



2016 Financial Statements

(unaudited, non-compiled, pre-tax)



Statement	2015		2016	
Income				
Sales	1,724,238	100.0%	1,649,649	100.0%
Cost of Goods	1,093,790	63.4%	1,055,967	64.0%
Gross Margin	630,448	36.6%	593,682	36.0%
Labor	501,064	29.1%	429,848	26.1%
Operating Expenses	234,348	13.6%	199,518	12.1%
Member Discounts	21,544	1.2%	25,795	1.6%
Operating Profit	(126,508)	-7.3%	(61,479)	-3.7%
Other Income	10,761	0.6%	5,666	0.3%
Net Profit	(115,747)	-6.7%	(55,813)	-3.4%

Balance Sheet	2015	2016
Assets		
Cash	48,367	23,290
Inventory	112,978	105,727
Other Current Assets	4,880	6,910
Total Current Assets	166,225	135,927
Fixed Assets	124,367	124,649
Other Assets	26,546	20,950
Total Assets	317,138	281,526
Liabilities		
Current Liabilities	58,161	62,004
Long Term Liabilities	0	0
Total Liabilities	58,161	62,004
Equity		
Member Equity	226,648	243,006
Retained Earnings	148,076	32,329
Net Income	(115,747)	(55,813)
Total Equity	258,977	219,522
Liabilities & Equity	317,138	281,526

2016 Maple City Market Cooperative Annual Report

2016 Board of Directors

Phyllis Miller 2011-2017, Chair
 Brian Wiebe 2010-2018, Vice-Chair
 Amnda Qualls 2015-2018, Secretary
 Eric Amt 2015-2019
 José Chiquito 2016-2019
 Robin Ebright-Zehr 2007-09, 2013-17
 Rebecca Yoder 2016-2019

President's Message

Phyllis Miller

Maple City Market's Board of Directors thanks each of you for your participation in the continued success of your cooperative.

MCM experienced challenges as well as successes in 2016! The primary challenge related to stabilizing profits as new competition entered the marketplace and costs with a deteriorating infrastructure. Successes included increased membership and dedicated staff and volunteers supporting the Market's presence in this community.

Leadership change at the store came with Brad Weirich's resignation. We thank Brad for his leadership as we explored possible expansion and experienced new

competition from expanded organic and local offerings from Kroger, Aldi's and the new Martin's store. We wish Brad well in whatever endeavors he pursues!

The GM search process brought us Brad Alstrom from Paoli Indiana. Brad's background and dedication to the Cooperative business model brings an expertise that we are fortunate to have in Goshen and this region. Since his arrival in January, Brad has been working hard to stabilize the market's financial status. Please welcome Brad, Anne and their family to this community!

The MCM Ends statement continues to focus on the triple bottom line of health: healthy people, healthy planet, healthy commerce. With the Ends in the center, we continue to define a strategic plan that would not only help MCM stabilize but to thrive on into the future. A strategic plan where MCM would be the "go-to" resource promoting healthy food and how the cooperative business model fits into food systems for this region..

The board conducted several strategic planning meetings. Owner-Members' primary request was that the physical store continues to thrive. The possibility of a stand beside 501c3 non-profit was discussed, perhaps partnering with Purple Porch Co-op in South Bend. There has been no decision for this possibility; however, we are working more closely with the PPC board exploring ways that we can continue to support each other.

The board has worked hard to build capacity and a strong board, recognizing that intentional recruitment is so important. With Policy Governance as the governing model, the board can function strategically while policies assure the stability of operations.. We also see that engaging Owner-Members is essential as MCM moves forward in a sustainable way.

We are eager to hear from you as Owner-Members if you would like to participate in engagement opportunities!

This new year holds real promise with opportunities for supporting a healthy community. Continued deterioration of the store's infrastructure is a real concern, opportunities may include the feasibility of patronage rebates to Owner-Members in profitable years.

Focusing on the Cooperative Values and Principles will assure MCM thrives, staying true to the reason we are all invested and this community is better because MCM exists.

Thank you for your loyalty and support of your Cooperative!

