

FISCAL REPORT

Vicki Bennett
Finance Manager

Another year is behind us and we look forward to this new fiscal year. As we report a negative net income for the

fiscal year, it is important to provide an analysis of our financial performance.

The fiscal year 2023 concluded with a net loss of \$330,333 marking a change from the previous year's positive net income of \$349,821.

This change can be attributed to a combination of external economic factors, industry-specific challenges, and increased operating costs.

Our total sales for the year were approximately \$7.8 million, reflecting a 1.2% decrease from the previous year. This decline was primarily due to increased retails and shifts in customer shopping preferences.

Total operating expenses totaled approximately 3.1 million, an increase of 2.2% from the previous year. In response to the challenging fiscal year, the company took several actions to address the negative net income: We implemented cost control measures,

focused on optimizing expenses without compromising the quality of our products and services. We initiated operational efficiencies to streamline processes, improve productivity, and reduce waste. Our finance team worked diligently to manage cash flow effectively, ensuring we met our financial obligations and maintained financial stability.

While the fiscal year 2023 presented significant challenges, we remain committed to the long-term success of the Concord Food Co-op. We are confident that the strategic actions taken will position us for a more resilient and prosperous future. Our focus on cost-efficiency and adaptability will guide us through these turbulent times.

Please see the attached audited financial statements for years ended June 30, 2022 and 2023.

As always, thank you to all our members and customers for your support in keeping the Concord Food Co-op a thriving community organization. We look forward to a brighter financial future in the upcoming fiscal year.

BALANCE SHEET

	6/30/2023	6/30/2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 323,673	\$ 507,961
Accounts receivable	8,337	4,714
Employee retention credit receivable	-	268,352
Inventory	467,333	465,314
Prepaid expenses & taxes	26,165	18,650
Investments in other coops	147,902	143,442
Total Current Assets	973,410	1,408,433
PROPERTY AND EQUIPMENT		
	4,797,147	4,711,571
Less accumulated depreciation	(2,474,253)	(2,365,788)
	2,322,894	2,345,783
OTHER ASSETS		
Deposits	2,152	5,617
TOTAL ASSETS	\$ 3,298,456	\$ 3,759,833
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	214,998	252,718
Accrued payroll and related taxes	178,110	178,298
Current portion of long-term debt	255,973	267,067
Total current liabilities	649,081	698,083
LONG TERM DEBT		
Long Term Debt(net current portion)	1,430,519	1,536,118
Total long term liabilities	1,430,519	1,536,118
Total liabilities	2,079,600	2,234,201
MEMBERS' EQUITY		
Class A Shares	218,677	211,977
Class B Shares	766,116	754,364
Additional paid-in-capital	94,847	89,742
Retained Earnings	139,216	469,549
Total members' equity	1,218,856	1,525,632
TOTAL LIABILITIES AND EQUITY	\$ 3,298,456	\$ 3,759,833

STATEMENT OF OPERATIONS

	Year Ended 6/30/2023		Year Ended 6/30/2022	
		% Sales		% Sales
REVENUE				
Net sales	\$ 7,818,195	100.0%	\$ 7,911,735	100.0%
Cost of goods sold	4,931,770	63.1%	4,930,620	62.3%
Gross profit	2,886,425	36.9%	2,981,115	37.7%
OPERATING EXPENSES				
Personnel	2,102,960	26.9%	2,084,659	26.3%
Occupancy	452,654	5.8%	441,735	5.6%
General and administrative	606,903	7.8%	562,832	7.1%
Total operating expenses	3,162,517	40.5%	3,089,226	39.0%
Operating (loss)	(276,092)	-3.5%	(108,111)	-1.4%
OTHER INCOME (EXPENSE)				
Interest income	7,014	0.1%	2,904	0.0%
Appreciation in investments	4,460	0.1%	15,570	0.2%
Miscellaneous income	18,042	0.2%	16,967	0.2%
Business Disruption cost mitigation	37,296	0.5%	-	0.0%
Employee retention credit income	-	0.0%	552,598	7.0%
Loss on disposal of fixed asset	(5,935)	-0.1%	-	-
Interest expense	(104,646)	-1.3%	(103,550)	-1.3%
Total other income (expense)	(43,769)	-0.6%	484,489	6.1%
Income (Loss) before taxes	(319,861)	-4.1%	376,378	4.8%
INCOME TAXES				
Federal Income Taxes	-	-	15,818	-
State - NH business Enterprise Tax	10,472	0.1%	10,739	0.1%
Total taxes	10,472	0.1%	26,557	0.3%
INCOME (LOSS)	(330,333)	-4.2%	349,821	4.4%
Retained Earnings - Beginning of Year	469,549		119,728	
Retained Earnings - End of Year	\$ 139,216		\$ 469,549	

The financial statements presented reflect the auditor's report for the years ended June 30, 2023 and 2022. Independent audit conducted by Rowley & Associates, P.C.

