



Hillsboro

FOOD CO-OP

2025 Annual Report

Intro

The Hillsboro Food Coop (HFC) is pleased to present the 2025 fiscal year Annual Report to company owners and our community.

The business focus of the board this year has been to explore the our partnership opportunity and get member-owner feedback. We made a decision to pursue the partnership after surveying owners and town halls. We are now finalizing a detailed partner agreement with grocer Fresh Foods, and for development of a store as part of Block67 redevelopment. The primary benefit of the partnership is that Fresh Foods already knows how to run a grocery store and is seeking a partner to engage the community. (See the full partnership update below). The all volunteer board and our volunteers look forward to engaging with our owners and connecting with members of the community throughout 2025 as we prepare to launch our capital campaign in spring of 2026.

Our Vision

We envision a community-owned grocery store that provides thoughtfully selected products, connects shoppers to our local food system, and strengthens our community.

As a collective ownership, we know that local food systems offer supply chain resiliency, and derive pride from keeping money in our local economy. Grocery shoppers everywhere are also recognizing the value of local food systems. We hope all owners can take a moment to connect with their friends and family on these issues. Direct referrals build interest and are the number one way we have gained new members. Thank you for telling your friends and neighbors about the many positive benefits provided by a food cooperative!

State of the Co-op

We have 929 owners, having added a very small number of owners in 2023 and 2024. Growing ownership continues to be important and we look forward to dramatic growth in ownership as we finalize partnership plans, have announced a physical store location, and kick off the capital campaign.

As a 100% volunteer organization, HFC has struggled in 2024-2025 to maintain the necessary staff on our board and committees. We currently have 7 of 11 board seats filled, and numerous positions on critical committees and teams remain open. We do not have enough cash on hand to complete startup activities necessary to complete the partnership and execute the capital campaign. In preparation for our Capital Campaign, we have a goal of reaching 1,250 owners by the end of 2025, or just over 300 more than we currently have.

Outreach, Marketing, Communications

The Outreach Team communicates the vision, mission, values, and progress of HFC, growing our credibility as a business and growing ownership. Outreach covers events, owner recruitment, volunteer recruitment, business outreach, social media, and our market booth. Our team is

composed of Tom Sramek, Jr., (Chair), Serge Dromkowski (Website & Market Booth, Nicole Domkowski (Market Booth), Annika Lundstrom (Marketing & Social Media), Jessica Gilligan (Publicity & Events), and several other volunteers. In 2024 we updated our website, planning events, and are attempting to re-establish a marketing plan and social media calendar. In 2025 we began monthly “Third Thursday” gatherings, have a regularly staffed booth at the Saturday Market, and sponsored a presentation by Author Jon Steinman on co-ops. We can always use more volunteers to staff the Saturday Market booth and are happy to have others who wish to join the Outreach Team at our meeting on the fourth Wednesday of each month from 6:30 to 8 pm at the downtown Insomnia Coffee.

Capital Campaign Committee

Volunteer capacity for Capital Campaign Committee has dwindled. We have drafted new bylaws and articles with our attorney and are almost ready for a Special Owner Meeting where owners can vote to approve these changes, which enable Preferred Shares as another investment option alongside owner loans which will have a fixed rate of return. There is substantial work remaining and funds needed to prepare the offering materials and execute the campaign. The latest that we can start the capital campaign and be successful with the partnership opportunity is Spring 2026.

Our capital target for the Block67 endeavor is two million dollars. When we surveyed owners about the partnership we also asked for probable investments those owners would be making. We extrapolated the 268 survey responses to our 900 owner base to arrive at the estimated capital raise capability shown below.

