

**FIDDLEHEADS NATURAL FOODS
COOPERATIVE**

**BOARD OF DIRECTORS
MEETING PACKET**

**Meeting date:
August 16, 2016**

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Agenda

AGENDA
FIDDLEHEADS BOARD OF DIRECTORS MEETING
August 16, 2016
6:30-8:30 PM
105 Huntington Street, New London

Time	Topic	Resource	Action/Outcome	Leader
6:30	Meeting Preamble <i>Each of us is a member of the coop community and has been elected to be a leader in serving our members. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> Check-in	Agenda	Convene/Focus	President
	Agenda Review	Agenda	Make any needed adjustments	President
	Owner Comments		Listen	President
6:35	Approve Draft Minutes <ul style="list-style-type: none"> • July 19, 2016 	Packet	Approve	
6:40	Consent Agenda <ul style="list-style-type: none"> • Member Equity Refund Requests (as needed) 	Each item in packet	Approval	President GM
	Discussion of Items removed from Consent Agenda	See above	Discuss/Approve	TBD
6:45	Discussion/Action Items <ul style="list-style-type: none"> • Board Monitoring – Policy C2 – Board’s Job • Charter By-law Revision Task Force - Review input from board support call • Board Budget 2016 • Discuss Financial Review/Audit Options • Retreat Outcomes 	Packet		
7:25	GM Monitoring Report <ul style="list-style-type: none"> • A– Ends (wrap-up and approve) • B1- 2nd Quarter Financial Condition 	Packet	Approve	GM
7:45	Committee/Task Force <ul style="list-style-type: none"> • Nominations <ul style="list-style-type: none"> o Receive Minutes o Update on After Action Review • Annual Meeting <ul style="list-style-type: none"> o Receive Minutes o Establish Charter • Owner Alignment (Owner Communications) <ul style="list-style-type: none"> o Report on Board Support Call o Establish Charter 	Packet		Mona
8:10	Member Comments			
8:10	EXECUTIVE SESSION <ul style="list-style-type: none"> • To approve minutes of June 21, 2016, Executive Session 	Minutes To Be Provided		Secretary President
8:30	Closings <ul style="list-style-type: none"> • Determine use of CDS call (if any) • Review tasks for next meeting and other dates • Adjourn Meeting 			President

BOARD PACKET CONTENTS:

- Meeting Agenda (Elisa)
- Draft Minutes of July 19, 2016 Meeting (Danny & Elisa)
- Member Equity Refund Request (as needed) (Lexa)
- Monitoring Report Decision Tree
- Output for Board Monitoring of Policy C2 – Board’s Job (Helene and Elisa)
- Options for Financial Review at end of 2016 -- Lexa
- Board Budget (Susan Z.)
- GM Monitoring Report Policy A – Ends (Lexa)
- GM Monitoring Report Policy B1 – Q2 Financials (Lexa)
- Committee Notes/Minutes
 - Nominations Minutes (Mona/Helene)
 - Annual Meeting Minutes (Carolyn)
 - Owner Alignment/Communications (Carolyn)
- Executive Session Minutes of July 19, 2016 – (circulated confidentially/brought to meeting by Danny)
- Draft Agenda for September 19, 2016 meeting (Elisa)



Minutes

July 19, 2016

Meeting Minutes

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FIDDLEHEADS BOARD OF DIRECTORS Minutes of Board Meeting of July 19, 2016 105 Huntington Street, New London

I. CALL TO ORDER, ATTENDANCE, ANNOUNCEMENTS

A. Call to Order

Susan Phillips called to order a monthly meeting of the Fiddleheads Board of Directors at 6:30 p.m. on Tuesday, July 19, 2016 at 105 Huntington Street, New London, CT.

B. Attendance

The following Board members were present:

Susan Phillips, President
Helene Bardinet, Vice-President
Danny Spurr, Secretary
Carolyn Wilson
Mona Harmon-Bowman
Ellen Clinesmith (via Skype, exited at 8:10 p.m.)
Kelleen Giffin
Rachel Black

The following Board member was absent:

Susan Zimmerman, Treasurer

The following additional persons were present:

Lexa Juhre, General Manager
Elisa Giommi, Board Administrator

C. Check-in

Elisa asked if Board members still wanted the Board packet to be sent out as individual files in addition to one collated packet. Board members felt the single pdf packet was adequate. Individual files would still be available to Board members through Google docs if they were needed. There was a question about the use of Dropbox. Dropbox will not be used in the future for distributing files to the Board.

D. Agenda Review

The executive session was removed from the agenda, as it was decided the personnel item did not need to be addressed in executive session, and previous executive session minutes could be approved at a future executive session. A Board self-evaluation template task force item was added to the discussion section of the agenda.

E. Owner Comments

No owner comments

II. MINUTES OF APRIL 19, 2016 BOARD OF DIRECTORS MEETING

There was a follow up question regarding the GM monitoring report of May 17, 2016 related to its

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approval and archiving. It was confirmed that Susan Phillips and Susan Zimmerman approved the changes and that the revised Board packet was archived. Lexa noted that she does not have a copy of the revised packet. Elisa will make sure that Lexa has access to the Board archives.

Motion to approve the minutes of the June 21, 2016 Board of Directors Meeting with edits noted:

Motion: Mona Harmon-Bowman

Second: Kelleen Giffin

All in favor with Ellen Clinesmith abstaining

III. CONSENT AGENDA

Member equity refund request for Adam Collier (\$60)

Motion to approve the Consent Agenda:

Motion: Mona Harmon-Bowman

Second: Kelleen Giffin

All in favor

IV. DISCUSSION/ACTION ITEMS

A. Board Monitoring Report (C1- Governing)

The new format was not ready for this month and will be implemented next month.

It was suggested that a Board monitoring table be set up to compile monitoring information. Danny will set this up.

Motion to approve the Board Monitoring Report (C1 – Governing):

Motion: Ellen Clinesmith

Second: Helene Bardinnet

All in favor

There was interest in revisiting Global C when the new monitoring process is implemented, potentially before next year's scheduled monitoring of Global C.

B. Process to Re-convene a Bylaw Revision Committee

Susan Phillips has a running list of bylaws that have come up for potential revision, the primary bylaw needing to be examined being the bylaw regarding term limits. Sue Phillips, Danny, Kelleen, and Rachel were willing to be on such a committee. It was suggested that owners could potentially serve on the committee. Recent Board candidates Carol Connell and Scott Damask were suggested as potential owner members of the committee as was Andy Derr, who was believed to have previously been involved in bylaw revisions. It was also noted that any bylaws that end up being revised should be on the Annual Meeting Committee agenda as an item for members to vote on at the Annual Meeting.

C. GM Quarterly check-in

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Lexa was asked about challenges she faced in her first months as GM. She has had to keep a lot of “balls rolling” at once, but has been able to balance this so far. The consultants have been helpful, as has staff feedback. Her work-life balance has been good, in that she does not feel drawn in on her days off. She often does work long hours though and she has not developed her life in New London much yet. Lexa feels supported by the Board and will be assertive if she needs help.

A field trip to Willimantic Food Co-op was proposed and Lexa, Rachel, Helene, and Mona were interested in going. Susan Zimmerman had expressed interest in this as well.

Lexa talked about some of the things the co-op has in the works. Staff compensation is a high priority in working on the budget. There is an owner drive planned for September, and sales and events for Co-op month in October. There will also be a plan to try and hire a more diverse staff and translate co-op literature into Spanish. There have been some parking issues at the co-op. Attorney Finizio is in contact with the landlord's attorney to resolve these issues.

Feedback on the GM quarterly check-in was positive, and an oral process will be repeated in the future.

D. Board Self-evaluation Task Force

Motion to create a Board self-evaluation Task Force consisting of Helene Bardinet and Danny Spurr for the purpose of creating a template for individual self-evaluation.

Motion: Mona Harmon-Bowman

Second: Rachel Black

All in favor

The proposed format will be presented at the November Board meeting.

IV. GM MONITORING REPORT

The Board was very pleased with the detail of the report. There was a request to change the colored lines in the graphs to a format that is readable in grayscale. There was a question as to whether the GM would want to add her opinion of the policies being monitored, but Lexa and her consultant feel it this would not be advisable at the time of the report.

Ends A – Global End- Fiddleheads Natural Foods Cooperative exists so that Southeastern Connecticut is a healthy, robust and inclusive community.

Lexa noted in the area of inclusivity that neither staff nor clientele reflect proportional diversity of the community (New London) ethnically or socio-economically. Fiddleheads has little in the way of institutionalized practices to engage with the full array of constituencies in the city of New London or New London County. Lexa proposes pursuing a more diverse and multilingual staff, increased engagement with local agencies and churches, and translation of all co-op materials into Spanish.

Ends A1 – Food Justice- Fiddleheads exists so that Southeastern Connecticut is a model for achieving food justice for all.

Lexa interpreted this to mean Fiddleheads should be a leader on the issue of overcoming food

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insecurity in our community to the extent that is practical within our food & product policy. The Pantry program currently underway will be assessed in the fall. The stalled Food for All program will be rebooted. Fiddleheads will engage in partnership with local groups focused on food justice issues. EBT sales have increased year over year.

Ends A2 – Thriving Local Economy- *Fiddleheads exists so that Southeastern Connecticut is a thriving locally based economy.*

Purchases from local vendors are increasing. Local products currently represent approximately 37% of the store's total sales.

Ends A3 – Sense of Community- *Fiddleheads exists so that shoppers and members have a strong sense of community.*

Strategies to address this end include participating in and sponsoring events including social events and potentially work project parties and “town-meetings” to inform strategic planning, showcasing vendors and community partners, the Neighborly Nickel program, a clean, warm, inviting store with room for community interaction, and outreach and communication with owners. Lexa is not sure how best to measure progress in this area. Customer count is one potential metric, but is not necessarily a reflection of “sense of community.”

Ends A4 – Growing Co-op Model Use- *Fiddleheads exists so that Southeastern Connecticut has a growing use of the co-op model.*

There was a question from the Board as to whether the intention of this end was growing the use of the co-op model beyond merely the co-op itself- but to partnering with and fostering co-ops in our area, as the interpretation of this end, though seen as reasonable, did not address growth of the co-op model beyond the store itself. It was generally agreed that this was the intent of the policy and that the Board may want to reflect on this policy in the future, though this end is not necessarily the highest priority of the six ends at this time.

Ends A5 – Food & Health Knowledge- *Fiddleheads exists so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.*

A variety of strategies were proposed to meet this end, including offering workshops and classes, in store consumer education, healthful practice incentives, and partnering with local groups. Lexa is not sure what data can best be used to track progress in achieving this end.

Ends A6 – Workplace- *Fiddleheads exists so that Southeastern Connecticut has meaningful work opportunities in a supportive environment.*

Staff compensation is a high priority at this time. A staff survey was conducted last year, and a follow up survey may be conducted in a few months. The staff's Advocacy committee continues to help update the employee manual.

Motion to accept the GM monitoring report (A- Ends):

Motion: Rachel Black

There was some concern from the Board regarding a lack of operational definition in A3 and A5,

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though strategies for making progress towards these ends were articulated. Lexa will attempt to operationalize A3 and A5 for the meeting in August. Lexa encouraged the Board to email her input on her proposed strategies and operational definitions, noting particularly any that seemed unreasonable

Motion withdrawn.

GM monitoring report (A- Ends) tabled until next month.

VI. COMMITTEE/TASK FORCE

A. Nominations Committee

The Nominations Committee will be soliciting input from the Board and staff regarding the nominations/election process for its after action review.

B. Annual Meeting Committee

Feedback from the Annual Meeting was very positive. The Committee proposed that the Board create a committee charter in September, so that the Annual Meeting Committee can reform in October, as a Board committee to include the GM. The Committee will meet in August to discuss recommendations for the charter.

C. Member Owner Communications Committee

A new charter needs to be written for this committee. Input was solicited from the Board regarding what the committee's task/role should be. It was suggested that the committee should help foster a link between owners and the Board to help inform the Board's decisions and strategic thinking as well as the Co-op's Ends, without being redundant with operational outreach. Potential task could included working on a survey for October.

This committee will be discussed in the upcoming Board support call; Sue Phillips, Lexa, and Carolyn will attend the call.

