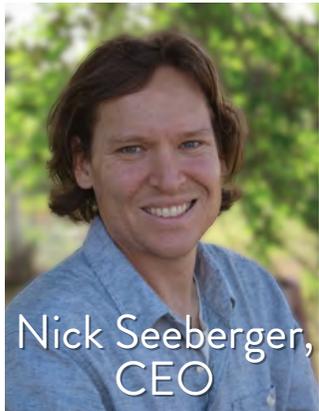
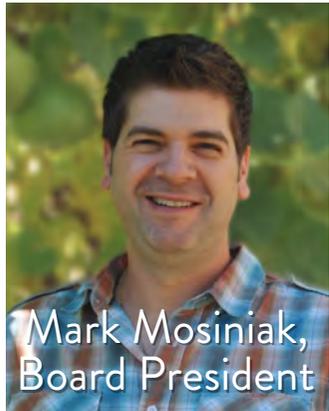


2023 ANNUAL REPORT

LETTER FROM THE CEO & BOARD PRESIDENT



Nick Seeberger,
CEO



Mark Mosiniak,
Board President

Together again! The last year saw a significant pivot at the co-op as we started hosting events and bringing people together again. Our cooperative Ends state that the co-op will support a healthy community. COVID and the slow recovery made it difficult to build community through interactions and events, but that all changed last year. Over 500 members and neighbors came to our Local Fest relaunch in September of 2022 to enjoy a community meal, meet our farmers and producers and dance to the music of DJ Mehdi. Throughout the year we saw faces new and old filling our dining area as people got together over food and beverages – among my favorites has been the return of the Mahjong players and card-playing groups who use our extended dining area regularly to enjoy games and fellowship. Over the last year we have invested time, capital and effort in making the co-op a great gathering place, and we are happy to share the results of our efforts.

Our strategic priorities for the last year were to improve the customer experience at the store as we prepared for significant competition, to lay the groundwork for a second retail location and to invest in the Valley's Own Bakehouse so it can continue to grow and expand. When creating our plan it was expected that Amazon Fresh would be opening three locations in our immediate market area (Eagan, Burnsville and Lakeville). To prepare for the impact we invested in self-checkout lanes and partnered with Ace Sushi to launch an in-house sushi program. Self-checkout has been very popular with 30% of all transactions running through the registers.

It has also allowed us to be flexible with staffing, as many of our staff spend part of their shift working in another department such as Produce, and then helping out at the cash registers as needed. Sushi proved to be both delicious and popular, supporting significant growth in our overall prepared foods sales as people started going out for lunch and dinner again. Customer counts remain strong, and our efforts to have a great co-op experience appear to be meeting our customers' needs.

Valley's Own Bakehouse, our gluten-free wholesale baked goods production facility in Rosemount, once again experienced growth and change. Last fiscal year was the first whole year under manager Manette Olsen who has applied her relationship-building skills to grow sales while continuing to improve operations at the facility. Manette, and the entire staff of the bakehouse, worked tirelessly this year to manufacture all of our Valley's Own Bakehouse products, and our recently acquired Kakookies products. Sales were up 17% year-over-year and we expect many more years of growth to come.

The co-op had a strong year financially, setting us up for future growth and expansion. Our sales of \$15,182,903 were 5.7% greater than the previous year. This growth included a period of 9 months of sales impacted by a new grocer opening in our market area. Our net income was \$156,097, not enough for member-owner patronage refunds (patronage refunds are based upon taxable income which remains \$0 due to losses carried forward), but a step in the right direction.

We accomplished what we set out to do last year, and our member-owners and customers responded by shopping more frequently and making the co-op a core part of your grocery shopping. Looking forward, we continue to search for ways to meet the changing needs of our community, from expanding options for local and organic foods, to growing our house-made food options, to offering interesting classes and compelling events. We are confident that the co-op remains strong and our brightest days remain ahead.

