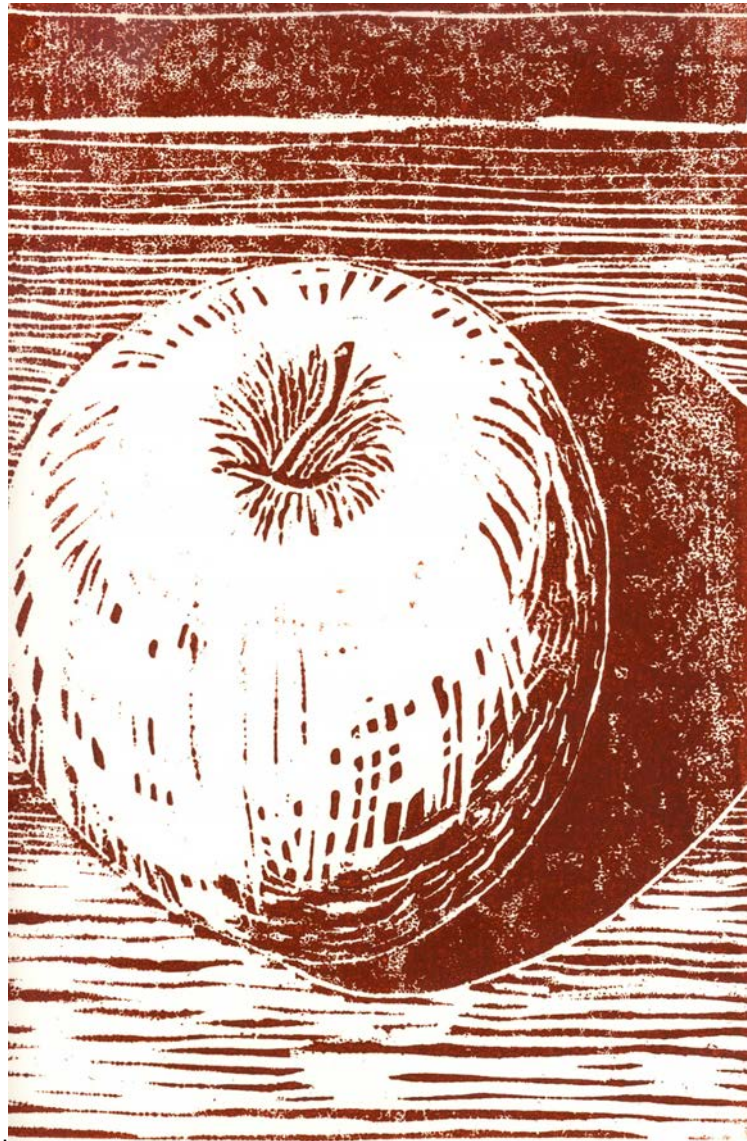


Fare Share Co-op

2017

Annual Report



Dedicated to **Jane Porter Gibson** (1922-2017), one of Fare Share's founders. This linocut is one of Jane's. "Bill and Jane, to Fare Share loyal: we are here because you tilled the soil." (sung at a FSC meeting in 2014)

OUR VISION is a cooperative, welcoming, sustainable, and resilient food hub that educates, inspires, and serves a diverse local community.

MESSAGE FROM THE BOARD PRESIDENT



I predict that when we look back at our Fare Share history, a few dates will stand out. 1978, of course, because that's when we incorporated as Oxford Hills Food and Nutrition Exchange. 2001, of course, because that's when we made the move to Main Street. And 2019 because this will be the year that we tip the scales of profitability, shift to a more sustainable system of Patronage Distributions, see a surge in volunteering, and correct our legal status to reflect who we are: Fare Share Cooperative, a cooperative business in the State of Maine.

2017 was a good year and an important step on the path to 2019. We are so fortunate to have Emmy Andersson at the helm as our General Manager, supported by an outstanding, hard-working, and experienced staff. We had a full Board of nine who brought new perspectives and new insights to what we do. And we kicked off a 40th birthday with a dinner that featured more than 40 homemade pies, both savory and sweet, all lovingly baked by owners and friends. What a great metaphor for our organization and our mission.

“As a co-op, we are strong because of our interdependence and our collective tenacity and wisdom.”

The Board continues to work under a system of Policy Governance with Ends policies that articulate our commitment to local, healthy food; a cooperative business model; community education; and community activism. Our tenants have been consistent and our building continues to serve us well. We are successfully shifting to greater dependence on working committees and hope to have a Volunteer Coordinator in place soon to help manage, direct, grow, and record those efforts.

