



See what good food can do.

Treasurer Report - Fiscal Year 2024

September 1, 2023 – August 31, 2024

The Board of Directors engages a certified public accounting firm to review the financial records prepared by our cooperative's management, assuring our more than 15,000 member households that our internal accounting procedures meet Generally Accepted Accounting Principles (GAAP).

Once again, the CPA firm issued a clean opinion for the fiscal year ending Aug. 31, 2024. This means members and their representatives on the Board can rely on the financial data provided by management. All figures in this Treasurer's Report are drawn from the CPA-reviewed financials. The 2023–24 financials, presented at the annual meeting and included in the [2024 Annual Ends Report](#) have been updated to reflect key indicators from the CPA review and are referenced in this report.

Highlights from La Montañita's fiscal year financial summary include:

- A strong balance sheet
- Positive net income
- Significant cash investment

These results reflect the cooperative's continued financial strength and commitment to growth, which is further illustrated in the CPA review through three key financial statements that provide insight into our financial condition.

The **balance sheet** outlines what La Montañita is worth (assets), what it owes (liabilities), and the value of member ownership (member equity). Total assets are balanced by the sum of total liabilities and member equity.

The **income and expense statement** shows how much money La Montañita earned through sales (net sales), how that money was used to operate the business (cost of goods sold and other expenses), and what remained at the end (net income or loss).

The **cash flow statement** illustrates how money moved in and out of the co-op during the year, and shows how much cash we had at the start and end of the year, giving a complete picture of how we managed our funds.

It starts with our net income and then breaks down:

- Cash from daily business operations (sales)
- Money spent on investments (equipment or building upgrades)
- Money from financing (loans or repayments)
- and the overall increase or decrease in cash

BALANCE SHEET

La Montañita maintains a strong financial position. At the end of the fiscal year, our total assets were \$15.6 million, with \$7.3 million in total liabilities and \$8.3 million in member equity.

Our assets and liabilities increased last year because of a new accounting rule that requires us to include lease values in both liabilities and assets.

We have \$6.5 million in current assets, including \$3.6 million in cash, which gives us a healthy cushion to cover any short-term expenses. Most of our \$3.8 million in long-term debt is related to store lease agreements.

Member equity—the value that belongs to our membership—includes past patronage refunds and earnings from non-member sales over our 47-year history, which increased this year thanks to our net income.

In short: our cooperative's finances are stable and well-managed.

INCOME AND EXPENSE STATEMENT

In the past fiscal year, our net sales increased by nearly 3.5% to \$47.9 million. After accounting for discounts, cost of goods sold, other expenses and income, and taxes, we ended the year with a net income of \$67,000 — approximately 0.1% of sales. This slim margin reflects just how challenging it is to run a grocery business. Kudos to the outstanding work of our management and staff — your efforts truly make it all happen!

STATEMENT OF CASH FLOWS

Our net cash decreased by \$1.8 million compared to the previous year, due primarily to \$2.6 million in investments—most of which supported the new retail location at Avanyu Plaza. However, operating activities generated \$878,000 in cash flow, helping offset some of the decrease. In addition, nearly \$71,000 was used to repay member investments in the La Montañita Fund LLC, a microloan program launched in 2010 to support local producers. The program officially sunset in 2022. At the end of the fiscal year, cash on hand was \$3,627,869.

Retail sales continue to drive our success, contributing 88% of total revenue, with the remainder coming from our Distribution Center. While no patronage dividend was declared this year, our cooperative remains focused on strategic growth. With long-term leases secured across our locations and continued infrastructure investments, we are building a strong foundation for the future.

One of the most exciting milestones ahead is the opening of our North Valley retail location at Avanyu Plaza, located in the 19 Pueblos District of Albuquerque at Menaul and 12th Street NW. This 15-year lease, developed in partnership with the 19 Pueblos of New Mexico, represents a significant investment of more than \$10 million, including

\$5.5 million in financing. This expansion will reshape our balance sheet for Fiscal Year 2025 and help ensure the long-term sustainability of La Montañita Food Co-op.

On behalf of the Board of Directors, I want to thank our members, staff, and leadership team for their continued dedication and support. The financial results reflect not only the challenges of operating in a competitive grocery environment, but also the strength of our cooperative model and our shared commitment to local food, community, and sustainability. We look forward to the opportunities ahead and to continuing to grow together.

In cooperation,

Peter Chestnut

Board of Directors, Treasurer & Finance Committee Chair

La Montañita Food Co-op