



# ANNUAL REPORT 2024





## END GOAL

THREE RIVERS MARKET, A COOPERATIVE CENTER OF SUSTAINABLE COMMERCE, EXISTS TO BENEFIT ITS MEMBERS BY CREATING AND NOURISHING A HEALTHIER ENVIRONMENT, HEALTHIER PEOPLE, AND A HEALTHIER COMMUNITY.

## VISION OF SUCCESS

OUR LOCAL AND COOPERATIVE ECONOMY IS ETHICAL, SUSTAINABLE, AND STRONG.

OUR COMMUNITY HAS ACCESS TO HEALTHY FOOD.

OUR NATURAL WORLD IS RESPECTED, PROTECTED, AND RESTORED.

OUR PEOPLE ARE HAPPY.

# CONTENTS

3

**MESSAGE FROM THE  
GENERAL MANAGER**

4

**ACKNOWLEDGMENTS**

5

**2024 HIGHLIGHTS**

6

**COMMUNITY**

8

**NOURISHING CHANGE**

9

**FINANCIALS**

12

**COMMITTEE UPDATES**

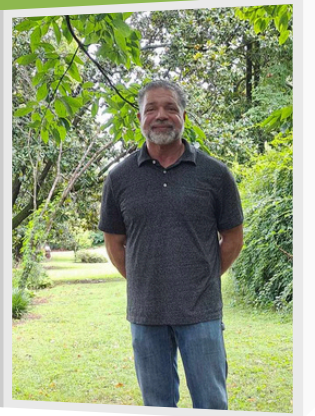
13

**GOALS AND  
COMMITMENTS**





## Fadi Aboush General Manager



### **Dear Members, Partners, and Community Supporters**

As we reflect on another remarkable year at Three Rivers Market, I am filled with gratitude for the collective efforts that have brought us to where we are today. This past fiscal year, we have continued to grow as a cooperative center of sustainable commerce, creating and nourishing a healthier environment, healthier people, and a healthier community. Together, we've reached significant milestones that reflect the strength and vision of our co-op. From producing over **19,586 kWh** of clean energy through our solar panels to delivering 11,310 cardboard trays to Young-Williams Animal Shelter for reuse, our commitment to sustainability remains steadfast. Our efforts have also **yielded over \$65,000** in utility savings from solar panel credits—a testament to our investment in renewable energy.

Equally inspiring are the ways we've supported the people who make our co-op thrive. This year, we employed 53 team members, 87% of whom work full-time, ensuring they have opportunities to grow and contribute meaningfully to our shared mission. Through co-owner equity and discounts, **we've given back \$206,132** to those who trust and support us every day.

Our commitment to a healthier community is reflected in our partnerships and outreach. This year, customer donations to our **Nourishing Change program totaled \$76,136**, benefiting local organizations such as Knoxville Botanical Gardens, Two Bikes, and Vine Middle Magnet School. Additionally, we proudly showcased local artists, hosted engagement activities, and strengthened our relationships with local producers, resulting in **\$3,083,369 in sales of local products—32% of our total sales.**

These achievements are only possible because of you, our members and community. Your continued support, engagement, and belief in the values of cooperation and sustainability propel us forward. As we look ahead, we remain committed to building an even stronger, more ethical, and sustainable future.

Thank you for being a vital part of Three Rivers Market. Here's to another year of progress, partnership, and positive impact!



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## LAND ACKNOWLEDGMENT

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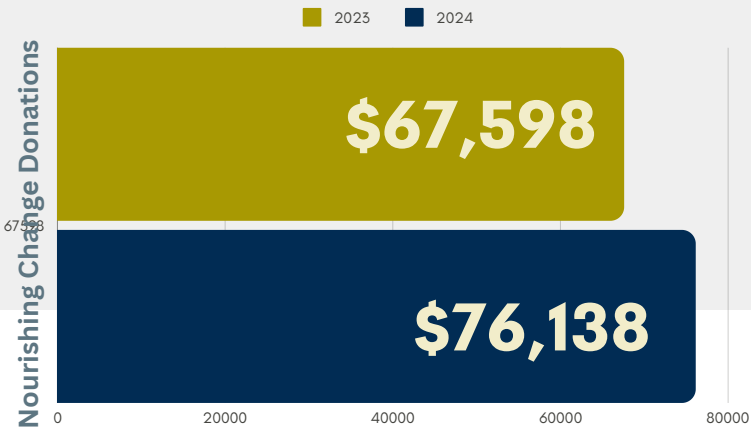
The Three Rivers Market Co-Op and the communities it serves are located in and around Knoxville, Tennessee, near the confluence of the Holston, French Broad, and Tennessee Rivers. Where the co-op's members now live, work, farm, trade, and gather, the Tsalagi/ Cherokee people, and before them the Yuchi people, also lived, worked, farmed, traded, and gathered. The land we now occupy is the traditional, ancestral land of native people from time before recorded history and into the present day.

