



Roanoke  
coop

# 2023 Annual Report

# From the Board

## Leila Tomasone, Board President



We are so back! Thank you to our owners and customers for sticking with us through the pandemic and continuing to shop with us throughout record-setting sales growth in 2023. This growth was so notable that our general manager, Bruce Phlegar, was asked to comment on it in

an industry article by New Hope Network. We cannot thank Bruce enough for his strong and wise leadership with flourishing results at the co-op. He leads an amazing team who are the valuable boots-on-the-ground taking care of our customers and owners.

But we won't stop there! We on the board must always look forward to what's coming next for the co-op. The more we grow, the bigger the potential for impact in the community. Some amount of reflection is always necessary to understand

how we are moving closer to those goals, which is why we spend time every month monitoring reports from our general manager and reviewing our own governance performance.

In 2023, we wanted to sharpen our vision towards that potential impact by examining the goals we set for the co-op. We call this vision policy our "Ends." We spent our entire full-day board retreat (including some managers too) in August polishing up our awareness of cooperative Policy Governance and went back to the drawing board on "WHY" we do this work. For what purpose does the co-op exist? What do we want it to accomplish, besides selling groceries? We all shared what we personally love about Roanoke Co+op.

This Ends discussion has continued into 2024, and we are proud to unveil our newly revised Ends policy. The change you will notice is the addition of DEI language. We are very proud to include "practices that reflect social responsibility, diversity, equity, and inclusion" as one of the directives to our general manager on what the co-op is to strive for. We believe this to be a step forward for making our cooperative an even more welcoming and community-oriented organization.

We hope that you will also take some time to reflect on which co-op Ends you are proudest of and talk to your friends, family, and neighbors about it! We can do more and reach more people by growing our ownership, and you can help with that. Please consider getting involved in Roanoke Co+op by shopping, voting, attending board meetings, giving us feedback, and running for the board! Thank you for helping us identify our most passionate owners and potential future directors. You can always reach us at [board@roanoke.coop](mailto:board@roanoke.coop).

Cooperatives are unique because their members own the business. In addition to getting the products and services you need, you also have a say in the decisions your cooperative makes, and the cooperative serves you rather than outside investors. This democratic approach results in a powerful force that benefits the cooperative, its members, and the community. Thank you for taking the time to engage with this annual report and your Roanoke Co+op. And thank you for allowing us to serve and represent you on the board. We truly love this job!



## Our Ends

Roanoke Co+op exists so that our member-owners, customers, and the community benefit from:

- a) equitable economic relationships
- b) positive environmental impacts
- c) healthful foods and products
- d) practices that reflect social responsibility, diversity, equity, and inclusion
- e) educational resources

## Board of Directors

[board@roanoke.coop](mailto:board@roanoke.coop)

Leila Tomasone, President  
Michael Burton, Vice President  
Shannon Shaffer, Secretary  
Gayle Havens, Treasurer

Matt Clark, Brent Cochran, Ian Fortier,  
Ron McCorkle, Sandy Taylor

## General Manager

Bruce Phlegar  
[bruce@roanoke.coop](mailto:bruce@roanoke.coop)

# A Nod to Stability

## Bruce Phlegar, General Manager



2023 was another great year thanks to you. The highlights of that great year are enumerated within the next few pages. We are proud of our record-breaking sales, our support of local farmers and producers, our commitment to community, to our staff members, and to a healthy planet. What we are most proud of is the

way we think about our co-op's responsibilities in relationship to the whole. We consider the relationships we create with our local farmers, our staff members, and with our community at large as the engine that powers all of our success.

The Roanoke Cooperative Association LTD, (Roanoke Co+op) was incorporated in the spring of 1975. Next year we celebrate our 50th birthday. We grew from a small group of dedicated founding members into a sophisticated and thriving multi-store cooperative. We have over the past 49 years contributed much

to our community and, for the better, changed the lives of many. That proud history and our recent success is not a small thing, especially considering the highly competitive state of the retail grocery industry. Our longevity, and once distilled, all our collective successes over the past 5 decades are due to the people who have contributed their part to the whole. Thanks to those few brave founding members, to the hundreds of dedicated board members, more than a thousand staff members, thousands of member/owners and to the millions of shoppers who have collectively created our 5 decades of success.

The retail grocery industry is complex and constantly shifting. Our business philosophy, the way we intend to show up and compete within that industry is simple: we first focus on the success of the people within our charge, those who set the course and work daily to make Roanoke Co+op the best it can be. After all, our board of directors, our staff members, our owners, and all the community members who support our success are themselves people, just like you and me. Connecting with all people in a humane and equitable way, making their success our success will assure that Roanoke Co+op will thrive for another 5 decades and beyond.

A handwritten signature in black ink, appearing to read 'Bruce Phlegar'. The signature is fluid and cursive, written in the bottom right corner of the page.



*The Owner Cookout gathered 450 attendees. We enjoyed music from the Shoobies and great food from the Co+op Deli. October.*

# Fostering Equitable Co-op Growth

The first of our Ends addresses the importance of maintaining strong equitable economic relationships with every co-op customer. Those customers aren't just co-op owners, but include non-owners, employees, vendors, producers, and our community as a whole.

