



FY 2020 Annual Report

July 2019 - June 2020



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



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.

Board President's Letter

What a year it has been! As I reflect on the past year, I am struck by the feeling that collectively we have navigated many years' worth of challenges and triumphs in just twelve months. The "year" that we are reporting on in this Annual Report is our fiscal year, which began in July 2019. It's hard to believe that the defining factor of the year for the Co-op - the Covid-19 pandemic - arrived more than halfway through the year. It's important for us to take stock of the full year, however, without diminishing the sheer magnitude of how our Co-op and our community has been impacted by the pandemic.

In March, at the onset of the Covid-19 pandemic, the Co-op's role as a community resource became all the more evident as an essential business, remaining open as the rest of the community was instructed to stay home and stay safe. As Board Members, we were in awe of the ways in which the Co-op was able to provide for the community during the early days of the pandemic, exemplifying the Co-op principle of *Concern for Community*. We applauded the work of Prepared Foods staff who shifted their work to providing meals for the community through a partnership with the City of Burlington, the Grocery staff who made sure we had shelves stocked despite product shortages and delivery delays, and every one of our staff members who helped provide for their neighbors in ways they never imagined.

Our staff of over 300 exemplified the cooperative spirit during this time and we are grateful for the many ways they showed up for all of us this year. We're also grateful for our Members who shared feedback, ideas, and suggestions during

a time of critical change. At a time when more people are focusing on staying local, the value of member-ownership and the opportunity to have a voice in your community has become all the more evident.

As we look to the year ahead, our practices continue to evolve with the latest guidance, and I am so proud of our Co-op for continuing to prioritize safety and implement measures that exceed the state's guidelines. This work, like much of our work, is not contained to a single fiscal year, and I know that we will keep our diligence and our standards high as we continue forward.

Thank you for being a part of our Co-op and this cooperative journey! Together, let us continue to prioritize our entire community's safety, health, and vibrancy - and to learn and grow from the challenges and the triumphs of the year.

In cooperation,



Faye Mack
Board President



General Manager's Letter

As we near the end of 2020 and reflect on our fiscal year in this annual report, I am reminded of the many ways that the spirit of cooperation was on display over these past many months. There's no question that 2020, and the final months of our fiscal year (March through June) brought their fair share of challenges. When the coronavirus pandemic drastically altered all of our lives in March of 2020, we saw our community and especially our staff rally to the moment and provide for their neighbors. From coordinating food donations to working with the city on meal distribution, implementing safety measures and navigating supply chain shortages, launching a curbside program and enhancing delivery capacity, our staff worked together to ensure everyone in our community had access to resources.

This emphasis on providing for the community is not a new focus for the Co-op, but one that became all the more evident during the second half of our fiscal year.

Earlier in our fiscal year, we completed an extended Union negotiation that concluded in a three-year contract, held our Annual Member Meeting at the ECHO Leahy Center, hosted our Annual COTS Tree Sale, distributed funding to our Co-op Seedling Grantees, and more. But the year brought challenges even before the onset of the pandemic with water boil alerts and advisories that led to the closing of the Co-op on two separate occasions during our fiscal year.

Despite the obstacles that these closings posed, I remain proud of the swift action that our leadership team took to prioritize community safety. In retrospect, those instances prepared us well for the many tough decisions we would

make later in the year with the onset of Covid-19. Some of the over 30 operational adjustments we made in response to the state of emergency declaration in March included transitioning to pre-packaged items in Bulk and Prepared foods, installing plexiglass barriers at the registers, limiting capacity, mandating face coverings for staff and customers, and more.

As we look to the year ahead, I am proud of the ways we have adapted to changing realities, consistently prioritizing safety and remaining accessible to all with the expansion of our curbside and delivery program and our continued cautious approach. We're also proud that we've maintained over 300 jobs in the community throughout the pandemic despite declining sales and unforeseen challenges, offering an appreciation bonus to our staff for almost 10 months of the year (spanning two fiscal years).

I am deeply grateful for all the people who choose to work at our Co-op and for you, our Members and your dedication to the Co-op that allows us to continue to serve the broader community.

Thank you all for your continued support and we look forward to serving you, our Members, customers and broader community in the year ahead.

In cooperation,



John Tashiro
General Manager





Co-op staff volunteering at Feeding Chittenden, early March 2020



Co-op staff masked up and ready, May 2020

Financials

Balance Sheet

	FY 2020	FY 2019	FY 2018
Current Assets	7,424,879	5,084,635	5,469,508
Property & Equipment	19,828,726	20,358,687	21,211,617
Other Assets	2,053,197	2,379,345	2,875,275
Total Assets	29,306,802	27,822,667	29,556,400
Current Liabilities	3,778,662	3,863,747	4,156,518
Long Term Debt	13,008,936	11,055,095	12,023,946
Deferred Income Taxes			
Members' Equity	12,519,204	12,903,825	13,375,936
Total Liabilities & Equity	29,306,802	27,822,667	29,556,400

Income Statement

	FY 2020	FY 2019	FY 2018
Net Sales	52,781,511	52,086,091	47,382,068
Cost of Sales	33,590,960	33,260,461	30,163,775
Gross Profit	19,190,551	18,825,630	17,218,293
Operating Expenses	20,076,013	19,292,385	17,885,045
Interest & Other (Income) Expenses	203,456	353,670	170,853
Patronage Refund Expense	-	-	-
Provision for Income Taxes	(577,444)	(213,200)	(262,981)
Net Earnings	\$(511,474)	\$(607,225)	\$(574,624)

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 & IT, at mcataford@citymarket.coop.