VII. CLOSINGS

A. CDS Call

Sue Phillips, Carolyn, and Lexa will scheduled a CDS call to discuss the Member Owner Outreach Committee.

B. Review decisions, tasks, and assignments

- Make sure Lexa has the password to the Board's archive page on the Fiddleheads website- ELISA
- Set up Board Monitoring table- DANNY
- Contact Carol Connell, Scott Damask, Andy Derr about potential interest in Bylaw revision committee- SUE P.

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- Schedule field trip to Willimantic Food Co-op- RACHEL, HELENE, LEXA, MONA, SUSAN Z.
- Operationalize Ends A3 and A5 for August BOD meeting (Board is welcomed to give their input on this to Lexa via email)- LEXA
- Draft a proposed self-evaluation template for the BOD meeting in November- HELENE, DANNY
- Schedule an Annual Meeting Committee meeting for August to discuss charter ideas, potential Annual Meeting date- CAROLYN, DANNY, ELLEN, LEXA
- Schedule Board support call with Jade: SUE P., CAROLYN, LEXA
- Attend Ice Cream Social on August 5th (not mandatory)- ALL BOARD

C. Adjournment

Motion to adjourn:

Motion: Danny Spurr

Second: Kelleen Giffin

All in favor

Meeting adjourned at 8:44 p.m.

* * * * *

Draft minutes prepared for submission to the board by Daniel Spurr/Elisa Giommi on July 23, 2016.

Minutes approved by vote of the Board on _____ and put into final form by Danny Spurr/Elisa Giommi on _____.

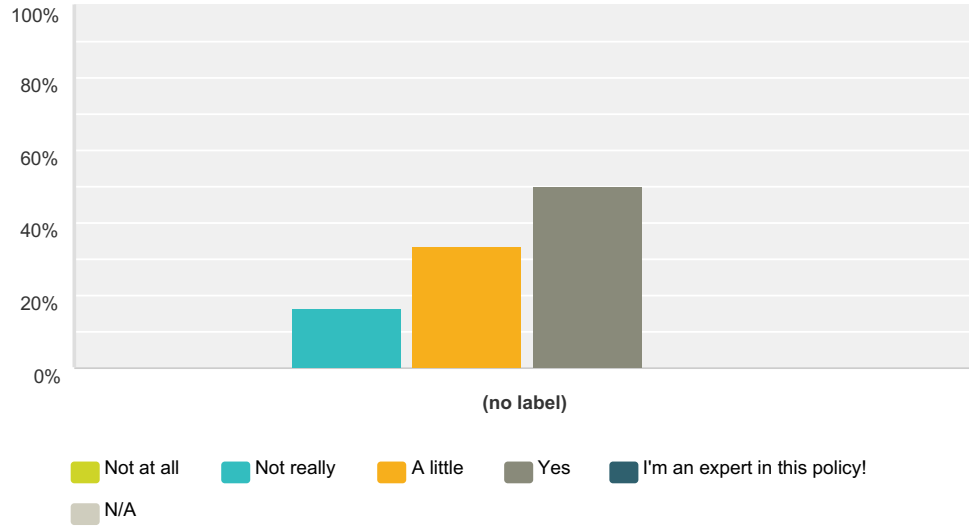


Discussion/Action Items

- **Board Monitoring Report C2**
- **Charter Bylaw Revision Task Force Review**
- **Board Budget 2016**
- **Financial Review/Audit Options**
- **Retreat Outcomes**

Q1 In order to govern successfully, we will create and sustain a meaningful relationship with member-owners. Do you understand what this policy means?

Answered: 6 Skipped: 0

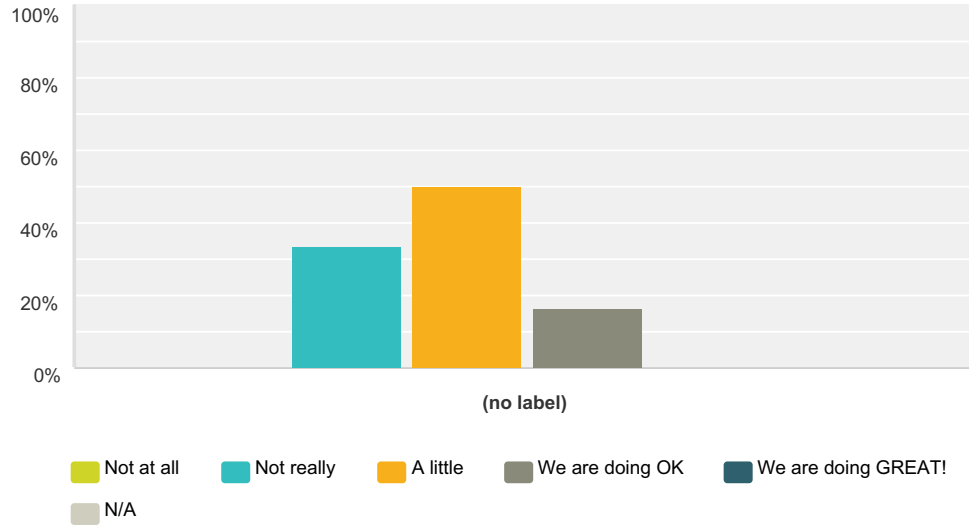


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	16.67% 1	33.33% 2	50.00% 3	0.00% 0	0.00% 0	6	3.33

#	Comment	Date
1	I understand the significance of the policy but I have a hard time understanding how the policy is put in to play.	8/9/2016 11:39 PM
2	I understand what the policy means but feel we have more work to do to establish meaningful relationships with member owners.	8/9/2016 7:29 PM
3	Definition: the way in which two or more people, groups, countries, etc., talk to, behave toward, and deal with each other. I do not think we have much relationship.	8/9/2016 7:13 PM

Q2 In order to govern successfully, we will create and sustain a meaningful relationship with member-owners. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0



	Not at all	Not really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00% 0	33.33% 2	50.00% 3	16.67% 1	0.00% 0	0.00% 0	6	2.83

#	Comment	Date
1	We have in the past received input from owners through surveys and a cooperative cafe. We can do more to reach out to owners and to make sure our ends are informed by our owners. I think the potential survey/town meeting Lexa may have in the fall would be a good opportunity for this.	8/10/2016 12:47 PM
2	I feel that we could be doing a lot more in this regard. Perhaps we could brainstorm ways to make ourselves available to members. More events like the recent ice cream social would be good.	8/9/2016 11:39 PM
3	We can do better. Weve had other priorities but its time to work on this via committee and other avenues. The store itself does a great job at this.	8/9/2016 8:32 PM
4	I do not feel we (the Board) have much of a relationship with owners	8/9/2016 7:13 PM

Q3 In order to govern successfully, we will create and sustain a meaningful relationship with member-owners. Is this the policy we need?

Answered: 6 Skipped: 0

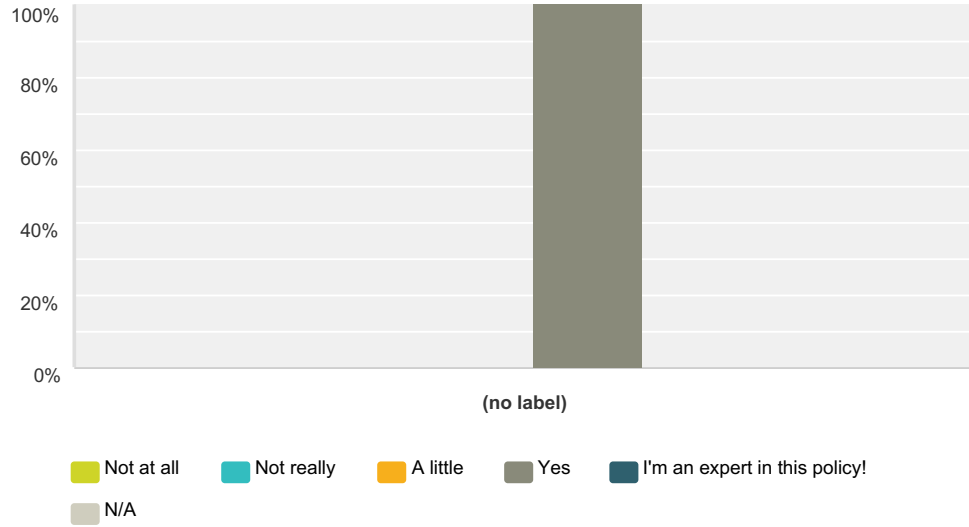


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
1	Yes, I don't think it is enough to just be elected. There needs to be an on-going dialogue.	8/9/2016 11:39 PM
2	I think we can only successfully represent the owners if we are in relationship with them, so that we understand what the owners want the co-op to be now and in the future. Otherwise, our only input to the direction of Fiddleheads is from ourselves.	8/9/2016 7:13 PM

Q4 In order to govern successfully, we will hire, compensate, delegate responsibility to, and hold accountable a General Manager. Do you understand what this policy means?

Answered: 6 Skipped: 0

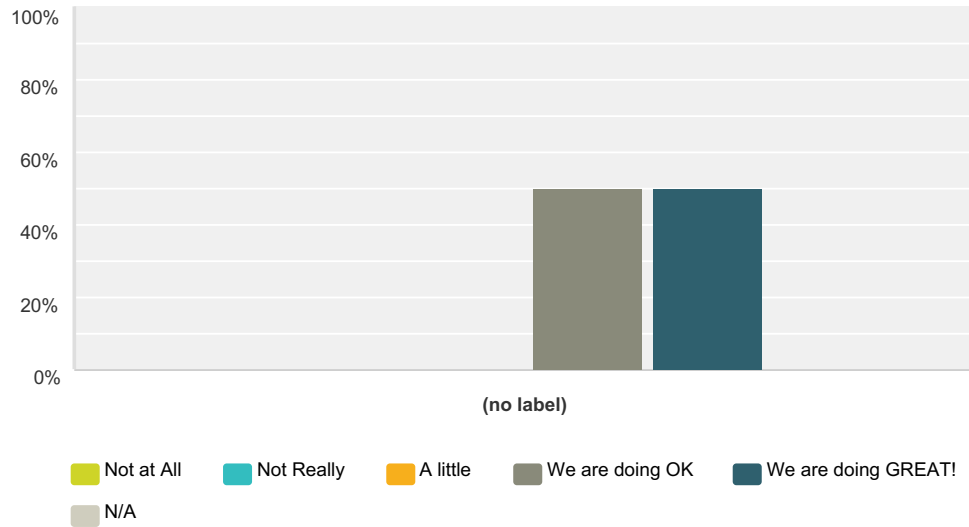


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 6	0.00% 0	0.00% 0	6	4.00

#	Comment	Date
1	Seems quite clear to me.	8/9/2016 11:40 PM

Q5 In order to govern successfully, we will hire, compensate, delegate responsibility to, and hold accountable a General Manager. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0



	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	6	4.50
	0	0	0	3	3	0		

#	Comment	Date
1	We are doing a good job so far with our new leadership, but we will continue to be diligent.	8/10/2016 12:50 PM
2	It seems like we are still working out what the board's relationship to the GM should be. I think that is pretty healthy.	8/9/2016 11:40 PM
3	We recently went through the process of hiring a GM. We are tightening up our eval process through monitoring.	8/9/2016 8:33 PM
4	It is early times in Lexa's tenure.	8/9/2016 7:14 PM
5		8/8/2016 4:39 AM

Q6 In order to govern successfully, we will hire, compensate, delegate responsibility to, and hold accountable a General Manager. Is this the policy we need?

