



# 2020 Financial Report

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## 1. Revenue

### a. Market Booth Fees

In 2020, Market Booth Fees did not meet the projected amount. Largely due to the space constraints of COVID, the Market could not host as many vendors as expected. We expect to continue with limited physical space in 2021, however, we also expect Online Sales and vendor participation to continue to increase.

### b. Online Market Fees

In 2020, the Market started taking weekly orders for \$25 produce boxes, and also included many vendors' goods in our weekly online shop. We expect this revenue to continue to increase over time. Including new vendors and high-demand products will draw new customers and increase total Online Sales. Meat and eggs are some of the most popular add-ons, so maintaining these supply options, and expanding to include dairy and other staple foods, will be helpful to increasing Online Sales in 2021.

### c. Sponsors

Market Staff were able to secure the projected amount of sponsorship funds, as well as the donated use of the new location. Market Staff worked with sponsors to collaborate on promotions as well as activities, booths, and demonstrations at Market events. These sponsors are critical to the Market's funding, and maintaining a good working relationship with all of our long-standing sponsors is important to the Market's success.

### d. Grants

In 2020, we faced a new scenario; the realities of the COVID-19 pandemic led to much uncertainty. While some of the usual funding sources were not available in 2020, the Market was able to utilize various pandemic response grants to fund our changes to operation. We secured assistance from the Nederland Downtown Development Authority (NDDA) for general expenses, signage, and PPE costs. We also received grant assistance from the Colorado Farmers Market Association towards general COVID-related Market expenses. Through Boulder County funds, we received another grant from the NDDA for the Market's Zero Waste Efforts and some advertising costs. We applied for the Colorado Blueprint to End Hunger COVID grant, who encouraged our project, but were unable to fund the Market. Instead, our application information was given to the Denver Foundation, which granted the Market at total of \$5,000 for staffing, a refrigerated trailer, and Market Bucks to give to community members most impacted by the pandemic (low-income residents/families and senior citizens). We are expecting to receive at least some funding from the NDDA, CFMA, and at least one other source in 2021.

### e. Market Resale Booth

The Produce Sales for 2020 far exceeded projections, and nearly tripled compared to 2019.

The new process of selling CSA-style boxes of produce was exceptionally profitable, greatly surpassing 2019 profit margins on produce. The processes of tracking sales, produce invoices, and booth operation costs improved in 2020, and we expect to further improve these processes. As the Market continues to grow, we will need to increase staff time to help cover the fundraising booth, or phase out produce resale as vendor participation increases.

## **2. Expenditure**

### **a. Market Staff**

In 2020, the Market hired two contracted Staff Members and paid various persons for produce delivery. In year five of operations, the Market again grew substantially by introducing online ordering available weekly. Beyond the expense of purchasing bulk produce, Staffing is the Market's largest cost. The Market received \$1,100 in grant funding towards staffing costs. Moving forward, the Market will need to continue increasing staff to ensure vital roles are filled.

### **b. Market Property**

The Market purchased a trailer that was turned into a refrigerated unit, tents, and signage. Most vital to our operations, the Market's refrigerated trailer was a combined effort of President Kipp Nash and a few helpers. It served to greatly reduce the burden of collecting, transporting, and storing the Market produce, and will hopefully serve us for years to come. The Market received \$2,000 in grant funding towards the cost of the trailer. The Market purchased one tent at the beginning of the year, and purchased a replacement tent towards the middle of the season. It is expected that purchasing new tents will be an ongoing expense.

At the beginning of the season, the Market purchased more printed, weighted sandwich boards for advertising to local traffic. Once the pandemic hit, the Market needed to purchase more sandwich boards, two sign holders, and multiple printed signs to display the safety policies that allowed us to operate safely. This cost, of over \$600, was reimbursed by the NDDA COVID-19 Relief Funding mentioned above.

