ANNUAL OWNER MEETING 2024

WELCOME, OWNERS!

2024 IVFC ANNUAL OWNER MEETING AGENDA

SATURDAY, NOVEMBER 16, 2024 AT 5PM

1. OWNER WELCOME AND QUORUM COUNT
2. FISCAL YEAR 2024 ANNUAL REPORT FROM GENERAL MANAGER
3. 2024 REPORT FROM BOARD PRESIDENT
4. IVFC BYLAWS UPDATE PRESENTATION & VOTE
5. OWNER Q & A

GENERAL MANAGER REPORT

2024

Financial Discipline

Besides acquiring a new store, we only increased our personnel expenses by 4.4% and overall expenses by 18.5% dramatically increasing our productivity and creating a path for a sustainable future.

New Members

Our Member Drive Month ended with 378 new members. Our goal for Fisca Year End 2025 is to enroll 1,500 new members. A new member referral program has some traction but needs more support.

Insurance Contracts

Despite State-wide sharp increase of insurance premiums, by the end of 2024, we were able to negotiate reductions of 5% in our policies.

New Store

A new store gives us a presence in downtown Santa Barbara with a reach to over 30,000 new households. This store helped offset sales declining in IV (-20%) and achieving a 13.2% increase.

Student Membership

Our student membership incentives were a success, and we stopped the year-to-year membership attrition. A program with Education First for student meal vouchers also brought good results.

Avoided Closure

By the end of Fiscal Year End 2023 we faced the real prospect of inminent closure. Bold actions helped us remain alive for another year, but further measures and investment is needed avoid catastrophe.

A Year of Achievements

isla vista FOOD CO-OP

- The Isla Vista store continued its decline with sales falling another 20% in Fiscal Year 2024.
- The Downtown Market allowed us to **increase** profits by 29% at Fiscal Year End 2024.
- However, the decline in the initial 2 quarters (October – March) meant we experienced a net loss.
- In the 4th quarter (July– September) we achieved a balanced operation.
- We established a basis for sustainability but our working capital is minimal.
- An increase in equity is required to improve our overall financial position.

Even with major challenges, we have survived through 2024.

isla vista FOOD CO-OP

A NEW STORE & A NEW BEGINNING

On December 29th 2023, we signed an agreement to purchase the Old Cantwell's Market in Santa Barbara.

The newly branded IVFC Downtown Market increased our cash flows and provided us with the ability to extend our reach within SB County.

