

Park Slope Food Coop Financial Sustainability Summary Notes for the April 26th, 2022 General Meeting

- 1) **Short term Good News: Cash Burn?** The normal coop operations are no longer causing our cash in the bank to diminish. This is important since we no longer have to worry that the Coop's existence is being palpably threatened.
- 2) **Counter-Balancing information about the above Good News:** The temporary increase in the mark-up from 21% to 25% that went into effect in mid-October 2020 brings in about \$25,000 extra per week. Without the extra mark-up the Good News above would disappear. It would be good if we can progress to a time when we lower the mark-up and still have such Good News.
- 3) **Long term Work in Progress News:** We still are showing a loss on our income statement. The Coop maintained financial health over the decades by achieving the goal of breakeven on the income statement. We need to keep working toward achieving this once again. We have vastly improved in this area but we are not there yet. I hope that later this year we achieve this important goal. Achieving income statement breakeven means that we are covering funding for new or replacement equipment and for the eventual costs of paying into our pension plan.
- 4) **Temporary Pandemic Support Staff Update:** We once had 130 temporary pandemic support staff and now we have only 4.
- 5) **Path to true Sustainability:** The path to maintaining future sustainability is being able to lower prices once again, add back more checkouts that were removed during the pandemic, add more shopping hours that have been reduced during the pandemic and allowing more shoppers to be present in the store than we are doing now due to pandemic public health considerations. Adding a home delivery system could also be part of this path.
- 6) **Adding New Members:** The single most important factor in securing a stable and secure financial future is rebuilding the number of member/owners. From mid-March 2020 to early December 2021 we shrank from 17,000 by more than 5,000 members. This shrinkage ended on December 4 when we started enrolling new members again. In the ensuing 4.5 months (as of 04/12) we have now grown from a low point of 11,750 members to 13,400 members. Given that there are 500 members waiting to enroll we will likely reach 14,000 by early summer.

Analysis of key aspects of the PSFC Financial Statement for the 8-week period ending 03/27/2022 & the 4-Week period ending: 03/27/2022

Analysis page 1 of 2 for presentation at April 2022 General Meeting

After these two analysis pages please find 15 additional pages. The first 3 additional pages are the income statement for the 8-week period juxtaposed with the income statement for the most recent 4 weeks. Then please see 2 sets of 6 pages which include balance sheets, income statements and cash flow statements that compare 8 weeks this year with the period 4 week earlier and the second set of 6 pages compares 8 weeks this year with the same 8 weeks last year.

A) Are the ongoing Coop operations producing A) an overall loss and B) a weekly loss of cash?

Answer to A) is that YES, we have a bottom line loss after 8 weeks of \$71,000. The answer to B) is NO in that the amount of non-cash depreciation expense together with the non-cash pension expense exceeded the bottom line loss by \$63,000. The cash flow statement shows a year to date gain of \$84,000.

B) Gross Margin questions continue: Our gross margin for 8 weeks is at 19.59% which is lower than the 20.49% for the same 8 weeks of the prior year. We do know that credits owed to us by a large vendor are at least part of the problem. Once we are caught up on receiving credits we are owed we will be in a better position to evaluate and address this.

C) Rough Estimate Income Statement Projection for the Current Fiscal Year ending January 29, 2023:

1) **Gross margin dollar estimate:** Using the 11.62% increase in sales after 8 weeks and extrapolating to a full year, the sales for this year sales would end up at \$47,840,000. If we assume our current not so good gross margin extends to the whole year we would have gross margin dollars from these sales of \$9,370,000 for this fiscal year.

2) **Other income estimate for the fiscal year:** \$70,000

3) **Interest income estimate for the fiscal year:** \$50,000

4) **Total Estimate of income dollars (add #1 #2 and #3):**=\$9,490,000

5) **Estimate of Expenses:** If we take the expenses in the most recent 4 weeks and assume that we have that level of expenses for the next 44 weeks then our total expenses for the year would be \$9,430,000.

6) **Year end projection:** #4 minus #5= +60,000 bottom line before taxes.

D) Discussion/Questions about the Rough Estimate illustrated in C) above:

Emphasis here belongs on the word "rough". The questions/situations below focus on some of the variables as we take actions to keep on improving.

- Will the sales really end the year at 11.62% higher since the first week of this year was over 36% higher than the year before due a snow storm in 2021?
- We are still paying \$3,300 per week for the cost of Temporary Pandemic Support Staff.
- Will the gross margin improve as we expect or will it get worse or stay the same?
- Will we need to hire more staff or will the staff get smaller?
- Will expenses increase faster due to the economy's inflationary environment?
- Will we really reach 14,000 members and if we do how many more potential new members will be joining?
- Will the pandemic fade or will it instead gain strength and affect us negatively?