Answered: 6 Skipped: 0

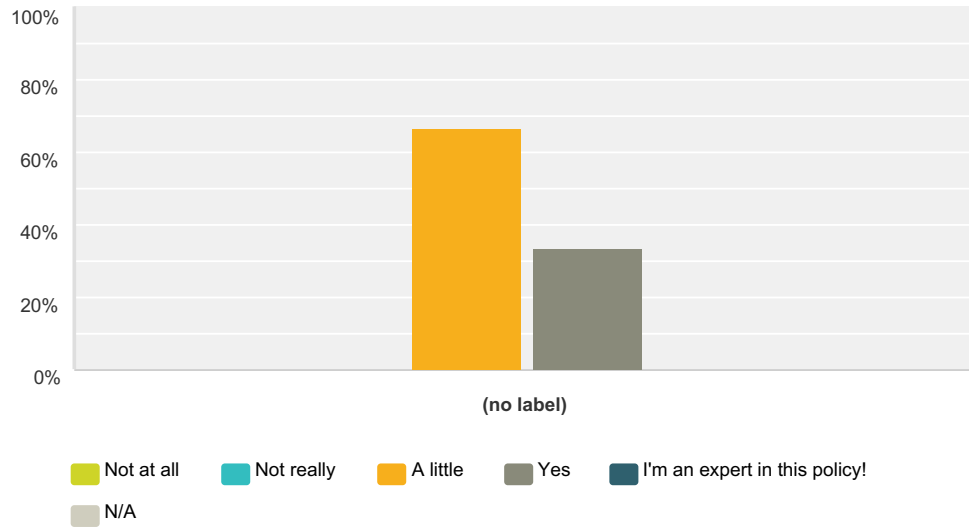


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
	There are no responses.	

Q7 We will use a strategic process to establish the value of GM compensation, and complete this process in a timely manner. Do you understand what this policy means?

Answered: 6 Skipped: 0

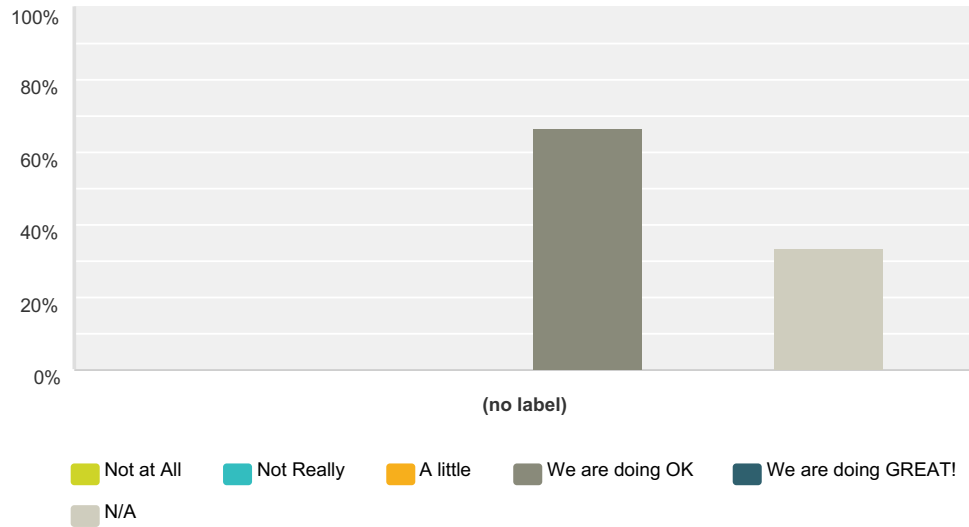


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	66.67% 4	33.33% 2	0.00% 0	0.00% 0	6	3.33

#	Comment	Date
1	Having not gone through this process yet, I understand it in theory, but not practice.	8/10/2016 12:54 PM
2	I understand what it means but I would like to know more about the "strategic process" part.	8/9/2016 11:44 PM
3	Wording slightly confusing. Is this just GM evaluation or is this more about strategic planning to outline goals for GM to then evaluate?	8/9/2016 8:36 PM
4	I believe this means we should decide where we want our compensation level to fall on a general scale and use salary surveys/data for comparable roles both in the cooperative world and from the grocery industry to set our GM's compensation. And we should review the data on a regular cycle (1-3 years).	8/9/2016 7:20 PM
5	I look forward to using this process and see it work	8/8/2016 4:55 AM

Q8 We will use a strategic process to establish the value of GM compensation, and complete this process in a timely manner. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0



	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	66.67% 4	0.00% 0	33.33% 2	6	4.00

#	Comment	Date
1	We have been monitoring our GM and recording our monitoring results, a good first step in this process.	8/10/2016 12:54 PM
2	Given that a GM was just hired I take this as a sign we are doing okay here. I would have to understand what her compensation is and compare it to similar position at other cooperatives and grocery stores to understand if the GM's compensation is appropriate. I haven't has access to this data yet.	8/9/2016 11:44 PM
3	I have no idea.	8/9/2016 7:20 PM
4	I have not experienced this policy yet. Looking forward to it though!	8/8/2016 4:55 AM

Q9 We will use a strategic process to establish the value of GM compensation, and complete this process in a timely manner. Is this the policy we need?

Answered: 6 Skipped: 0

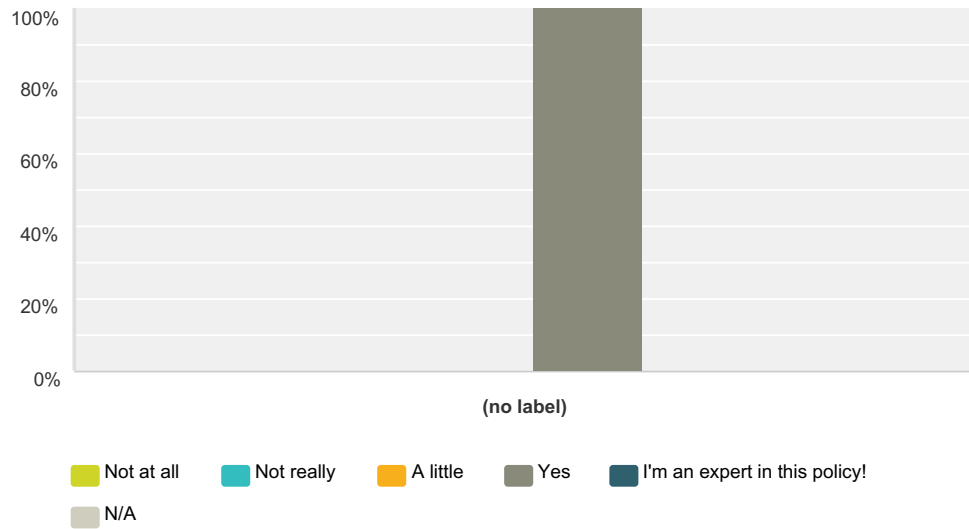


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
1	Again, I would like to learn more about the strategic process and how this was handled in the past.	8/9/2016 11:44 PM
2	Unsure...	8/9/2016 8:36 PM
3	Given the number of GM openings in the cooperative world it would be wise to make sure we are paying our GM competitively, but also in-line with her accomplishments.	8/9/2016 7:20 PM

Q10 In order to govern successfully, we will have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles. Do you understand what this policy means?

Answered: 6 Skipped: 0

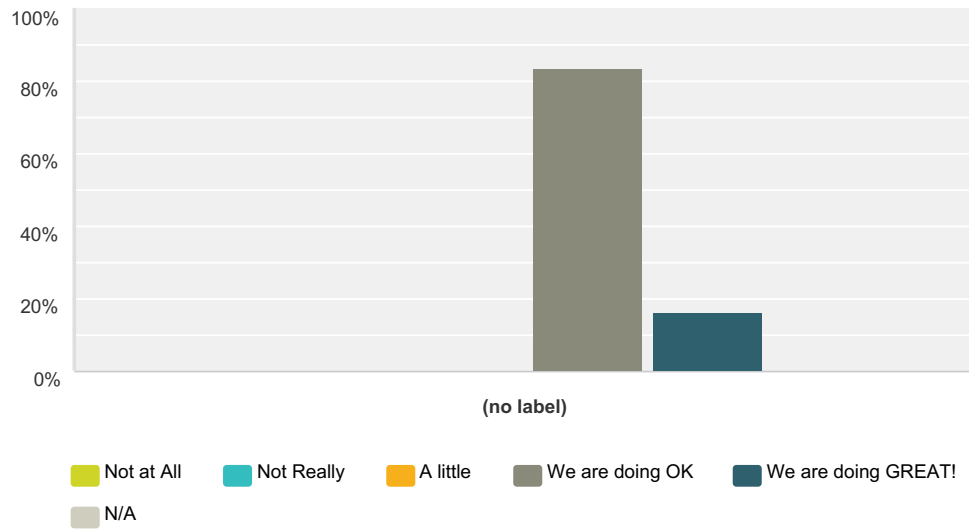


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 6	0.00% 0	0.00% 0	6	4.00

#	Comment	Date
1	Yes, but I am still learning about the different forms of policies.	8/9/2016 11:46 PM

Q11 In order to govern successfully, we will have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0

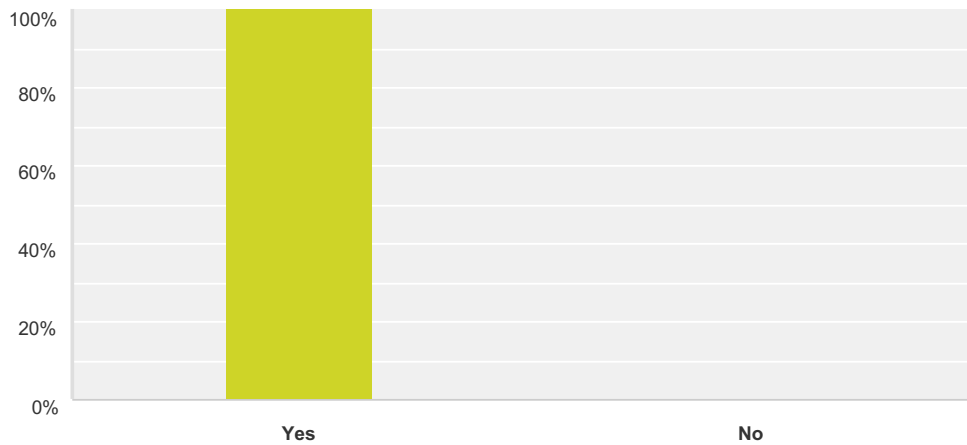


	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00%	0.00%	0.00%	83.33%	16.67%	0.00%	6	4.17
	0	0	0	5	1	0		

#	Comment	Date
1	We have a well developed written policy, that can always be improved, but are fairly thorough.	8/10/2016 12:57 PM
2	From what I have witnessed so far, the board seems to be actively engaging in creating policy that is well documented and transparent.	8/9/2016 11:46 PM
3	We are constantly working on tweaking things. Progress being made. Growth area. Normal to revisit some of these topics.	8/9/2016 8:39 PM
4	With acknowledgement for the need of review and revision.	8/9/2016 7:21 PM
5	As long as we refine and adjust our policies as we grow we are adhering to this policy.	8/8/2016 5:00 AM

Q12 In order to govern successfully, we will have expectations in the form of written governing policies that realistically address the broadest levels of all organizational decisions and situations. We will write these policies in the form of Ends, Executive Limitations, Board Process, and Board-Management Relationship, as described in the Policy Governance principles. Is this the policy we need?

Answered: 6 Skipped: 0

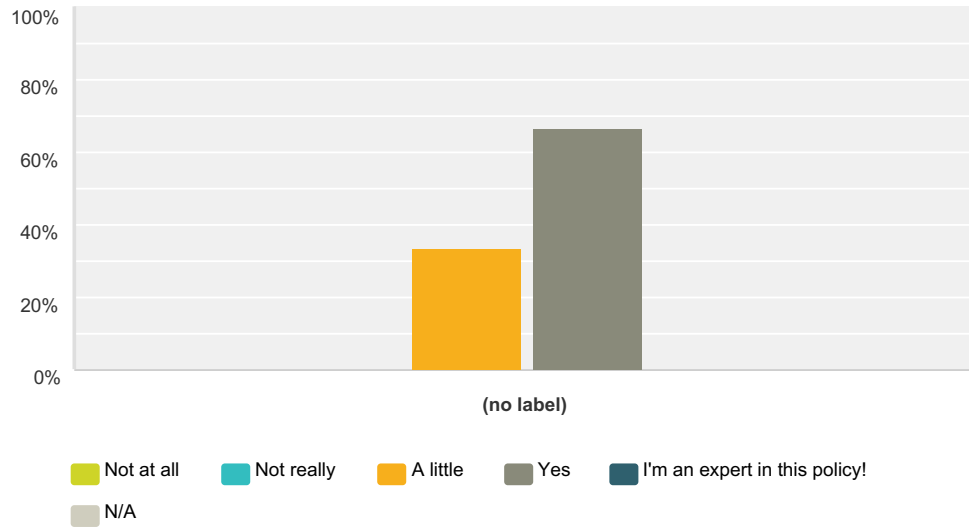


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
	There are no responses.	

