



City Market
Onion River Co-op

FY 2018
Annual Report



City Market's Global Ends

The Onion River Co-op will be central to a thriving and healthy community, where:

- Consumers have local access to progressive social, environmental & healthful choices;
- Residents enjoy an enhanced quality of life;
- The local food system is strengthened;
- The cooperative model is supported; and
- Our owners have a sense of pride in their cooperative.



Co-op Values

Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

Kindness

Be genuine, have concern for ourselves and others, and build meaningful connections with all those around us

Diversity

Respect and acceptance of all; individually and collectively

Responsibility

Hold each other accountable for consistency with our behaviors and actions

Fun

Maintain a happy and healthy work life balance that fuels creativity and enjoyment

Learning

Be courageous and curious to learn, listen, grow and better ourselves, our colleagues, organization and the community

Positive Impact

Embody our purpose from the smallest to the most worldly; be optimistic



The Cooperative Principles

1. Voluntary and Open Membership

Cooperatives are voluntary organizations; open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political, or religious discrimination.

2. Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions.

3. Member Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative.

4. Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members.

5. Education, Training and Information

Cooperatives provide education and training for their members, elected representatives, managers, and employees, and they inform the general public about the nature and benefits of cooperation.

6. Cooperation among Co-operatives

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional, and international structures.

7. Concern for Community

While focusing on members' needs, cooperatives work for the sustainable development of their communities through policies accepted by their members.

General Manager's Letter

This fiscal year ending June 30, 2018, was a pivotal one for your Co-op as we transitioned from one store to two. While we've been working toward this goal for many years, to do so successfully took the collective work of our staff, our Members, our vendors and farmers, our team of contractors and consultants, as well as partnerships with the City of Burlington, the Chittenden County Regional Planning Commission, Vermont's Department of Environmental Conservation and many more. It was truly a cooperative effort for which we are all very grateful!

While success is about more than numbers, we like to start there. Our sales for fiscal year 2018 (FY2018) were just over \$48 million, a 15% increase over the previous year. Our Membership grew to almost 13,500. Including all the household members on these accounts adds up to a Membership of over 22,000. On average throughout the year, about 69% of our sales were to Members. It's interesting to note that Members average 67% of sales at the Downtown store and 72% of sales at the South End store. Many of you love the hustle and bustle of the Downtown store, while others prefer the elbow room and parking at the South End store.

There are so many benefits to owning the grocery store where you shop – volunteering with our Community Outreach Partners for a discount, supporting local agriculture, donating to the local community through our Rally for Change program, joining our classes at discounted rates, and more! One benefit you may have enjoyed since 2009 is our Patronage Refund program. With the opening of the South End store, we anticipated that the Co-op would experience several years of unprofitability, which is typically expected during times of expansion and has always been a part of our plans. While we will not be issuing Patronage Refund checks during unprofitable years, I hope it will help remind you to take advantage of the many other benefits that the Co-op offers.

You'll read about our cooperative successes in this Annual Report that covers July 1, 2017 through June 30, 2018. Thank you for your ongoing support of our Co-op and I look forward to connecting with you throughout the year!

Cooperatively Yours,



John Tashiro
General Manager



Board President's Letter

Thank you for investing this year in the success of your Co-op as we made the leap to two stores! We are growing in so many ways – Membership, employees, volunteer hours, sales and support of local vendors, Rally for Change – and are so proud to serve our Members and our community in this way.

In 2018, the National Co-op Grocers (a cooperative made up of food co-ops like us) chose “Customers – the Heart of the Co-op” as its annual theme. This theme was distilled into six critical traits of food co-ops, which really resonate for us here at City Market:

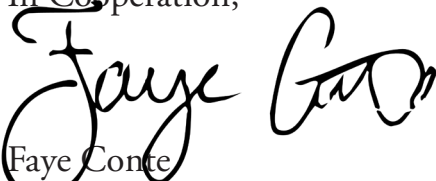
- We know our customers
- We prioritize the customer experience
- We align our stakeholders to meet the needs of our customers
- “Everyone welcome” is a fundamental business truth
- We challenge our own practices that don't appear to put customers first
- We model our expectations

As a co-op, we aspire to be more than just a store; we aspire to be a critical part of our community and a critical benefit to those who live, shop and work here. In this year of transition from one to two stores, these cooperative traits, in addition to our Co-op Principals and our Global Ends, really serve as the foundation for much of our decision-making.

