

**Kootenay**  
*co-op*

2016

# ANNUAL REPORT

*June 1, 2015 - May 31, 2016*

*Serving Members Effectively*

# WELCOME

*To the 2016 Annual Report! Read about how we have been working in alignment with our Mission Statement.*

**Our mission is to promote community involvement by cultivating a cooperative, sustainable, organic way of life through:**

Providing the highest quality, affordable natural foods and products, and wherever possible organic, in a pleasant, comfortable environment

Serving members effectively

Encouraging a healthy local economy

Community and member education

Maintaining the financial health of the Cooperative

Promoting community interchange of ideas

Providing a workplace that reflects these values





Jon Steinman, Board President

## A word from our president

In the final week of August, I found myself in the Niagara region of southern Ontario – one of Canada's most fertile and productive agricultural zones. This is the peak of the summer harvest, and yet, the cucumbers on the shelves of the grocery stores are stamped "Virginia." Yes, Virginia! Sadly, there remains a madness in the dominant food system, and for the people of Niagara, no food co-op exists (yet) to offer a saner alternative. While the many roadside farm-stands did offer some respite, the produce was almost all grown conventionally. As with many regions across Canada, finding local, organically grown food in Niagara still requires a hunt. Don't get me wrong, I'm a huge fan of food expeditions, but once again, I've been reminded of how lucky we are to live in a community with a 7-days-a-week full-service grocery store that places local and organic food on centre stage.

From vantage points such as the one I found myself at in Ontario, and at this critical time of transition and growth for our co-op, I've been reviewing the question: "Why food co-ops?" Why is collectively owning a grocery store so important? My list of answers is too long to include here, but here's just one that stands out – particularly as our co-op grows into a more significant hub of community and economic activity: Food co-ops are the epicentre for more equitable redistribution and retention of wealth within a community.

### Where do grocery dollars end up in Nelson? Consider this:

- 1 THE RICHEST 86 CANADIANS HOLD AS MUCH WEALTH AS THE POOREST 11-MILLION.
- 2 AMONG THE 21 RICHEST CANADIANS ARE:
  - #2 GALEN WESTON (THE WHOLESAL CLUB) – TORONTO, ON
  - #4 JIM PATTISON (SAVE-ON FOODS) – VANCOUVER, BC
  - #21 SOBEY FAMILY (SAFEWAY) – STELLARTON, NOVA SCOTIA
- 3 THE THREE LARGEST GROCERY STORES IN NELSON BY SQ. FOOTAGE ARE THE WHOLESAL CLUB, SAVE-ON FOODS AND SAFEWAY.

Nelson's chain grocery stores are a microcosm of the wealth and power held among the largest grocery families in the country. These figures tell a story about the importance of community-owned grocery stores. For food-shoppers in the Nelson area, there is thankfully an option to use the power of our food expenditures to reverse the widening gap between the richest and poorest in this country and to more equitably balance wealth distribution by investing in our friends, neighbours and community. For 41 years now, our Co-op has been this option and is about to grow into a much more accessible one. Let's all communicate the Co-op Difference more often.

## 2015-2016 (The Final Stretch)

This was the year that really felt like "The Final Stretch." At both the board and management level, this year demanded a precise focus on the most critical of tasks that would support the transition into our new store. It was a year that required placing more attention on decisions which required immediate attention rather than on long-term planning. At times, this brought a sense of uncertainty to all levels of the organization – member-owners included. It was a year that required quite a lot of faith in the unknown, and comfort in the unexpected. This transition, after all, is unlike anything we have done before. Greeting the challenges with open arms proved more effective than shuddering in fear.

Through the frenzy of construction was also the quiet, steadfast commitment among the management team and staff to keep the existing store ticking along. In this respect, the year was a wonderful success that saw the Co-op welcome more than 500 new members, 11 new employees, contribute \$124,800 to community organizations, and enjoy a healthy 6 per cent growth in sales over the previous year.

### Senior Management Team

The Co-op's senior management team has seen many changes over the previous 12 months. Customer Service welcomed Kristina Hus as its new manager; Tory Berger was welcomed as Human Resources Manager; and former deli supplier, Jodi Eaton, took on the newly created management position of Kitchen Manager. A heartfelt 'thank you' to Jocelyn Carver, Lori Robinson and Sarah Bedo who have all moved on to pursue other opportunities.

### General Manager

The work to hire a permanent General Manager was the primary work of the Board this year. With the leadership of Abra Brynne and Alex Berland on the Board's GM Search Committee, the Board was successful in hiring our new GM, Allan Broom. Staff also played a critical role in interviewing the candidates. Allan started at the Co-op on June 1, 2016, and the management team, staff, and board, are deeply impressed with Allan's ability to bring a sense of calm, confidence and strategic thinking to the Co-op – all at the same time! Balancing these traits in the face of such significant change is highly unusual (but enthusiastically welcomed).

Paul Kelly, who worked as the Co-op's Acting General Manager for the 13 months prior, now offers critical support as the Co-op's Assistant General Manager, bringing his wealth of skills in the grocery sector to the planning and implementation of the new store.

## Nelson Commons & new store construction

Nelson Commons has taken shape and with it the assurance that the Co-op has navigated the most challenging phases of this project. Residents will begin to move in by the end of September and the store will be ready in the fall. With the project under the careful stewardship of our new General Manager and Project Management team, the Board remains confident in the financial position of Nelson Commons and the construction of the new store.

