



2021 REPORT TO MEMBERS

Annual Membership Meeting

June 12, 2021

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MESSAGE FROM THE CHAIR

This is it, folks, make or break time. How much is access to healthy, local, sustainable food and your health worth to you? Coteau Community Market is *your* market, and will only happen if you invest your time, energy, and money. Check out the information about the capital campaign and help open the market this fall.

Yours in cooperation,

A handwritten signature in black ink, appearing to read "Annie Mullin". The signature is fluid and cursive, with a large initial "A" and "M".

Annie Mullin
Chair, Board of Directors

REPORT TO MEMBERS

Here's a rundown of what's been going on with the co-op and the market since our virtual annual meeting last June. As always, if you have any questions, please feel free to send an email to the board of directors (board@coteau.coop).

2021 ANNUAL MEETING AGENDA

1. 2020 Annual Meeting
2. Board Elections
3. Membership report
4. Finances & Stock
5. Bulk Sales
6. Legal Obligations
7. Location
8. Capital Campaign

2020 ANNUAL MEETING

Please refer to Appendix 2 for the 2020 annual meeting documents.

BOARD ELECTION

At the last annual meeting, two board positions came up for election. Bruce Stauffer and Stacy Roberts were elected to serve those terms, which end in June 2023.

Brad Drake was appointed in May 2021 to serve the remainder of Michelle Turbak's term (June 2022).

Board of director terms are for three years, and are staggered in a three year cycle, with two directors being elected each of the first two years, and three the third. This year, Annie and Jan's terms are up. You will find the candidate statements next.

STATEMENTS FROM 2021 BOARD CANDIDATES

Vote for two

Annie Mullin

Current board member

“I am passionate about good food and teaching people how to use it, building connections between producers and consumers, promoting sustainable agriculture to protect the environment, and providing universal access to healthy food. We're building a community of like-minded people who want access to a local, healthy, equitable food system and I love being an advocate of that process here.”

Maria Gruener

“Having grown up in the area, I appreciate Coteau Community Market's strong focus on providing products that are locally and regionally sourced. The co-op's vision of opening a specialty food market to provide local, healthy, sustainable, affordable food for the region will not only help stimulate and support our local economy, but also provide members like me a chance to invest in our community. Moreover, I am excited about the future educational components of Coteau Community Market's mission. The ability to provide outreach through classes and educational opportunities for community members and producers is invaluable.”

MEMBERSHIP

Since the last annual meeting, the co-op has gained two new members and lost three (two moved, one died), for a current total of eighty-two. The breakdown in membership types is:

Individual: 80

Institutional: 2

Student: 0

Facebook followers as of June 1, 2021: 943.

Instagram followers as of June 1, 2021: 77.

If someone has ideas on how to turn those into members of the co-op, please speak up.

FINANCES AND STOCK

Please see the attached treasurer's report for the full financial report.

As of December 2020, we have a total of \$2,200 in stock invested in the co-op, \$400 invested since the previous annual membership meeting. Of the \$2,200 total, \$1,400 is in cash and \$800 is in-kind.

BULK SALES

There were two members-only sales in early 2021, seeds in January and grains/legumes/flours in March.

We had double the participation and amount ordered for the seed order compared to the previous year's order.

We tried providing smaller amounts for the grains order, but it proved to be too much to do without a dedicated space and cut the amount ordered in half compared to the previous year's order, though it doubled the number of people participating.

LEGAL OBLIGATIONS

An extension was filed for the co-op's 2019 federal taxes, giving the board until October 15, 2020, to submit them. They were submitted October 11, 2020, after being reviewed by Bruce Mayer of Wegner CPAs, a CPA who specializes in food co-op finances. The co-op's 2020 federal taxes were submitted April 13, 2020, after being reviewed by Bruce Mayer.

The annual report to the South Dakota Secretary of State (which keeps the co-op's business registration in the state of South Dakota in good standing) is due by November 1st each year. The current year's report was submitted October 20, 2020.

State sales taxes for the market are remitted quarterly and were submitted for 2020 on time and we received the sales tax collection allowance each quarter (the market gets a percentage back of sales

taxes collected for reporting and remitting taxes on time). Once the market opens, taxes will be submitted on a monthly basis.

LOCATION

We have a location! Now we need to kick off the capital campaign to raise the needed funds so we can take possession by August 1, 2021.

Details:

- Address: 5 W Kemp
- Lease: Low base plus a percentage of sales with a monthly cap, so the market starts off paying a lower rent that grows as the market grows
- Approximately 976 square feet, nearly three-fourths of that is retail space
- We'll need volunteers for cleaning and painting.

CAPITAL CAMPAIGN

We need to raise \$120,000 minimum to open the doors. If 100 people invest \$1,000 each, we'll be there in no time. That will buy the fixtures and equipment; stock the store; cover rent, utilities, and pay one employee for three months.

We already have two major investments: two members will match investments and donations up to \$10,000 each, for a combined total of \$20,000 already pledged to opening the market. Those two investments put us one-sixth of the way to the goal already, and once matching funds are invested or donated, we're one-third of the way to opening.

