



Hanover Consumer Cooperative Society, Inc.
Annual Meeting April 1, 2017

Financial Report for Activities in 2016

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Auditors: Gallagher, Flynn & Company, LLP

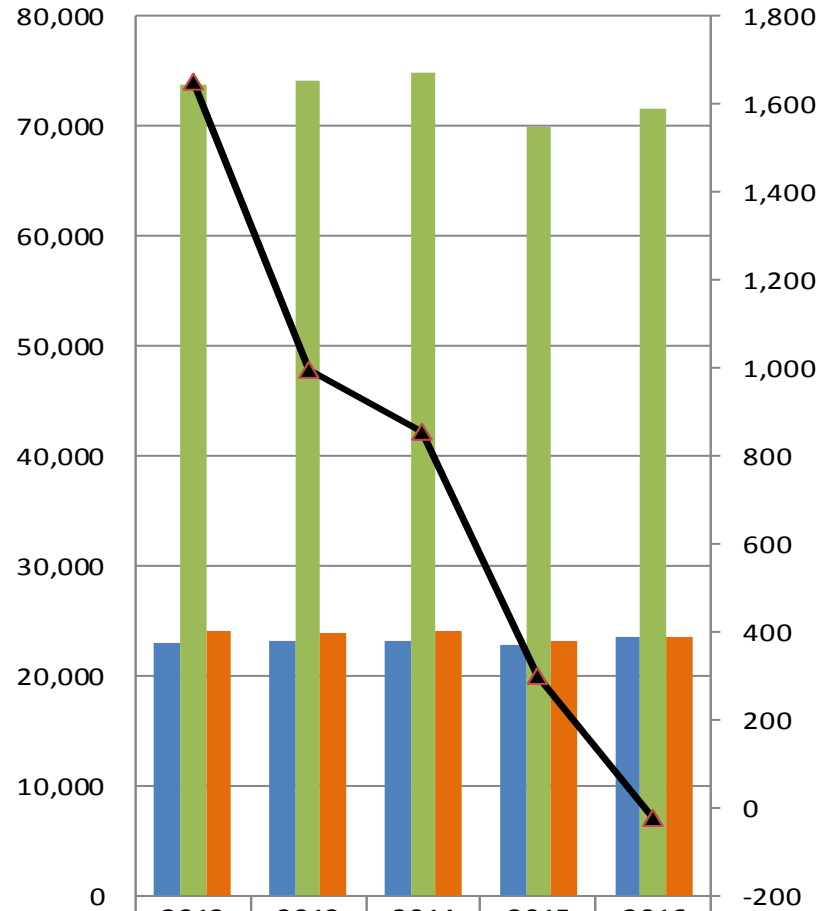
Audit Report on February 22, 2017

The 2016 Financials – Part 1: Income Statement

	2015 Actual		2016 Budgeted	2016 Actual	
Net Sales	\$69,993,775	100%	\$73,705,009	\$71,555,883	100%
Cost of Good Sold	46,891,161	67.0%	49,453,270	48,117,615	67.2%
Gross Profit Margin	23,102,614	33.0%	24,251,739	23,438,268	32.8%
Wages & Benefits	11,591,090	16.6%	12,271,217	12,018,499	16.8%
Other Operations	11,213,691	16.0%	11,241,503	11,445,017	16.0%
Total Operating Expenses	22,804,781	32.6%	23,512,720	23,463,516	32.8%
After Operations	297,833	0.4%	739,019	(25,248)	(0.04%)
Misc. Income (Interest)	(94,106)	(0.1%)	(376,802)	(99,054)	(0.14%)
Earnings Before Taxes	\$203,727	0.3%	\$362,217	(\$124,302)	(0.18%)
Taxes	(122,685)	(0.2%)	(189,085)	6,027	0.01%
Net Savings	\$81,042	0.12%	\$173,152	(\$118,275)	(0.17%)

\$2.1 million short
2.9% below budget
2.2% above 2015

SALES AND PROFIT OVERVIEW (1,000'S)