E) Key Pandemic facts and figures, what have we been through?:

During the pandemic the Coop was pummeled by the public health crises and then we had to adapt to reduced membership, reduced shopping hours, reduced member labor participation, reduced product selection, the shutdown of childcare, more than 2.5 million dollars of extra payroll expense, reduced sales causing over \$5 million dollars of lost income, about 2 million dollars of extra mark-up that we collectively paid and are paying due to the ongoing temporary increase in our mark-up, 700 hundred thousand dollars of extra voluntary Member Investments, more than 6 million dollars of U.S. government aid, having to learn new methods of conducting governance, new methods of communicating with each other via the Gazette and otherwise, developing, learning and using a new 21st century member labor participation system, developing a new way of new members joining the Coop, increased use of plastic bags in order to speed up shopping, and last but not least the large amount of administrative work created by compliance with the 12/27/21 NYC vaccine mandate for both paid staff and member workers. All of this with varying degrees of underlying fear and stress. Thank you to everyone.

Analysis of key aspects of the PSFC Financial Statement. Definitions and Calculations for understanding the financial statements:

¹ Gross Margin = Net Sales (money generated by members when we shop) – Cost of the Goods Sold. The Gross Margin dollars divided by Net Sales dollars yields the gross margin percentage. The gross margin dollars are used to pay the expenses of running of the Coop.

² The Coop marks up all items received for resale to try to generate enough money to cover the expenses of operating the Coop. As of 10/13/2020 **products are marked-up 25% for most members (temporarily up from 21%) above the delivered cost.** The exceptions: vitamins and supplements are marked-up an additional 10% above that; cheese, an additional 3%; bulk items, an additional 7%; organic produce, an additional \$1.10 per case to the delivered case cost; conventionally grown produce, an additional \$.50 per case; organic bananas, an extra \$2.50 per case in addition to the \$1.10; and conventional papayas, an extra \$1.00 in addition to the \$.50. There are other minor add-ons that also are part of the mark-up. **The result is an estimated overall current markup of 26.45%.**

³ Shrink and perfect gross margin have been part of our financial analysis since the Coop started in 1973. Perfect gross margin is reached when there is no spoilage, no theft, etc.; by the way, it is never reached. Because the Coop is usually run at about breakeven we pay attention to how far from perfect we are in order to remain financially sustainable and to be alerted to problems that have a financial impact and therefore need to be solved or improved upon. **The goal is to keep our low-price structure by solving problems instead of raising prices.** Shrink is the amount of imperfection. It is calculated by comparing the actual gross margin to the perfect gross margin. Our perfect gross margin is calculated by dividing .2645 (the mark-up) by 1.2645 which =20.92%. We estimate that a typical natural foods supermarket uses a markup of about 56% to yield a gross margin of about 34%. **Our estimated shrink for the 8 week period ended 03/27/2022 is 1.33% as a percent of sales.** This is calculated from "perfect" gross margin of 20.92% minus gross margin from page 1 of 19.59%=1.33%.

Please see the attached 15 pages of financial statements.

INCOME STATEMENT	8 Weeks to	3/27/22	4 Weeks thru	3/27/22
		Per Cent of Sales		of Sales
Net Sales	7,237,826	100.00%	3,646,774	100.00%
Cost of Goods Sold				
Inventory At Beginning	689,804		689,804	
Net Purchases	5,864,031		2,968,433	
Total Available for Sale	6,553,835		3,658,237	
Less: Inventory At End	733,628		(7,858)	
Cost of Goods Sold	5,820,207	80.41%	2,976,291	81.61%
Gross Margin	1,417,619	19.59%	670,483	18.39%
Expenses				
Expenses Except Depreciation	1,477,859	20.42%	702,845	19.27%
Depreciation	34,178	.47%	17,354	.48%
Total Expenses (Schedule)	1,512,037	20.89%	720,199	19.75%
Operating Income (Loss)	(94,418)	(1.30%)	(49,716)	(1.36%)
Other Income				
Membership Fees	15,830	.22%	7,860	.22%
Events & Gifts	0	.00%	0	.00%
Cash Discounts & Rebates	0	.00%	0	.00%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	205	.00%	205	.01%
Income Tax Refund	0	.00%	0	.00%
Other Income (incl SBA PPP Loan Forgiveness)	5,255	.07%	3,240	.09%
Total Other Income	21,290	.29%	11,305	.31%
Income Before Interest & Taxes	(73,127)	(1.01%)	(38,411)	(1.05%)
Interest Expense-Loans	0	.00%	0	.00%
Interest Expense-Other	0	.00%	0	.00%
Interest Income	1,658	.02%	868	.02%
Net interest	1,658	.02%	868	.02%
Income (Loss) Before Income Taxes	(71,469)	(.99%)	(37,542)	(1.03%)
Provision for Taxes	0		TBD	
Net Income (Loss)	(71,469)		(37,542)	
Other Comprehensive Income-pension Plan Related	0		TBD	
Total Comprehensive Income (Loss)	(71,469)		(37,542)	

