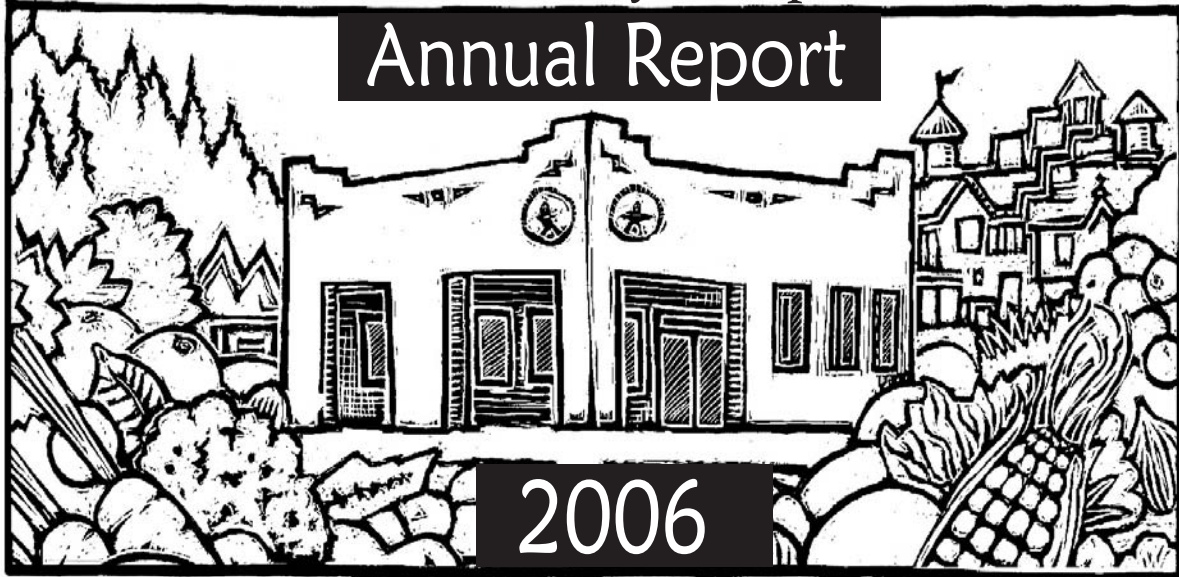


Kootenay Co-op

# Annual Report



The Kootenay Co-op  
Board of Directors  
**PRESIDENT'S  
REPORT**

The 2005-2006 fiscal year for the Co-op was a very successful year by many standards and in adherence to our Mission Statement, which is implemented in diverse ways across the store and over time. Our contribution to the local economy is strong and ongoing not only because we are a locally owned co-op but also through our active support of local businesses and the living wages provided to our staff.

We have continued to be an active and engaged member of the community through educational events, donations, scholarships and bursaries (see elsewhere in this report for a full list). There is a laudably high percentage of locally grown and processed foods, health and body care products among the

offerings on our shelves.

The volume of customers and product in the store continues to grow, underscoring our need to move to a larger space. The Board has been actively pursuing options while maintaining our commitment to a thriving downtown core in Nelson.

Happily for our plans to expand the store, our financial health is also very good. We are well above the top end of the industry standard for sales per square foot, thanks both to the loyalty of our members and customers and to the patience, hard work and ingenuity of the staff.

The efforts and tone of the Board have been very positive over the past year. We welcomed one new member last year. Silvia Schoch

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joined me, John Southam, Catherine Fisher, Olindo Chiocca and Cindy King, the Employee Director. We began with a Board Retreat with the purpose of strengthening the bonds and working relationship between us, and of reinforcing an understanding of our role, rights and responsibilities as Board members.

Early in 2006, we initiated a Strategic Planning process, launching it with a highly productive meeting between the department Co-ordinators, the General Manager and the Board. This process included any member who wished to participate, as well as the staff, in visioning and planning our path over the next three to five years. The final

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## BOARD MEMBERS

Abra Brynne; Olindo Chiocca;  
Catherine Fisher; Cindy King,  
Employee Director;  
John Southam; Sylvia Schoch

## General Manager's REPORT

We are totally thrilled - another year of record sales growth is clear evidence of the overwhelming member support we receive from this community. However - with this success comes the ongoing challenge of our space limitations. The staff continue to work to their creative capacity to ensure our limited space is used to its maximum efficiency. The Board of Directors continue to move forward with planning for the future with the execution of a Feasibility Study of four possible locations for the Co-op. We are very excited about the future for the Co-op!