Q13 In order to govern successfully, we will assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles. Do you understand what this policy means?

Answered: 6 Skipped: 0

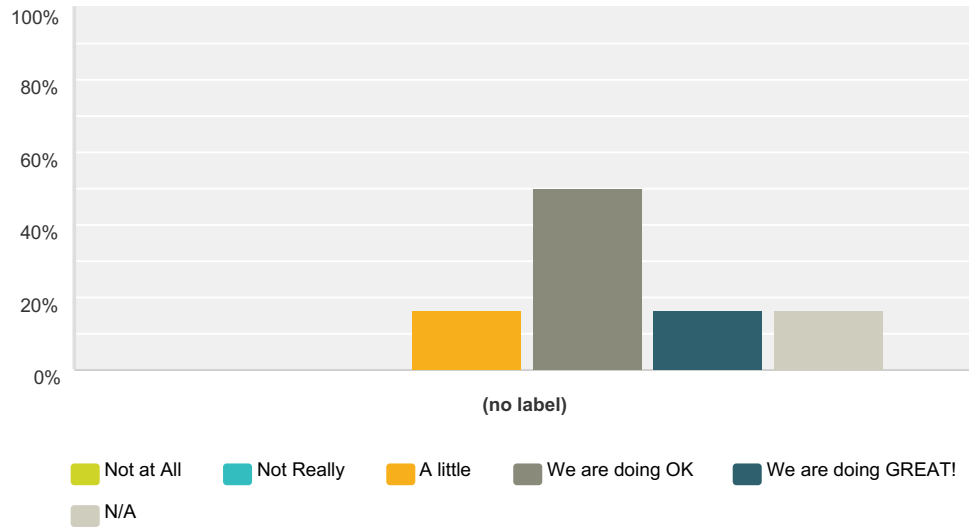


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	33.33% 2	66.67% 4	0.00% 0	0.00% 0	6	3.67

#	Comment	Date
1	It is not entirely clear to me what responsibilities are being assigned. I need to clarify my understand of this policy.	8/9/2016 11:48 PM
2	Need clarity. Would be helpful to discuss examples.	8/9/2016 7:34 PM
3	If this policy refers only to the board and GM, i understad	8/8/2016 5:07 AM

Q14 In order to govern successfully, we will assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0

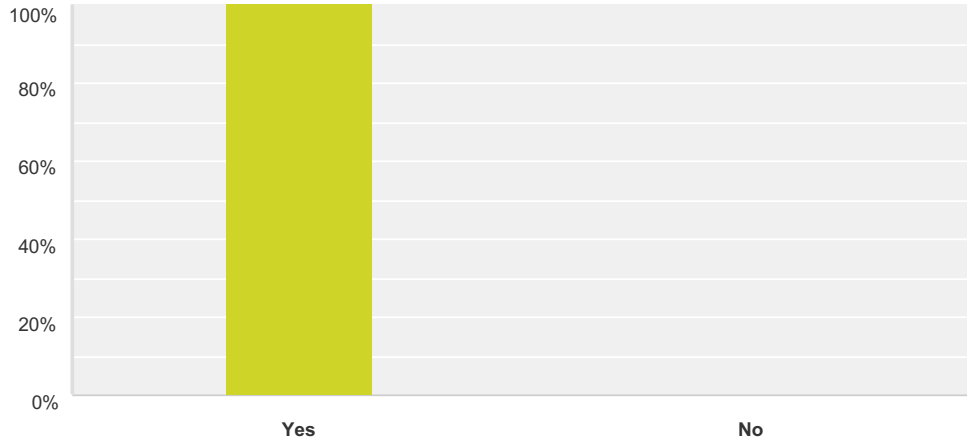


	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00%	0.00%	16.67%	50.00%	16.67%	16.67%	6	4.00
	0	0	1	3	1	1		

#	Comment	Date
1	We continue to improve in this area.	8/10/2016 12:59 PM
2	Until I clarify my understanding of the policy, I don't believe I can answer this question.	8/9/2016 11:48 PM
3	Good example of working on this is annual mtg committee roles/responsibility discussion	8/9/2016 8:40 PM

Q15 In order to govern successfully, we will assign responsibility in a way that honors our commitment to empowerment and clear distinction of roles. Is this the policy we need?

Answered: 6 Skipped: 0

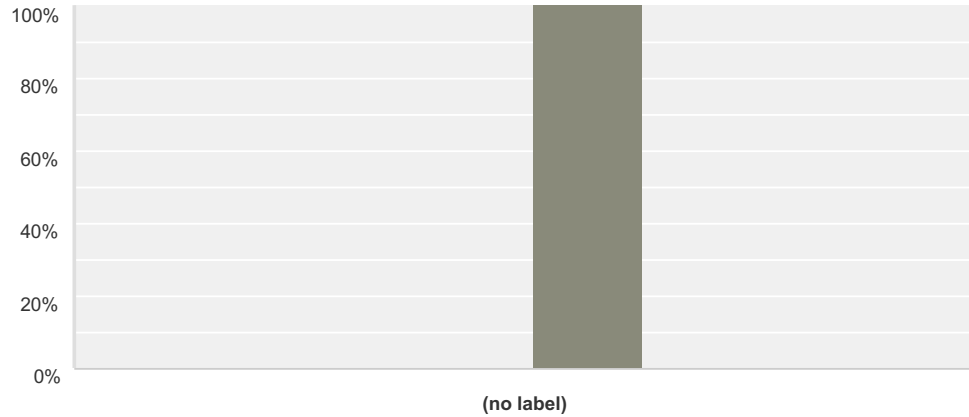


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
1	see comments above.	8/9/2016 11:48 PM
2	Seems a bit unclear to me. Might need a rewrite. It's an important concept.	8/9/2016 7:34 PM

Q16 In order to govern successfully, we will rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship. Do you understand what this policy means?

Answered: 6 Skipped: 0



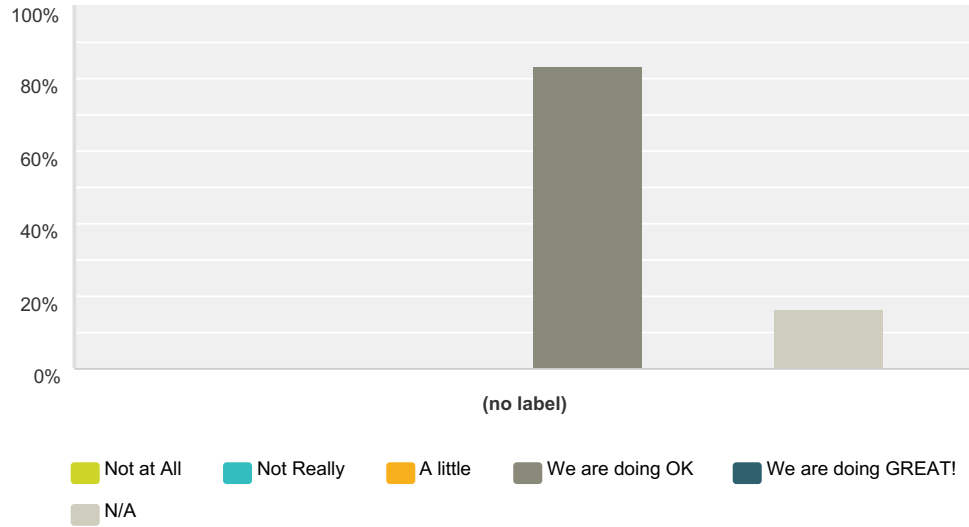
■ Not at all
 ■ Not really
 ■ A little
 ■ Yes
 ■ I'm an expert in this policy!
■ N/A

	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 6	0.00% 0	0.00% 0	6	4.00

#	Comment	Date
	There are no responses.	

Q17 In order to govern successfully, we will rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0

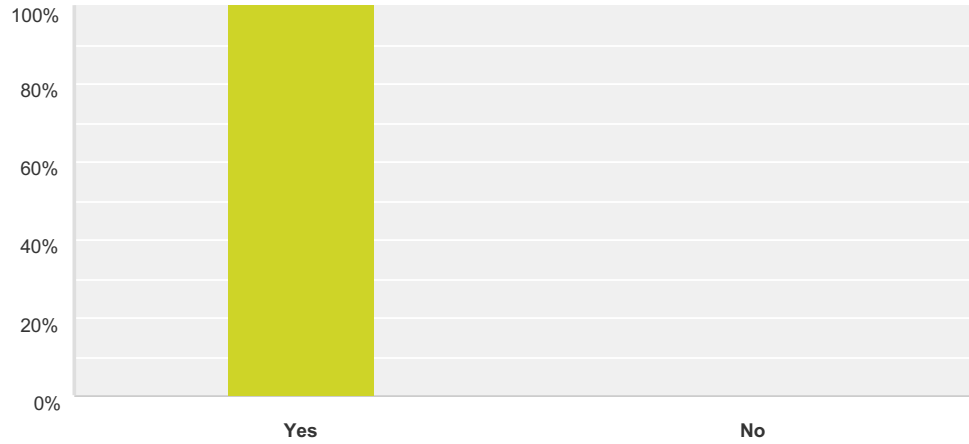


	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00%	0.00%	0.00%	83.33%	0.00%	16.67%	6	4.00
	0	0	0	5	0	1		

#	Comment	Date
1	I don't believe I have witnessed enough board business to be able to answer this question.	8/9/2016 11:49 PM
2	Continual growth area.	8/9/2016 8:41 PM
3	We might need to discuss the word "rigorously", perhaps.	8/9/2016 7:23 PM

Q18 In order to govern successfully, we will rigorously monitor operational performance in the areas of Ends and Executive Limitations, and Board performance in the areas of Board Process and Board-Management Relationship. Is this the policy we need?

Answered: 6 Skipped: 0

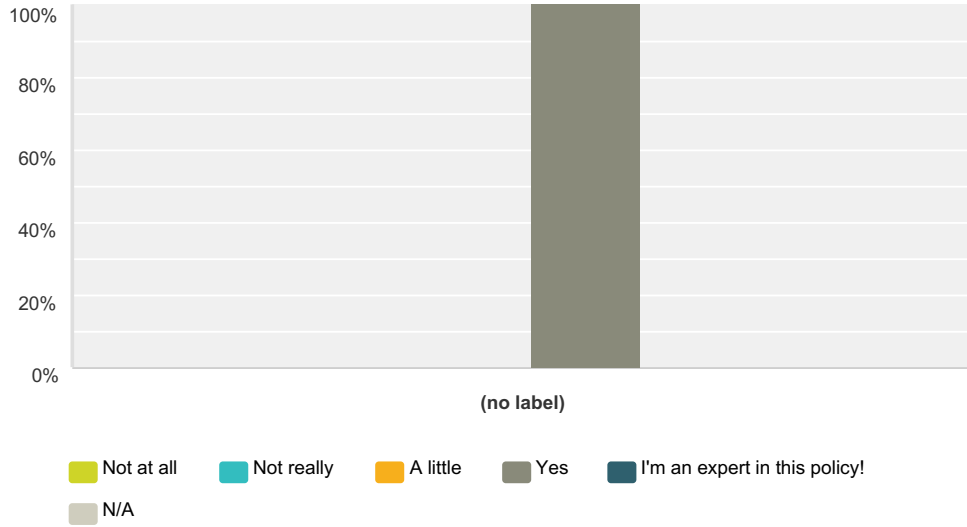


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
	There are no responses.	

Q19 In order to govern successfully, we will perpetuate the Board's leadership capacity using ongoing education, training, and recruitment. Do you understand what this policy means?