Park Slope Food Coop

Preliminary Financial Statement

SCHEDULES OF OPERATING EXPENSES

	8 weeks to	3/27/22	4 Weeks thru	3/27/22
		Per Cent of Sales		Per Cent of Sales
Personnel				
General Coordinators	77,252	1.07%	38,244	1.05%
All Other Employees	691,730	9.56%	349,166	9.57%
Total Payroll	768,981	10.62%	387,410	10.62%
Employee Health Benefits	319,632	4.42%	120,737	3.31%
Employee Pension Benefits	100,000	1.38%	50,000	1.37%
Employee Benefits-Other	2,255	.03%	2,129	.06%
Vacation, Health & Personal Days Accrued	0	.00%	0	.00%
Total Compensation Package	1,190,868	16.45%	560,276	15.36%
Payroll Taxes	69,055	.95%	28,610	.78%
Workers Comp. Insurance Expense-Staff	7,890	.11%	2,706	.07%
EAP and/or Training Fees	0	.00%	0	.00%
Payroll Preparation Expense	8,443	.12%	4,290	.12%
Pension/401k Administration Expense	2,208	.03%	1,151	.03%
Consultant Fees	0	.00%	0	.00%
Total Personnel	1,278,464	17.66%	597,034	16.37%
Occupancy				
Electric	19,977	.28%	9,115	.25%
Gas	8,517	.12%	4,371	.12%
Insurance	43,914	.61%	21,959	.60%
Taxes - Real Estate	21,403	.30%	10,701	.29%
Taxes - Water & Sewer	1,492	.02%	700	.02%
Exterminator	408	.01%	408	.01%
Subtotal	95,712	1.32%	47,254	1.30%
Deprec. - Building	27,472	.38%	13,736	.38%
Total - Occupancy	123,184	1.70%	60,990	1.67%
Store				
Store Supplies	7,209	.10%	5,391	.15%
Recycling and Garbage Removal	3,889	.05%	1,874	.05%
Cash Short or (Over)	309	.00%	5	.00%
Svc Cntrct Exp. & Rpr.-Stre Equip.	17,514	.24%	7,951	.22%
Subtotal	28,922	.40%	15,222	.42%
Depreciation - Fixtures & Equip.	3,844	.05%	1,922	.05%
Total Store	32,766	.45%	17,144	.47%
Office				
Printing & Copying	789	.01%	395	.01%
Office Supplies	8,047	.11%	6,253	.17%
Telecommunications	5,043	.07%	2,249	.06%
Postage	75	.00%	51	.00%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	13,555	.19%	7,794	.21%
Subtotal	27,509	.38%	16,741	.46%
Depreciation - Furn. & Equip.	2,852	.04%	1,696	.05%
Total Office	30,371	.42%	18,437	.51%

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Park Slope Food Coop

Preliminary Financial Statement

SCHEDULES OF OPERATING EXPENSES (cont'd)

	8 weeks to	3/27/22	4 Weeks thru	3/27/22
		Per Cent of Sales		Per Cent of Sales
Other				
Repairs, Tools, Maintenance	12,197	.17%	9,149	.25%
Advertising and Promotion Expense	0	.00%	0	.00%
Meeting Room Expense	581	.01%	290	.01%
Miscellaneous Expense	495	.01%	208	.01%
Gozette Ad Income	0		0	.00%
Less: Printing & Delivery	0	.00%	0	.00%
National Co-op Grocers Member Fees	0	.00%	-	.00%
Childcare Expense	0	.00%	0	.00%
Audit Expense/Tax Preparation	0	.00%	0	.00%
Bank Charges	615	.01%	200	.01%
Electronic Payment Service Charges	24,654	.34%	13,063	.36%
Workers Compensation Insurance-Members	6,695	.09%	3,229	.09%
Legal Fees	2,015	.03%	455	.01%
Total Other	47,252	.65%	26,594	.73%
Total Expenses	1,512,037	20.89%	720,199	19.75%

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	8 weeks to	3/27/22	4 Weeks thru	3/27/22
Average	\$904,728		8,305	
Increase or (Decrease) in Sales Per Week	\$94,150	11.62%	(18,799)	(54%)