## The next two years

Shortly following the June meeting of the board, a director remarked to me how she had noticed, for the first time in a long time, a topic of conversation emerge in the meeting that could only be categorized as 5- to 10-year, long-range planning. It was a fulsome discussion about the Co-op's possible role in supporting the development of missing infrastructure in the regional food system. It was visioning more than anything else, but it was the first in a long while that the board had had even a glimmer of time to begin thinking beyond the more immediate tasks of completing the development and hiring a new GM. It was a sign of the transition we're now in and the future we can begin to envision together.

### An adequately supported board

Whereas this past year has kept the board focused on more immediate decisions, I believe the coming two years will be an opportunity for organization-wide strategic planning. In preparing for this, I hope the new board will first focus its attention on reviewing the role and governance model of the board itself as it assumes the stewardship of a substantially larger and more diverse organization.

As I look back on my 10 years as a board director, the consistency and devotion among volunteer directors with little to no training or guidance has been humbling and inspiring. This model of governance is the same one that has led this organization since the early days. Of course, the Co-op has ballooned in size, scope and influence, and there are many alternative models and approaches to effective co-operative board governance. This has become a hot topic across the global co-operative community and this past April, the board met to begin to ask this question of whether or not the governance model the Co-op relies upon today is adequate for what the Co-op is growing into. I personally believe that changes to how the Co-op is governed and

how the board is supported are necessary for the long-term health of the Co-op and I fully support the new Board in devoting this coming year to this question. As I transition from director into member-owner, my confidence in our Co-op rests in the Board's commitment to this review. I look forward to contributing what I can as a past-President and past-director to this conversation.

### Becoming really good grocers

What I love about our co-op is that it's so much more than just a grocery store [readers can insert their own extensive list here]. Whereas the chain stores devote the lion's-share of their attention to the business of being a grocer, our store spreads its attention across the spectrum of the 7 Co-op Principles. This has served the Co-op well (as it will continue to), but these coming years will demand that the Co-op make the goal of becoming an exceptional grocer a top priority. This will require a new approach to the day-to-day running of our store.

The grocery landscape has changed dramatically in recent years as chain stores now carry many of the same products that were once only found on co-op shelves. To avoid becoming victims of our own success, the Co-op will need to excel in the grocery business and provide an even greater stage for True Local products. It will also need to communicate more clearly the many ways in which our cooperative differs from the conventional grocery store model. I'm excited to say that there is ample capacity and skill among our staff to lead us in this direction.

### Staff engagement and well-being

As our staff grows to an estimated 140+ (making us one of the largest employers in Nelson), it is imperative that the Co-op help improve the standard for what it means to offer a healthy and inspiring workplace. With the Co-op being unique in its ability to attract people who deeply care about their jobs at all levels of the organization, engaging staff more fully in the future of their workplace will also better align our Co-op with its values and principles.

### Member-owner engagement

The Co-op has made great progress over the years to increase the level of member engagement. This past year saw 476 member-owners participate in a member survey – the highest level of participation yet. There is still work to do, however, and at this stage of transition, more than ever before, the input of member-owners will be needed to ensure the Co-op remains relevant and responsive to all.

### A bid farewell

The importance of the Co-op to me and to this region makes it all the more difficult for me to say goodbye as a director. There aren't many things in my life that I have committed 10 consecutive years to, but this co-op is that important.

My choice to not stand for election this year is made a whole lot easier because of the confidence I have in the Co-op's management team led by our new General Manager, Allan Broom, and Assistant General Manager, Paul Kelly. The Board of Directors is also poised to be as strong as ever with three highly qualified candidates to fill two vacant seats.

Serving as a director for this organization has been one of the most enriching relationships and experiences I have had. It has been a tremendous honour to work alongside such incredible directors and staff and I want to thank each of you for the opportunity.

To all of you as member-owners, another thank you for instilling your confidence in me over these 5 terms to take on this considerable responsibility.

As a final parting suggestion for all Co-op members; don't take your board for granted. The responsibility that is bestowed upon these members each year at the AGM is immense – it really is. Between each AGM, don't forget about them! Take the time to write an email or attend a board meeting or stop a director on the street or in the store and thank them for their service to this Co-op. The future of this Co-op begins with you and your board. I know just how important it has been over the years to be approached by members and reminded why it is I have committed myself to the Co-op and for whom I was working.

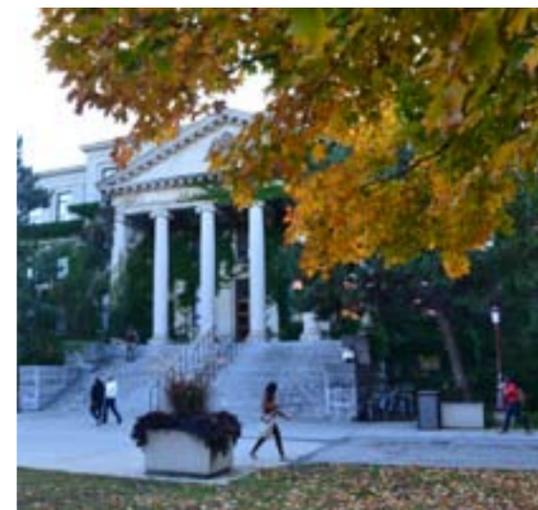
Congratulations to all of us for coming this far and for the journey we'll continue to walk together.