We made impressive strides in 2023 in these relationships. The patronage rebate issued to co-op owners in August totaled over \$16K, while our owner equity grew by 5.66% to over \$581K.

The Owners Rewards program, which started on May 1, 2023, helps the co-op reward owners in a more equitable manner. All owners accumulate 1 point for every \$1 spent, and 100 points equals \$1 off at the register. Owner Rewards accounted for \$25K in owner discounts in just 8 months in 2023.

Our stores eclipsed \$7.6M in sales for the first time and saw a year over year increase of 9.9%, which in the last decade was

only second to our 2020 pandemic driven sales increase. As a percentage, our sales to owners was the highest it has been in eight years, 48.53% or \$3.7M.

In January, we increased our starting wage to \$15 per hour, a payroll increase of 13%. Our employees also share in an Open Book Management / Gain Share program which paid out \$40K in 2023.

We are particularly proud of the way we supported our community in 2023. We bought more from local producers than ever before, \$533K. Our total local economic impact topped \$2.65M, an increase of 9% over 2022. Also, *Change! for our Community* raised nearly \$31K for 12 Roanoke based organizations.

*Right: Will Nylander and Emma Schlosser in a holiday photoshoot outage in our Wellness Department. December.*



189

189 New owners in 2023



3.7M

\$3,706,216 Sales to owners



533K

\$533,402 Paid to Local Vendors.



# Good for the Planet

The second aspect of our Ends states that our member-owners, customers, and the community benefit from positive environmental impacts. We do a good bit of our positive environmental impact on our shelves by offering products that are clean and free of artificial ingredients, flavors, preservatives, and colorants, which we'll talk about more in the next section. Outside of our stores, our co-op supports and participates in organizations like Earth Day Roanoke, Blue Ridge Land Conservancy, Friends of the Blue Ridge Parkway and more.

We saw a decrease in natural gas consumption in 2023 (-3.34%) and only slight usage increases in energy (.66%) and water (1.58%). The 17.5 acres of land we own on Blue Hills Drive in Roanoke City is leased to The Harvest Collective whose Star City Compost operation maintains and improves the quality of the soil at the property while decreasing the negative effects that landfills have on the environment. We're excited about the partnership with The Harvest Collective and the quick growth of its composting facility.



**3.34%**

Natural gas usage down **3.34%**.



**250**

Local products are grown or produced within **250 Miles** from our co-op.



**5.8%**

Local products increased **5.8%**, total of 705 products.





Team member Paige Benson showing off some awesome local ghost peppers for an Instagram post. August.



47K

Shoppers redeemed **\$47,883** in Virginia Fresh Match funds.



99%

Our customer survey showed **99%** of shoppers felt welcomed at the co-op.



26%

**26.52%** of our products are Organic.

## Nourishing with Healthy Choices

When the co-op was founded in the 1970s its main purpose was to provide healthy food to our members and community. We continue our founders vision by carrying products that are free of artificial ingredients, flavors, preservatives, and colorants so our shoppers can trust the food they buy at the co-op.

We give preference to products that are certified organic (26.5% of our products), locally produced (5.8%) Certified Non-GMO (19.9%).

We surveyed 796 customers throughout the year and found that 95% are satisfied with the availability and variety of products at our stores.

Roanoke Co+op is also committed to making sure healthy food is accessible to the whole community. We participate in a network of farmers and food stores across Virginia that offer nutrition incentives called the Virginia Fresh Match (VFM). With VFM, low-income consumers

can afford additional healthy food because their SNAP benefits (Supplemental Nutrition Assistance Program) are doubled when purchasing fresh and frozen fruits and vegetables. In 2023, Roanoke Co+op saw over 9K SNAP transactions, and we assisted our shoppers in redeeming over \$47K in Virginia Fresh Match dollars.

Our partnership with LEAP and West End Community Dinners reignited in 2023 when the West End Community Dinners returned for the first time since stopping for Covid in 2020. Our co-op sponsored and volunteered for West End Community Dinners, April – October, offering free healthy meals to the community out of the LEAP Kitchen on Patterson Ave. We held 8 dinners in 2023, including a Thanksgiving dinner where we passed out over 400 free meals.

*We surveyed **796 customers** throughout the year and found that **95%** are satisfied with the availability and variety of products at our stores.*



# We're all Stronger Together

We've built a great company at Roanoke Co+op by focusing on cooperation and community and you can't do either of those things by yourself. We partner with organizations and efforts that generate inclusive, socially responsible outcomes! *Change! for our Community* raised nearly \$31K this year for 12 organizations. At the end of 2023, *Change!* had raised a total of \$289K since it began in 2013.

Roanoke Co+op is a member of 10 other cooperative organizations including National Co+op Grocers which is made up of 164 food co-ops.

On our shelves you will also see a commitment to social responsibility. Fair trade products account for 3.5% of all products in our stores. Certified Humanely Raised / Cruelty Free products account for 5.3% of all products.