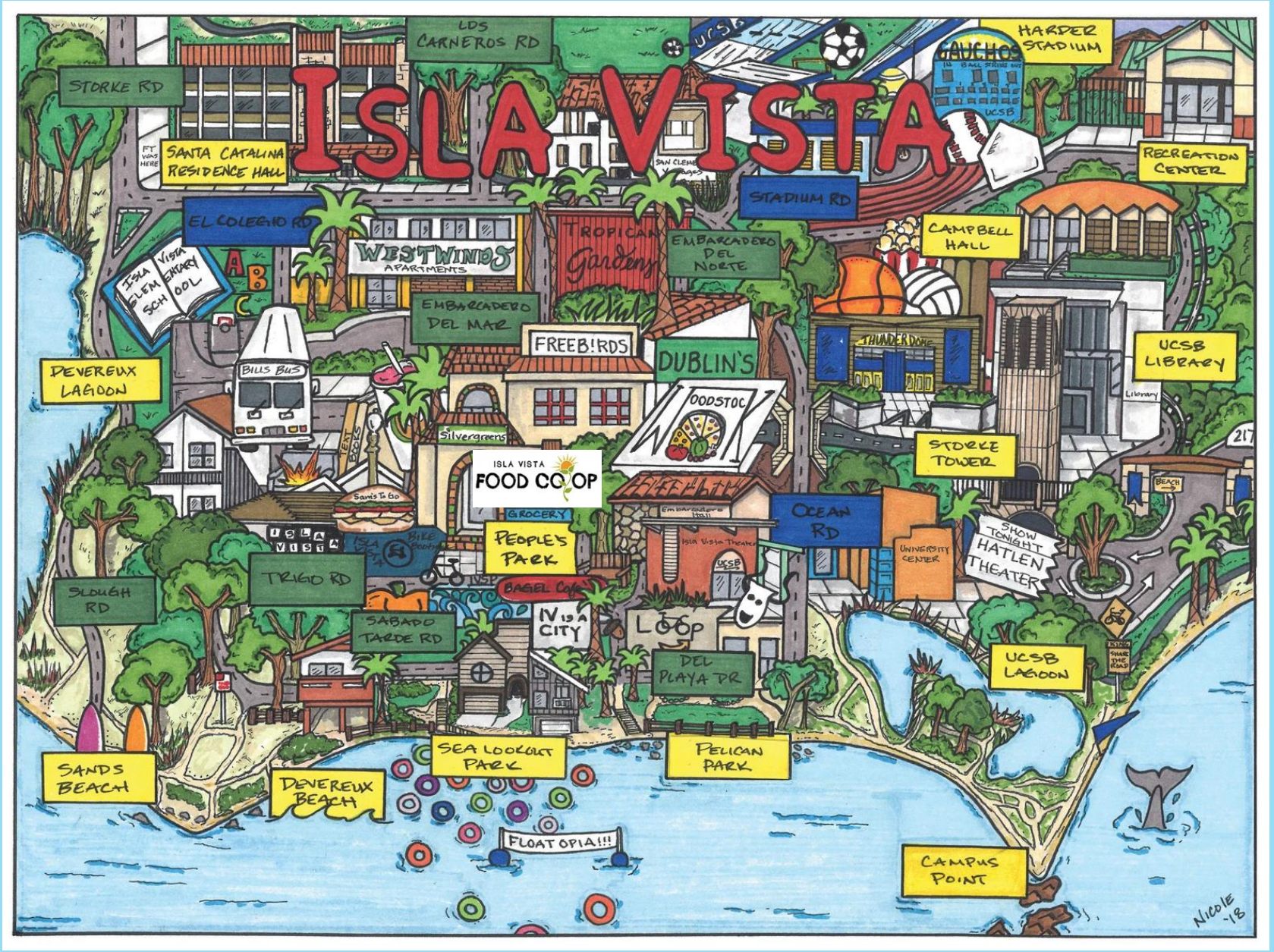
The new store places us one step closer to the goal of achieving financial sustainability

ISLA VISTA FOOD CO-OP
DOWNTOWN MARKET
COMMUNITY-OWNED
OPEN TO EVERYONE

isla vista
FOOD CO-OP

Our beloved Little Co-op by the Sea is an icon and resource for the community of Isla Vista.

We want to continue being a beacon that shines our shared values to future generations.



isla vista FOOD COOP

Our new Downtown Market has already won important recognitions.

It is a testament to the devotion and dedication of our staff, specially, those new members of our family working daily at the Downtown Market location.

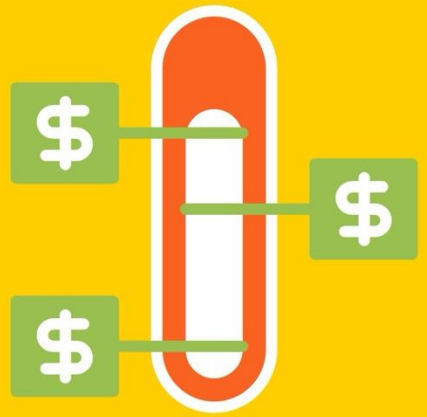
Congrats to the team!

isla vista FOOD CO-OP

Economic Resilience

Strengthen our cooperative by ensuring fiscal security for the IVFC's future.

2024 Update: Our Co-op is in bad shape, but we keep improving our financial leverage and key performance metrics.



2024/2023 Fiscal Year Compared (Fiscal Year)

Sales 13% ↑

Profit Margin 29% ↑

Active Members 1,756 ↑

Cash at Hand $230K ↓

Net Income $-326K ↑

Ticket Value 5% ↓

Customers 15% ↑

isla vista FOOD CO-OP

Economic Resilience

Strengthen our cooperative by ensuring fiscal security for the IVFC's future.

