

**Fare Share Co-op  
Annual Report**



**2008**

**Fare Share Co-op**  
443 Main Street  
Norway, ME  
04268



(207) 743-9044  
[www.faresharecoop.org](http://www.faresharecoop.org)

*Spring Annual Membership Meeting:  
Sunday, June 7th 4-5:30 pm*

## Our Staff in 2008

**Bea Asken** (beg. Jan 05)  
– Clerk, part time

**Claire Gelinis** (beg. June 05)  
– General Manager, full/part time

**Rosemary Bunn** (beg. Apr 07)  
– Fill In

**Julia Gonsalves** (beg. July 06)  
– Clerk, part time

**Amanda Cummings** (Mar 08 – July 08)  
– Office, part time

**Michael VanWorth** (beg. Apr 07)  
– Clerk, part time

**Brett Nobles** (beg. July 07)  
– Deli Chef, part time

**Xiaohan Libby** (beg. Sept 07)  
– Clerk, part time

**George Hurlburt** (beg. Oct 07) – Maintenance, part time

**Sarah Nobles** (beg. Aug 08) – Assistant Manager, part time

Approximately 142  
average weekly  
staff hours in 2008

## Spring General Membership Meeting

*Sunday, June 7th, 2008 4–5:30pm*

### Agenda:

1. Introductions
2. General Manager's Report
3. Financial Report
4. Open Nomination for Two New Board Members
5. "Crack Open The Egg" Working Group
6. One World, Everybody Eats Proposal
8. Vote on Reinstating Two-Tiered Volunteer System
9. Thank you, Julia, Mike and Han!

Fare Share soup and sandwiches  
will be provided

## Our Board of Directors

Brendan Schauffler - President, Seat A

Saranne Taylor - Vice President, Seat G

Lisa Moore - Secretary, Seat C

Jill Gabrielson - Seat H

Rocky Graham - Seat I

Julie Gordon - Seat F

Marty Elkin - Seat E

Jeanne Jones - Seat B

# Adapt & Sustain

General Manager's Report - Claire Gelinas

Fare Share has been challenged financially since we moved to Main Street in 2001. In 2008, we attempted to address this challenge and to put ourselves on more stable economic ground with the "In the Black" campaign. The campaign was successful in that we raised nearly \$1000 more than our goal and achieved the participation of over two thirds of our members. Unfortunately, even as we raised those funds, we continued to lose financial ground. We achieved our sales goal in 2008 but our gross profit dropped. Thirtieth Anniversary events, successful in terms of participation and enjoyment, were less so in terms of funds raised. In the meantime, our building and equipment continued to deteriorate. We ended 2008 in more short term debt and with fewer assets than at the beginning of the year.

Fare Share continues to be challenged financially, and we now face these challenges in the context of a larger economic crisis. Topics in a recent issue of the Co-operative Grocer include "Adapt & Sustain," "Staying Healthy in an Unhealthy Economy," "Monitoring Invoices & Sales," "Recognizing Crisis, Sharing Opportunities." Supermarket News, a more mainstream publication, has also been addressing the economy, with articles such as "18 Tips for Buying in a Downturn," and "Economic Fallout." A number of the strategies being urged on larger venues further erode the position of independent food co-ops in relation to supermarkets and superstores. If our financial situation has made us vulnerable in the past, it certainly makes us vulnerable in these difficult times.

How, then, do we achieve our mission? How do we sustain our ability to provide access to affordable local and organic food and health-related products in the context of larger institutions which consider these products a (possibly temporary) profit niche? How do we become a model of cooperative business and sustainability in the context of an environment in which the very distributors which co-ops helped to create give preferential treatment to chain stores? How do we expand our capacity to promote the understanding

of sustainability, nutrition, and wellness to the larger community at a time when economic hardship may it more difficult for people to eat well? How do we expand our role as a community cultural center? Board, staff and Fare Share members are asking these questions, and working hard to move the co-op beyond dependence on the generosity of our members, and on to the solid ground from which we can be a sustainable resource to our community.

In a recent communication, Board President Brendan Schaffler wrote "it is time to confront the difficult truth that radical change may need to take place in order for the Co-op to become solvent." A special committee ("Crack Open the Egg" Working Group) was formed by the Board of Directors. In the coming weeks, this committee will work with us toward a transformative and sustainable vision for the future, and also initiate strategies to help the Co-op survive and thrive in the short term.

With the Progress Center, we are in the planning stages of developing a program to feed our neighbors through a community kitchen modeled on "One World, Everybody Eats."

In June we will begin a fundraising in order make long-needed repairs to our roof, replace several windows, and paint our sadly flaking building.

