MORRISVILLE FOOD CO-OP

FY 2026 ANNUAL REPORT





The Morrisville Food Co-op is a community-owned food market, committed to the health and well-being of people, emphasizing local and organic products and supporting a dynamic community, open to all. All are Welcome.

FROM THE BOARD



This year was about learning to be a bigger store while staying the small, friendly, local Co-op you know. Sales rose for the sixth consecutive year, to $2.8 million. Growth like that changes what a store needs behind the scenes: more room, more capacity, and more people sharing the work. What it shouldn't change is how the store feels when you walk in. Thank you to the member-owners, staff, management, vendors, and customers who made this year possible.

First, room. We expanded into the back apartment at 46 Pleasant Street, which gave us much-needed space for a staff break room, additional office space, and more good storage. At long last, our General Manager, Eric Besecker, has an office of his own, with a door! Members and staff identified these needs in our 2024 S.O.A.R. planning process and member survey, and we're proud to have delivered on them.

Second, capacity. We upgraded the kitchen with a larger-capacity stove and a new fire suppression and venting system. You can already taste some of the results in our grab-and-go case, and you can expect more over time. Moving offices in the back space has also freed up room for a larger bulk good area.

Third, and most important, people. A bigger store also means more distributed responsibilities. This year, a great group of staff members stepped up to take on buying and management responsibilities across departments. You can see the results up and down the aisles, from produce to meat and cheese to frozen goods with breads and groceries between. Through it all, local goods remain at the heart of our shelves, from neighbors just down the road.

Every dollar spent here supports farmers and makers who make this community what it is.

Learning to be bigger has also meant some growing pains. After three years of net operating profit, we closed the year with a small operating loss, as staffing and occupancy costs grew faster than sales and construction delays took their toll on being ready for the holiday rush.

Looking on the bright side: we paid for the improvements from savings rather than new borrowing, our finances remain stable, and we are focused on returning to profitability as these investments mature. We are deeply grateful to the member-lenders who forgave their loans this year.

We're excited to bring members a proposal to purchase the building at 46 Pleasant Street, securing a long-term home for the Co-op in historic downtown Morrisville.

As the only member-owned grocery store in Lamoille County, we'll keep being a place for a cup of coffee or a bowl of soup with friends, and a contributor to a vibrant downtown.

Thank you, and see you in the store!

Jessica Seddon, Board Chair
On behalf of the Board of Directors

Board of Directors

Beth Springston, Treasurer
Erika Gaudreau, Secretary
George Aitken
Jessica Seddon, Chair
Bob Verrico
Brooke Mars
Hope Sullivan
Paul Stewart, Co-Chair

On the cover:

(top): River Arts' Rock the Arts Campers at the Co-op.

(bottom): A variety of locally grown winter squash, including Black Futsu, a Japanese heirloom squash, available at the Co-op.

SALES

FY 26 Sales
$2.8m

Net Sales Growth
+7.6%
from previous year

Sales from other Co-ops
5%
Members from other co-ops spent $151,732

FROM THE GM



Your commitment to the Co-op has been key to our continued growth in FY 26, resulting in annual sales of $2,818, 364! That is an 7.6% net increase from last year. Thank you!

Highlights of the Year
Our wonderful staff has risen to the challenge yet again, taking on new responsibilities, completing additional training, and supporting growth across the store. Our staff increased to 27 - this is an increase from 12 people when I first started here in 2021.

Local sourcing continues to be strong with 44.5% of the co-op's purchases ($806,622) spent locally last year.

Our produce section also continues to shine with 67% growth over the last 2 years. With ever-expanding choices and a deep commitment to our local farming community, we are becoming a partner instead of just a customer to our farmers.

Community engagement remains a priority for us. We again hosted the Corn Roast (600 ears of corn!) and participated in Rocktoberfest and the Festival of Lights. Member-owners donated $11,356 to our Round It Up for Change program which benefits local charities.

Member-owner benefits also remain strong. The 10 for 10% stamp card remains very popular and gives member-owners more chances to save on top of our Co-op Deals, coupons, inventory sales, and member discounts on vitamins and supplements.

This incredible growth is only possible because of the collaboration between our member-owners, volunteer Board, and our hardworking, wonderful staff. Together, we're building a stronger, more sustainable Co-op.