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

INCOME STATEMENT	8 weeks to	3/27/22 Per Cent of Sales	4 weeks to	2/27/22 Per Cent of Sales
Net Sales	7,237,826	100.00%	3,591,053	100.00%
Cost of Goods Sold				
Inventory At Beginning	689,804		689,804	
Net Purchases	5,864,031		2,895,598	
Total Available for Sale	6,553,835		3,585,403	
Less: Inventory At End	733,628		741,486	
Cost of Goods Sold	5,820,207	80.41%	2,843,916	79.19%
Gross Margin	1,417,619	19.59%	747,136	20.81%
Expenses				
Expenses Except Depreciation	1,477,859	20.42%	775,014	21.58%
Depreciation	34,178	.47%	16,824	.47%
Total Expenses (Schedule)	1,512,037	20.89%	791,838	22.05%
Operating Income (Loss)	(94,418)	(1.30%)	(44,702)	(1.24%)
Other Income				
Membership Fees	15,830	.22%	7,970	.22%
Events & Gifts	0	.00%	0	.00%
Cash Discounts & Rebates	0	.00%	0	.00%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	205	.00%	0	.00%
Income Tax Refund	0	.00%	0	.00%
Other Income (incl SBA PPP Loan Forgiveness)	5,255	.07%	2,015	.06%
Total Other Income	21,290	.29%	9,985	.28%
Income Before Interest & Taxes	(73,127)	(1.01%)	(34,716)	(.97%)
Interest Expense-Loans	0	.00%	0	.00%
Interest Expense-Other	0	.00%	0	.00%
Interest Income	1,658	.02%	790	.02%
Net Interest	1,658	.02%	790	.02%
Income (Loss) Before Income Taxes	(71,469)	(.99%)	(33,927)	(.94%)
Provision for Taxes	0		0	
Net Income (Loss)	(71,469)		(33,927)	
Other Comprehensive Income-pension Plan Related	0		0	
Total Comprehensive Income (Loss)	(71,469)		(33,927)	

SCHEDULES OF OPERATING EXPENSES

	8 weeks to	3/27/22 Per Cent of Sales	4 weeks to	2/27/22 Per Cent of Sales
Personnel				
General Coordinators	77,252	1.07%	39,008	1.09%
All Other Employees	691,730	9.56%	342,563	1.06%
Total Payroll	768,981	10.62%	381,571	10.63%
Employee Health Benefits	319,632	4.42%	198,895	5.59%
Employee Pension Benefits	100,000	1.38%	50,000	1.39%
Employee Benefits-Other	2,255	.03%	125	(.05%)
Vacation, Health & Personal Days Accrued	0	.00%	0	.00%
Total Compensation Package	1,190,868	16.45%	630,592	17.56%
Payroll Taxes	69,055	.95%	40,445	1.13%
Workers Comp. Insurance Expense-Staff	7,890	.11%	5,184	.14%
EAP and/or Training Fees	0	.00%	0	.00%
Payroll Preparation Expense	8,443	.12%	4,153	.12%
Pension/401k Administration Expense	2,208	.03%	1,056	.03%
Consultant Fees	0	.00%	0	.00%
Total Personnel	1,278,464	17.66%	681,430	18.98%
Occupancy				
Electric	19,977	.28%	10,863	.30%
Gas	8,517	.12%	4,147	.12%
Insurance	43,914	.61%	21,956	.61%
Taxes - Real Estate	21,403	.30%	10,701	.30%
Taxes - Water & Sewer	1,492	.02%	792	.02%
Exterminator	408	.01%	0	.00%
Subtotal	95,712	1.32%	48,458	1.35%
Deprec. - Building	27,472	.38%	13,736	.38%
Total - Occupancy	123,184	1.70%	62,194	1.73%
Store				
Store Supplies	7,209	.10%	1,818	.05%
Recycling and Garbage Removal	3,889	.05%	2,015	.06%
Cash Short or (Over)	309	.00%	304	.01%
Svc Cntrct Exp. & Rpr.-Stre Equip.	17,514	.24%	9,563	.27%
Subtotal	28,922	.40%	13,700	.38%
Depreciation - Fixtures & Equip.	3,844	.05%	1,922	.05%
Total Store	32,766	.45%	15,622	.44%
Office				
Printing & Copying	789	.01%	395	.01%
Office Supplies	8,047	.11%	1,794	.05%
Telecommunications	5,043	.07%	2,794	.08%
Postage	75	.00%	24	.00%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	13,555	.19%	5,761	.16%
Subtotal	27,509	.38%	10,768	.30%
Depreciation - Furn. & Equip.	2,862	.04%	1,166	.03%
Total Office	30,371	.42%	11,934	.33%

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SCHEDULES OF OPERATING EXPENSES (cont'd)	8 weeks to		4 weeks to	
		3/27/22 Per Cent of Sales		2/27/22 Per Cent of Sales
Other				
Repairs, Tools, Maintenance	12,197	.17%	3,048	.08%
Advertising and Promotion Expense	0	.00%	0	.00%
Meeting Room Expense	581	.01%	290	.01%
Miscellaneous Expense	495	.01%	287	.01%
Gazette Ad Income	0		0	
Less: Printing & Delivery	0	.00%	0	.00%
National Co-op Grocers Member Fees	0	.00%	0	.00%
Childcare Expense	0	.00%	0	.00%
Audit Expense/Tax Preparation	0	.00%	0	.00%
Bank Charges	615	.01%	415	.01%
Electronic Payment Service Charges	24,654	.34%	11,591	.32%
Workers Compensation Insurance-Members	6,695	.09%	3,466	.10%
Legal Fees	2,015	.03%	1,560	.04%
Total Other	47,252	.65%	20,658	.58%
Total Expenses	1,512,037	20.89%	791,838	22.05%