This land holds great historical, spiritual, and personal significance for its original stewards. Our co-op occupies land taken from the Cherokee People by the Holston River Treaty of 1791. The Cherokee People were forced to cede other portions of their land in East Tennessee between 1791 and 1819. In 1838, many Cherokee people were forcibly removed from their remaining East Tennessee land and relocated to Oklahoma by way of the Trail of Tears. The creation of Tellico Lake by the Tennessee Valley Authority in 1976 further spoiled and displaced Cherokee burial sites, historic sites, and archaeological sites.

By offering this land acknowledgment, we specifically recognize the sovereignty of the Eastern Band of Cherokee Indians, and we are actively supporting that tribe's educational and cultural outreach programs with a third annual donation to the Sequoyah Birthplace Museum.



# 2024 HIGHLIGHTS

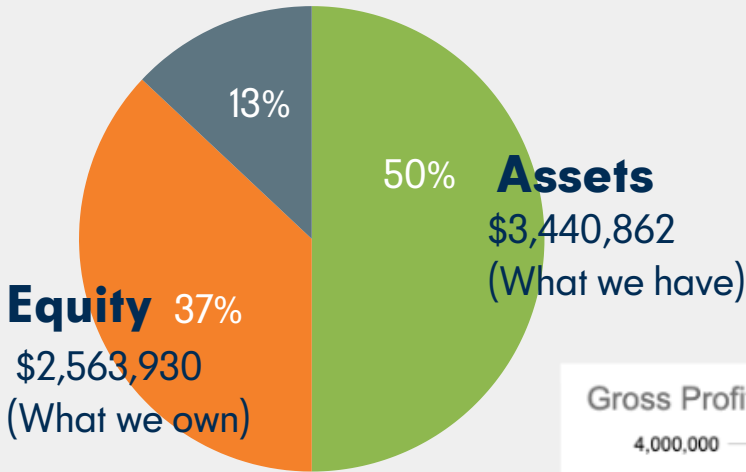


**Net 578 New Members from 2023**

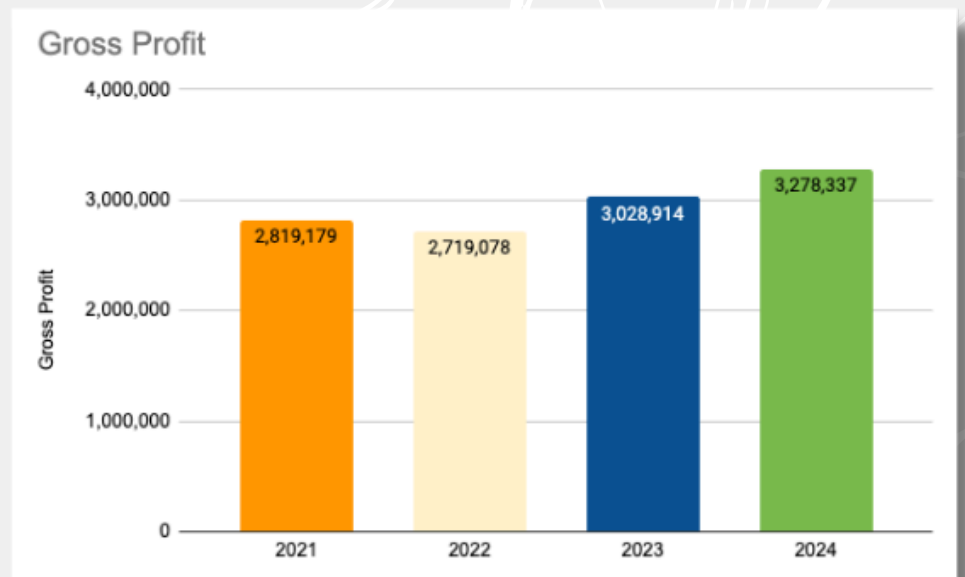


**5% Increase in Utility Credits from Installing Solar Panels**

**Liabilities** \$876,932 (What we owe)



## At a Glance





# Community

## CO-OWNER EQUITY

- \$1,056,150 Total Co-Owner Equity
- \$54,575 New Co-Owner Paid-In Equity

## CO-OWNER DISCOUNTS & DIVIDENDS

- \$206,132 was returned to our co-owners through discounts
- \$66,687 in discounts was given to our employees
- \$28,388 in PROMO/BOGO discounts

## HEALTHIER PEOPLE

- 13,742 pounds of food donated
- 53 employees
- 87% jobs are full-time
- 43% employees are female

*Fostering connections through shared experiences, supporting local endeavors, and embracing the vibrant spirit of togetherness.*