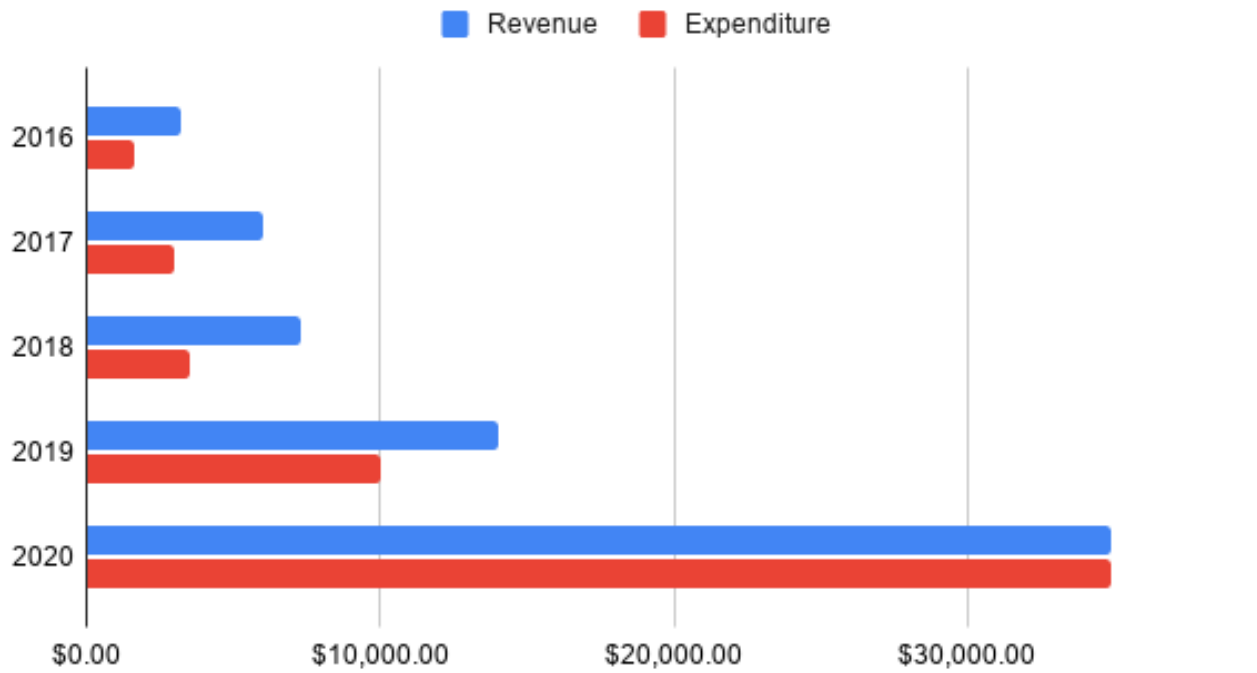
### **c. Logistics**

The Market always spends a small amount of overall expenditures on logistical costs, such as chalk paint, tape, markers, stamps, envelopes, and checks. The Market pays for Event Insurance and membership to CFMA yearly, as well as minimal filing fees to update information with the Secretary of State. The Market also hosts a season-end event that is paid for with general funds. Lastly, the Market spent \$1,310 on the rental of a port-o-potty and hand washing station in 2020, the cost of which was reimbursed by various grants. Logistical costs for the Produce Booth are included in the Produce expenses section below.

### **d. Produce Expenses**

The Market Resale Booth purchased bags, boxes, pens, tape, and other needs, totaling around \$1,200. These expenses are needed each year. In 2020, the Market also purchased multiple card readers that will be used for many years. The Resale Booth also pays the cost of sales tax as applicable to a non-profit. The total amount of wholesale produce purchased in 2020 was about \$46,000 (over three times the amount of any previous years), with our profit margin at about 25%. This margin does not include shipping charges for online orders, donations, or non-food Market sales. To keep prices affordable for the community, the Market expects a profit margin on produce to be between 20-25%.

