

marquette food co-op

ANNUAL REPORT

2024



MESSAGE FROM THE GENERAL MANAGER



Matt Gougeon
General Manager

Once again, we present this report with gratitude, as the Marquette Food Co-op (MFC) would not exist without you, its owners. The same gratitude is given to our hard-working staff who show up in so many ways in service to the bigger ideal of the Co-op as well as to the needed details of operating a grocery store. Finally, we thank the MFC Board of Directors, whose dedication to duty on behalf of all owners is evident in their vigilance and guidance in myriad ways throughout the year.

Your Marquette Food Co-op had another successful year in 2024. By nearly all the metrics that we measure, we came out a financially improved and financially sound company. We had modest revenue growth, a strong gross margin, controlled and within budget personnel costs, and positive cash. Balance sheet metrics of current ratio, debt to equity, and asset to liabilities were also improved year over year. However, in saying so, by no means was the year without challenges and unexpected happenings. Even the best laid plans can be upended, or at least delayed, by unforeseen trends that get in the way of goal attainment. In truth, the other side of “unforeseen trends” is simply missing the mark on projections. Our long path of incremental increase to staff compensation hit a functional speed bump in 2024 when sales revenue for the first half of the year fell short of what our sales projections needed to support implemented and planned pay increases. This necessitated a recalibration that resulted in favorable outcomes by years’ end. Another measure of success not to be overlooked is the net increase in new owners of the MFC. In 2024 we had 294 new member households join the Co-op roll. This was a rare year in which we had less than 300 new owner applications filled out.

So much of a year is predicated on revenue projections. If projections fall short, adjustments must be made to any costs that are not fixed. Adjustments take place once one is convinced that the new revenue trend is “for real.” Significant adjustments for the year included some reorganization of a couple of key departments into a single unit and a slow reduction in staffing numbers. These efforts were rewarded by a return increase to revenue over the last four months of the year that helped lift us to our favorable financial outcome.

Another highlight from the past year was planning for the equipment remodel to the Meat and Prepared Foods departments on the store floor. Planning began in earnest in March of 2024 with assistance from specialists from the National Co-op Grocers, the national cooperative of which we are a member. They helped us articulate our needs and potential for growth, and also provided a floor design. You have recently begun to see the fruit of this effort with some of the equipment installation having happened and more to come very soon.

We also contracted a complete makeover of the green space around our property. It had largely been overrun with invasive plants and had largely lost its functionality as a drainage swale. We’re happy to report that it is draining well again and is planted with a beautiful variety of native plants, hardy enough to withstand the abuse of an active parking lot. We have in place a maintenance contract with a view to helping it all become well established over a period of years.

Finally, for the fourth year in a row, the Board has decided to allocate income and/or return patronage dividend. The 2024 net profit has been allocated to the members and some portion of it will be returned to the members in cash as it has in the last few years. More to come regarding your individual dividend and when it will be distributed.

The following is a year over year financial performance comparison.

2024 Financial Statements *(condensed)*

BALANCE SHEET		2024	2023	2022
CURRENT ASSETS:	Cash & Equivalents	1,887,825	1,846,583	739,711
	Accounts Receivable	32,436	35,532	40,284
	Other Current Assets	682,304	506,778	925,904
	Total Current Assets	2,602,565	2,388,893	1,705,899
	Fixed Assets	2,446,517	2,553,528	2,549,493
	Other Assets	277,255	193,037	220,777
Total Assets	\$5,326,337	\$5,135,459	\$4,476,170	
LIABILITIES & EQUITY:	Accounts Payable	354,842	316,092	310,236
	Other Current Liabilities	617,979	595,915	576,230
	Total Current Liabilities	985,626	912,008	886,466
	Long Term Liabilities	1,504,506	1,551,822	1,569,865
	Total Liabilities	\$2,490,132	\$2,463,830	\$2,456,331
	Total Equity	2,836,205	2,671,629	2,019,839
Total Liabilities & Equity	\$5,326,337	\$5,135,459	\$4,476,170	

INCOME STATEMENT		2024	2023	2022
INCOME:	Gross Sales	13,966,634	13,609,949	12,783,189
	Cost of Goods Sold	8,640,595	8,426,510	8,043,478
Gross Profit Margin	5,326,039	5,183,438	4,739,711	
EXPENSES:	Personnel Expense	3,559,785	3,470,042	3,155,341
	Occupancy	330,074	390,183	373,832
	Depreciation	97,227	97,227	110,064
	Operating Expense	763,744	763,232	730,027
	Administrative	143,064	133,278	183,118
	Governance	27,865	26,452	22,256
	Promotional	124,674	124,412	111,481
Total Operating Expense	-5,054,706	-5,004,826	-4,686,119	
	Other Income / Expense	49,324	75,959	258,479
	Taxes	0	0	-6,500
Net Income	\$222,009	\$102,653	\$303,571	

MESSAGE FROM THE BOARD PRESIDENT



Michelle Augustyn

Board President

I can confidently say that 2024 was a productive year for the Marquette Food Cooperative, which has continued to experience growth on multiple fronts. Not only did we have a profitable 2024, but we also returned patronage dividend from a profitable 2023!

Although we all love a little money back in our pockets, I want to talk about another area where I feel there is some great momentum. This year we had a big election for our open seats on the Board of Directors. We had many great applicants, which just goes to show that there is so much energy and talent in our community. Between the newly elected

Board members and the members that remain on the Board, I can honestly say that the Board is in excellent hands, filled with people focused on representing the community and working together to support the MFC. This healthy show of interest is so important because one of the main objectives of a board is board perpetuation.