2024 Update: Comparing Fiscal Years 2023 & 2024, we have increased liabilities and a reduction in cash.

Isla Vista Food Co-op

Balance Sheet

As of September 30, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	$230,549.43
Accounts Receivable	$3,741.06
Other Current Assets	$290,380.80
Total Current Assets	$524,671.29
Fixed Assets	$2,059,286.25
Other Assets	$94,077.66
TOTAL ASSETS	$2,678,035.20
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	$143,669.02
Credit Cards	$25,192.73
Other Current Liabilities	$117,310.66
Total Current Liabilities	$286,172.41
Long-Term Liabilities	$1,977,700.68
Total Liabilities	$2,263,873.09
Equity	$414,162.11
TOTAL LIABILITIES AND EQUITY	$2,678,035.20

isla vista FOOD CO-OP

Economic Resilience

Strengthen our cooperative by ensuring fiscal security for the IVFC's future.

2024 Update: We reduced losses from previous year, but still had a substantial loss due to poor performance at IV.

Isla Vista Food Co-op

Profit and Loss

October 2023 - September 2024

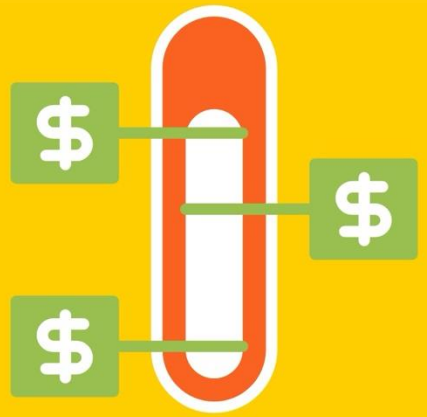
	TOTAL		
	OCT 2023 - SEP 2024	OCT 2022 - SEP 2023 (PY)	% CHANGE
Income			
40005 Sales Income	3,939,324.46	3,509,130.63	12.26 %
60015 Vendor Rebate	33,495.57		
Total Income	**$3,972,820.03**	**$3,509,130.63**	**13.21 %**
Cost of Goods Sold	$2,352,389.04	$2,255,792.47	4.28 %
GROSS PROFIT	$1,620,430.99	$1,253,338.16	29.29 %
Expenses			
51000 Personnel	1,220,587.22	1,172,205.41	4.13 %
51006 Vacation Expense	-6,284.45		
53000 Operating	660,713.46	391,750.54	68.66 %
54000 Marketing	34,216.06	24,060.58	42.21 %
55000 Governance	2,790.86	23,038.70	-87.89 %
Total Expenses	**$1,912,023.15**	**$1,611,055.23**	**18.68 %**
NET OPERATING INCOME	$ -291,592.16	$ -357,717.07	18.49 %
Other Income	$12,827.82	$29,893.19	-57.09 %
Other Expenses	$60,601.73	$43,196.71	40.29 %
NET OTHER INCOME	$ -47,773.91	$ -13,303.52	-259.11 %
NET INCOME	$ -339,366.07	$ -371,020.59	8.53 %

isla vista FOOD CO-OP

Economic Resilience

Strengthen our cooperative by ensuring fiscal security for the IVFC's future.

2024 Update: Our cash on hand received an influx as we were able to obtained SBA loan for $250,000 & ERC credit of $187,000.