## HEALTHIER ENVIRONMENT

- 16,900 pounds of compostable food scraps given away.
- 19,586 kWh of clean energy produced by our solar panels.
- 11,310 cardboard trays delivered to Young-Williams Animal Shelter to use as beds and litter boxes.
- \$65,235 total credits against our utilities since installation of the solar panels.

## COMMUNITY SUPPORT

- \$12,819 donations, sponsorships, and outreach (including KAT, Holiday Promotions)
- \$3,083,369 sales of local products (32% of sales)
- \$3,854,212 sales of organic products
- **Knox Pride** pantry item collection
- **Knox Pride** event participant
- **Local art gallery** rotating monthly
- **Member Linkage** engagement activities increase
- Summit Medical Group Health Fair
- Halloween Costume - store event
- Mobile Repair Day - Two Bikes
- Help after Helene



*Promoting products produced within the nearby region, supporting local farmers and reducing environmental impact.*

## HEALTHIER COMMUNITY

Thanks to our incredible members and shoppers, over 122,000 round-up donations have made a real difference in our community. Together, we've raised more than \$76,000 to support these meaningful initiatives:

- Grandparents as Parents
- Cattywampus Puppet Council
- Fish Pantries
- Knoxville Community Media
- Vine Middle Magnet School
- Community Tutoring
- Peace of Mind at Home
- The Bottom
- Two Bikes
- Botanical Gardens
- Random Acts of Flowers
- Friends of Knox County Library



**\$76,136**  
**122,726**



random acts  
OF FLOWERS®



*Believing in affordable goods and services to ensure accessibility for all members of our community.*

