

FISCAL REPORT

Jared Murray
Finance Manager

This year we report a net loss of \$198,724.30. While we celebrate that this is a 39.84% increase from the previous year, we are looking to diminish this loss in the new year. The net loss can be attributed to many things, but it is mainly because of an increase in the cost of goods, labor, and waste throughout various departments, as well as a significant increase in overhead expenses.

We are pleased to report a sales total of \$8.04 million for the year. This is a 2.88% increase from the previous year, with an even greater increase in the second half of the year. We expect this increase to steadily remain for the new year. Operating expenses totaled \$3.2 million. This includes significant increases in administrative expenses, such as consultant costs in the better part of the year.

The company is implementing several policies and procedures in order to counter the historical net losses of previous years, and to get on to a positive track. For the first time in the Co-op's history, we are implementing buying budgets for

departments. Each buyer will be given a budget to maintain their cost of goods. The overall store budgets have also been modified to optimistic, but realistic, figures which we will strive to maintain. More detailed waste tracking will also be done, an area which lacked heavily in previous years. There are also plans for increased cross-department training, in order to use labor efficiently and avoid unnecessary costs. In addition, Co-op management plans to refinance its \$853,188 loan that is due to mature in April 2025.

The 2024 fiscal year was a significant improvement from the year before, and although we are not pleased to report such a great loss, we are looking forward to the new year and the new plans that are in place for the company to succeed. Please see the attached audited financial statements for years 2023 and 2024.

Thank you to all our members and customers for your support in keeping the Concord Food Co-op a thriving community organization! We are looking forward to turning things around this year.

BALANCE SHEET

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

ASSETS	2024	2023
Current Assets		
Cash and cash equivalents	\$ 212,817	\$ 323,673
Accounts receivable	6,174	8,337
Inventory	400,119	467,333
Prepaid expenses	7,072	23,665
Prepaid income taxes	-	2,500
Investments in other cooperatives	153,282	147,902
Total Current Assets	<u>779,464</u>	<u>973,410</u>
Property and Equipment		
Land	483,500	483,500
Building and improvements	2,856,152	2,856,152
Furniture and equipment	284,917	284,917
Leasehold improvements	34,197	55,248
Equipment	1,129,297	1,117,330
	4,788,065	4,797,147
Less accumulated depreciation and amortization	(2,567,555)	(2,474,253)
	<u>2,220,508</u>	<u>2,322,894</u>
Other Assets		
Deposits	2,152	2,152
Total Assets	<u>\$ 3,002,124</u>	<u>\$ 3,298,456</u>
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Accounts payable	\$ 234,103	\$ 214,998
Accrued expenses	39,688	54,232
Accrued payroll and related taxes	118,182	123,878
Note Payable - current portion	1,060,859	255,973
Total Current Liabilities	<u>1,452,832</u>	<u>649,081</u>
Long-Term Debt		
Notes payable - net of current portion	506,854	1,430,519
Total Liabilities	<u>1,959,686</u>	<u>2,079,600</u>
MEMBERS' EQUITY		
Common stock - Class A, \$25 par value, 40,000 shares authorized, 9,004 shares issued and outstanding	225,102	218,677
Common stock - Class B, \$25 par value, 120,000 shares authorized, 31,291 shares issued and outstanding	782,273	766,116
Additional paid-in-capital	94,847	94,847
Retained Earnings (Deficit)	(59,784)	139,216
Total members' equity	<u>1,042,438</u>	<u>1,218,856</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 3,002,124</u>	<u>\$ 3,298,456</u>

STATEMENT OF OPERATIONS

FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
REVENUE		
Net sales	\$ 8,043,743	\$ 7,818,195
Cost of goods sold	4,975,914	4,931,770
Gross Profit	<u>3,067,829</u>	<u>2,886,425</u>
OPERATING EXPENSES		
Personnel	2,083,457	2,102,960
Occupancy	463,671	452,654
General and administrative expenses	646,914	606,903
Total operating expenses	<u>3,194,042</u>	<u>3,162,517</u>
Operating (loss)	<u>(126,213)</u>	<u>(276,092)</u>
OTHER INCOME (EXPENSE)		
Interest & patronage dividends	15,775	7,014
Appreciation of investments in other cooperatives	5,380	4,460
Miscellaneous income	24,640	18,042
Business disruption cost mitigation	11,911	37,296
Loss on disposal of fixed asset	(11,052)	(5,935)
Interest (expense)	(105,570)	(104,646)
Total other income (expense)	<u>(58,916)</u>	<u>(43,769)</u>
(Loss) before income taxes	<u>(185,129)</u>	<u>(319,861)</u>
PROVISION FOR INCOME TAX		
NH Business Enterprise tax	13,871	10,472
	<u>13,871</u>	<u>10,472</u>
NET (LOSS)	<u>(199,000)</u>	<u>(330,333)</u>
Retained Earnings - Beginning of Year	<u>139,216</u>	<u>469,549</u>
Retained Earnings (Deficit) - End of Year	<u>\$ (59,784)</u>	<u>\$ 139,216</u>

The financial statements presented reflect the auditor's report for the years ended June 30, 2024 and 2023. Independent audit conducted by Rowley & Associates, P.C.

