

Good Tern Co-op

Good Tern
Natural Foods

750 Main St.

cooperatively owned since 1980

COME CHECK
OUT OUR
LOCAL PRODUCE

Annual
Report
2019/2020

Our Mission:

The mission of the Good Tern Co-op is to provide a high-quality, fairly priced, cooperatively owned and democratically controlled source of food and health products, to educate and inform members and the community on whole food, health and nutrition, food sources, and food preparation; and to help further cooperative principles as well as to promote democracy and self-reliance.

Published September 25th, 2020

In place of an Annual Meeting

GENERAL MANAGER REPORT

Brandy

Monroe

General Manager

Manages Personnel, HR,
& Operations



Laura

LaPointe

General Manager

Manages Finance,
Marketing, & IT

“With the support and dedication of our staff and community, we know we will continue to thrive.”

It would be difficult to discuss the past year without mention of COVID-19. Inevitably, an unprecedented global pandemic presented some unique challenges for everyone. We were thrust into moments of quick decision; prioritizing the health and safety of our staff and community without jeopardizing the health of the business.

To best protect the staff and create the cleanest environment possible, we decided to close the store to the public and transition into full curbside mid-March through mid-May. Curbside had a shaky start, but quickly grew into an efficient operation that succeeded our sales expectations. In June, under the guidelines of the state of Maine and the CDC, we reopened back to in-store shopping and continued with partial curbside.

While there were moments of stress, hesitation, and chaos during these last several months, there were also moments of growth and success. Community events being canceled gave us the space to turn in-

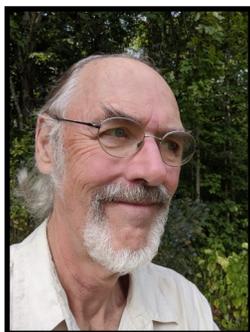
wards. We were able to slow down and reflect on store operations and team development. For every challenge presented, we actively chose to see the opportunities.

We brought our bookkeeping back in-house and restructured credit card processing, saving us 50% on fees. We were able to refine and develop systems and procedures that would allow us to build a stronger foundation for expansion; upgrading technology, simplifying back-office systems, and actively working on staff education and development. Our staff’s resilience and seeing them come together and work as a team has been the brightest silver lining thus far.

We may not know what the future has in store, but with the support and dedication of our staff and community, we know we will continue to thrive.

*Stay well,
Laura and Brandy*

2019 FINANCE REPORT



Tom May

Treasurer

Good Tern Co-op Financials FY 2019

Sales at your co-op were \$2,531,172 for 2019, down 0.15% from 2018. This includes Hole In The Wall Bagels, acquired in May 2018. For the Good Tern alone, sales declined by almost 4%, to \$2,255,004. This follows a decline of almost 5% in 2018 vs 2017. Operating income was \$43,035, down from \$66,345 in 2018. Net income after depreciation and amortization, interest, and expansion planning was a loss of \$36,229. Depreciation and amortization, along with interest expense, increased significantly in 2019. This was our first full year accounting for the acquisition of Hole In The Wall Bagel Shop in May of 2018. \$15,000 for expansion planning was for a market study.

Paid in member equity totals \$190,108, up \$21,304 from 2018. Member discounts, including weekly workers, monthly workers, and 3% for all members, were \$114,816. This has been in slow decline over the past 4 years.

Total assets declined \$23,590. Depreciation and amortization, \$29,998, was offset by the increase in current assets of \$6,408, mostly an increase in cash of \$4,950. We made \$13,335 in principal payments on our loan from Cooperative Fund of New England. Offset by a small increase in current liabilities, our total liabilities are down \$8,665. Our net loss of \$36,229 is reflected in the decrease in retained earnings. With the increase in paid in member equity of \$21,304, our net equity loss for the year was \$14,925.