CONCORD FOOD CO-OP

Concord • New London

Annual Report

Fiscal Year

2023

July 2022 - June 2023



FROM THE GENERAL MANAGER

Chris Gilbert
General Manager

I begin this annual report with a candid reflection on our financial performance over the past year. It is with sincerity that we address the fact that our profitability did not meet the desired standards during this past fiscal year. Despite concerted efforts, challenges within the market and the broader economic landscape have impacted our financial outcomes.

The year posed a series of unanticipated hurdles, including supply chain disruptions, increased costs, and shifts in consumer shopping preferences. These factors collectively strained our revenue stream and exerted pressure on our profit margins.

While profitability fell short of projections, it's important to emphasize that this report encapsulates only a snapshot in our journey. We remain resolute in our commitment to long-term value sustainability. In response to the challenges faced, we undertook rigorous cost-saving initiatives including ending our partnership with Shaker Village and the UNH

Law School and optimizing our operational efficiency. Discontinuing the senior discount was not an easy decision and in fact it was probably the hardest decision I have made since I started working here. I have a responsibility to all members of The Co-op and staff to keep the store financially stable and this is the reason for these changes.

In times of adversity, the true mettle of a company is tested. We believe that our response to these setbacks underscores our resilience and dedication. We are confident that the strategies set in motion will yield positive results in the coming year and beyond.

We extend our gratitude to our dedicated employees, loyal customers, and steadfast members who continue to believe in our vision. Your unwavering support fuels our determination to overcome challenges and forge ahead.

Thank you for your understanding and continued support.

FROM THE PRESIDENT

Jaran Blessing
Board President

The Concord Food Co-op is rapidly approaching a critical juncture in its evolution. When the co-op movement first began to lift off, they were often the only place where one could reliably go for organic, healthy food options. As the broader grocery market has caught on to the popularity of "organic" foods, co-ops have struggled to keep up with the grocery behemoths such as Walmart. You could say that co-ops have fulfilled a valuable mission by popularizing the idea of health-conscious food. However, reality is murkier. The result has been the gradual deterioration of the "organic" label, to the point that it often loses all meaning.

Co-ops will cease to exist if they do not evolve with the changing marketplace. We cannot allow ourselves to fall into the idea that we are merely a boutique grocery store.

I see the emerging role of The Co-op as having two primary facets, neither of which can be performed by the big box behemoths. Co-ops continue to be one of the most significant outlets for local farmers to market their goods to the public. The importance of this first role cannot be overstated. The second role is to serve as a curator, choosing to carry brands that view the "organic" label as more than a window into greater profits. In this role, The Co-op takes on an indispensable and sacred mission to bring true health and not just the shallow appearance thereof, to its community.

I find much to be hopeful for and envision a future in which The Co-op will continue to thrive, despite challenging times, by remaining true to its founding principles, based in food, health, and community.

Year Highlights

- We raised over **\$36,443** for our Round-it-Up recipients, (\$8,543 more than last year!)
- We welcomed **277 new members** to our community!
- Our salad bar reopened after a three-year hiatus.
- Our marketing team was hard at work creating our new & improved website, which launched August 2022.

BOARD OF DIRECTORS

President
Jaran Blessing

Vice President
Katherine Leswing

Treasurer
Pete Engel

Chuck Gilboy
Krista Helmboldt
Cathy Menard
Tracey Sponenberg
James Stever

MANAGEMENT TEAM

General Manager
Chris Gilbert

Store Manager | Concord
Adam Orcutt

Store Manager | New London
Shane Smith

Finance Manager
Vicki Bennett

Marketing Manager
Kim Brandes

Data Integrity Manager
Nick Schneider

Customer Service Manager
Nicole Grevior

Food Service Manager
Jacob Maxwell

Grocery Manager
Josh Belanger

Health & Wellness Manager
Rianna Bentley

Produce Manager
Patrick Gale

Co-op Organic Garden Manager
Andy Messenger

COMMUNITY INVOLVEMENT

- ABLE NH
- Boy Scouts of America: Troop 3
- Capital Region Food Program
- Childhood Cancer Lifeline NH
- Concord Coalition to End Homelessness
- Concord High School Cheerleaders
- Concord Multicultural Festival
- Equality Health Center
- Family Promise of Greater Concord NH
- Five Rivers Conservation Trust
- The Friendly Kitchen
- Friends of Forgotten Children
- Friends Program
- Granite VNA
- Healthy Kids Running Series
- Intown Concord
- Junior Service League of Concord
- Merrimack River Greenway Trail - MRGT
- NAMI NH
- NH Children's Trust
- NH Farm to School
- NH Herbal Network
- NH PBS
- NH Rivers Council
- NOFA-NH
- Open Door Community Kitchen
- Operation Santa Claus
- Overcomers Refugee Services
- Sycamore Community Garden Project
- Temple Beth Jacob
- Unitarian Universalist Church
- Voices for Ukraine
- Webster Meeting House
- Woman's Club of Concord