Special thanks to everyone who supported Fare Share in 2017, owners who shopped, donated, volunteered, painted and repaired, helped with fundraisers, and worked in the store. As a co-op, we are strong because of our interdependence and our collective tenacity and wisdom.

I want to acknowledge our community and business partners: the Alan Day Community Garden, Café Nomad, the Center for an Ecology-Based Economy, Norway Downtown, Norway Savings Bank, the Cooperative Fund of New England and the Cooperative Development Foundation. We received a Bowers Fund Grant from the CDF and legal support through the Legal Food Hub to support our transition to a system of Patronage Distributions. We appreciate them all.

Here's to a 40th birthday year of gratitude, optimism, and joy. The BOD has set a goal of 50 new owners at an equity level of \$100 each. That seems very achievable if we all try to engage one new household! Come on, Fare Share owners, let's grow. Invite someone to become an owner of the Co-op. It's the right thing to do.

Lisa Moore, BOD President



MESSAGE FROM THE GENERAL MANAGER



Helping you build a stronger, more resilient, increasingly impactful, and beautiful co-op brings me joy. The Fare Share Co-op community has always been strong and it feels like it's growing more cohesive by the day. I really enjoy seeing our owners use the co-op as a means to increase personal fulfillment and achieve success at home.

This past year's financials and level of community engagement demonstrate that Fare Share owners have succeeded in creating a momentum that perpetuates the Co-op, its suppliers, and its community into to a bright future.

The 2017 highlights are many. The most notable ones are gaining 69 new owners, employing additional staff, increasing wages, increasing our selection of local products, and exceeding our Gross Sales goal. Thank you all for making this happen!

"I really enjoy seeing our owners use the co-op as a means to increase personal fulfillment and achieve success at home."

Please take a moment to look at some of the highlights and financials presented here. They lay the groundwork for our ability to fulfill our mission. I sincerely hope you find this Annual Report meaningful. Please email me at emmy@faresharecoop.org if you have questions regarding the content.

In Cooperation,

Emmy Andersson, General Manager

2017 HIGHLIGHTS

JAN 3, New Board meets and elects officers

APRIL 8, Member/Owner Spring Meeting

APRIL 22, Earth Day Norway Celebration

APRIL 25, New Owner Orientation

JUNE 3, Yard and Plant Sale

JUNE 27, Operations Manual Revision
Published

JULY 8, Norway Arts Festival

AUGUST 12, Foothills Food Festival

OCTOBER 7, Yard Sale

OCTOBER 19, OHCHS Nonprofit Fair

NOVEMBER 11, Owner Fall Meeting

NOVEMBER 19, BOD retreat

NOVEMBER 28, New Ends 4 policy approved

DECEMBER 3, Holiday Dinner & Auction: 40
pies!



FARE SHARE CO-OP
HOLIDAY DINNER



CELEBRATING THE CIRCLE
CYCLES, SEASONS & PIES!
COME CELEBRATE COMMUNITY, LOCAL FOOD,
MUSIC, LAUGHTER, AND FUN.
EVERYONE IS WELCOME.

SUNDAY, DECEMBER 3RD, 5PM
AT CAFÉ NOMAD
450 MAIN STREET, NORWAY

TICKETS FOR SALE AT THE CO-OP
\$12-\$32 SLIDING SCALE • KIDS ARE FREE
FMI: 743-9044



2017 BOARD OF DIRECTORS

Zizi Vlaun (Secretary)

Peter Kreiner

Andrea AskenDunn (Vice President)

Rick Jackson

Ashley Roberts (potential Treasurer)

Becky Cheston

Rachel McGarry

Corey Dilts

Lisa Moore (President)

COMMITTEES

standing

Finance Advises and supports GM; builds budget; meets quarterly.

Hearth Tenders Offers new owner orientations 2-3 times per year; supports new members and ongoing membership drive.

Marketing Authors Marketing Plan; develops and implements marketing strategies.

Owner Engagement Keeps track of membership records and works to inspire and engage involvement and volunteering.

ad hoc

Basement/Plumbing Supports GM in making decisions about use of space, maintenance of systems, and future possibilities (i.e. root cellar, grow room, meeting space).

Shift to Patronage Distributions Informs members, oversees necessary changes, guides legal reorganization, increases financial literacy.