Survey Inputs			Capital Raise Range - Responses		Extrapolated to 900 Owners			Extrapolated to 2500 Owners			
Category	%	Investors	Low	High	Investors	Low	High	Investors	Low	High	
\$	-	20%	54	\$ -	\$ -	181	\$ -	\$ -	501	\$ -	\$ -
\$1-99	13%	34	\$ 34	\$ 3,366	114	\$ 114	\$ 11,286	316	\$ 316	\$ 31,262	
\$100-\$499	39%	104	\$ 10,400	\$ 51,896	349	\$ 34,900	\$ 174,151	967	\$ 96,673	\$ 482,398	
\$500-\$999	14%	37	\$ 18,500	\$ 36,963	124	\$ 62,000	\$ 123,876	343	\$ 171,740	\$ 343,137	
\$1000-\$4999	11%	30	\$ 30,000	\$ 149,970	101	\$ 101,000	\$ 504,899	280	\$ 279,770	\$ 1,398,570	
\$5000-\$9999	3%	7	\$ 35,000	\$ 69,993	24	\$ 120,000	\$ 239,976	66	\$ 332,400	\$ 664,734	
\$10000 or more	1%	2	\$ 20,000	\$ 20,000	7	\$ 70,000	\$ 70,000	19	\$ 193,900	\$ 193,900	
	100%	268	\$ 113,934	\$ 332,188	900	\$ 388,014	\$ 1,124,188	2493	\$ 1,074,799	\$ 3,114,001	

Partnership Update

HFC signed a joint letter-of-intent (LOI) with Fresh Foods in December 2024 to run a grocery store on the Block 67 site as part of the Koz Development plans approved by the City of Hillsboro. Since then a lot of work has been happening to make this a reality:

- Community meeting with Jon Steinman, Coop industry expert on March 14, 2025.
Watch the meeting here: https://www.youtube.com/watch?v=h3NocZZK_Es
- Weekly strategy meetings with Fresh Foods on Partnership development
 - Alignment of key priorities of Fresh Foods and HFC (Alyssa leading work group of owners to define/refine).
 - Formalize partnership agreement. Tim and Jon have been interviewing lawyers to draft the partnership (LLC) agreement.
- Bi-weekly strategy meetings with Fresh Foods and Koz Development on store strategy and execution.
 - Lease agreement in the works
 - Market Study update in the works
 - Store layout / build plan being reviewed and revised.

Financials

HFC has a stable balance sheet with limited short-term liabilities associated with routine operations and no long-term liabilities. Total assets at the end of 2024 were \$32,700. During the fiscal year and throughout the co-ops’ start-up phase, the primary source of income is new owner equity; however, new member sign-ups were down significantly in 2024. To remain a growing business venture, our annual income must be greater than the expenses to avoid cash burn. While we’ve seen an increase in new members in early 2025, we must continue to grow this area of the business to cover the costs associated with the partnership and opening a physical storefront.

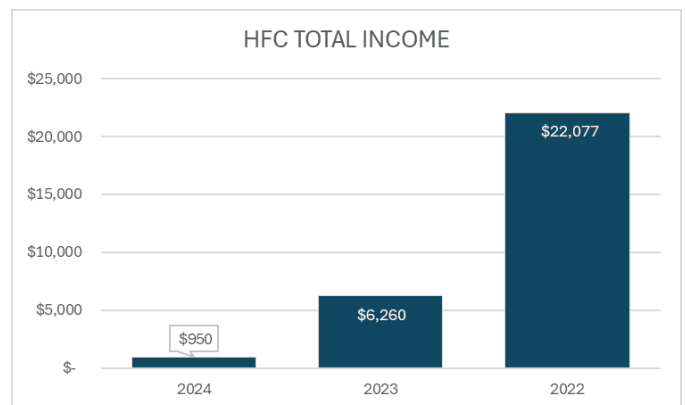
Income

Income realized by HFC in 2024 was \$940, a decrease of 85% compared to 2023. This difference directly resulted from the decrease in new ownership in 2024. Grants and donations were not received in 2024.

The Food Coop Initiative suggests that grants and donations should account for nearly one third of the overall income a food cooperative realizes in a year. We are seeking a volunteer with experience in grant writing to generate more income for HFC.

