



# 2015 Annual Membership Meeting

October 29, 2015

6:00 pm

## Agenda

Call to Order and Approval of Minutes 2014 Annual Meeting

Introduction of Board Candidates

Guest Speaker - Ed Gulick

"The Power of Supporting Your Local Economy"

Discussion/Call to Action - Supporting Your Local Co-op

Election Results

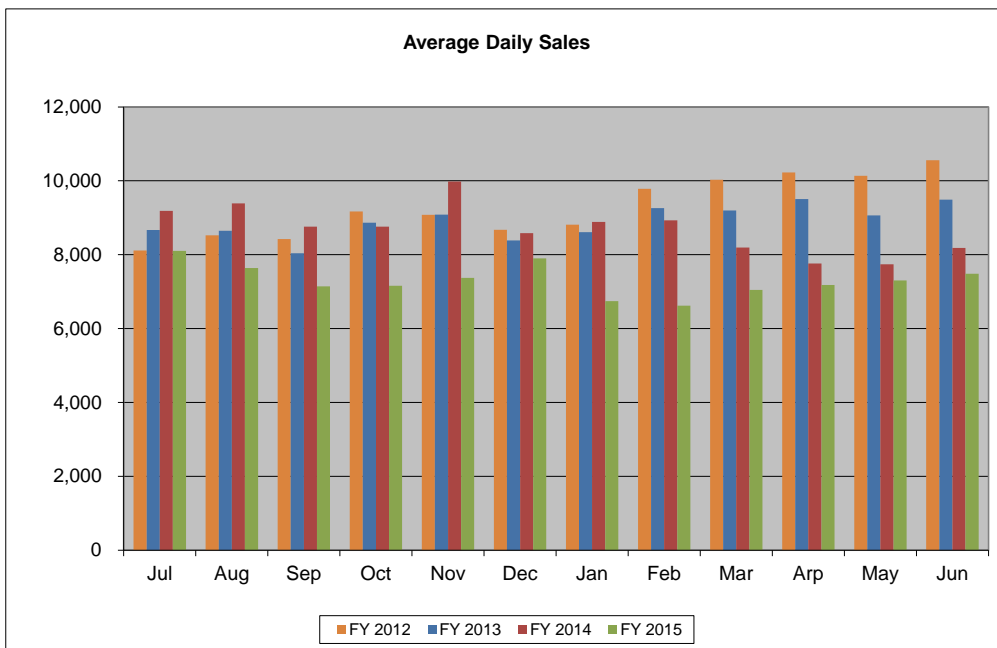
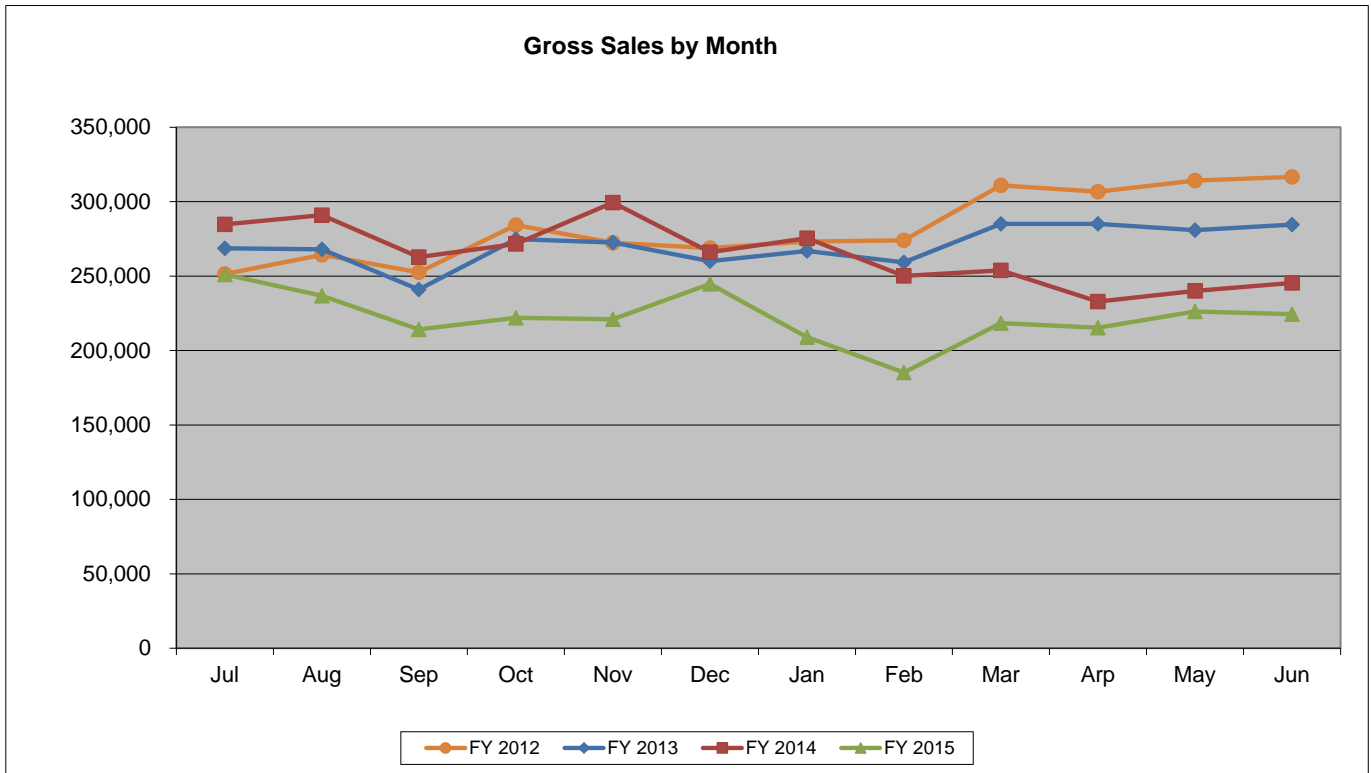
## Our Mission

