



BREADROOT

NATURAL FOODS CO-OP

ANNUAL
REPORT
2020





Lindsey Hays - Board President

MESSAGE FROM THE BOARD PRESIDENT

When I first heard about an opportunity to serve on the board of directors at the co-op, I saw it as a chance to connect with a community that shared my values. I have not been disappointed. Owners and shoppers at Breadroot are diverse and have various interests, but at the end of the day we're all rooting for the success of the co-op.

The co-op is successful. Our income and sales continue to grow. Our staff worked through product shortages and multiple changes in management while continuing to provide customers with the products they want, sold in a safe environment. As you can see from our year-end financial statement which is included in the annual report, our financial position is strong. My hope is that the co-op utilizes our resources to expand our offerings and meet even more of our community's needs.

The staff at Breadroot are incredible. They have stepped up during a tumultuous year. Please thank a staff member next time you're in the store. It's because of them that our organization will remain successful and continue to provide the community with an ever-increasing number of products.

The Board of Directors continues to do its job, ensuring the ongoing success of the co-op and working toward the goals outlined in our Ends policies. This is despite changes in management and a mounting draw on our time and energy. We held regularly-scheduled monthly meetings, secured management staff to run day-to-day operations, and had a board retreat. We are in the process of updating board roles and responsibilities documents so that future board members will know what is required in order to effectively govern the cooperative. I am proud of the work the board has done over the last year. We rose to the occasion.

I've spent four years as your board president, and I am ready to retire after this year's annual meeting. Thank you for the opportunity you have given me to lead an incredible group of directors as we worked in the best interest of the co-op and our members. It has been a pleasure serving the community in this way.

Sincerely,

Lindsey Hays
President, Board of Directors



MESSAGE FROM THE GENERAL MANAGER

I began working at Breadroot 5 years ago, because I was drawn to its co-operative, community-first ethic. Throughout these years, my knowledge of co-ops has greatly expanded as I've assumed multiple roles at Breadroot, from Front End Clerk to Human Resources, and now as the General Manager. I love helping people and in the broader sense, the community. Needless to say, this is a role that suits me well and I am grateful to get the opportunity to manage such an integral fixture to our local growers, vendors, and customers.

Anna Chief - General Manager

2020 has been a trying year for everyone, but our Co-op especially has been tested as we navigated through some major changes in management last Fall. When I was asked to come back after a six month break, there was a clear need for someone with my experience. I was initially reluctant, but I saw the potential for a good future for our Co-op, and that potential and love for our community is what brought me back.

The Co-op received a couple big upgrades last summer. A new walk-in cooler and freezer has allowed us to carry more products and have backstock readily available to help keep our shelves full longer. We also installed a new produce cooler to allow for a larger variety of produce.

We have continued seeing increased sales and membership sign ups, this past year. This paved the way for some much needed upgrades that will help us remain competitive. We are in the process of completely revamping our front end registers, making the traffic flow much more efficient, as well as installing a new point-of-sales system and finally adding conveyor belts! This project will be completed within the next couple of months.

Not everything lately has been so optimistic, however. We have seen our highest turnover in the last couple of months, and we are just now beginning to see a return to our usual employment numbers. During these light times, our team has really come together to ensure that all facets of the Co-op are running smoothly, despite our lower than usual staff numbers. We have lost some invaluable employees, and we wish them well on their next endeavors. But in true co-op DIY fashion, we've learned to adapt, as we slowly re-staff our store and get back to 100%.

I'm looking forward to the future of Breadroot, as we recover from a few tumultuous months and get back on track for a really good rest of the year and many more!

Warm regards,

Anna Chief
General Manager

POLICY A: ENDS

Policy Type: Ends

Policy Title: A – Global End

Last Revised: February 29, 2016

Co-op Ends: Breadroot Natural Foods Co-op will be central to the production, procurement, and distribution of natural and organic foods and other goods and services for healthy living in our region.

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

Breadroot Natural Foods Co-op works to support these Global Ends by implementing a variety of community outreach projects. Our goal is to provide consumers with access to progressive, social, and healthful choices through education and outreach.

2020 MEMBERSHIPS

New Members: 411 (up from 208 in 2019)

Full Members: 119

Current Members: 1,820

2020 FINANCIALS

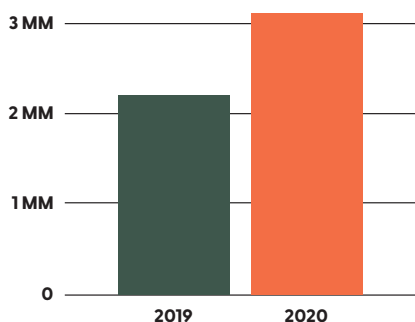
Assets: \$686,233

Liabilities: \$185,334

Equity: \$500,899

Total Sales: \$3,113,111 (\$2,216,747 in 2019)

40.4% increase (\$896,364) over 2019!



Total Net Income: \$229,824 (-\$29,121 in 2019)

Record setting sales: We set a single-day sales record with \$20,312.47 on Friday, March 13!

CAPITAL IMPROVEMENTS

- 1 Produce Area Refresh**
 - New 20' produce cooler
 - New display areas

\$39,114

- 2 Backstock Upgrade**
 - Walk-in fridge/freezer

\$40,833

Patronage Dividends: The Board of Directors approved a patronage dividend for 2020, with details to be disclosed at a later date.

THANKS FOR SUPPORTING YOUR CO-OP!

