

# Park Slope Food Coop Financial Summary & Notes for the September 26, 2023, General Meeting

## 32-week Financial Statement for the Period Ending 09/10/2023

### Summary Section 1: Quick View Statement of 32 weeks ending 09/10/2023

*(Dollars rounded to the nearest thousand)*

#### A) Income Statement

Sales .....	32,768,000
Money Generated by Sales to Pay Expenses (Gross Margin) .....	6,451,000
Expenses .....	<u>(6,495,000)</u>
<b>Gain or (Loss) on Operations .....</b>	<b><u>(44,000)</u></b>
Other Income & Interest Income .....	<u>178,000</u>
<b>Gain or (Loss) before Income Taxes .....</b>	<b><u>134,000</u></b>

#### B) Balance Sheet

##### **Current Assets:**

Cash .....	6,888,000
Other Current Assets: Inventory, Prepaid Expenses etc .....	<u>1,121,000</u>
<b>Total Current Assets .....</b>	<b>8,009,000</b>

##### **Non-Current Assets: Land, Buildings, Equipment, Tax Assets,**

Money Held by Other Coops .....	<u>4,794,000</u>
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<b>Total Assets .....</b>	<b><u>12,803,000</u></b>
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##### **Liabilities, Retained Earnings & Member Equity, etc.:**

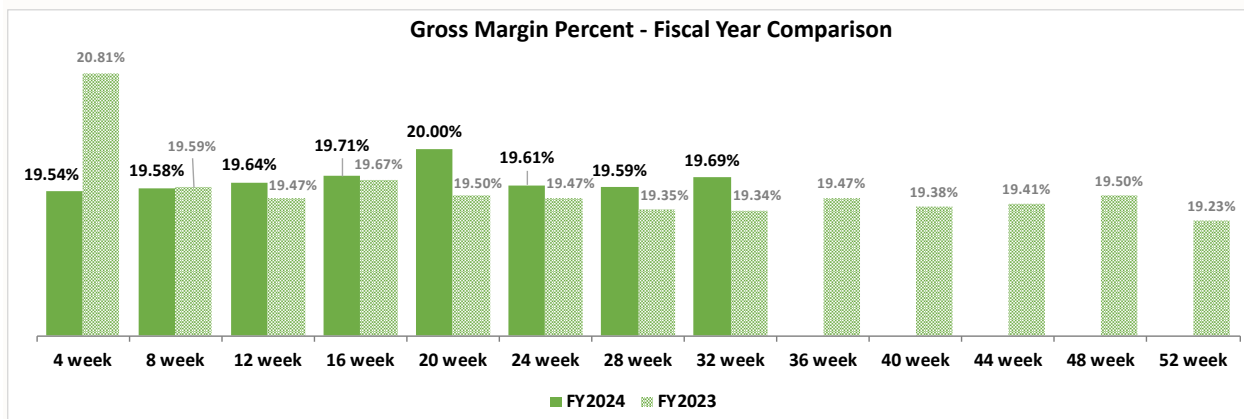
Liabilities including Pension Liability .....	4,394,000
Members Equity/Capital .....	4,242,000
Theoretical Pension Income .....	686,000
Retained Earnings .....	<u>3,481,000</u>
<b>Total Liabilities and Members' Equity .....</b>	<b><u>12,803,000</u></b>

#### C) Cash Flow Statement

<b>Increase in Cash during the 32 Weeks Ended 09/10/2023 .....</b>	<b>197,000</b>
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## Summary Section 2: The importance of the Gross Margin Percentage

Our gross margin after 32 weeks is 19.69% of sales. As we approach the October General Meeting when financial projections will be discussed, reasonably projecting gross margin is crucial for planning for the Coop's financial sustainability.



