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ANNUAL REPORT



a message from steve



The last year has been one like no other in the co-op's history. In March of 2020 two significant events took place:

Oryana acquired a second, larger location by placing the winning bid from bankruptcy of a competitor, Lucky's Market. And a pandemic swept the country, the world shut down and everything came to a halt - except grocery stores and other "essential" businesses.

In the span of a few weeks Oryana became a two-store co-op and was one of the few businesses to remain open.

WHAT A YEAR.

The report that follows shows the many ups and downs that we experienced through this journey. From the 61% sales growth of panic-buying, to limiting our 10th Street store to 40 customers at a time. From bringing on 62 talented new staff members, to orchestrating socially distanced orientations for all 62 of them in the span of 3 days. From the surprise at a grocery store taking a stance on issues of racial and social justice, to the addition of nearly 2,000 new Owners.

Looking back, I am proud to say that the state of the co-op is positive despite the challenges

of 2020. The Oryana Teams at both stores were heroic in the face of the pandemic. The Owners and our community supported our moves to keep everyone as safe as possible. And we are looking forward to a new year for both our locations and our community.

There is one thing I am even more sure of after this past year - the cooperative model, built on local resilience, community connection, and your support, can weather any storms. Here's to the end of 2020 and a bright 2021 on the horizon.

Yours in cooperation,

Steve Nance, Oryana CEO

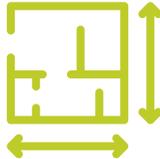


ORYANA WEST

On April 10th, 2020, Oryana took the momentous step of opening the doors of its second location, Oryana West. What launched as the first direct competitor in Oryana's market in 2017 is now part of the Oryana family.

Oryana West, by the numbers

- Oryana's winning bid (after 13 weeks of negotiation and 13 hours in Bankruptcy Court): **\$860,000**
- Actual value of the inventory, equipment, and leasehold improvements based on assessors' valuations: **\$4 million**
- Local staff onboarded from Lucky's Market: **62**
- 2020 Oryana year over year growth (with the addition of Oryana West): **64.6%**
- 2021 revenue forecast for Oryana (two stores): **\$32 million**

 **26,000**
ORYANA WEST SQUARE FEET

 **2 miles**
FROM ORYANA 10TH STREET

 INCREASE IN OWNERS
IN 2020 ALONE
1,699

COMBINED 2020 SALES OF LOCAL PRODUCTS
\$4 MILLION



76

CURRENT
NUMBER
OF STAFF
AT ORYANA
WEST



the pandemic

The Covid-19 Pandemic is both a collective and an individual experience. Here are just a few snapshots of what Oryana experienced as a grocery store and cooperative.

PANIC BUYING – as lockdowns loomed, shoppers began to face the real possibility of staying in their homes for long periods of time – no school meals, no dinners out, no quick stops by the store on the way home from work. This led to heavy-traffic, full-cart days as customers tried to meal plan as far in advance as possible. Oryana 10th Street experienced a 61% increase in sales during this time, swiftly followed by much slower traffic.



SAFETY FIRST – Oryana is proud to have led the way on many Safe Store policies in our region. Our blue floor stickers, large, informative signage and plexi-glass register lane guards were so well-recognized, we were asked to share files and vendors with other local businesses who wanted to follow in our footsteps. We quickly created a Pandemic Playbook that could be shared across industries for use.



the pandemic

OUR HEROES – Essential. Key. Front Line. These weren't typical terms used to describe grocery store staff before 2020, but now we hear them regularly. Our staff were thrust into a position none of them had ever imagined when they were asked to continue to interact with thousands of people a week, when distance was supposed to be the goal. We made arrangements where necessary, kept safety the priority, and were able to retain our workforce, even onboarding 62 former Lucky's staff in the process. Our staff continue to amaze us with their commitment to service and our customers no matter the situation.

COMMUNITY – We continued to hear one theme repeated throughout the year that rang true for us: Oryana as Community. While so many had to make their social circles so small and human interactions became few and far between, the local cooperative grocery store became a place where smiles and welcomes could still be felt (even from behind masks and screens). We received countless comments from shoppers who felt that Oryana still provided that bit of normalcy, care, and connection that they were craving. And that's what being a co-op should always be about.



Dear Oryana employee,
Thank you for helping people get their groceries.
I hope they're all wearing masks, I'm thankful you're still open because my family shop here a lot. I miss your samples and the hot bar.
I hope you can have them soon, my sister and I miss you because we are not allowed to come to the store only my dad goes grocery shopping

the power of local



We've always loved the power of local but 2020 really showed the community what it could do.