We have temporarily cut staff hours, with all staff sharing the burden of decreased income, in order to decrease monthly expenses in the short term. This is sustainable over the longer term only with dedicated and regular member volunteers; on June 7, members will vote on whether to re-institute the two-tiered volunteer system.

We are selling slow-moving inventory on clearance in order to make room for an increase in bulk, local, and other items we believe our members and customers are seeking. On Sunday, June 14th, you are invited to participate in the first stage of a store wide re-arrangement of shelving which will help to make that possible. Later this summer we'll celebrate the "BIG SHIFT" with an all-day event highlighting our local vendors, and with member sales on bulk & local products.

These and other efforts, short- and long-term, may help us to "adapt and sustain." If you would like to help in any way, please let us know.

# The Fare Share Commons

Commons Report - Lisa Moore. Coordinator

The mission of the Commons is: to provide a welcoming and inspiring space to build a healthy, creative, and sustainable community. Regular meetings include Oxford Hills Duplicate Bridge, the Mountain Poets Society, Commons Art Collective, and Banjo Club. The 2008 scheduling calendar also shows use by the Fare Share staff, board, and membership; a nutrition group, a film series, the Oxford County Democrats, a women's group, the Norway Farmers Market, Community Concepts, and a tai chi class.

The Commons brings in miscellaneous user fees (\$10/hour), donations (about \$100/month), Oxford Hills Duplicate Bridge (\$100/month), and the Commons Art Collective (CAC) (\$200/month).

The Commons Art Collective's contribution of energy, creativity, inspiration, and marketing to our community are enormous. Today, there are 11 Full Artist members and 17 Supporting Members. Thank you to all the artists whose work graced our walls in 2008:

**January:** A New Year Born: work by Maya Best, Mary Brooking, Steve Florenz, Om Devi Reynolds, and Judy Schneider.

**February:** Fill in the Blank, an open studio in which artists shared their processes.

**March:** Fulfillment: The work produced by filling in the blanks, by Judy Schneider, Katey Branch, Om Devi Reynolds, Mary Brooking, Mark Brandhorst, Lisa Moore, and Cyndy Tinsley.

**April/May:** Elements, a solo show by photographer Mark Brandhorst.

**June:** Remembrance—works by nearly 20 CAC members that span the past seven years.

**July and August:** Two summer group shows with work by all members. Plus, the Collective participated in the Sidewalk Art Show of the Norway Arts Festival.

**September:** Posters by Misha Tomic: 14 posters from the last five years.

**October:** three: Nikki Millonzi, Don Best, Debra Wentworth.

**November:** Art Moves Art—a celebration of twenty year

of the Art Moves Dance Project in our community. Work by Lisa Moore, Mary Brooking, Katey Branch, Steve Florenz, Don Best, Nikki Millonzi, Om Devi Reynolds, Joanna Reese, Anne Bernard, and Lee Margolin.

**December:** Holiday show with work and gift items by various members.

Also, once a month, the Commons is a TV studio. A new show called Mainly Acoustic is taped in front of a live audience. Check out [www.myspace.com/mainlyacoustic](http://www.myspace.com/mainlyacoustic) for schedules and videos of the shows.

The Commons is a sunny and lively space. Is it successful? Yes. Is it underutilized? Probably. Could it be something more? Of course. Maybe it's time for The Commons to take another evolutionary step. If you have a suggestion or would like to use the Commons, contact me at [m3d@megalink.net](mailto:m3d@megalink.net) or 743-9808.

## Fare Share Building Monthly Rental Income for 2008

### *Commons:*

Commons Art Collective: \$200

Bridge Club: \$100

Other Commons Income: ave. \$58

### *Rentals:*

Dharma Center: \$300 (beg. June 1)

Moose Pond Arts + Ecology: \$150

Norway Downtown: \$200 (beg. June 1)

NPC TV: \$600

Oxford Hills Karate: \$200 (beg. Oct 16)

Trudy Stanley: \$100 (beg. Nov 21)

Western Maine Art Group: \$300 (end May 31)

Western Foothills Land Trust: \$150

# President's Letter

Board President - Brendan Schauffler

Dear Members,

I believe that it is time to face hard facts: our business model is failing us, and we need significant change if we are to survive.

A review of our annual reports for the last eight years shows us to be an organization that has been incapable of finding real financial stability. We've survived because of loving and generous benefactors, people who believe so strongly in the merit of our Co-op that they've given countless hours of volunteer time, and vast sums of money in the form of donations and loans. We've been blessed to have these "angels" in our community and have kept afloat as the last surviving inland Co-op in large part because of them. We cannot, and should not, continue to rely on stopgap infusions to our budget. Instead, we need to change the way we do business.