Jon Steinman

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# Board Committees

## Human Resources Committee

**Chair: Jon Steinman**

**Purpose:** To provide clear scope and timeline for: the Board to fulfill its responsibilities to the Co-op's member-owners to manage, evaluate and employ the Co-op's General Manager; for the Board to manage, evaluate and employ the Board Administrative Assistant; for the Board to manage Disclosures of Wrongdoing involving the General Manager and to address any HR matters involving the General Manager that cannot be managed internally by the HR Manager.

### 2015-2016 Highlights

- GM Evaluation Committee evolved into HR Committee and drafted new Terms of Reference
- Committee began a new relationship for the board by working directly with the Co-op's HR Manager to support its work
- Distributed a survey among staff to gather input on what leadership qualities they would like to see in their new General Manager
- Updated the Acting General Manager's job description
- Updated the Board Administrative Assistant contract
- Carried out an evaluation of the Acting GM
- Developed the Co-op's new Disclosure of Wrongdoing Policy and Guidelines for Dealing with GM Misconduct
- Produced a report on the board's first use of a third-party to conduct the 2015 GM evaluation
- Drafted an expanded Board Administrative Assistant contract for 2017
- Commenced a 3-month review of GM

## Finance Committee

**Chair: Alex Berland**

**Purpose:** To oversee and review the financial performance, analysis, profitability and strategy of the cooperative.

### 2015-2016 Highlights

- Reviewed multi-year cash flow forecasts
- Reviewed monthly financial reports

- Reviewed Nelson Commons financial statements and financing agreements
- Reviewed contracts for finishing and equipping our new store
- Initiated a review of financial reporting processes
- Reviewed and updated Terms of Reference

## Collaborative Management Committee

**Chair: Abra Brynne**

**Purpose:** To provide an interim structure to coordinate the operations of the Co-op pending the development and adoption of a new permanent structure that reflects the requirements of the new store and its new location.

### 2015-2016 Highlights

- Provided bi-weekly forum for Directors, GM, Finance Manager and Project Co-Manager for collaborative discussion of matters related to operations, the Commons Project and new store development.
- Committee expanded to include Human Resources Manager and Marketing & Outreach Manager

## General Manager Search Committee

**Members: Abra Brynne, Alex Berland**

**Purpose:** To coordinate the recruitment, screening, interviewing, selection, and negotiation of terms of employment of the next general manager of the Kootenay Country Store Co-op on behalf of the board of directors.

### 2015-2016 Highlights

- Ad Hoc Committee struck in December with support from external HR expert and appropriate Co-op staff, as necessary
- Developed Committee Terms of Reference, budget and timeline; approved by Board
- Developed and widely circulated job posting
- Reviewed, shortlisted applications; interviewed final candidates
- Created 3-stage interview process where candidates met with Directors, senior management team, and a representative group of staff members
- General Manager hired on time and under budget

## Member Outreach Committee

**Chair: Liz Babcock**

**Purpose:** To develop membership outreach strategies related to governance issues such as redevelopment, member-benefits and the AGM, while looking to increase the significance and impact of regular board & member-owner interactions

### 2015-2016 Highlights

- Received and replied to member-owner communication to the Board of Directors
- Coordinated director participation in community and Co-op events
- Met with member-owners when requested
- Assisted in developing a member-owner survey on shopping experience, member benefits, and Co-op communication
- Participated in the selection of the \$1000 Members' Scholarship recipient
- Assisted in coordinating the Board Candidate Forum

## Board Development & Policy Committee

**Chair: Andrew Jarrett**

**Purpose:** To ensure a full roster of board members, with a complementary set of skills and abilities that ensures the Board functions optimally. To attract potential candidates who meet the desired criteria as determined by the Board. To ensure a fair and transparent board election process. To ensure each board member has the training and knowledge

to fulfill their duties. To ensure ongoing Director professional development opportunities and events. To ensure current, useful policies which provide direction for and delimit purview of board activities.

### 2015-2016 Highlights

- Merged two previously separate committees
- Developed the following policies approved by the Board: Executive Limitations; Staff Supervision (by Board); Staff Accountability (to Board)
- Updated the following policies: Communications; Election; Emergency GM Succession
- Developed security procedures for sensitive documents
- Contacted potential candidates for 2016 election and conducted interviews and vetted applicants



The 2015-16 Kootenay Co-op Board of Directors (l-r) Andrew Jarrett, Stephan Martineau, Jon Steinman, Abra Brynne, Liz Babcock, Alex Berland, Cathy-Ann Glockner (Employee Director)



# True Local Summary

**True Local Kootenay Co-op grew by leaps and bounds this year with the addition of Nadine BenRabha as our True Local Coordinator, a position intended to support our local farmers and suppliers, boost our Co-op's sales of True Local products, and in turn boost the local economy.**



This year, due in part to Nadine's work, the True Local program now boasts 138 local suppliers, 52 of them local farmers, who provide the Co-op with all manner of products across grocery, deli, wellness and, of course, produce departments. Eighteen of these suppliers are new to us this year! The good news continues in that the Co-op made payments of \$2.05 million to local farmers and food processors, up from \$1.78 million last year (over 15% growth).

