

willy street co-op



Fiscal Year 2023
JULY 4TH 2022 TO JULY 3RD 2023

165,694 lbs
pounds of local
cheese sold



362,283
POUNDS



**of Fair Trade
bananas sold**



32% of the Co-op's
sales are local
products

NEW OWNERS

2,282

Number of Employees



379

73% of staff
have access
to full-time
benefits

214
Classes
Offered



Both in-person and online

40,076 lbs

of local
grass-fed
ground
beef sold



33,372

Number of Active Owners



More than
33,395 lbs
of food donated to
local food pantries

General Manager Report

Anya Firszt, General Manager

a.firszt@willystreet.coop

Hello Dear Owners

For many years much of our business has been fairly routine: employing people, buying products to sell, and serving our Owners and customers. Last year was no different; at the end of the fiscal year, our Co-op:

- ♥ Employed 379 staff
- ♥ Sold just over \$62.5 million in groceries
- ♥ Served our 33,372 active Owners, as well as our non-owner shoppers
- ♥ Supported 450 local vendors—\$20.18 million or one-third of our sales

Highlights from the Last Fiscal Year

We launched our Inclusive Trade program, a program designed to highlight products from companies owned, controlled, and operated by individuals from underrepresented groups. You can learn more about the program at willystreet.coop/inclusive-trade.

We installed self-checkout lanes at Willy West to offer a choice to our shoppers checking out. Presently, 25% of all transactions at West go through the self-checkout lanes.

At Willy North, the customer bathrooms and staff break room were remodeled early in the calendar year. We did this work for three main reasons:

- ♥ To update old fixtures and equipment
- ♥ To change the two single-gender bathrooms to four gender-neutral
- ♥ To bathrooms and to create a more functional break space for staff to use

We continued to work with Step Up: Equity Matters to deepen our knowledge and understanding of diversity, equity, and inclusion and have elevated DEI's role in our policies and procedures. We are reviewing our programs and services to work towards being more inclusive and accessible to everyone, not just some. Learn more at willystreet.coop/DEI.

As we look to the future, we will expand and deepen our commitment through continued policy review and revision; strengthening our relationships within the community; and finding more ways to remove barriers for our employees, customers, and vendors, so our neighborhoods can thrive.

Why do we do this work? To make everyone who works and shops at the Co-op feel welcome and respected.

And finally, late last winter, an opportunity presented itself to replicate the Community Room we once had at Willy East. We were made aware of a space immediately across the street from Willy East that was ideal for a new community room. In this space we will be able to again offer cooking classes and host Co-op meetings and other community events. Art will be displayed on the walls, similar to what we had in the East community room, but bigger. This space should be ready for use in early 2024.

We carried on the tradition of giving back to the community through our Community Reinvestment Fund program. In FY23, we awarded \$55,000 to grant recipients, which grew our total giving to \$555,000 since the inception of the program in 1992.

We collected from shoppers \$306,000 for the Community Shares of Wisconsin CHIP program, which provides funding for more than 70 local nonprofits who have a focus on racial, environmental, and social justice.

Here's to another successful year of selling food, employing people, and giving back to the community. Thank you all for being part of our Co-op and making good things happen.



The graphic features two identical logos for Madison.com, each with a star icon above a city skyline silhouette. The text reads: **MADISON.COM**, **PEOPLE'S CHOICE**, **WINNER**, **#1 Health Food Store**. A large ampersand (&) is placed between the two logos. The second logo also includes **FAVORITE** and **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!

Board of Directors Report

Sarah Larson, Board President

board@willystreet.coop

On behalf of your Co-op's Board of Directors, I want to thank you for your support in FY23.

We spent much of the last year thinking about strategic planning. The Board was grateful to work alongside the Willy Street Co-op management team to craft three core strategic priorities for our work. These priorities are:

- 📌 Ensure the future success of Willy North
- 📌 Become an employer of choice in Dane County
- 📌 Empower our Owners and shoppers on their wellness journey

Surrounding these priorities is our ongoing work to support values such as sustainability, culture, community, justice, equity, and inclusion. Combined, these efforts support the health and vitality of the Cooperative we hope can serve us for another fifty years.

