



ANNUAL REPORT

2023

This report reflects FY2023; July 1, 2022 - July 31, 2023

From the Board



Board of Directors

The Morrisville Food Co-op continues to deepen its commitment to our mission to support local producers, increase access to healthy, local, and organic products, and create a dynamic community, open to all.

The Co-op remains the only member-owned grocery store in Lamoille County and currently one of the only places in historic downtown Morrisville where people can buy everything from fresh produce and locally raised meats to ready-made meals and frozen goods. We take our responsibility to the people of our community seriously and are working to optimize our range of offerings and control costs so that we can increase affordability.

This year has been one of consolidation and building readiness for the next phase of the Co-op's evolution to a higher level of service to Morrisville and surrounding towns.

Store sales grew for the third year in a row, and for the first time the Co-op has achieved financial sustainability in terms of net operating profit. Member loans and other debt remain a significant consideration for the coming years and we are very grateful to those members who generously postponed or forgave their loans. Their generosity will help us to take the Co-op to the next level.

General Manager Eric Besecker and team have also been “changing things up” in the store as we learn more about what members and customers like. Elizabeth, Jennifer and Mai have expanded the grab-and-go selection and started to have soups and hot foods more regularly, for example. Molly and Deb have rearranged departments from produce to bulk to dairy and cheese to create an appealing shopping experience. Celine, Deb, Kathryn, and Jessica have expanded the range of products we have to offer. Abi, Bronson, James, Katie, and Griffin have been making sure that the lines are short, questions get answered, and customers feel welcome.

George Aitken

Megan Davin

Stephanie Davison

Don McDowell

Jon Miles

Jessica Seddon,
Co-Chair

Beth Springston,
Treasurer

Susan Titterton,
Co-Chair

David Wallack,
Secretary

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Pictured above, left to right: Board Co-Chair Jessica Seddon; Board Co-Chair Susan Titterton.

On the cover, clockwise from top: Mai in our Cafe; James by our local artisan cheese selection; GM Eric Besecker presenting RIUFC donation to Caudia Niles of Breakfast on Us.

From the Board



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Eric and Sandy, the Co-op Office Manager and Bookkeeper, have also been looking at ways to keep operating costs as low as possible and also reduce our cost of goods. Over the next year, for example, we are aiming to join a national alliance of co-ops to obtain access to additional discounts and shared services.

Looking ahead, we're hoping to work with you, the members, to build critical community infrastructure for Morrisville and neighboring towns. To that end, Leah and Katelynn have been making sure that we've been reaching out more through the newsletter and social media. We've also launched a comprehensive survey over August -September to get feedback from members and shoppers and are holding a strategic planning session with members, vendors, staff and board on November 4th to inform the Co-op's next steps for the coming year.

Jessica Seddon and Susan Titterton
Board Co-Chairs

Scenes from our rainy, but fun, annual corn roast featuring music from Mal Maiz.



From the General Manager



I am truly honored to be able to serve as the General Manager for your Co-op. In my previous career as a chef, one of the most fulfilling parts of my job was buying from and meeting our local farmers. The Co-op allows me to be a part of a team that does that on a larger scale. We have customers and staff who are fiercely committed to sustainable, local, organic, and fair-trade food. **We sold \$750k in Vermont made products last fiscal year, that is 42% of our total sales!**

We have seen so much positive change at our Co-op over the last several years and our future is more secure today thanks to our staff, volunteer board, member-owners and customers. We have accomplished much in the last year: rapidly expanding our café, adding new equipment and refrigerators as well as new locally made displays for the produce and bulk section.

Our **membership has grown to 1,983 members**; we added 268 new members last year with an additional 246 renewals of our annual membership. So far in FY24, we have welcomed 97 more new members. Our members made up 69.7% of sales, and they received \$18,756 in discounts over the fiscal year.

Our cost of goods sold was 67.5% - this is an area in which we can improve. We are working with our larger suppliers to negotiate new purchasing contracts. In doing so, we will be able to offer better prices to our shoppers and decrease our cost of goods. **We will also be able to create a new store-wide pricing structure to favor locally produced/grown/crafted goods.**

I really cannot thank our staff enough for all the work they do. We are trying to do better at taking care of them the way they care for the store. In late 2022, we moved to a \$15/hr minimum wage, instituted a paid vacation program for all based on hours worked, and began offering a 30% health wellness staff discount for all vitamins and supplements.

Thank you also to our very talented board for the selfless work they do to help move the Co-op forward and secure our future. We still have a way to go, but we continue to make great positive strides.

Eric Besecker
General Manager

Staff

Eric Besecker
General Manager

Sandy B.
Bookkeeper/Office Mgr

Molly J.
Ops. Director, Buyer

Elizabeth C.
Chef

Kathryn B.
Buyer, Service Rep.

Deb F.
Buyer, Service Rep.

Leah H.
Newsletter, Membership

Jennifer J.
Cafe Assoc.

Griffin J.
Service Rep.

Celine L.
Buyer, Service Rep.

Katie L.
Service Rep.

Mai L.
Cafe Assoc.

Jessica M.
Buyer

Abi N.
Service Rep.

Katelynn R.
Social Media, Service Rep.

Bronson S.
Service Rep.

James T.
Service Rep.