PROFIT AND LOSS	2019	2018
Operating Income and Expense		
Gross Sales	\$2,531,172	\$2,535,036
Member and Promotional Discounts	(\$136,716)	(\$147,492)
Net Sales	\$2,394,456	\$2,387,544
Cost of Goods	(\$1,541,780)	\$1,536,814
Gross Profit	\$852,676	\$850,730
Operating Expenses	(\$809,641)	(\$784,385)
Net Operating Profit	\$43,035	\$66,345
Other Income and Expense		
Dividends, Interest, Memberships	\$1,589	\$5,958
Depreciation & Amortization	(\$34,568)	(\$24,608)
Expansion Planning	(\$15,000)	NA
Interest Expense	(\$31,285)	(\$23,319)
Net Other Income and Expense	(\$79,264)	(\$41,969)
Net Income	(\$36,229)	\$24,376

BALANCE SHEET	2019	2018	
ASSETS			
Cash	\$296,982	\$292,032	\$4,950
Accounts Receivable	\$1,544	\$137	\$1,407
Other Current Assets	\$127,932	\$127,881	\$51
Total Current Assets	\$426,458	\$420,050	\$6,408
Tangible Assets	\$637,395	\$657,624	(\$20,228)
Intangible Assets	\$104,782	\$114,552	(\$9,770)
TOTAL ASSETS	\$1,168,635	\$1,192,225	(\$23,590)
LIABILITIES AND EQUITY			
Current Liabilities	\$54,234	\$49,564	\$4,670
Long-Term Liabilities	\$618,426	\$631,761	(\$13,335)
TOTAL LIABILITIES	\$672,660	\$681,325	(\$8,665)
Member Equity	\$190,108	\$168,804	\$21,304
Retained Earnings	\$305,867	\$342,096	(\$36,229)
TOTAL EQUITY	\$495,975	\$510,900	(\$14,925)
TOTAL LIABILITIES AND EQUITY	\$1,168,635	\$1,192,225	(\$23,590)

Finance Committee Members:

Tom May

Rick Perry

EXPANSION REPORT

We started the Building Expansion Committee back in the fall/winter of 2018/19. Our first decision was to put out a Request For Proposal for a Market Survey, with Board approval. We wanted to make sure that if we expanded our store, the surrounding market would financially support our larger store footprint. We chose Hambleton Resources, Inc and it essentially said that we were crazy not to expand.

The first forecast is for no change. This is the default forecast against which the other estimates should be compared. Below is the forecast for development of a larger store on the same site.

Current Good Tern Financial Projections

		Good Tern Natural Food Co-op		
		YEAR 1	YEAR 2	YEAR 3
Store Size (SF)		Sep 2020-Aug 2021	Sep 2021-Aug 2022	Sep 2022-Aug 2023
3,000	Weekly	\$ 43,829	\$ 44,742	\$ 45,674
(equivalent to 2,000 selling)	Annual	\$ 2,285,244	\$ 2,332,851	\$ 2,381,450
	\$/SF/Wk	\$ 14.61	\$ 14.91	\$ 15.22

Financial Projections for Expanded Store

		Good Tern Natural Food Co-op in Larger Store		
		YEAR 1	YEAR 2	YEAR 3
Store Size (SF)		Sep 2020-Aug 2021	Sep 2021-Aug 2022	Sep 2022-Aug 2023
9,000	Weekly	\$ 78,728	\$ 84,386	\$ 88,298
(equivalent to 6,000 selling)	Annual	\$ 4,104,875	\$ 4,399,909	\$ 4,603,859
	\$/SF/Wk	\$ 8.75	\$ 9.38	\$ 9.81

After receiving this information, we decided to put out a Request For Qualifications for an architect with sufficient experience and capacity to design our new store.

We received five proposals and narrowed our decision down to one firm – the Scott Simons Architects in Portland. They had the expertise, the capacity of staff, and experience with food service and presentation. They also have experience with mass timber construction, energy efficient designs, local sourcing, and working with community input.

We started monthly meetings with their group, and over half a year or more, we came up with a preliminary plan which incorporates the Good Tern building and adding over 7,000 square feet. This decision will allow us to maintain the operation of both the Good Tern and Hole In The Wall Bagel Shop during

**John
Lichtman**

*Expansion
Committee Head*



Expansion Committee Members:

John Lichtman

Tom May

Lynn Allen

Sherry Stanley

Seth Bournival

Elissa Bower

construction. We would then remove the Bagel Shop structure and create more parking spaces; to a total of 47 on blacktop and 13 on the rear gravel/grass area.