Total payments to local businesses within the True Local bioregion, including all our suppliers, was \$3.46 million, up from \$2.59 million last year (an increase of more than 33%).

Out of over 600 total suppliers and distributors (local and non-local) four of our 20 largest suppliers by payment volume are True Local suppliers. There are also 17 local suppliers in the list of Top 50 suppliers by payment volume. Our Co-op's buying power is being used in our region in a big way!

Beyond the financial milestones achieved in the context of the program, the True Local program also offered a significant support in the way of business development for local suppliers in the program.

In November 2015, we hosted an educational outreach event that provided current and potential Co-op suppliers with ideas and information to increase the size and success of their business operations. This was intended to help them supply the Co-op with more high quality local foods and products that meet our buying guidelines. In total, 83 people, representing 57 supplier businesses, joined us for meetings with department managers and a series of workshops on changing standards for organic certification, how to become a Co-op supplier and even a panel discussion with four of our longtime suppliers. It was a great day for local suppliers meet each other and discuss best practices on how to address some of the challenges they face as small businesses in the Kootenays.

We followed that with two days of further education in April 2016 in which the Co-op partnered with several external agencies for an Agri-Food Business Planning Workshop hosted at our meeting room on Baker Street. The Co-op sponsored 20 of its suppliers to attend the workshop, which focused on the business planning process, market access and analysis, product development, financial planning and management, quality assurance, labeling and packaging, production economics and logistics.

The Co-op is pleased to provide such opportunities to its True Local suppliers. We'd like to thank them, as well, for making a commitment to the Co-op and its members. And thanks to our member-owners for supporting the program so wholeheartedly.

True Local Kootenay Co-op was launched in response to the Canadian Food Inspection Agency's changes to its definition of "local," which allows retailers to market a product as local even if it is sourced from as far as 3,000km away. The Co-op preferred to create a True Local program that would assure its member-owners and other customers that their food is being sourced close to home and that their food dollars are being invested locally. True Local products are sourced within 160km (or 100 miles) of the store and the boundaries for the program are drawn along bioregional lines: West to Grand Forks, East to Invermere, Northwest to Nakusp and the Arrow Lakes, Northeast from Kaslo to Trout Lake and Johnson's Landing, and South to the US Border.

Our members have voiced strong support for the program since its inception in 2012. The Co-op currently supports 138 True Local growers and suppliers with payments of more than \$2 million annually. We are recruiting and developing more True Local suppliers all the time, in order to help us reach our goal of tripling our sales of True Local products by 2020.



From top left: Our True Local icon, **Seven Summits Coffee** by Thomas and Emily Barrie (a staff favourite), Locally roasted **No6 Coffee** by Denis LeBlanc, **Lucky Cupcakes** by Lisa Luckett

# Fiscal year 2016 at a glance



**14,000+**  
Member-Owners

**500+**  
new Member-Owners!

**\$14.1**  
Million total sales

**6.0%**  
Growth over  
2015 fiscal year



**\$124,800**  
Community Giving\*

**\$2.1**  
Million paid to  
True Local farmers



**\$3.5**  
Million paid to  
True Local businesses

**138**  
True Local Suppliers



**\$3.2**  
Million wages &  
benefits

**111+**  
Total employees

**65**  
Full-time employees

**91%**  
of sales to Member-  
Owners & Staff



\* Includes Outreach Sponsorships, Grants, Scholarships, food donations and other donations to community groups.

# Human Resources

As competition within the grocery sector heats up, we know that our competitive advantage can be best realized through our friendly and knowledgeable staff.

## 111

employees

## 11

new positions

## \$3.2

million in wages and benefits

Growth and change continue to be themes at the Co-op with the addition of 11 new positions since the end of the last fiscal year. This put us at a total of 111 employees as of May 31, 2016. Opportunities to grow within the Co-op have also increased with a new Lead Tier in place. Several new Lead positions in Customer Service, Grocery, Finance, Marketing, Wellness and Produce help keep operations running smoothly, ensure members' needs are met and give staff a chance to hone their leadership skills. At 32%, our employee turnover is right on par with our average from the past five years. This number is higher than national averages for the retail industry (25.4%) and our work for the new fiscal year will be geared towards employee engagement and retention. As competition within the grocery sector heats up, we know that our competitive advantage can be best realized through our friendly and knowledgeable staff. Attracting and retaining the best people is a top priority! To meet the needs of our workforce, the Human Resources department has also expanded to include a full-time HR Assistant. We are excited to take on the challenges of the new store and welcome even more amazing staff members to our roster.