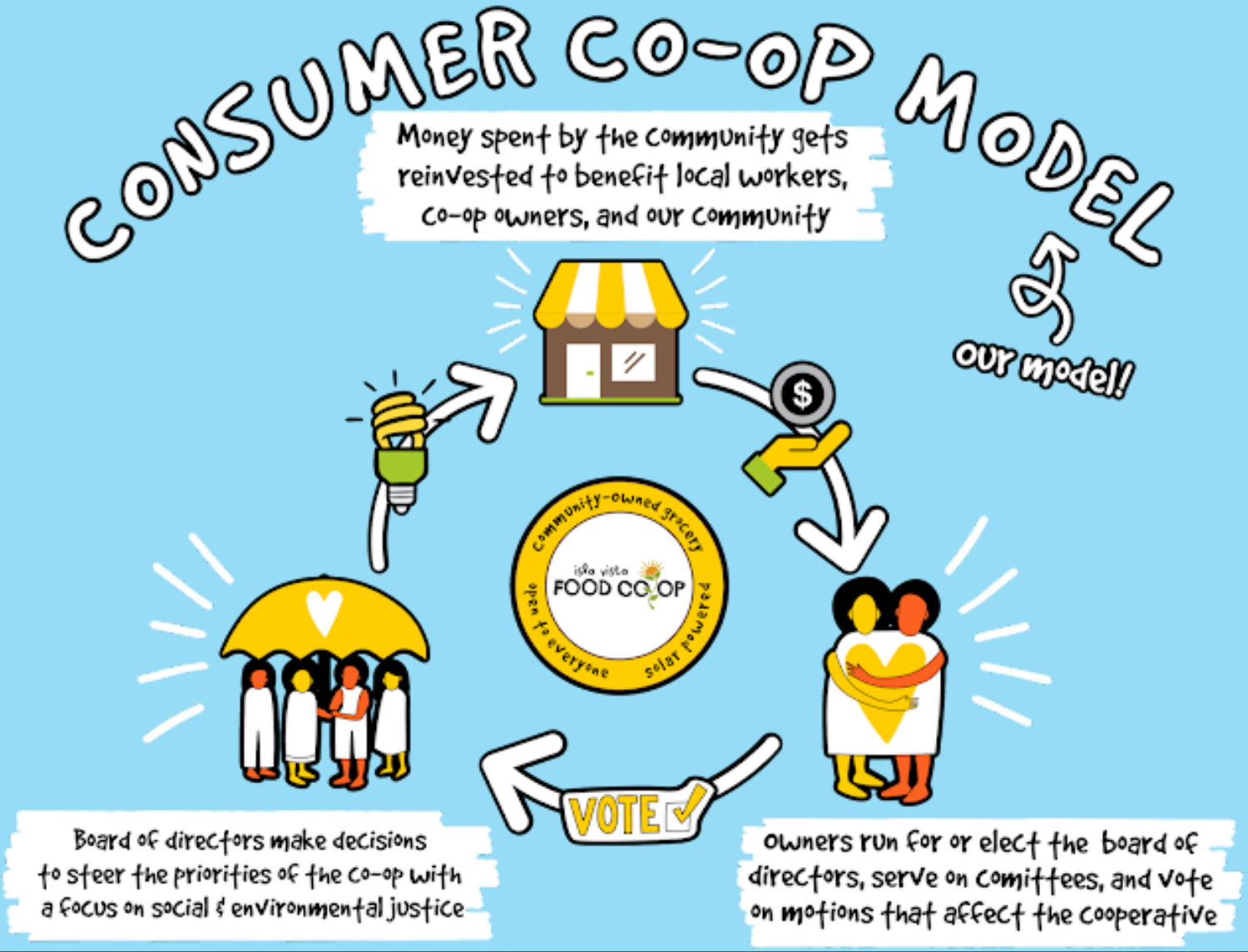
Isla Vista Food Co-op

Statement of Cash Flows

October 2023 - September 2024

	TOTAL
OPERATING ACTIVITIES	
Net Income	-339,366.07
Adjustments to reconcile Net Income to Net Cash provided by operations:	-49,909.04
Net cash provided by operating activities	**$ -389,275.11**
INVESTING ACTIVITIES	**$ -474,367.72**
FINANCING ACTIVITIES	**$1,035,129.20**
NET CASH INCREASE FOR PERIOD	**$171,486.37**
Cash at beginning of period	59,063.06
CASH AT END OF PERIOD	**$230,549.43**

CONSUMER CO-OP MODEL



We continue to keep faithful to our cooperative's mission and strategic priorities.

BOARD OF DIRECTORS REPORT

2024

MEET THE BOARD

NEAL SINGH
BOARD TREASURER
2024 - 2026

LISA OGLESBY
BOARD PRESIDENT
2024 - 2026

MARCELINO SEPULVEDA
BOARD SECRETARY
2024 - 2026

BILL PALMISANO
BOARD DIRECTOR
2024 - 2026

TYLER MARTON
BOARD DIRECTOR
2023 - 2025

MEGAN ASHLEY
OWNER ENGAGEMENT
COMMITTEE CHAIR
2023 - 2025

ERIC SCHUG
BOARD DIRECTOR
2023 - 2025

WHAT IS THE ROLE OF THE BOARD?