I look forward to celebrating 50 years of cooperation with you in FY25. In 50 years we have gone from: a single store to three stores, a Production Kitchen, and a business office—one of the largest food co-ops in the country; and offering a small amount of dry goods to offering a wide variety of fresh, packaged, refrigerated, and frozen products.

In the coming year, the Board would like to continue to reinforce our commitment to:

- 📌 Defining and implementing tactics to support our long-term strategic plan for the cooperative that helps us all align ourselves under a vision for the future where the Co-op remains innovative, relevant, and inclusive
- 📌 Embedding DEI into our systems and organizational culture and uprooting racism in our community and ourselves
- 📌 Supporting the General Manager and her team in their work—in particular, in celebrating the cooperative model and ensuring what makes us unique

We move forward in this work together. Thank you to our Owners, our partners and to the 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).

Mission Statement

Cultivate and empower community, customers, employees, and suppliers through cooperative principles and practices.

Vision Statement

Willy Street Co-op is a local community partner that nourishes a sustainable, accessible, and equitable food system where everyone can participate.

DEI STATEMENT

The Seven Cooperative Principles that guide our daily work are rooted in equity. Principle One, "Voluntary, Open Ownership," means that we are open to all without gender, social, racial, political, or religious discrimination. Principle Seven, "Concern For The Community," leads us to work for the sustainable development of our communities. We prioritize diversity, equity, and inclusion to reflect our employees, customers, partners, and suppliers as well as the communities we serve.

To learn more about our commitment to improving diversity, equity, and inclusion (DEI) at Willy Street Co-op, please see www.willystreet.coop/DEI.



Save Some Trees

Get our newsletter and Annual Report via willystreet.coop/subscribe



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.

\$306,285

From Customers

Community CHIP®

See details at www.communityshares.com



\$346,084

From Operations

Access Discounts (1,549 participants)



\$31,700

From Operations

Donations of food, gift bags, gift cards, and other products and services (to 157 nonprofits and schools)



\$69,339

From Operations,
Customers, and
Abandoned Equity

Double Dollars Fund

16,663 Double Dollars vouchers distributed (up 336 from FY22)

86% were redeemed (up 2% to FY22)

\$70,968 worth of fruits and vegetables given (up \$3,051 from FY22)

\$13,138 Matched from Abandoned Equity for our Food Pantry Partners

See details at www.willystreet.coop/double-dollars



\$55,000

From Abandoned Equity

Community Reinvestment Fund

21 organizations; \$20,000 and 6 more organizations awarded to vs. FY22



\$2,549

From Operations

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



\$10,000

From Abandoned Equity

Matched Double Dollars Fund donations

(Goodman Community Center's Fritz Food Pantry, Lussier Community Education Center, WayForward Resources, The River Food Pantry, and Wil-Mar Neighborhood Center)



\$122,750

From Operations

Local event sponsorships

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



\$943,707 TOTAL IN FY23 DONATIONS

Community Reinvestment Fund Recipients



Anderson Park Friends volunteers at harvest time. CRF grant funds provided for the purchase and installation of a micro-drip irrigation system.



With CRF funding Groundswell Conservancy undertook a project to provide water access for gardening to HMOOB (Hmong) elders living with PTSD, depression, and dementia. Xao Cha watered her vegetables with a garden hose as soon as the spigots were installed and ready for use.



With CRF funding, Madison Cycle Works expanded their cargo bike fleet by one bike that is dedicated to making sustainable bike-powered deliveries.



In preparation for the Garden and Grow program, the CRF grant helped Heartland Farm Sanctuary purchase gardening tools and equipment for young learners as well as a child-size wheelbarrow.

Food Accessibility



Access Discount:

1,549 Owners enrolled

70,860 transactions

\$346,084 in savings distributed (up \$53,819 from FY22)



Double Dollars:

16,663 vouchers distributed (86% were redeemed)



\$70,968.10 worth of fruits and vegetables given

FoodShare\QUEST:

54,919 transactions

WIC:

1,274 transactions

Combined QUEST and WIC sales: \$2,068,251



Willy Street Co-op achieved 2022 Climate Champion (3 Star/Waste Diversion Practices) status for our efforts to minimize waste and increase recycling and compost. We also achieved 2022 Climate Champion (2 Star/Water Saving Practices) status for our food waste reduction measures, efforts to educate customers about water saving practices, and installation of green infrastructure for gardening and run-off reduction.



