

**General Membership Meeting
Church of the Crossroads, Moili'ili
April 23, 2016**

Call to Order:

Vice-President Angela Sy, called the annual meeting to order at 6:30p.m.

Establishment of Meeting Requirements:

The posting and announcement of the meeting 30 days in advance was confirmed. A quorum of more than 25 owners was present.

Acceptance 4/26, 2014 and 4/25/15 Minutes:

A motion was made to approve the minutes of the April 26, 2014 and April 25, 2015 General Membership Meetings. The motion was seconded and both minutes were unanimously approved.

Introduction and Thanks:

Angela Sy welcomed members and guests and thanked the candidates who ran for board positions. She thanked the Kokua staff for their continued hard work and for their help in organizing the annual dinner. The band was also thanked.

Treasurer Joannie Pan's Report:

The Treasurer reported that in 2015 the owner's contributed largely to the overall health of the store::

- Over 50% of sales came from owners.
 - Kokua owner's average transaction is 3 times that of non-owner shoppers.
 - Kokua owners receive \$15,000 in discounts every year (Owner's Weekends).
- Overall financial health is on track; Q4 financials are still being worked on, but we expect a sign-off from our Accountant within a month.
 - Our current and long-term liabilities are falling, and our equity is going up. Our current debt to equity at a ratio of 0.41 compared to 0.52 in 2014.
 - We are on schedule with loan repayment. At year-end we have about 90K left to pay down. We did not acquire new debt in 2015.
 - We began to see a decline in customer count beginning Q3, which affected overall bottom line. Lynette will speak more to this in the GM report.

Balance Sheet	FY 2015	FY 2014
Current Assets	460,417	542,321
Property & Equipment	525,265	551,700
Other Assets	14,748	13,573
Total Assets	1,000,430	\$1,107,594
Current Liabilities	225,981	303,358
Long Term Liabilities	123,471	159,985

Owner Equity	650,978	644,251
Total Liabilities & Owner Equity	1,000,430	\$1,107,594

Income Statement	FY 2015	FY 2014
Gross Margin	43.97%	43.37%
Personnel Expenses	23.42%	22.2%
Occupancy Expenses	8.62%	8.44%
Operating Expenses	7.44%	6.47%
Owners Admin Expenses	0.14%	0.15%
Earnings Before Income Tax	187,941	190,537
Income Tax Expenses	326	10,463
Net Income	(16,330) (0.41%)	\$43,731 1.09%

% = percent of net sales

General Manager Lynette Larson's Report:

Lynette thanked the kitchen staff for their outstanding work.

She noted that in the fourth quarter there was a drop in customer count and income due to a variety of factors, some controllable, some not. Kokua also does not spend much on advertising.

Overall sales growth is the first metric that indicates store health. The bottom line is that in 2012, 2013, and 2014 the store was solidly in the black. Once we hit the decline, we had to adjust the budget and tighten the ship. 2015 is expected to be a break-even year.

Loans continue to get paid down.

Due to the planned redevelopment of University Square, the Kokua office/freezer space rental is currently month to month. At some point soon a move will be needed.

President Pam Gring-Fee's Report:

The Kokua Board consists of nine members and is governed by its by-laws. Board Membership rotates, with three elected each year. It meets monthly to discuss the store's finances with the GM and receive her monthly report to the Board. The Board has four committees that meet on a regular basis, as well as ad hoc committees that deal with specific issues.

In 2016 the Board renewed the GM's Employment Agreement for another three years. Lynette has been devoting a lot of time and effort to making the store profitable and we appreciate her hard work.

The Education Committee established an intern program through the University that allowed an intern to get credit for working on the Kokua Bulletins you may have seen in your email.

The GM also purchased new doors for the store on the parking lot side since the old doors were failing.

Future Meeting:

April 2017

Adjournment: Meeting adjourned at 8:10p.m.

Minutes respectfully submitted by Pam Gring-Fee