We have now decided, with Board approval, to pursue a business plan –proforma – written by the Columinate group. They specifically work with food co-ops around the country and have the expertise to help us determine the financial feasibility of our project. We will know how much we should fundraise and how much we can borrow.

I would like to thank all the members that have helped with this endeavor: Sherry Stanley, Meg Barclay, Zander Shaw, Tom May, Elissa Bower, Jen Mazur, Laura LaPointe, Brandy Monroe, Seth Bournival, and Sarah Roe.

- John Lichtman

EDUCATION & OUTREACH REPORT



**Elissa
Bower**

*Staff Education
& Outreach
Coordinator*

Guided by the 6 cooperative values of self-help, self-responsibility, democracy, equality, equity, and solidarity, the purpose of the Education & Outreach Committee is to promote camaraderie within our membership and the wider community.

We strive to provide education, training, and information to our members and the general public about the nature and benefits of co-operation. We coordinate activities, publications, and events on the topics of healthful food, wellness, and sustainability.

During 2019, the Good Tern hosted a Community Bash, Member Appreciation Week, 12 wine tastings/art openings, and 9 classes on various topics such as fermenting, chocolate syrup making, CBD, and herbal wellness.

As the world deals with COVID-19, the Education & Outreach Committee has had to figure out ways to engage the community without hosting in-person classes and events. During the first stages of COVID-19 in March 2020, the committee began a "Building Community" email newsletter including different recipes and wellness tips in hopes to provide our community with information to stay well and to continue engagement with our members. We are continuing our work on Building Community through our quarterly newsletter, the *Terning Point*, with the intention of widening our audience and providing more content regularly.

Even though we have not been able to host as many events in 2020, we have taken this time to reflect on our successes and set goals for the coming year!

- Elissa Bower

2019 Outreach Events:

Community Bash
Member Appreciation Week
9 Educational Classes
12 Art Openings

Education & Community Outreach Committee Members:

Elissa Bower

Patti Luchetti

Rita Haas

Abi Morrison

Julia Schulz

Valerie Robinson

Steve Cartwright

We are a small group which meets every month, earning us our monthly working member discount.

We welcome inquiries regarding joining in.

Contact: goodtern.outreach@gmail.com

2019 ROUND-UP PROGRAM

Round Up For Change:

Every year, our staff choose 12 non-profit organizations to receive donations from our Round Up For Change program. Below is a list of organizations that received donations in 2019.

To nominate organizations for our 2021 Round-Up program, fill out the form online on our website or in person at the registers. We will be collecting nominations during the months of October and November.

January

Window Dressers (\$672.97)

February

Knox County Homeless Coalition
(\$813.55)

March

New Hope For Women (\$989.16)

April

Oceanside Little League (\$762.23)

May

South School Children's Garden
(\$959.64)

June

Lifelight of Maine (\$821.14)

July

Paws (\$1,122.12)

August

The Landing Place (\$1,300.58)

September

Trekkers (\$779.67)

October

Knox Clinic (\$955.96)

November

AIO Food Pantry (\$860.26)

December

Window Dressers (\$1,059.82)

2019 TOTAL: \$11,097.10

VOTE FOR YOUR BOARD OF DIRECTORS

Members Currently on our Board of Directors:

Jess Mazur, Board Chair

Tom May, Treasurer

Lynn Allen, Secretary

John Lichtman, Expansion Committee Chair

Seth Bournival

Heather Hynd, Staff Representative

The Good Tern Board of Directors represents all member-owners in its work to develop and maintain the mission and vision for the co-op.

While the Board does not run the store or have control over the day-to-day operations, it does monitor the health of the store and provides oversight and direction through policy development. The core purpose of the Board is to set the long-term strategic direction, hire the General Manager(s), and provide ongoing oversight of the overall store performance.

Currently, the Good Tern Board is focused on developing a plan to expand the Good Tern in the near future. The Board of Directors works closely with the Building Expansion Committee to determine wants and needs for a larger store and how we can best serve the community. New Board members will have the opportunity to be a part of this exciting planning phase as we shape the future of our beloved co-op.