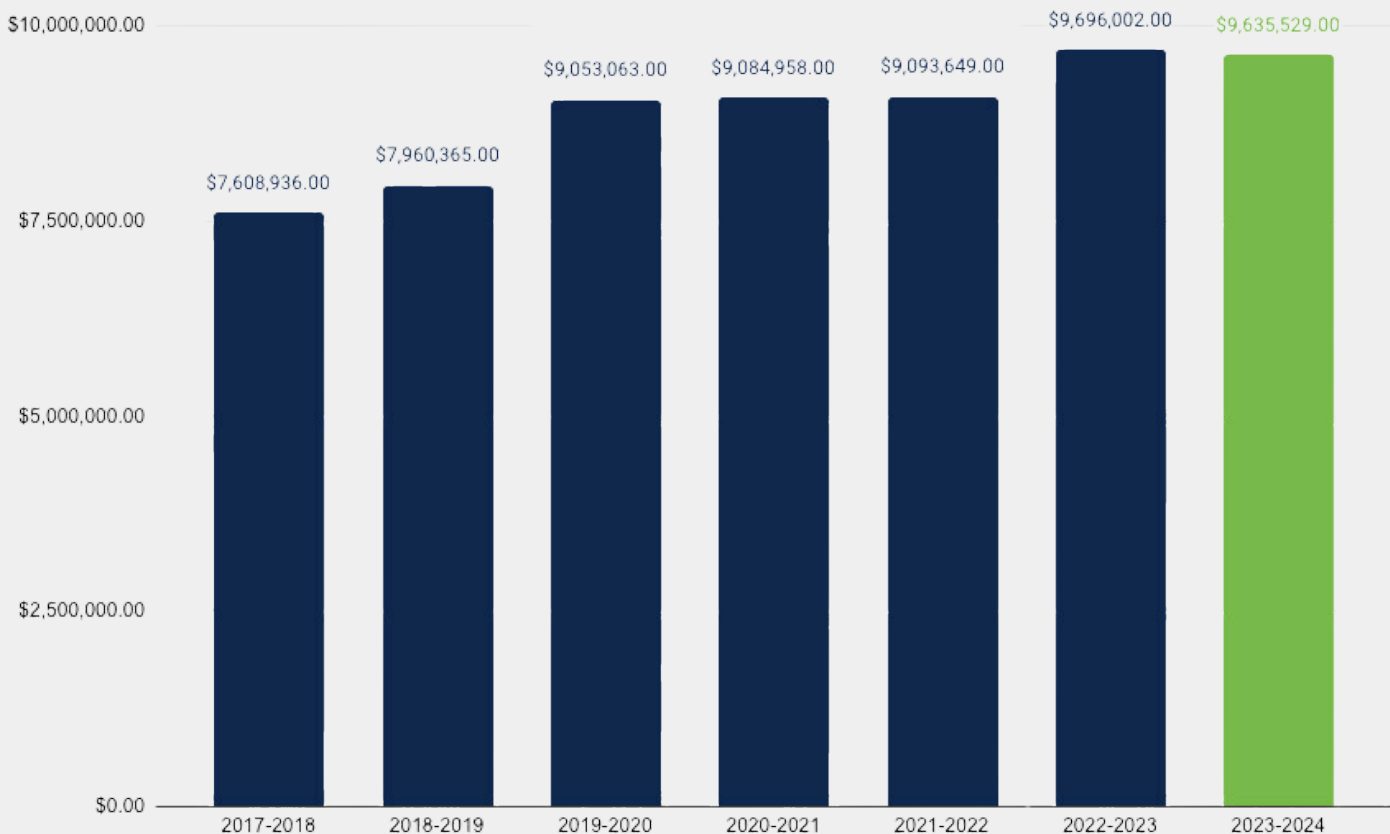




# Assets

	2021	2022	2023	2024
<b>Current Assets</b>				
Cash	1,392,388	1,053,616	817,124	923,022
Certificates of Deposit	553,381	556,047	557,282	568,536
Accounts Receivable	52,922	10,485	38,507	14,712
Prepaid Income Taxes	60,802	46,697	16,697	6,429
Note Receivable	10,000	10,000	10,000	10,000
Inventory	309,356	344,950	277,082	255,276
<b>Total Current Assets</b>	<b>2,378,849</b>	<b>2,021,795</b>	<b>1,716,692</b>	<b>1,777,978</b>
Property & Equipment, Net	1,576,099	1,533,372	1,441,587	1,374,599
<b>Other Assets</b>				
Equity in other cooperatives	134,537	159,486	166,605	187,967
Other Assets	13,935	11,919	15,029	29,318
Deferred Tax Asset	—	—	71,000	71,000
<b>Total Other Assets</b>	<b>148,472</b>	<b>171,405</b>	<b>252,634</b>	<b>288,285</b>
<b>Total Assets</b>	<b>4,103,420</b>	<b>3,726,572</b>	<b>3,410,913</b>	<b>3,440,862</b>

## ANNUAL SALES



# Sales Revenue

## FINANCIALS



	2021		2022		2023		2024	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Gross Sales	9,084,958	102.16	9,093,649	102.11	9,696,002	102.27	9,635,529	102.19
Less: Member Discounts	191,999	2.16	188,119	2.11	215,298	2.27	206,132	2.19
Sales	8,892,959	100.00	8,905,530	100.00	9,480,704	100.00	9,429,397	100
Cost of Goods Sold	6,073,780	68.30	6,186,452	69.47	6,451,790	68.05	6,151,060	65.23
<b>Gross Profit</b>	<b>2,819,179</b>	<b>31.70</b>	<b>2,719,078</b>	<b>30.53</b>	<b>3,028,914</b>	<b>31.95</b>	<b>3,278,337</b>	<b>34.77</b>