Good Earth Market integrates local, sustainable food systems, cooperative values and environmental stewardship in a lively community marketplace.

# Year in Review

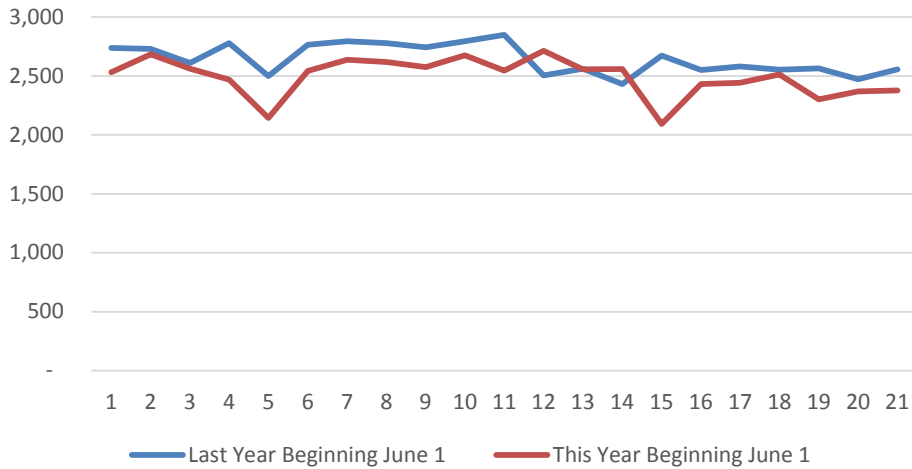
*Goal - Strengthen our Co-op*

Meet our annual financial goals



Average daily sales continue to trend downward overall. The good news – the sales per customer are up slightly. The bad news – the number of customers is down.

Avg # of Shoppers per Week



The declining trend in the number of shoppers is difficult to explain given all of the positive changes made within the store over the past months.