Perhaps our greatest asset is the deep pool of wisdom, talent, passion, and determination found in our members. Through this collective, Fare Share has achieved admirably through 31 years of growth and evolution. I don't think that we have failed in finding a way to make the current business model work, and commend the Board, volunteers, staff, management, and membership in their efforts to do their best, diligently trying to make things work. Our budgets don't capture how hard we've worked to improve the way we do business and bring more money into the store, and our imperiled budgets have not been due to lack of trying.

Despite our best efforts, we continue to lose money, violating one of our Ends policies that calls upon us to be a model of sustainability and operate with a balanced budget. I feel that it is time to draw together and look hard at this organization, and summon the courage and creativity that we'll need to reinvent Fare Share. We'll need to draw heavily upon our membership as a resource of ideas and energy if we are to do a good job of addressing how we can change the nature of our business to begin achieving financial stability, while still remaining true to

the Ends policies that guide us:

- ENDS 1: The Oxford Hills Community has access to affordable local and organic food and health-related products.
- ENDS 2: Fare Share is a model of cooperative business and sustainability.
- ENDS 3: Fare Share is an educational center for promoting the understanding of sustainability, nutrition, and wellness to the larger community.
- ENDS 4: Fare Share is a community cultural center.

During my time with the Board, it has been my experience that work aimed at supporting these policies, the Co-op's foundations, is often sacrificed so that we may focus on improving a grim economic picture.

The Board has recently formed a working group, upon Claire's request, to address the issue of how Fare Share can change, what manner of long-term change might serve our membership best while affording us sustainability, and what short-term strategies can be employed to help keep our head above water while we work at transforming for a brighter future. Unofficially called the "Crack Open The Egg" group, we'll be connecting with the membership, as well as with uninvolved and objective voices in the community to ask for help in envisioning a changed Fare Share. If you'd like to lend your ideas to this effort, please contact me and I'll make sure that your voice is heard.

Obviously, any potentially promising ideas will be addressed to the membership before any action is taken to change the nature of the Co-op. In our upcoming membership meeting we'll hear about one such idea, the "One World, Everybody Eats" model. Currently being explored for feasibility, this model doesn't require any member action at this time, although discussion and feedback are certainly welcome.

In closing, I'd like to acknowledge that the relationship that many members have with the Fare Share has a length and a depth that far exceeds my own. I don't suggest the idea of change without knowing how difficult it may be for many who have invested heavily over the years into what the Co-op is now. However, I feel that it is more important to consider the Co-op's future, and feel that

would be doing a great disservice to the time and resources put forth by so many to see the organization fail by ignoring the truth (made obvious by numbers) that we are headed that way if we continue business-as-usual. Whatever our future may be, let's join together in working to ensure that we have one.

Respectfully,

Brendan Schauffler



**Come to the Membership meeting, Sunday, June 7th, and receive a coupon for 15% off your total purchase any one day in June, 2009.**

**If you can't make it to the meeting, keep your eyes open for our Membership Appreciation Day in June when every member gets 5% off!**

## Fare Share Co-op Balance Sheet *with Previous Year Comparison*

ASSETS	31-Dec-08	31-Dec-07	\$ Change
Current Assets			
Checking/Savings			
Operating Cash	\$902	\$4,911	(\$4,008)
Restricted Cash	\$1,191	\$3,515	(\$2,324)
Total Checking/Savings	\$2,093	\$8,426	(\$6,333)
Accounts Receivable			
*Accounts Receivable	\$7,637	\$2,439	\$5,198
Total Accounts Receivable	\$7,637	\$2,439	\$5,198
Other Current Assets			
Inventory	\$43,110	\$46,340	(\$3,230)
Total Other Current Assets	\$43,110	\$46,340	(\$3,230)
Total Current Assets	\$52,840	\$57,205	(\$4,365)
Fixed Assets			
Furniture, Fixtures, Equipment	\$3,694	\$3,534	\$160
Main Street Building	\$204,919	\$221,708	(\$16,789)
Main Street Land	\$15,000	\$15,000	\$0
Total Fixed Assets	\$223,613	\$240,242	(\$16,629)
Other Assets			
Equity in Coops	\$1,070	\$1,070	\$0
Total Other Assets	\$1,070	\$1,070	\$0
<b>TOTAL ASSETS</b>	<b>\$277,523</b>	<b>\$298,516</b>	<b>(\$20,994)</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
Accounts Payable	\$28,842	\$22,226	\$6,616
Total Accounts Payable	\$28,842	\$22,226	\$6,616
Other Current Liabilities			
Accrued Liabilities	\$0	\$740	(\$740)
EBTAccrued	\$3,245	\$2,529	\$716
Gift Certificates	\$195	\$100	\$95
Sales Tax Payable	\$1,331	\$1,398	(\$67)
Security deposit	\$2,990	\$2,390	\$600
Short Term Loan	\$0	\$3,000	(\$3,000)
Total Other Current Liabilities	\$7,760	\$10,157	(\$2,396)
Total Current Liabilities	\$36,602	\$32,382	\$4,220
Long Term Liabilities			
Loan Payable-Members	\$117,283	\$110,900	\$6,383
Loan Payable-Rural Development	\$89,826	\$90,829	(\$1,003)
Loan Payable-Town of Norway	\$0	\$17,187	(\$17,187)
Member Capital	\$20,136	\$19,227	\$908
Member Food Certificates	\$37,900	\$37,900	\$0
Total Long Term Liabilities	\$265,145	\$276,043	(\$10,898)
Total Liabilities	\$301,747	\$308,425	(\$6,678)
Equity			
Net Income	\$47,530	\$30,343	\$17,187
Opening Bal Equity	\$206,325	\$206,325	\$0
Retained Earnings	(\$246,577)	(\$227,761)	(\$18,816)
Net Income	(\$31,503)	(\$18,816)	(\$12,687)
Total Equity	(\$24,225)	(\$9,909)	(\$14,316)
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$277,523</b>	<b>\$298,516</b>	<b>(\$20,994)</b>