# Operating Expenses

	2021		2022		2023		2024	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Personnel	1,890,263	21.26	2,092,958	23.50	2,522,220	26.60	2,278,901	24.17
Occupancy	225,509	2.54	195,620	2.20	212,278	2.24	213,379	2.26
Administrative	202,212	2.27	373,139	4.19	379,313	4.00	484,560	5.14
Operations	164,335	1.85	144,949	1.63	189,446	2.00	162,604	1.72
Depreciation	103,233	1.16	112,736	1.27	106,584	1.12	102,137	1.08
Promotions	43,975	0.49	44,481	0.50	29,327	0.31	75,259	0.8
Governance	18,448	0.21	23,341	0.26	25,120	0.26	16,887	0.18
<b>Total Operating Expenses</b>	<b>2,647,975</b>	<b>29.78</b>	<b>2,987,224</b>	<b>33.55</b>	<b>3,464,288</b>	<b>36.53</b>	<b>3,333,727</b>	<b>35.35</b>
<b>Net Loss from Operations</b>	<b>171,204</b>	<b>1.92</b>	<b>(268,146)</b>	<b>(3.02)</b>	<b>(435,374)</b>	<b>(4.58)</b>	<b>(55,390)</b>	<b>(0.58)</b>

# Other Income (Expenses)

	2021		2022		2023		2024	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Paycheck Protection Program Income	326,900	3.68	—	—	—	—	—	—
Other Income	44,146	0.50	83,757	0.94	91,975	0.97	204,210	2.17
Interest Expense	(35,791)	(0.40)	(30,830)	(0.35)	(28,389)	(0.30)	(25,831)	(0.28)
Other Expenses	(95)	—	(5,701)	(0.06)	(40)	—	(5,264)	(0.06)
<b>Total Other Income</b>	<b>335,160</b>	<b>3.78</b>	<b>47,226</b>	<b>0.53</b>	<b>63,546</b>	<b>0.67</b>	<b>173,115</b>	<b>1.83</b>
<b>Net Income (Loss) Before Income Taxes</b>	<b>506,364</b>	<b>5.70</b>	<b>(220,920)</b>	<b>(2.49)</b>	<b>(371,828)</b>	<b>(3.91)</b>	<b>117,725</b>	<b>1.25</b>
Provision for Income Taxes	1,000	0.01	57,895	0.65	100,000	1.05	-	-
<b>Net Income (Loss)</b>	<b>507,364</b>	<b>5.71</b>	<b>(163,025)</b>	<b>(1.84)</b>	<b>(271,828)</b>	<b>(2.86)</b>	<b>117,725</b>	<b>1.25</b>

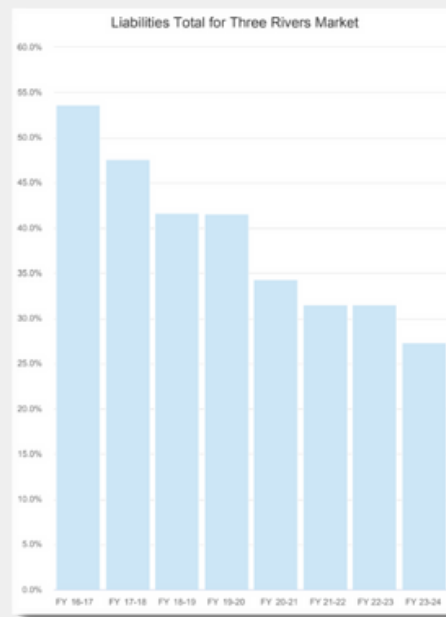
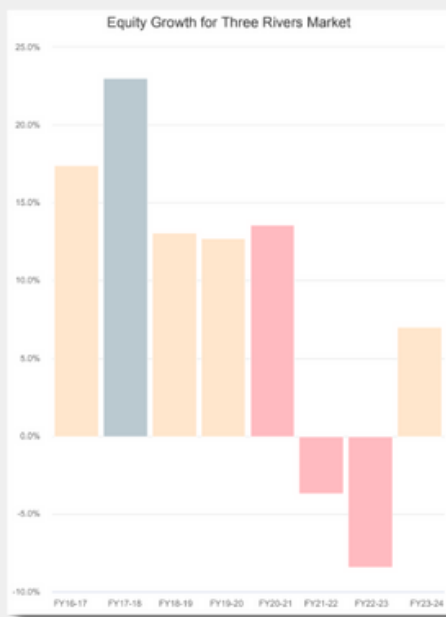
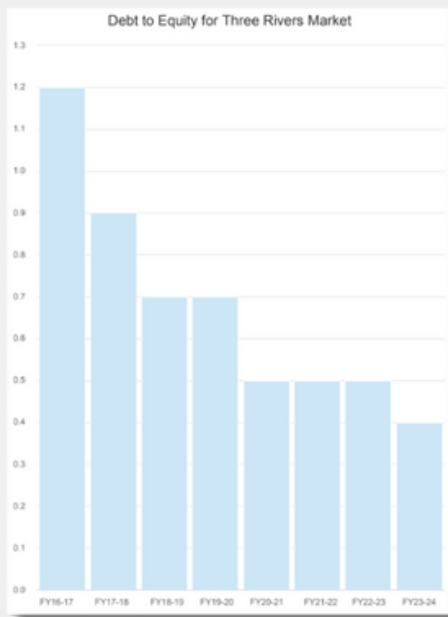
# Liabilities

