

2022 ANNUAL REPORT

July 1, 2021-June 30, 2022



MESSAGE FROM THE BOARD

The Co-op has a unique and essential role as the only member-owned grocery store in Lamoille County. This past year has certainly been an exciting year for many varied reasons. Namely:

- **New Leadership Structure** - Most importantly, we have seen a significant change in leadership. Amrita Parry and Eric Besecker were appointed Co-General Managers in December 2021, a move strongly supported by the board. Both have significant experience in the food industry and have brought their expertise to greatly improve the Co-op. You can see and feel the change in the store and both customer and staff satisfaction has improved. This spring, the board successfully completed a performance review of the new co-GMs. Suffice to say the board had a very positive conclusion from this review.
- **Growing Profit** - Sales have continued to grow this past year despite economic challenges (supply chain issues, increased inflation, and a potential recession) while also managing expenses in the face of new needs (staffing and space in particular).

Looking towards the future, we see a number of possible initiatives. These include:

- **Establishing a Long-Term Capital Fund** to be used as a payment of debt (member loans) and improve and maintain the co-op via the purchase of needed technology, supplies, and other equipment.
- **Strategic Planning** - This would be new for the board but would move us from "start up" mode to take planning in a new direction. This would involve an in-depth discussion with the board and input from the members to see where we want the store to go in the near and distant future.
- **Increasing Ways for Members to Engage & Support Their Co-op** - Communication with members is key to our success. We need to continue to both update and streamline our communication strategies, which include website, newsletter, social media, store postings, and marketing.

On behalf of the Board, thank you for your support. It directly affects the Co-op's ability to reach shared goals - for diversity, sustainability, support for local producers, good local jobs, and service to the community. It enables us to continue to provide access to healthy food for all and a friendly and informative shopping experience.

DON MCDOWELL, CHAIR
Morrisville Food Co-op Board of Directors

MORRISVILLE
FOOD CO-OP



Board Members (left to right)
Don McDowell, Kelley Lyons, Susan Titterton, David Carter, and Larry Gibs helping out at the annual Corn Roast.

BOARD OF DIRECTORS

DAVID CARTER

LARRY GIBS

KELLEY LYONS

DON MCDOWELL,
CHAIR

DANIELLE SMITH

BETH SPRINGSTON,
TREASURER

SUSAN TITTERTON,
VICE CHAIR

CARI VARNER, SECRETARY

SCOTT WEATHERS



Don McDowell, Board Chair

MESSAGE FROM THE CO-GENERAL MANAGERS

Friends,

On the cusp of the Co-op's 5th anniversary, we are so grateful to you and our community for the tremendous support shown the Co-op. Fiscal year 2022 went quickly, as we emerged from pandemic protocols and focused on finding our "new normal," cultivating stability for both our internal and external operations.

Our focus has been on improving member and customer satisfaction, as well as staff satisfaction, as the two go hand-in-hand. We have made some key hires this year, enabling us to further improve our store's offerings, while also improving efficiency and consistency. In October, a crew of three part-time chefs helped start the Café, offering pre-made grab-and-go sandwiches and salads. Chef Elizabeth Casparian joined the Co-op in March as the Cafe Manager. Our goal is to build up our grab-and-go options, including vegan and gluten-free choices, and we plan to expand the dinner-to-go options and offer a daily soup this fall.

In addition to building up the cafe, two staff members have taken on additional buying responsibilities this year. Thanks to them, we are building an interesting and diverse wine and craft beer selection along with a tasty selection of teas, sodas, and kombucha in our grab-and-go cooler. We have built a more curated health and beauty area and increased our CBD offerings. Staff is also handling our newsletter and social media, enabling us to keep our marketing in-house.

Some say we're post-Covid, yet we continue to feel supply-chain issues. We strive to be nimble and resourceful, working with our vendors to fill in gaps with alternative products while also finding new options to meet your needs and your tastebuds.

