

WE WELCOMED  
**OVER  
600**  
NEW OWNERS  
TO EASTSIDE

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WE HELPED SHOPPERS  
**SAVE OVER  
\$21,000**  
ON GROCERIES WITH OUR  
**AFFORDABILITY  
PROGRAM**

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**SHOPPERS  
RAISED OVER  
\$30,000  
FOR LOCAL  
ORGANIZATIONS  
BY ROUNDING UP  
PURCHASES**

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WE STOCKED  
OUR SHELVES  
WITH OVER  
**4,600**  
CERTIFIED  
ORGANIC  
PRODUCTS



**EASTSIDE**  
FOOD CO-OP

# ANNUAL REPORT 2021

# FINANCIAL REPORT

FISCAL YEAR 2021  
JULY 1, 2020-JUNE 30,2021

## STATEMENT OF CASH FLOW

	2021	2020
Operating Activities Cash Flow	\$532,345	\$810,963
Investing Activities Cash Flow	\$(58,425)	\$(75,945)
Financing Activities Cash Flow	\$(321,784)	\$403,731
<b>NET INCREASE IN CASH</b>	<b>2021</b>	<b>2020</b>
Beginning of Year	\$2,097,041	\$958,292
End of Year	\$2,249,177	\$2,097,041
CHANGE	\$152,136	\$1,138,749

## STATEMENT OF INCOME

### PROFIT

	2021		2020	
GROSS SALES	\$17,784,934	100%	\$17,623,156	100%
Less: Member Discounts	\$(187,388)	1.0%	\$(175,403)	1.0%
Less: Other Discounts	\$(30,238)	-0.2%	\$(33,176)	0.2%
NET SALES	\$17,567,308	98.8%	\$17,414,577	98.8%
Less: Cost of Goods Sold	\$11,012,512	61.9%	\$11,005,503	62.4%
GROSS PROFIT	\$6,554,796	36.9%	\$6,409,074	36.4%

### OPERATING EXPENSES

Wages & Benefits	\$4,423,981	24.9%	\$4,013,513	22.8%
Depreciation & Amortization	\$443,043	2.5%	\$439,182	2.5%
General & Administrative	\$1,502,539	8.4%	\$1,507,517	8.6%
TOTAL OPERATING EXPENSE	\$6,369,563	35.8%	\$5,960,212	33.8%

### OTHER INCOME & EXPENSES

Other Income	\$799,598	4.5%	\$59,714	0.3%
Interest Expense	\$(240,301)	-1.4%	\$(245,592)	-1.4%
Provision for Income Taxes	\$(194)	-0.0%	\$(79,893)	-0.5%
NET INCOME	\$744,336	4.2%	\$183,091	1.0%

**PATRONAGE UPDATE** Net income from owner patronage was \$(2,152) in FY2021. As a result, the board of directors is unable to declare owner patronage for FY2021.

## BALANCE SHEET

### ASSETS

	June 30, 2021	June 30, 2020
Total Current Assets	\$2,694,943	\$2,544,855
Total Fixed Assets	\$4,686,476	\$5,073,554
Total Other Assets	\$774,900	\$725,724

TOTAL ASSETS \$8,156,319 \$8,344,133

### LIABILITIES

Total Current Liabilities	\$1,273,841	\$1,999,748
Total Long-Term Liabilities	\$4,472,498	\$4,711,494

TOTAL LIABILITIES \$5,746,339 \$6,711,242

### EQUITY

	June 30, 2021	June 30, 2020
Ownership Stock	\$1,014,632	\$961,187
Class B Stock	\$266,759	\$266,759
Stock Subscriptions Receivable	\$(64,987)	\$(66,690)
Class C & D Stock	\$653,100	\$648,100
Retained Earnings	\$540,476	\$(176,465)

TOTAL EQUITY \$2,409,980 \$1,632,891

TOTAL LIABILITIES & EQUITY \$8,156,319 \$8,344,133

# BOARD REPORT

To our Eastside community,

I am so grateful for your support as we pivoted store operations to keep our staff and shoppers safe and healthy during this extremely challenging and rewarding year. I am proud of the store's efforts to follow the best medical guidance available. Thank you for supporting your community-owned store and for fueling our growth in ownership.