In co-operation,

Nick Seeberger, CEO
Mark Mosiniak, Board President

FINANCIAL STATEMENTS

FISCAL YEAR 2023

Unaudited

INCOME STATEMENT

	FY 2023	FY 2022	% Change
Revenue	\$15,182,903	\$14,367,151	5.68%
Cost of Sales	9,165,314	8,750,215	4.74%
Gross Profit	6,017,589	5,616,936	7.13%
Labor	3,548,521	3,319,280	6.91%
General & Administrative Costs	2,203,699	2,094,926	5.19%
Operating Costs	5,752,220	5,414,206	6.24%
Operating Income	265,369	202,730	-
Other Income/(Expense)	(103,224)	(164,203)	-37.14%
Income Before Taxes	162,145	38,527	
Income Taxes	-	231,412	-
Net Income	162,145	269,939	-39.93%

BALANCE SHEET

	FY 2023	FY 2022
Cash	\$1,502,175	\$1,945,916
Inventory	745,535	691,066
Prepaid Expenses/Other Current Assets	1,065,578	145,846
Current Assets	3,313,288	2,782,828
Property & Equipment, Net	8,848,206	9,171,307
Construction in Progress	35,359	66,795
Equity and Deposits in Other Co-ops	409,795	401,959
Other Receivables	46,719	207,794
Total Assets	12,653,367	12,630,683
Current Liabilities	1,224,057	1,190,499
Long Term Debt	4,043,034	4,229,184
Deferred Tax Liability, Net	276,000	276,000
Total Liabilities	5,543,091	5,695,683
Member Equity	5,805,361	5,788,861
Retained Earnings	1,304,915	1,146,139
Total Equity	7,110,276	6,935,000
Total Liabilities & Equity	12,653,367	12,630,683

CASH FLOW

	FY 2023	FY 2022
FROM OPERATIONS		
Net Income	\$162,145	\$269,939
Depreciation & Amortization	532,791	498,444
(Increase) Decrease in Inventory	(54,469)	(84,022)
(Increase) Decrease in Receivables	(22,350)	10,492
(Gain) Loss on Equipment	(10,922)	-
Deferred Income Tax	-	(31,000)
(Increase) Decrease in Current Assets	(14,348)	323
Increase (Decrease) in Current Liabilities	20,035	109,018
Cash flow from Operations	612,882	773,194
FROM INVESTING		
(Increase) Decrease in Fixed Assets	(167,332)	(239,216)
(Increase) Decrease in Other Assets	(888,097)	(32,161)
Cash Flow from Investing	(1,055,429)	(271,377)
FROM FINANCING		
Increase (Decrease) in LT Liabilities	(14,326)	(271,669)
Increase (Decrease) in Equity	13,132	52,716
Cash Flow from Financing	(1,194)	(218,953)
Total Cash Flow	(443,741)	282,863
Beginning Cash	1,945,916	1,663,053
Ending Cash	1,502,175	1,945,916

COMMUNITY IMPACT

FISCAL YEAR 2023

\$48,360

TOTAL DOLLAR AMOUNT OF GOODS DONATED BY VNF STORE DEPARTMENTS TO COMMUNITY FOOD SHELVES

FY 2023 RECIPIENTS: 360 Communities Food Shelf–Burnsville, Mission Outpost/Salvation Army at Prince of Peace Church–Burnsville



\$11,054

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

FY 2023 RECIPIENTS INCLUDE: Twin Pines Cooperative Foundation, Midwest Food Connection, The Open Door turkey giveaway partnership event, and various other smaller organizations in our community.

\$4,258

INTEREST EARNED FROM VNF COOPERATIVE COMMUNITY FUND
FY 2023 RECIPIENT: Midwest Food Connection



200

TOTAL NUMBER OF TURKEYS AND THANKSGIVING MEAL BAGS PURCHASED AND DISTRIBUTED BY PATRICK PETERSON IN PARTNERSHIP WITH THE OPEN DOOR AND VALLEY NATURAL FOODS.

Minnesota Vikings cornerback Patrick Peterson hosted his annual Thanksgiving turkey giveaway at Burnsville High School in Nov. 2022 for local families in need.



\$31,312

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

FY 2023 RECIPIENTS: 360 Communities, Guild Services, Eastview Community Foundation, VNF Cooperative Community Fund, Midwest Special Services, Tee It Up for the Troops, Every Meal, Community Action Partnership, EdAllies, The Open Door Pantry, Canine Inspired Change, OutFront MN

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



2,443 lbs.

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



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NEW MEMBER-OWNERS JOINED THE CO-OP

WELCOME TO OUR CO-OP COMMUNITY!

