



2025 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.

2025 Board of Directors

Rebecca Matuszak '27, *President*
Karin Cooper '27, *Vice President*
Stephen Jukuri '26, *Secretary*
Susan Serafini '26, *Treasurer*
John Kurkowski '27, *Director*
Danielle Ahrens '28, *Director*
Liz Fujita '28, *Director*
Ethan Stout '28, *Director*
board@keweenaw.coop

Outgoing General Manager

Curt Webb
curt@keweenaw.coop

Incoming General Manager

Josh Paakola
josh.p@keweenaw.coop

From the Board

It's been a very busy few years for our co-op community! We raised \$1 million in community investments, successfully completed a \$7 million relocation and construction project (outdoor seating area still to come!!) and then on top of that, we launched a search for a person to fill the role of General Manager.

After a lot of years, sweat and tears, and very nearly his life, Curt Webb made the decision to retire. The board of directors formed an ad hoc search committee, hired a recruiting company and launched a nationwide search. Over the course of 6 months, our search committee interviewed a variety of very talented individuals and constantly weighed our desire for experience, leadership, co-op culture, and community focus.

We are very excited to announce our selection of Jonathon (Josh) Paakola, a Houghton High School graduate and MTU alum, and now our new General Manager! Josh comes to the co-op with over 25 years of grocery retail management experience. After working in corporate environments, Josh made the intentional choice to move to a position that aligns more closely with his own values. He is excited to learn more about the cooperative business model and support the local growers and producers in the Keweenaw.

Hiring a general manager is one of the most significant tasks for a board of directors and we feel confident that Josh can successfully balance the grocery business side of this job with the mission of our co-op which is rooted in serving our community. Over the next year, we will work alongside him to develop a solid Board/ General Manager relationship, including familiarizing him with our governance policies and the cooperative principles.

We are excited to pursue an even stronger local presence, together. If you're unable to attend the annual meeting to meet Josh in person, and miss running into him at the store, you're welcome to attend one of our board meetings on the 2nd Wednesday of the month. Email boardpresident@keweenaw.coop to let me know you'll be coming!



Rebecca Matuszak
Board President

3,024

Keweenaw Co+op Owners

\$55,217

Owner: Appreciation Month Discounts

\$54,136

Owner: Special Order by the Case Discounts

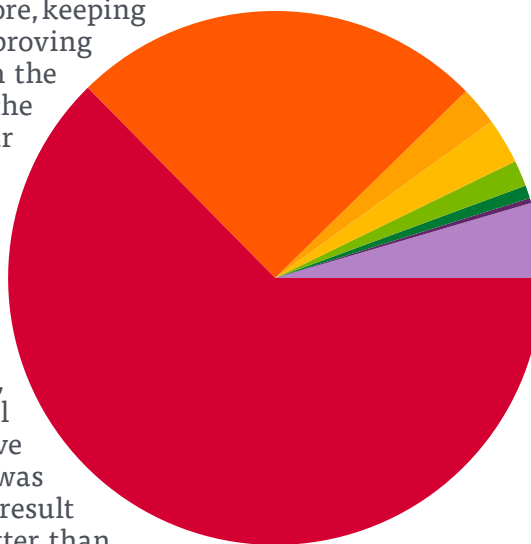
2025 was a year of settling into our new store, keeping up with above-projection sales, and improving systems that were developed as concepts in the old store and put to the test in the reality of the new store. Overall it was a great first full year in our new location! Sales growth of 29.7% took us over \$8.34 million in annual sales. In fact, sales exceeded what was projected for year three in the new store.

Gross Margin for the year was solid, slightly better than budget. Personnel expenses came in over budget. Occupancy, Operating, Marketing, and Governance all came in below budget while Administrative expenses exceeded budget. Depreciation was significantly below projections. The net result was a Net Operating loss, but still 2.3% better than projected.

Depreciation and Income Tax expenses are not final as of this report. We don't expect any significant changes to Depreciation. We anticipate offsetting a large portion of Net Income with carryover loss and Section 179 carryover of equipment expenses, minimizing the co-op's 2025 tax burden.

Other Income and Expense includes Relocation Grant income that did not pay out until the project was complete. This was a major influx of funds after the end of the project, and a major boost to the 2025 bottom line, but it served to offset cash we had already spent and debt we incurred to complete the project. Another notable figure is Interest expense on our construction and equipment loans.

Bottom line prior to pending Depreciation and Income Tax adjustments: Net Income was 12.7%. EBITDAP (earnings before interest, taxes, depreciation, amortization, and patronage refunds) was 20.4%.



