



# Annual Report 2018

## **Vibrant people. Nourishing food.**

**At the Cortes Natural Food Co-op, we have a mission to provide high quality wholesome food while supporting local production and environmental responsibility.**

**Cortes Natural Food Co-op is a community owned cooperative business. We are passionate about bringing locally grown, sustainably produced, wholesome and organic food to our community.**



# Message from our Board Chair

## Amy Robertson

### Every year, the Co-op gets bigger and better!

The number of tenants on the coop land has grown again this year. In addition to Marnie's Books, The Harbour Authority, Axel, the Jammers, and Elisabeth Jaeger's Hunt and Gather, we have added Lisa Day to the list. She has been busily renovating the older yellow cabin and soon it will be home to Rites of Spirit massage and integrative wellness.

Hopefully, you have walked on (or pushed a stroller down!) the new entrance to the courtyard, which now joins the crosswalk from the hall. Another path will be more clearly defined at the north end, and a cedar log fence is being built to control erosion along the embankment. New signs were hung to direct smokers to the Smoke Shack out back, which is the designated spot to help contain cigarette butts, as well as prevent smoke from entering the building. The next stage of the courtyard improvements will see terraced seating installed in the fall. Wheelchair access is being added to the front of the store as well as to the bathrooms. This would not have been possible without both monetary and in-kind donations, especially from Mark Torrance, David Rousseau and Matt Cuscianna.

After a few years of research and financial constraints, we are proud to be able to offer extended health benefits to our full time employees. We want to thank our staff for hanging in there while we got it sorted out.

Colin Funk was once again generous with his time as he led us through another day-long strategic planning retreat. We now have a working document to help guide us with our decisions and direction. It is a document-in-progress and will grow along with us, as well as being useful in creating annual reports and grant applications. We developed a new mission statement, which reads: CNFC provides our community with wholesome food, meaningful employment and a welcoming social space. Our vision is to support organic farmers, local producers and environmental responsibility. Our long term vision reads: We envision CNFC at the heart of a thriving island community and economy, helping to build a resilient local food system.

**All in all, it's been a good year of growth and we hope we can count on an active membership in making the Co-op the center of activity for Mansons Landing.**

# Message from our General Manager

## *Eric Hargrave*

As the Co-op enters its 15th year of operations, I am amazed and encouraged by the support shown by the Cortes community that took a small back-room buying club run by volunteers to a multi-faceted store/cafe/bakery staffed by 38 people during the busy summer season. We continue to grow and expand to meet the needs of the community, and the good news is that there are plenty more opportunities for us to serve the island.

This past fiscal year, we took our operations to another level once again. Our total sales were \$1.87M - up almost 10% from the previous year. The cafe/bakery showed an amazing 27% growth in sales, and the cafe was able to stay open three days per week throughout the entire winter. On the balance sheet, we increased our physical assets (because of capital projects) as well as our retained earnings. Our efforts resulted in a net profit of approximately \$7,500. Even though we experience the seasonal ups and downs of a tourist economy, the Co-op remains in a solid financial position.

We worked on a few big projects over the past year. We continue to work for more and better staff compensation; we increased staff hours and wages by nearly 20% to \$430,000. In January, we started a medical/dental benefits

package for staff working more than 20 hours per week; the Co-op pays 85% of the premium for all staff who qualify. We also acquired a liquor license for the cafe; the process took quite a lot of work from the Board and staff but we're glad we're able to provide this service - especially for dinners and evening events. Finally, we put together a marketing committee and completed an overhaul of our marketing elements (new website, new advertisements, new member guide, etc.); this process went along perfectly with the strategic planning process conducted by the Board because we were asking the same questions about the mission and vision of the Co-op. We are quite pleased with our new "look and feel" along with our renewed focus on our mission.

Plans for the future are in the works too. Our primary focus is always improvement to the store and cafe experience, but we are working on projects that support those improvements. With the new liquor license, we are planning for more evening events - pizza nights when the cafe is open, televised sports, and other community gatherings. We are also considering the best ways to expand the bakery; our breads and pastries have become especially popular and, if we can increase the equipment and space

devoted to the bakery, we can increase production, including for other stores on the island and beyond. Finally, housing is an issue for our staff (and potential staff from off island) just as it is for all residents of Cortes; providing housing for staff on the Co-op land is feasible and we're beginning to look seriously at what we can do here.

**Thanks to our member-owners and patrons for another incredible year. We are glad to serve as an economic and social hub for the island - but we couldn't do it without your continuing support!**