The Willy West mural, designed by Maria Schirmer Devitt and painted by Developing Artists, Murals & Alliances (DAMA, formerly called Dane Arts Mural Arts).

Looking for our Inclusive Trade items?

Greek Yogurt Peach
0%
Odyssey
5.3 oz
12 C
W170 50.24 per oz
0 84587 05054 2

\$1.29

INCLUSIVE TRADE SYMBOL
The company is 51%+ owned, controlled, and operated by:
LGBTQIA+ people
Veterans
Person with disabilities
Women
Black, Indigenous, and/or Persons of Color

inclusive trade

LEARN MORE
willystreetcoop.org/itag



We made the difficult decision to not bring back our Juice & Coffee Bars after the pandemic, which set us back in terms of staffing, training, processes, and sales. We moved all bottling of juices to our Willy West store and began cold-pressing them there for distribution to all three stores. Above and below show the East Juice and Coffee Bar removal.



Willy West installed self-checkout stations at the beginning of 2023, and they quickly came to account for 25% of all transactions.

Finance Report

Paige Wickline, Finance Director

p.wickline@willystreet.coop

How well did our Co-op do in fiscal year 2023? Our sales in FY23 were \$62.5 million, which was an increase of 3.25% over the previous year. After deducting our total expenses, we had profits of \$482,000 dollars or .77% of sales. This was down compared to the previous fiscal year's return on sales of 1.87%. Profitable grocers average between 1-3% as a return on sales, so our results are in line with others in the grocery industry.

Our sales grew but our yield or profit was less than the prior year; this was due to our expenses growing faster than our sales revenue. Thus, it cost us more to run our Co-op in FY23 compared to FY22. Inflation drove most of our expenses up, with our total expenses increasing by \$1.4 million. \$1.1 million of that increase was due to pay raises or higher wage rates for staff and a small increase in staffing levels or hours worked.

One indicator of financial strength is how much cash a business generates. How much cash did we generate and where did it go? We had strong cash flows with \$1.5 million of cash generated from operations and cash outflows for investments in equipment and improvements of \$610,000 and cash outflows for financing of \$1 million.

The financing outflows included repayment of debt and the FY22 patronage that was paid out to Owners. The repayment of debt that was part of our financing cash outflows, which included the repayment of five-year bonds issued in 2018 to fund the expansion at Willy West and the remaining bonds issued when we opened Willy North in 2016. We still have \$295,000 in seven-year bonds for Willy West that will mature in January 2025.

Profit Share

We share our yield or profits with staff each quarter per our profit share policy. Our profit share policy allows profit sharing when our net income for the quarter is greater than 1% of sales. The only quarter that met this requirement in FY23 was quarter 2.

In quarter 2 we paid out \$42,893 in profit share, this calculated to a payout of 31¢ for

each hour worked in the quarter. Full-time staff working 40 hours/week received a check for \$162.

Patronage

When co-ops have a profit at the end of the fiscal year they may distribute the Owners' share of the profit back to the Owners in the form of a patronage refund. These profits are distributed in direct proportion to a co-op Owner's patronage (purchases) and is made up of retained patronage equity and store credit. I am happy to share that for the second year in a row we will be distributing patronage to you, our Owners. We will be distributing \$452,000 of our profits with \$203,400 distributed as a store credit that Owners will be able to use at the register and the remaining \$248,600 will be held by the Co-op as retained patronage equity. We will be sharing out the details regarding the individual amounts of store credit and the timing of when they will be available at our retail locations in the near future.

We had another successful year financially where we generated cash flows to fund pay increases for staff, a small profit share for staff, and patronage refunds for our Owners.

I wish to thank everyone including staff, Owners, and our Board of Directors for making this another successful year!

If you would like to see our full audited financial statements they can be viewed at:



[www.willystreet.coop/
FY23-Audit-Report-Financials](http://www.willystreet.coop/FY23-Audit-Report-Financials)

If you have any questions about our financial results please email me at: p.wickline@willystreet.coop



willy street co•op

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