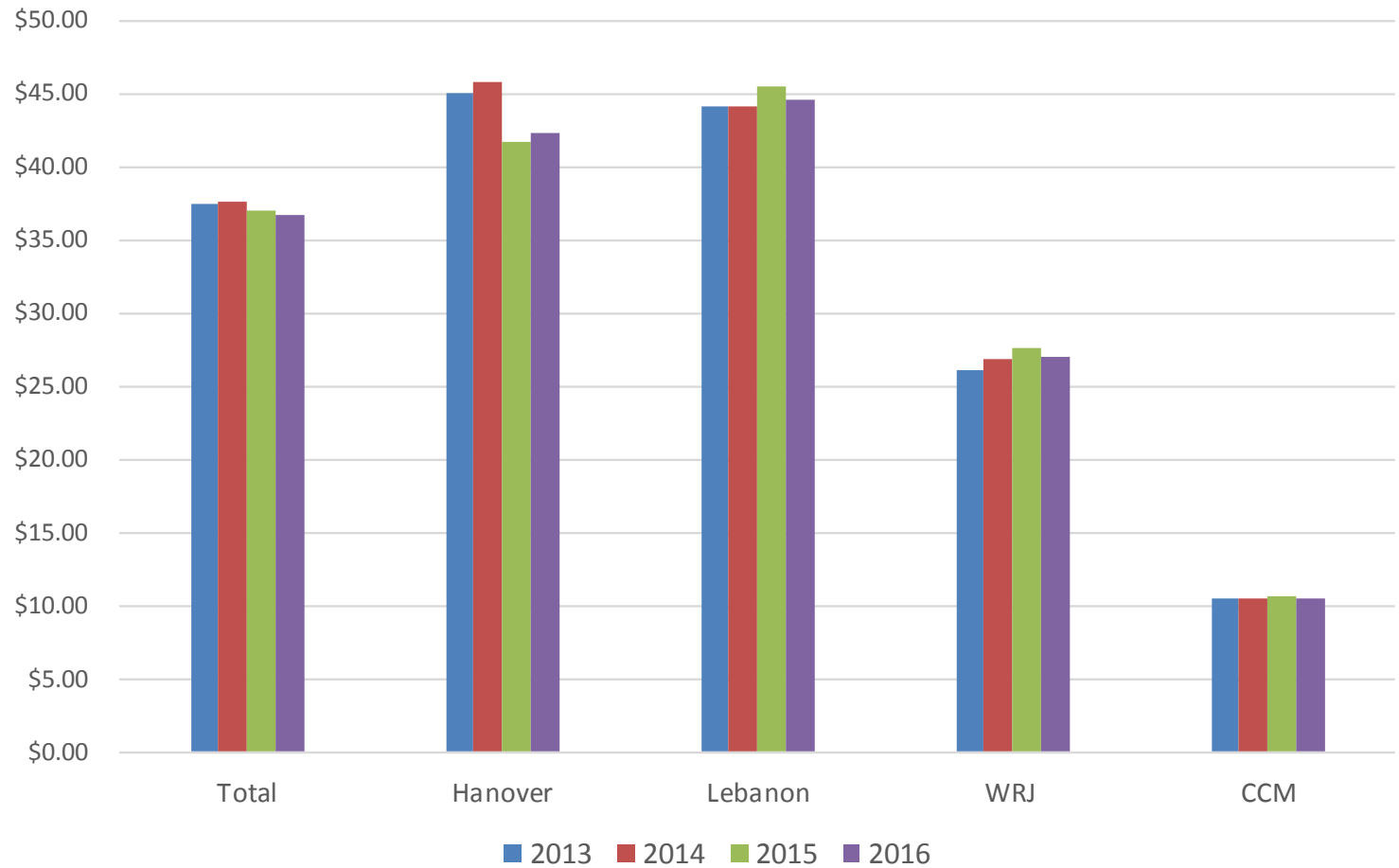


	2012	2013	2014	2015	2016
Operating expenses	22,939	23,163	23,165	22,805	23,464
Net Sales	73,756	74,109	74,867	69,994	71,556
Gross Profit	24,056	23,936	24,003	23,103	23,438
Operating profit (loss) before bonus/gain-share	1,654	996	855	298	(25)

The 2016 Financials – Part 2: Balance Sheet

	2015	2016
Cash	528,017	1,336,288
Receivables	369,838	363,188
Inventory	2,000,069	2,072,413
Other Current Assets	724,781	645,657
Property & Equipment (Net)	10,343,211	9,268,352
Other Assets	1,650,365	1,624,026
Total Assets	\$15,616,281	\$15,309,924
Accounts Payable	2,410,892	2,548,802
Notes Payable - Current	315,823	324,993
Other Current Liabilities	1,300,627	1,393,704
Total Current Liabilities	4,027,342	4,265,499
Long-Term Debt	3,562,038	3,280,234
Other Long-Term Liabilities	1,025,031	887,331
Total Liabilities	8,614,411	8,433,064
Member Equity	3,378,341	3,106,799
Donated Capital	50,693	315,500
Retained Earnings	3,572,836	3,454,561
Total Equity	7,001,870	6,876,860
Total Liabilities & Equity	\$15,616,281	\$15,309,924

Basket Size by Location



The 2016 Loss in Perspective

\$124,302 corresponds to
a little over 1/2 day of sales
less than 2/10th of a penny for every \$1.00 dollar of sales.

\$124,302 loss can be compared to:

\$1,019,117 fees paid for credit card services in 2016

\$936,634 in equipment costs in 2016

\$450,000 member discounts given in 2016.

Pennies for Change

Initiated in June 2016

Raised by end of 2016: **\$137,599.47**



Distribution:

\$27,521.29 to Listen

\$27,521.29 to The Haven

\$27,521.29 to Willing Hands

} Food Access

Plus **\$55,035.60** given to

Child and Family Services, League of NH Craftsmen,

Headrest, Vital Communities, Twin Pines Housing Trust, Mascoma Valley Health

Initiative, Good Neighbor/Red Logan, Opera North, Wise, Ottauquechee Health

Foundation, Women's Health Resource Center, Watson Upper Valley Dog Park,

Vermont Center for Ecostudies, and Upper Valley Humane Society.

A True Success Story !