# Community Giving

## Sponsorships & Community Donation Days

### Organizations that received \$1,000 or more

- West Kootenay EcoSociety events & markets
- Nelson CARES Room To Live Campaign & Coldest Night of the Year fundraiser
- Capitol Theatre
- Nelson BC SPCA
- Kootenay Organic Growers Society
- Upper Columbia Co-op Council
- ANKORS (vitamin donation)
- Nelson Food Cupboard

## Gift Card Fundraising Program

### Total of \$27,614 donated to 22 schools and community groups

- Nelson Waldorf School
- Nelson Sea Cadets/Navy League
- Crawford Bay School
- Whitewater Ski Team
- Hume School
- Ecole Des Sentiers Alpains
- St. Joseph's School
- Mt Sentinel School
- Redfish School
- LV Rogers: Band, Marine Biology, Senior Boys Basketball, Girls Soccer, Girls Field Hockey, and Grad 2016
- Corazon Choir
- Kootenay Shambhala Meditation Centre
- Trafalgar School
- South Nelson School PAC
- Kootenay Co-op Radio
- Wildflower School Gift Card
- Kootenay Doula Group

## Community Grants Program

### Grants valued between \$100 and \$500 for community projects & initiatives

- Bee Awareness Society: Installation of Observation Hives in Schools
- Elephant Mountain Literary Festival
- Farm Food Fork 2016 Conference in Kaslo
- Food Not Bombs: weekly meals
- Freedom Quest Regional Youth Services' Project Connect
- Hot and Bothered Water Forum on Climate Change & Water Conservation
- Hume School
- Kootenay Family Place, Healthy Neighbourhoods
- Nelson & Area Kaoma Alliance (NAKA) and VIDEA: Project to improve the lives of families in Kaoma, Zambi
- Nelson & District Youth Centre: After School Grub & Shrub Program; Grand re-opening BBQ
- Nelson Cycling Club: Fat Tire Festival
- Nelson Friendship Outreach Clubhouse
- Nelson Walk for Alzheimer's
- Nelson Youth Soccer, Youth Team Sponsor
- North Kootenay Lake Community Services: Christmas Hampers
- Our Daily Bread Fantastical Masquerade Gala Fundraiser
- Oxygen Art Centre's 2nd Annual Youth Arts Festival
- Prevent Cancer Now Canada
- Rotary Club's International Tasting Faire & Golf Tournament fundraisers
- Selkirk College
- St Saviour's Food Pantry
- War Child Canada: Keep The Beat fundraiser
- WE Graham Community Service Society's Inter-generational Cooking Classes
- Wild Voices for Kids (CBEEN)

## Here's a partial list of community groups to which Co-op Managers & Board Directors contributed their time & expertise:

- Kootenay Organic Growers Board of Directors
- Kootenay Lake Agricultural Society Board of Directors
- Farm Food Fork conference
- Nelson Business Association
- Upper Columbia Cooperative Council Board of Directors
- Nelson & District Youth Centre Grub & Shrub Club
- Nelson Street Culture Collaborative

## Till Donations Program & Fundraising Sales: A total of \$3,274 donated directly by our customers & members!

- West Kootenay Women's Association: Nelson Women's Centre
- West Kootenay Ecosociety
- Nelson Food Cupboard
- BEAKS
- Kalein Hospice Centre
- KAAP (Kootenay Animal Assistance Program)
- St. Saviour's Food Pantry
- MSF Canada - International Relief Fund-(Medicine Sans Frontieres/Doctors Without Borders)
- Donations Nepal- to Canada Nepal Medical Society
- SEEDS - fundraising calendars
- Kootenay Refugee Coalition
- Nelson & District Youth Center
- Nelson Friends of the Family
- We Love Kootenay Food-greeting cards

## Community Giving General Donation Program

- Eat United Nicaragua, Comamos Juntos
- Foot Not Bombs, Free Sunday Meals
- Ecole des Sentiers Alpains, La Grande Traversee
- Malala Fund, Go Girl Go...To School
- ALS Society of BC, West Kootenay Walk for ALS
- Kootenay Lake Hospital Foundation, Infant Ventilator and Pediatric Colonoscope

- Guiding Hands Recreation Society Tipi Camp Tipi Camp's Silent Auction
- Class of Nelson Waldorf School, Triathlon Fundraiser
- LV Rogers' Global Perspectives Class Traditional Kenyan Dinner
- Nelson Search & Rescue, RAFTEX Regional Swift Water Training Weekend
- Kaslo Steampunk 2016, Steampunk
- Canadian Mental Health Association Anderson Arts Reception
- Upper Columbia Co-op Council, AGM
- Blue Night, Torchlight Brewing Exhibition
- Kootenay Co-op Radio, KCR membership drive
- East Shore Community Learning Hub Celebrating Community Education
- Taghum Hall Community Society, Mother's Day Brunch & Marketplace
- Academy of Classical Oriental Sciences, Case Study Classroom
- Your Best Health Fair
- Nelson & District Hospice Society, Volunteer Training
- Kootenay Dance Beat Society, Spring Celebration Dance
- BC Children's Hospital, Silent Auction @BMO
- South Nelson Elementary School, Movie fundraiser
- Nudivinity, Dance World Fusion Fundraising Party
- Glacier Gymnastics Zone Championships
- The Whole School Annual Spring Market / Children's Carnival
- Wildflower School Aromatherapy 'Fundraiser
- Amnesty International / Mir Centre / Global awareness Community Fundraiser for Civic Council of Popular & indigenous Organizations of Honduras
- Community First Health Co-op, Health Fair
- Nelson Musical Festival Association Kootenay Festival of the Arts
- Martial Arts for Justice, Break-A-Thon
- Whitewater Easter Egg Hunt
- Ducks Unlimited Nelson Chapter, Dinner Fundraiser
- LV Rogers, Grad 2016
- Kootenay Doula Group, Barrier-Free Birth Support Project