Fundraisers Yard sales, holiday dinner, wreath-making. If an owner has a good idea, we'll use it to achieve our goals.

2017 TENANTS

In addition to being a retail store and a Main Street property owner, Fare Share is also a landlord who rents space to several tenants. We were fortunate in 2017 that our spaces were full and our tenants were cooperative. Here are the tenants we rented to in 2017:

Western Foothills Land Trust

Moose Pond Arts + Ecology

MAS Medical Staffing

HCI Consulting

Norway Downtown

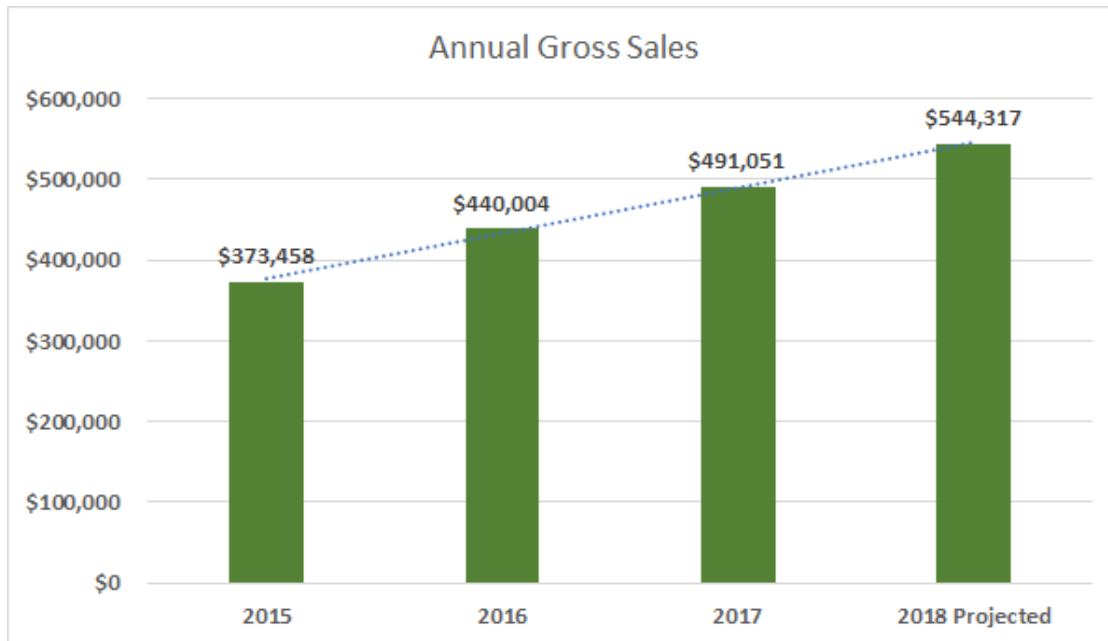
Riverside Counseling

Trudy Stanley

Center for an Ecology-Based Economy

FINANCIAL REPORT: Exceeded 2017 Sales Goals

Fare Share projected that 2017 Gross Sales would reach \$479,991. We were able to bring that up 2.3% to \$491,051, actualizing an 11.6% increase from 2016 to 2017 Gross Sales. We have budgeted for a similar increase of 10% in 2018 as you can see from the graph below.



