

**2023**

**Keweenaw Co+op  
Annual Report**



### Our Ends

On behalf of our Owners, Keweenaw Co+op will be a leader in our thriving and healthy local community, supported by values inherent in the cooperative model.

- Our customers benefit from increasing access to food and products that improve health in ways that are environmentally, socially, and economically sustainable.
- Our food producers and community benefit from a thriving, fair, resilient, and sustainable local food system.
- Our community understands the value of health, healthy food, and the cost of a sustainable food system.

### 2023 Board of Directors

Roger Woods, *President*

Susan Serafini, *Treasurer*

Kim Green, *Vice President*

Stephen Jukuri, *Secretary*

Cathy Campbell-Olszewski, *Director*

Joan Schumaker-Chadde, *Director*

Rebecca Matuszak, *Director*

Cynthia Hodges, *Director*

Whitney Warstler, *Director*

[board@keweenaw.coop](mailto:board@keweenaw.coop)

### General Manager

Curt Webb

[curt@keweenaw.coop](mailto:curt@keweenaw.coop)

# From the Board

We all see the walls, the elevator shaft, and the roof being put down; the vision that started many years ago by past Boards is coming to light. The trip has been longer than expected, but the Board feels confident that the decisions that need to be made will make Keweenaw Co+op stronger in the long run.

As the bulk of the relocation work has shifted to Curt as the Project Manager, the Board of Directors was able to address some needed updates and direction of the co-op. The Policy Committee worked to understand and interpret the new corporate policies and complete a much-needed overhaul of our Policy Governance documents. The Outreach Committee engaged with the community to discern the key priorities and aspirations shaping our collective vision for the co-op's role in our community. Both of these pieces of work allowed the Board to craft a new Ends policy that better reflects our current and future desires. Our business thrives on community engagement and support through ownership. The Finance Committee worked diligently to ensure our economic sustainability for the future. These committees are ongoing and don't require you to be a Board member; interested in getting involved? Email [board@keweenaw.coop](mailto:board@keweenaw.coop) or stop by a Board Meeting, which is held in our community room on the second Wednesday of every month at 6 PM.

Keep supporting and spreading the word about our incredible co-op, both as it stands now and as we look forward to our exciting new location in the future! Your feedback is crucial to us. If we're not meeting your expectations, please let us know. We're here because of our community, and we wouldn't exist without your support as owners and shoppers. As we move towards our new store in 2024, we eagerly anticipate seeing you all enjoy the new store and parking! With increased space, we can welcome even more shoppers to experience the best of the co-op. Remember, our Board of Directors is here to listen and engage with you, our valued community members.



**Roger Woods**  
Board President

**2,403**

Keweenaw Co+op Owners

**\$41,854**

Owner: Appreciation Month Discounts

**\$46,931**

Owner: Special Order by the Case Discounts

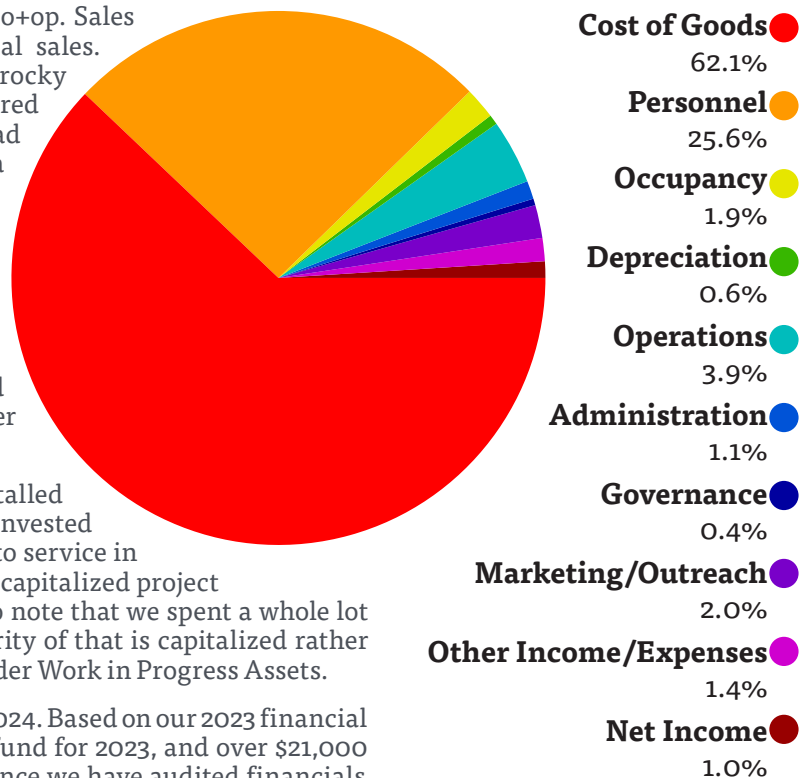
2023 was another strong year for the Keweenaw Co+op. Sales growth of 7.8% took us over \$5.5 million in annual sales. Margin hit budget expectations, stabilizing after a rocky 2022. Personnel expenses increased by 1% compared to 2022, though we still came in at budget as we had planned for increasing labor costs. Additionally, extra labor is being invested in the relocation project. All other operating expense categories were at or below budget. A strong margin and managed expenses combined to produce a 2.4% operating income, nearly 2 points above budget.