As Joy indicated in her Finance Coordinator's report - the financial status of the Co-op continues to thrive. In addition to offering our membership purchase discounts and patronage returns for the past several years, we have also been able to contribute to the Co-op's savings account. These funds will help ensure that when we find the right location we will be in a

financial position that will make a new Co-op possible.

For me, it was a year full of professional educational opportunities. During the Consumer Cooperative Management Association Conference in Atlanta, GA, I was re-elected to the Board of Directors for the Cooperative Grocer Information Network based in the US. This organization works to strengthen retail food cooperatives (in Canada and the US) by providing them with an online vehicle to share information and resources. CGIN has been an invaluable asset to our Co-op since its inception and I am fortunate to have the opportunity to serve on that Board.

As a CGIN Board member I was invited to travel to the UK to participate in educational sessions and a tour of the Midland Counties Cooperative grocery stores in Oxford, England in August. I joined nine other people from the US - including the CEO of the National Cooperative Business Association, the CEO of the National Cooperative Grocers Association and four others from the Cooperative Grocer Information Network. The Midland Counties Cooperative operates several trading partners including: food, motor, funeral, pharmacy, travel, childcare, carehomes, IT, post office commission, internet domain (.coop), and consultancy. This was a great opportunity to learn more about how all those different organizations function under the cooperative umbrella. There are so many cooperative organizations in our area, we could use the UK model to learn

document is full of great ideas, useful information, and guidance for staff and the board as they deal with both the mundane and the larger issues that arise in running a store of this size.

I wish to thank, most sincerely, my fellow Board Directors, the members and customers who patronize the Co-op, and the staff for all your great contributions to the store over the past year. I am confident that the Co-op, much more than just a business, will continue to contribute to, inspire and participate in our larger community as we carry on through our fourth decade.

**Abra Brynne, Board President**



so much more about how we could really work together to the benefit of all the co-ops and our memberships.

It has been a very busy year for all the department coordinators. As Jocelyn pointed out in her report, we have experienced an exceptionally high rate of turnover this year. Although many great people left us this year, we are very fortunate that we have many great new people in their places. The Co-op continues to be a premier employer in Nelson, I am so proud of the great service our staff provides to our membership and I'm so privileged to be a part of it!

**Deirdrie Lang, General Manager**



*A Co-op Staff Meeting, Fall 2005*

## The Kootenay Co-op is committed to **ITS EMPLOYEES**

At the risk of repeating what I wrote last year, it sure has been a busy year!

As always, I wish to recognize the incredible dedication and skill of our managers and senior staff and the fresh energy of our newer staff members. Despite the challenges associated with rapid growth (constant organisational change, increasing number and complexity of job duties and the stress of our confined quarters) staff remain very positive and productive. What an incredible bunch of people!

Having said that, we've had significant staff turnover this past year. From the exit interviews we conduct, it's pretty clear that staff members loved working here and are leaving in order to fulfill their heart's desire, whether that's having a baby, pursuing higher education, or taking on work in their chosen field. Any coordinator will tell you that it requires a significant amount of time and energy to hire and train

new staff, especially as we expand our training programs.

Another major undertaking has been our focus on Health and Safety issues. We now have a very active and dedicated Health and Safety Committee, with members from most departments. We have created a Health and Safety Manual, made tons of improvements to the safety of our systems and equipment, conducted Injury Prevention and First Aid training, created systems for store inspections and injury reviews, and kept a close eye on safety issues as they develop.

In other news, we radically overhauled our wage and raise system at the beginning of the fiscal year as a result of feedback from our Employee Survey. The new system provides fixed raises based on the number of hours worked, is separate from our performance evaluation system, and includes an entry wage increase in most tiers. Although no raise system will satisfy all of our

needs, this one is working very well.

We have further expanded our training programs. We now provide management training to our Assistant Coordinators (as their management duties continue to expand) and orientations for new staff about the Co-op's role in the community, our buying guidelines and our customer service resources. We continue to provide funding for staff to pursue education related to food, healing, the co-operative movement and other job-related courses.

Finally, one of the elements that make the Co-op a great place to work is the way our members treat Co-op staff. Thank you for being such great people to work for!