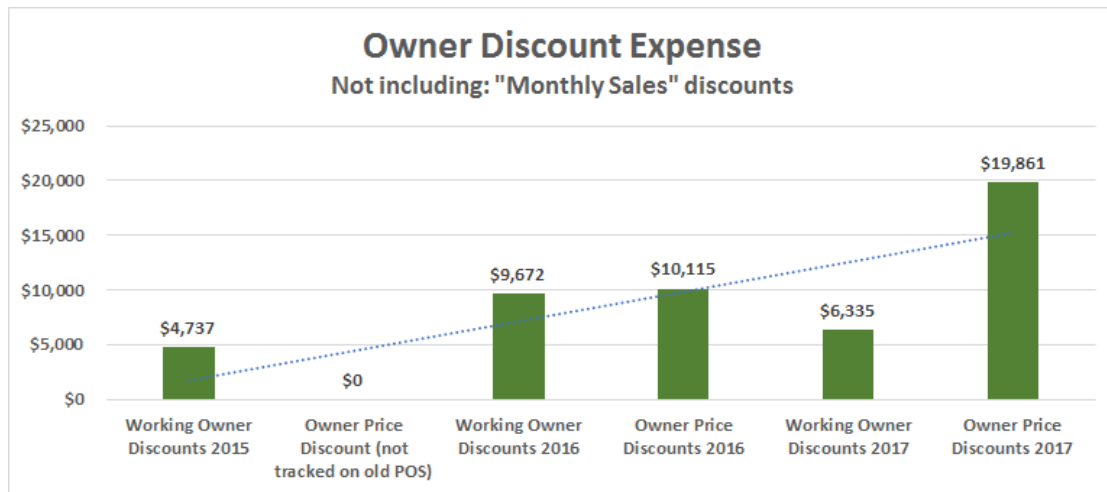
Building Maintenance and Repair

Our sales are increasing at a high and steady pace. Fare Share did not see a Net Profit despite this growth. The Maintenance and Repair Expense line saw a dramatic increase due to an elevator breakdown in late May, 2017. The expense of \$6,817 was eventually covered by Insurance in February of 2018, and was subsequently recorded as Other Income in 2018, leaving a negative balance on the Net Income line for 2017.

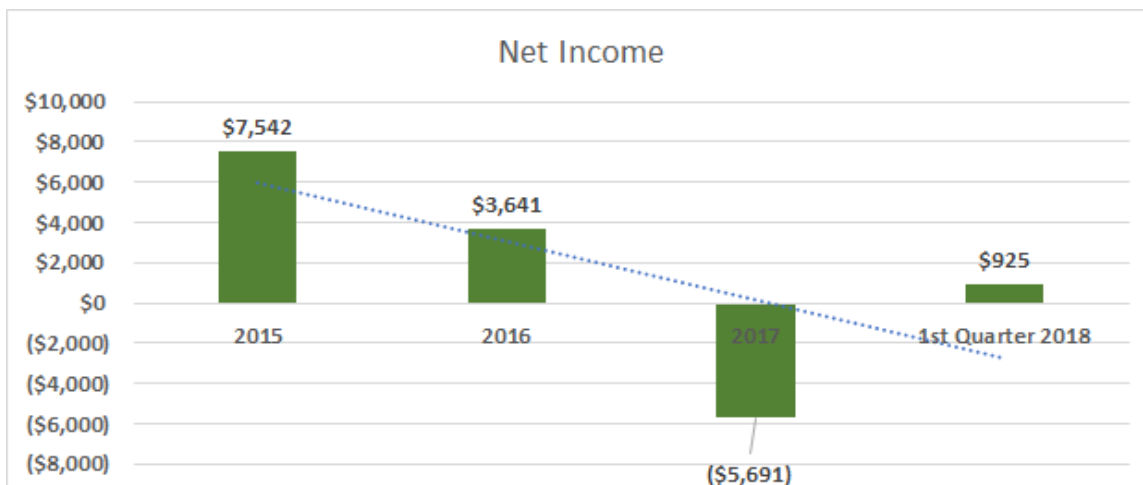
We were also billed \$4,800 for painting and repair of the building exterior in 2018. That cost shows up as a cost under Maintenance and Repair, but balances against its donation under Other Income. This did not contribute to lower Net Income, but is reflected in a lower Net Ordinary Income. See Income Statement on page 11.

Member Pricing and Volunteer Discounts

Another contributor to lower Net Income is Fare Share's discount structure. We distributed a total of \$26,196 in discounts to owners in 2017. These steep numbers clearly show the need for restructuring the way in which we provide benefits to Owners.