As an oversight board, we need members that are committed to not only learning the cooperative model, but also to learning how to function within the Policy Governance structure. This can seem daunting at first, but a board that focuses on encouraging dialogue (and dare I say some fun!) around the policy that we use to function, will run smooth and efficiently. We do this by encouraging board engagement in policy review, Ends renewal, and most recently, the Bylaws update. I may be coming to the end of my nine years on the MFC Board of Directors, but I couldn't be more proud of where we are at as a cooperative. I'm even more excited to see what we do in the future!

2024 Board of Directors



Michelle Augustyn
PRESIDENT



Nathan Frischkorn
VICE PRESIDENT



Tom Rulseh
SECRETARY



Richard Kochis
TREASURER



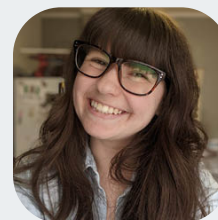
Michael Dewar



Emmanuel Sally



Maria Danz



Ashley McGrath



Olivia Kingery

GLOBAL ENDS



The Marquette Food Co-op provides the region it serves with access to food, products, services, and education that foster a thriving, equitable, and resilient community by:

**PRIORITIZING
LOCAL AND
ORGANIC FOOD
SYSTEMS**

**PROMOTING
COOPERATIVE
GROWTH
OPPORTUNITIES**

**SUPPORTING
AN EQUITABLE
SHOPPING
EXPERIENCE**

**FOCUSING ON
SUSTAINABLE
ENVIRONMENTAL
OUTCOMES**

5,276

active members

Active means they have shopped in the last year.

294

new owners



39%

of new owners who joined using the 5/2 plan

109

5/2 membership accounts were paid off





70%
of sales were to owners

\$116,482
profits paid to owners in the form of patronage
dividends for the years 2012, 2013, and 2023

\$98,054
earned by owners in our
Owner Rewards Program

\$13,966,634
Total sales revenue

1,001
Average customers per day

361,467
Total transactions

\$38.24
Average basket size

361
Days the store is open in the year

13
Hours open in a day



\$4,257,219

Spent on local goods,
services, and supplies

\$1,097,643

Total local sales in-store

58

Local vendors

\$1,085

Paid to local vendors through the
Farm to School Fundraiser Program

\$36,000

Distributed to three farms in
the UP to purchase high tunnels
through the Food as Medicine
Farm Infrastructure Grants, led
by MFC, UPFE, and UPCAP

18

U.P. farmers markets were assisted
by the MFC to participate in the U.P.
Food as Medicine & Program.

*Participants over 18 years of age at risk for or
who are diagnosed with a chronic condition who
have a financial barrier to purchasing fresh fruits
and vegetables receive \$15 a week to purchase
produce at the farmers markets May-October.*



819

cooking class attendees

276

youth cooking class attendees



1,670

people at tabling events throughout MQT County

These events include sampling at the Downtown Marquette Farmers Market, samples and recipes at Feeding America West Michigan food distributions, Headstart Programs, and many health fairs.



\$12,159

donated to area organizations and events

\$5,720

Raised at the register for
United Way of
Marquette County



\$5,170

Raised at the register for
Marquette County
food pantries

\$1,515.28

Raised by local schools in the
Farm to School Fundraiser Program

590 lbs

of food donated to the Women's Center





84

employees
as of date

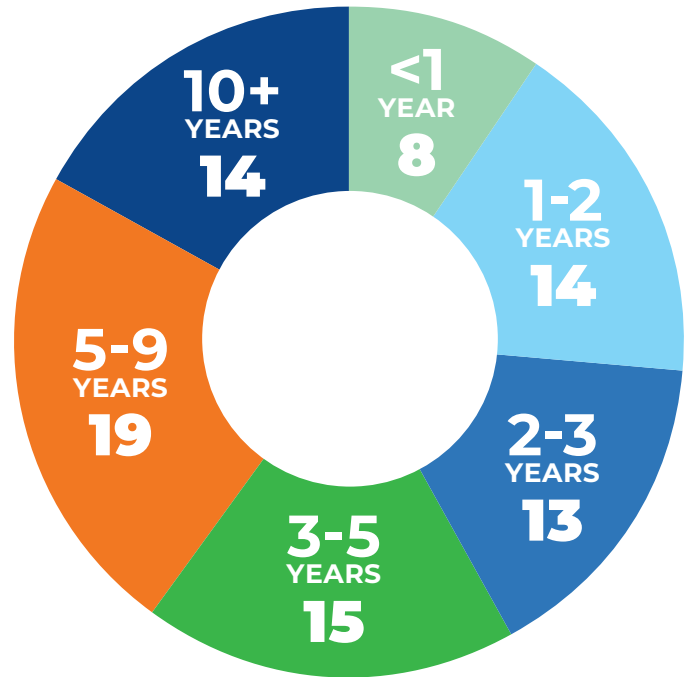
83%

of staff are full-time employees

70%

of staff eligible to participate
in our health benefits

NUMBER OF STAFF/ YEARS AT THE CO-OP



STAFF BENEFITS

- 20% store discount.
- Health, dental, and vision insurance.
- FSA program for full-time staff + yearly allotment.
- Life insurance policy for all staff.
- Counseling services through Northstar Employee Assistance Program.
- Short-term disability policy for qualifying staff.