At each annual meeting, our member-owners vote to elect or re-elect members to serve on the Board of Directors. This year, we're offering online and paper voting given the pandemic situation. Member-owners may exercise their right to weigh in on new Board members by voting on the candidates. Our Good Tern Board has been below the necessary 9 members for the last year. We're excited to build the Board back up to appropriate numbers with this year's election.

Cooperatively,
Jess Mazur, Board Chair

Do you have questions? Are you interested in joining the board or one of our committees?

Email: boardofdirectors@goodtern.coop

2020 BOARD CANDIDATES

Lynn Allen

A member of Good Tern since the eighties, I was initially drawn to the high quality, local food that was available at the co-op. My kids were little and my trips to Rockland (from Union) infrequent but Good Tern's staff and other co-op members soon became friends. Now that I am a Rockland resident, Good Tern has become my de facto community, a place where I can get good local food, solid information and advice about healthy living, and where I am assured of a friendly welcome. I want to continue serving on the board of the co-op because I want to see it continue to thrive, serving the community as no other local business does. And I like bagels!

Voted in mid-year through board vote, up for member election to solidify spot



Seth Bournival

Seth Bournival has been a working member of the Good Tern Co-op for about fifteen years. For several years he steadfastly handled recycling and trash removal for the store every Saturday. Now he seeks to join the Board. “Being on the Board was something I was always interested in but never had the time,” Bournival said, adding, “I value what the Good Tern does for our community—everything they provide. And I wanted my volunteer time to be more productive, more meaningful.” He was excited about the Co-op’s move from the South End to its current location and designed and built the counters the store uses for the cash registers. This will be Bournival’s first time serving on a Board of Directors. Bournival is interested in being part of the expansion of the Co-op, both to provide a more spacious store environment and to offer more products.

Voted in mid-year through board vote, up for member election to solidify spot .



2020 BOARD CANDIDATES



John Lichtman

I joined the Co-op in the early 80's and then again shortly after our 4th daughter left for college. We have been vegetarians since 1974. Access to organic and healthy food is very important to me. I belonged to other Co-ops in Oregon and Boston back in the 70's. I initially joined the previous expansion subcommittee of the Good Tern Board around 2010 or 2011. I was then asked to join the Board because they needed new people. I figured I could help since I have been building houses for the past forty years. I later became Board Chair for a little while and then took a break from the Board. I joined the newest Expansion committee in 2018. Now that we have a plan for our expansion, I am enthusiastic about pursuing the necessary fundraising that we will have to do in order to afford to build our new addition. I believe in a strong community with shared vision and enjoy working with our dedicated staff.

Voted in mid-year through board vote, up for member election to solidify spot.



A Note from Heather Hynd, our Staff Representative on the Board...

There is a saying "Be the change you want to see in the World" often attributed to Mahatma Gandhi. One thing this weird and stressful year has taught me is that change really does start with each and every one of us. Our choices today will impact the future of our grandchildren, and theirs. We don't have to be politicians, speaking to great overflowing crowds of people. Individuals with a common goal of a better world, economically, environmentally and socially, can make a difference. For me, that world supports local communities, local businesses, and local farms, while also reaching out to the wider world and supporting others who are working towards the same goals. What better place than a co-operative food store to support that change? It's not only personally fulfilling, I feel it is an important link in the chain towards a better future for our kids and grandkids. Knowing where and who our food comes from, and caring about them is a basic first step to a much better future. Please come and join us!

2020 BOARD ELECTIONS BALLOT

How to Vote for Board Members

There are a few different ways you can vote for members to join the Board of Directors. Vote online on our website, tear off this page and drop it in our ballot boxes at the registers, or mail it in. Election results will be announced mid-October.

Voting Deadline: October 15th, 2020

Vote online, in-store, or mail to: 750 Main Street, Rockland, ME 04841

Please note: your annual membership must be paid in order to vote. If you are not sure, you can call the store or check at the registers to see if you need to make an equity payment. Good Tern member-owners get one vote per member. Mailed ballots must arrive at the Good Tern on or before 10/15/20.

Your Information



Full Name: _____

Member #: _____

Board Candidates

Please check all who you would like to vote for:

___ Lynn Allen

___ John Lichtman

___ Seth Bournival

Votes must be submitted on or before October 15th, 2020

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