## Summary Section 3: Definitions and calculations for understanding the financial statements

- 1 **Gross Margin Dollars** = Net Sales – Cost of the Goods Sold.  
The gross margin dollars are used to pay the expenses of running of the Coop.
- 2 **Gross Margin Percentage** = Gross Margin dollars divided by Net Sales dollars.
- 3 **Mark Up** = The percentage or dollar amount added to the delivered cost of the products we sell. The Coop marks up all items received for resale to try to generate enough money to cover the expenses of operating the Coop; we don't always succeed.

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 is added to the delivered case cost; conventionally grown produce, an additional \$.50 per case; organic bananas, an extra \$2.50 per case above the \$1.10; and conventional papayas, an extra \$1.00 in addition to the \$.50. There are other minor add-ons and subtractions that are part of the mark-up. **The result of all of the above is an estimated overall current markup of 26.46%.**

- 4 **Perfect Gross Margin:** Perfect gross margin is reached when there is no spoilage, no theft, etc.; by the way, it is never reached. Our perfect gross margin is calculated by dividing .2646 (the mark-up) by 1.2646 which =20.92%.
- 5 **Shrink** = Perfect Goss Margin – Actual Gross Margin. Shrink and perfect gross margin have been part of our financial analysis since the Coop started in 1973. Because the Coop is usually run at about breakeven, we pay attention to how far from perfect we are to be alerted to problems that have a financial impact and therefore need to be solved or improved upon so that we can continue to have low prices and remain financially sustainable. **The goal is to keep our low-price structure by solving problems instead of raising prices.** 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 32-week period ended 09/10/2023 is 1.23%** as a percent of sales. This is calculated from the “perfect” gross margin of 20.92% minus gross margin from the income statement of 19.69%= 1.23% shrink.

## Park Slope Food Coop

## Financial Statement

INCOME STATEMENT	32 weeks to	9/10/23	32 weeks to	9/11/22
		Per Cent of Sales		Per Cent of Sales
<b>Net Sales</b>	<u>32,768,185</u>	100.00%	<u>28,212,276</u>	100.00%
<b>Cost of Goods Sold</b>				
Inventory At Beginning	648,192		<b>689,804</b>	
Net Purchases	<u>26,437,483</u>		<u>22,736,457</u>	
<b>Total Available for Sale</b>	<u>27,085,674</u>		<u>23,426,261</u>	
Less: Inventory At End	<u>768,286</u>		<u>671,128</u>	
<b>Cost of Goods Sold</b>	<u>26,317,389</u>	80.31%	<u>22,755,133</u>	80.66%
<b>Gross Margin</b>	6,450,796	19.69%	5,457,143	19.34%
<b>Expenses</b>				
Expenses Except Depreciation	6,384,952	19.49%	5,739,397	20.34%
Depreciation	<u>109,917</u>	.34%	<u>138,378</u>	.49%
<b>Total Expenses (Schedule)</b>	<u>6,494,870</u>	19.82%	<u>5,877,775</u>	20.83%
<b>Operating Income (Loss)</b>	(44,074)	(.13%)	(420,632)	(1.49%)
<b>Other Income</b>				
Membership Fees	41,124	.13%	53,485	.19%
Events & Gifts	0	.00%	(52)	(.00%)
Cash Discounts & Rebates	52,769	.16%	178,955	.63%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	3,591	.01%	4,775	.02%
Income Tax Refund	0	.00%	0	.00%
Other Income	<u>(4,246)</u>	(.01%)	<u>9,172</u>	.03%
<b>Total Other Income</b>	<u>93,237</u>	.28%	<u>246,334</u>	.87%
<b>Income Before Interest &amp; Taxes</b>	49,164	.15%	(174,298)	(.62%)
Interest Expense-Loans	0	.00%	0	.00%
Interest Expense-Other	0	.00%	0	.00%
Dividend/Interest Income	<u>85,222</u>	.26%	<u>19,325</u>	.07%
<b>Net interest</b>	<u>85,222</u>	.26%	<u>19,325</u>	.06%
<b>Income (Loss) Before Income Taxes</b>	134,385	.41%	(154,973)	(.55%)
<b>Provision for Taxes</b>	<u>0</u>		<u>0</u>	
<b>Net Income (Loss)</b>	<u>134,385</u>		<u>(154,973)</u>	
<b>Other Comprehensive Income-pension Plan Related</b>	<u>0</u>		<u>0</u>	
<b>Total Comprehensive Income (Loss)</b>	<u>TBD</u>		<u>TBD</u>	