A profitable year and a relocation project meant that more than the typical amount of activity transpired at the bottom of the income statement under Other Income/Expenses.

Note that Grants and Relocation Donations totalled \$239,000 in 2023. However, the portion of that income invested in capital assets (aka 'a new store!') that will be put into service in 2024 was deferred to 2024. The amount spent on non-capitalized project expenses was recognized in 2023 as shown here. Also note that we spent a whole lot more than \$76,000 on relocation in 2023, but a majority of that is capitalized rather than expensed so it shows up on the Balance Sheet under Work in Progress Assets.

Sales to owners accounted for 67% of total sales in 2024. Based on our 2023 financial performance, the Board has declared a Patronage Refund for 2023, and over \$21,000 will be distributed to owners in the coming months once we have audited financials. Since 2010, the Co-op has allocated over \$387,000 in Patronage Refunds, \$86,000 of that paid out to owners in cash or store credit.

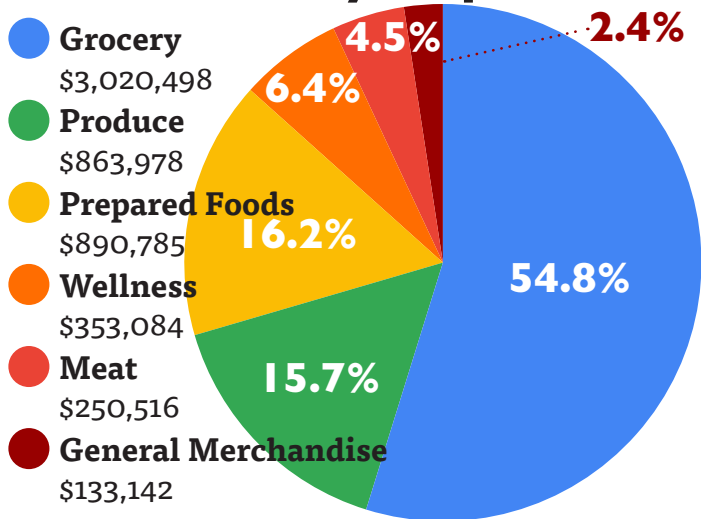
Bottom line: We still managed a profitable year with a modest net profit of 1% of sales.



	FY 2021	FY 2022	FY 2023
Sales	4,850,348	5,114,070	5,512,001
Cost of Goods	(3,008,132)	(3,243,436)	(3,424,063)
<b>Gross Profit</b>	<b>\$1,842,216</b>	<b>\$1,870,634</b>	<b>\$2,087,938</b>
<b>OPERATING EXPENSES</b>			
Personnel	1,243,437	1,257,913	1,411,014
Occupancy	95,689	101,102	102,804
Depreciation	31,204	46,260	30,422
Operations	181,548	181,798	214,588
Administration	50,033	53,210	61,712
Governance	17,020	24,129	23,790
Marketing/Outreach	100,845	111,361	112,189
<b>Total Expenses</b>	<b>\$1,719,776</b>	<b>\$1,775,773</b>	<b>\$1,956,519</b>
<b>Operating Income</b>	<b>\$122,440</b>	<b>\$94,861</b>	<b>\$131,419</b>
<b>OTHER INCOME/EXPENSES</b>			
Relocation Donation Income	-	20,303	84,554
Relocation Expenses	(49,049)	(98,803)	(76,067)
Other Income/Expenses	21,664	29,920	30,240
Patronage Refund	(41,361)	(15,577)	(107,441)
Income Tax Paid	(14,090)	(8,525)	(8,856)*
<b>Net Income</b>	<b>\$39,518</b>	<b>\$22,179</b>	<b>\$53,849</b>