Looking Ahead
Three years ago, we held a strategic planning session open to all members to help shape the future direction of the co-op – and we are proud to be most of the way through the member-owner-led priorities. These projects have provided a larger office space, expanded storage space, a larger bulk department, and a dedicated staff break room.

Our bulk section expanded significantly, and I am forecasting a 40% increase in bulk sales this upcoming year.

We are also gearing up for another round of in-store improvements, moving our grab n' go and hot food station to the rear of the store. This will allow us to expand our produce selection even more and also give produce staff a proper prep work area and a sink.

Thank You
Our dedicated staff has risen to every challenge, embracing significant growth while successfully integrating and executing a full range of new National Co-op Grocers (NCG) programs. They demonstrate their commitment to outstanding customer service and a sustainable food system every single day.

We are equally grateful for our Board of Directors, who selflessly volunteer their time to ensure strong governance, and to our member-owners, whose year-round support makes everything we do possible.

With much gratitude,
Eric Besecker, General Manager

Love Local

Local Producers	Purchases from Local Producers	Members
142	44.5%	2,974
+23% from FY25	$802,622 back to local economy	+12% from FY25

FROM THE TREASURER



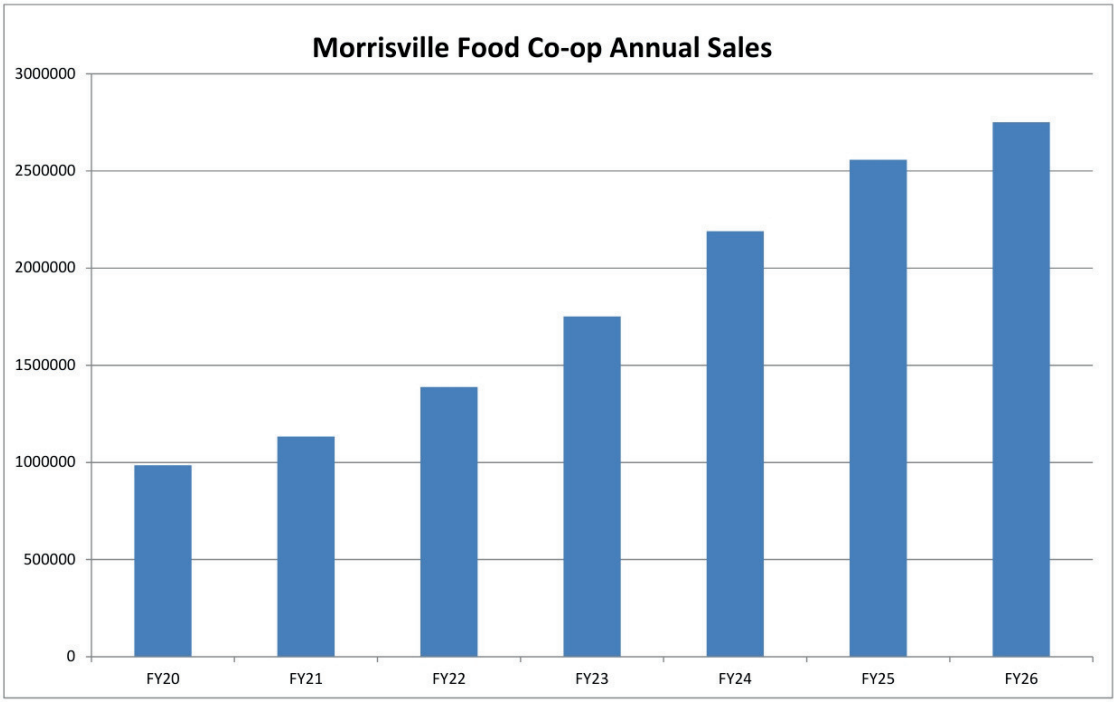
July 1, 2025 to June 30, 2026 (Fiscal Year 26) has definitely been a transitional year in the co-op turnaround story. Net Sales increased 7.6% over the year before in comparison to the 17% from the year before. However, the Net Operating Profit did not have the same increase. We went from having a loss each year up through June 2022, profitable years 2023-2025, and we've just had a breakeven year. There were specific reasons for this 2026 downturn that are not reflective of the grocery market in Morrisville.