## Park Slope Food Coop

## Financial Statement

## SCHEDULES OF OPERATING EXPENSES

	32 weeks to	9/10/23	32 weeks to	9/11/22
		Per Cent of Sales		Per Cent of Sales
<b>Personnel</b>				
General Coordinators	343,969	1.05%	302,519	1.07%
All Other Employees	2,985,022	9.11%	2,719,306	9.64%
<b>Total Payroll</b>	<b>3,328,991</b>	<b>10.16%</b>	<b>3,021,825</b>	<b>10.71%</b>
Employee Health Benefits	1,234,662	3.77%	1,039,130	3.68%
Employee Pension Benefits	423,513	1.29%	396,812	1.41%
Employee Benefits-Other	598	.00%	9,576	.03%
Vacation, Health & Personal Days Accrued	0	.00%	0	.00%
<b>Total Compensation Package</b>	<b>4,987,764</b>	<b>15.22%</b>	<b>4,467,342</b>	<b>15.83%</b>
Payroll Taxes	291,512	.89%	256,860	.91%
Workers Comp. Insurance Expense-Staff	23,280	.07%	6,953	.02%
EAP and/or Training Fees	11,304	.03%	17,189	.06%
Retiree Health Benefits	18,907	.06%	14,932	.05%
Payroll Preparation Expense	33,310	.10%	31,183	.11%
Pension/401k Administration Expense	14,239	.04%	14,753	.05%
Consultant Fees	0	.00%	0	.00%
<b>Total Personnel</b>	<b>5,380,317</b>	<b>16.42%</b>	<b>4,809,210</b>	<b>17.05%</b>
<b>Occupancy</b>				
Electric	115,902	.35%	95,213	.34%
Gas	21,473	.07%	32,380	.11%
Insurance	183,627	.56%	175,079	.62%
Taxes - Real Estate	91,600	.28%	87,074	.31%
Taxes - Water & Sewer	5,702	.02%	5,692	.02%
Exterminator	2,205	.01%	1,965	.01%
<b>Subtotal</b>	<b>420,509</b>	<b>1.28%</b>	<b>397,403</b>	<b>1.41%</b>
Deprec. - Building	92,294	.28%	107,823	.38%
<b>Total - Occupancy</b>	<b>512,803</b>	<b>1.56%</b>	<b>505,226</b>	<b>1.79%</b>
<b>Store</b>				
Store Supplies	69,384	.21%	68,106	.24%
Recycling and Garbage Removal	22,721	.07%	15,294	.05%
Cash Short or (Over)	292	.00%	551	.00%
Svc Cntrct Exp. & Rpr.-Stre Equip.	97,229	.30%	121,646	.43%
<b>Subtotal</b>	<b>189,627</b>	<b>.58%</b>	<b>205,597</b>	<b>.73%</b>
Depreciation - Fixtures & Equip.	4,378	.01%	14,337	.05%
<b>Total Store</b>	<b>194,005</b>	<b>.59%</b>	<b>219,933</b>	<b>.78%</b>
<b>Office</b>				
Printing & Copying	3,457	.01%	3,157	.01%
Office Supplies	23,778	.07%	44,611	.16%
Telecommunications	22,368	.07%	20,955	.07%
Postage	2,670	.01%	3,146	.01%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	65,148	.20%	57,273	.20%
<b>Subtotal</b>	<b>117,421</b>	<b>.36%</b>	<b>129,142</b>	<b>.46%</b>
Depreciation - Furn. & Equip.	13,245	.04%	16,218	.06%
<b>Total Office</b>	<b>130,666</b>	<b>.40%</b>	<b>145,360</b>	<b>.52%</b>