Answered: 6 Skipped: 0

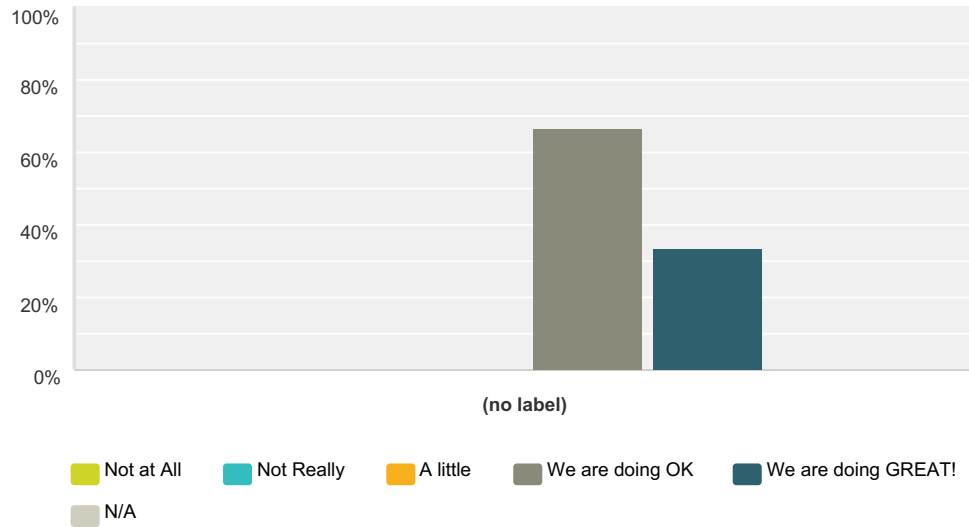


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	100.00% 6	0.00% 0	0.00% 0	6	4.00

#	Comment	Date
1	I think I am mainly on the education here!	8/9/2016 11:51 PM

Q20 In order to govern successfully, we will perpetuate the Board's leadership capacity using ongoing education, training, and recruitment. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0

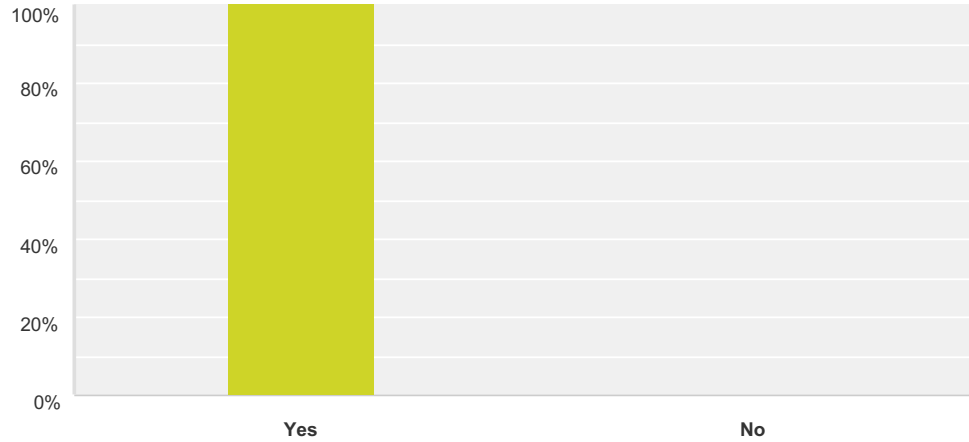


	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00%	0.00%	0.00%	66.67%	33.33%	0.00%	6	4.33
	0	0	0	4	2	0	6	

#	Comment	Date
1	We have attended conferences and CDS workshops, held trainings, and the Board has access to our consultant through monthly conference calls. We also have improved in our recruitment of new Board members, having a contested slate at our last election.	8/10/2016 1:03 PM
2	I need more education! That said, I also see myself as responsible for educating myself and asking questions. A lot of resources have been made available to me. I am also grateful for all the offers of mentorship.	8/9/2016 11:51 PM
3	Glad we are committed to training! We've improved in this area.	8/9/2016 8:42 PM
4	I wonder if there are more areas than just financial training that we should do some dedicated group learning?	8/9/2016 7:26 PM

Q21 In order to govern successfully, we will perpetuate the Board's leadership capacity using ongoing education, training, and recruitment. Is this the policy we need?

Answered: 6 Skipped: 0

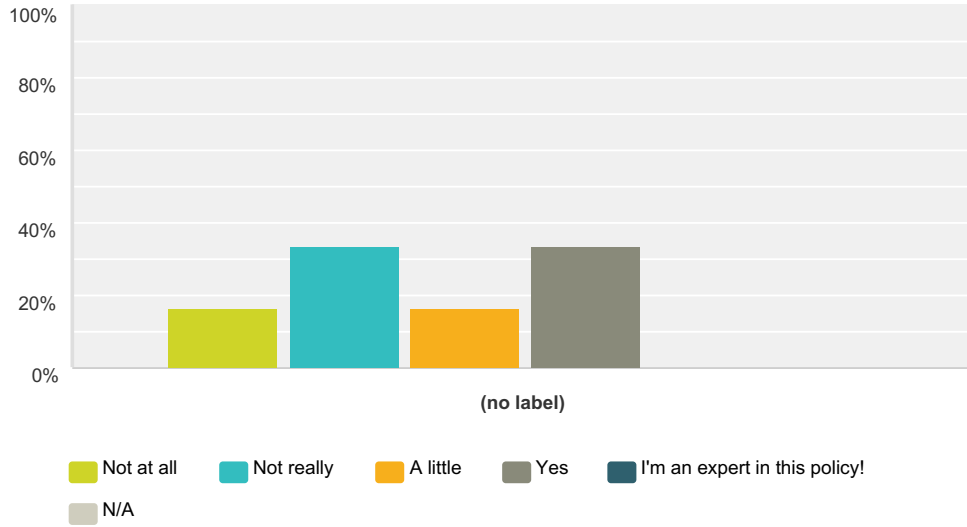


Answer Choices	Responses
Yes	100.00% 6
No	0.00% 0
Total	6

#	Comment	Date
	There are no responses.	

Q22 In order to govern successfully, we will perform other duties as required by the bylaws or because of limitations on GM authority. Do you understand what this policy means?

Answered: 6 Skipped: 0

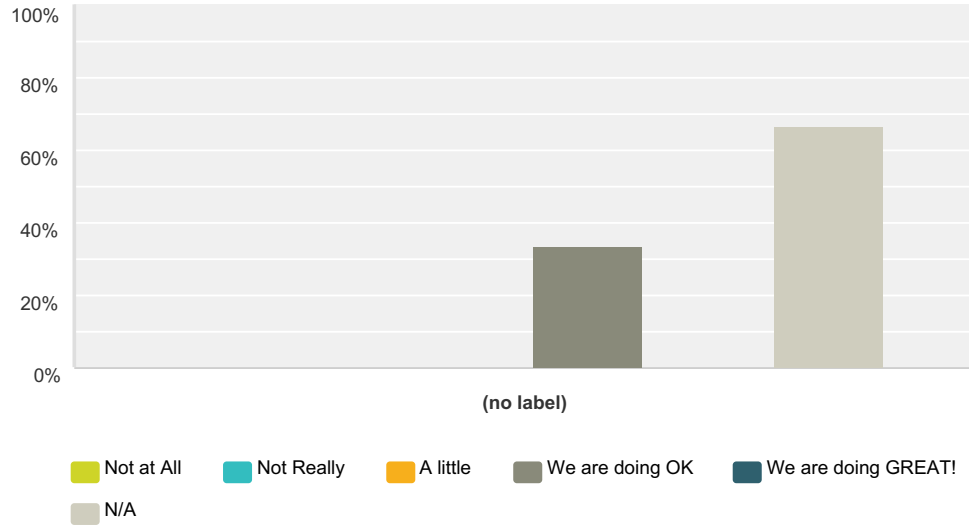


	Not at all	Not really	A little	Yes	I'm an expert in this policy!	N/A	Total	Weighted Average
(no label)	16.67% 1	33.33% 2	16.67% 1	33.33% 2	0.00% 0	0.00% 0	6	2.67

#	Comment	Date
1	Occasionally, these other duties are not clear or may relate to state law.	8/10/2016 1:06 PM
2	"Other duties" is rather broad. I can imagine what this means.	8/9/2016 11:52 PM
3	Not clear	8/9/2016 7:38 PM
4	Can we have examples of the "other duties".	8/8/2016 5:14 AM

Q23 In order to govern successfully, we will perform other duties as required by the bylaws or because of limitations on GM authority. How well do you think we currently adhere to this policy?

Answered: 6 Skipped: 0

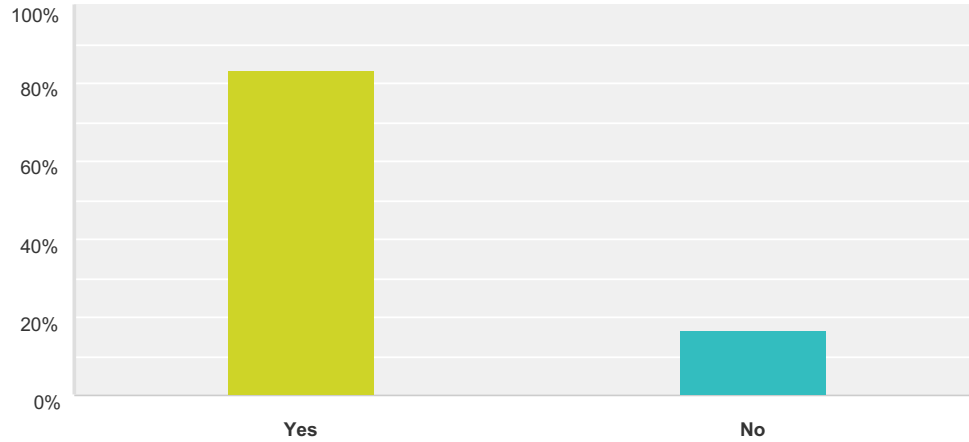


	Not at All	Not Really	A little	We are doing OK	We are doing GREAT!	N/A	Total	Weighted Average
(no label)	0.00% 0	0.00% 0	0.00% 0	33.33% 2	0.00% 0	66.67% 4	6	4.00

#	Comment	Date
1	I don't think I have seen this in action yet.	8/9/2016 11:52 PM
2	No idea what this even means or if we are doing it	8/9/2016 7:27 PM
3	I need to better understand this policy in order to answer this	8/8/2016 5:14 AM

Q24 In order to govern successfully, we will perform other duties as required by the bylaws or because of limitations on GM authority. Is this the policy we need?

Answered: 6 Skipped: 0



Answer Choices	Responses
Yes	83.33% 5
No	16.67% 1
Total	6

#	Comment	Date
1	Need to discuss other duties required by the bylaws	8/9/2016 7:38 PM
2	???? I did not have the option of do not know!	8/9/2016 7:27 PM
3	I don't know	8/8/2016 5:14 AM



GM Monitoring Report

August 2016

A1 Ends, continued
B1 Financial Condition



FIDDLEHEADS MONITORING REPORT, BASED ON CBLD TEMPLATE POLICY

MONTHLY MONITORING REPORT, JULY 30, 2016

Ends A – Global End

Adopted: January 6, 2014

Fiddleheads Natural Foods Cooperative exists so that Southeastern Connecticut is a healthy, robust and inclusive community.

Ends A1 – Food Justice

Adopted: January 6, 2014

Fiddleheads exists so that Southeastern Connecticut is a model for achieving food justice for all.

Ends A2 – Thriving Local Economy

Adopted: January 6, 2014

Fiddleheads exists so that Southeastern Connecticut is a thriving locally based economy.

Ends A3 – Sense of Community

Adopted: January 6, 2014

Fiddleheads exists so that shoppers and members have a strong sense of community.

Ends A4 – Growing Co-op Model Use

Adopted: January 6, 2014

Fiddleheads exists so that Southeastern Connecticut has a growing use of the co-op model.

Ends A5 – Food & Health Knowledge

Adopted: January 6, 2014

Fiddleheads exists so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.

Ends A6 – Workplace

Adopted: January 6, 2014

Fiddleheads exists so that Southeastern Connecticut has meaningful work opportunities in a supportive environment.

[This is a policy update which will include any information about actual or anticipated non-compliance for all aspects of the A Ends policies.](#)

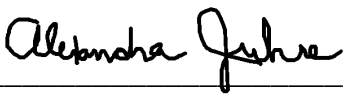
[I interpret these Ends statements as intended to inform a future vision, a strategic direction, and in some sense, they are never “complete”. By design, compliance for the purpose of this report is measured in terms of “making reasonable progress” toward these goals. Additionally, to the extent that some ends gesture toward an intangible, data points are assembled more as indicators; no one data point may be “proof”, but taken in aggregate, we look to see what they tell us a whole.](#)

I report compliance on progress toward all parts of this policy.

