



annual REPORT

2015 | 2016



OPEN HARVEST
CO-OP GROCERY



OUR MISSION

Where food comes from and how it's produced is important

And we know that our community of members, farmers, and friends is equally so

Food sustains us, and how it's grown affects our environment

That's why we only sell things with "where" and "how" in mind

It's why we support local farms and businesses, helping our community prosper

And why we provide a great place to work and shop

**Every day, we bring
our values to life**

BOARD REPORT BY BRANDÉ PAYNE

The Open Harvest Board of Directors has spent the past year focused on maintaining the well-being of the co-op and supporting our new General Manager as she makes the changes necessary to stabilize Open Harvest in the face of strong competition.

In December 2015, we began searching for a new General Manager. This was a five-month endeavor in which we prioritized input from staff. We had tremendous interest with over 45 applicants. After an extensive process, we were happy to announce our choice of Amy Tabor for the position. Amy brings a history with Open Harvest and unparalleled enthusiasm for working with local farmers and natural and organic foods. The board is confident of our choice and continues to be impressed with Amy's efforts to make the changes necessary to keep Open Harvest going.

After receiving approval from Member Owners at the last Annual Meeting we reduced the size of the board and adjusted board

terms. Doing so has helped us focus on our strengths and streamline our processes. In addition, the board had a change in leadership when our long-time Chair stepped down, and I assumed the position. With good voter turnout in the spring, Member Owners elected two board members.

During the last 5 years, competition has increased exponentially. In 2015, for the first time, conventional grocery stores sold more natural and organic product nationally than stores like ours, which specialize in this area. In February 2016, the board sent a letter reminding Member Owners of the importance of continuing to support Open Harvest. We are happy to report that you responded. Member Owner sales have been up. Unfortunately, overall sales are still down. Open Harvest management and staff have been doing a great job adjusting for this financial impact. However, the co-op needs to reverse the trend in order to remain viable. For over forty years Open Harvest has been "Lincoln's

trusted source for responsibly selected and sustainably raised local, organic, and non-GMO foods". The board and management are working hard to ensure that the co-op is around for the next forty years!

The board meets the first Wednesday of the month from 6:00 - 8:00pm at Two Pillars Church, 1430 South Street. The board calendar, agendas and minutes are posted in the co-op and on the website (openharvest.coop). Please attend our monthly meetings and contact the board at board@openharvest.coop with any thoughts or suggestions.

BOARD MEMBERS:

Brandé Payne, Chair; **Megan Jackson**, Vice Chair; **Mary Hansen**, Secretary; **Robert Hutkins**; **John Christensen**; **Barbara DiBernard**; **Ellen Dubas**; **Ross Brockley**; & **BJ Birkel**

GM: A YEAR IN REVIEW BY AMY TABOR

This past fiscal year has been a year of transition. Since July 1, 2015 Open Harvest Co-op Grocery hit a major milestone by celebrating 40 years, navigated substantial change in leadership, prepared for a new competitor and encountered numerous operational challenges along the way.

I assumed the role of Interim General Manager in mid-December and spent a good portion of last winter and early spring balancing the responsibilities of my Brand Manager job and learning how to run a grocery store.

I officially accepted the role of General Manager in April. I immediately enrolled in a Consumer Cooperative Management Intensive course for new GMs and hit the ground running fueled with valuable training information and a phenomenal network of peers. Within several weeks I found myself preparing and presenting to the Board of

Directors my first strategic plan and budget for the upcoming fiscal year.

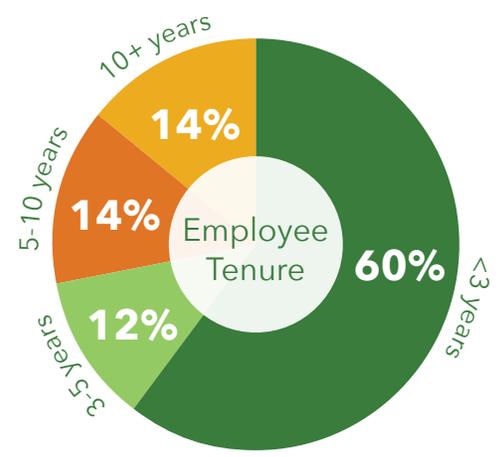
It's true that over the course of the last six years competition has been fierce, but we cannot continue to use competition as a justification of our decline in sales. The competition will not cease; not from conventional grocers, nor from the national health markets. We have to respond. We have to be so strong; fiscally, operationally, and in terms of leadership, that it doesn't matter who comes next. With efficient systems and procedures, a knowledgeable well-trained staff, a focused Board, strong vendor relationships, supportive Member Owners and loyal customers, facing a new competitor will become another standard operating procedure. Instead of it eroding our sales and morale it will be viewed as an opportunity to reassess, make quick changes, and press forward with purpose.