**Jocelyn Carver,  
Human Resources  
Coordinator**

# The Kootenay Co-op

## FINANCE REPORT

Every year since 1999 the Kootenay Co-op has been able to offer a Patronage Return to the Co-op membership. The return is based on the dollar amount of member sales from June 1 to May 31 of the given fiscal year. The Board of Directors determines the total amount to distribute after the draft financial statements have been prepared by the Co-op's Auditor. Since 1999 the patronage refund has varied according to the Co-op's profit but in the last few years it has typically been between twenty to fifty thousand dollars.

The annual patronage refund is not the only way that the Co-op gives back to the membership and the community. The Co-op offers a variety of discounts to members at the till. For the 2006 fiscal year these discounts totalled over half a million dollars. These include our Member Appreciation Day in which once a month Co-op members receive 10% off their purchases. The Everyday Discount includes products in our Personal Care Department, which are identified with a yellow tag and are discounted by 15%. This discount increases to 25% on MAD days. Business accounts receive a 15% discount on food that they will resell to the community. This lowers the



price of organic food throughout the community. We also offer a 15% discount for purchases over \$300 as well as 10% off special orders that are purchased by the case. Co-op staff receives a 20% discount on all purchases (there are some items that are excluded from discounts), which is just another reason to want to work in this dynamic, energetic place.

The Co-op is able to offer these substantial discounts, as we have been able to turn a profit for a number of years now due to tremendous support from the Co-op membership. We are actually giving these discounts at the till before we know if we have made a profit for the year due to the fact that we want organic food and an organic, healthy lifestyle to be accessible to everyone.

The Co-op is not a profit

driven organization. With six and a half million dollars worth of sales for the fiscal year ending May 31, 2006 our net profit is \$169,237. Four and a half million goes to pay for the product sold and our gross profit is almost two million. With expenses of close to two million that leaves a before-tax profit of \$169,237. The profit is distributed to taxes, patronage refunds, and retained earnings, which is what we retain in the Co-op for further growth. Our expenses include a 10% profit share to Co-op staff for all their outstanding work.

I hope this gives the membership and community a good idea of our financial motives and an understanding of the principles we operate under. Please feel free to ask questions about your Co-op and I know everyone will look forward to their patronage return, which will be available at the end of the week following the AGM.

**Joy Farley**  
Finance Coordinator

### Patronage Refund

Last year the membership shared a patronage refund of \$44,968

## Winter Social

The wintry weather didn't deter people from making an appearance at our James & The Snowman Winter Social. We enjoyed staff-baked cookies, hot drinks, music and wrote our "wishes for the world". We raised money for the Transition House and Hanno & Cormac Southam raised \$163 for the Giving Tree by raffling off their Gingerbread House.

## Biobags

In January 2006, we stopped offering free plastic grocery bags to our shoppers, as single-use, disposable shopping bags were a large and unnecessary source of waste at the Co-op. We switched to the BioBag, which is made from cornstarch and is completely biodegradable. Most of our members were delighted by this waste-reduction initiative, and support the need to implement a charge of 25 cents each bag.

## Cloth Bags

Alongside the BioBags we were able to offer our customers a new line of cloth grocery bags at the very low price of \$3.99 due to the generous sponsorship of nine of our product manufacturers. They proved to be so popular that we have recently ordered a second printing.

## Meat

The Co-op has been carrying fish and poultry products for several years now, and the time had come for us to include a small selection of red meat products as well. In February we introduced a small selection of organic beef, bison and deli meats in the freezer section, that shoppers are appreciating.

## Kids Card

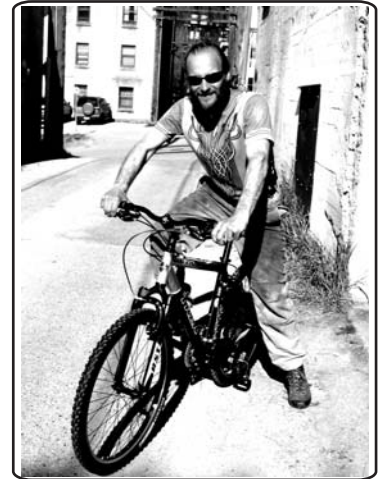
I think our most popular project to date was the Kids Card, introduced in March - a free snack for kids under 8 while shopping with a parent. If you didn't hear the buzz about this one, you must have been in Bali!

## Earth Day/Month

We went all-out for Earth Day this year. With global warming at the forefront of our hearts and minds, it seemed fitting. We an Earth Day broadcast with Kootenay Co-op Radio, gave away a mountain bike, raised money for local non-profits, reduced waste, raised awareness and connected in a big way with our community.