Unless indicated otherwise, all data in this report is for YTD 2016 and is accurate as of July 12, 2016. Where I have incorporated external data, I have included hyperlinks to source materials in the text and a list at the end.

Additionally, for the purposes of reporting, data may substitute New London County as synonymous with Southeastern CT, while some data will especially focus on the City of New London, where the store is centrally located.

I certify that the information contained in this report and attachments is true.

Signed , General Manager
Alexandra Juhre

Global Policy

Fiddleheads Natural Foods Cooperative exists so that Southeastern Connecticut is a healthy, robust and inclusive community.

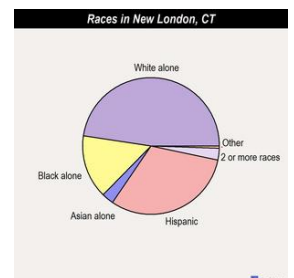
I report compliance in making reasonable progress.

Interpretation:

The co-op exists to meet a broad array of Community (owner and broader community) needs, some of which transcend those one might typically associate with a retail grocery store. In the sub-policies below, the Board specifies particular ways the Co-op should meet Community needs.

Demographic data for the City of New London from City-data.com:

- Median resident age is 30.7 years, significantly below the state median of 40.5
- 31.8% of population is Latino; 48.5% Caucasian, 15.4% African-American 2013
- 25.3% of households in New London living in poverty in 2013.
- Approximately 33% of adults 25 years and over have at least a Bachelor's Degree – 2013
- In 2013, New London residents spent an average of 24.6% of their income on food at supermarkets and grocery stores and an additional 7.9% of income on eating out, each of which were about 1% higher than the CT state average.
- Sept 2015 – Unemployment rate is 5,2% on par with CT statewide
- March 2016 cost of living index for New London is cited as 109.2 (US avg=100)



Operational Definition

FFC consciously aims to be welcoming to all and consistently offers attentive customer service to all patrons who frequent the store. The Co-op must pursue multiple strategies to foster diversity and strive to have staff, ownership and the customer base reflect the full diversity of the region we serve. The overall result of all activities designed to meet community needs should add value in each of the subpolicy areas to the quality of life of the residents of the greater new London area and mobilize more community members to work toward these common goals.

Fiddleheads Data:

We do not have reliable demographic data on our customers to serve as a basis for analysis. Anecdotally, we perceive that Fiddleheads draws customers from varied socioeconomic backgrounds, a broad age range and some ethnic diversity, but that we are underserving the Latino and African-American communities in New London.

Observations on Inclusivity:

- Neither staff nor clientele reflects proportional diversity ethnically or socio-economically
- Fiddleheads has little in the way of institutionalized practices to engage with full array of constituencies in the city of New London or New London County

Strategies Proposed to be a more inclusive community

- *Actively pursue more diverse staff, prioritizing creating connections with Latino/a community*
- *Prioritize multilingual candidates when other qualifications are comparable*

- Translate all store literature into Spanish
- Increase engagement with community services agencies and churches to reach a broader cross section of the community

Ends A1 – Food Justice

Fiddleheads exists so that Southeastern Connecticut is a model for achieving food justice for all.

I report compliance in making reasonable progress.

Interpretation: Food Justice is not a simple issue, but the intersection of many macro societal conditions such as a capitalist economic system, the industrialization and consolidation of food production and distribution, and a deeply ingrained class system. In seeking a definition of “Food Justice”, I found this one which resonated with me from the [Portland /Multnomah Food Policy Council](#), a citizen based advisory council to the City of Portland Oregon:

Food justice recognizes the structural inequalities within our food system. A vision for a just food system works to empower all community members to participate with equitable access to healthful, nutritious food, land to grow, and resources without the exploitation of people and land.

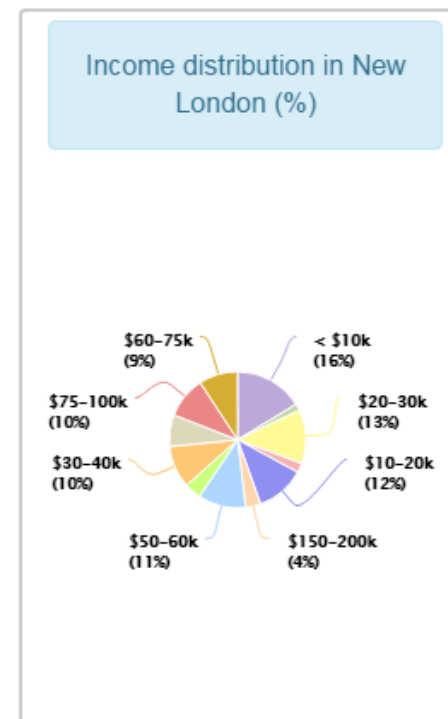
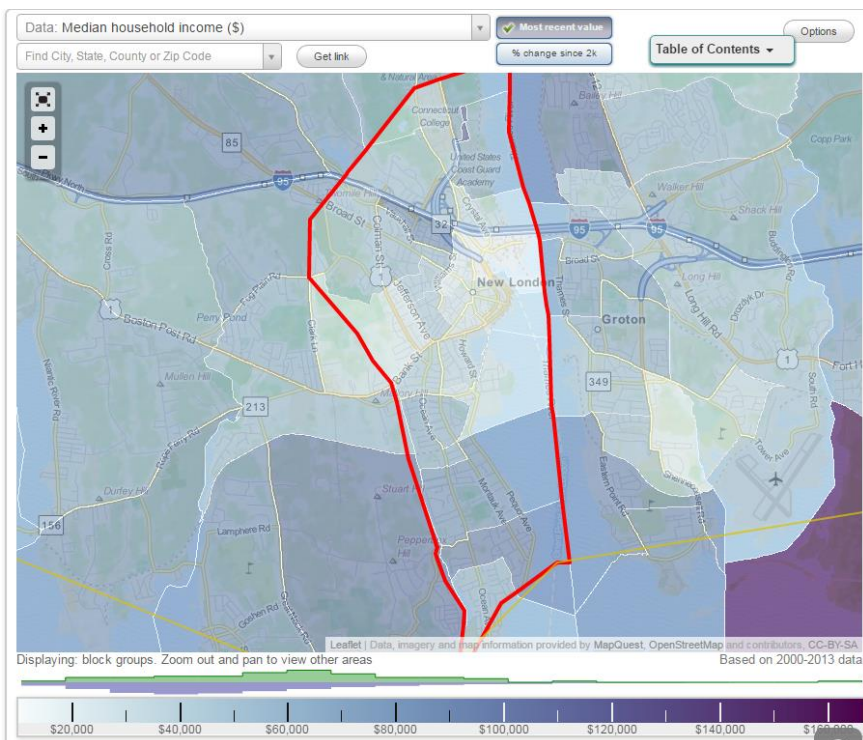
While the very establishment of a consumer co-op is a manifestation of this community exercising its right to sell and eat healthy food, FFC has room to grow to be a “model” in a broad sense., and yet aiming to achieve true equity in Southeastern CT is beyond the scope of influence of a single retail co-op. Consequently, my focus will be to demonstrate *reasonable progress* toward this end.

External Data:

City of New London - Distribution of income

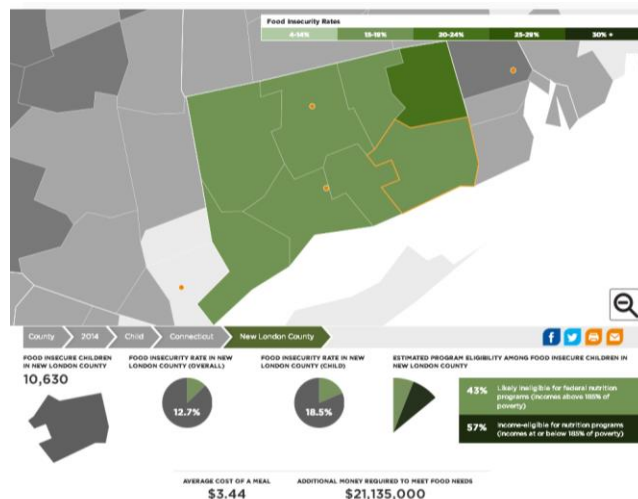
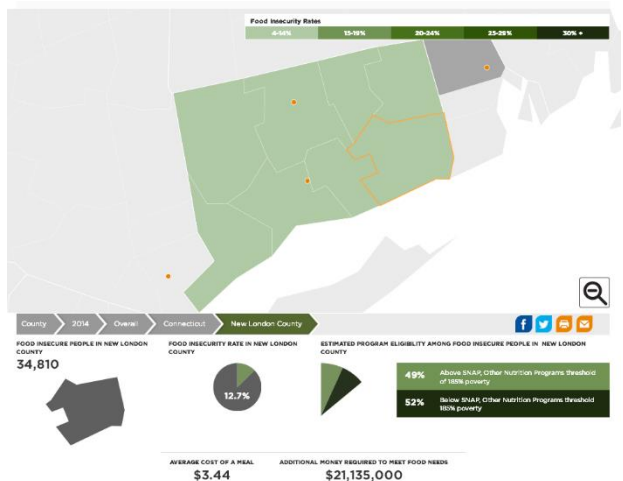
(Interactive map can be found at <http://www.city-data.com/income/income-New-London-Connecticut.html>)

- New London household income reflects a relatively evenly staggered distribution, which may contribute to the diversity of the community we serve, however, as noted above 25.3% of households in New London living in poverty in 2013.



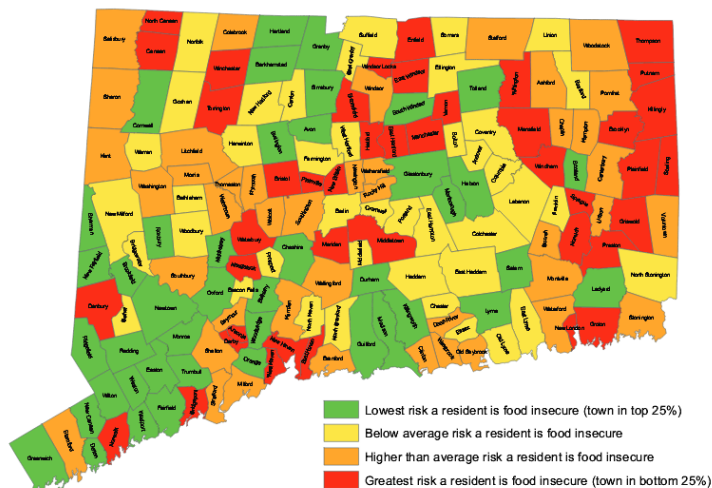
One Axis of Food Justice : Household Food Insecurity

The USDA describes this as a state in which “consistent access to adequate **food** is limited by a lack of money and other resources at times during the yearⁱⁱⁱ.” According to www.feedingamerica.org's “Map the Gap” website, 12.7% of New London County’s residents are believed to have experienced food insecurity in 2014. For children under the age of 18, the percentage was even higher at 18.5%:



A 2012 study available through the [Zwick Center for Food and Resource Policy at UConn](#) indicates that the towns most significantly affected within New London County were New London and Groton:

Measuring the likelihood a resident is at-risk for food insecurity



The UConn study ranked Connecticut’s 169 towns on Food Security:

- New London fell in the bottom 10, ranking 163 out of 169.
- Groton fared only slightly better, placing at 149 out of 169.
- Norwich also appears in the bottom 10, at 160 out of 169.

Interpretation (continued):

What is "healthful food"?

The USDA does not define "adequate food" but I think it is reasonable to determine that it would not be identical to a Fiddleheads definition. Steeped in a tradition of whole natural foods, which are minimally processed, without artificial ingredients and minimal exposure to pesticides, Fiddleheads sets a higher bar for "healthy food" than the USDA does. Although it is not codified in any of FFC's Ends Statements, the product mix we have developed is primarily Organic and/or Locally produced. This introduces some inherent tension with another important goal, namely making healthy food as *affordable* as possible.

These higher production standards tend to come at increased cost. Certified Organic production typically requires additional labor and fees, resulting in higher costs. Small scale production also faces challenges of adverse economies of scale in a competitive environment. Superior quality compels us to carry these products in spite of their higher costs, but we also realize these prices do not fit everyone's budget.