From the Treasurer



July 1, 2022 to June 30, 2023 (Fiscal Year 23) has continued the improvement in the Co-op's financial outlook. Sales continue to build at an impressive rate - 26% over the year before and **52% growth over the last two years**. And for the first time since we started, **we had an operating profit** for the year! This validates our belief that the changes and investments in the cafe and store layout in the last two years would more than pay for themselves and increase traffic to the store.

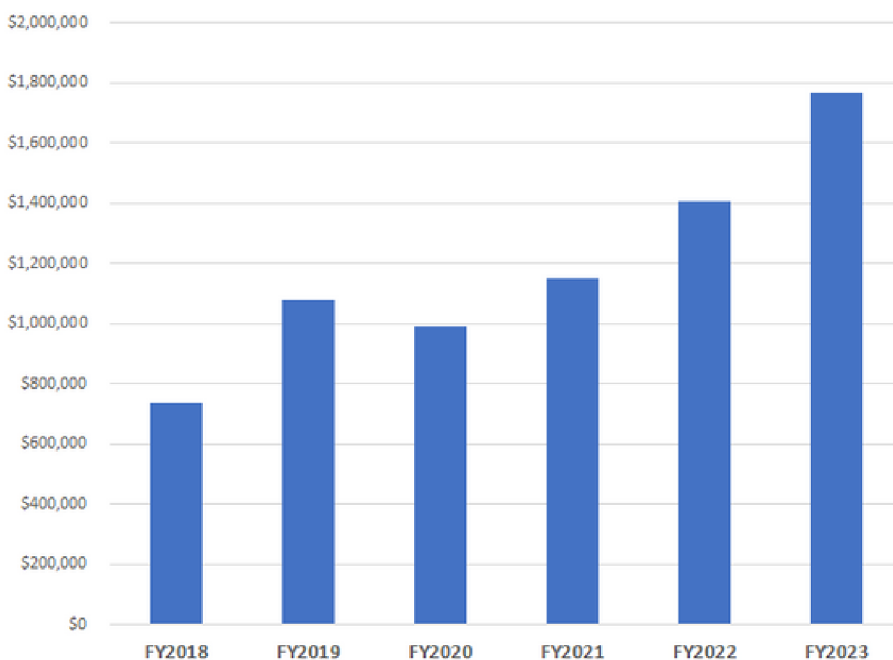
Our Grab-N-Go cafe sales continue to increase; it currently provides 10% of total sales. Our loan liability has decreased by 15%. A significant reason for that is the wonderful generosity of some members who forgave their outstanding loans to the Co-op.

We still have a large debt load, however, and that's not an ideal position to be in. The grocery business traditionally has very small margins, and with stubborn inflation, we don't expect large profits in the following year. But our cash flow is stable and should be sufficient to keep paying down debt and deal with unexpected expenses. Our membership is growing and adding to our equity. Overall, we feel a very positive financial picture has emerged after the Co-op's start-up growing pains.

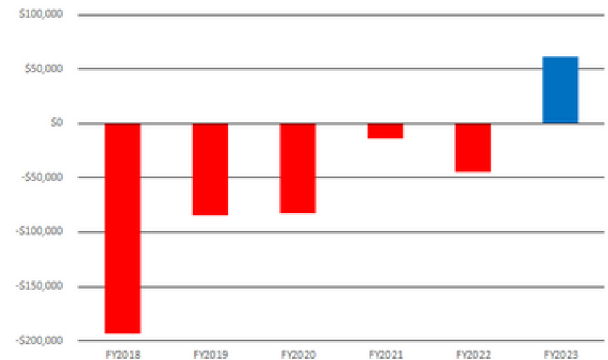
Beth Springston
Board Treasurer

Pictured above: snapshots from in-store tastings

Morrisville Food Co-op Total Sales



Morrisville Food Co-op Net Income



Financial Overview

Balance Sheet (as of June 30)

	<u>FY 2022</u>	<u>FY 2023</u>	<u>\$ Change</u>
Assets			
Inventory	\$82,918	\$112,148	\$29,230
Equipment	\$96,101	\$97,322	\$1,221
Cash & Other	<u>\$71,842</u>	<u>\$53,703</u>	<u>(\$18,139)</u>
TOTAL ASSETS	\$250,861	\$263,173	\$12,312
Liabilities - Current	\$123,236	\$115,193	(\$8,043)
Liabilities - Long Term Loans	\$433,546	\$379,499	(\$54,047)
Member Equity	\$210,122	\$221,535	\$11,413
Retained Earnings	(\$516,041)	(\$453,053)	\$62,988

Profit and Loss (as of June 30)

	<u>FY2022</u>	<u>FY2023</u>	<u>Change</u>
Sales	\$1,388,241	\$1,751,031	+26%
Cost of Goods Sold	\$ 965,571	\$1,182,401	+22%
Gross Profit	\$ 422,824	\$ 568,630	+34%
Operating Expenses	\$ 475,287	\$ 546,841	+15%
Interest & Depreciation	\$ 18,694	\$ 27,861	+49%
Other Income/Exp	\$ 27,382	\$ 69,060	+152%
Net Profit/(Loss)	(\$ 43,828)	\$ 62,988	+244%

FY23 Community Impact

100+ local vendors 1,983 members

\$569,462 purchased from local purveyors

\$11,623 donated to area non-profits



Co-op Customers purchased:

5,271 dozen eggs

1,790 gallons milk

5,267 lbs of chicken

2.63 tons of carrots