## Revenue and Expenditure



- \* 2020 Revenue tripled from 2019.
- \* For comparison purposes, these totals do NOT include produce purchases.
- \* Please note that actual 2020 Losses is around -\$2,000
- \* The Asset Value of the Market Trailer is \$2,300, which when added to Revenue, provides a small profit for 2020.

### 3. Low-Income Shopper Incentives

#### a. SNAP

The Market accepted and distributed more SNAP dollars in 2020 than in any previous year. SNAP participation at each market (and box pick-up) increased, especially toward the end of the season. There are multiple factors to this. First, COVID Pandemic-EBT funds were released around the last two markets, meaning some customers had access to a large sum of SNAP dollars. Second, our extra incentives worked as planned, and drew SNAP customers to the Market. Lastly, we generally saw an increase in customers this year.

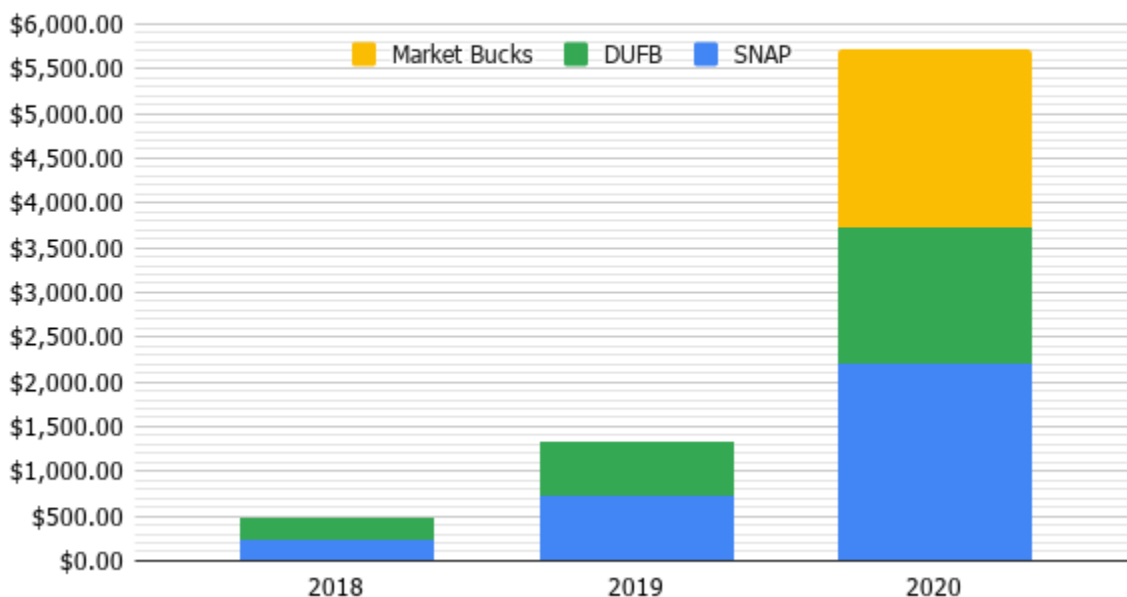
#### b. DUFB

Like above, the Market accepted and distributed more DoubleUp Food Bucks in 2020 than each previous year. LiveWell Colorado (DBA Nourish Colorado in 2021) runs this program, and matches SNAP customers with up to \$20/day for fresh Colorado produce purchases. This program is funded by grants, and each year a renewal application must be filed with an expected expenditure amount. Depending on funding availability the amount can be increased, as it was this year by \$500.

#### c. \$5 Market Bucks

In 2020, the grant received from the Denver Foundation allowed the Market to distribute up to \$5/day to each SNAP customer or senior citizen (age 60 and up). This allowed for us to increase our impact to low-income customers, making their \$25 produce box cost just \$10. This was also an effective marketing strategy to increase their participation at the Market. The Market also distributed batches of Incentive bucks to the Food Pantry and the PTA. The Market will need to continue to seek grant funding to sustain this program.

