



Valley NATURAL FOODS™

2022 ANNUAL REPORT



LETTER FROM THE CEO & BOARD PRESIDENT

This past year has been another incredible year of opportunity and challenge for the co-op. Fulfilling our purpose of supporting a healthy community has taken on even greater weight as we continued to deal with supply chain constraints for the third year since the Covid pandemic began. We also saw a sharp increase with inflation that has had significant impacts on the co-op and our community during the last year. I want to thank the board and the co-op's leadership team for their commitment and support as we navigated these challenges and helped us to end the year in a place where we are once again, hosting our community events and continuing to provide solid value in terms of pricing on healthy everyday basics all while paying our staff a starting wage of minimum \$15/hour. The power of co-operatives is alive and well at Valley Natural Foods as we continue to respond to challenges within our community and focus on the people who work and shop with us every day.

In January of 2022 the Omicron variant of Covid was widely spread throughout Minnesota. Many businesses had to adjust hours or close as staff were sick in staggering numbers. At the co-op, our priority was to stay open while safely serving our customers. We accomplished this by reinstating our masking requirement for staff and through the flexibility of staff and managers working when and where support was needed. While certain departments of the co-op had to close, we kept the store operating on normal hours the entire time so our customer needs could be met.

As Omicron faded and the weather warmed, we returned to in-person events, kicking off a season of fun get-togethers beginning in May when we held our first Community Dinner in two years. Local sausage maker Gerhard's Brats brought their food trailer on-site and we took advantage of a beautiful evening on the patio to serve over 200 meals to our community members. In June, July, and August we held monthly concert and yoga sessions on our patio and attended the City of Burnsville's Rocking Lunch hour where we gave away coupons to attendees. We're excited to share that this September 15th we will once again host our Local Fest on-site and in-person. We will be selling a prepared meal onsite and have invited many of our local farmers and suppliers to give our community members a chance to meet and learn more about where some of our products come from. A co-op is formed when people come together to have their shared needs met and we think it's important that our co-op continually provide opportunities for our members to come together, whether over good food, conversation, or entertainment. So, please mark your calendars and join us for Local Fest 2022!

Valley's Own Bakehouse has been operating in our new facility for a little over a year. Valley's Own Bakehouse is our certified gluten-free wholesale bakery that counts stores, restaurants, and institutions across the upper mid-west among our customers. Long-time Bakehouse Manager Renee Johnson retired this winter and we hired Manette Olson as our Food Production Manager to lead the Bakehouse. Shortly after Manette joined the co-op, we acquired the assets of Kakookies, a gluten-free functional cookie company that we had been manufacturing for. Our vision is for great tasting, gluten-free products from Valley's Own Bakehouse to grow and be available across the entire country. Members can find all the products we manufacture on the shelves in our store!

Overall, the co-op had a good year financially. We generated over \$200,000 cash, even with the purchase of the Kakookies assets. Cash generation is an important sign of a healthy co-op, no cash means no co-op. Our balance sheet remains strong with a debt-to-equity ratio of .89 which is well below the upper threshold of 2.0 we have as a goal, and means we are not overleveraged in the sense of our borrowing power. Finally, we generated a modest positive net income for the year, outperforming our expectations. Our sales volume needs to grow for us to see bigger net incomes, something we forecast happening beginning in FY24.

Our financial performance allowed us to realize our priority of a \$15/hour starting wage for co-op employees. Increasing the starting wage meant current staff saw significant pay changes through-out the year as well. This change will help the co-op attract and retain high quality talent as we work to bring you the best local, organic and co-op made products available.

We want to thank our member-owners for all their support of the co-op. There will always be challenges and opportunities facing the co-op, and your support though it all tells us we are meeting our community's needs. This year we retired over \$100,000 in debt to owners who financed our expansion in 2019, more than 30% of that amount was converted into class C shares by the owners who wanted to keep investing in their local co-op. From investing, to shopping, to showing up for events – it is you, the owners, who make the co-op strong. Thank you for another great year at the co-op.

Sincerely,

Nick Seeberger and Mark Mosiniak



\$48,860



REGISTER
ROUND-UP

COMBINED ROUNDED-UP
CONTRIBUTIONS & REUSABLE
BAG REDEMPTIONS

FY 2022 RECIPIENTS: 360 Communities-Lewis House,
Eastview Community Foundation, BrainPower in a
BackPack, VNF Cooperative Community Fund,
Crescent Cove, The Open Door Pantry, Reaching Up,
EdAllies, Community Action Partnership, Every Meal,
Midwest Food Connection, OutFront MN

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

321



NEW MEMBER-OWNERS
JOINED THE CO-OP

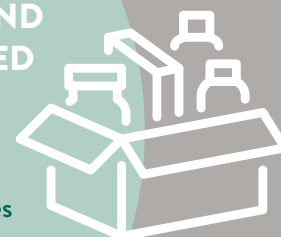
**WELCOME TO OUR
CO-OP COMMUNITY!**

2,952 lbs.