While national supply chains and production facilities failed to keep up with demand and keep shelves stocked, Oryana's local providers were able to quickly shift and fill demand where it was needed. This meant Oryana's shoppers' carts stayed abundant while we could funnel profits right back into our community where they were most needed.

Oryana's decision to not lose one day of service in the changeover from Lucky's Market Traverse City to Oryana West helped to retain 62 local jobs during a time of record unemployment. We were proud to immediately onboard those staff and start them on Oryana's sustainable wage and exemplary benefits programs.

After seeing the substantial increase in demand at local food pantries after the start of the Pandemic, Oryana created the Oryana Community Food Fund. This program works directly with Food Rescue and local Food Pantries to determine which products are in highest demand, finds local vendors that can meet that need, and arranges a purchase to fulfill it. This program is fully funded by our shoppers and raised an amazing \$38,040 in funds in only 7 months.

Oryana for Good

2020 ALSO SHINED RENEWED LIGHT ON systemic issues that have plagued our country for far too long. The protests surrounding the deaths of George Floyd, Ahmaud Arbery, and Breonna Taylor (and so many others before and since) made us, once again, take stock of how we might, unwittingly, be contributing to issues of social injustice. In June of 2020, Oryana made an official statement in support of the Black Lives Matter movement and made a public commitment to enhance our work on Diversity, Equity, and Inclusivity.

Our DEI work will continue as part of our annual Business Plan and we will update you as we make progress.

These efforts include the following commitments:

The Oryana Board of Directors has committed to do this learning. Many Board Members have participated in DEI workshops and have been doing recommended readings as the Board formalizes its learning plans.

Oryana, as directed and supported by the General Manager, created a Diversity, Equity, and Inclusion Task Force comprised of staff at all levels who are charged with developing a proposed DEI Mission Statement for Oryana. Once approved by the General Manager, the DEI Mission Statement will help to inform the organization's human development programming and influence buying and communications, as appropriate and necessary.

Looking Ahead

As Oryana looks ahead and makes plans for 2021 and beyond, it is an understatement to say that the foundations and assumptions that existed at the end of 2019 have changed. Oryana is now a two-store co-op with over 9,000 Owners. Shopping behaviors are adapting to healthier food choices and fewer trips to the store. The economy is still in turmoil, even while it looks to recover.

What we do know is that Oryana continues to be a strong financial performer that lives its Mission and Ends through giving back to staff, the community, and our Owners. Just like Management and the Board did in 2020, Oryana will continue to take the pulse of the community and look for ways to expand and grow that will better serve our area's needs. This may look like future locations in future years, Oryana goods found in well-placed kiosks or pop-ups, or new educational initiatives empowering more people to make the food choices that are right for them.

Oryana's deep roots have proven strong in 2020. And we look forward to future growth, together, for many years to come.



BALANCE SHEET *as of December 31, 2020*

	2020	2019
Current Assets	\$4,809,300.00	\$3,880,391.00
Prop & Equip	\$3,882,380.00	\$3,483,454.00
Other Assets	\$424,007.00	\$279,929.00
Total Assets	\$9,115,687.00	\$7,643,774.00
Current Liabilities	\$1,169,693.00	\$729,048.00
Long-Term Liabilities	\$1,309,242.00	\$662,716.00
Total Liabilities	\$2,478,935.00	\$1,391,764.00
Owner Equity	\$6,636,752.00	\$6,252,010.00
Total Liability & Owner Equity	\$9,115,687.00	\$7,643,774.00



INCOME STATEMENT *as of December 31, 2020*

	2020	% of Sales	2019	% of Sales
Net Revenues	\$26,024,029.00	100%	\$15,811,917.00	100%
Cost of Goods Sold	\$16,608,634.00	64%	\$9,603,704.00	61%
Gross Profit	\$9,415,395.00	36%	\$6,208,213.00	39%
Labor & Benefits	\$5,739,005.00	22%	\$3,820,177.00	24%
Operating Expenses	\$3,497,975.00	13%	\$2,209,542.00	14%
Operating Income	\$178,415.00	1%	\$178,494.00	1%
Other Income	\$42,902.00	0%	\$(85,562.00)	-1%
Net Income	\$221,317.00	1%	\$92,932.00	1%

2020 Owner Sales: \$15,644,157 | **2020 Non-owner Sales: \$10,379,872**



ORYANA

COMMUNITY CO-OP

ORYANA 10TH

260 EAST TENTH STREET
TRAVERSE CITY
231-947-0191

ORYANA WEST

3587 MARKETPLACE CIRCLE
TRAVERSE CITY
231-486-2491

ORYANA.COOP