



ANNUAL REPORT

For the Years Ended March 31, 2025 and 2024

OFFICERS, DIRECTORS, AND MANAGEMENT

Tom Turngren	President
Cliff Williams	Vice President
Julie Greene	Secretary
Dan Rusch	Treasurer
Emmett Brown	Director
Kathy Prenn	Director
Bill Cochran	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, 2025 and 2024

ASSETS

	2025	2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 364,656	\$ 126,879
Certificates of deposits	655,856	1,093,091
Receivables	263,863	323,709
Allowance for credit losses	(25,072)	(25,000)
Inventories	2,870,689	2,557,165
Prepaid expense	24,199	24,933
Note receivable	3,948	4,387
Total Current Assets	4,158,139	4,105,164
PROPERTY AND EQUIPMENT		
Land, buildings, and equipment	10,601,450	10,033,695
Accumulated depreciation	(5,135,413)	(5,851,223)
Property and Equipment, Net	5,466,037	4,182,472
OTHER ASSETS		
Investments in other cooperatives	2,777,997	3,207,674
Note receivable	11,405	14,604
Total Other Assets	2,789,402	3,222,278
TOTAL ASSETS	<u>\$ 12,413,578</u>	<u>\$ 11,509,914</u>

LIABILITIES AND PATRONS' EQUITIES

CURRENT LIABILITIES		
Short-term note payable	\$ 1,213,950	\$ 489,856
Current portion of long term debt	111,893	272,782
Accounts payable	390,025	582,023
Income taxes payable	4,288	93,074
Accrued expenses and other liabilities	320,791	280,850
Patron credit balances	867,592	1,189,543
Patronage payable in cash	140,000	180,000
Total Current Liabilities	3,048,539	3,088,128
LONG-TERM LIABILITIES		
Long-term debt	576,193	53,897
Deferred tax liabilities	130,095	118,844
Total Long-term Liabilities	706,288	172,741
Total Liabilities	3,754,827	3,260,869
PATRONS' EQUITIES		
Patron equity - qualified	3,058,596	2,810,769
Patron equity - nonqualified	663,641	667,295
Patronage payable in equities	140,000	270,000
General reserve	4,796,514	4,500,981
Total Patrons' Equities	8,658,751	8,249,045
TOTAL LIABILITIES AND PATRONS' EQUITIES	<u>\$ 12,413,578</u>	<u>\$ 11,509,914</u>

NORTHERN LAKES COOPERATIVE
STATEMENTS OF OPERATIONS
For the Years Ended March 31, 2025 and 2024

	2025	Percent of Sales	2024	Percent of Sales
Sales	\$ 15,151,626	100.0 %	\$ 15,442,101	100.0 %
Cost of sales	10,576,638	69.8	10,908,772	70.6
GROSS MARGIN	4,574,988	30.2	4,533,329	29.4
OPERATING EXPENSES				
Merchandising				
Wages, payroll taxes and benefits	2,608,592		2,658,576	
Truck expense	156,575		190,871	
Supplies and repairs	173,765		141,240	
Utilities	74,085		77,937	
Advertising	70,145		64,388	
Total Merchandising	3,083,162	20.3	3,133,012	20.3
General				
Property taxes	40,876		38,640	
Insurance	191,615		199,438	
Depreciation	393,140		345,489	
Rent and lease expense	17,942		23,045	
Credit card expense	236,357		218,204	
Miscellaneous expense	158,780		122,119	
Total General	1,038,710	6.9	946,935	6.1
Administrative				
Directors' fees and expense	6,594		5,720	
Office supplies and postage	90,051		106,193	
Meetings and travel	23,187		32,465	
Telephone	27,265		29,639	
Professional services	44,440		41,489	
Total Administrative	191,537	1.3	215,506	1.4
TOTAL OPERATING EXPENSES	4,313,409	28.5	4,295,453	27.8
NET OPERATING MARGIN	261,579	1.7	237,876	1.6
OTHER INCOME (EXPENSE)				
Finance charges	5,301		3,213	
Other income, net	190,876		1,369,333	
Credit loss (expense) recovery	8,984		(39,330)	
Interest expense	(42,949)		(29,649)	
Total Other Income (Expense)	162,212	1.1	1,303,567	8.4
LOCAL NET MARGIN	423,791	2.8	1,541,443	10.0
Patronage refunds received	203,892	1.3	567,833	3.7
MARGIN BEFORE INCOME TAXES	627,683	4.1	2,109,276	13.7
Income tax expense	(54,151)	0.3	(172,563)	1.2
NET MARGIN	<u>\$ 573,532</u>	<u>3.8 %</u>	<u>\$ 1,936,713</u>	<u>12.5 %</u>