The Seven Co-op Principles

1. Voluntary and Open Membership
2. Democratic Member Control
3. Member Economic Participation
4. Autonomy and Independence
5. Education, Training and Information
6. Cooperation among Cooperatives
7. Concern for Community

General Manager's Report

Brad Alstrom

Maple City Market's roots run deep in the community of Goshen. It is an honor to have this opportunity to be a part of these roots, and report to all of you, the Co-op's Owners in this 2016 Annual Report. A well-deserved thank you goes to the Board of Directors for the work that they do. While it is mostly behind the scenes, their work is crucial to the well-being of our co-op. Thank you also to all of you for reading this report, for supporting the Co-op, and

for welcoming me into the Goshen community.

When I started my job in January of this year, I arrived to a co-op with over 35 years history, including at least two store locations, two business names, two generations of Member-Owners, several store managers, hundreds of staff members, and thousands of customers.

But I also arrived to a co-op with a physical plant in need of upgrades, little cash in the bank, diminishing sales, and a talented and committed, but tired staff, having worked thru multiple changes in management in a few short years.

Yet despite its physical shortcomings, the co-op's cheery ambiance, friendly folk, fantastic food, and convivial customers make it an ever-fun place to work and shop. Its roots are strong and the co-op stands tall in a community that is growing, changing, and revitalizing around it.

Not unlike other co-op's experiencing increased competition in the natural and organic grocery market, adjusting to the so-called "new normal" competitive environment has been a challenge. After years of steady growth leading up to 2015, suddenly the grocery game changed, and many food co-ops were slow to adjust.

In 2016 MCM struggled to keep its labor and operating expenses down in the face of declining sales, as cash reserves dwindled. Job number one for me has been to put some cash in the bank, which we've accomplish to a degree, but still have a long ways to go to reach financial stability.

How can this co-op get beyond business as usual and grow into something more of the community will embrace? I am entirely certain our owners have the ability to support the Co-op with a larger share of wallet, but not without some convincing.

Growing sales will require better product, better presentation, better price point, and a better physical plant – all the while being a great employer. That is a lot of getting better if we want to extend the Co-op's reach in the community.

First things first, the Co-op has to get its head above water financially. As much as I would like to grow sales revenue at the snap of a finger, we also need to cut expenses. Staff have been hearing me say this since day one – and yes, labor expenses are a big part of that equation.

Another part of the equation, however, is discounts. We love our shoppers, especially our big-basket shoppers! Yet this, Co-op Owners, is where all of you can be part of the solution. If we are going to be successful moving forward, we will need to reduce our Owner and Shopper Discounts to improve the bottom line.

One staff member commented that we have been throwing discounts against the wall to see which ones stick, all in hopes of increasing sales. The problem is that all the discounts stuck – but sales have not increased. Discounts have silently and successively taken a bigger and bigger bite out of the bottom line for over six years.

Natural foods, as a grocery segment, is big, big business, and the only way to be successful in today's market is to compete. Sure, our values are a big part of our distinction, but we cannot just compete on values, have to be able to compete on price, customer service and shopping experience.

In the past four months, we have begun to strategically relax pricing and get more aggressive with promotions, and sales revenue has responded favorably. In the last quarter of 2016 sales were down over 9% from previous year. Currently we are achieving positive year over year growth

nearly every week. It feels busier in the store and the co-op's staff have done a tremendous job to adopt new ideas, support new programs, and ensure that sales growth is feasible and our customers are happy.

The fastest growing departments currently are supplements, produce, and meat. I cannot make promises, but I will say we are strategically putting pieces in place to build a fresh meat program, a beer and wine department, a bigger selection of bakery, cheese and specialty foods, and an expanded deli service program.

I believe the potential is strong for this co-op to thrive and grow to meet the needs of the community. My commitment to our Co-op Owners is to grow a cooperative grocery store with more choices in products and price points and with a better shopping experience for all of us. That means we need to become the best grocers and the best retailers that we possibly can. With all of your help as shoppers, I know we can grow the co-op into the co-op we all want it to be.

MCM Management Team

Brad Alstrom, General Manager
Josh Yoder, Grocery Manager
Miranda Beverly-Gill, Front End & Marketing Manager
Anamaria Guevara, Deli Manager
Annie Mininger, Produce Manager
Matt Pfloderer, Shift Supervisor

HR Stats

Total # of Staff:
27 as of 12/31/2017
23 as of 5/4/2017, 11 FT & 14 PT

Membership Stats

Active Co-op Owner-Members 2016: **3078**. Increase over 2015: **309**
Total Paid in Owner-Member Equity 2016: **\$243,006**. Increase over 2015: **\$16,358**