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## Park Slope Food Coop

## Financial Statement

SCHEDULES OF OPERATING EXPENSES (cont'd)	32 weeks to	9/10/23 Per Cent of Sales	32 weeks to	9/11/22 Per Cent of Sales
<b>Other</b>				
Repairs, Tools, Maintenance	42,369	.13%	34,224	.12%
Advertising and Promotion Expense	8,380	.03%	0	.00%
General Meeting Expenses	0	.00%	5,207	.02%
Virtual Meeting Expenses	3,899	.01%	0	.00%
Miscellaneous Expense	14,830	.05%	10,356	.04%
Gazette Expense	123	.00%	0	.00%
National Co-op Grocers Member Fees	15,000	.05%	15,000	.05%
Childcare Expense	0	.00%	0	.00%
Audit Expense/Tax Preparation	22,850	.07%	12,000	.04%
Bank Charges	2,892	.01%	2,879	.01%
Electronic Payment Service Charges	127,251	.39%	105,333	.37%
Workers Compensation Insurance-Members	26,073	.08%	3,475	.01%
Legal Fees	13,412	.04%	9,572	.03%
<b>Total Other</b>	<b>277,079</b>	<b>.85%</b>	<b>198,046</b>	<b>.70%</b>
<b>Total Expenses</b>	<b>6,494,870</b>	<b>19.82%</b>	<b>5,877,775</b>	<b>20.83%</b>

## SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	32 weeks to	9/10/23	32 weeks to	9/11/22
Average	\$1,024,006		\$881,634	
Increase or (Decrease) in Sales Per Week	\$142,372	16.15%	\$82,184	10.28%

## Park Slope Food Coop

## Financial Statement

	32 weeks to 9/10/23				32 weeks to 9/11/22			
BALANCE SHEETS								
ASSETS								
Current Assets								
Cash & Cash Equivalent (Schedule)			6,888,074			4,579,201		
Inventory			768,286			671,128		
Prepaid Expenses (Schedule)			292,321			403,201		
Other Current Assets			60,211	8,008,892		1,514,410	7,167,941	
		Accum.			Accum.			
		Deprec.			Deprec.			
Fixed Assets								
Land	Gross		Net		Gross		Net	
Building	165,000		165,000		165,000		165,000	
Office Equipment	6,129,884	3,313,017	2,816,867		6,079,884	3,163,182	2,916,701	
Store Equipment	494,726	457,402	37,325		494,726	445,486	49,240	
Leased Equipment	2,142,940	2,124,833	18,107		2,128,895	2,116,070	12,826	
Deposit on purch of FA	30,150	16,937	13,214		30,150	11,193	18,957	
	0		0		0		0	
	8,962,701	5,912,188	3,050,513		8,898,656	5,735,931	3,162,724	
Other Assets								
Invest. in Other Cooperative Associations (Sched.)			613,258				577,222	
Security Deposit (NCG Joint Liability)			65,971				198,075	
Deferred Income Tax Asset			1,064,557	1,743,786		1,055,546	1,830,843	
Total Assets			12,803,191			12,161,508		
LIABILITIES & MEMBERS EQUITY								
Current Liabilities								
Accounts Payable			2,127,802			2,030,623		
Accrued Vacation, Health & Personal Days			442,395			576,059		
Accrued Miscellaneous Expense			243,295			235,419		
Donations Payable: Fair Food Program			3,003			0		
Taxes Payable			22,752			27,866		
Net Income Tax Liabilities			0			0		
Current Obligations Payable Under Capital Leases			3,402	2,842,649		3,014	2,872,981	
Long Term Liabilities								
Non-Current Oblig. Payable Under Capital Leases			12,801			18,563		
Bank Loans Payable			0			0		
Pension Plan Liability			1,537,996	1,550,797		1,359,197	1,377,761	
Total Liabilities			4,393,446			4,250,741		
Members' Investment & Members' Equity								
Members' Investment			4,129,065			3,984,352		
Paid-in Capital			10,566			10,566		
Additional Paid-in Capital			102,801			93,891		
Accumulated other comprehensive income			685,838			854,153		
Retained Earnings			3,481,474	8,409,745		2,967,805	7,910,767	
Total Liabilities & Members Equity			12,803,191			12,161,508		
Cash							\$6,888,074	\$4,579,201
Less: Accounts Payable (money owed to suppliers)							2,127,802	2,030,623
							\$4,760,272	\$2,548,578