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	8 weeks to	3/27/22	4 weeks to	2/27/22
Average	\$904,728		\$897,763	
Increase or (Decrease) in Sales Per Week	\$94,150	11.62%	\$113,950	14.54%

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

Park Slope Food Coop

Preliminary Financial Statement

	8 weeks to 3/27/22			4 weeks to 2/27/22		
BALANCE SHEETS						
ASSETS						
Current Assets						
Cash (Schedule)		4,285,288				4,269,365
Inventory		733,628				741,486
Prepaid Expenses (Schedule)		192,329				259,978
Other Current Assets		<u>1,574,949</u>	6,786,195			<u>1,514,100</u>
						6,784,929
Fixed Assets						
	Gross	Accum. Deprec.	Net	Gross	Accum. Deprec.	Net
Land	165,000		165,000	165,000		165,000
Building	6,079,884	3,082,832	2,997,052	6,079,884	3,069,095	3,010,788
Office Equipment	494,726	428,932	65,794	459,889	427,678	32,211
Store Equipment	2,128,895	2,105,577	23,318	2,128,895	2,103,655	25,240
Leased Equipment	30,150	8,542	21,608	30,150	8,101	22,050
Deposit on purch of FA	0		0	0		0
	<u>8,898,656</u>	<u>5,625,883</u>	<u>3,272,773</u>	<u>8,863,818</u>	<u>5,608,529</u>	<u>3,255,289</u>
Other Assets						
Invest. in Other Cooperative Associations (Sched.)		481,574				481,310
Security Deposit (NCG Joint Liability)		233,073				231,337
Deferred Income Tax Asset		<u>1,534,507</u>	<u>2,249,154</u>			<u>1,534,507</u>
Total Assets			<u><u>12,308,122</u></u>			<u><u>12,287,373</u></u>
LIABILITIES & MEMBERS EQUITY						
Current Liabilities						
Accounts Payable		2,058,409				2,066,940
Accrued Vacation, Health & Personal Days		562,502				562,502
Accrued Miscellaneous Expense		217,057				219,112
Donations Payable: Fair Food Program		2,584				2,117
Taxes Payable		7,226				6,749
Net Income Tax Liabilities		(216,723)				(216,723)
Current Obligations Payable Under Capital Leases		881	2,631,936			1,176
						2,641,873
Long Term Liabilities						
Non-Current Oblig. Payable Under Capital Leases		23,936				23,936
Bank Loans Payable		0				0
Pension Plan Liability		<u>3,223,859</u>	<u>3,247,795</u>			<u>3,173,859</u>
Total Liabilities			<u><u>5,879,731</u></u>			<u><u>5,839,668</u></u>
Members' Investment & Members' Equity						
Members' Investment		3,910,359				3,890,532
Paid-in Capital		10,566				10,566
Additional Paid-in Capital		87,215				85,005
Accumulated other comprehensive income		(481,159)				(481,159)
Retained Earnings		<u>2,901,410</u>	<u>6,428,391</u>			<u>2,942,761</u>
Total Liabilities & Members Equity			<u><u>12,308,122</u></u>			<u><u>12,287,373</u></u>
Cash			\$4,285,288			\$4,269,365
Less: Accounts Payable (money owed to suppliers)			<u>2,058,409</u>			<u>2,066,940</u>
			\$2,226,880			\$2,202,426

Park Slope Food Coop

Preliminary Financial Statement

BALANCE SHEET SCHEDULES

4 weeks to 2/27/22

4 weeks to 2/27/22

Cash

Citibank Checking	0		0	
Sterling Checking	746,859		746,859	
Sterling Money Market Accounts	450,405		450,405	
Sterling FSA	51,902		51,902	
National Cooperative Savings Bank CDs/Money Market	2,478,081		2,478,081	
Spring Bank Money Market/Savings	280,167		280,167	
Peoples Alliance Federal Credit Union CD	261,951	4,269,365	261,951	4,269,365

Prepaid Expenses

Miscellaneous	0		0	
Service Contract-Office Equipment	42,248		42,248	
Service Contract-Store Equipment	30,219		30,219	
Workers Compensation Insurance	77,224		77,224	
Childcare Insurance	0		0	
Fire and Liability Insurance	47,161		47,161	
Fidelity Bond-Pension/401k	1,292		1,292	
Directors and Officers Liability Insurance	12,332		12,332	
Meeting Room Expense	2,492		2,492	
CBD Products Insurance	0		0	
Real Estate Taxes	47,010		47,010	
Net Tax Asset	0	259,978	0	259,978

Investment in Cooperative Suppliers

Patronage Dividends-National Co-op Grocers	317,506		317,506	
Patronage Refund-Frontier	73,693		73,693	
Patronage Refund-Fedco Seeds	611		611	
Equity-Frontier Cooperative Herbs	3,734		3,734	
Equity-National Coop. Bank-Class C Stock	28,412		28,412	
Equity-National Co-op Grocers (Member Equity)	56,855		56,855	
Equity-National Co-op Grocers (Voting Stock)	500	481,310	500	481,310

