

A NOTE FROM OUR BOARD PRESIDENT

In 2016, the Moscow Food Co-op's Board of Directors focused on preparing for the growth of our Co-op. On the horizon are two new Co-op locations – one in Moscow and one in Pullman. Growing and expanding to further our mission is one of the Co-op's Strategic Priorities. In 2017, the Co-op will be opening a coffee shop and grab-n-go in The Center on the University of Idaho campus. And, in a couple more years, a second store in Pullman, Washington.

Growing our Co-op requires a lot of market research, financial planning, skill development, and communication with our owners to make sure our new locations will meet owner needs and expand our community's access to healthy, sustainably-produced food. The Board's work in 2016 included reviewing and improving our governance policies; engaging owners in the process of updating our bylaws so they are more clearly written and in alignment with current Idaho statutes; recruiting new Board candidates from Pullman; and expanding the Board from seven to nine Directors. We have also been working closely with our General Manager to analyze various growth options and understand best practices for ensuring our decisions around expansion are fiscally sound.

The Board is also responsible for making sure our current store is operating in alignment with our mission of "working together to nourish and nurture our community" and that our profits are advancing our other Strategic Priorities to: 1) focus on local food and goods; 2) be a workplace of choice for all employees; 3) increase accessibility for all community members; 4) engage and educate the community; and, 5) model environmental sustainability. We do this through careful monitoring of operations in accordance with our governance policies. The Board welcomes your feedback and questions as we continue to monitor the health of our Co-op and move forward on these exciting initiatives. Email us at board@moscowfood.coop or join us at a Board meeting!

Colette DePhelps



Moscow Food Co-op Board President



Looking for ways to connect with the Moscow Food Co-op?

ROOTED

This quarterly publication is printed at the beginning of each season and features articles about local producers, seasonal recipes, messages from the Co-op Board of Directors, and more. A digital version is also available on the Co-op's website at moscowfood.coop/publications.

CO-OP E-NEWSLETTER

Sign up for our twice-a-month e-newsletter that lets you know about Co-op news, sales, and events via our website, at the Customer Service Desk, or at community events.

BOARD NEWS

Email boardadmin@moscowfood.coop to regularly receive Board meeting agenda info and minutes. You can also read Board news on our website under the Governance tab.

VOLUNTEER OPPORTUNITIES

Visit moscowfood.coop for information about becoming a Participating Owner and for current opportunities.

COMMUNITY NEWS and EVENTS CALENDAR

Read our monthly online publication for features and briefs about our programs, business partners, new books, staff product picks, and more. Hard copies also are available at the front of the store.

BEET BOX

Check out our blog, moscowfood.coop/blog, which features recipes, DIY ideas, and other features.

SOCIAL MEDIA

Find us on Facebook, Instagram, Twitter, and Pinterest for sales, specials, and events.

2016

MOSCOW FOOD CO-OP
ANNUAL REPORT



A NOTE FROM OUR GENERAL MANAGER

2016 was a busy year for the Moscow Food Co-op and we've accomplished much in support of our strategic initiatives.

Our biggest project in 2016 was joining the Principle 6 Cooperative Trade Movement (P6). The name P6 comes from the 6th cooperative principle, cooperation among cooperatives. The goals of the Cooperative Trade Movement are to increase market access for small producers, to build the cooperative supply chain, and to reshape our food system into one characterized by real connections and relationships. The P6 program brings to light the issues of ownership and profit concentration that exist within the natural foods industry while simultaneously celebrating small farms and the cooperative business model as an authentic alternative. What we put on our forks really matters. Eating is a democratic decision. So is buying groceries.

We are committed to helping our customers shop in ways that support the local and cooperative economy. Since launching in August 2016, you've purchased \$1,840,984 in P6 items from local, small, and cooperative businesses.

This important work wouldn't have been possible without the dedication of our incredible staff, the commitment of our Board of Directors, or the ongoing support of our owners and community partners.

We're truly working together to nourish and nurture our community.

Thank you!
Melinda Schab



Moscow Food Co-op General Manager





WORKING TOGETHER TO NOURISH AND NURTURE OUR COMMUNITY.

1,566 new owners invested in our Co-op in 2016.

\$20,734 spent in support of local community organizations.

869 free pieces of fruit given to **235** kids in our Co+op Explorers program.

\$36,000 invested in staff training and development.



P6 Principle Six co-operative trade movement

August, 2016 marked the beginning of a new initiative for our Co-op, the Principle Six Cooperative Trade Movement.

P6 is an educational and marketing initiative based on the sixth cooperative principle, *cooperation among cooperatives*, which strives to increase our economic impact by directing more of our purchasing dollars to local, small, and cooperative producers.

P6 is a way for us to highlight and support those producers who are building an alternative to a corporate controlled food system. We join this effort with ten other co-ops across the country.

Producers designated as P6 at the Moscow Food Co-op must meet two of these three criteria:

- LOCAL: made or grown within 250 miles or within Idaho or Washington
- SMALL: independently owned and operated so profits stay within the community
- COOPERATIVE: jointly owned and democratically controlled enterprise

In August, we held our first P6 Parking Lot Party with 28 P6 vendors and 600 community members. This annual party introduces consumers to producers.

\$1,840,984
sold of P6 products (from August-December).

This accounts for **39.8%** of all sales.



SUSTAINABILITY

5,193 pounds
of food donated to local food banks.

12,000 pounds
of compost generated from food waste.

58,710 single-use
cups and bags diverted from the waste
stream with the Dime in Time
program.

175,000 pounds
of cardboard recycled.

ASSETS

Current Assets	
Checking/Savings	\$1,042,566
Accounts Receivable	\$2,139
Prepaid Expenses	\$38,022
Deposits and Other	\$17,764
Inventory	\$449,137

OTHER ASSETS

Equipment and Improvements	\$2,104,118
Accumulated Depreciation	(-\$1,429,843)
Refundable Security Deposit	\$8,558
NCG Joint Liability Fund	\$12,507
Patronage Equality in Other Co-ops	\$93,481
Deferred Tax Credit	\$536.00

TOTAL ASSETS \$2,338,988

LIABILITIES AND EQUITY

Accounts Payable	\$191,285
Gift Cards	\$55,770
Sales Tax Payable	\$54,527
Current Portion LT Debt	\$42,208
Accrued Payable PTO	\$84,257
Income Tax Liabilities	—
Patronage Dividends Payable	—
Payroll Liabilities	\$93,014
Loans	\$6,664

Paid-in Owner Equity	\$963,930
Retained Patronage	\$193,142
Retained Earnings	\$375,736
Net Income 2015	\$278,450

TOTAL LIABILITIES + EQUITY \$2,338,988

FINANCIAL RESULTS

	2016	2015
Net Sales	\$11,369,563	\$10,884,001
Cost of Goods	\$6,585,313	\$6,337,659
GROSS PROFIT	\$4,784,249	\$4,546,342
Personnel	\$3,187,943	\$3,190,117
Occupancy	\$378,047	\$384,196
Administration	\$345,930	\$325,197
Marketing + Outreach	\$321,406	\$283,014
Store Operations	\$292,093	\$244,128
Governance	\$40,597	\$36,367
TOTAL EXPENSES	\$4,566,018	\$4,463,019
Other Income	\$60,805	\$42,276
Other Expenses	\$585	\$9,079
NET PROFIT*	\$278,451	\$116,520

*Prior to patronage dividends