\*estimated payment pending tax filing

## Total Sales by Department



The Balance Sheet captures a moment in time, in this case the end of 2023. It shows what the Co+op possesses (Assets), owes (Liabilities), and owns (Equity). The “balance” on a Balance Sheet is that Assets always equals Liabilities + Equity.

The 2023 year-end Balance Sheet saw a number of significant changes, thanks again to relocation. Assets increased due to community investments and grants that reside in both cash assets and Work-in-Progress Assets including new property, renovations, and equipment.

Liabilities increased as our payables have grown beyond just trade payables (buying product to sell) to include project construction and equipment invoices. Note that at the end of 2023 the Co-op had still not drawn on our construction loan (the first draw happened in March of 2024). Liabilities also include a new line item: Deferred Revenue. \$154,512 will be recognized as income when the associated assets are placed into service later this year.

Equity grew by 9% in 2023. This includes adding \$32,500 in Owner Equity, \$86,000 in Retained Patronage Refunds, \$45,000 in Investment Certificates from early in the year, and over \$50,000 in Retained Earnings and Net Income for 2023.

### BALANCE SHEET RATIOS

**Current Ratio 1.5** (benchmark 1.0 or above)  
(Current Assets divided by Current Liabilities)  
measures liquidity

**Debt to Equity Ratio .28** (benchmark 2.0 or below)  
(Total Liabilities divided by Total Equity)  
measures solvency

Balance Sheet	DEC 31 2021	DEC 31 2022	DEC 31 2023
<b>ASSETS</b>			
Current Assets	1,280,848	1,598,035	1,102,318
Property & Equipment, Net	208,840	285,147	253,593
Work in Progress Assets	-	668,852	1,823,402
Other Assets	84,544	117,453	130,632
<b>Total Assets</b>	<b>\$1,574,232</b>	<b>\$2,669,487</b>	<b>\$3,309,945</b>
<b>LIABILITIES</b>			
Current Liabilities	234,738	293,767	563,277
Deferred Revenue	-	-	154,513
<b>Total Liabilities</b>	<b>\$234,738</b>	<b>\$293,767</b>	<b>\$717,790</b>
<b>EQUITY</b>			
Pre-2010 Equity	37,532	37,448	37,428
Owner Equity	345,196	385,235	417,727
Retained Earnings	715,046	774,024	796,202
Investment Certificates	-	941,750	986,750
Retained Patronage	202,202	215,084	301,031
Net Income	39,518	22,179	53,017
<b>Total Equity</b>	<b>\$1,339,494</b>	<b>\$2,375,720</b>	<b>\$2,592,155</b>
<b>Total Liabilities/Equity</b>	<b>\$1,574,232</b>	<b>\$2,669,487</b>	<b>\$3,309,945</b>

*These financial statements were prepared in-house. The external audit of 2023 financial statements is scheduled to be conducted in May 2022.*