CONCORD FOOD CO-OP

Concord • New London

Annual Report

Fiscal Year

2024

July 2023 - June 2024



FROM THE GENERAL MANAGER

Josh Belanger
General Manager

This past year was interesting, to say the least. With a change of course and management, we saw some financial improvement from the previous year, though still with a negative net profit. This has shown us where our weaknesses and strengths are and where we need to improve. Garland McQueen, our Interim General Manager, started with us on-site in November of last year. He began laying the foundation that the board, all staff members, and I have continued to build upon.

Thanks to our members, shoppers, and staff, the Co-op has seen the best sales growth in the past 10 years and won 2nd place in both the grocery store and natural supplement store categories in The Concord Monitor's Cappies (thank you for

voting!). We are going to continue this momentum with some exciting plans: new member benefits (more information on this at the member celebration) and a new survey program, NCG's Customer Experience survey. Customers are randomly selected when their receipt prints with a QR code at the bottom. Upon completion, the customer will receive a \$5 off \$25 coupon. The data collected from this survey will help us to better serve you.

We have a bright future ahead of us, with more community involvement, a greater focus on local products, and looking at ways to further our vision of sustainability and environmental friendliness. Thank you for your continued support, belief in us, and the value you bring to supporting a cooperative business. We could not have done it without you.

FROM THE PRESIDENT

Shawn Menard
Board President

The past year has been one of significant transition and development for our Co-op. Following the departure

of our long-time General Manager in September 2023, we made a crucial decision to bring in Interim GM and consultant Garland McQueen. His expertise was instrumental in stabilizing our operations and setting us on a path toward renewed profitability. Garland's efforts also played a key role in our search for a new GM, culminating in the promotion of Josh Belanger, our Grocery Manager, who has been committed to our Co-op for many years.

Leadership changes naturally bring a wave of adjustments, and we've seen this firsthand over the past year. Behind every visible change, there has been substantial work to ensure that these transitions strengthen our Co-op's foundation. We are grateful to you, our members and shoppers, for the vital role you hold in the success of the

Co-op, and we deeply appreciate your patience and feedback during this time of transformation.

In addition to these internal changes, we have been working closely with the developers of the neighboring property (Arts Alley) to ensure that their plans maximize the potential of their site while safeguarding our Co-op's visibility and operations. These discussions have highlighted the importance of collaboration, and we are confident that our efforts will lead to a mutually beneficial outcome that enhances downtown Concord without compromising our Co-op's presence.

As we move forward, I am proud of the unity displayed by our board and staff. Together, we are committed to making the necessary changes to ensure that our Co-op thrives for years to come.

Year Highlights



- We raised over **\$30,601** for our Round-it-Up recipients!
- We welcomed **275 new members** to our community!

- Our deli and kitchen have been hard at work devising **new offerings**, including paninis, a Vegan Bar (set to open Sept. 2024), and our Hot Bar is now open on Saturdays and Sundays.



BOARD OF DIRECTORS

President
Shawn Menard

Vice President
Krista Helmboldt

Treasurer
Pete Engel

Secretary
Joe York

Board Members

Chuck Gilboy

Sam Pike

James Stever

Ryan Poirier

Zack Sheehan

MANAGEMENT TEAM

General Manager
Josh Belanger

Customer Service Manager
Tim DeVincenzo

Store Manager | New London
Pat Gale

Food Service Manager
Kenny Velez-Roark

Finance Manager
Jared Murray

Grocery Manager
Joe Pelletier

Marketing Manager
Kim Brandes

Wellness Manager
Rianna Bentley

Data Integrity Manager
Nick Schneider

Produce Manager
Gloria Najecki

COMMUNITY INVOLVEMENT

- Boys & Girls Club of Central NH
- Childhood Cancer Lifeline of NH
- Colby Sawyer College
- Concord Coalition to End Homelessness
- Concord Multicultural Festival
- Equality Health Center
- Families in Transition
- Family Promise of Greater Concord
- Fellowship Housing Opportunities
- Fit 4 a Cause
- Five Rivers Conservation Trust
- Friends of Forgotten Children
- Future In Sight
- Granite VNA
- Greater Concord Chamber of Commerce
- Healthy Kids Running Series Intown Concord
- Junior Service League of Concord
- Lake Sunapee Region Chamber of Commerce
- Merrimack River Greenway Trail
- Mount Sunapee Duck Drop
- Muster Field Farm
- NH Food System Gathering
- NH Hunger Solutions
- NH PBS
- NH Rivers Council
- NOFA-NH
- Nutrition Connections
- Penacook Elementary School
- Pope Memorial SPCA
- Sycamore Community Garden
- Take a Tote
- The Friendly Kitchen
- Women's Club of Concord