We made a significant upgrade to the kitchen facilities and renovated the ground floor back apartment into office and storage space. Like many renovations do, it took significantly more time than expected and cost more. We planned for this, but had hoped it wouldn't be quite as expensive as it was. The disruption to operations was significant and resulted in less sales growth and higher staff expenses. Additionally, we made a significant time investment in staff training and margin re-evaluation. The good news is that is was all paid for from savings and did not cause any loss.

We have just finished the first quarter of the new fiscal year and the results of this investment are apparent in the Profit & Loss statement that shows the last 5 quarters. Sales growth rebounded in April-June and then July-September, which also posted a very healthy net operating profit of 4.7%.

We continue to reduce our debt load, with the help of a significant number of members who were able to forgive their loans. Our membership is growing and adding to our equity which has enabled us to build a strong enough Capital Fund to repay the remaining member loans. Our cash flow is strong enough to pay down the remaining CFNE and SBA debt through our normal budgeting. Overall, we feel our positive financial picture is sustainable, which is why we are contemplating the LLC creation and building purchase. Our Annual meeting will include a financial presentation on that subject.

Beth Springston, Board Treasurer



Morrisville Food Co-op

Profit and Loss

July 2025 - September 2026

	JUL - SEP, 2025	OCT - DEC, 2025	JAN - MAR, 2026	APR - JUN, 2026	JUL - SEP, 2026	TOTAL
Income	$698,077	$689,903	$651,064	$712,581	$769,040	$3,520,666
Cost of Goods Sold	$459,333	$448,435	$424,427	$473,362	$487,063	$2,292,620
GROSS PROFIT	$238,744	$241,468	$226,637	$239,220	$281,977	$1,228,045
Expenses						
50050 Personnel	178,985	183,410	175,505	174,230	178,496	$890,627
50650 Occupancy	21,446	25,373	31,781	29,576	30,110	$138,285
51500 Office Expenses	28,040	28,588	26,529	29,719	31,881	$144,757
53050 Professional Fees		500			3,080	$3,580
53099 Promotional Expenses	2,468	5,414	2,088	4,740	2,277	$16,987
Total Expenses	$230,939	$243,285	$235,903	$238,266	$245,844	$1,194,237
NET OPERATING INCOME	$7,804	$ -1,817	$ -9,266	$954	$36,133	$33,809
Other Income	$1,370	$4,326	$2,413	$18,634	$4,625	$31,368
Other Expenses	$5,462	$5,438	$5,413	$5,389	$5,565	$27,267
NET OTHER INCOME	$ -4,092	$ -1,112	$ -3,000	$13,245	$ -940	$4,101
NET INCOME	$3,712	$ -2,928	$ -12,267	$14,200	$35,193	$37,910

The Net Operating Income line shows the effect of the renovations and training, the bulk of which took place between October 2025 and March 2026.

By the last quarter in the fiscal year, we had broken even, and then the first quarter of the new fiscal year shows a significant jump in profitability.

STATEMENT OF FINANCIAL POSITION

ASSETS	**June 20, 2026**	**June 30, 2025**
Current Assets		
Cash	$122,690	$183,679
Inventory	$111,254	$100,336
Prepaid Insurance	$17,683	$6,661
Total Current Assets	**$251,627**	**$290,676**
Fixed Assets	$142,767	$104,469
Lease Value	$90,923	$35,698
Other Assets	$5,523	$7,733
TOTAL ASSETS	**$490,840**	**$438,576**
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts Payable/Gift Cards	$91,857	$83,906
Payroll & Tax Payable	$40,947	$50,376
Lease Payable	$27,460	$32,952
Loan & Interest Payable	$24,039	$26,138
Total Current Liabilities	**$184,303**	**$193,372**
Long Term Liabilities		
LT loans	$322,335	$345,967
Lease Payable	$63,463	$2,746
Total Long Term Liabilities	**$385,798**	**$348,713**
Total Liabilities	**$570,101**	**$542,085**
Equity		
Member Equity	$275,810	$254,269
Retained Earnings	($357,778)	($418,660)
Net Income	$2,717	$60,882
Total Equity	**($79,251)**	**($103,509)**
TOTAL LIABILITIES AND EQUITY	**$490,850**	**$438,576**

MORRISVILLE CO-OP LONG-TERM DEBT PROFILE

As of October 15, 2026

The Morrisville Co-op currently has 3 types of debt as described below.

