



The family of Peter and Melissa Awad



# 2010 Annual Report



ONEOTA  
COMMUNITY  
FOOD  
COOPERATIVE

# a COMMUNITY OF SUCCESS

## What a year!

David Lester, general manager

This year we deepened community connections and posted the first positive net income since moving to our new store three years ago. Our focus has been on education, creating a healthy work environment, and offering a positive shopping experience. Thanks to dedicated members and customers like you, we've shown that good food and community matter. Thank you!



I would like to take the time to also thank the staff of the Co-op. They have weathered some difficult times the last three years and deserve a lot of credit for keeping the focus on selling good, healthy food. Our staff survey indicated that our staff overall is happy and I am happy to announce that staff received a 4% raise this summer. We saw a 10.4% sales growth in 2010, which was above our budget figure of 8.83% expected sales growth. Even more impressive was the fact that we did this in a county that saw an 8% decline in sales growth for retail stores through the second quarter of 2010, according to the State of Iowa's Retail Sales Tax Report.



Our store is a significant contributor to the local economy. OCC employs 36 people and provides a combined net payroll of \$851,221. Most of our staff live in Winneshiek County and are committed to the local economy. As a business, we are committed to doing business locally whether it is insurance, banking or supporting local service people, such as electricians, plumbers, carpenters and other trades professions. We have a very strict definition of "local." To us, local is anything produced within a 100-mile radius of our store. 21% of our sales last year were from local products.

While the financial performance is vital to the sustainability of our co-op, we recognize that the real measure of success is how we are meeting the needs of our members and the community. Our Board of Directors has developed policies to help guide this work and our annual business plan is focused on these goals.

I'm thrilled with the progress we made in 2010 and am focused on the future of our co-op.

## Success by the Numbers

- We gained **280 new member/owners**, bringing our **total membership to 3,531**
- Our **total annual sales** was **\$3.55 million**, showing **10.4% growth** over 2009
- Our **total customer count** grew by **7.5%**
- Our **purchases from local vendors** totaled **\$735,306** (21% of all sales!)
- Our **cash** situation **grew by 116%** over 2009
- After taxes, our **net income** amounted to **\$51,047** (the first positive net income in the new store!)

# BOARD OF DIRECTORS REPORT



steve peterson, board president

This year was a very good year! This report will give an overview of some of our major accomplishments this year.

- Our financial performance continued to improve. This was our first year of positive net income in our new store! Our expenses were under control and our sales are up beyond our

budgeted projections.

- We hired a new GM: David Lester. We are very pleased with the store's performance under his direction.
- We continued to hone our improved governance structure. We have new standards for third party review (another financial review this year, and HR review via staff survey and personnel policy manual review), improved meeting routines (including a large section for improving board knowledge about our work on behalf of members), and greater experience with effective governance.
- We completed our first-ever collaboration between Board, Staff, and GM with a focus on strategic planning and thinking. This collaboration served as the basis for a business plan (store) and continued board learning (board side) about how we can best accomplish our mission.
- A major board turnover went without a hitch. Three long-serving board members left and new board members began board service. Not in my memory have new members stepped up to provide leadership as quickly as this year.

There is much to be thankful for this year. Our store is healthy, we have strengthened our connections to our larger community and next year promises to be even better.

Annie Weilgart and her Austrian friend Dr. Hans Weber (and his brother Ekkehart) share a bowl of soup at the Co-op. Annie bids farewell to her friends at the Co-op and returns to Europe after 50 years in the US. Best wishes, Annie, from all your friends at Oneota.



## COOPERATIVE PRINCIPLE #7 *Concern for Community*

All cooperatives are guided by seven shared cooperative principles. This year we've been focusing on the seventh principle: "Concern for Community." We continue to reach out to our community through partnered events, in-store classes, serving on boards and committees and in-store events.

The number of community projects and partnered events we held this past year were numerous and included: our 3rd Annual Meat & Greet, Seed Savers Tomato Tasting and Co-op sponsored Salsa Contest, fitness and nutrition classes with Team Rehab, ArtHaus' Kids' Fruit Sculpture Contest, Taste the Local Harvest and Taste of the Holidays. Our Taste of the Holidays event raised over \$2,200 for local food pantries. We were fortunate to receive many donations of ingredients for the event from various local suppliers, plus we received matching donations from several of our suppliers of items to go directly to the food pantries. All of the money raised at the event was given in the form of food from our store - from fresh vegetables to frozen whole chickens and bread.