GRAPH 2 - TOTAL INCOME

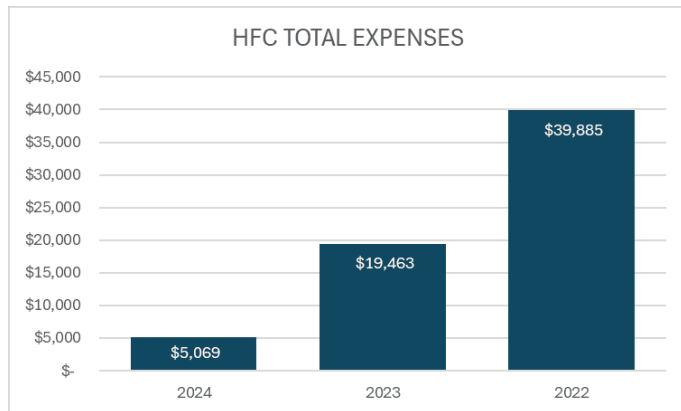
Category	2024	2023	2022
Grants	\$ -	\$ -	\$ -
Donations & Fundraising	\$ -	\$ -	\$ 2,827
Fees & Interest Earned	\$ 10	\$ 60	\$ 170
Owner Equity Shares	\$ 940	\$ 6,200	\$ 19,080
Total	\$ 950	\$ 6,260	\$ 22,077



Expenses

Business expenses in 2024 were \$5,069, a decrease of 74% compared to 2023. This was mainly driven by a decrease in professional services related to the slowing of legal efforts from 2023. Operating costs for HFC remain on a consistently rising trend as business operations grow and expand. We anticipate operating expenses to be relatively flat throughout the upcoming year. However, in 2025, we anticipate major professional service expenses due to the ramp-up of the Capital Campaign, Outreach and Volunteer Coordinator, a refreshed Market Study, and legal expenses due to the partnership and physical store opening. Expenses for these services are expected to be in the range of \$30,000 - \$90,000.

Category	2024	2023	2022
Operating Expenses	\$ 4,004	\$ 9,089	\$ 13,414
Events	\$ -	\$ 1,888	\$ 2,452
Professional Services	\$ 1,065	\$ 7,976	\$ 23,519
Charitable Contributions	\$ -	\$ 510	\$ 500
Total	\$ 5,069	\$ 19,463	\$ 39,885



Estimated Near-Term Expenses

The following are estimated near-term startup operating costs that precede the capital campaign:

Category	Item	Projected Costs
Routine Operations	Fixed costs (Quickbooks; Insurance; Registration, Taxes, etc)	\$3,000
Routine Operations	Variable costs (merchant fees, website, software subscriptions)	\$2,300
Outreach & Marketing	Fixed (minimum) Outreach budet for social media ads, market booth fees, event costs	\$3,000
Outreach & Marketing	Desired marketing budget for more and larger events, merchandise, printing, advertising	\$11,000
Partnership Legal	Estimated legal costs associated iwth finalizing partnerhsip agreement	\$15,000
Capital Campaign	Professional Consulting associated with campaign Planning and Implementation \$21,000	\$21,000
Capital Campaign	CRM software subscription and customization - \$4,000	\$4,000
Capital Campaign	Part time administrative help during campaign - \$3,000	\$3,000
Capital Campaign	Marketing - print materials - \$8,000	\$8,000
Capital Campaign	Marketing - Launch Event \$4,000	\$4,000
Capital Campaign	Legal work - Articles and Bylaws	\$5,000
Capital Campaign	Legal work - prospectus / investor offering	\$10,000
		\$89,300

Board of Directors



Alyssa Schorer

PRESIDENT • BOARD MEMBER SINCE 2023

Alyssa and her family have been Hillsboro residents since 2015. She owns a construction consulting business, with a background in structural engineering, so building a store is an exciting prospect! When not at an HFC board meeting you can find her on the soccer field, camping, or cooking. Local food has always been a factor of importance in Alyssa's life, and her family is currently a member of 3 local CSA programs. Local food is not only good for health, but also for the environment and the economy; she hopes that the realization of a local Co-op can help spread these benefits to a wider audience. Alyssa joined the board in 2023 and became President in 2024.