4 weeks to 2/27/22

4 weeks to 2/27/22

Inventory Turnover

52 x

52 x

STATEMENT OF CASH FLOWS

	<u>8 weeks to 3/27/22</u>	<u>4 weeks to 2/27/22</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, FISCAL YEAR TO DATE:		
Cash flows from operating activities:		
Net income (loss) before income taxes	(71,469)	(33,927)
Adjustments to reconcile results of operations to net cash effect of operating activities:		
Depreciation	34,178	16,824
Deferred income taxes	0	0
Excess of pension expense over cash contributions	100,000	50,000
Net change in asset and liability accounts:		
Inventories	(43,824)	(51,682)
Prepaid Expenses	18,505	(49,144)
Other current assets	(24,958)	35,892
Accounts payable	93,880	106,219
Other current liabilities	(11,232)	(9,826)
Total adjustments	<u>166,549</u>	<u>98,283</u>
Net cash provided by (used for) operating activities	<u>95,079</u>	<u>64,356</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net	(34,837)	0
Investment in other cooperative associations	(264)	0
Security Deposit	(3,471)	(1,736)
Net cash provided by (used for) investing activities	<u>(38,573)</u>	<u>(1,736)</u>
Cash flows from financing activities:		
Repayment of capital lease obligations		
Bank Loans Payable	0	0
Net proceeds from member investments	36,617	16,790
Capital contributions	4,010	1,800
Net cash provided by (used for) financing activities	<u>40,627</u>	<u>18,590</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	97,133	81,210
Cash and cash equivalents - beginning of year	<u>4,188,155</u>	<u>4,188,155</u>
Cash and cash equivalents - end of period	4,285,288	4,269,365

Park Slope Food Coop

Preliminary Financial Statement

INCOME STATEMENT	8 weeks to	3/27/22 Per Cent of Sales	8 weeks to	3/28/21 Per Cent of Sales
Net Sales	7,237,826	100.00%	6,484,625	100.00%
Cost of Goods Sold				
Inventory At Beginning	689,804		630,935	
Net Purchases	5,864,031		5,217,063	
Total Available for Sale	6,553,835		5,847,998	
Less: Inventory At End	733,628		692,101	
Cost of Goods Sold	5,820,207	80.41%	5,155,898	79.51%
Gross Margin	1,417,619	19.59%	1,328,728	20.49%
Expenses				
Expenses Except Depreciation	1,477,859	20.42%	1,881,262	29.01%
Depreciation	34,178	.47%	40,713	.63%
Total Expenses (Schedule)	1,512,037	20.89%	1,921,976	29.64%
Operating Income (Loss)	(94,418)	(1.30%)	(593,248)	(9.15%)
Other Income				
Membership Fees	15,830	.22%	805	.01%
Events & Gifts	0	.00%	0	.00%
Cash Discounts & Rebates	0	.00%	5,350	.08%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	205	.00%	13,294	.21%
Income Tax Refund	0	.00%	0	.00%
Other Income	5,255	.07%	572	.01%
Total Other Income	21,290	.29%	20,021	.31%
Income Before Interest & Taxes	(73,127)	(1.01%)	(573,227)	(8.84%)
Interest Expense-Loans	0	.00%		
Interest Expense-Other	0	.00%	0	.00%
Interest Income	1,658	.02%	4,998	.08%
Net interest	1,658	.02%	4,998	.07%
Income (Loss) Before Income Taxes	(71,469)	(.99%)	(568,229)	(8.76%)
Provision for Taxes	0		0	
Net Income (Loss)	(71,469)		(568,229)	
Other Comprehensive Income-pension Plan Related	0		0	
Total Comprehensive Income (Loss)	(71,469)		(568,229)	