### SNAP & Low-Income Shopper Incentives

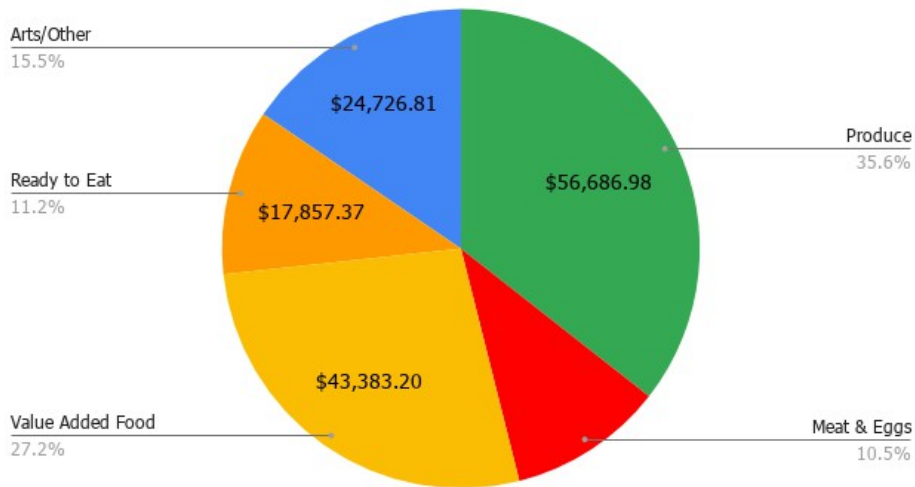


## 4. Vendor Sales

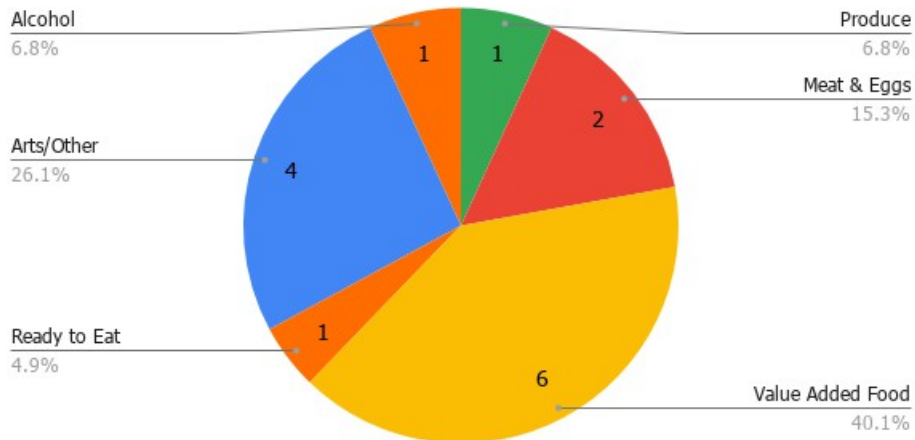
### a. Gross Season Sales

In 2020, the Market and all its vendors made a total of \$159,387.86 in Gross Sales, Online and at Market Events. This is more than double the 2019 sales figure. Due to the expansion of our sales operations from twice per month to weekly, a drastic increase in sales was expected. Overall, produce and cottage food sales were about 2/3 of the total sales; these food sales must account for at least half of total sales for the Market to remain eligible as a SNAP retailer. We hosted 49 unique vendors throughout the season, with an average of 15 attending each Market Event. 2021 sales are expected to be similar, increasing marginally to account for natural growth.