# 2023 Statistics



Relocation Donations



Round UP Donations - Western UP Food Bank, CCISD ELK, KORC, and KFRC



Community Sponsorships/Donations



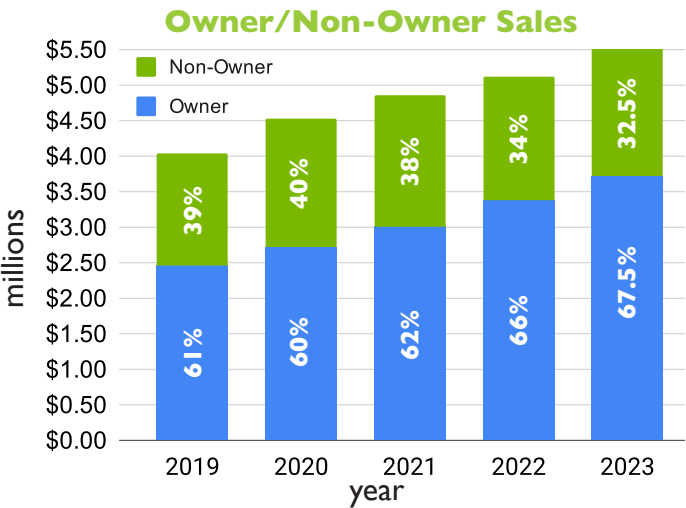
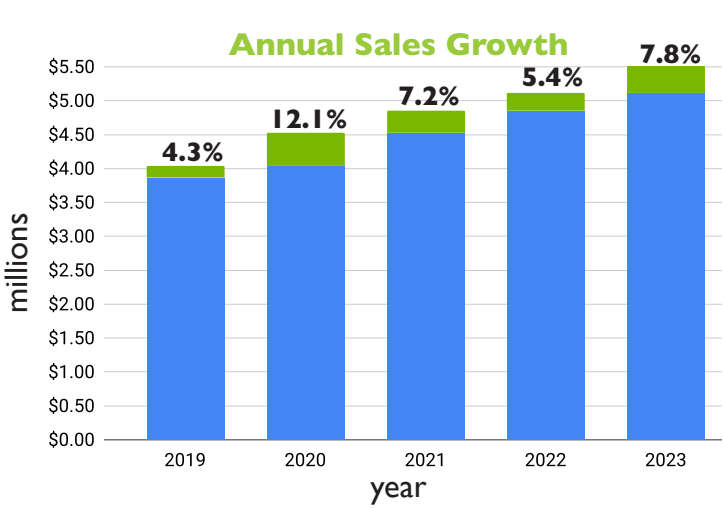
FREE Fresh Fruits and Veggies for Food Assistance Patrons



Credit/Debit Processing Fees



Senior/Student Discounts



# From the GM

Our little cooperative grocery store keeps on providing our community with a bounty of great food! Sales growth in 2023 was solid, and well above the average growth of our co-op peers. Sales have nearly doubled over the last 10 years. Our customer count surpassed where we were pre-pandemic, and continues to grow. At the same time, we continue to see larger basket sizes, nearly 30% larger than 2019.

We wouldn't be where we are today without the hard work of our entire team. They continue to take on responsibilities and tasks as I focus on the steady flow of demands that come with a relocation project. Our excellent leadership team is preparing for a larger staff in our new store.

Together our staff, farmers, owners, and community not only contributed to another record year of sales, but also helped build positive impact in our community and food systems. Through patronage, volunteering, rounding up, and investing, you kept us moving toward our Ends (see inside front cover).

Our relocation capital campaign successfully wrapped up in early 2023, bringing in over \$1 million in investments and donations. In the fall of last year we celebrated together as the co-op reached 50 years of service to our community. Throughout the year we were busy planning and preparing for the next 50 years!

We continued to support the community that supports us in 2023 through sponsorships, donations, partnerships and participation. Our on-going programs of Bring-a-Bag, Double Up Food Bucks, and Round UP at the register saw continued support and utilization in 2023.

Our relocation project saw its share of delays in 2023. In fact, it feels like every possible hurdle, no matter how small, presented itself along the way. And some of those hurdles even came with hurdles. From grants and financing, to engineering and supply chain disruption, we have pushed onward.

At the new store: All the walls are up. Plumbing, electric and mechanical rough ins are substantially complete. Our sales floor addition is being buttoned up as I write this, and the walls between the old and new have been removed. In some places it's actually starting to look like a grocery store. In some places there's even paint on the walls!

There is still a lot of work ahead as we make our way to the finish (starting?) line. We are targeting an early September opening, and we can hardly wait to get there!!

I continue to be grateful for the loyalty, support, patience, and excitement that you've all shared over this last year. We'll see you in the new store later this year!



**Curt Webb**  
General Manager

**\$5,512,001**

Total Sales

**126,338**

Total Transactions

**\$15,269**

Average Daily Sales

 **\$43.62**

Average Transaction



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BUSINESS EMAIL: [info@keweenaw.coop](mailto:info@keweenaw.coop)  
BOARD EMAIL: [board@keweenaw.coop](mailto:board@keweenaw.coop)

**\$117,156**

NCG Promotional Rebates  
Passed on to Customers

**\$11,677**

Co-op Deals & New Owner Coupons

**161+**

Cooperatives We Network With

**30**

Cooperatives On Our Shelves

**10**

Cooperatives We Do Business With

**5**

Cooperatives We Belong To