VISION & LONG-TERM PLANNING

GUIDING POLICIES & GOVERNANCE DOCUMENTS

STRATEGIC PRIORITIES

REPRESENTATIVE IVFC OWNER LEADERSHIP

OVERSIGHT OF THE GENERAL MANAGER

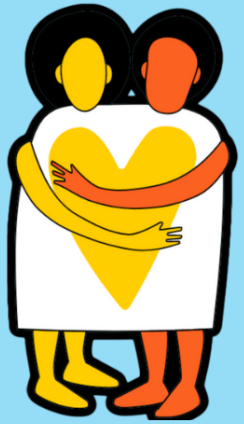
WAYS TO SUPPORT YOUR CO-OP

TELL YOUR FRIENDS ABOUT THE CO-OP!

WANT TO GET MORE INVOLVED?

Come to a Board Meeting!

Serve on the Owner Engagement Committee



Run for a seat on YOUR Board of Directors

BYLAWS UPDATE

2024

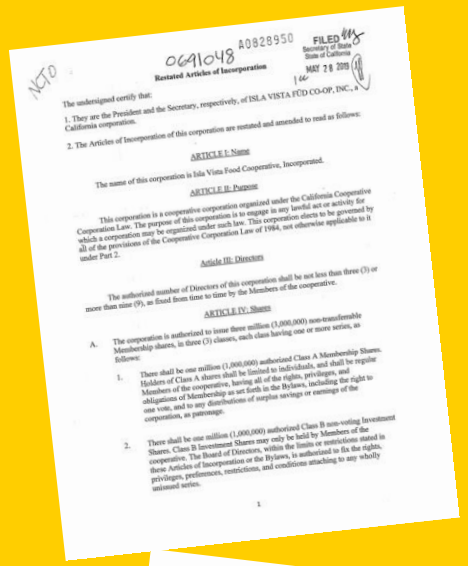
IVFC BYLAWS

What are the bylaws?

A cooperative's bylaws are the agreement between its owners, detailing how the co-op will be run.

Co-ops are organized by 3 levels of documents: Articles of Incorporation, bylaws, and policies & protocols.

ARTICLES OF INCORPORATION



Restated Articles of Incorporation

The undersigned certify that:

1. They are the President and the Secretary, respectively, of ISLA VISTA FOOD CO-OP, INC., a California corporation.

2. The Articles of Incorporation of this corporation are restated and amended to read as follows:

ARTICLE I: Name

The name of this corporation is Isla Vista Food Cooperative, Incorporated.

ARTICLE II: Purpose

This corporation is a cooperative corporation organized under the California Cooperative Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law. This corporation elects to be governed by all of the provisions of the Cooperative Corporation Law of 1984, not otherwise applicable to it under Part 2.

Article III: Directors

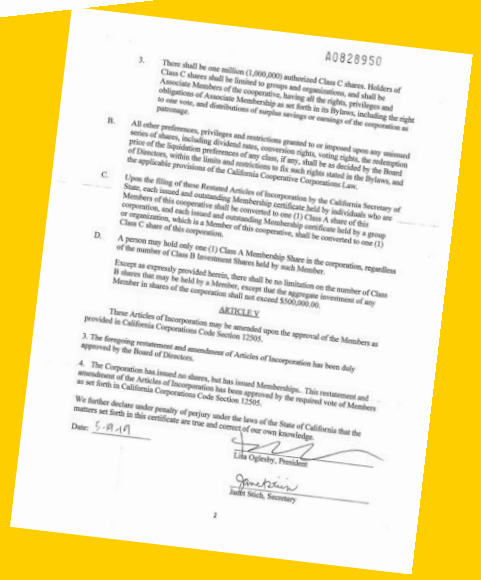
The authorized number of Directors of this corporation shall be not less than three (3) or more than nine (9), as fixed from time to time by the Members of the cooperative.

ARTICLE IV: Shares

A. The corporation is authorized to issue three million (3,000,000) non-transferrable Membership shares, in three (3) classes, each class having one or more series, as follows:

1. There shall be one million (1,000,000) authorized Class A Membership Shares. Holders of Class A shares shall be limited to individuals, and shall be regular Members of the cooperative, having all of the rights, privileges, and obligations of Membership as set forth in the Bylaws, including the right to one vote, and to any distributions of surplus savings or earnings of the corporation, as patronage.