- Kootenay Boundary Community Services Coop West Kootenay Early Years Conference
- The Latitude Project, Class from the Past 2.0 Fundraiser
- AFKO, Cabane à Sucre
- Nelson District Rod & Gun Club, Annual Awards Night Banquet + fundraiser
- Nelson Public Library, Mother Earth Magazine sponsorship
- Salmo Childcare Society, Silent Auction
- Kootenay Home Educators' Annual Play, Tut Tut Play
- Nelson Women's Centre, Spirit Bar International Women's Day music fundraiser
- LEAP Manifesto, LEAP on Leap Year Day
- Smum'iem (For the Women), An evening with "Extinct" Sinixt People
- Nelson Youth Soccer, jersey sponsorship
- Kootenay Refugee Coalition, Fundraising Dinner
- Nelson Curling Club, BC Men's Curling Championship
- St Joseph School, Midwinter Social Wine & cheese Fundraiser for the playground
- Kootenay Kiltie Pipe Band Burn's Night Fundraising Event
- Avalanche Awareness Beyond the Boundaries Society (A.A.B.B.S.) Coldsmoke Powder Fest / Mountain Mingler
- Kootenay Dance Beat Society, Relaunch Party w/ Clinton and Friends
- Welcome Wagon, Nelson Welcome hampers
- Trafalgar School / Food For Life class, Granola Project for the Nelson Food Cupboard
- Nelson Nordic Ski Club, Jackrabbits & Nelson Kootenay Cup Ski Race
- Nelson Minor Hockey Association, Junior & Senior Novis Hockey Tournament
- Skipping team, Polar Bear Swim fundraiser
- Women's Centre
- Kim & Deborah, Free community Christmas dinner at Bigby Place
- Santa Claus! Candy canes, and more, at the Co-op!
- Transition House, Residents Supports during the Holidays
- Women's Centre, Annual Solstice Party
- The Salvation Army Winter Relief Fund

- Kootenay Lake Foundation Ligth Up the Hospital Campaign : OperatingRoom equipment
- Friend of Friends Clubhouse of Trail, Gift of Hope
- Salmo Community Salmo Community Christmas Dinner
- Nelson Legion Auxilia, Christmas Party December 12
- Slocan Valley Food Cupboard
- Kootenay Swim Club, Poinsettia Fundraiser
- Waldorf School, Waldorf School Winter Faire
- Living Local Economy, Eat, Learn and Share
- Nelson Curling Centre, Youth Curling Challeng
- Blue Night Art opening & Artist Talk
- Kootenay Coop Radio, Membership Drive
- Hume Hotel Bad Ass Bingo for Charities
- Wildflower School Gift making
- LVR Students Amnesty Group, UN Refugee Program, workshop & Harry Potter Gala
- Whitewater Ski Team, Nelson Ski & Snowboard Swap
- Slocan & Valley Recreation Commission, Annual Seniors Christmas Tea
- Nelson Friends of the Family, Facebook online auction
- Ladies' Auxiliary, Annual Borscht Luncheon
- Osprey Community Foundation, Community Tribute Fundraiser & Retired Chief Simon Grypma
- Nelson Committee on Homelessness Community Connect Day
- Nelson Curling Club, CashSpiel
- Mount Sentinel School, MSSS Green Team
- LVR Sister to Sister Program, Girls Goddess Gift
- Granite Point Golf Society, GP FunRaiser
- NDCC, 6th Annual Fitness Forum
- Ecole des Sentiers Alpains, Mwalk to School week
- Sinixt Nation, 8th Annual Barter fair
- KAAP, Burger 'n' Beer Finleys
- Kootenay Co-op Radio, Record Swap Garage Sale
- Our Daily Bread, Fantastical Masquerade Gala Fundraiser
- Voices West CORAZON Choir, Choir Festival
- Redfish Elementary School, Annual Family Fun Night

- Women's Centre, Open House & Womagination Carnival of Wonders
- N&D Chamber of Commerce, Gala Dinner & Auction Nov 7th
- Blewett PAC, Hallowe'en Open House
- Nelson Library, Bday Celebration, new cookbook launch
- Nelson Waldorf School, Halloween Journey
- Nelson Tramway Society, Food Fundraiser
- Road Kings, Queen City Cruise
- Shambhala Meditation Center, Tango fundraiser
- Kootenay Car Share Coop, Federation of Canadian Carsharing Conference
- World Suicide Prevention Day
- Spirit Festival
- Brandon Salviulo Memorial Scholarship Fund Golf Tournament
- Appledale Children's Center, 2nd Annual Reunion Dinner Celebration
- Waldorf School Class 6, Kokanee Glacier Hike
- Kootenay Kids
- Nelson & District Hospice Society, Family Training
- Glade Recreation Commissions, 22nd Annual Fishing Derby
- Procter Community Society, Gala Luau Pig Roast
- AFS Student Exchange, Sept 2015 Italy Silent Auction
- Star Belly Jam Music Festival, Volunteer Meals
- Mountainside Chamber Music Festival
- Nelson History Theater, 2015 Arts & Culture Program
- Peacemaking Collective of Kootenay Society for Lifelong Learning, Young Women's Peace Leadership Camp
- Sponsorship for IAFF Western Canada's conference & Golf Event
- Kootenay Refugee Coalition
- Homelinks Mozart, Musical Homeschoolers Program
- BC Assoc. of Community Response Networks World Elder Abuse Awareness Day (WEAAD)
- Trafalgar Middle School, Silent Auction
- Nelson Rhythm Ropers, Annual Big Show
- Kootenay Lake Hospital Foundation, Annual Legacy Golf Event
- Tiny Lights Festival
- Ecole des Sentiers Alpains, End of the year BBQ
- Wildsight, Wild & Scenic Film Festival
- Age Friendly Community Project, Nelson Car Share Survey on Canada Day