OF NON-PERISHABLE FOOD AND
OTHER GOODS WERE DONATED
TO OUR FOOD BIN

FY 2022 RECIPIENTS: The Open Door
Pantry and 360 Communities Food Shelves

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



\$4,258



INTEREST EARNED
FROM VNF'S CO-OP
COMMUNITY FUND

FY 2022 RECIPIENT:
Midwest Food Connection

1,401

LUNCHES ASSEMBLED
BY VNF STAFF

RECIPIENT:
Distant Learning Students
via The Open Door Food
Pantry



\$29,653

DOLLAR AMOUNT OF
FOOD SHELF GOODS
DONATED BY VNF STORE
DEPARTMENTS

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



\$9,436

DONATIONS AND SPONSORSHIPS
FROM VNF FUNDS SUPPORTED
LOCAL NON-PROFITS AND
COMMUNITY ORGANIZATIONS

FY 2022 RECIPIENTS INCLUDE:
Burnsville Chamber of Commerce,
City of Burnsville, Burnsville YMCA,
Co-op Farm Tour, Midwest Food
Connection, Raising Our Celiac Kids
(R.O.C.K.)



FINANCIAL STATEMENTS

FISCAL YEAR 2022

INCOME STATEMENT

	FY 2022	FY 2021	% Change
Revenue	\$14,367,151	\$14,073,939	2.08%
Cost of Sales	8,750,215	8,494,475	3.01%
Gross Profit	5,616,936	5,579,464	0.67%
Labor	3,319,280	3,409,258	-2.64%
General & Administrative Costs	2,102,263	2,068,037	1.65%
Operating Costs	5,421,543	5,477,295	-1.02%
Operating Income	195,393	102,169	
Other Income/(Expense)	(166,494)	(20,850)	698.53%
Income Before Taxes	28,899	81,319	
Income Taxes	-	37,160	
Net Income	28,899	44,159	-34.56%

BALANCE STATEMENT

	FY 2022	FY 2021
Cash	\$1,945,916	\$1,663,053
Inventory	691,066	607,044
Prepaid Expenses/Current Receivables	148,878	151,049
Current Assets	2,785,860	2,421,146
Property & Equipment, Net	9,163,972	9,487,744
Construction in Progress	66,795	9,586
Equity and Deposits in Other Co-ops	422,668	390,507
Other Receivables	187,085	200,612
Total Assets	12,626,380	12,509,595
Current Liabilities	1,191,624	1,063,259
Long Term Debt	4,229,184	4,526,991
Deferred Tax Liability, Net	511,612	307,000
Total Liabilities	5,932,420	5,897,250
Member Equity	5,788,861	5,732,761
Retained Earnings	905,099	879,584
Total Equity	6,693,960	6,612,345
Total Liabilities & Equity	12,626,380	12,509,595

CASH FLOW

	FY 2022	FY 2021
FROM OPERATIONS		
Net Income	\$28,899	\$44,159
Depreciation & Amortization	505,779	436,964
(Increase) Decrease in Inventory	(84,022)	(8,397)
(Increase) Decrease in Receivables	10,492	(20,400)
(Gain) Loss on Equipment	-	41,377
Deferred Income Tax	204,612	33,000
(Increase) Decrease in Current Assets	(2,710)	(1,597)
Increase (Decrease) in Current Liabilities	110,143	141,988
Cash flow from Operations	773,193	667,094
FROM INVESTING		
(Increase) Decrease in Fixed Assets	(239,216)	(764,991)
(Increase) Decrease in Other Assets	(32,161)	45,039
Cash Flow from Investing	(271,377)	(719,952)
FROM FINANCING		
Increase (Decrease) in LT Liabilities	(271,669)	(411,812)
Increase (Decrease) in Equity	52,716	12,660
Cash Flow from Financing	(218,953)	(399,152)
Total Cash Flow	282,863	(452,010)
Beginning Cash	1,663,053	2,115,063
Ending Cash	1,945,916	1,663,053

FY 2022 Highlights





13750 Co. Rd. 11
Burnsville, MN 55337

Valley Natural Foods Co-op works in partnership with the South Metro community to support health and well-being through education and expertise in local, sustainable food and wellness services.

– Valley Natural Foods Mission Statement