### Annual Profit and Loss Comparison

	FY2012		FY2013		FY2014		FY2015	
Sales	3,389,846		3,247,219		3,173,616		2,671,147	
Less: Cost of Goods Purchased	2,072,348	61.1%	2,052,100	63.2%	2,003,152	63.1%	1,670,217	62.5%
Gross Profit	1,317,498	38.9%	1,195,119	36.8%	1,170,464	36.9%	1,000,930	37.5%
Labor & Benefits	796,306	60.4%	811,998	67.9%	825,415	70.5%	716,948	71.6%
Other Operating Expenses	470,515	35.7%	427,990	35.8%	434,043	37.1%	413,223	41.3%
Total Operating Expenses	1,266,821	96.2%	1,239,988	103.8%	1,259,458	107.6%	1,130,171	112.9%
Net Profit/(Loss) from Operations	50,677	3.8%	(44,869)	-3.8%	(88,994)	-7.6%	(129,241)	-12.9%
Other Income/(Expenses)								
Memberships	42,313		42,414		34,110		25,677	
Other	16,494		6,399		3,871		2,148	
Total Other Income/(Expense)	58,807		48,813		37,981		27,825	
<b>Net Income/(Loss)</b>	<b>109,484</b>	8.3%	<b>3,944</b>	0.3%	<b>(51,013)</b>	-4.4%	<b>(101,416)</b>	-10.1%

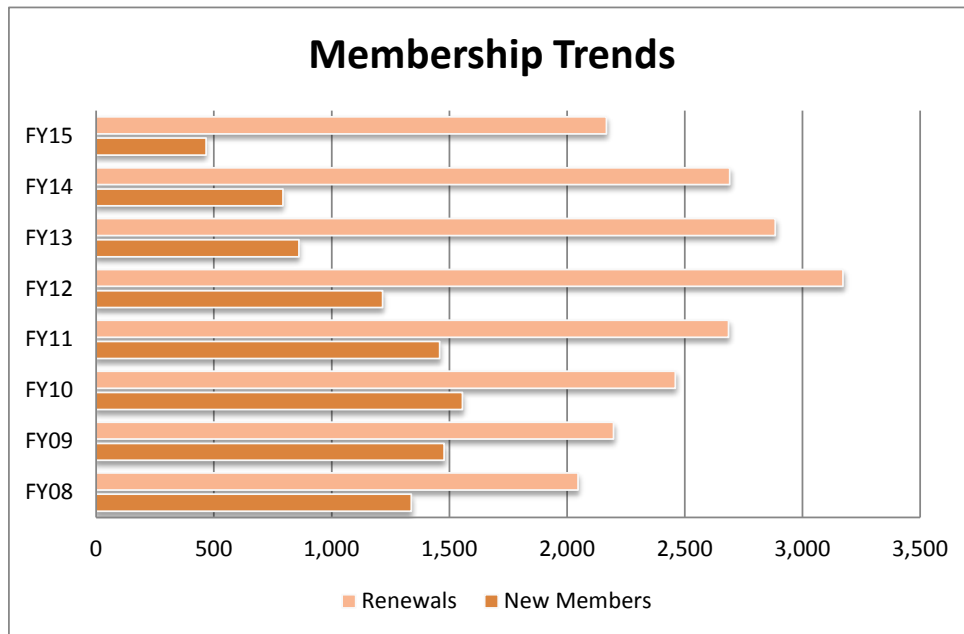
## Balance Sheet Comparison

	As of 6/30/12	As of 6/30/13	As of 6/30/14	As of 6/30/15
Current Assets:				
Cash & Cash Equivalents	103,344	81,022	15,393	2,095
Inventory	208,938	184,534	171,458	191,448
Other	12,595	6,803	10,966	9,051
Total Current Assets	324,877	272,359	197,817	202,594
Fixed Assets (net of depreciation)	350,023	314,588	307,937	278,290
NCGA Equity	8,663	10,264	12,128	25,282
<b>TOTAL ASSETS</b>	<b>683,563</b>	<b>597,211</b>	<b>517,882</b>	<b>506,166</b>
Liabilities & Equity				
Current Liabilities	131,254	118,122	144,298	166,343
Long Term Liabilities				
NCGA Loan				94,677
Member Loans	145,350	120,850	87,500	86,960
US Bank/Downtown Billings	118,381	77,015	51,758	25,275
Total Liabilities	394,985	315,987	283,556	373,255
Equity	288,578	281,224	234,326	132,911
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>683,563</b>	<b>597,211</b>	<b>517,882</b>	<b>506,166</b>