Park Slope Food Coop

Preliminary Financial Statement

SCHEDULES OF OPERATING EXPENSES

	8 weeks to	3/27/22 Per Cent of Sales	8 weeks to	3/28/21 Per Cent of Sales
Personnel				
General Coordinators	77,252	1.07%	89,951	1.39%
All Other Employees	691,730	9.56%	975,312	15.04%
Total Payroll	768,981	10.62%	1,065,263	16.43%
Employee Health Benefits	319,632	4.42%	350,703	5.41%
Employee Pension Benefits	100,000	1.38%	92,000	1.42%
Employee Benefits-Other	2,255	.03%	24,302	.37%
Vacation, Health & Personal Days Accrued	0	.00%	0	.00%
Total Compensation Package	1,190,868	16.45%	1,532,268	23.63%
Payroll Taxes	69,055	.95%	100,673	1.55%
Workers Comp. Insurance Expense-Staff	7,890	.11%	31,909	.49%
EAP and/or Training Fees	0	.00%	14,659	.23%
Payroll Preparation Expense	8,443	.12%	11,176	.17%
Pension/401k Administration Expense	2,208	.03%	2,516	.04%
Consultant Fees	0	.00%	0	.00%
Total Personnel	1,278,464	17.66%	1,693,201	26.11%
Occupancy				
Electric	19,977	.28%	21,901	.34%
Gas	8,517	.12%	5,846	.09%
Insurance	43,914	.61%	43,988	.68%
Taxes - Real Estate	21,403	.30%	26,675	.41%
Taxes - Water & Sewer	1,492	.02%	1,479	.02%
Exterminator	408	.01%	245	.00%
Subtotal	95,712	1.32%	100,135	1.54%
Deprec. - Building	27,472	.38%	27,502	.42%
Total - Occupancy	123,184	1.70%	127,636	1.97%
Store				
Store Supplies	7,209	.10%	9,015	.14%
Recycling and Garbage Removal	3,889	.05%	2,512	.04%
Cash Short or (Over)	309	.00%	212	.00%
Svc Cntrct Exp. & Rpr.-Stre Equip.	17,514	.24%	22,776	.35%
Subtotal	28,922	.40%	34,515	.53%
Depreciation - Fixtures & Equip.	3,844	.05%	9,193	.14%
Total Store	32,766	.45%	43,708	.67%
Office				
Printing & Copying	789	.01%	5,571	.09%
Office Supplies	8,047	.11%	8,362	.13%
Telecommunications	5,043	.07%	4,482	.07%
Postage	75	.00%	9,027	.14%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	13,555	.19%	14,187	.22%
Subtotal	27,509	.38%	41,630	.64%
Depreciation - Furn. & Equip.	2,862	.04%	4,019	.06%
Total Office	30,371	.42%	45,649	.70%

continued on page 3

Park Slope Food Coop

Preliminary Financial Statement

SCHEDULES OF OPERATING EXPENSES (cont'd)	8 weeks to		3/28/21	
		3/27/22		Per Cent of Sales
		Per Cent of Sales		Per Cent of Sales
Other				
Repairs, Tools, Maintenance	12,197	.17%	4,603	.07%
Advertising and Promotion Expense	0	.00%	0	.00%
Meeting Room Expense	581	.01%	0	.00%
Miscellaneous Expense	495	.01%	2,690	.04%
Gazette Ad Income	0		0	
Less: Printing & Delivery	<u>0</u>	.00%	<u>0</u>	.00%
National Co-op Grocers Member Fees	0	.00%	0	.00%
Childcare Expense	0	.00%	0	.00%
Audit Expense/Tax Preparation	0	.00%	0	.00%
Bank Charges	615	.01%	1,085	.02%
Electronic Payment Service Charges	24,654	.34%	16,386	.25%
Workers Compensation Insurance-Members	6,695	.09%	(15,892)	(.25%)
Legal Fees	2,015	.03%	2,910	.04%
Total Other	<u>47,252</u>	<u>.65%</u>	<u>11,781</u>	<u>.18%</u>
Total Expenses	<u>1,512,037</u>	<u>20.89%</u>	<u>1,921,976</u>	<u>29.64%</u>

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	8 weeks to		3/28/21	
		3/27/22		3/28/21
Average	\$904,728		\$810,578	
Increase or (Decrease) in Sales Per Week	\$94,150	11.62%	(\$356,985)	-30.58%

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

BALANCE SHEETS	8 weeks to 3/27/22			8 weeks to 3/28/21		
ASSETS						
Current Assets						
Cash (Schedule)			4,285,288			3,612,360
Inventory			733,628			692,101
Prepaid Expenses (Schedule)			192,329			166,662
Other Current Assets			<u>1,574,949</u>	6,786,195		<u>939,749</u>
						5,410,871
Fixed Assets						
	Gross	Accum. Deprec.	Net		Gross	Accum. Deprec.
Land	165,000		165,000		165,000	
Building	6,079,884	3,082,832	2,997,052		6,046,605	2,903,677
Office Equipment	494,726	428,932	65,794		459,889	413,138
Store Equipment	2,128,895	2,105,577	23,318		2,128,895	2,061,232
Leased Equipment	30,150	8,542	21,608		30,150	2,799
Deposit on purch of FA	0		0		0	
	<u>8,898,656</u>	<u>5,625,883</u>		<u>3,272,773</u>	<u>8,830,540</u>	<u>5,380,846</u>
						3,449,694
Other Assets						
Invest. in Other Cooperative Associations (Sched.)			481,574			488,198
Security Deposit (NCG Joint Liability)			233,073			166,413
Deferred Income Tax Asset			<u>1,534,507</u>	<u>2,249,154</u>		<u>1,534,507</u>
Total Assets			<u><u>12,308,122</u></u>			<u><u>11,049,683</u></u>
LIABILITIES & MEMBERS EQUITY						
Current Liabilities						
Accounts Payable			2,058,409			1,446,252
Accrued Vacation, Health & Personal Days			562,502			498,539
Accrued Miscellaneous Expense			217,057			215,283
Donations Payable: Fair Food Program			2,584			3,264
Taxes Payable			7,226			8,204
Net Income Tax Liabilities			(216,723)			(216,723)
Current Obligations Payable Under Capital Leases			881	2,631,936		4,421
						1,959,238
Long Term Liabilities						
Non-Current Oblig. Payable Under Capital Leases			23,936			23,936
Bank Loans Payable			0			1,677,345
Pension Plan Liability			<u>3,223,859</u>	<u>3,247,795</u>		<u>2,644,942</u>
Total Liabilities			<u><u>5,879,731</u></u>			<u><u>6,305,461</u></u>
Members' Investment & Members' Equity						
Members' Investment			3,910,359			3,984,442
Paid-in Capital			10,566			10,566
Additional Paid-in Capital			87,215			44,753
Accumulated other comprehensive income			(481,159)			(481,159)
Retained Earnings			<u>2,901,410</u>	<u>6,428,391</u>		<u>1,185,620</u>
Total Liabilities & Members Equity			<u><u>12,308,122</u></u>			<u><u>11,049,683</u></u>
Cash			\$4,285,288			\$3,612,360
Less: Accounts Payable (money owed to suppliers)			<u>2,058,409</u>			<u>1,446,252</u>
			<u>\$2,226,880</u>			<u>\$2,166,108</u>