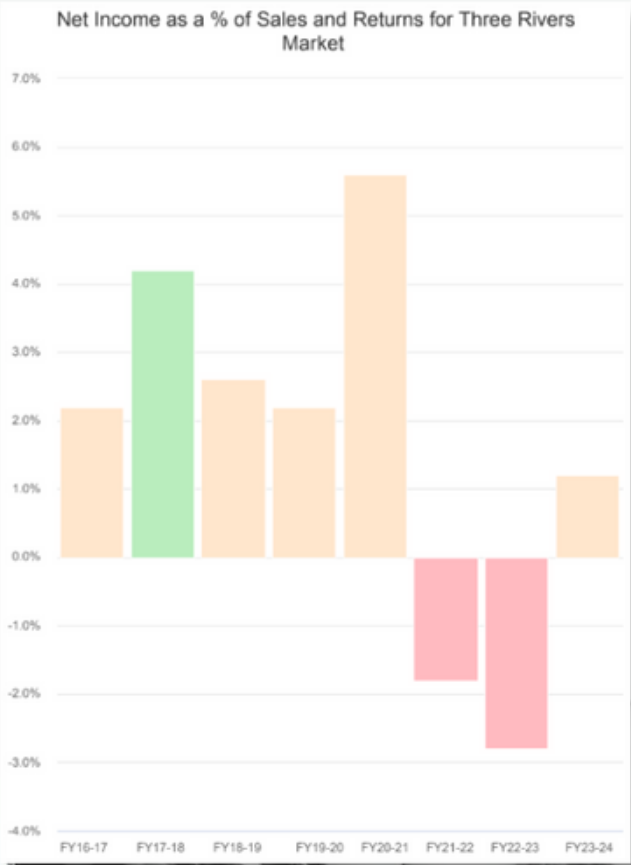
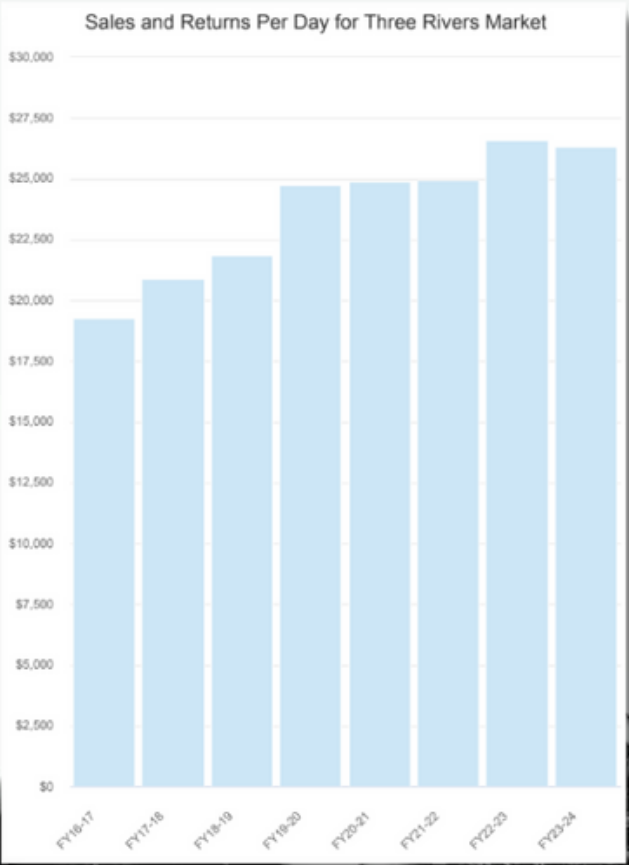