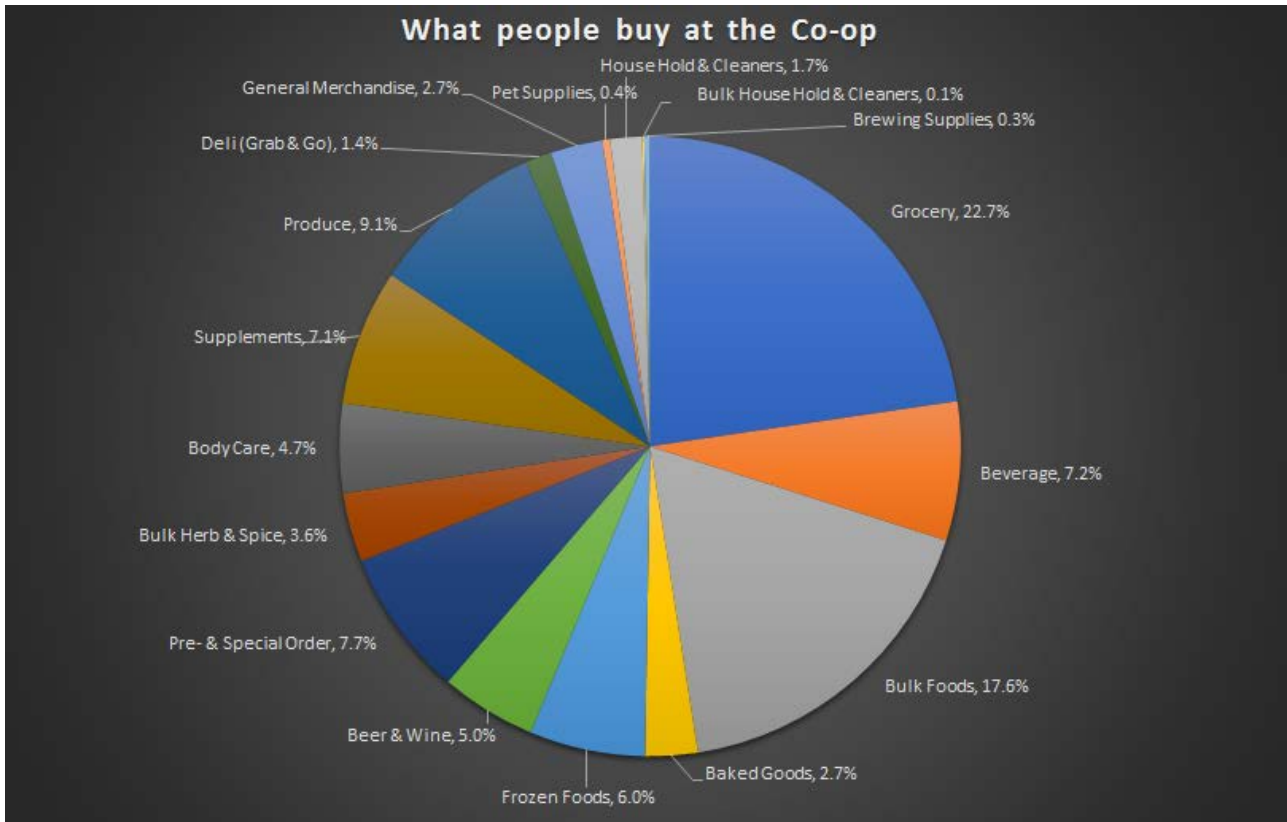
The Board and Management are working on implementing a Patronage Distribution system that will allow Fare Share to assess how much it can afford to distribute at the end of the year. It is in the best interest of the co-op and the co-op's long-term health to distribute benefits after knowing if the co-op can afford to do so. 2017 is a great example of a year in which we would have chosen to distribute less as we needed to expend extra cash for repairs. The prior two years are good examples of when we could have distributed more.



Net Income was negative before backing out Depreciation, after which we were cash positive at \$16,514.

Department Sales 2017

We are constantly showing higher sales numbers in our Grocery and Bulk Departments. The three Bulk Departments compete side by side with our Grocery Department. We love to see that our customers are frugal and concerned with lowering their waste. We are working on finding more affordable, organic, and yummy alternatives to our current bulk offerings, while we continuing to expand the selection in response to customer feedback.