### Cash Flow:

- The downward sales trend significantly impacted earnings and cash flow for the year
- GEM management (thanks to help from Perry McNeese) and GEM Board worked with NCGA on a performance improvement plan that went into effect March 2015
- NCGA supported the plan with a \$100,000 loan to get us current with vendors
- The performance improvement plan has ongoing sales and earnings goals that we're struggling to meet

## Grow and engage our membership



- The number of new members has decreased each year for the past 5 years and is at the lowest it's been in 8 years
- For the year ending 6/30/2015, the number of members renewing their annual commitment declined for the third year in a row
- GEM must refocus its energy on member engagement and opportunities for members to be involved
  - Percent of sales to members
    - FY06 = 81%
    - FY07 through FY09 = 84%
    - FY10 = 83%
    - FY11 = 84.2%
    - FY12 = 82.8%
    - FY13 = 80.7%
    - FY14 = 79.5%
    - FY15 = 72.4%
    - Member discounts totaled \$34,693 (approximately \$20,000 less than the prior year)

## *Goal - Make GEM a great place to work*

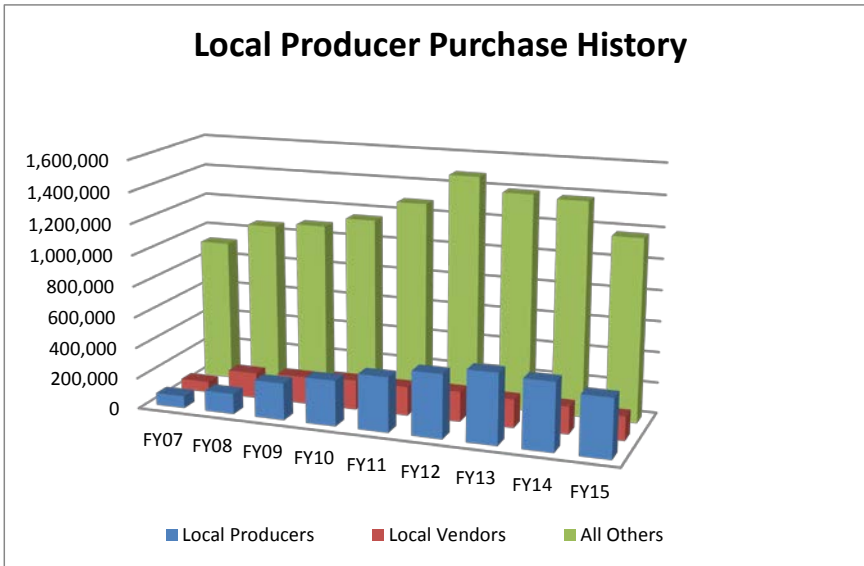
- GEM employs 28 people ~ 14 are full time
- Annual payroll and benefits = \$716,948
- Employee discounts totaled \$27,380
- Through our NCGA membership, managers participate in professional development classes