The capital campaign committee is forming now. If you are willing to help, please let Jan or Annie know.

Please visit coteau.coop/capital for more information on how to invest in or donate to the market.

Spread the word, invest, and let's get Coteau Community Market open this fall!



Appendix 1: 2020 Financial Report

January – December 2020

Includes:

- Balance Sheet
- Cash Flow
- Profit & Loss

	<u>Dec 31, 20</u>
ASSETS	
Current Assets	
Checking/Savings	
Reliabank	6,186.54
Total Checking/Savings	<u>6,186.54</u>
Total Current Assets	6,186.54
Other Assets	
Equity in Other Co-ops	10.00
Total Other Assets	<u>10.00</u>
TOTAL ASSETS	<u><u>6,196.54</u></u>
LIABILITIES & EQUITY	
Equity	
Class B Stock	2,200.00
Member Equity	9,000.00
Retained Earnings	-3,556.95
Net Income	-1,446.51
Total Equity	<u>6,196.54</u>
TOTAL LIABILITIES & EQUITY	<u><u>6,196.54</u></u>

Coteau Community Market
Statement of Cash Flows

January through December 2020

	<u>Jan - Dec 20</u>
OPERATING ACTIVITIES	
Net Income	-1,446.51
Adjustments to reconcile Net Income to net cash provided by operations:	
Sales Tax Payable	-11.14
	<hr/>
Net cash provided by Operating Activities	-1,457.65
INVESTING ACTIVITIES	
Equity in Other Co-ops	-10.00
	<hr/>
Net cash provided by Investing Activities	-10.00
FINANCING ACTIVITIES	
Class B Stock	1,100.00
Member Equity	1,780.00
	<hr/>
Net cash provided by Financing Activities	2,880.00
Net cash increase for period	1,412.35
Cash at beginning of period	4,774.19
	<hr/>
Cash at end of period	<u>6,186.54</u>

	<u>Jan - Dec 20</u>
Ordinary Income/Expense	
Income	
Sales	
Member Sales	
Bulk	1,018.08
Merchandise	84.51
Seeds	180.96
	<hr/>
Total Member Sales	1,283.55
Non-Member Sales	
Merchandise	59.08
	<hr/>
Total Non-Member Sales	59.08
	<hr/>
Total Sales	1,342.63
	<hr/>
Total Income	1,342.63
Cost of Goods Sold	
COGS	
Bulk	778.62
Seeds	114.12
	<hr/>
Total COGS	892.74
	<hr/>
Total COGS	892.74
	<hr/>
Gross Profit	449.89

	<u>Jan - Dec 20</u>
Expense	
Administration	
Accounting	215.00
Legal	60.00
Meetings & Travel	330.04
Postage	14.20
	<hr/>
Total Administration	619.24
Marketing	
Advertising	620.22
Contests	15.00
Literature	95.40
Membership	15.05
Promotions	-45.00
Website	692.60
	<hr/>
Total Marketing	1,393.27
Operating	
Credit Card Fees	5.33
	<hr/>
Total Operating	5.33
	<hr/>
Total Expense	2,017.84
	<hr/>
Net Ordinary Income	-1,567.95
Other Income/Expense	
Other Income	
Reverted Equity	120.00

	Jan - Dec 20
Sales Tax Collection Allowance	1.44
Total Other Income	121.44
Net Other Income	121.44
Net Income	-1,446.51

Appendix 2: 2020 Annual Meeting Documents

Attached are the draft minutes from the 2020 annual meeting. It includes the meeting minutes, the 2020 treasurer’s report (financial reports), and a copy of the board of directors election ballot.

2020 Annual Meeting Draft Minutes

Virtual Meeting June 1-13, 2020

Members were able to vote online to approve the 2019 minutes, the 2019 treasurer’s report, and elect two new board members. There were no questions or comments submitted, and twenty-two members participated.

Bruce Staufer and Stacy Roberts were both elected to the board of directors with twenty-one votes each. Their terms end June 2023.

The minutes and treasurer’s report were approved unanimously, with twenty-two votes each.

Mike Mullin, Secretary

Annie Mullin, Chair

Approved Date

2020 Board Election

Voting is open from June 1, 2020, until 11:59 p.m. CDT on June 13, 2020. Your vote must be received by the closing date and time for it to be counted.

Member code *

Enter your member code here

You must enter the unique member code in the field above in order to vote. You received this code in your official voting notice. It is used to ensure that every member only votes once and does not identify your ballot or how you voted.

Board Candidates *

Please vote for a maximum of two board candidates. Candidates are listed in the order in which their statements for this election were received.

- Bruce Staufer (current board member, appointed Feb. 2020)
- Stacy Roberts

Approve minutes from 2019 annual meeting *

Vote to approve the minutes from 2019's annual membership meeting. The draft minutes are in the 2020 Report to Members packet.

