

JULY 1, 2020 - JUNE 30, 2021



2021 ANNUAL REPORT

WELCOME EVERYONE!

Our mission continues;
to create a community-owned food
market, committed to the health and
well-being of people, emphasizing
local and organic products, and
supporting a dynamic community,
accessible to all.



MESSAGE FROM the Board

"Minor disaster in my kitchen, cooking lunch for a group of Buddhist monks gathered for a funeral. With one hour to go, I called in a panic and Taylor graciously came to the rescue ! When I arrived a delicious basket of veggie sandwiches was all ready to go. Very reasonably priced. I can't thank them enough!"

Dear Co-op Community,

Reflecting on the time since our last Annual Meeting, we can see some notable challenges as well as causes for celebrations in Year 4 of our Co-op's life.

COVID-19 remains an ongoing challenge for us all. The Board of Directors is extremely proud of our front-line workers who continue to serve the community, while maintaining a healthy space for us all. Despite ongoing supply chain issues, the store has never looked better, with expanded product options, more local products, a much-used patio space, new signage, and the addition of the Pleasant Street Café. In addition to these improvements, GM Taylor Evans, places a high priority on member/customer service. Staff are welcoming, approachable, and knowledgeable. We appreciate the positive comments from shoppers, as well as the flood of new annual members we are seeing. As one founding member recently shared, "This is now the Co-op I envisioned from the beginning." If you haven't been in lately, come check us out!

Financially, between the challenges we've faced as a start-up and what the pandemic threw at us, we are seeing that the budget projections made at the time of our opening were rosier than the current reality. While sales are up, so are expenses. The Board and GM are engaged in "re-set" financial planning with a consultant from Co-op Development Institute (CDI) and mentors from the Service Corps of Retired Executives (SCORE). Also, we continue to approach members who made loans to the Co-op to see where we can renegotiate some of that debt. Many lenders have gladly amended loans to later dates; plus, we have seen \$22,000 in loans forgiven. We celebrate the commitment and generosity of these early supporters!

The success of our Co-op directly affects our ability to reach shared goals – for diversity, sustainability, support for local producers, good local jobs, service to the community. It allows us to continue providing access to healthy food for all and a friendly and informative shopping experience. The Co-op has a unique and essential role as the only member-owned grocery store in Lamoille County.

In health & wellness, Jack Pickett, Susan Titterton and the Morrisville Food Co-op Board of Directors





CO-OP COVID RESPONSE & UPDATE

Keeping our customers & staff safe is our #1 priority!

It's hard to believe that we are still in a global pandemic, but here we are. All of us at the Co-op are committed to the health and safety of our customers and staff and we are doing everything we can to reduce the spread of Covid-19. We have come together during this pandemic to help and support each other. Through all of this the human spirit is alive and well.

We are blown away by the efforts of all of the staff who keep the co-op running smoothly each day. We continue to encourage staff and customers to take as many precautions as possible, not only while at the co-op, but also while living life outside of the co-op.

Due to the high number of cases in and around Lamoille County, and to ensure the safety of our customers and staff, we ask that all who enter the co-op wear face coverings, regardless of vaccination status. We are pleased that the majority of shoppers do comply with this request.

Last year we were quick to offer online grocery ordering and curbside pick up, and we continue to offer both and will for the foreseeable future.

Morrisville Food Co-op remains committed to serving our community with fresh, healthy food in a safe, clean, and stress-free environment. Our staff are working every day to ensure we can continue to meet the needs of our community in these difficult times.



A few customer responses to the masking requirement.

"I wholeheartedly support your decision."

"Respect! And thank you for the update."

"Thank you Taylor for this decision. I appreciate your thoughtfulness in protecting our community."

"Manager Taylor and staff are super friendly and helpful. Visiting from California and Maryland and we found the wine selections, produce and take out the equal to any vacation spot we've been. Super find for weary travelers on the go needing to stock the pantry quickly!"

MESSAGE FROM the General Manager

As I write this message, I find myself reflecting back to my first days at our Co-op and where we were when I first walked into our store on a cold Tuesday morning in April of 2020. What I found was mostly bare shelves, a few staff members that were not very excited about working to keep the doors open in the midst of a global pandemic and the knowledge that I was now for better or worst at the helm of all of this. The next day a small group of loyal members, along with both of my daughters showed up at our door willing to roll up their sleeves and pitch in to help bring us to the point we could reopen for curbside pick-up the next Monday. There's a saying I learned in the military, "How do you eat an elephant? One bite at a time!" and another I believe in, "The direction you travel should be determined by where you want to go, not where you're coming from." Both came into mind that first week. We worked on one thing at a time and worked to move forward. I still think about both of these sayings as we continue to eat the elephant and move in the only direction I know, forward to where we want to go.

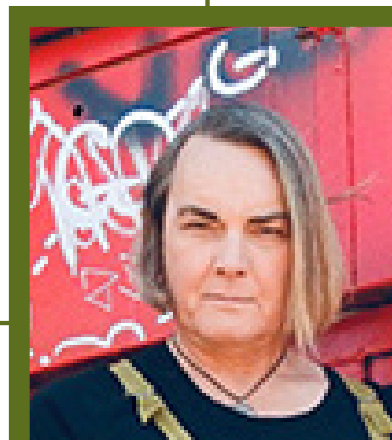
Today the Morrisville Food Co-op is a much different and better place than it was then. Are we there yet? No, but we are making progress. As members you should know, you have never had a more engaged or talented staff to move the Co-op forward than we have now. I feel privileged to work with each and every one of them.

We have been working on a list of items including our rebranding with new logos and updated storefront, new merchandise displays, adding new products, opening our Café for to-go food and hopefully soon we'll be able to offer prepared meals as well, and last but not least lowering prices. Even with all of the great things happening we are still jumping hurdles and working through everything from supply chain delays and products out of stock to needing more storage space for our expected growth.