**We had a great year with respect to financial support for community organizations and initiatives! In addition to the complete list of organizations and community members we helped this fiscal year, here is a snapshot of a year of Co-op giving.**



From top left: Co-op 41st Bday party on a rainy Marketfest, Capitol Theatre Christmas Pantomime, The University of Ottawa, **Amelia Martzke**, \$1000 Members Scholarship recipient

# The Kootenay Co-op donated \$124,800

June 1, 2015 - May 31, 2016



OUR DAILY BREAD FOOD NOT BOMBS

BEE AWARENESS SOCIETY

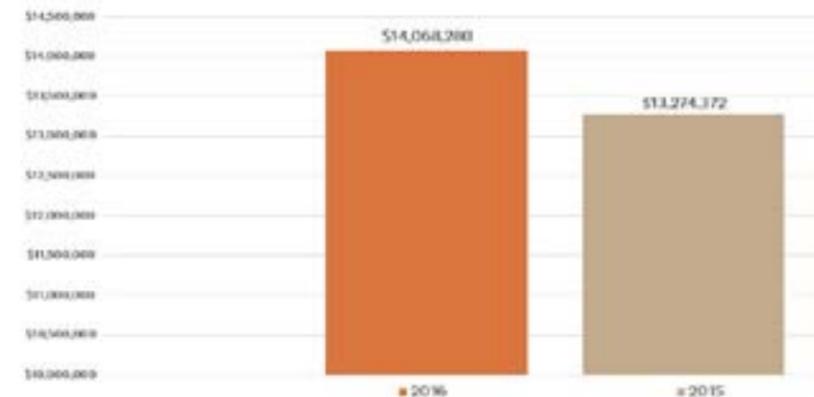
SLOCAN VALLEY FOOD CUPBOARD

THE FRIENDSHIP OUTREACH CLUBHOUSE

# Store Financial Report

Despite enhanced attention from our competitors and their increased focus on capturing a portion of our natural foods business model, your Co-op completed the financial year with another outstanding earnings performance. Thanks to the continued loyalty of our member-owners, and a substantial growth in membership, the financial outlook of your Co-op is extremely stable and we are in an excellent financial situation for the foreseeable future.

## Store sales



**\$14.1 million**

in annual sales



**11.5%**

increase in net income



**\$3.46 million**

in the hands of local businesses

### Sales

Sales growth continued to be robust during the 2016 fiscal year and your Co-op reached a record \$14.1 million in annual sales. Given the existing store's constrained footprint and increasing challenges from our competition, management is very pleased with the approximately 6% rise in sales over the prior fiscal year.

### Net Income

Net income for the fiscal year increased 11.5% to a notable \$348,800. The net income upsurge came even as we were experiencing a considerable increase in employee wages and benefit costs as a result of preparations for the new store expansion. Net income growth was realized primarily due to increased managerial attention on natural foods retail best practices, including improved receiving, inventory systems and loss prevention, all of which are aimed at ensuring Co-op members get the best price possible on local and organic foods and wellness products.

### Financial Position

The net financial position, or equity, of your Co-op improved by \$375,200, or 10%, during the 2016 fiscal year. The notable increase in equity is due to fiscal 2016's exceptional net earnings coupled with an increased number of issued member shares that were outstanding at year-end.

The equivalent of more than 500 new members joined your Co-op in the last fiscal year. Increases in both assets and liabilities were primarily related to the construction costs of your new store and the purchase of new store equipment.

### Community Support

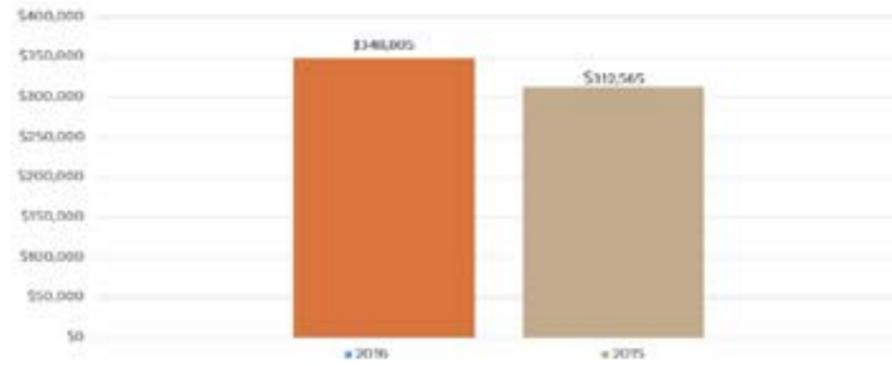
During fiscal 2016, your Co-op enhanced its contribution to the local economy in numerous significant ways. Store employee remuneration increased to \$3.18 million in the 2016 fiscal year. This figure includes the annual store employee profit share and represents a substantial 10.4% increase in benefits to the local economy over fiscal 2015.