Together, with staff and board members, we have worked hard to build your co-op up and it has come a long way. Thank you for being a part of the Morrisville Food Co-op, where you are surrounded by good food and good people.

ERIC BESECKER AND AMRITA PARRY
Co-General Managers

Our efforts are making a difference. **Our totals sales are up 22% year over year.**

The Grab-N-Go café has increased sales 400%; bulk food sales increased by 34%.

We continue to work with an increasing number of local farmers and providers to offer the freshest produce.

We have expanded our bulk foods selection to include more grains, dried fruit, nuts, and spices. Our variety of locally grown and/or sustainably sourced fish, beef, lamb, pork, and chicken has greatly increased.

Our last audit shows **we feature product from 90 providers from within the 100-mile range**, representing more than 146 items.

Most importantly, we've attracted **425 new members this year**, strengthening our community's local food system. Long-time residents seeking a new shopping experience and new arrivals to the area have realized the unique shopping niche we provide.



Amrita Parry and Eric Besecker,
Co-General Managers

FINANCIAL OVERVIEW

Fiscal Year 2022 has seen an improvement in the Co-op's financial outlook. Sales continue to build at an impressive rate: 22% above the year before. While our gross sales profit (sales minus cost of goods sold) was up 19%, we still unfortunately posted an operating loss for the year. Because the first two quarters contained a number of one-time expenses that will not be repeated, and an aggressive effort started in December to keep administrative costs down, our cash flow position is now significantly improved.

Our long term loan liability has decreased by 10%, due to the generosity of some members who forgave their outstanding loans to the Co-op. We have been able to start a Capital Fund to enable payment on a small scale.

We still have a significant debt load, however, and that's a difficult position to be in. The grocery business traditionally has very small margins, and with inflation on the rise, we don't expect a large enough increase in profit to repay that debt soon. Strategies, such as renegotiating the loans and fundraising, remain under discussion and will still require broad buy-in and engagement from members to be successful.

BETH SPRINGSTON
Board Treasurer



Beth Springston, Board Treasurer

Current Debt Position (as of October 1, 2022)

Cash & Savings		\$ 55,056
Debt		
	SBA Loan <i>due in 2051</i>	\$150,000
	Line of Credit	\$ 93,536
	Member Loans	\$189,025
	Total	\$432,561

Balance Sheet (as of June 30, 2022)

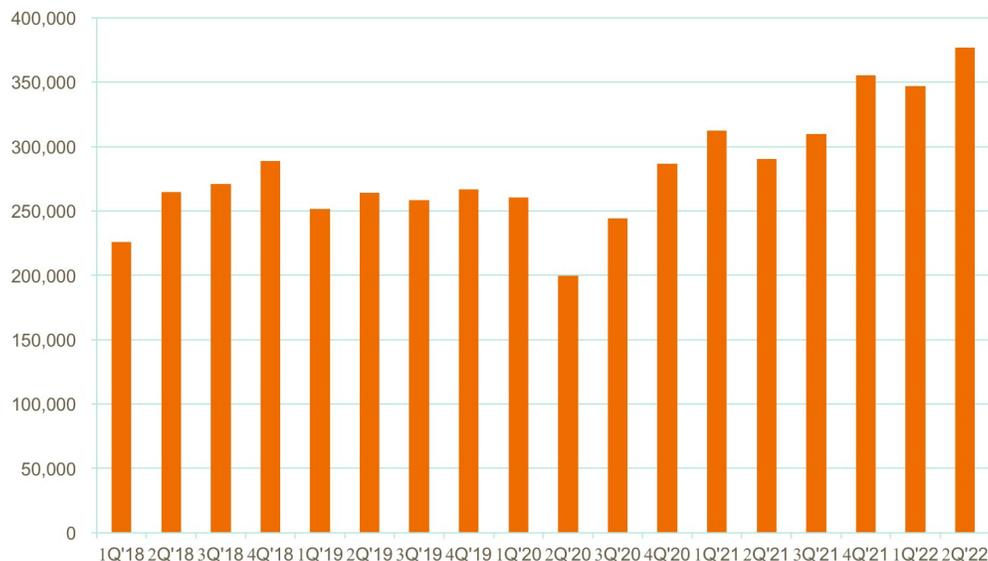
	<u>FY 2021</u>	<u>FY 2022</u>	<u>Change</u>
Assets			
Inventory	\$ 84,829	\$ 82,919	- \$ 1,910
Equipment	\$ 93,008	\$ 96,101	+\$ 3,093
Cash & Other	\$134,336	\$ 70,470	-\$63,866
TOTAL	\$312,173	\$249,490	-\$62,683
Liabilities	\$587,240	\$555,584	-\$31,656
Member Equity	\$197,735	\$210,636	+\$12,901
Retained Earnings	(\$472,287)	(\$516,115)	-\$43,828

