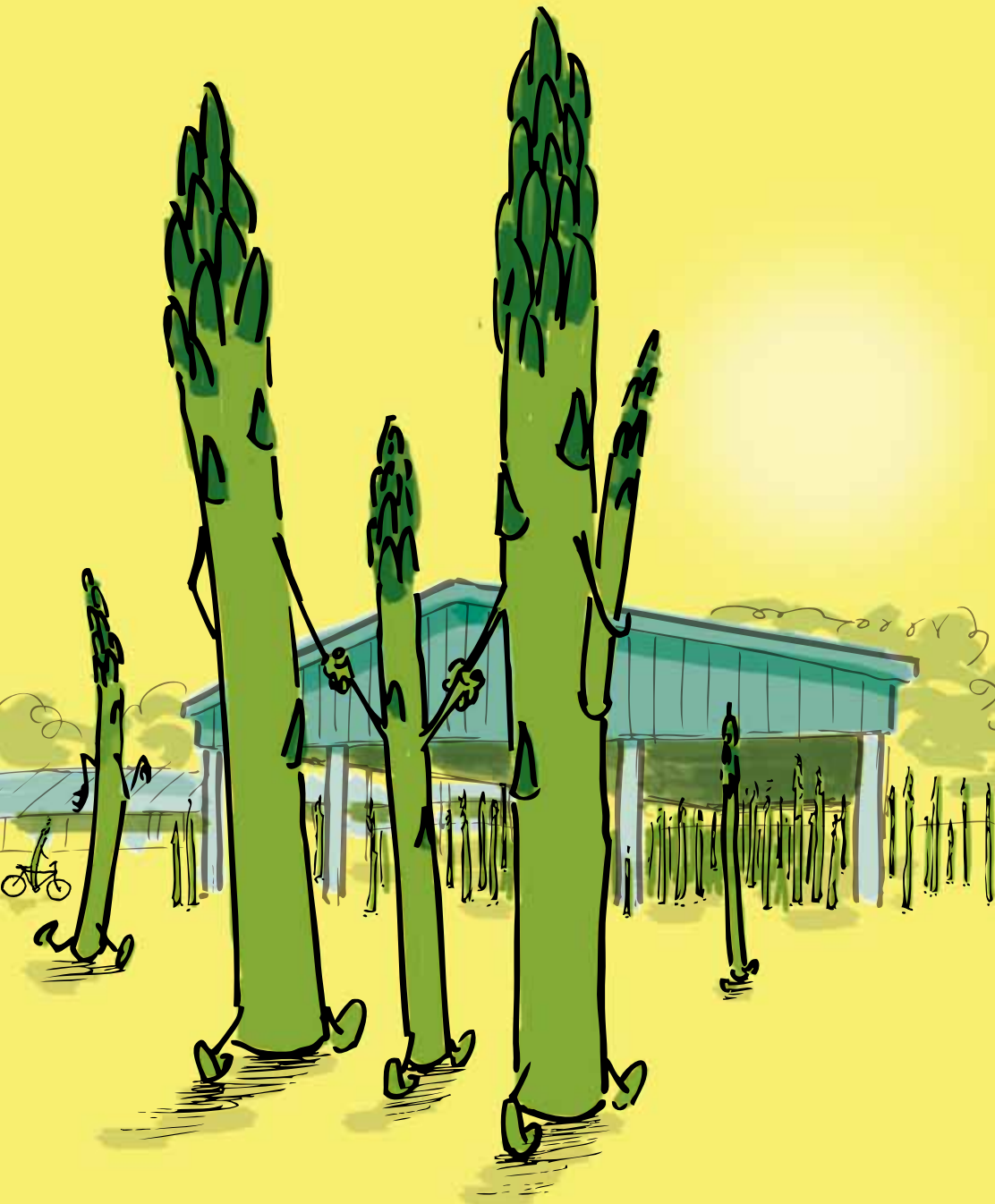




locally grown • community owned

2015 Annual Report

Challenges and Opportunities



2015 was a year filled with challenges and lots of learning opportunities.