Cost of Goods	63.5%
Personnel	25.4%
Occupancy	2.4%
Operations	2.8%
Administration	1.6%
Marketing/Outreach	0.8%
Governance	0.3%
Depreciation	4.6%
Net Income	-1.4%

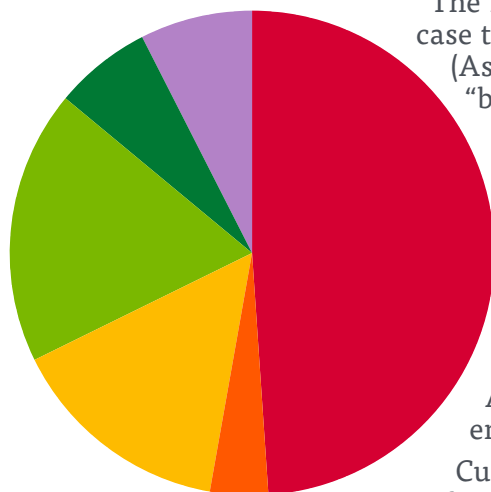
Income Statement

	FY 2023	FY 2024	FY 2025
Income	5,399,112	6,310,424	8,140,289
Cost of Goods	(3,471,047)	(3,975,759)	(5,172,906)
Gross Profit	\$1,928,065	\$2,334,665	\$2,967,383
OPERATING EXPENSES			
Personnel	1,376,609	1,600,392	2,071,811
Occupancy	77,942	85,401	192,456
Operating	188,256	689,021	227,832
Administrative	60,369	62,756	133,775
Marketing	37,406	52,342	61,413
Governance	23,790	21,653	20,773
Depreciation	31,554	122,356	374,074
Total Expenses	\$1,795,926	\$2,633,921	\$3,082,134
Operating Income	\$132,139	(\$299,256)	(\$114,749)
OTHER INCOME/EXPENSES			
Relocation Grant/Donation Income	84,554	194,738	1,406,657
Relocation Expenses	(76,067)	(170,227)	(70,729)
Interest Expense	-	(45,847)	(252,242)
Other Income/Expenses	30,337	22,433	66,399
Income Tax Paid	(16,119)	78,000	-*
Net Income	\$154,844	(\$220,160)	\$1,035,336

*estimated payment pending tax filing

Total Sales by Department

- **Grocery**
\$4,082,211 | 48.9%
- **Alcohol**
\$323,017 | 3.9%
- **Produce**
\$1,246,475 | 14.9%
- **Prepared Foods**
\$1,526,124 | 18.3%
- **Wellness**
\$540,972 | 6.5%
- **Meat**
\$625,485 | 7.5%



The Balance Sheet captures a moment in time, in this case the end of 2025. 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 2025 year-end Balance Sheet has settled into its post-relocation state. Current Assets increased significantly with the receipt of grant funds mentioned in the Income Statement notes. Fixed Assets decreased due to a year of depreciation and the value of our old store moving from Fixed Assets to Other Assets (Assets Held for Sale). Total Assets show an increase of \$783,219, or 11.5%, at the end of 2025.

Current Liabilities decreased as payables associated with project construction and equipment are no longer part of the picture. We also fully paid off our line of credit that we had used during the project to maintain cash flow. Long Term Liabilities peaked in 2025 and we are slowly but steadily paying down principal on our construction and equipment loans.

Equity grew in part due to additional Owner Equity, representing another year of strong growth of the co-op’s membership roll. Retained earnings decreased as a result of our 2024 net loss. The strong Net Income is attributable to the receipt of grant funds. Net Income is subject to change as explained in the Income Statement notes.

Balance Sheet Ratios have stabilized on the post-project balance sheet.

BALANCE SHEET RATIOS

Current Ratio 3.26 (benchmark 1.0 or above)
(Current Assets divided by Current Liabilities)
measures liquidity

Debt to Equity Ratio 1.22 (benchmark 2.0 or below)
(Total Liabilities divided by Total Equity)
measures solvency

Balance Sheet	DEC 31 2023	DEC 31 2024	DEC 31 2025
ASSETS			
Current Assets	1,195,529	565,306	1,687,078
Fixed Assets	1,984,009	6,050,697	5,627,364
Other Assets	130,632	216,768	301,548
Total Assets	\$3,310,170	\$6,832,771	\$7,615,990
LIABILITIES			
Current Liabilities	724,626	1,557,270	517,291
Long Term Liabilities	37,427	2,926,535	3,660,834
Total Liabilities	\$762,053	\$4,483,805	\$4,178,125
EQUITY			
Owner Equity	417,727	462,904	519,695
Retained Earnings	687,764	816,441	596,280
Investment Certificates	986,750	988,750	986,750
Retained Patronage	301,031	301,031	299,804
Net Income	154,845	(220,160)	1,035,336
Total Equity	\$2,548,117	\$2,348,966	\$3,437,865
Total Liabilities/Equity	\$3,310,170	\$6,832,771	\$7,615,990

These financial statements were prepared in-house. The external audit of 2025 financial statements is scheduled to be conducted in May 2026.