## This Year Past ...

Sitting astride & ready to ride. Jo Prsa wins the Earth Day grand prize.



## In-store Services

- Member Discounts (see below)
- Patronage Refunds (see below)
- Special orders
- Delivery service
- Community bulletin board
- Promotional events such as World Food Day, Earth Day, Co-op Birthday
- Barter Buck Tuesdays

## Member Discounts

- Everyday Discounts. Products in the Personal Care Department which are clearly identified with yellow price tags receive 15% off.
- Member Appreciation Day Discounts. 10% off on a day of your choosing each month (some exceptions apply).
- Purchases over \$300 receive 15% off (some exceptions apply). Note that the everyday vitamin discount remains at 15%.
- Case Orders. Active members can special order by the case anytime and receive 10% off the order.
- Case Lot Sales. Each Spring and Fall we offer a Case Lot Sale of items at incredibly low prices.
- Book Orders. Special order books available from our suppliers at 15% off.
- Events. Free or discounted educational events & celebrations for members.

# The Kootenay Co-op is committed to COMMUNITY DONATIONS

*The Kootenay Co-op offers a range of opportunities for non-profit organizations to access funds through The Community Donations Programs. More than \$15,000/year was given to the community this year!*

## Till Donations

*Ongoing donations, currently to these groups:*

The West Kootenay Women's Association  
Broader Horizons  
ANKORS  
The Food Cupboard  
Stepping Stones For Success  
Pregnancy Outreach  
Organic Agriculture Protection Fund  
Second Chance Animal Shelter

## Endowment

*The \$500 Annual Endowment was awarded to:*

The Salmo Valley Youth & Community Centre for their "Living Well Beyond 55 Program".

## World Food Day

*\$1,073, 5% of sales was donated to:*  
The Organic Agriculture Protection Fund.

## Earth Day

*The Bean Jars (a bean for every bag re-used) raised:*

Our Daily Bread - \$221.30  
Winlaw Watershed - \$206.20

## Giving Tree

*The groups for December 2005:*

The Food Cupboard Holiday Hampers - \$281.50  
Kootenay Lake Hospital Foundation - \$281.75

## 31st Birthday

To celebrate the Co-op's 31st Birthday, 5% of sales, \$1043.71, was donated to: The Red Cross for the humanitarian crisis in the Sudan.

## Bursaries

*Three \$500 bursaries are awarded each year:*

### The Kootenay Co-op Youth Award:

Iain McMillan who is studying Engineering at the University of Victoria. Iain is interested in pursuing forestry and engineering with regards to the preservation of the environment.

### The Linda Prentice Memorial Award:

Janet Pearson who is studying to be a herbalist and is enrolled in The Master Herbalist Diploma Program at the Dominion Herbal College.

### The Gordon Seward Art & Music Award:

Natasha Hall who is studying violin at The Mount Royal College Conservatory in Calgary.

*Congratulations everyone!*

## Sponsorships

### The Co-op sponsors Youth Soccer



### The Co-op sponsors Adult Soccer



Congratulations to the Kootenay Co-op Adult Team which is now in its third year. They are the champions of the 2006 Terry Walgren Invitational Tournament, pictured here.

### Additional Sponsorships include:

Kootenay Co-op Radio  
Kootenay Film Festival  
FLIKS  
Nelson Municipal Library

As well as Arts & Culture Openings, Music Festivals and Gala Fundraising Dinners.

# The Kootenay Co-op is committed to COMMUNITY DONATIONS

## Miscellaneous | Community Donation Days



*Miscellaneous Donations to these community groups:*

- Kootenay Lake Family Network
- Eco Society
- Kootenay Lake Fall Fair
- Whitewater Festival
- Trafalgar Reads Program
- Nelson Garden Festival
- Coop Gathering
- Canadian Cancer Society
- Brent Kennedy Elementary School
- Corazon Choir
- NAPAG
- FroggyFest
- Family Place
- AFKO
- Selkirk Peace & Environment Coalition
- Osprey Community Foundation
- Young Naturalists Club
- Earth Matters
- Mount Sentinel High School
- Nelson United Church
- ANKORS
- Nelson Waldorf School
- Nelson Community Labyrinth
- Selkirk College Foundation
- Seniors Health Fair
- Slocan Valley Employment Fair
- Bee Keepers Conference
- Youth Centre
- Salmo Housing Association

*On the third tuesday of every month, 1% of sales is donated to a community group. These groups received the following amounts:*