As we grow into two stores and update our plans and budgets, your Board of Directors continues to focus on educating ourselves and working closely with the General Manager to benefit our community, our staff, and our Members while maintaining our fiscal strength and responsibility. Your participation and engagement is an integral part of your Co-op's success. We want to make sure you feel connected to our staff, other Members, our community, our farmers and producers, and our non-profit partners. We welcome your feedback throughout the year, so please reach out to connect at any time!

Our hope is that this Annual Report is a tangible reflection of how your involvement has helped the Co-op to have an amazing impact on our Membership and our community. We hope your Co-op experiences offer plenty of opportunity for daily pride and appreciation. We're certainly grateful for your part in our continued success!

In Cooperation,



Faye Conte
Board President





A Lovely Spring Day, City Market South End

**In FY2018 Membership
at City Market grew to**

 **13,471
Members**

an increase from FY2017 of 9%

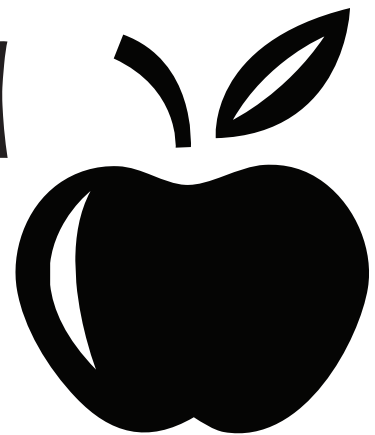


View from on High, City Market Downtown

**Food for All
Members**

saved a total of

\$203,667





Appetizing Appetizers, City Market Member Meeting

We diverted over **84%** of our waste to composting or recycling facilities.



Compost



Recycling



Landfill





Monarch in the Storm Water Garden, City Market South End



of reverse osmosis
water were sold in bulk.

This took the place of

1,202,918

plastic 20 oz bottles!

Financials

Balance Sheet	FY2018	FY2017
Current Assets	6,666,908	4,619,106
Property & Equipment	21,211,617	13,956,748
Other Assets	1,677,875	3,167,573
Total Assets	29,556,400	21,743,427
Current Liabilities	4,156,518	3,047,002
Deferred Revenue	214,359	-
Long Term Debt	11,809,587	4,685,556
Deferred Income Taxes	-	219,700
Members' Equity	13,375,936	13,791,169
Total Liabilities & Equity	29,556,400	21,743,427

Income Statement	FY2018	FY2017
Net Sales	48,257,611	41,985,792
Cost of Sales	30,163,775	26,104,834
Gross Profit	18,093,836	15,880,958
Operating Expenses	18,760,588	14,217,466
Interest & Other (Income) Expenses	170,853	(36,073.00)
Patronage Refund Expense	-	1,162,177
Provision for Income Taxes	(262,981)	223,340
Net Earnings	\$(574,624)	\$314,048

For additional information regarding the Co-op's financial performance or to receive a detailed copy of the Annual Financial Statements, audited by Gallagher, Flynn and Company, LLP, please contact Madelyn Cataford, Director of Finance, at mcataford@citymarket.coop.

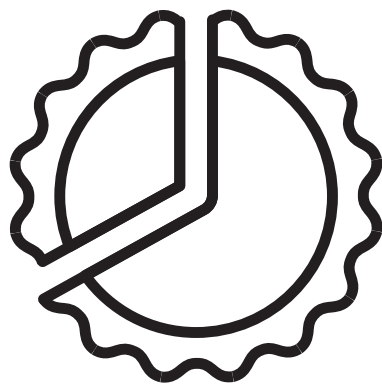


City Market Board of Directors (and General Manager John Tashiro), City Market Member Meeting

We had over
\$48 Million

in total sales

40%
of sales were
**Local
Products**



68%
of sales were
to Members



Grilling Fundamentals with Chef Michael Clauss, Intervale Center

2,193

people **tasted** new flavors
and **learned** new skills

at our low-cost cooking and wellness classes.





Crob Mob, River Berry Farm

17,782

volunteer hours were completed by
Member Workers, many with our
22 non-profit community partners.

This is the equivalent of
8½ extra full-time workers
in our community.





COTS Tree Sale Donation Presentation, City Market Downtown

**Our donations to
local non-profits last year alone totaled**

\$376,992

including

\$73,338



**Community Donations
& Sponsorships**

\$266,942



\$36,712



**Co-op Seedling
Grants**





Your Community-Owned Grocery Stores

Downtown

82 S. Winooski Ave

Open 7am - 11pm every day

(802) 861-9700

City

Market
Onion River Co-op

South End

207 Flynn Ave

Open 7am - 9pm every day

(802) 540-6400