We do all this because we believe in our Co-op, in our community of members, in our employees and in our community partners who supply us with all of the great local products we carry.

Thank you all for your continued support.

Taylor Rose Evans
General Manager



MESSAGE FROM the Treasurer

July 1, 2020 to June 30, 2021 (Fiscal Year 21) continued to be a financial challenge for our Co-op. The COVID-19 climate of uncertainty continued to affect us throughout the year.

On a positive note, sales increased 16% over the previous year and continue to rise. But with staff turnover, PPE supplies to purchase, supply chain interruptions, and in-store pickup only for quite some time, cost containment

and positive cash flow has proved to be a challenge. A significant operating loss was offset by the forgiven PPP loan, state grants, a tax refund, half a year's rent waived by our landlord and several forgiven member loans. Without those, our Net Loss would have been similar to last year.

A deep dive into the operations and finances of the Co-op by our consultant gave insights into needed improvements, such as our expanding Grab N Go deli service and kitchen. To help finance that, we obtained an Economic Impact Disaster Loan from the SBA. This 30-year, low interest loan has far better terms than we would ever receive from a commercial bank. We believe that our plan for increasing sales and improving margins on the cost of goods, will enable the co-op to be better-positioned for the future. At the same time, we predict that improvement in profits over the next year will not be sufficient to pay off the member loans coming due. Strategies, such as renegotiating the loans and fundraising, are under discussion and will require broad buy-in and engagement from members to be successful.

Beth Springston
Board Treasurer



Current Debt Position (as of October 1, 2021)

Cash & Savings		\$ 86,177
Debt		
	*SBA Loan	\$150,000
	Line of Credit	\$ 98,432
	Member Loans	\$212,025
	TOTAL	\$460,457

**SBA, 30-year low rate loan*

Balance Sheet (as of June 30, 2021)

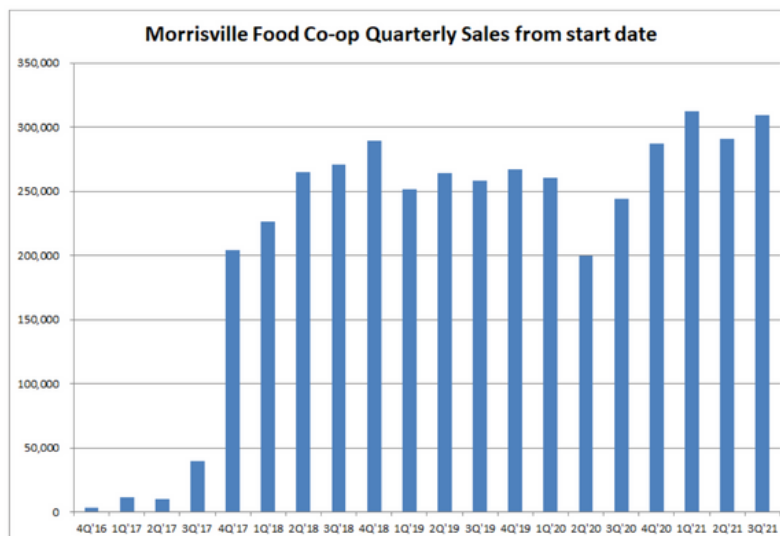
	<u>FY 2020</u>	<u>FY 2021</u>	<u>Change</u>
Assets			
Inventory	\$ 61,667	\$ 84,829	\$ 23,162
Equipment	\$107,156	\$ 95,378	(\$ 11,778)
TOTAL	\$198,607	\$316,118	\$117,511
Liabilities	\$464,916	\$587,848	\$122,932
Member Equity	\$193,415	\$197,735	\$ 4,320
Retained Earnings	(\$294,189)	(\$459,210)	(\$165,021)

Profit and Loss

	<u>FY2020</u>	<u>FY2021</u>	<u>Change</u>
Sales	\$993,405	\$1,152,612	16%
Cost of Goods Sold	\$682,559	\$ 777,931	14%
Gross Profit	\$300,395	\$ 355,926	18%
Operating Expenses	\$371,968	\$ 435,321	17%
Taxes & Depreciation	\$ 18,802	\$ 12,078	(36%)
Other Income/Exp *	\$ 7,869	\$ 68,084	765%
Net Income	(\$82,507)	(\$ 11,318)	86%

*For FY21, received one time Income Tax Refund, PPP loan forgiven, Grants, Donations

Morrisville Food Co-op Quarterly Sales from Start Date



COMMUNITY EVENTS!

Even during the pandemic we were able to have several safe, successful outdoor events.

Our Annual Corn Roast & a Wine Tasting on the Patio!





SPECIAL THANKS...

To all our local suppliers and vendors. We couldn't do it without you!



We don't just buy local. We are local. We're you - we're Morrisville, Stowe, and your surrounding area. We're your local community. The local farmers, bakers, providers, and community members all around you.

Thank you all for your support. Supporting your Co-op supports your community.

**EAT FRESH
BE HEALTHY
SUPPORT LOCAL**



ANNUAL MEETING

Join us by Zoom!

Wine up 44%

Meat & Fish
up 23%

Cheese up 41%

Grocery up 19%

Morrisville Food Cooperative

ANNUAL MEETING

NOV 10 2021

7:00 - 8:15PM
Via Zoom

Join us from the comfort of your own home! Out of an abundance of caution for the health and well-being of staff and community, the Morrisville Food Co-op (The Co-op) will again hold our Annual Member-Owner Meeting virtually this year.

To register for this meeting, please go to
morrisvillecoop.com/coop-virtual-annual-meeting-2021