Erin Ribacchi

TREASURER • BOARD MEMBER SINCE 2023

As a relatively new resident of Hillsboro, Erin quickly fell in love with her neighborhood, the downtown area, and residents' engagement with the community. Once hearing the mission of the Hillsboro Food Co-op, she joined immediately and is eager to bring local, sustainable, fresh groceries to her neighborhood. She has a Master of Accounting with over 13 years of experience in accounting, auditing, and risk compliance. Outside of work Erin can be found at local wineries, golfing, or spending time with her husband and dogs.



Tim Farrell

BOARD MEMBER SINCE 2021

Tim has been an HFC member-owner since 2017 and Board member since 2021. He believes in the vision to provide our community with high-quality, local, socially-responsible, organic and sustainably produced food. He is anxious to see the vision come to life. A retired long-time employee of Intel, his business acumen and community awareness are assets to being a member of the board. His community involvement has included many years on the boards of Hillsboro Soccer Club and Glencoe Boys Lacrosse. He has served 6 years as a member on the Hillsboro School District budget committee. He and his wife Stacey have lived in Hillsboro for 28 years raising four boys before moving in 2019 to Forest Grove. Tim worked on the initial phases and vision for the Centro Mercado Food pantry that recently opened their store front in Cornelius. Tim is also a member of the Forest Grove Planning Commission.



Michael Shepard

BOARD MEMBER SINCE 2023

Michael Shepard and his wife, Rhonda, have been residents of North Plains since 2014. They have a passion for community, small business and good food. After a 30+ year career in local media, primarily in Washington state, Michael became CEO of a Hillsboro-based communications cooperative in 2016. The cooperative has more than tripled in size during his tenure and, more importantly, it has helped its members -- which themselves are mostly cooperative businesses -- communicate and serve their members better. Michael hopes to apply his knowledge of cooperative and business operations to advance HFC's goals.



Adam Simantel

BOARD MEMBER SINCE 2017

Adam is a Hillsboro resident who joined the board in 2017. He believes we are lucky to be surrounded by phenomenal agriculture here in the Tualatin and Willamette valley and looks forward to the Co-op emphasizing ties between local farmers and consumers.



Tom Sramek, Jr.

BOARD MEMBER SINCE 2024

Tom Sramek, Jr. is a relatively new Hillsboro resident, having relocated here from southern Oregon in 2022. Shortly after moving here, he became a member-owner and supporter of HFC. He serves as the Pastor of All Saints Episcopal Church in downtown Hillsboro and joined the HFC board to strengthen community connections and advance local farm to table efforts. He has over 25 years of experience in various nonprofit boards. He and his wife live in the Orenco Woods area with their two cats.



Teri Melof

NEW BOARD MEMBER 2025

Teri has been a Hillsboro resident for the past 24 years, and is proud of our community. She is thrilled with the concept of a food co-op because it would be a place for residents to gather (maybe a coffee shop inside?) and build relationships. She became an owner a few years ago, and she has always been excited about the concept, but has never served. She has a varied background, with work experience in law and has the skills that would be of help to our organization. It is vitally important for us to build a resilient store with local farmer and producer connections so there is less worry about supply chain disruptions and more support for local businesses. Plus, she wants to shop in a local store that we all own together!



Dawn Wallace

NEW BOARD MEMBER 2025

Dawn and her family have proudly called Hillsboro home for the past 10 years. They raised two of our children raised here and have grown deeply connected to this community and are committed to its continued growth and well-being. Dawn has a passion for serving our community and a particular interest in locally sourced food. She believes supporting local food systems not only strengthens our economy but also fosters a healthier and more resilient community. Dawn holds a degree in business and accounting as well as brings a solid background in financial oversight and strategic planning. She has served on the Hillsboro School District Budget Committee for three years and was the treasurer for the Senior Class of 2024, where she played a key role in event planning and fundraising efforts. She is excited about the opportunity to contribute her experience and dedication to a board that shares her commitment to serving Hillsboro.