- \$182.75 - Ed Natyshak Rehabilitation Fund
- \$185.29 - Crescent Valley Youth Centre Society
- \$204.68 - St. Saviour's Food Cupboard
- \$259.10 - Castlegar Community Kitchen
- \$178.26 - Advocacy Centre Nelson On A Shoestring Guide
- \$186.18 - WE Graham Community Foodbank
- \$196.23 - Eco Society Mountain Caribou Campaign
- \$232.24 - Earth Matters Fruit Tree Project
- \$213.48 - CNIB
- \$210.89 - SPCA
- \$206.47 - Friends Of The Family
- \$274.29 - Parent & Child Mother Goose Program
- TOTAL \$2529.86**

- |  |                                     |
|--|-------------------------------------|
| Youth Soccer                                     | Nelson History Theatre              |
| Kootenay Film Festival                           | Kootenay Bluegrass Society          |
| Second Chance Animal Shelter                     | Koots Roots                         |
| BC Children's Hospital                           | Blewett School                      |
| SPCA   | Mental Health & Addictions          |
| Kootenay Co-op Radio                             | St. Joseph's School                 |
| Nelson & District Seniors Co-ordinating Society. | War Child Canada                    |
| Winlaw Elementary School                         | Advocacy Centre                     |
| Nordic Ski Club                                  | Kootenay Springtime Wine Festival   |
| South Slocan Parks & Recreation                  | MS Society Canada                   |
| Gay Pride  | LVR                                 |
| Salmo Ski Racers                                 | NDCRS                               |
| Summit2Summit                                    | Nelson Sea Cadets                   |
| Nelson Blueliners                                | Chamber of Commerce Gala Fundraiser |

*Your are automatically investing in your community every time you shop at the Co-op. You can make an even bigger impact by:*

- Shopping on Community Donation Days & World Food Days
- Supporting The Seasonal Giving Tree
- Using the till Donations cards
- Joining in the fundraising socials

# The Kootenay Co-op is committed to **EDUCATION**

## Ongoing Educational Opportunities for Members



- Member information pamphlet
- Community Outreach pamphlet
- Monthly newsletter
- Workshops, classes & seminars
- Guest speakers
- Recipes & food tips
- Dietary needs & nutritional info
- Store tours
- Co-op website: [www.kootenay.coop](http://www.kootenay.coop)
- Product Information & demos
- Food Politics & Industry News
- Free & Sponsored Magazines (Alive etc)
- Farm Tours

## New This Year

### e-NEWS

e-NEWS is the newest way to stay in the loop. It's fast, up-to-the-minute info that's efficient and eco-friendly. Everything you need to know about your Co-op hits the website first; AGMs, membership news, board minutes, surveys and all things co-op. Product news, specials, educational opportunities and shopping on community donation days are all posted on the website and e-NEWS alerts you to it all. If you haven't already done so - sign up now!

### Sam Graci Seminar

Last October, the Co-op in partnership with Genuine Health, brought Sam Graci to Nelson. This internationally-renowned researcher, formulator, lecturer, consultant, and author in the field of optimal health and nutrition offered us practical guidelines for achieving greater states of well-being and longevity. Hope you took advantage of this free seminar.

### Weleda Seminar

On September 18th, Gannon Mulhern from Weleda presented a seminar on the Weleda philosophy and its extensive range of quality, organic body care products. Everyone got to sample the products and take home a goodie bag of samples to try at home.

## Kids Tour The Co-op

We offer store tours for individuals or groups, small and large. Whether you're a newbie or a seasoned Co-oper, have 5 minutes to spare or can stay for an in-depth tour, we can meet your needs. Just ask at



C u s t o m e r Service. The photo shows a happy group of kids, with their Co-op gift bags, at the end of a visit to the store this past summer.



### David Suzuki

In May, Otter Books brought David Suzuki to Nelson on his book signing tour. We purchased and gave away a number of free tickets for Co-op Members to attend this special event. David was passionate and fiery and the audience understood his messages and showed their appreciation with a standing ovation.

## FLIKS Film Festivals

### September 2005

Last year the Co-op sponsored:  
**THE GENETIC MATRIX, SWEET SOIL & THE MEATRIX**

### October 2006

This year's FLIKS Social Issues Film Festival is during CO-OP WEEK! The film collection has not yet been confirmed, but mark your calendars for the week of October 15th-24th. There's sure to be some controversial films with important messages for us.