



2021 ANNUAL REPORT

Fiscal Year July 1st, 2020 - June 30th, 2021

MESSAGE FROM THE BOARD

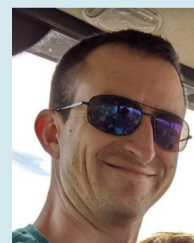
It goes without saying that 2021 was even more challenging than 2020. Who would have ever predicted that? Despite all the challenges of 2021, the FRFC board positioned ourselves to not only survive but to grow and make significant forward movement. We have surpassed our goal of 900 owners three months ahead of our expected timeline, we entered a partnership with IEDC to help with the writing of our business plan, we have been working on our financial pro forma for the past few months, and site selection has been working on finding a physical home for FRFC.

As YOUR board, we are honored to work on your behalf, and we appreciate your continued support and patience. Opening a food co-op is a complicated and very involved process that must be handled with purpose and caution to ensure the long-term success of the venture. We do all of this with your investment in mind. This is becoming even more apparent as we have been working through site selection and planning the capital investment campaign.

We are also in need of owners stepping up to help with tasks and teams. A cooperative is only as strong as its engaged owners and eight people on a board cannot efficiently do the work of getting a store opened. WE NEED YOU! We need people with a passion for this co-op to help with organizing our volunteers, running our social media, helping with site selection if you have commercial real estate experience, and tabling at events throughout the year. Become an owner volunteer to help us reach our collective goal of a grocery store that meets the needs of our owners and community.

MEET YOUR BOARD

You have a very committed and hard-working board. A lot has been accomplished and we are very excited for what the next year may hold for FRFC! Pictured left to right are: Lois Bendix, Brandon Otway, Tom Connolly, Rayleen Worcester, Casey Dabrowski, Shara Dabrowski, Laine Yandell, Garrett Holl, and Jenna Marek.



FREE RANGE FOOD CO-OP



Our Year In REVIEW 2021

TOP TEN HIGHLIGHTS OF 2021

- 1 Began working with a professional Capital Campaign consultant.
 - 2 Site selection has progressed through collaboration with a local contractor on possible store sites.
 - 3 Hired a consultant to draft our financial pro forma and refined it bi-monthly.
 - 4 Board of directors attended Up and Coming Conference online.
 - 5 Staffed booth for over 40 hours during all five days of the Itasca County Fair.
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- 6 Continued to strengthen existing and build new relationships with growers and producers.
 - 7 Sponsored two free community cooking classes.
 - 8 Hosted quarterly book club meetings.
 - 9 Appointed our ninth board member, bringing us to a full board once again.
 - 10 Continued to strengthen our internal systems and operations to ensure long-term stability for the co-op and board.

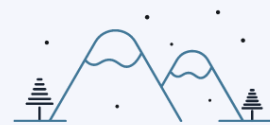
OWNER GROWTH



735 owners on 10.22.20

906 owners on 10.12.21

CHALLENGES IN 2021



Covid-19 presented challenges for outreach opportunities. Lack of owner engagement slowed development process.

GOALS FOR 2022

- 1 Approve a final site location for the store.
- 2 Have over 1000 owners by December 31, 2022.
- 3 Owner volunteer base is large enough to fully staff volunteer opportunities by June 30, 2022.
- 4 Finalize writing of the business plan.
- 5 Launch the first phase of our major capital investment campaign.
- 6 Write, adopt and implement an equity and inclusion policy.
- 7 Fill the open board position by the end of 2021.



CONNECT WITH FRFC

📍 PO Box 842
Grand Rapids, MN 55744

🌐 freerangefood.coop

✉️ freerangefoodcoop@gmail.com

Engage with FRFC
on social media!
@freerangefoodcoop



HOW CAN WE MAKE 2022 *Even Better?*

Through the cooperative model, we can achieve great things together. Together, we own Free Range Food Co-op and we, the owners, will determine the success of the development of our store. With your participation and support, Free Range Food Co-op WILL be a physical space!

Here's to more cooperation in 2022!

MISSION STATEMENT:

"Free Range Food Co-op is a cooperatively-owned grocery store committed to community well-being through access to local, wholesome, organic foods and goods."

VISION STATEMENTS:

Because of us...

1. We have a thriving, cooperatively-owned grocery store which welcomes everyone and cultivates relationships with people in Itasca County and beyond.
2. We have engaged and involved owners who actively work to strengthen the co-op through cooperative ownership and collaboration.
3. We have a growing, resilient, regional food system through direct support to local growers and producers.
4. Our community has a leader that models and promotes sustainable business practices and environmental stewardship.
5. We have a welcoming space where people come together to share ideas, learn, and empower each other through education and cooperation.

PLEASE TELL US WHAT A FOOD CO-OP IN YOUR COMMUNITY MEANS TO YOU:

“*Good, healthy food. Locally grown.*” -Comment from owner #775

“*Values that respect all people.*” -Comment from owner #757

“*Everything.*” -Comment from owner #841

YEAR OVER YEAR FINANCIALS

Our board works hard to be responsible with the funds owners have invested in FRFC. Below are this fiscal year's financial statements with last year's for comparison.