Your Co-op's community giving, outreach, sponsorships, grants, scholarships and donations grew to \$124,800 in fiscal 2016, a 21.6% increase over fiscal 2015. Note that this significant increase in our giving is at least partially due to improved tracking of food donations from our produce and grocery departments to those organizations most in need.

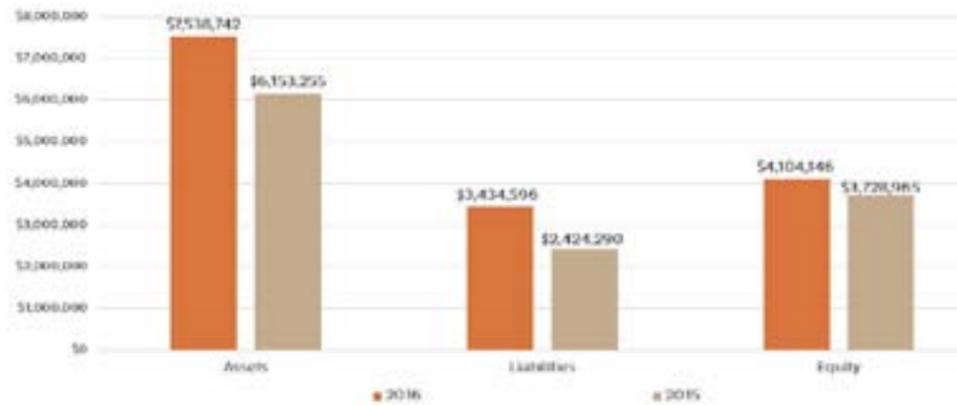
Store purchases from local suppliers also increased a very substantial 33.5% to \$3.46 million during the 2016 fiscal year. This corresponds to an additional \$870,000 in the hands of local businesses over last fiscal year. Your Co-op continues to strive to heighten our financial impact on the local economy.

**Kootenay Country Store Cooperative**

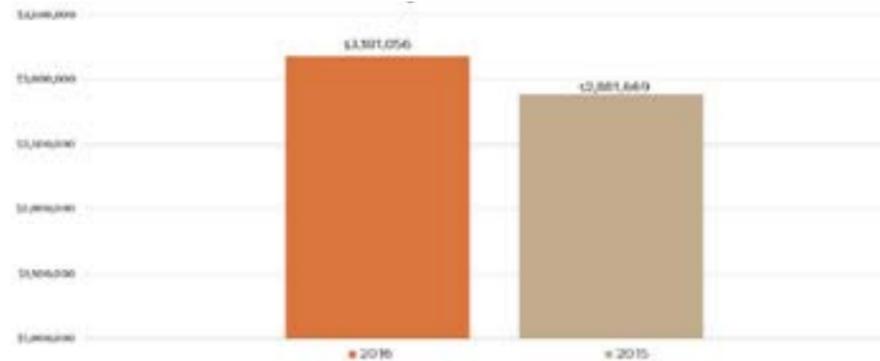
**Store net income**



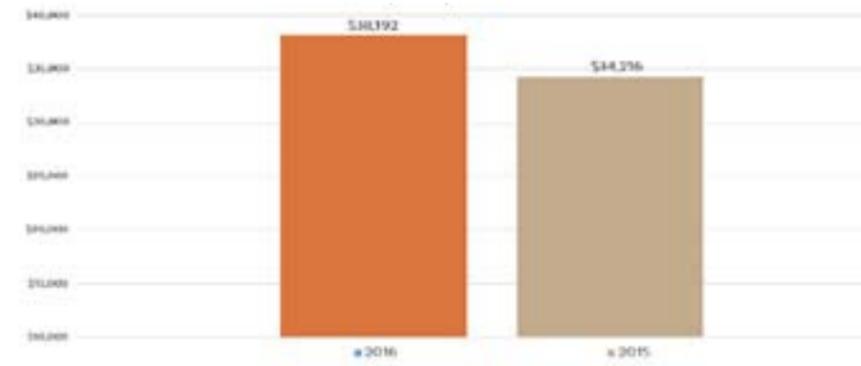
**Store financial position**



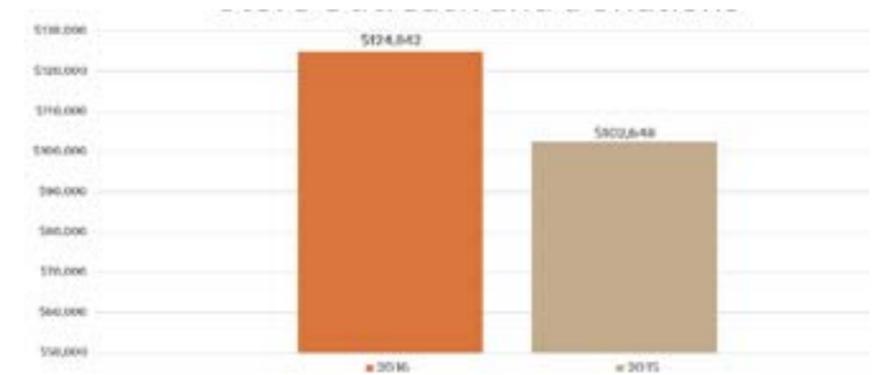
**Community Support  
Store wages & benefits**



**Community Support  
Store employee profit share**



**Community Support  
Store outreach & donations**



**Community Support, store  
purchases from local suppliers**