MEMBER LOANS

These are loans made by members at the co-op's founding with interest rates from 0-1.5% annually. There are no monthly payments. The repayment schedule, after considering loans forgiven and/or deferred, is staggered over the coming years to 2032.

Due Date	# of loans	Loan Amounts
Year 10 - July 2027	14	$44,650
Year 11 - July 2028	9	$23,500
Year 12 - July 2029	1	$1,000
Year 13 - July 2030	2	$3,500
Year 14 - July 2031	0	$0
Year 15 - July 2032	4	$15,375
TOTAL OUTSTANDING	**30**	**$88,025**
Repaid since 2020	22	$49,000
Forgiven since 2020	49	$119,500

EIDL/SBA

(Economic Injury Disaster Loan via the Small Business Administration)

This is a $150,000 loan, over 30 years, at 3.75%. The loan was obtained in April 2021 and re-payment was deferred until October 2023 although interest accrued over that period.

The co-op used approximately $122,000 of this to bring vendor payments up to date and prepare the café area to open for hot foods. The balance is available for emergencies and is kept in a high-yield saving account with other savings.

CFNE

(Cooperative Fund of the Northeast)

This is a 5-year working line of credit that was first received from CFNE in June 2017 for up to $125,000 with a 6% interest rate on the balance. The balance is currently $66,356 with a 5% interest rate. The loan will be due for payment or rollover again in May 2027. While the rollover is at CFNE's discretion and is not guaranteed, we see the rollover as highly likely because the CFNE mission is to support cooperatives, employee-owned businesses, and community-based nonprofits. The same interest rate is not guaranteed, but CFNE is a community development financial institution, not a for-profit corporation. The interest rate they set is given to all their loan recipients, not set for each individual co-op.

REPAYMENT PLAN

In 2022, we created a Capital Fund for repayment of loans. New equity contributions we receive each month go directly to this account. We have been using this fund solely to repay member loans when due. We have been consistently receiving $1,500 to $1,800 in new equity each month and the current balance in the fund is $44,246. Equity comes from new members paying their $200 equity when they join, or paying $20/year for an annual membership. Our retention rate on annual members is about 70%, which provides this consistent source of revenue each month. By 2028, the bulk of the member loans will be repaid and we will then be able to start using this equity to pay down the CFNE line of credit faster. If this equity trend continues, then the CFNE line of credit will be at zero usage by 2032 also, along with the last of the member loans.
From then on, the equity contribution each year will be available to start paying down the SBA loan principal faster.

HIGHLIGHTS



$11,356 given to local area charities



State Sen. Richard Westman, Treasurer Mike Pieciak, and Represenative Dan Noyes congratulated the Co-op for having the most employees per capita in the county participating in Vermont Saves.



Peoples Academy teacher Andrew Lafrenz brought his Health class to the Co-op to explore healthy eating. The students purchased snacks at the Co-op and a local store and then compared ingredients and prices. Lafrenz explained he wanted to demonstrate that there is affordable and healthy tasty food options.



Enthusiastic kids decorating cookies and adults in holiday sweaters highlighted the Festival of Lights festivities at the Co-op.



When SNAP benefits were paused due to the Federal Government shut down, Co-op shoppers donated $3,220 for SNAP shoppers and 165 lbs of food.



We began offering coupons!



Black, silver & white can carrier covers can be dropped off at the Co-op for recycling & reuse.





Big moves happened! The Co-op now fully occupies the 1st floor of 46 Pleasant St. This allowed us to expand our bulk section, add much needed backstock storage and office space. A kitchen renovation included a new stove.

The 13th annual Corn Roast had a great turnout - and 600 ears of corn were shucked!









Member-Owners Spent

$2.09m

74% of sales; +4%from FY25

Customer Discounts

$44,652

+40% from FY25

+ another $20k from coupons



MORRISVILLE FOOD CO-OP







The Co-op hit a key milestone - we have officially moved from being defined as a “very small” co-op to being defined as a “small co-op.” The industry definition is based on annual sales.



6,565 dozen eggs sold
+5.7% from FY25

7,976 lbs of local chicken sold



2,913 gallons of local milk sold
+21% from FY25



A New Record!
652 quarts of local strawberries sold in 30 days - 5x the amount sold in the same time period last year.

Shop Local

Morrisville Food Co-op
46 Pleasant St
Morrisville, VT 05661
802.888.2255
morrisvillecoop.com