



2024 ANNUAL REPORT

LETTER FROM THE CEO & BOARD PRESIDENT

Dear Owners of Valley Natural Foods Cooperative,
Great People, Great Co-op
Greetings! As we reflect on the past year, we are excited to share the significant milestones and progress that Valley Natural Foods Cooperative has achieved. The highlight this year has been strong employee retention and a growing number of co-op shoppers. Our community of farmers, producers, workers and members all contribute to a stronger, healthier community.

Community Engagement

Last September we held our first in-person annual meeting since 2019. The event was held at the Ames Center in Burnsville, and featured incredible local non-profit leaders who highlighted the need for community access to food and food education programs and the many ways the co-op is partnering to meet the need. It left us inspired to continue the work the co-op does with our community gardens, round-up program and community events such as the Minnesota Vikings Thanksgiving meal give-away. Two days later we held our Local Fest featuring 17 vendors, bratwursts from Gerhard's Brats and music and activities. Over 350 people attended, which is a boon for our vendors whose products are amazing, and who's work strengthens our local economy. This year we worked with Echo Park School and Midwest Food Connection to host a kid's gardening event on our patio. Kids (and their adults) tried different fruits and vegetables that can be grown in Minnesota gardens, made wild plant seed bombs and played in our outdoor space. These events bring members of the community together to engage, eat well and have fun!

Enhancing the Co-op Experience

Our staff make the co-op possible and this year we continued our growing investment in our dedicated and hardworking staff. The following improvements to benefits and compensation have happened in the last year:

- Starting wages increased from \$15.00/hour to \$16.00/hour
- All currently employed staff received parity wages as well
- Annual pay changes of 3%+
- Gain sharing of \$.50/hour for every hour worked in the last year
- Co-op covered the entire increase in health care costs
- 2 additional days of Paid Time Off for hourly staff
- 1 additional recognized holiday (Juneteenth)
- Staff receive a 401(k) match after 90 days rather than 1 year, and are fully vested at 3 years rather than 5 years
- A robust pay and benefits package makes the co-op an attractive employer.

We hope you noticed our new carts, shiny floor and improved parking lot. After a two-year wait our new carts finally arrived! We went with plastic due to recyclability and because we were tired of our rusty looking carts. We also did a grind a polish of the floor to restore it to its post-expansion shine!

At our juice bar we added an electronic drive-thru menu board and electronic monitors inside. These allow us to easily update the menus and not have to replace the menu boards outside as frequently due to weather damage. We want a customer experience that matches the high quality of the smoothies and juices we make!

Valley's Own Bakehouse – Challenge and Change

Valley's Own Bakehouse, which manufactures gluten-free baked goods, had a year of ups and downs. The core of our staff worked hard to make our delicious products, however filling bakery positions has been a challenge and our sales dropped as we were unable to fulfill orders. Looking forward we are relying on outside perspective to help us understand what it will take to make Valley's Own a growing, robust part of Valley Natural Foods. Look for more information in coming months!

Financial Prosperity and Future Vision

The co-op had a solid year of financial performance. We had \$16 million in sales, growth of more than 5% over the previous year. We had a healthy 2.35% operative profit, our best in years, and ended with over 1% net income. Cash flow was positive and over \$500,000. Our balance sheet remains strong with debt to equity of .78, meaning we own more than we owe and that we can access capital if an opportunity for growth and expansion comes along.

We achieved this strong financial performance thanks to our talented leaders and staff keeping their eyes on the details, and all of customers who keep returning to the co-op! After many years of increasing competition, we were also aided by the closing (one temporarily) of 2 other area grocers.

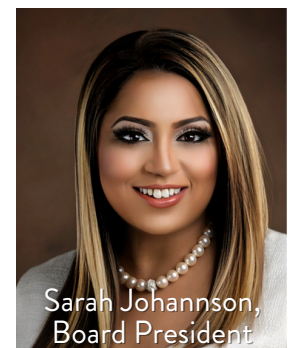
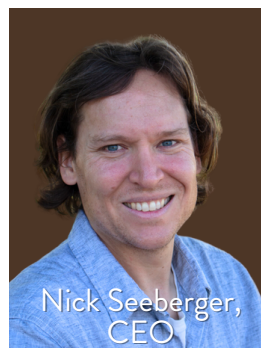
This strong performance means we will be issuing a patronage refund to our owners! We are excited to share our profits back out to the community. We cannot complete a distribution until our financials are reviewed and our profit for tax purposes is understood. Look for more information this Fall!

Looking Ahead: CEO Transition

Our CEO's last day was Thursday, Aug. 1. Nick Seeberger has served as the CEO for the last 7 years, leading the co-op through an expansion, COVID and 2nd store planning and readiness. The board is leading a national recruitment campaign to identify the next CEO of Valley Natural Foods. We intend on having the position filled by the end of the year. In the interim our great staff will be lead by Store Manager Steve Sapoznik. Steve has a lifetime of grocery experience, including 11 years at Valley Natural Foods. We hope to see you all at our annual meeting and Local Fest where you can meet Steve!

As we navigate the path ahead, our focus remains unwavering. We are committed to serving our community's evolving needs, amplifying our offerings of local and organic foods, expanding our house-made food selections, and providing engaging classes and events that resonate with you.