Given all this, I interpret this policy statement as written that Fiddleheads should be a Leader on the issue of overcoming food insecurity in our community *to the extent that is practical within our food & product policy.*

Operational definition:

- Fiddleheads will incorporate best practices from similar co-ops as well as innovate our own strategies *to continuously strive toward* making fresh, nutritious, locally grown, high-quality, culturally appropriate food available to our community.
- FFC will offer staple items at prices that are competitive, and ideally, affordable to all.
- FFC will track and report sales tendered to EBT
- FFC will collaborate with community partners to foster sustainable food here in New London, the most culturally and economically diverse community in Southeastern CT.

Fiddleheads Data:

- The Pantry program, introduced in November 2015 is a set of 60 staple items we sell at prices comparable or less than other supermarkets in the region, at a lower margin, to make these products more affordable for all shoppers. The set of items is curated by the department managers and stays consistent throughout the year. These products represent about 1% of sales. Sales have been quite consistent from month to month.

Having a stable set of items featured continuously at an Everyday Low Price is a strategy that many other food co-ops have adopted to great success; it makes these products more accessible economically, contributes to a positive price image of FFC in the minds of our shoppers, and also communicates that we are explicitly committed to *affordable high quality* food.

- EBT sales from January to June 2016 totaled \$38,414.17 comprising 2,345 transactions. For the same period in 2015, sales totaled \$ 35,550 in 2008 transactions.

This is an 8% increase year over year, slightly outpacing overall sales growth for the period

Observations:

- Our current store location positions us well geographically to serve communities in need
- Barriers are likely to be both pragmatic (e.g. affordability) and cultural (e.g. not "my store")
- Plans stalled more than a year ago to implement a "Food For All" program.
- Pantry program – will assess after 1 year in the fall for customer price perception and value

- Bulk purchases can make access to some staples more affordable, promotes cooking from scratch, and offers the consumer the option to buy only the quantity needed. These aspects could be enhanced through greater education.

Strategies we will explore for 2016-2017:

- Partner with FRESH and other community agencies working toward Food Justice
- Implement a Food For All program (ideally before Thanksgiving 2016?)
- Consider offering free fruit after school for kids?

Ends A2 – Thriving Local Economy

Fiddleheads exists so that Southeastern Connecticut is a thriving locally based economy.

I report compliance in making reasonable progress.

Interpretation: Fiddleheads should contribute positively to growing and sustaining a locally based economy.

Operational definition:

- The co-op will increase purchases from local vendors year over year.
- Fiddleheads managers &/or staff will participate in opportunities to influence local economic planning and marketing groups such as New London Local First and the Eastern CT Chamber of Commerce.
- Fiddleheads will partner with like-minded non-profits and private individuals to develop the local economy

Fiddleheads Data:

Purchases from local vendors are increasing!:

- \$407K in purchases Jan-June 2016, from 90 local vendors, compared to \$286K Jan- June 2015
- Local products currently represent approximately 37% of the store's total sales

Ends A3 – Sense of Community

Fiddleheads exists so that shoppers and members have a strong sense of community

I report compliance in making reasonable progress.

Interpretation: The co-op is more than just a grocery store. It is also a monument to communal achievement, a community meeting place, a hive of ideas and a place to put those ideas into action. It is in the end, the community that supports it, and the community of farmers, artisans and small businesses we support in kind. Telling this story and sharing our successes in the store, on social media, in reports and in the news will enhance our community's awareness of how much we are interconnected, and offers practical avenues to contribute to a positive community experience.

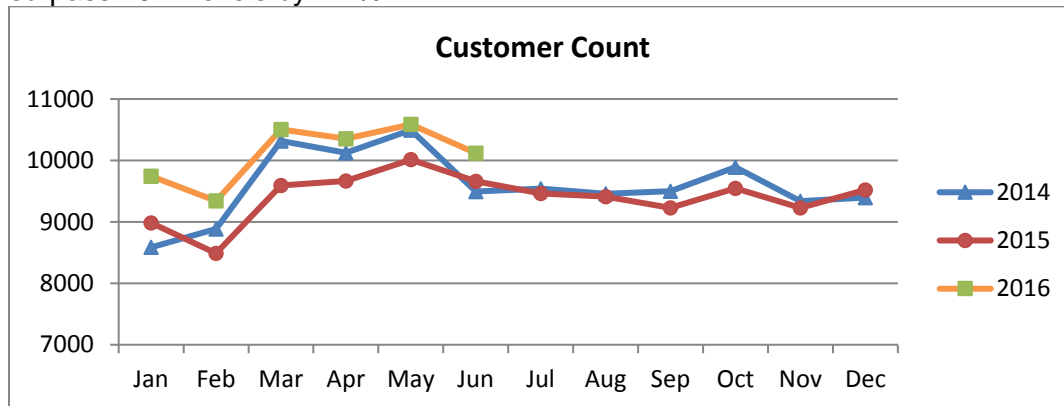
Operational Definition:

- Fiddleheads is deeply intertwined with this community, and telling the stories of our interconnectedness is key to creating and reinforcing the awareness of our positive impact on the community. FFC will collect and report data on a number of metrics which are all expected to grow over time, including:
 - # of Owner Outreach Events
 - Dollars distributed to local charities through the Neighborly Nickels program
- Customer (transaction) Count shall increase year over year.

Fiddleheads Data:

- Events held for Owners from Jan – June included FFC's 8th Birthday celebration, Annual Meeting and Party at the Hygienic with the Can Kickers.

- Events opened up to all Community Members: Community Cookout and Veggie Passport program to engage school-aged children and their families to explore fresh fruits & veggies
- Participated/Tabled in public community celebrations including New London Spring Stroll, Nameaug Music Festival, Colony Collapse Art Opening @ The Hygienic Arts Center and Connecticut Food System Alliance Spring Gathering at Connecticut college.
- Weekly Electronic newsletter, newly dubbed The Fern, for owners and shoppers sharing events, sales and educational features
- Partnered with FRESH on their Annual Plant Sale and cross promoted their summer events in The Day's "Food Fun & the Fourth" circular, as well as on social media
- Collected and distributed ~\$560 in Neighborly Nickels contributions
- Customer Transaction Count in 2015 had slipped, but for 2016 year to date, counts have rebounded to surpass 2014 levels by 4.7%



Other strategies to pursue for enhancing community:

- Maintain a warm inviting, clean store and space for spontaneous community interaction
- Promote and showcase the network of vendors and community partners we work with every day! e.g. Featured Farmer each month, literature celebrating our role in the local economy, etc.
- Potential for periodic "town meetings" for owners to inform strategic planning
- Plan for special project work parties such as landscaping/weeding parking perimeter
- Social events for owners at seasonal intervals
- Survey Owners annually (include question to measure how well we are fulfilling Ends)

Ends A4 – Growing Co-op Model Use

Fiddleheads exists so that Southeastern Connecticut has a growing use of the co-op model.

I report compliance in making reasonable progress.

Interpretation:

Cooperatives create value by successfully assessing the needs of its members and meeting these needs through valued products and services. Fiddleheads takes a holistic approach to this model in that its ends are aimed at improving the quality of life for the community at large, with select benefits for Owner households. Ultimately, the goal is to raise awareness around the empowerment that can be achieved through the use of the co-operative model and continue to draw in new members and expand our collective power.

Operational definition:

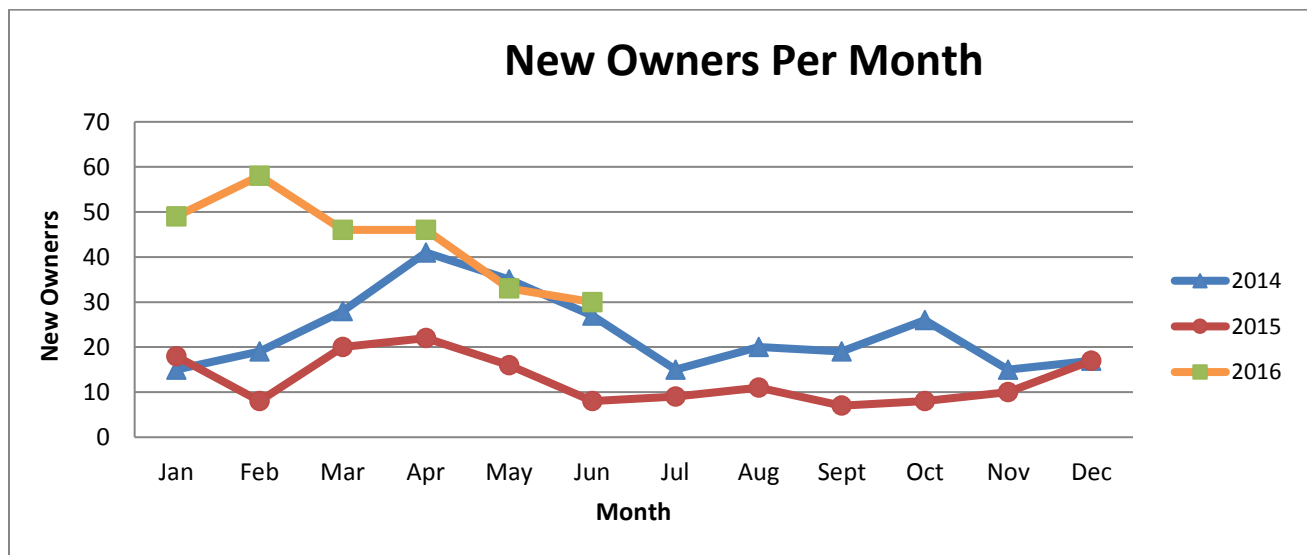
- Fiddleheads will experience positive growth in ownership and level of economic participation through equity investments and owner loans.
- Fiddleheads will prioritize investment in and borrowing opportunities from other co-operatives.
- Fiddleheads will educate consumers about the value and power of the co-operative model as promoting social welfare and modeling an alternative to capitalism.

Proposed strategies:

- Communicate growth in membership in store and through Owner newsletter at least once per year
- Conduct periodic Membership drives (annual?)
- Communicate the value of Owner Equity – Translate into tangible Impacts as part of ongoing campaign
- Highlight products produced by co-operatives in the store

Fiddleheads Data:

- # of New Owners - # added year to date 2016 is 262, compared to 154 over all of 2015. Growth in the first quarter (when we held our annual birthday party) was more robust than the second quarter, and plans are underway for an Ownership Drive in the Fall.



- Participation increased in Board Elections and Attendance at Annual meeting

	<u>May 2016</u>	<u>May 2015</u>	<u>% increase</u>
Attended Annual Meeting	83	~60	38.3%
Votes Cast in Election	120	~60	100.0%

Ends A5 – Food & Health Knowledge

Fiddleheads exists so that Southeastern Connecticut is knowledgeable about food systems, and personal and environmental health.

I report compliance in making reasonable progress.

Interpretation: In interpret this end to emphasizes the critical importance of education in creating personal and community health.

Operational definition: Fiddleheads will continue to offer access to healthy foods and providing consumer education as a part of our consultative customer service. Fiddleheads will increase educational programming and related participation rates year over year.

Fiddleheads Data:

- Fiddleheads has expanded the product line and thereby extended access to a greater array of healthful foods and wellness products.
- Fiddleheads has had some setbacks in offering educational programming with the loss of several key personnel. Programming became less formal and some key initiatives fell by the wayside, but we continue to offer workshops and classes and table at area health fairs several times per year. Expanding the education and outreach programming is a high priority for 2016-17.

Strategies proposed:

- Continue to offer ongoing consumer education in the store
- Explore offering health, wellness and prevention workshops, potentially at the New London library
- Explore offering healthy cooking classes, possibly at SPARK kitchen
- Potentially enlist owners with knowledge and skill sets to teach classes and conduct workshops
- Encourage healthful practices, perhaps with incentives (e.g. free piece of fruit when you ride your bike to the co-op, sponsor a community exercise challenge?)
- Participate in area Health Fairs and community health initiatives

Ends A6 – Workplace

Fiddleheads exists so that Southeastern Connecticut has meaningful work opportunities in a supportive environment.

I report compliance in making reasonable progress.