Sales & Performance

FY 2017
\$41,985,792
(before discounts)

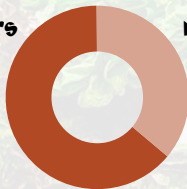
FY 2018
\$47,382,068

FY 2019
\$52,086,091

FY 2020
\$52,781,511

FY 2020 Breakdown

Members
64%



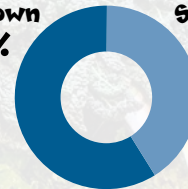
Non-Members
36%

Local
38%



Non-Local
62%

Downtown
59%



South End
41%

Local Products

\$20.4M in Local Sales

38% of all sales
(last year: 41%)

3,000+ local products

Support & Partnership

- Product Pre-Buys
- Crop Planning Meetings
- Ingredients for Prepared Foods
- Crop Mobs

Covid-19 Impact & Adjustments



30+ Operational Adjustments

Limited Capacity

Plexi Glass Barriers

Successes

Age Well added as a **Community Outreach Partner**

Worked with the city on **Meal Distribution**

Continued settling into **Two-Store Format**

Increased Activity
at our South End store

Challenges

Covid-19 Adaptations

Unpredictable Sales & Trends

Store closures due to **Water Boil Advisories & Alerts**

Committed to our People

Flipping the Industry Norm

320+

people

80% **20%**

full time

part time

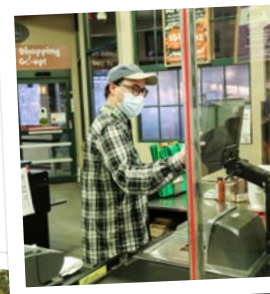
**Average
Tenure**

3.2
years

6.7
years

General Staff

Managers



Employee Wellness & Diversity Initiatives

20

employee wellness
initiatives

**Staff Learning
Library**

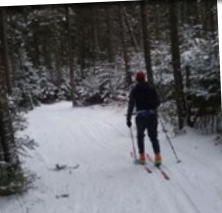
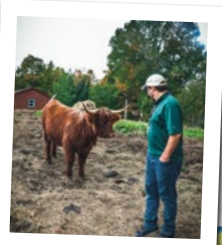
expanded with a focus on
Racial Justice

476

activities logged
throughout the year

Sponsored VBSR
Racial Justice
series

Free yoga with **Sangha Studio**
Free climbing at **Petra Cliffs**



Classes & Events

Prior to COVID-19 Stay Home, Stay Safe order:

86
classes

1,158
attendees

Shifted to outdoor
programming after
a three month pause

Classes & Events

Pivoting with support
from local partners



Outdoor
Gear
Exchange



Environmental Commitment



Earth Week Bags

postponed until 2021



Developed our
**Environmental
Framework**



**Paper-only
at the
Registers**



**Compostable
Produce Bags**
and storage guide

Environmental Commitment



241,240

gallons of reverse osmosis water
equivalent to over

1.5M plastic 20 oz bottles

50%

of our waste diverted to compost
and food scraps



50%



34%



16%

Donations & Sponsorships

Meal Distribution
with the City of Burlington

Increased Product Donations
in light of Covid-19

Community Food Pick-Ups
in the South End



Community Donations & Sponsorships

\$57,856



Co-op Seedling Grants

\$40,000

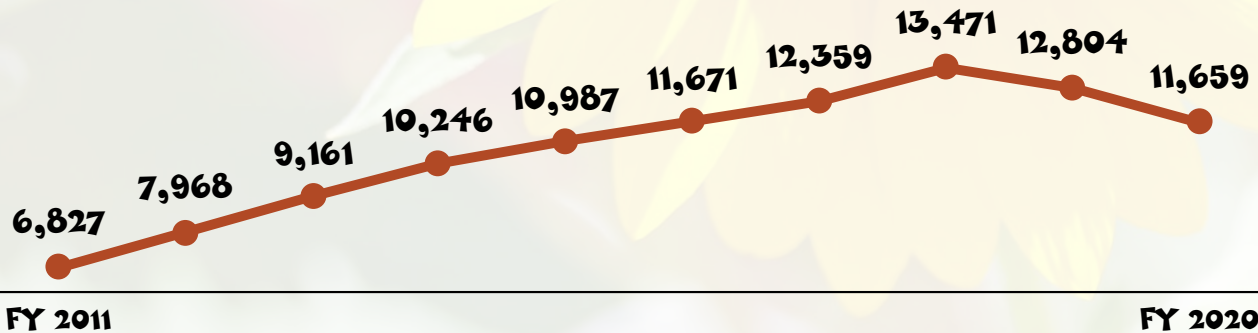


Rally for Change

\$234,648

FY 2020 Membership

11,659 Members



FY 2011

FY 2020

Challenges

- New Member retention with annual equity installments
- Period of unprofitability with pause on patronage checks
- Lack of clarity around Member differentiation

Opportunities

- Increased education around cooperative membership
- Revamping Member Benefits in FY 21
- Hosting Member Drives
- Working with Co-op Partners

Member Work in the Community

Member Workers completed

16,653

volunteer hours

many with our

24

non-profit
community partners.

This the equivalent of

8

extra full-time workers
in our community.

The average discount was

\$1,459

per Member Worker
for the year!



Food Access

\$237,185

saved by Food for All Members

400

Co-op Basics items on our shelves

15%

in Produce and
Bulk

10%

Storewide*

Food for All offers everyday
savings for shoppers who
participate in 3SquaresVT,
WIC and SSI/SSDI.



*Discount excludes alcohol, newspapers, bus passes and stamps.



THANK YOU!
WONDERFUL
FOOD
WORKERS



Gratitude for essential workers by Bonnie Acker