## Looking Forward

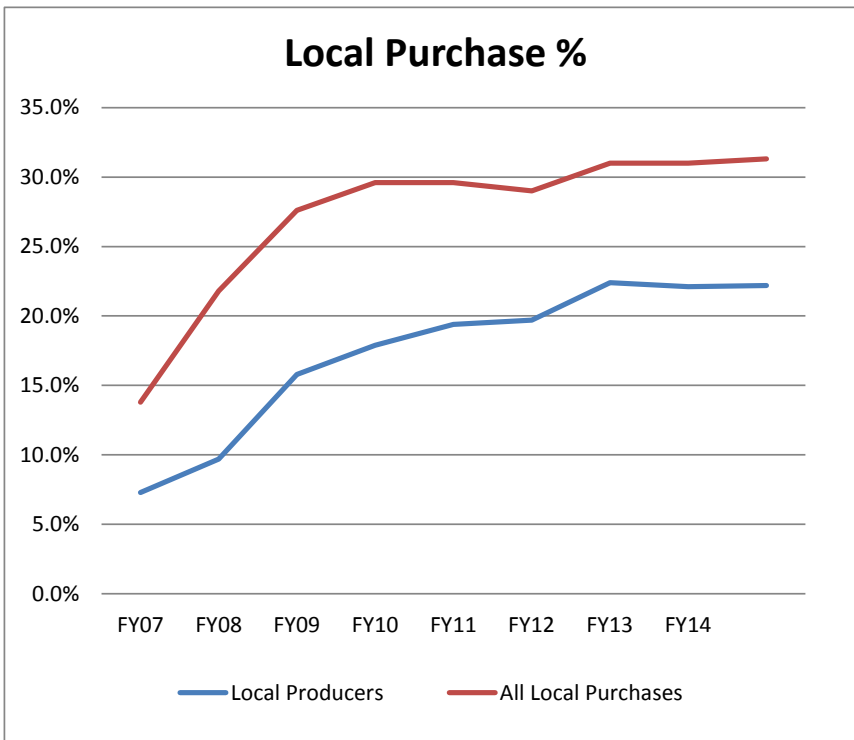
- Hire for fit
- Succession planning and cross training
- Departmental labor targets to ensure the right balance of staff to support the level of sales
- Ongoing education and training utilizing the resources of NCGA

*Goal - Build the local, organic, sustainable food and goods economy*

- Continued local producer advisory committee initiatives
  - Continued the successful local Producer fairs - February and October
  - Hosted the Farmer's Market booth for local producers
  
- Continued commitment to "get local"



Overall purchases were down for the fiscal year but the purchases from local producers continue to play a large role in our product mix



Our commitment to our community is demonstrated by the continued growth in the percentage of our purchases that impact the local economy (doesn't include payroll)

## Top Local Producers:

- ~ B Bar Ranch
- ~ Negaard's Greenhouse
- ~ Trevino's
- ~ Danly Farms
- ~ Seder Ridge
- ~ Wholesome Foods
- ~ Western MT Growers Co-op

## New Local Producers:

- ~ Montana Emu Ranch Co
- ~ Bequet Confections
- ~ White Deer Ranch
- ~ The Growing Business

## Looking Forward

- Continue to support the Local Producer Committee and its recommended activities; recruit more local producers for the committee and more local producers for the market
- Continue to feature local producers in the newsletter, on-line and throughout the market
- Continue to promote local producers at the Farmer's Market, in the store, in the deli, etc
- Develop more consistent promotion of local products

## *Goal - Incorporate values of environmental sustainability in our physical environment*

- Continue to recycle products from the produce department
- Continue to recycle all cardboard products
- Promote and support Earth Day

## Looking forward

- ~ Roof repair/replace
- ~ Parking lot repair
- ~ Exterior Signage
- ~ Refinish the floor



## *Goal - Increase community engagement, outreach and education*

- GEM is proud to support these community events
  - Art Walk - 5 times a year; gallery talks, dinner, music
  - Farmer's Market booths for local producers
  - Health fairs
  - In store tours for children and adults
- In addition to supporting community events, GEM hosts these great events:
  - Earth Day celebration
  - In store local producer fair (twice a year)
  - Non-GMO month
- Education (here's a sampling)
  - Yellowstone Naturopathic workshops
  - Wellness film series
  - Cooking classes
  - Much, much more

### Looking Forward

- Increase educational offerings that tie directly into market initiatives
- Engage local businesses within the GEM neighborhood - tours, lunch specials, education sessions, etc.
- Pilot local producer tours