*Co-op Owners Joe Bryson and Gretchen Coleman at the Annual Owner Social, May.*

# Through Education We Thrive

Educating our community and partnering with other organizations that teach nutrition, health and sustainability is an important element of our co-op's Ends. 2023 was an exciting year because it marked the return of IN-PERSON events! We hosted our Annual Social and Meeting for the first time in-person since Covid. In May, 150 owners attended the social and heard from William Penn with the Roanoke Arts Commission and Linda Hentschel with Family Service of Roanoke. We attended health fairs and expos like Roanoke College Employee Health Fair in March and the Hotel Roanoke Health Fair in August.

Our Weekly E-Deals emails reached over 90K unique opens, and our website, [www.roanoke.coop](http://www.roanoke.coop), saw over 23K unique users in 2023.

We were also proud to sponsor some truly incredible organizations that are making Roanoke a better place to live every day! Organizations like LEAP, Community School, National Public Radio, Radio Free Roanoke, Blue Ridge Land Conservancy, RIDE Solutions, and the West End Center to name a few.



**37%**

Weekly E-Deals, email open rate **37%** Wow!



**3K+**

Instagram followers **3,199**



**10K+**

Facebook followers **10,787**



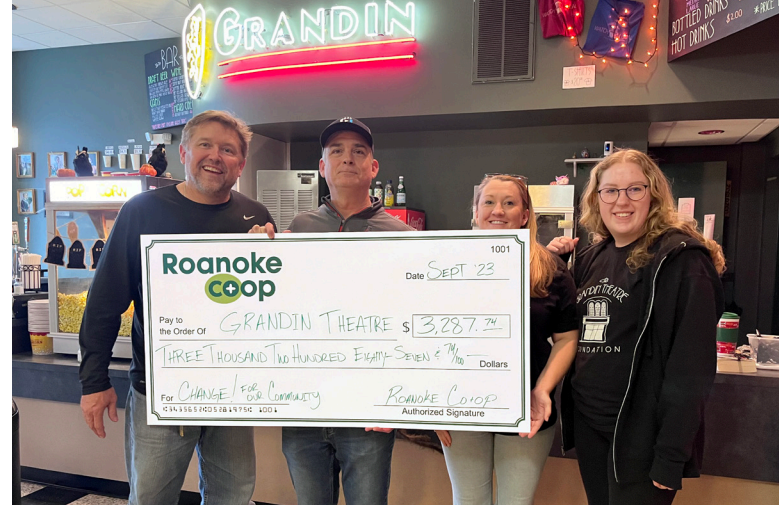
## Income Statement

	2023	%
Net Sales	7,637,524	100.00%
Cost of Goods	4,659,867	61.01%
<b>Gross Profit</b>	<b>\$2,977,657</b>	<b>38.99%</b>
Wages	1,472,135	19.28%
Benefits & Taxes	391,604	5.13%
<b>Personnel Expenses</b>	<b>\$1,863,739</b>	<b>24.40%</b>
General & Administrative	613,971	8.04%
Occupancy	279,917	3.67%
<b>Total Operating Costs</b>	<b>\$2,757,627</b>	<b>36.11%</b>
<b>Net Operating Income</b>	<b>\$220,030</b>	<b>2.88%</b>
Other Income	50,612	0.66%
Interest, Depreciation, Amortization	(116,425)	(1.52%)
<b>Net Income</b>	<b>154,217</b>	<b>2.02%</b>
<i>Net Income Before CPA Review</i>		

Left: Front End Manager, Heidi Garrabrant with her daughter Maple at the Owner Cookout, May. Right: Staff of the Grandin Theatre accepting the funds raised through Change! in September 2023.

## Balance Sheet

2023	
Cash	917,971
Receivables	7,002
Inventory	393,356
Other Current Assets	32,948
<b>Total Current Assets</b>	<b>\$1,351,277</b>
Property & Equipment	1,250,306
Other Assets	321,250
<b>Total Assets</b>	<b>\$2,922,833</b>
Accounts Payable	208,435
Accrued Liabilities	58,280
Other Current Liabilities	59,427
Long-term Liabilities	564,006
<b>Total Liabilities</b>	<b>\$890,148</b>
Owner Equity	581,943
Retained Earnings	1,450,742
<b>Total Equity</b>	<b>\$2,032,685</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$2,922,833</b>



## Apply for Change!

We accept applications year round for our fundraising program, *Change! for our Community*. Go to [www.roanoke.coop/change-application](http://www.roanoke.coop/change-application) to submit an application for your organization.

Each year in December, a committee made up of members of our staff and board review the applications and select 12 deserving organizations to receive the *Change!* funds the following year.

### **About Roanoke Co+op**

Our food co-op is a grocery store owned by your neighbors (and by you, if you choose). Unlike corporate chains, we're totally independent and owned by the community members who shop here.

Roanoke Co+op is Virginia's largest food co-op and we welcome everyone to shop at our stores. With two locations in the Roanoke Valley, Roanoke Co+op serves the community and our 5,800+ owners by providing access to the highest quality local, organic and natural foods.



**Grandin** 1319 Grandin Rd, Roanoke, VA **Downtown** 1 Market Sq., Roanoke, VA