2025 Statistics

\$16,783

Round UP Donations - Western UP Food Bank, Keweenaw Wild Ones, Bridging Gaps Childcare, Calumet Free Fridge, & Superior Search and Rescue

 **\$10,015**

FREE Fresh Fruits and Veggies for Food Assistance Patrons

\$21,886

Community Sponsorships/Donations

\$22,814

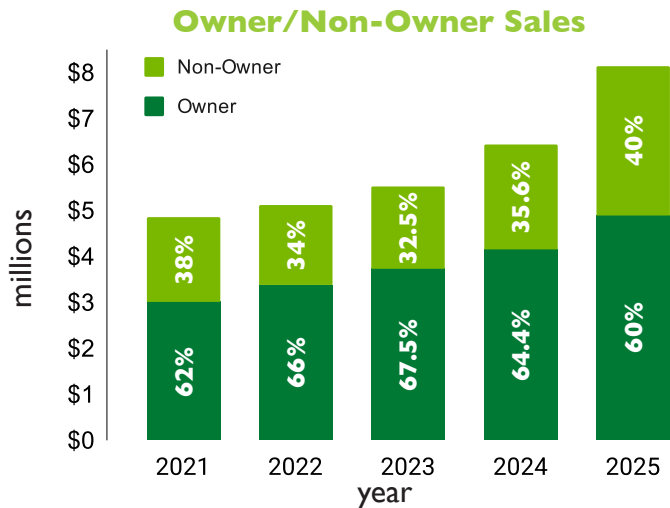
Senior/Student Discounts

 **368**

Staff Training Hours

\$35,608

Employee Retirement Match



From the GM

Keweenaw Co-op concluded our first full year in our new store and we are in a good place! 2025 was a year of perfecting systems, reviewing product mix, and most importantly keeping up with sales growth and customer counts that were above and beyond projections. Growth of 29.7% yielded \$8.34 million in sales. In fact, that exceeded what was projected for year three in this store. We truly are getting more good food to more people in our community!

As a community-owned, member-controlled organization adhering to cooperative principles and values, we measure our success in multiple ways including community impact and engagement, local economic impact, and sustainability. We strive to run a financially sound business and to be an employer of choice in our community.

The co-op processed over 200,000 customer transactions in 2025. Our new store, with its improved visibility and access, has drawn far more community members through our doors. Owner patronage was 60% of sales, while non-owners accounted for 40%.

Sales of local producer goods doubled in 2025, and demand continues to outpace supply. This prompted our recent Retail Readiness program to get more local producers positioned to sell to the co-op and other local retailers.

We installed bike racks, planted a Native plant garden in partnership with Keweenaw Wild Ones, and added two EV Charging Stations thanks to Superior Watershed Partnership. E-receipts are now available for owners, and we added real silverware for the cafe!

Our ongoing programs of Bring-a-Bag, Double Up Food Bucks and Round UP at the register saw strong utilization in 2025. We are proud of our ongoing support of the Copper Shores Bridges program that allows community members who have been trapped in generational poverty to learn the skills and develop their mindset to move out of poverty. The co-op provides each cohort with gift cards for food and we visit a class to discuss healthy eating, stretching the grocery dollar, and our food access programs.

In 2025 we laid the groundwork for other initiatives that have since launched in 2026: Prescription for Health in partnership with UPCAP, and the World of Flavor spice education program with Portage Lake District Library.

We have a strong team. It is our staff's hard work and dedication that makes an impact in our community every day. We continue to develop our staff and leadership team to be excellent grocers. Staff utilization of the 401k retirement benefit has been strong, with the co-op matching over \$35,000 in retirement savings in 2025.

We welcomed 361 new owners in 2025, nearly one a day. Lunchtime is a booming business for our prepared foods department, and in response we've added new programs to satisfy that hunger. Storewide we continue to focus on knowledgeable and friendly customer service.

The co-op is financially strong one year after a major project. Margin and expenses were for the most part in line with expectations. Equity continues to grow, and we have a comfortable sum of cash in the bank, all while servicing project debt. More details are in the financial summaries on pages 4-5.

Our management team carried a lot of responsibilities in 2025 as I continued my recovery. I am particularly grateful to Denise Hansen, who served as acting GM through the end of the year, partnering with me on management duties. Our entire team does such an amazing job providing an excellent customer experience and keeping our community supplied with healthy food.

The remainder of 2026 will see a few projects, most excitingly outdoor seating! The coming year's main focus is on getting the new General Manager settled and up to speed so he can comfortably develop his own strategic plan. I intend to support the transition as best I can, moving to part time in the near-term, and then on an as-needed basis.

This is my 22nd and final Annual Report. I appreciate the opportunity to lead the Keweenaw Co-op for all of these years. The co-op is a community endeavor, and it is the community's support and feedback that has allowed us to focus, sustain and grow our impact. This is the constant in the midst of change, and with your continued support the co-op will continue to thrive. Thank you!



Curt Webb
General Manager

\$8,344,483

Total Sales

\$204,194

\$8,140,289

Discounts

Income

200,125

Total Transactions

\$22,988

Average Daily Sales



\$40.70

Average Transaction



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Business Email: info@keweenaw.coop
Board Email: board@keweenaw.coop

\$161,050

NCG Promotional Rebates
Passed on to Customers

\$13,638

Co-op Deals & New Owner Coupons

167+

Cooperatives We Network With

32

Cooperatives On Our Shelves

11

Cooperatives We Do Business With

5

Cooperatives We Belong To