Park Slope Food Coop

Preliminary Financial Statement

BALANCE SHEET SCHEDULES

8 weeks to 3/27/22

8 weeks to 3/28/21

Cash

Citibank Checking	0	0
Sterling Checking	779,376	137,963
Sterling Money Market Accounts	439,909	149,922
Sterling FSA	44,940	38,654
National Cooperative Savings Bank CDs/Money Market	2,478,651	2,748,840
Spring Bank Money Market/Savings	280,287	278,897
Vanguard Treasuries/Money Market	0	0
Peoples Alliance Federal Credit Union CD	262,126	258,083
	<u>4,285,288</u>	<u>3,612,360</u>

Prepaid Expenses

Miscellaneous	0	0
Service Contract-Office Equipment	37,438	37,684
Service Contract-Store Equipment	30,952	26,664
Workers Compensation Insurance	23,982	-2,364
Childcare Insurance	0	0
Fire and Liability Insurance	48,886	49,168
Fidelity Bond-Pension/401k	1,258	275
Directors and Officers Liability Insurance	11,305	10,458
Meeting Room Expense	2,202	0
CBD Products Insurance	0	0
Real Estate Taxes	36,308	44,776
Net Tax Asset	0	0
	<u>192,329</u>	<u>166,662</u>

Investment in Cooperative Suppliers

Patronage Dividends-National Co+op Grocers	317,506	317,506
Patronage Refund-Frontier	73,693	80,581
Patronage Refund-Fedco Seeds	775	611
Equity-Fedco	100	0
Equity-Frontier Cooperative Herbs	3,734	3,734
Equity-National Coop. Bank-Class C Stock	28,412	28,412
Equity-National Co+op Grocers (Member Equity)	56,855	56,855
Equity-National Co+op Grocers (Voting Stock)	500	500
	<u>481,574</u>	<u>488,198</u>

8 weeks to 3/27/22

8 weeks to 3/28/21

Inventory Turnover

53 x

51 x

STATEMENT OF CASH FLOWS

8 weeks to 3/27/22

8 weeks to 3/28/21

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, FISCAL YEAR TO DATE:

Cash flows from operating activities:

Net income (loss) before income taxes	(71,469)	(568,229)
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Adjustments to reconcile results of operations to net cash effect of operating activities:

Depreciation	34,178	40,713
Deferred income taxes	0	0
Excess of pension expense over cash contributions	100,000	92,000
Net change in asset and liability accounts:		
Inventories	(43,824)	(61,166)
Prepaid Expenses	18,505	7,660
Other current assets	(24,958)	(61,690)
Accounts payable	93,880	104,544
Other current liabilities	(24,789)	(671)

Total adjustments	152,992	121,391
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Net cash provided by (used for) operating activities	81,522	(446,838)
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Cash flows from investing activities:

Acquisition of property and equipment, net	(34,837)	0
Investment in other cooperative associations	(264)	(9,306)
Security Deposit	(3,471)	(31,260)

Net cash provided by (used for) investing activities	(38,573)	(40,566)
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Cash flows from financing activities:

Repayment of capital lease obligations		
Bank Loans Payable	0	1,677,345
Net proceeds from member investments	36,617	(2,415)
Capital contributions	4,010	1,770

Net cash provided by (used for) financing activities	40,627	1,676,700
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	83,576	1,189,295
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Cash and cash equivalents - beginning of year	4,188,155	2,423,064
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Cash and cash equivalents - end of period	4,285,288	3,612,360
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