Throughout the turmoil of the past year, the fantastic Eastside staff have adapted and maneuvered the daily challenges of the pandemic with grace, kindness and empathy. I can only imagine how difficult it has been. I can't thank our staff enough for all their hard work, dedication, and reassurances. Their ability to provide the healthy products we need nurtured our minds, bodies and souls.

Payroll Protection Program loan forgiveness allowed the store to perform well financially this year. As a result, the Board is happy to announce it has approved employee profit sharing. This is a first for Eastside!

The Board of Directors' work with a Diversity, Equity and Inclusion (DEI) consultant has remained a major area of focus. In addition to self-reflection and studies on intercultural awareness, we are turning our learning into action by taking a critical look at our board policies and rewriting them where necessary. You can be proud of the work Michelle Spangler, Board Governance Committee Chair, has done to make our policies more diverse, inclusive and equitable.

By focusing on board culture, we are moving towards our goal of having a board that is more reflective of the owners and community it serves. Board service is a great way to take the next step in your support of your co-op as you directly impact and shape its future. Thank you to the current Eastside board members for your dedication and hard work this past year!

With new board members elected each year, ongoing board education is vital and Brenda Burmeister, Board Development Committee Chair, has been instrumental in supporting our learning. We will begin our learning cycle anew when we welcome new board members in late October and elect new officer and committee chairs in November.

A critical part of the board's duty is to plan the long-term strategic direction of the store. Following our expansion in 2016, the board has enjoyed considering the next "big thing." Seth Kuhl-Stennes, Strategic Planning Committee Chair and Eastside employee, has helped the board learn about one area of interest – solar installations. We look forward to sharing our learnings with you as we discuss "what's next" for the co-op in the coming year.

The board is committed to providing a transparent strategic planning process that ensures owner alignment with plans. Thank you for the continued trust you place in our co-op. Eastside is here for good!

Cooperatively,  
Sue Jaeger  
Eastside Food Co-op Board of Directors President



# LETTER FROM THE GM

To our owners, shoppers, employees, partners and other stakeholders,

Eastside Food Co-op is your community-owned grocery store located in the heart of Northeast Minneapolis and Eastside is here for good. It is with great pleasure that I share with you the good we helped create during our 2021 fiscal year, July 1, 2020 - June 30, 2021.

In last year's annual report and owners' meeting, we celebrated Eastside's service to its community. Now, having completed a full fiscal year during pandemic conditions, I stand in awe and admiration of the community Eastside proudly serves. Your commitment to our shared vision of a fairer food system – one that supports equity, diversity, ecological integrity, and economic viability – is inspiring.

Please join me in celebrating the essential employees of Eastside who make this possible. Eastside employees hold values in alignment with our cooperative values of community ownership, sustainability, and coming together cooperatively to make a difference. I am sure that you, like me, have been impressed by the employees' continued commitment to the well-being of our community. I am so proud of the resilience and flexibility they have shown as we've navigated change during the pandemic.

For these reasons and others, we looked forward to meeting with the employees' union, UFCW Local 663, to negotiate our second Collective Bargaining Agreement. The tentative agreement ratified by employees on March 6, 2021, represents a meaningful step forward in our ability to provide jobs that allow people to thrive. Through negotiations, we made our COVID-19 premium pay permanent with all Eastside employees receiving an increase of at least \$2.00/hour. We also lifted our starting wage to \$15.25/hour, well above the current City of Minneapolis minimum wage.

Financially, Eastside had a successful year. We booked net income of \$775,393 with most of the income coming from meeting Small Business Administration criteria for forgiveness of our Payroll Protection Program loan. Retained earnings were \$571,533 and in a sign of fiscal health, the co-op's debt to equity ratio fell from 4.1 to 2.3 (if you aren't one for technical jargon, ratios and numbers, this is really good!) Owner equity grew by more than 49% to \$2.4 million and Eastside held over \$2.2 million in cash as of June 30. These cash reserves ensure we have the capital we need as we navigate this period of heightened uncertainty.

As we look to the future, we are committed to better meeting your needs. Look for an opportunity to share your feedback with Eastside during the spring of 2022. We can't wait to hear what you love about your co-op and where Eastside can better meet your needs.

In cooperation,  
John Laccaria  
General Manager