Combined Event and Online Sales Totals



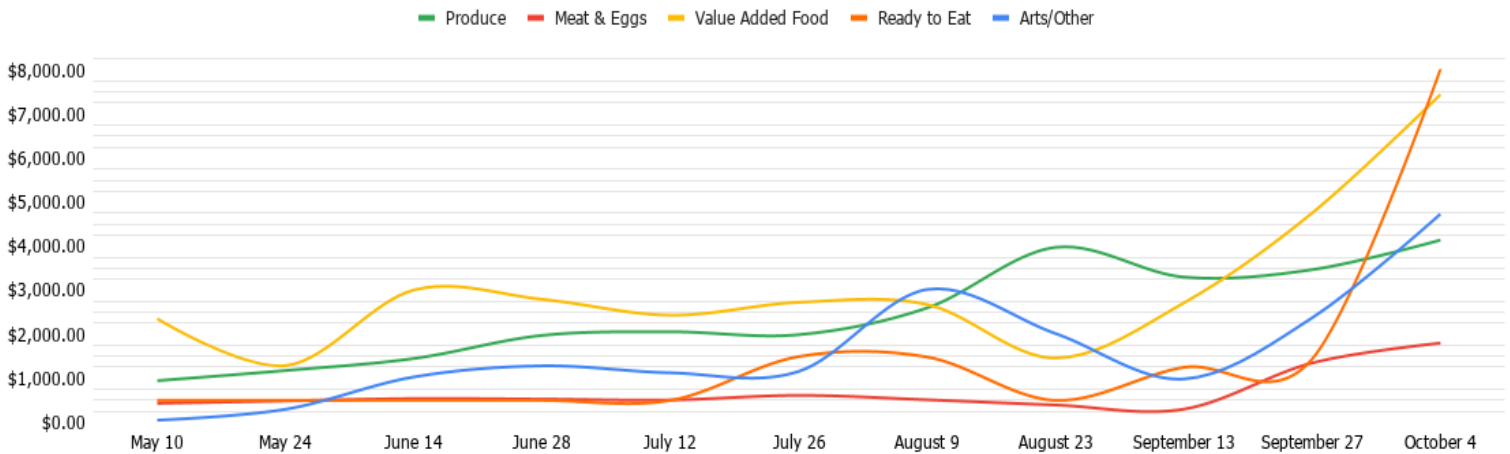
Average Vendor Types



## b. Market Day Sales

Compared to 2019, the Market Events hosted in 2020 had higher sales, and an overall increase in customers. This was unexpected during a pandemic, but the Market's new location and a general trend towards shopping locally assisted the success. At most Market Events, value-added food and produce were the most purchased items. The October 4<sup>th</sup> Harvest Market was a smashing success, with 44 unique vendors (more than double the attendance of every other 2020 Market) and a total of \$26,000 in sales. The average gross sales at all other 2020 Market Events was about \$8,000.

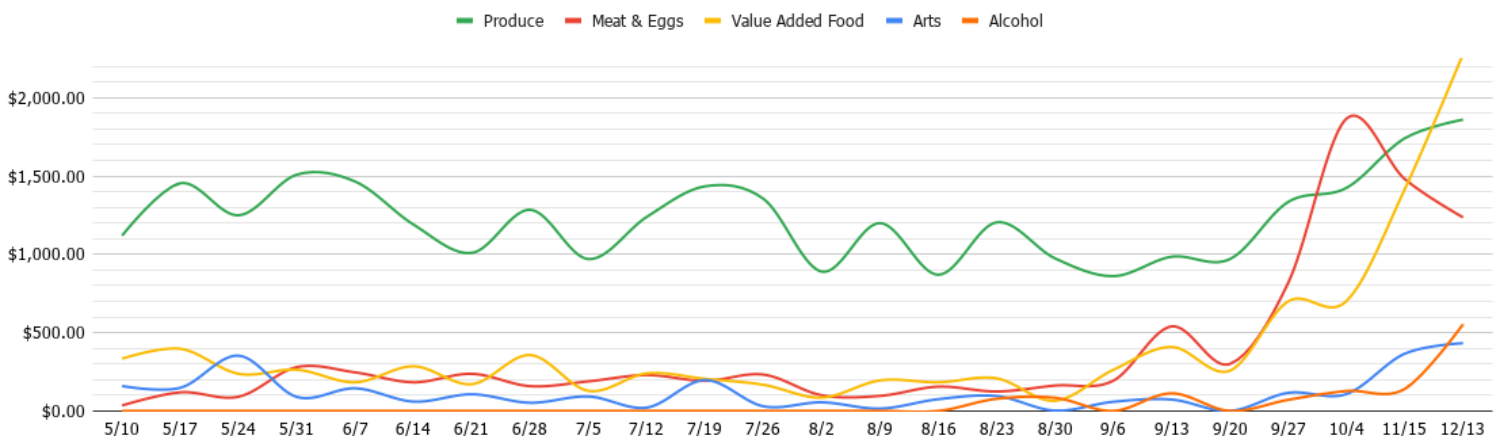
### Market Event Sales (All Vendors)