We saw a complete change in the natural foods landscape in Kalamazoo, first with the arrival of Costco's large pack sizes and low price per ounce,

then Earth Fare taking Portage by storm, and finally with the changes that Meijer and the other conventional grocers have made in their product sets.

Now we're on the other side, and we can see how PFC was challenged to move from an

almost myopic focus on improvement of the local food system, to a more rounded approach—one that continues to focus on improving the local food system, but also has us striving to be the best grocer we can be.

Our 2015 to-do list included:

- ✔ Improve staff wages across the board
- ✔ Overhaul our pricing strategy
- ✔ Add signage showing off the Cooperative Difference, making it easier and more fun to shop
- ✔ Reset several areas in the store
- ✔ Complete the training of our Anti-Racism Transformation Team and create a strategic plan for integrating this work into the PFC
- ✔ Weather the likely decline in sales without resorting to layoffs or losing (too much) money

We were supported in this work by our co-op brothers and sisters across the country. We hosted a National Co-op Grocers audit in July 2014, in which general managers from five other co-ops came and helped us prioritize and prepare for the arrival of Earth Fare and Costco. We're so grateful they did!

This report shows some of the results of 2015, from financials to fun facts, of our unending pursuit to create access for all to food that is healthy for people, land and the economy as Kalamazoo's community grocer. For more details, find our 2015 Ends Report at www.peoplesfoodco-op.org/board-of-directors.

Looking ahead to the rest of 2016, here are some of our to-dos:

- Create a PFC identity which includes both our natural grocery store and our markets
- Establish a new market in partnership with the City of Portage
- Expand our renowned house-made deli hot food bar service into the evening
- Establish the Co+op Basics everyday low price program
- Create a viable expansion plan

Thanks for continuing to support your Co-op, and for being the change we want to see in the world.

Yours in Cooperation,

Chris Dilley & Jo Ann Mundy
general manager *board president*

Local Purchases

In 2015 we continued our strong commitment to local sources for goods, products and services

\$122,408
SPENT LOCALLY

PRODUCE

26.7%
OF ALL PRODUCE
PURCHASES



Green Gardens Farms — Battle Creek, MI

Photo © Green Gardens Farms

\$44,733
SPENT LOCALLY

BULK

19.4%
OF ALL BULK
PURCHASES



Westwind Milling Company — Swartz Creek, MI

Photo © Westwind Milling Company

\$112,125
SPENT LOCALLY

MEAT

69.4%
OF ALL MEAT
PURCHASES



Young Earth Farm — Decatur, MI

Photo © PFC

\$19,997
SPENT LOCALLY

DELI

10.4%
OF ALL DELI
PURCHASES

Made fresh every day



Photo © PFC



Mitchell's Blueberries — Grand Junction, MI

Photo © PFC



Birdsong Farm — Bangor, MI

Photo © Birdsong Farm

\$75,312
SPENT LOCALLY

REFRIGERATED

31.6%
OF ALL REFRIGERATED
PURCHASES



Mamaleelu Cold Brew Coffee — Kalamazoo, MI

Photo © Ma Zawi

Local Purchases

\$30,223
SPENT LOCALLY

BAKERY

48.5%
OF ALL BAKERY
PURCHASES



Victorian Bakery — Kalamazoo, MI

Photo © Victorian Bakery

\$31,412
SPENT LOCALLY

BEER & WINE

84.5%
OF ALL BEER & WINE
PURCHASES



Lawton Ridge Winery — Kalamazoo, MI

Photo © Juntu Han

\$17,490
SPENT LOCALLY

CHEESE

27.9%
OF ALL CHEESE
PURCHASES



Evergreen Lane Artisan Creamery — Fennville, MI

Photo © Evergreen Lane

\$5,946
SPENT LOCALLY

MERCHANDISE

17.1%
OF ALL GEN MERCH
PURCHASES



Local Artists — Kalamazoo, MI

Photo © PFC

Local Impact



Local Purchasing

Total spent on local goods to be resold:
\$510,860

Which was **24.5%** of total purchases

Total spent on local non-resale
products & services:
\$184,646

\$.40 of every \$1 spent at the PFC
stays in the local economy



Staff Wages

Wages paid:
\$662,420

\$.99 increase in the average wage/hour

New starting wage:
\$9/hr (up from \$8.15/hr)