2. There shall be one million (1,000,000) authorized Class B non-voting Investment Shares. Class B Investment Shares may only be held by Members of the cooperative. The Board of Directors, within the limits or restrictions stated in these Articles of Incorporation or the Bylaws, is authorized to fix the rights, privileges, preferences, restrictions, and conditions attaching to any wholly unissued series.



A0828950

3. There shall be one million (1,000,000) authorized Class C shares. Holders of Class C shares shall be limited to groups and organizations, and shall be Associate Members of the cooperative, having all the rights, privileges and obligations of Associate Membership as set forth in its Bylaws, including the right to one vote, and distributions of surplus savings or earnings of the corporation as patronage.

B. All other preferences, privileges and restrictions granted to or imposed upon any unissued series of shares, including dividend rates, conversion rights, voting rights, the redemption price of the liquidation preferences of any class, if any, shall be as decided by the Board of Directors, within the limits and restrictions to fix such rights stated in the Bylaws, and the applicable provisions of the California Cooperative Corporations Law.

C. Upon the filing of these Restated Articles of Incorporation by the California Secretary of State, each issued and outstanding Membership certificate held by individuals who are Members of this cooperative shall be converted to one (1) Class A share of this corporation, and each issued and outstanding Membership certificate held by a group or organization, which is a Member of this cooperative, shall be converted to one (1) Class C share of this corporation.

D. A person may hold only one (1) Class A Membership Share in the corporation, regardless of the number of Class B Investment Shares held by such Member.

Except as expressly provided herein, there shall be no limitation on the number of Class B shares that may be held by a Member, except that the aggregate investment of any Member in shares of the corporation shall not exceed $500,000.00.

ARTICLE V

These Articles of Incorporation may be amended upon the approval of the Members as provided in California Corporations Code Section 12505.

3. The foregoing restatement and amendment of Articles of Incorporation has been duly approved by the Board of Directors.

4. The Corporation has issued no shares, but has issued Memberships. This restatement and amendment of the Articles of Incorporation has been approved by the required vote of Members as set forth in California Corporations Code Section 12505.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

Date: 5-9-19

Lisa Oglesby, President

Janet Stich, Secretary

Our Articles of Incorporation were originally filed in 1973, then restated in 1980, and then again in 2019. Each time to clarify the exact structure of the co-op in line with CA law. All amendments to the Articles of Incorporation require owner approval.

IVFC BYLAWS

In accordance with the Articles of Incorporations, co-op bylaws contain more detailed information about how the co-op shall be run and maintained. It an operating manual for the co-op, specifying rights and responsibilities of owners and how they interact with each other and the cooperative. Much of this is mandated by cooperative law. Any substantive amendments to the bylaws require approval of the owners. [IVFC bylaws section 14.1]

POLICIES AND PROTOCOLS

Subsequent to the bylaws, the operational protocols and governance policies fill in the finer details of how we do our work. These are under the purview of the co-op's Board, or General Manager, or both.

IVFC BYLAWS

Why do the IVFC bylaws need to be amended?

Our co-ops bylaws have not been updated since 2010. Current bylaws are missing many important sections and require additional updates that have come into law since that time. Over the last few years, your Board has been working on updating the IVFC bylaws to ensure they are:

- in accordance with current law
- in concert with how the co-op operates
- easier to read and review

IVFC BYLAWS

How do I get information about the proposed changes?

For those of you in-person, there is a copy of bylaws comparison on each of your tables.

For those of you on Zoom, click on the link provided in the chat. This information will also been emailed to everyone who has RSVPed to this meeting - and will be posted again in the owner eNews.

Additionally, the Board will be hosting informational meetings to further explain the changes and necessity of this amendment vote.

How do I vote on amending the bylaws?

IVFC BYLAWS

Voting begins now, at the Annual Owner meeting and runs until January 31, 2025.

Voting is through our secure survey site at:
https://www.surveymonkey.com/r/IVFCBylaws2024

What would happen if the proposed bylaws were not amended?

These changes are crucial to the ongoing work of the co-op. The Board recommends that the ownership pass the amended bylaws in order to secure smooth operations and accordance with legal requirements.

THANK YOU FOR COMING TO OUR ANNUAL OWNER MEETING!

For more info, contact us at:

BOARD@ISLAVISTAFOOD.COOP