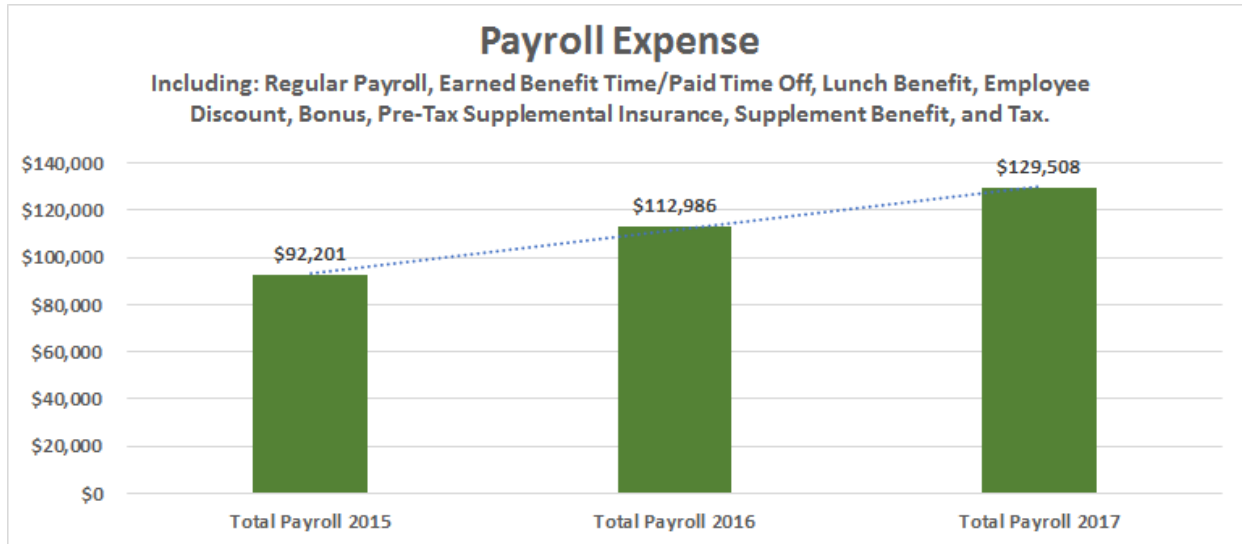


2017 Top Selling Items

1. Organic Bananas
2. LOCAL Hungry Hollow Cookies
3. Raw Organic LOCAL Milk
4. Bulk Organic Coffee Beans
5. LOCAL Eggs
6. Bulk Raw LOCAL Honey
7. Hot Soup
8. Borealis LOCAL Multigrain Bread
9. LOCAL Org Whole Milk Yogurt
10. LOCAL Organic Eggs

Payroll: A Positive Negative

Fare Share's Payroll Expenses has increased significantly and will continue to do so. The Budget Committee has received Board Approval for its steep increases to payroll over the past three budget cycles. One of the Co-op's goals is to elevate wages to a point where they make co-op owners, the Board, and Staff alike can be proud. We are heading forcefully in that direction and are proud to have increased Payroll and Benefits by 40.5% since 2015.



Fare Share Owners,

It is always a pleasure to see your smiling, sun-kissed faces. We are really excited about the variety of fresh and local produce coming in as the gardens bloom. Every day we try our best to familiarize ourselves with all the new products available in the co-op. We are most excited about the new kombucha on tap! Ask us questions anytime, and please share your wisdom with us. We learn so much from all of you. Happy spring!

Fare Share Staff:

Tracey, Han, Anna, Natasha, Jess, and Emmy



Income Statement 2017

	Jan - Dec 17
Ordinary Income/Expense	
Income	
Rental Income (incl Commons)	28,468.31
Grant Income	5,101.26
Sales (after discounts)	
Gross Sales	491,051.34
Discounts-Owners	-26,196.59
DiscountsOther	-5,657.60
Sales (after discounts) - Other	333.69
Total Sales (after discounts)	459,530.84
Total Income	493,100.41
Cost of Goods Sold	304,320.94
Gross Profit	188,779.47
Expense	
Insurance	6,866.50
Interest & Charges	14,511.21
Licenses Permits & Fees	560.00
Maintenance & Repairs	16,175.82
Mission & Marketing	1,360.68
Miscellaneous	-844.95
Payroll/Regular	102,889.17
Payroll/EBT Benefit (EBT Used)	7,152.54
Payroll Tax	9,225.69
Payroll Benefits	10,240.21
Postage and Delivery	74.10
Printing and Reproduction	388.24
Professional Fees	6,981.46
Property Tax	-184.44
Supplies	7,863.54
Telecommunications	1,841.05
Utilities	14,928.60
Total Expense	200,029.42
Net Ordinary Income	-11,249.95
Other Income/Expense	
Other Income	27,721.55
Other Expense	22,162.90
Net Other Income	5,558.65
Net Income	-5,691.30

Balance Sheet 2017

	Dec 31, 17
ASSETS	
Current Assets	
Checking/Savings	14,395.06
Accounts Receivable	-634.00
Other Current Assets	
Inventory	50,194.15
Total Other Current Assets	50,194.15
Total Current Assets	63,955.21
Fixed Assets	146,660.55
Other Assets	3,946.80
TOTAL ASSETS	214,562.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	33,930.76
Long Term Liabilities	202,818.41
Total Liabilities	236,749.17
Equity	-22,186.61
TOTAL LIABILITIES & EQUITY	214,562.56



MEETING OUR GOALS

ENDS POLICIES: How are we serving Fare Share's Ends/vision/goals/mission?