Environmental Impact

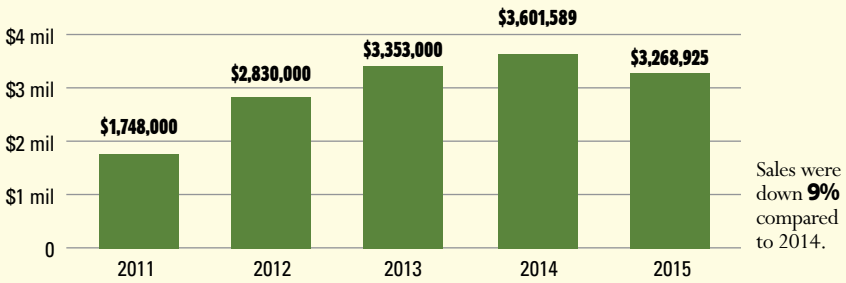
Miles PFC staff traveled to and from work
via non-motorized transportation:
6,340

Energy generated by solar panels:
7,074 kWh

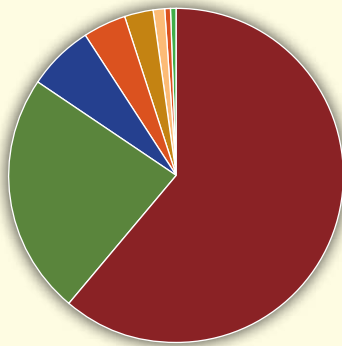
Estimated CO₂ offset:
9.6 tons

2015 Financial Overview

Annual Total Store Sales



2015 Total Revenue (incl. Farmers Markets) \$3,371,407



Expenses

- 61.2% ● Cost of Goods
- 23.5% ● Personnel
- 6.4% ● Other Expenses
- 3.9% ● Occupancy
- 2.8% ● Promotion
- 1.2% ● Credit Card Fees
- 0.6% ● Antiracism Team Training
- 0.4% ● Governance

For 2015, we incurred a loss of \$28,290

Balance Sheet

	2013	2014	2015
ASSETS			
current assets	\$269,352	\$458,694	\$462,190
property/equipment	\$895,688	\$729,332	\$708,967
other assets	\$65,770	\$72,435	\$69,911
total assets	\$1,230,810	\$1,260,461	\$1,241,068
LIABILITIES			
current liabilities	\$84,494	\$126,410	\$115,578
long-term liabilities	\$1,017,005	\$883,382	\$850,170
total liabilities	\$1,101,499	\$1,009,792	\$965,748
EQUITY			
owner equity	\$343,286	\$407,703	\$460,762
retained patronage	\$21,560	\$51,109	\$51,109
retained earnings	(\$235,535)	(\$208,143)	(\$208,227)
net income			(\$28,290)
total equity	\$129,311	\$365,004	\$275,320
total liabilities/equity	\$1,230,810	\$1,260,461	\$1,241,068

Crunching the Numbers



Impressive Totals

Top selling item (*by weight*):
Bananas / 42,967 lbs!

Top selling item (*by dollars*):
Deli hot bar and salad bar / \$137,496

How many **Avocados** were purchased,
you ask?: **32,040**

Free **Bananas** given to
Co-op Explorer kids: **1,258**

Farmers Markets

Number of farmers markets hosted:
107

Businesses engaged at markets:
234

\$\$ Food Assistance Currencies used
for market purchases: **\$105,030**



Antiracism Transformation

ERACCE workshop attendees
supported by PFC:
6 staff, 2 community members

Put the money where our mouth is Dept.:
\$21,696 spent to send staff and community
to ERACCE antiracism workshops, and to
train our Anti-Racism Transformation Team

Total number of board and staff that
have been part of ERACCE training:
31 people (70% staff, 100% board)



New PFC Owners

280!



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507 Harrison St., Kalamazoo, MI 49007

www.peoplesfoodco-op.org