We are confident that the strength of our co-operative, coupled with your continued support, will lead us to even brighter horizons. In the spirit of co-operation,



FINANCIAL REPORT

FISCAL YEAR 2024

Audited

INCOME STATEMENT	FY 2024	FY 2023
Revenue	\$15,810,352	\$15,182,903
Cost of Sales	9,491,048	9,165,314
Gross Profit	6,319,304	6,017,589
Labor	3,833,186	3,548,521
General & Administrative Costs	2,112,871	2,213,428
Operating Costs	5,946,057	5,761,949
Operating Income	373,247	255,640
Other Income/(Expense)	(134,833)	(98,717)
Income Before Taxes	238,414	156,923
Income Taxes	64,049	(9,670)
Net Income	174,365	166,593

BALANCE SHEET	FY 2024	FY 2023
Cash	\$2,185,414	1,486,811
Inventory	741,995	745,535
Prepaid Expenses/Other Current Assets	1,013,085	1,054,179
Current Assets	3,940,494	3,286,525
Property & Equipment, Net	8,481,360	8,848,092
Construction in Progress	135	35,359
Right of Use Asset	302,194	337,561
Equity and Deposits in Other Co-ops	456,807	446,129
Other Receivables	25,832	31,748
Total Assets	13,206,822	12,985,414
Current Liabilities	1,274,365	1,041,568
Long Term Debt	4,028,288	4,214,657
Operating Lease Liability	319,761	352,466
Deferred Tax Liability, Net	262,000	262,000
Total Liabilities	5,884,414	5,870,691
Member Equity	5,838,680	5,805,360
Retained Earnings	1,483,728	1,309,363
Total Equity	7,322,408	7,114,723
Total Liabilities & Equity	13,206,822	12,985,414

CASH FLOW	FY 2024	FY 2023
FROM OPERATIONS		
Net Income	\$ 174,365	\$166,593
Depreciation & Amortization	567,836	569,993
(Increase) Decrease in Inventory	3,540	(54,469)
(Increase) Decrease in Receivables	24,464	(21,252)
(Gain) Loss on Equipment	2,451	11,248
Deferred Income Tax		(14,000)
(Increase) Decrease in Current Assets	(89,485)	(28,954)
Increase (Decrease) in Current Liabilities	236,165	24,435
Deferred Lease Obligation	-	4,407
Operating Lease Liabilities	(32,705)	(29,745)
Cash flow from Operations	886,631	628,256
FROM INVESTING		
(Increase) Decrease in Fixed Assets	(132,394)	(189,535)
(Increase) Decrease in Other Assets	3,179	169,072
Cash Flow from Investing	(129,215)	(20,463)
FROM FINANCING		
Increase (Decrease) in LT Liabilities	(193,765)	(184,691)
Increase (Decrease) in Equity	29,952	13,116
Cash Flow from Financing	(163,813)	(171,575)
Total Cash Flow	593,603	436,218
Beginning Cash	1,938,394	1,502,176
Ending Cash	2,531,997	1,938,394

COMMUNITY IMPACT

FISCAL YEAR 2024

\$66,836

TOTAL DOLLAR VALUE OF IN-KIND GOODS DONATED BY VNF STORE DEPARTMENTS TO A COMMUNITY FOOD SHELF

RECIPIENT: Mission Outpost/Salvation Army at Prince of Peace Church-Burnsville



\$16,738

TOTAL DOLLAR AMOUNT OF VNF DONATIONS AND SPONSORSHIPS (INCLUDING IN-KIND DONATIONS) SUPPORTING LOCAL NON-PROFITS AND COMMUNITY ORGANIZATIONS

RECIPIENTS INCLUDE: Midwest Food Connection, The Open Door LELS Benevolent Fund, Inc.



\$4,534

INTEREST EARNED FROM VNF COOPERATIVE COMMUNITY FUND

RECIPIENT: Midwest Food Connection



200

TOTAL NUMBER OF THANKSGIVING MEALS PURCHASED AND DISTRIBUTED BY CAMRYN BYNUM AND THE OPEN DOOR PARTNERSHIP

Minnesota Vikings safety Camryn Bynum hosted the annual Thanksgiving turkey and meal bags giveaway at Burnsville High School for ISD 191 families.

\$27,909

COMBINED ROUNDED-UP CONTRIBUTIONS & REUSABLE BAG REDEMPTIONS AT THE REGISTERS, DONATED BY VNF SHOPPERS

RECIPIENTS: The Dano Fund, Midwest Food Connection, 360 Communities, Co-op Community Fund, BrainPower in a Backpack, Midwest Special Services, CAP Agency, Sharing Our Roots, The Open Door, Land Stewardship Project, Guild Services, Dakota Child & Family Clinic.

THANK YOU MEMBER-OWNERS AND SHOPPERS FOR YOUR GENEROSITY AT THE REGISTERS!



3,022 lbs.

TOTAL POUNDS OF NON-PERISHABLE FOOD AND OTHER GOODS WERE DONATED TO OUR STORE'S FOOD BIN

RECIPIENTS: The Open Door Pantry and 360 Communities Food Shelves

THANK YOU MEMBER-OWNERS AND SHOPPERS FOR YOUR GENEROUS FOOD SHELF CONTRIBUTIONS!



274

NEW MEMBER-OWNERS JOINED THE CO-OP

WELCOME TO OUR CO-OP COMMUNITY!