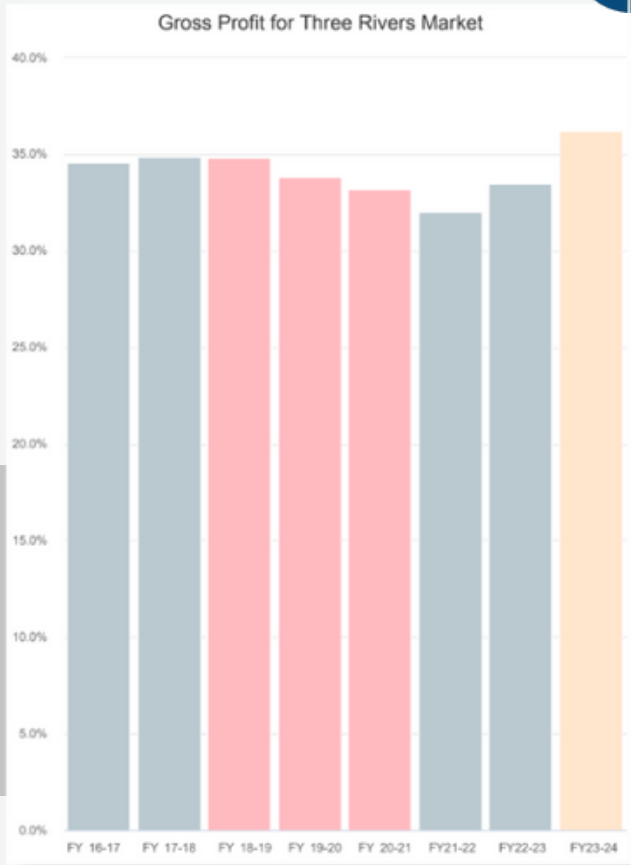
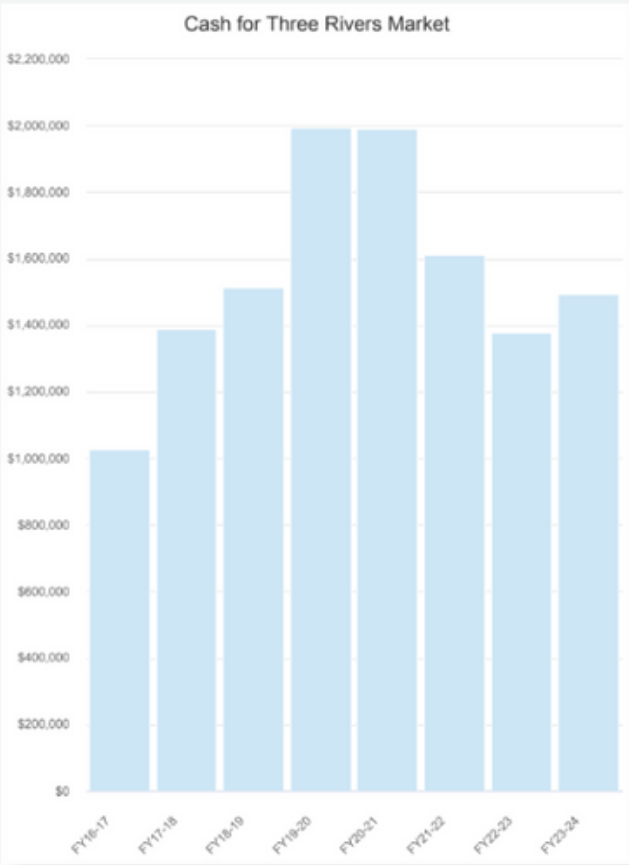