BALANCE SHEET FY 2021 JULY 01, 2020 – JUNE 30, 2021

Assets	
Affinity Plus FCU	24,666.85
Affinity Plus FCU Savings	1,413.78
PayPal Merchant	200.40
Accounts Receivable	
Accounts Receivable	2,704.50
Allowance for Doubtful Accounts	-546.50
TOTAL ASSETS	\$28,439.03
LIABILITIES AND EQUITY	
Liabilities	
Liabilities	4.48
Equity	
Class A Equity	9,325.00
Class B Equity	27,850.00
Class C Equity	25,975.00
Opening Balance Equity	43,343.00
Unrestricted Net Assets	-71,886.23
Net Income	-6,172.22
TOTAL LIABILITIES & EQUITY	\$28,439.03

INCOME STATEMENT FY 2021 JULY 01, 2020 – JUNE 30, 2021

INCOME	
Grants, public support and Interest	9,516.50
PROGRAM INCOME	
Sale of Promotional products	395.00
Miscellaneous Revenue	123.00
TOTAL INCOME	\$10,034.50
OPERATING EXPENSES	
Charitable Contributions	500.00
Other Donations	40.00
Community Education Wages	1,661.40
Community Events, Ed Develop	356.60
Contract – Pro-Forma	6,500.00
Rent	88.31
Operations	908.94
Website	638.00
Insurance	507.00
Travel, Training, Conferences	605.00
Outreach	4,416.23
PayPal Fees	-14.76
TOTAL EXPENSES	\$16,206.72
NET INCOME	\$-6,172.22

BALANCE SHEET FY 2020 JULY 01, 2019 – JUNE 30, 2020

Assets	
Affinity Plus FCU	22,860.78
Affinity Plus FCU Savings	1,412.35
PayPal Merchant	530.12
Accounts Receivable	
Accounts Receivable	2,546.50
Allowance for Doubtful Accounts	-546.50
TOTAL ASSETS	\$26,803.25
LIABILITIES AND EQUITY	
Liabilities	
Liabilities	4.48
Equity	
Class A Equity	7,425.00
Class B Equity	22,150.00
Class C Equity	25,775.00
Opening Balance Equity	43,343.00
Unrestricted Net Assets	-43,121.01
Net Income	-28,773.22
TOTAL LIABILITIES & EQUITY	\$26,803.25

INCOME STATEMENT FY 2021 JULY 01, 2019 – JUNE 30, 2020

INCOME	
Grants, public support and Interest	1,000.00
PROGRAM INCOME	
Sale of Promotional products	437.81
Miscellaneous Revenue	305.06
TOTAL INCOME	\$1,742.87
OPERATING EXPENSES	
2019 Annual Meeting	510.80
Capital Campaign	1,034.49
Community Education Wages	6,493.50
Community Events	155.00
Accounting Fees	750.00
Rent	4,316.70
Operations	2,687.61
Website	606.30
Insurance	502.00
Travel, Training, Conferences	1,324.67
Outreach	11,508.66
PayPal Fees	591.13
Board Development	35.23
TOTAL EXPENSES	\$30,516.09
NET INCOME	\$-28,773.22

ANNUAL HIGHLIGHTS

Thanks to the very generous contribution of a very anonymous owner, we not only met our year-end goal of having 900 owners, we surpassed it and did so three months earlier than anticipated. We are currently at 906 owners and working toward the next milestone of 1,000 owners.

The board continued to do a lot of policy work to ensure the long-term success of both the store and the board of directors by drafting policies, procedures, expectations, and completing an all-encompassing board manual. This work will continue as the need arises.

We hired Don Moffitt, a consultant from Columinate, who specializes in creating pro formas for food co-ops across the country. This pro forma document will guide our financial decision-making and forecast our expenses, income and potential profit as we look at potential locations.

The board continued to meet online all year, shifted our online document storage and communication platform to Google and Clickup to save almost \$1,000 annually on subscription fees, and went through an online training series called Quickstart (provided by Food Co-op Initiative) to improve our knowledge and understanding of co-op development. We created a policy that will make this training mandatory for all new board members.

Earlier this year, board directors were able to attend Up & Coming, an amazing food co-op conference held annually. This year's virtual format allowed the majority of the board to attend. Much was learned that will guide us as we continue the work of developing the co-op.

We were able to get back out doing tabling events this summer and held an owner volunteer appreciation night to thank our many owners who have given their time to help grow our co-op. Hundreds of volunteer hours shared between dozens of volunteers made our summer events a success!

WHAT DID VOLUNTEERS HELP WITH IN 2021?



Tall Timber Days

Downtown Art Fair

T-shirt order fulfillment

New owner contact and mailings

Community cooking classes (x2)

First Friday Art Walk (x2)

Owner drive with anonymous sponsor



Adopt-A-Highway road cleanup

Klocktoberfest at Klockow Brewing

Community Connect



Children First! Children's Fair

Owner drive with Bryndlewood Gardens

Itasca County Fair



DEVELOPMENT TIMELINE

As we work through the process towards opening our store, Free Range Food Co-op is following a timeline that includes three main stages of development, with the second and third stages each divided into sub-stages.

This timeline is driven by task completion as well as owner growth and support - both are closely evaluated at each development stage. We will work carefully within this timeline, and address the critical tasks and ownership goals before moving on to the next stage.



A food co-op in the greater Grand Rapids, MN area will create new healthy food options that connect local residents with small scale farming operations. I am looking forward to potential membership opportunities, cooking classes, healthy eating programming, and connections and networking with other members.



-Comment from owner #888

STRATEGIC PLAN

The work we did this year has set up the next steps in the journey to opening our grocery store! In 2022, the board will work toward accomplishing the following goals in order to move us from development stage 2B: *Planning* into stage 3A: *Pre-construction & Capital Campaign*.

1. Complete Business Plan.
2. Raise additional revenue for development costs that will include site selection, GM hiring, and other consultant fees in the next phase of development.
3. Increase the number of owners engaged with teams and leading tasks.
4. An Equity and Inclusion Policy is written, adopted, and implemented.
5. The Site Selection team continues to work on finalizing a site and be ready to begin construction or renovations by the end of the year or early 2022.
6. Capital Campaign is launched by the end of 2022.