- Yes

- No

Approve 2020 treasurer's report *

Vote to approve the 2020 treasurer's annual report (covers finances from the prior annual meeting on June 8, 2019, to June 1, 2020). The report is in the 2020 Report to Members packet.

- Yes
- No

Personal Attestation *

I understand that, as a member in good standing of Coteau Communit Market, I have one vote in matters brought to the general membership, including board elections. By submitting this form, I am officially casting my ballot for the three items listed. (Submitting is like dropping your taxes in the mailbox: there are no do-overs and it cannot be undone once you press submit.) This will not identify your vote.

Signed,

100 of 100 Character(s) left

SUBMIT

[\(Edit\)](#)

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Appendix 3: Updated Financial Documents

Attached are the standardized financial reports for the previous fiscal years (2018 and 2019). It took until August 2020 to get the chart of accounts worked out and everything entered into QuickBooks, so here are the previous years' financial reports in the same format as this year's. The co-op's fiscal year runs from January to December.

2018 FINANCIAL REPORTS

January – December 2018

Includes:

- Balance Sheet
- Cash Flow
- Profit & Loss

	<u>Dec 31, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
Reliabank	<u>596.05</u>
Total Checking/Savings	<u>596.05</u>
Total Current Assets	<u>596.05</u>
TOTAL ASSETS	<u>596.05</u>
LIABILITIES & EQUITY	
Equity	
Member Equity	900.00
Net Income	<u>-303.95</u>
Total Equity	<u>596.05</u>
TOTAL LIABILITIES & EQUITY	<u>596.05</u>

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10/01/20

Coteau Community Market
Statement of Cash Flows

January through December 2018

	<u>Jan - Dec 18</u>
OPERATING ACTIVITIES	
Net Income	-303.95
Net cash provided by Operating Activities	-303.95
FINANCING ACTIVITIES	
Member Equity	900.00
Net cash provided by Financing Activities	900.00
Net cash increase for period	596.05
Cash at end of period	<u><u>596.05</u></u>

	<u>Jan - Dec 18</u>
Ordinary Income/Expense	
Expense	
Administration	
Legal	150.00
Postage	6.70
	<hr/>
Total Administration	156.70
Marketing	
Literature	72.25
Website	75.00
	<hr/>
Total Marketing	147.25
	<hr/>
Total Expense	303.95
	<hr/>
Net Ordinary Income	-303.95
	<hr/>
Net Income	<u><u>-303.95</u></u>

2019 FINANCIAL REPORTS

January – December 2019

Includes:

- Balance Sheet
- Cash Flow
- Profit & Loss

	<u>Dec 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
Reliabank	4,774.19
Total Checking/Savings	4,774.19
Total Current Assets	4,774.19
TOTAL ASSETS	<u>4,774.19</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Sales Tax Payable	11.14
Total Other Current Liabilities	11.14
Total Current Liabilities	11.14
Total Liabilities	11.14
Equity	
Class B Stock	1,100.00
Member Equity	7,220.00
Retained Earnings	-303.95
Net Income	-3,253.00
Total Equity	4,763.05
TOTAL LIABILITIES & EQUITY	<u>4,774.19</u>

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10/01/20

Coteau Community Market
Statement of Cash Flows

January through December 2019

	<u>Jan - Dec 19</u>
OPERATING ACTIVITIES	
Net Income	-3,253.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Sales Tax Payable	11.14
	<hr/>
Net cash provided by Operating Activities	-3,241.86
FINANCING ACTIVITIES	
Class B Stock	1,100.00
Member Equity	6,320.00
	<hr/>
Net cash provided by Financing Activities	7,420.00
	<hr/>
Net cash increase for period	4,178.14
	<hr/>
Cash at beginning of period	596.05
	<hr/>
Cash at end of period	<u><u>4,774.19</u></u>

	<u>Jan - Dec 19</u>
Ordinary Income/Expense	
Income	
Sales	
Member Sales	
Bulk	72.90
Merchandise	98.60
	<hr/>
Total Member Sales	171.50
	<hr/>
Total Sales	171.50
	<hr/>
Total Income	171.50
Cost of Goods Sold	
COGS	
Bulk	58.28
	<hr/>
Total COGS	58.28
	<hr/>
Total COGS	58.28
	<hr/>
Gross Profit	113.22
Expense	
Administration	
Accounting	363.94
Legal	50.00
Meetings & Travel	250.00
Office Supplies	52.33
Postage	14.70
	<hr/>
Total Administration	730.97

	<u>Jan - Dec 19</u>
Governance	
Membership Meetings	2.55
Resources	60.99
	<hr/>
Total Governance	63.54
Marketing	
Contests	300.00
Literature	414.55
Membership	29.50
Promotions	1,408.45
Supplies	36.01
Website	383.20
	<hr/>
Total Marketing	2,571.71
	<hr/>
Total Expense	3,366.22
	<hr/>
Net Ordinary Income	-3,253.00
	<hr/>
Net Income	-3,253.00
	<hr/> <hr/>