## Park Slope Food Coop

## Financial Statement

## BALANCE SHEET SCHEDULES

32 weeks to 9/10/23

32 weeks to 9/11/22

## Cash &amp; Cash Equivalent

Sterling Checking	921,047		1,147,993	
Sterling Money Market Accounts	8,153		10,440	
Sterling FSA	35,167		46,113	
National Cooperative Savings Bank CD/Money Market	183,793		15,687	
Spring Bank Money Market/Savings	266,484		281,268	
Vanguard Treasuries/Money Market/CDs	5,203,631		2,814,428	
Peoples Alliance Federal Credit Union CD	269,799	6,888,074	263,272	4,579,201

## Prepaid Expenses

Miscellaneous	80,534		5,000	
Service Contract-Office Equipment	25,078		27,462	
Service Contract-Store Equipment	7,258		16,328	
Workers Compensation Insurance	15,461		51,833	
Childcare Insurance	0		0	
Fire and Liability Insurance	23,878		35,147	
Fidelity Bond-Pension/401k	598		1,049	
Directors and Officers Liability Insurance	5,846		5,138	
General Meeting Room Expense	1,125		460	
Real Estate Taxes	47,007		44,647	
Net Tax Asset	85,535	292,321	216,137	403,201

## Investment in Cooperative Suppliers

Patronage Dividends-National Co+op Grocers	458,777		410,183	
Patronage Refund-Frontier	76,241		76,664	
Patronage Refund-Fedco Seeds	775		775	
Equity-Fedco	100		100	
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)	44,720		56,855	
Equity-National Co+op Grocers (Voting Stock)	500	613,258	500	577,222

32 weeks to 9/10/23

32 weeks to 9/11/22

Inventory Turnover

60 x

54 x

## Park Slope Food Coop

## Financial Statement

## STATEMENT OF CASH FLOWS

	<u>32 weeks to 9/10/23</u>	<u>32 weeks to 9/11/22</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, FISCAL YEAR TO DATE:		
<b>Cash flows from operating activities:</b>		
Net income (loss) before income taxes	134,385	(154,973)
Adjustments to reconcile results of operations to net cash effect of operating activities:		
<b>Depreciation</b>	109,917	138,378
Deferred income taxes	0	0
Excess of pension expense over cash contributions	173,513	221,812
Net change in asset and liability accounts:		
Inventories	(120,094)	18,676
Prepaid Expenses	(70,001)	153,360
Other current assets	(36,738)	58,751
Accounts payable	(136,340)	66,094
Other current liabilities	(11,126)	(225,802)
<b>Total adjustments</b>	(90,868)	431,269
<b>Net cash provided by (used for) operating activities</b>	43,518	276,296
<b>Cash flows from investing activities:</b>		
Acquisition of property and equipment, net	(64,045)	(34,837)
Investment in other cooperative associations	9,801	(3,235)
Security Deposit	132,104	31,527
<b>Net cash provided by (used for) investing activities</b>	77,860	(6,545)
<b>Cash flows from financing activities:</b>		
Repayment of capital lease obligations		
Bank Loans Payable	0	0
Net proceeds from member investments	69,728	110,610
Capital contributions	6,030	10,686
<b>Net cash provided by (used for) financing activities</b>	75,758	121,296
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	197,136	391,047
<b>Cash and cash equivalents - beginning of year</b>	6,690,939	4,188,155
<b>Cash and cash equivalents - end of period</b>	6,888,074	4,579,201