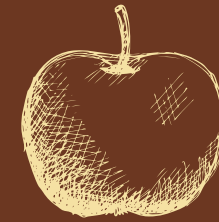




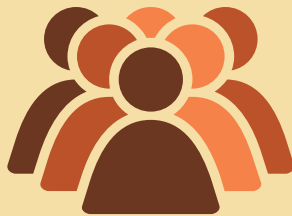
7,375 LITERS OF ORGANIC MILK SOLD



4,441 CROISSANTS SOLD



777 POUNDS of LOCAL APPLES SOLD



**1000+ members**  
**63 new members**



**\$1.87 million total sales**  
**27.4% sales growth**  
**for bakery/cafe**



**64 local vendors**  
**\$150,000+ paid to**  
**local producers**



**5**  
**land tenants**



**2.8 acres of land**  
**8,000+ sq ft of inside space**



**27 staff**  
*as of February 28*  
**22,000+**  
**hours worked**  
**\$430,000**  
*in wages and benefits*



**\$11,800** in donations for the courtyard

**\$45,000** paid to local contractors for materials and services



**Amy Robertson - Chair**  
**De Clarke - Treasurer**  
**Thea Block**  
**Meg MacDonald**  
**Anne Dzakovic**

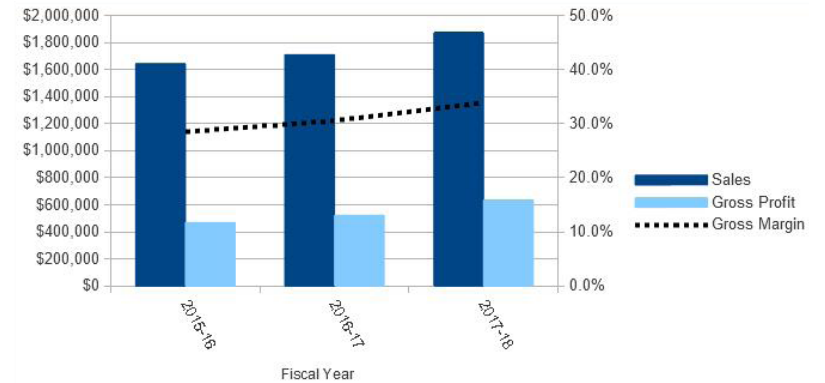
**Suzanne Fletcher**  
**Fred Savage**  
**Iris Steigemann**

# The Co-op by the Numbers

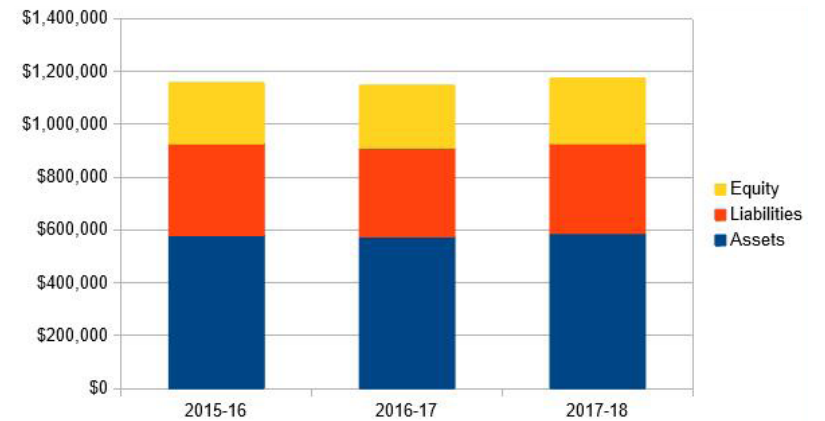
## Condensed Income Statement

	2017-2018	2016-2017	2015-2016
<b>SALES</b>	\$1,876,642	\$1,727,569	\$1,644,201
<b>Cost of Sales</b>	\$1,241,272	\$1,187,741	\$1,175,781
<b>Gross Profit</b>	\$635,370	\$539,828	\$468,420
<b>EXPENSES</b>			
<b>Wages</b>	\$429,838	\$358,216	\$319,766
<b>Repairs</b>	\$27,716	\$20,596	\$36,739
<b>Depreciation</b>	\$35,261	\$38,538	\$31,461
<b>Other</b>	\$157,641	\$133,811	\$123,658
<b>OPER INCOME</b>	-\$15,086	-\$11,333	-\$43,204
<b>Other Income</b>	\$23,681	\$18,590	\$116,887
<b>Taxes</b>	\$1,113	\$747	\$7,781
<b>NET INCOME</b>	\$7,482	\$6,510	\$65,902

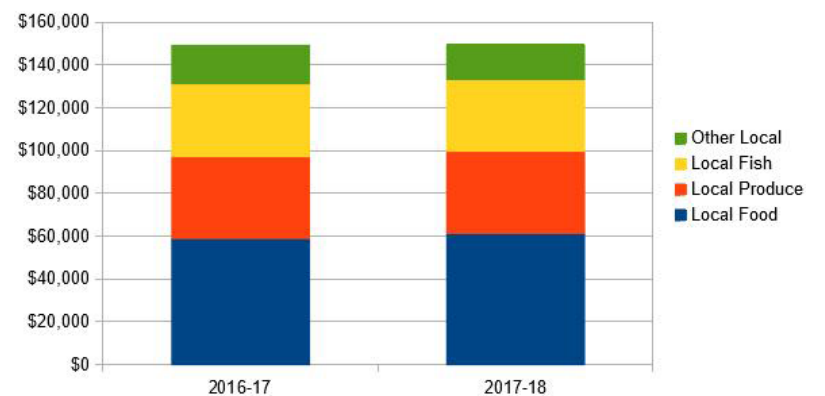
## Sales, Gross Profit, & Gross Margin



## Assets, Liabilities, & Equity



## Local Purchases Per Year



Thank you!