ENDS 1: The Oxford Hills Community has access to affordable local and organic food and health-related products.

We spent almost 38% of our inventory purchasing dollars on Local and Local-Organic in 2017 and aim to bring that up to 40% this year. We have allowed a lower margin on Local Food so that we can pay a fair price to the producer and allow for a reasonable price point in the store. We are also implementing the Farm Fresh Rewards Program in 2018 a program that allows SNAP recipients to earn vouchers when buying Local Groceries. Those Vouchers can then be used to buy Local fruits and vegetables. Plus, we offer discounts to senior citizens. **We want to move this effort forward. How can you help?**

ENDS 2: Fare Share is a model of cooperative business and sustainability.

The seven international cooperative principles guide us every step of the way and we are working more and more with other co-ops and businesses in our community. We keep working to improve our building and our finances to be more sustainable, and with an increase in compensation, we hope our staff is more sustainable, too. We try to conserve resources such as paper and plastic, and we no longer burn oil to heat our building. Plus, many customers bring their own containers and use tare weights. **Please, keep reading and engaging.**

ENDS 3: Fare Share is an educational center for promoting the understanding of sustainability, nutrition, and wellness to the larger community.

Education through action. We are building on this notion to reach a better level of education around the importance of health and local food system stability through partnering with Alan Day Community Garden in 2018. In the future, we imagine a 501c3 organization might take on this goal, something like the "Friends of Fare Share." Who wants to help make this happen? Come one, you know you want to. **When you're shopping, say, "Do you need help?" Explain that you are not an employee but an owner. It's a gateway moment.**

ENDS 4: Fare Share is a center for community activism.

Fare Share is a landlord, proudly leasing space to three non-profits and three counseling services. We collaborate with the Center for an Ecology Based Economy (<http://www.ecologybasedeconomy.org>)

on projects and events, such as educational movie screenings and hands-on learning opportunities. Fare Share is also a key player in the Foothills Food Festival (<http://foothillsfoodfestival.org>) and is getting increasingly more involved. Our GM is on the Steering Committee for the Cooperative Maine Business Alliance (CMBA), an organization that works to develop, support, connect, and advocate for cooperatives in Maine. We have donated to a range of local community organizations in 2017 including OHCHS, The Public Theater, Norway Downtown (<http://www.norwaydowntown.org>), CMBA, the Norway Family Fishing Festival, and others. We continue to work on ways in which we can engage with our community and its organizations. **Help us grow; make a suggestion; we're OPEN—like our sign says.**

LOOKING AHEAD

The Board has developed one-year goals that include more data analysis, establishing a Volunteer Coordinator, and a greater reliance on working committees. Five-year goals include a Community Outreach Coordinator, a shift to solar power, 75% local products, \$800K in sales, 1000 owners, strengthening our infrastructure, and expanding our role in our community. If you'd like to learn more or get more involved, now's the time. Contact BOD members through the website at www.faresharecoop.org, or call Lisa at 743-9808. Our goals are ambitious, but so are we. Stronger together in cooperation!

YOU ARE INVITED: EVERYONE IS INVITED!

FARE SHARE 40TH BIRTHDAY PARTY

JUNE 30, 2018, 6– 9pm, Fare Share parking lot and store

Featuring Stream Reggae (7–9) and birthday cake at 6:30!



FARE SHARE 2018 CALENDAR

Here's what we have so far.

This is a work in process,

so, let's add more FUN events.

MAY 19, 2-4, OWNER SPRING MEETING

JUNE 2, 9-2, YARD & PLANT SALE

JULY 14, 11-7, NORWAY MUSIC & ARTS FESTIVAL

AUGUST 11, 12-8, FOOTHILLS FOOD FESTIVAL

SEPTEMBER 21-23, COMMON GROUND FAIR

OCTOBER 6, 9-2, FARE SHARE YARD SALE

OCTOBER 24, NATIONAL FOOD DAY Any ideas?

OCTOBER 26, NORWAY HALLOWEEN FESTIVAL

NOVEMBER 3, 2-4, FALL OWNER MEETING

NOVEMBER 16, WREATH MAKING Kick-Off Party!!

NOVEMBER 24, NORWAY HOLIDAY PARADE

DECEMBER 2, 5-8, HOLIDAY DINNER & AUCTION