	2021	2022	2023	2024
<b>Current Liabilities</b>				
Accounts Payable	280,036	343,821	340,293	253,404
Accrued Expenses	176,742	173,772	170,441	173,206
Current Portion of Notes Payable	93,354	83,155	43,499	45,770
Gift Card Liability	41,071	41,307	41,810	43,441
Patronage Dividends Payable	171,430	—	—	—
<b>Total Current Liabilities</b>	<b>762,633</b>	<b>642,055</b>	<b>596,013</b>	<b>515,821</b>
<b>Long-Term Liabilities</b>				
Notes Payable Less Current Portion and Loan Fees	527,779	445,134	423,270	361,111
Deferred Tax Liabilities	101,000	29,000	—	—
<b>Total Long-Term Liabilities</b>	<b>628,779</b>	<b>474,134</b>	<b>423,270</b>	<b>361,111</b>
<b>Total Liabilities</b>	<b>1,391,412</b>	<b>1,116,189</b>	<b>1,019,283</b>	<b>876,932</b>

# Equity

	2021	2022	2023	2024
Membership Shares	887,100	948,500	1,001,575	1,056,150
Retained Patronage Dividends	366,268	366,268	366,268	366,268
Retained Earnings	1,458,640	1,295,615	1,023,787	1,141,512
<b>Total Equity</b>	<b>2,712,008</b>	<b>2,610,383</b>	<b>2,391,630</b>	<b>2,563,930</b>
<b>Total Liabilities &amp; Equity</b>	<b>4,103,420</b>	<b>3,726,572</b>	<b>3,410,913</b>	<b>3,440,862</b>







# COMMITTEE UPDATES



## **Audit:**

The Audit Committee has met quarterly to review financial statements provided to the Board to inform our monitoring of policy B4, Financial Condition. This committee is composed of TRM members who are current and former Board members, members with experience in financial oversight, and a vendor. The Committee has provided valuable recommendations regarding the type of data received through the General Manager's reporting, as well as communication methods with TRM's accountant. The Committee has also shared observations on the co-op's ongoing financial condition.

## **Board Perpetuation:**

The Board Perpetuation Committee promoted recruitment of candidates for the annual election. They reviewed applications, prepared ballot information, and proposed a publicity plan for encouraging members to vote.

## **Building:**

The Building and Maintenance Committee actively addressed key infrastructure issues at Three Rivers Market. Early meetings focused on identifying immediate and long-term needs based on input from committee members and Fadi Aboush, the General Manager. A comprehensive tour led by Fadi highlighted critical issues such as exterior siding gaps, interior equipment maintenance, and HVAC inefficiencies. These issues were documented for ongoing reference. The committee made the immediate recommendations for exterior repairs, interior maintenance, and roof investigation, and food safety.

## **Member Linkage:**

The Member Linkage Committee planned Cooperative Dialogue events with "Grocery Story" author Jon Steinman in April and the Annual Member Picnic at the Racheff House and Gardens and Arboretum. They also began developing a plan for an in-store display that both honors the rich history of the co-op and informs all shoppers about what makes TRM different from any other grocery store.

## **Staff Involvement:**

The Staff Involvement in Governance Committee has met several times to discuss opportunities for staff to become more involved in the governance of the cooperative. We are weighing what it would mean for the Board to add a staff representative, and how this has worked at other cooperatives. We're also exploring possible recommendations to the co-op's policy B1, which concerns employee treatment. Our goal is to have a set of recommendations by the end of the year for the General Manager to review and the newly elected Board to consider for implementation in 2025. Our committee includes current and former staff and Board members, and we're excited for the opportunity to offer our ideas.



Fadi Aboush  
General Manager



## GOALS AND COMMITMENTS

In our one-year projection, we will prioritize updating the building in all areas that require immediate attention. We have already initiated improvements in the Meat Department prep room and walk-in freezer, with the next focus being the refrigerated walk-in cooler. Additionally, we have addressed other significant maintenance repairs to ensure the facility remains in optimal condition. We will keep our member-owners informed throughout this process.

Another key focus will be the development and training of our TRM teams. We have begun this initiative with several staff members attending several classes and have a training session scheduled for the week of December 9th 2024, which will cover conflict resolution and anger management/de-escalation techniques.

Furthermore our goal is to become one of the best in Knoxville in customer service. We will be launching Customer Experience (CX) surveys for our members and shoppers. These surveys will be accessible from home and incentivized—such as offering a \$5 discount on a \$25 purchase. A third-party service will collect and analyze the data, allowing us to identify areas for continuous improvement.

This is an exciting year ahead, filled with opportunities for growth and enhancement!

*Fadi*

