



# ANNUAL REPORT

For the Years Ended March 31, 2024 and 2023

## OFFICERS, DIRECTORS, AND MANAGEMENT

Tom Turngren	President
Cliff Williams	Vice President
Julie Greene	Secretary
Dan Rusch	Treasurer
Emmett Brown	Director
Kathy Prenn	Director
Wendy Williamson	Director
Michael Covelli	General Manager

*“This summarized financial information has been extracted from the complete financial statements, footnotes, auditor’s opinion and supplementary information, which are on file in the Cooperative’s office.”*

**NORTHERN LAKES COOPERATIVE**  
**BALANCE SHEETS**  
**March 31, 2024 and 2023**

**ASSETS**

	<b>2024</b>	<b>2023</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 126,879	\$ 378,778
Certificates of deposits	1,093,091	860,758
Receivables	323,709	416,693
Allowance for credit losses	(25,000)	(8,490)
Inventories	2,557,165	2,160,482
Prepaid expense	24,933	75,610
Note receivable	4,387	3,415
Total Current Assets	4,105,164	3,887,246
<b>PROPERTY AND EQUIPMENT</b>		
Land, buildings, and equipment	10,033,695	9,522,032
Accumulated depreciation	(5,851,223)	(6,069,677)
Property and Equipment, Net	4,182,472	3,452,355
<b>OTHER ASSETS</b>		
Investments in other cooperatives	3,207,674	3,404,064
Note receivable	14,604	17,558
Total Other Assets	3,222,278	3,421,622
<b>TOTAL ASSETS</b>	<b>\$ 11,509,914</b>	<b>\$ 10,761,223</b>

**LIABILITIES AND PATRONS' EQUITIES**

<b>CURRENT LIABILITIES</b>		
Short-term note payable	\$ 489,856	\$ 615,060
Current portion of long term debt	272,782	863,839
Accounts payable	582,023	1,060,208
Income taxes payable	93,074	43,700
Accrued expenses and other liabilities	280,850	317,897
Patron credit balances	1,189,543	997,456
Patronage payable in cash	180,000	175,000
Total Current Liabilities	3,088,128	4,073,160
<b>LONG-TERM LIABILITIES</b>		
Long-term debt	53,897	134,690
Deferred tax liabilities	118,844	58,081
Total Long-term Liabilities	172,741	192,771
Total Liabilities	3,260,869	4,265,931
<b>PATRONS' EQUITIES</b>		
Patron equity - qualified	2,810,769	2,582,735
Patron equity - nonqualified	667,295	675,385
Patronage payable in equities	270,000	225,000
General reserve	4,500,981	3,012,172
Total Patrons' Equities	8,249,045	6,495,292
<b>TOTAL LIABILITIES AND PATRONS' EQUITIES</b>	<b>\$ 11,509,914</b>	<b>\$ 10,761,223</b>

**NORTHERN LAKES COOPERATIVE**  
**STATEMENTS OF OPERATIONS**  
For the Years Ended March 31, 2024 and 2023

	2024	Percent of Sales	2023	Percent of Sales
Sales	\$ 15,442,101	100.0 %	\$ 17,118,815	100.0 %
Cost of sales	10,908,772	70.6	12,809,108	74.8
<b>GROSS MARGIN</b>	4,533,329	29.4	4,309,707	25.2
<b>OPERATING EXPENSES</b>				
Merchandising				
Wages, payroll taxes and benefits	2,658,576		2,581,222	
Truck expense	190,871		131,868	
Supplies and repairs	141,240		136,815	
Utilities	77,937		80,757	
Advertising	64,388		36,208	
Total Merchandising	3,133,012	20.3	2,966,870	17.3
General				
Property taxes	38,640		36,202	
Insurance	199,438		195,078	
Depreciation	345,489		295,893	
Rent and lease expense	23,045		18,859	
Credit card expense	218,204		215,952	
Miscellaneous expense	122,119		127,086	
Total General	946,935	6.1	889,070	5.2
Administrative				
Directors' fees and expense	5,720		3,680	
Office supplies and postage	106,193		77,734	
Meetings and travel	32,465		24,401	
Telephone	29,639		30,810	
Professional services	41,489		41,939	
Total Administrative	215,506	1.4	178,564	1.1
<b>TOTAL OPERATING EXPENSES</b>	4,295,453	27.8	4,034,504	23.6
<b>NET OPERATING MARGIN</b>	237,876	1.6	275,203	1.6
<b>OTHER INCOME (EXPENSE)</b>				
Finance charges	3,213		6,301	
Other income, net	1,369,333		(10,822)	
Credit loss (expense) recovery	(39,330)		473	
Interest expense	(29,649)		(42,342)	
Total Other Income (Expense)	1,303,567	8.4	(46,390)	(0.3)
<b>LOCAL NET MARGIN</b>	1,541,443	10.0	228,813	1.3
Patronage refunds received	567,833	3.7	324,425	1.9
<b>MARGIN BEFORE INCOME TAXES</b>	2,109,276	13.7	553,238	3.2
Income tax expense	(172,563)	1.2	(51,370)	0.3
<b>NET MARGIN</b>	<u>\$ 1,936,713</u>	<u>12.5 %</u>	<u>\$ 501,868</u>	<u>2.9 %</u>