Profit and Loss

	<u>FY2021</u>	<u>FY2022</u>	<u>Change</u>
Sales	\$1,131,837	\$1,388,241	+22%
Cost of Goods Sold	\$ 775,149	\$ 965,571	+25%
Gross Profit	\$ 356,688	\$ 422,671	+19%
Operating Expenses	\$ 435,545	\$ 475,187	+ 9%
Interest & Depreciation	\$ 21,996	\$ 18,694	- 15%
Other Income/Exp *	\$ 87,533 *	\$ 27,382	- 69%
Net Loss	(\$ 13,740)	(\$ 43,828)	-219%

* For FY21, received one time Income Tax Refund, PPP loan forgiven, Grants, Donations

Morrisville Food Co-op Quarterly Sales - 2018-2022



STORE HIGHLIGHTS



In FY 22 we welcomed the following new local vendors:

802 Distributors – alcohol distributor

Andy's Dandy Dog Treats – supporting young adults with unique learning styles

Bivo water bottles

Carmego's Creations

Fat Chance Farm – organic eggs

Green Valley Coconut Water

High Mowing Organic Seeds

Hunger Mountain Hemp

Jenna's Promise – coffee

Lake Champlain Chocolates

Moose Mountain Eggs

Naked Acres Farm

Nomadic Kitchen – artisanal marshmallows

Peck's Flower Shop

Snug Valley Pork

Two Sons Bakehouse

Vermont Dog Eats

West Meadow Farm Bakery – gluten free bread and cookies

West Worcester Smoked Nuts



The coffee and tea bar, now located at the front of the store, has proven to be popular.



Chef Elizabeth and our Cafe Crew keep our Grab-N-Go cooler stocked with delicious soups, sandwiches, and salads.



As we go to press, we are waiting for needed electrical wiring for our new almond butter grinder, along with our relocated peanut butter grinder. You'll find the nut butter grinders at the front of the bulk food section.



Addie Baranyay, one of our talented staff members, created personalized taps for our bulk Kombucha station.



The Co-op joined the Neighboring Food Co-ops Association, sharing resources and ideas with co-ops throughout New England, to advance our shared goals of a healthy, just and sustainable food system.

COMMUNITY

Good people mixed with good food and drink always makes for a fun time - especially after two years of social distancing! Here are a few highlights from our 10th Annual Corn Roast.



Round It Up FOR CHANGE

\$13,180 was raised for local Lamoille County non-for-profit organizations thanks to our Round It Up for Change (RIUFC) program.

Shoppers have the opportunity to round up their total at the register to the nearest dollar, with the difference going to a local not-for-profit organization pre-selected by Co-op members at the Annual Meeting. One organization is featured every two months.