It is my vision of the next year to continue to build a strong foundation on which Open Harvest can thrive. At the same time creating an awesome place to work by investing in our store and people. Going back to the basics is key; becoming solid grocers first, not only to serve our customers and Member Owners better, but so that we can be ready to pursue either expansion or relocation as the opportunity presents itself in the near future.

I am fully invested in my role as General Manager and ready for the challenges ahead. But I cannot do it alone; it's going to take every one of us to achieve the goals that we create for Open Harvest. Please join me in taking these next steps in our cooperative journey!



OUR STAFF



THE LOCAL NUMBERS



31%

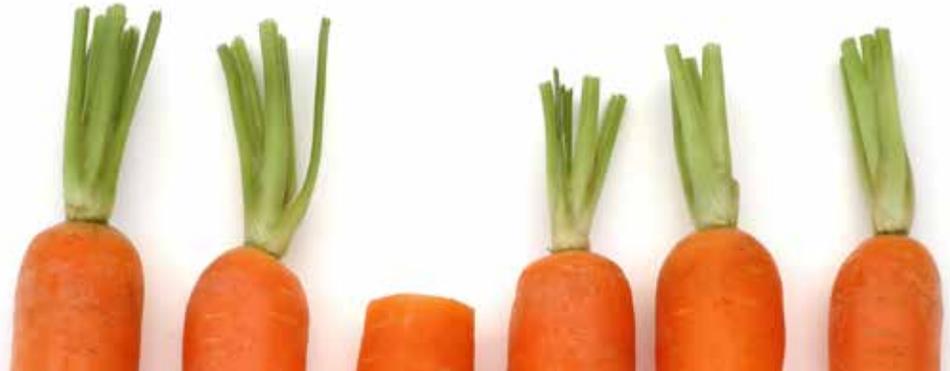
**\$1,258,016 of
\$4,105,044**
in net store sales were
from local goods!

KEY FINANCIAL DATA

FISCAL YEAR RUNS FROM JULY 1ST, 2015 TO JUNE 30TH, 2016.

INCOME STATEMENT

SNAPSHOT OF:	2015/2016	2014/2015	2013/2014
Sales	\$4,179,909	\$4,350,472	\$4,733,620
Cost of Goods Sold	\$2,672,478	\$2,768,406	\$2,957,628
Gross Margin	\$1,507,431	\$1,582,066	\$1,775,992
Operating Expense	\$1,621,314	\$1,700,530	\$1,861,591
Other Income/Expense	\$55,219	\$73,614	\$54,667
Net Income	\$(58,664)	\$(44,850)	\$(30,932)



BALANCE SHEET

ASSETS	2015/2016	2014/2015	2013/2014
Current Assets	\$269,127	\$326,137	\$374,837
Fixed Assets	\$220,290	\$270,479	\$330,668
Other Assets	\$87,535	\$71,166	\$63,709
Total Assets	\$576,952	\$667,782	\$769,214
LIABILITIES			
Current Liabilities	\$288,433	\$337,856	\$334,322
Long-Term Liabilities	\$33,870	\$20,297	\$85,461
Total Liabilities	\$322,303	\$358,153	\$419,783
EQUITY			
Member Equity	\$400,999	\$397,315	\$392,267
Retained Earnings	\$(87,686)	\$(42,836)	\$(11,911)
Net Income	\$(58,664)	\$(44,850)	\$(30,925)
Total Equity	\$254,649	\$309,629	\$349,431
Total Liabilities & Equity	\$576,952	\$667,782	\$769,214

NEW OWNERS

323

TOTAL OWNERS

2889

OWNER SALES

56% OF TOTAL SALES



OPEN HARVEST
CO-OP GROCERY

good. real. food.