<b>Ordinary Income/Expense</b>	Jan - Dec 08	Budget	\$ Over Budget
Sales			
DiscountsMembers (incl Vol)	(\$926)	(\$3,000)	\$2,074
DiscountsOther	(\$213)	(\$323)	\$110
Sales	\$329,701	\$332,457	(\$2,756)
Total Income	\$328,562	\$329,134	(\$572)
Cost of Goods Sold			
Cost of Goods Sold	\$226,375	\$219,421	\$21,954
07/08 Inventory Adjustment	\$15,000	\$0	\$15,000
Total COGS	\$241,375	\$219,421	\$21,954
Gross Profit	\$87,187	\$109,713	(\$22,526)
Expense			
Dues and Contributions	\$668	\$2,000	(\$1,332)
Equipment Rental	\$0	\$504	(\$504)
Insurance-Property & Liability	\$3,329	\$3,500	(\$171)
Interest & Charges	\$8,873	\$10,005	(\$1,132)
Licenses Permits & Fees	\$710	\$1,000	(\$290)
Maintenance & Repairs	\$9,551	\$9,996	(\$445)
Marketing	\$1,124	\$1,200	(\$76)
Member MeetingsPrintingEtc	\$504	\$750	(\$246)
Miscellaneous	\$0	\$120	(\$120)
Payroll	\$68,222	\$66,491	\$1,731
Payroll Tax & Fringe Expenses	\$16,405	\$16,544	(\$139)
Postage and Delivery	\$219	\$300	(\$81)
Printing and Reproduction	\$107	\$700	(\$593)
Professional Fees	\$0	\$2,000	(\$2,000)
Property Tax	\$114	\$100	\$14
Staff/board development	\$131	\$1,000	(\$869)
Supplies	\$3,451	\$2,500	\$951
Telecommunications	\$1,838	\$2,000	(\$162)
Travel	\$0	\$100	(\$10*)
USDA Reserve Account	\$0	\$528	(\$528)
Utilities	\$27,597	\$25,598	\$1,998
Total Expense	\$143,198	\$146,937	(\$3,739)
<b>Net Ordinary Income</b>	<b>(\$56,011)</b>	<b>(\$37,224)</b>	<b>(\$18,787)</b>
<b>Other Income/Expense</b>			
Other Income			
Annual member dues	\$1,299	\$1,500	(\$201)
Donations Designated/Restricted	(\$520)	\$0	(\$520)
Donations Unrestricted	\$4,684	\$4,000	\$684
Event Income			
Fedco Seeds	\$561	\$0	\$561
In The Black	\$12,884	\$0	\$12,884
Thirtieth Anniversary	\$6,309	\$20,000	(\$13,691)
Total Event Income	\$19,755	\$20,000	(\$245)
Miscellaneous Other (Dividends)	\$87	\$150	(\$63)
Rental Income (incl Commons)	\$20,477	\$24,804	(\$4,327)
Total Other Income	\$45,782	\$50,454	(\$4,672)
Other Expense			
Depreciation Expense	\$17,679	\$17,679	\$0
Event Expense			
Fedco Seeds	\$388	\$0	\$388
In The Black	\$151	\$0	\$151
Thirtieth Anniversary	\$3,056	\$10,000	(\$6,944)
Total Event Expense	\$3,595	\$10,000	(\$6,405)
Total Other Expense	\$21,274	\$27,679	(\$6,405)
<b>Net Other Income</b>	<b>\$24,508</b>	<b>\$22,775</b>	<b>\$1,733</b>
<b>NET INCOME</b>	<b>(\$31,503)</b>	<b>(\$14,449)</b>	<b>(\$17,054)</b>