The organizations that received RIUFC donations in FY22 were:

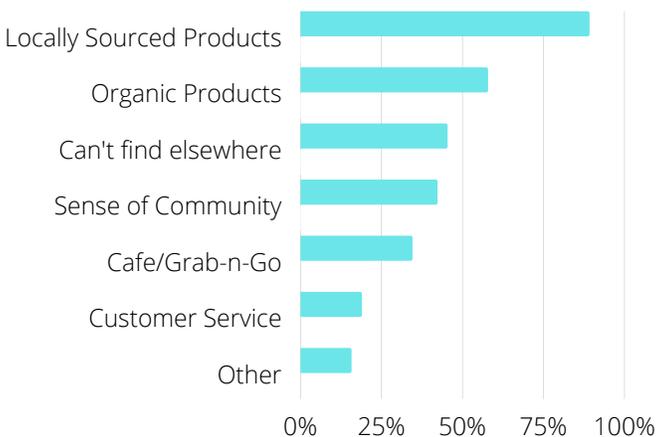
- Green Mountain Support Services
- Healthy Lamoille Valley
- Lamoille County Habitat for Humanity
- Meals on Wheels of Lamoille
- Morrisville Alliance for Commerce and Culture
- North Country Animal League

Thank you to all who "round up" in support of the Co-op's mission to strengthen our community - socially, environmentally, and economically.

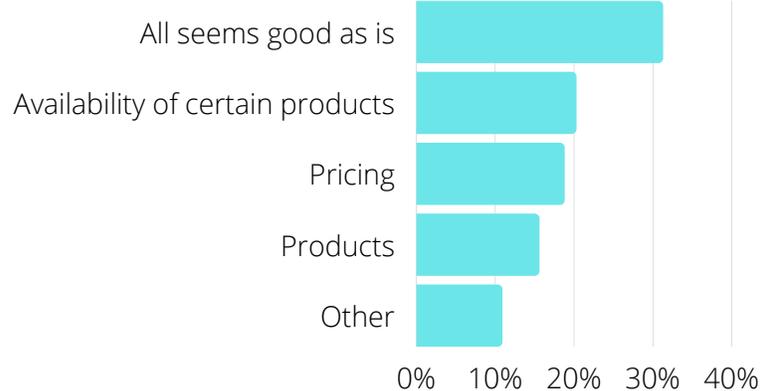
Survey Says...

In May 2022 we published a survey in our newsletter for three weeks and also made hard copies available in the store. We received 66 responses. In summary: 53% of respondents considered themselves a regular (weekly) shopper. The majority of respondents (57.8%) say stick with organic and local-they will source conventional groceries elsewhere.

When you shop at the Co-op, what brings you in?



What is the one aspect of the Co-op you would like improved?



THANK YOU

A special thank you to our staff, local suppliers and vendors, and members. We appreciate your support!



Our crackerjack crew, left to right: Griffin (honorary staffer) and Jared Seega, Muirin Calhoun, Jess Miller, Mai Lyon, Katelynn Richardson, Eric Besecker (kneeling), Adelle MacDowell, Leah Hollenberger, Elizabeth Casparian, Amrita Parry, and Deb Farawell. Since this photo, Muirin and Adelle have left for college. Not pictured: Sandy Bettis, Crista Brown, Kyle Gertner, Jennifer Johannes, Molly Johnston, and Abi Noonan.

We dedicate this annual report to Jared Seega (1977-2022). He was such a kind person and would do anything for anyone. He is dearly missed.

We don't just buy local.
We are local.

We're you - your local community - including the local farmers, bakers, providers, Co-op members, and shoppers all around you.

Supporting your Co-op supports your community.

Together, along with all of our local suppliers and vendors, we are building a more healthy, just, and sustainable local food system and a more vibrant community.

We can't do it without you!

Co-op Virtual Annual Meeting



Register to attend and to WIN one of our delicious door prizes!*

**Wednesday
October 19th**

6pm-7:15pm via Zoom

We'll talk about the past year, our goals, what the future may hold, and vote on a bylaw change, new Board Members, and next year's Round It Up for Change organizations.

To register, email:
AnnualMeeting@morrisvillecoop.com

*must be present to win