# GROWING THE GREEN 2010

## OUR BALANCE SHEET

david lester, general manager & larry neuzil, finance manager

<b>Assets</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Cash	\$235,421	\$108,889	\$49,564
Other Current Assets	\$193,876	\$193,986	\$183,724
Property/Equipment	\$1,484,538	\$1,530,568	\$1,608,008
Other Assets	\$38,576	\$35,337	\$27,485
<b>Total Assets</b>	<b>\$1,952,411</b>	<b>\$1,868,780</b>	<b>\$1,868,781</b>
<b>Liabilities</b>			
Current Liabilities	\$342,276	\$261,422	\$233,933
Long-Term Liabilities	\$1,117,327	\$1,180,524	\$1,238,748
<b>Total Liabilities</b>	<b>\$1,459,603</b>	<b>\$1,441,946</b>	<b>\$1,472,681</b>
<b>Equity</b>			
Member Shares	\$309,630	\$294,503	\$262,031
Preferred Stock	\$68,000	\$68,200	\$67,900
Retained Earnings	\$115,178	\$64,131	\$66,169
<b>Total Equity</b>	<b>\$492,808</b>	<b>\$426,834</b>	<b>\$396,100</b>
<b>Total Liabilities/Equity</b>	<b>\$1,952,411</b>	<b>\$1,868,780</b>	<b>\$1,868,781</b>

2010 was a pivotal year for our store financially. We controlled costs, brought in more revenue than expected which resulted in out-performing our budget. Two of the biggest highlights this past year were a first-ever positive net income in the new store of \$51,000 (budgeted \$45,000) and increasing our cash situation by 116%. We are on track to honor our debt service obligations while retaining sufficient cash to run the business without needing to refinance any of our current debt. Despite a challenging economic climate in 2010, we are happy to report that our co-op is thriving and is financially healthier than it has been the last three years.



# FOCUS ON EMPLOYEES

**36**  
employees

## & EMPLOYEE RETENTION

One of our major goals this past year was to rebuild and re-energize our staff. We hired a part-time human resources coordinator and worked with managers to create a thorough staff manual. We also developed and streamlined grievance and staff advocacy processes. Most importantly, we've increased opportunities for staff to enhance their skills and knowledge through workshops, conferences, classes and team-building exercises.

The 2010 staff survey indicated that our staff are generally happy working at our co-op. In fact, we scored higher than other U.S. co-ops on 10 out of 13 questions! This year's financial success meant we could give an across the board 4% raise to employees in September. We continue to look for ways to enhance our work environment and to connect our employees' passions with work in our community.

## Our membership continues to GROW

**3,531**  
2010

2,968  
2008

3,241  
2009

At the end of fiscal year 2010, Oneota Community Co-op had 3,531 members who value people, growing and selling food sustainably and connecting with our community.

The new store continues to attract new members with a large increase in the number of college students joining our Co-op.

## EMPLOYEE SPOTLIGHT



In July 2010, Kristin was promoted from Front End Deli Manager to Grocery Manager. She took over the management of the largest department in the store and worked with GM, David Lester, to re-organize its structure.

Since July, Kristin has grown the Grocery Department by more than 10.2% in sales over the same time period in 2009.

Her passion for merchandising and understanding customer needs are obvious when seeing her work. "I love working with and for our customers to find healthy, sustainable and affordable food." She will be attending an NCGA intensive management training series called Rising Stars in Seattle later this Spring and is excited about the opportunities for her at the Co-op. "The Oneota Co-op is such a dynamic and interesting place, my goal every day is to contribute to the Co-op in a positive and meaningful way."

Aside from raising three boys and making wedding plans, Kristin lives on her farm that has been in the family since the 1880s. She loves gardening, hiking, snowshoeing and doing many outdoor activities available to her in the Decorah area.



**Kristin Evenrud**  
Grocery Manager

# OCC ENDS achieving our CO-OP'S PURPOSE

Because the Oneota Community Co-op exists as an institution grounded in the cooperative principles, there will be the following:

- 1 a retail source for food and other products that, to the greatest extent possible, are organic, sustainably produced, locally grown and/or processed, and affordable.
- 2 a business that encourages the expansion of sustainably grown local food sources.
- 3 a business that promotes the development of cooperation and co-operative enterprise.
- 4 a community that is educated about food and other products that are healthy for people and the environment.
- 5 a business that promotes environmental sustainability.
- 6 employment in a work place that provides the personal satisfaction of collaborative work directed toward common goals.
- 7 a local community whose fabric is strengthened through caring, and sharing gifts of time, energy, and resources.
- 8 an institution that respects and encourages the diversity of its membership.

## Local-

- We have one of the strictest definitions of local for Co-ops in the country – 100-mile radius.
- Tracking Local! We upgraded our Point of Sale System to begin tracking local sales for this year.
- Approximately 21% of sales revenue stayed in our local economy.
- We became more involved in the community to help improve our local food system by serving on committees and organizations like Farm to School, The Decorah Wellness Committee and many others.



## Community & Education-

- We have had a significant increase in the number of class and event requests from various organizations in the community.

## Promoting Cooperation-

- We have been helping communities like Dubuque to start a co-op in their community.

## Environmental Sustainability-

- We have nearly eliminated our usage of cleaning chemicals by purchasing a new floor machine that uses no chemicals to clean and sanitize our store floor.
- We purchased software to monitor and control our HVAC system more efficiently including the more efficient capture of heat during the colder months from our compressors.
- There has been more strategic thinking from our board on longer-term sustainability issues.
- Our capital budget includes investing in store equipment and fixtures that use less energy to operate.