## c. Online Sales

As a new offering, the Market listed \$25 produce boxes and various vendors' items for sale online. These goods changed week-to-week, and were offered for pick-up every Sunday. This offering essentially doubled the Market's produce sales operation, and increased the need for Staff hours. The highest grossing item sold online was the \$25 produce box, proving its marketability, and the next highest-grossing items were value-added food products. The Market collected 10% of all vendors' sales online, and began to show a significant profit towards the end of the season. In 2021, Online Sales are expected to continue increasing.

### Online Sales Totals (All Vendors)



<b>MARKET ONLY</b>	<b>Market Sales</b>
\$27,082.98	<i>Produce</i>
\$7,470.00	<i>Meat &amp; Eggs</i>
\$33,655.12	<i>Value Added Food</i>
\$16,691.40	<i>Ready to Eat</i>
\$18,075.58	<i>Arts/Other</i>
\$102,419.91	<i>Gross Sales</i>

<b>ONLINE ONLY</b>	<b>Market Sales</b>
\$29,604.00	<i>Produce</i>
\$9,263.50	<i>Meat &amp; Eggs</i>
\$9,728.08	<i>Value Added Food</i>
\$2,845.26	<i>Arts</i>
\$1,165.97	<i>Alcohol</i>
\$1,678.00	<i>Shipping Charge</i>
\$962.00	<i>Donations</i>
\$55,276.80	<i>Gross Sales</i>

<b>COMBINED</b>	
\$56,686.98	<i>Produce</i>
\$16,733.50	<i>Meat &amp; Eggs</i>
\$43,383.20	<i>Value Added Food</i>
\$17,857.37	<i>Ready to Eat</i>
\$24,726.81	<i>Arts/Other</i>
<b>\$159,387.86</b>	<b><i>Gross Sales</i></b>

#### **e. Tax Revenue Generated**

The Market generated about \$10,500 of combined tax revenue in 2020. In 2019, the Market generated about \$2,100 of sales tax revenue for the Town of Nederland, and in 2020 that figure increased to over \$6,300. Likewise, the Market generated about \$1,400 sales tax revenue for Boulder County, the Special District (RTD/Library), and the state in 2019, and generated about \$4,200 in 2020. Overall, the doubling of our operations and tripling of our sales was reflected in an increase of tax revenue generated.

### **5. 2020 Financial Summary**

There were several purchases made during 2020 that will not need to be budgeted in 2021, including the purchase of the trailer, signage, and card readers. This funding can be shifted to increasing Staff in 2021. Since operations are expected to remain the same in 2021 (barring no lifting of health and safety restrictions), with twice-monthly Market Events and weekly Online Sales, 2021 Revenue is expected to be similar to 2020, with a marginal increase of natural growth.

2020 provided a challenging year to operate the Market, with COVID-19 being the largest impact to operations. Grant funding to secure Market property and reimburse the costs of COVID-19 related expenditures allowed the Market to hold onto its savings from prior years. The Market Board and Staff successfully navigated the lack of booth fee revenue, the increased safety standards, and the new operation of online sales. Despite the challenges, the 2020 Market Season was more successful than ever, due to the hard work of many volunteers and Staff.