Interpretation: Co-operatives are well-suited to offering meaningful work opportunities, given that we are structured around a mission of collective empowerment, quality food and health. It is the General Manager's job to ensure that this is enhanced and supported by a culture of mutual respect and the tools and training to support the work.

Operational definitions:

- Practical application of ideals is rewarding; we manifest the co-op mission through everyday tasks.
- Trust exists between the employees and management. Employees are empowered to make decisions within defined parameters for the betterment of the customer and the cooperative.
- Fairness for all in implementation of policy and performance expectations
- Comprehensive training is provided. Staff receive meaningful performance feedback, ongoing professional development and support.
- Sensible work load with challenging yet achievable goals
- Competitive wages and benefits
- Collateral impacts in our region: Supporting local vendors creates demand for those meaningful work opportunities as well.

Observations:

- A comprehensive survey of staff was conducted in the winter of 2016, but we have not conducted a follow-up survey since I stepped into the role of General Manager. Preliminary inquiries have indicated that it feels "too soon" to repeat that experience, but we have the option to contract for another later this year or in 2017.
- Compensation was the area that scored the weakest on the survey, and there have been no substantive changes to the compensation for staff since that time. This is a high priority for me in the 3rd quarter, as I develop the budget. I am looking to fund increases to managers to bring their base pay in line with that of other co-ops in the northeast, and then annual base wage increases < 1% per year for staff for satisfactory performance, with the possibility of adding a small number of support roles (such as Produce Assistant Manager) which would also command a modestly higher wage. I am also looking at gainshare programs we could implement, where staff are rewarded as a team for achieving specific operational goals and opportunities to offer each employee professional development.
- I continue to meet weekly with the Advocacy committee in making updates to the Employee Manual. This committee includes participation by 3 staff members at large, 1 department manager and on

administrative manager and myself. This has been invaluable in that it offers an opportunity for concerns to be raised and discussed on their merits and we strive for consensus on solutions, with the understanding that as the General Manager, I do make the ultimate decision.

Fiddleheads Data:

At the suggestion of Wynston Estis, former interim GM and now my operational coach through CDS, I am soliciting feedback on my first 90 days from a sampling of staff members across departments. I will draw on a summary of the results in the B6 Staff Treatment monitoring report now scheduled for October.

Sources cited:

ⁱ City-data.com <http://www.city-data.com/city/New-London-Connecticut.html>

ⁱⁱ Defining food Justice Food Justice Work Group, Portland/Multnomah Food Policy Council <https://multco.us/file/37694/download>

ⁱⁱⁱ USDA <http://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/definitions-of-food-security.aspx>

^{iv} Map The Gap www.feedingamerica.org



FIDDLEHEADS MONITORING REPORT, BASED ON CBLD TEMPLATE POLICY

QUARTERLY MONITORING REPORT, 2ND QUARTER 2016, AUGUST 11, 2016

Policy: B1 – Financial Condition and Activities, Last revised: Aug 18, 2015

With respect to the actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

The GM will not:

- 1) Allow sales to decline or be stagnant.
- 2) Allow operations to generate an inadequate net income.
- 3) Allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.
- 4) Allow solvency (the relationship of debt to equity) to be insufficient.
- 5) Incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.
- 6) Acquire, encumber or dispose of real estate.
- 7) Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
- 8) Allow late payment of contracts, payroll, loans or other financial obligations.
- 9) Use restricted funds for any purpose other than that required by the restriction.
- 10) Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).
- 11) Allow growth in ownership and owner paid-in equity to be insufficient

I report compliance with all parts of this policy except:

- 8) Allow late payment of contracts, payroll, loans or other financial obligations.
- 10) Allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

This is a quarterly update report on key financial and operational indicators included in the annual B1 report, as well as on our tax payments. In addition, this report will include any information about actual or anticipated non-compliance for all aspects of the B1 policy.

Unless indicated otherwise, all data in this report is for 2Q16 and is accurate as of August 11 2016.

I certify that the information contained in this report and attachments is true.

Signed _____ *Alexandra Fisher* _____, General Manager

Attachments: Balance Sheet, Income/Expense Statement

Global Policy

With respect to the actual, ongoing financial conditions and activities, the General Manager shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

Operational definition / Interpretation: The Board has interpreted and defined “fiscal jeopardy” in the sub-policies below.

Data:

Please see below for my definitions and data for each of the sub-policies.

Prefatory note:

In July as we prepared to close the second quarter, the bookkeeper and I discovered that we had missed two steps that we should have taken in the Finance department upon receiving reviewed year-end statements. We found that we had failed to enter journal entries to account for current year depreciation based on the 2016 schedule Wegner provided, and also discovered an omission dating back to 2015 regarding a prepaid expense for online ordering. The bookkeeper and I worked with Wegner LLP to correct these deficiencies and these adjustments have now been entered into Quickbooks.

*This means that changes have been made to the first quarter that require restated financial statements for Q1 2016. The result is lower scores on key indicators for the period related to sub policies 2,3, and 4, although all still remain in compliance. **Revised figures for the first quarter have been provided in the data for their respective sub policy, and revised financial statements are being supplied under separate cover.***

1) The GM will not allow sales to decline or be stagnant.

I report compliance.

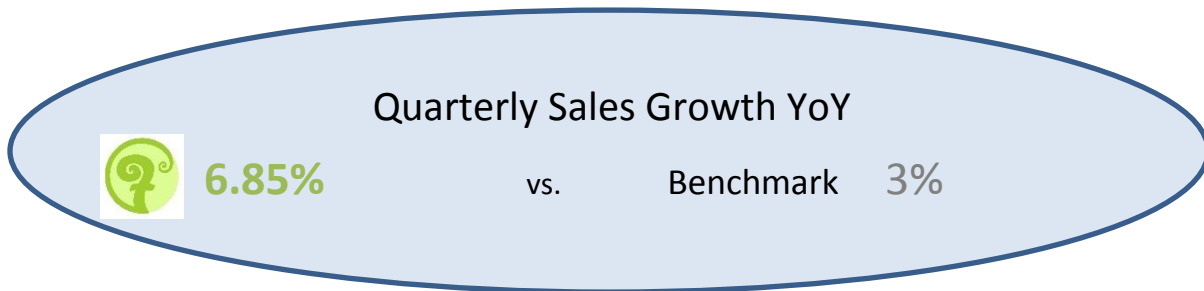
Operational definition / Interpretation: Both CDS Consulting Co-op and Managers of NCG member co-ops, as part of the Co-op metrics program, have set the benchmark for averting fiscal jeopardy to be achieving sales growth of 3% or more.

I interpret sales growth of 3% or greater to indicate compliance.

For budgeting purposes, we are proposing a goal of 5% over prior year, and the expense budget is still in development.

Actual data compares the most recent quarter with the same quarter of the previous year.

Data: Sales for the 2nd quarter 2016 were \$915K which represents 6.85% growth over the same period last year. This is a respectable steady rate of growth, outpacing the average among NCG coops in the Eastern Corridor (all sizes) which was reported as approximately 5% for this period. This is also outpacing the growth of other many other medium-small co-ops (size class determined by sales volume) in the national co-op sector. Median growth of the pool of medium small co-ops for this quarter was reported as 2.91%.



***** SALES BY DEPARTMENT
 ***** CO-METRICS ROLLING 8 QRTRS

Fiddleheads	2Q16	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14
Grocery								
Packaged	220,598	225,836	203,391	197,754	207,831	199,489	207,047	201,715
Refrigerated	119,650	108,467	130,734	130,486	131,130	117,692	122,620	130,956
Frozen	32,598	32,794	32,763	38,707	42,649	46,116	42,851	44,015
Bulk	120,741	118,591	110,991	108,221	119,309	116,421	122,306	113,069
Bread	27,628	27,287	29,709	25,177	27,611	26,956	30,168	27,309
Beer and Wine	8,853	8,200	7,158	7,265	6,871	5,862	6,835	7,140
Subtotal Grocery	530,069	521,174	514,747	507,609	535,402	512,536	531,827	524,204
Deli								
Prepared Foods	4,387	4,948	4,414	3,048	4,802	5,606	3,846	0
Cheese	29,157	28,013	27,329	27,106	25,599	24,099	25,295	24,302
Subtotal Deli	33,543	32,961	31,743	30,154	30,401	29,705	29,141	24,302
Meat	46,591	42,927	2,300	4,698	4,034	2,389	1,931	2,110
Produce	174,674	155,446	134,895	129,075	159,270	136,927	137,211	158,706
HABA	87,954	90,911	94,188	89,340	96,262	95,853	98,241	82,514
General Merch	15,723	13,190	23,678	19,398	20,599	21,784	36,905	24,896
Uncategorized	25,232	25,180	23,681	25,267	-4,051	57,773	5,946	-15,166
Total	*914,366	882,195	825,603	806,124	842,398	857,792	841,399	802,491

*CoMetrics calculated Uncategorized sales differently from our POS resulting in a discrepancy of \$1449. We are working with their team to see what is not aligned in our Chart of Accounts, but this provides general trends.

2) The GM will not allow operations to generate an inadequate net income.

I report compliance.

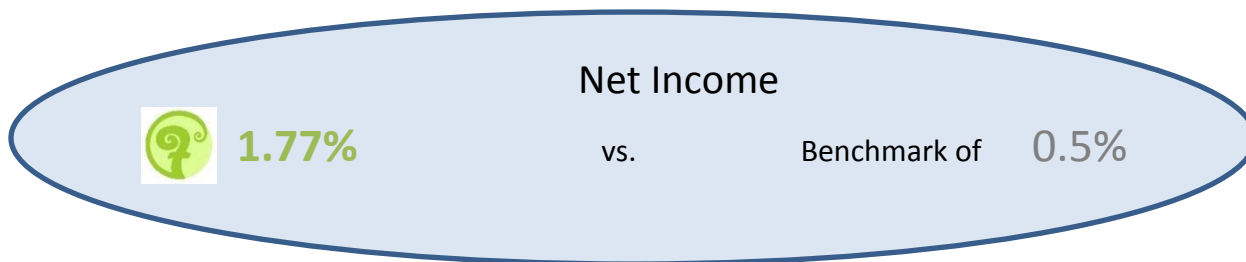
Operational definition /Interpretation: The CDS and Coop Metrics benchmark for averting jeopardy on this measure is 0.5% of sales. I interpret actual net income as a percentage of sales for the year at .5% or above to be in compliance.

A goal for net income among NCG co-ops is projected at 3% and we will pursue this as a goal at FFC. That said, striving to outstrip that consistently should not come at the cost of achieving

other FFC goals. I am interested in potentially exploring some sort of gain share program in the future, where profits exceeding our budget goal might be split between the co-op and staff.

Data: Net income for the quarter is 1.77%.

Although this figure falls short of our goal, Fiddleheads is still faring better than most co-ops our size, where the median for the 1st quarter reflected a modest *net loss* of -0.29%. This number may have been favorably influenced by end-of year adjustments, so we will look to see where this comes in next quarter.



*Q1 2016 Update: The revised net income figure for the 1st quarter is **2.68%**, rather than the 4.24% previously reported.*

3) The GM shall not allow liquidity (the ability to meet cash needs in a timely and efficient fashion) to be insufficient.

I report compliance.

Operational definition /Interpretation:

The Coop Metrics benchmark for the co-op's Current Ratio is 2.0 or above, and the benchmark set by CDS is 1.25 or above. I interpret above 1.25 to be in compliance, but aim to maintain this above the Co-op Metrics benchmark.

Data: 2Q2016 Current ratio = 2.55 (numbers below drawn from attached balance sheet)

Effective 6/30/2016	
Total Current Assets	\$279,537.59
Total Current Liabilities	\$109,412.09
Current Ratio	2.55

*Q1 2016 Update: The current ratio for Q1 2016 was **2.15**, rather than the 2.18 previously reported.*

- 4) **The GM shall not allow solvency (the relationship of debt to equity) to be insufficient.**
I report compliance.

Operational definition/Interpretation:

The Debt to Equity ratio benchmark for Co-op metrics is 3.0 or below, with an emphasis placed on growth or expansion. CDS recommends a ratio of 2.0 or below. As we are not currently pursuing relocation or a major expansion, I interpret compliance as 2.0 or below.

Data: Debt to Equity ratio for 2Q2016 = 0.95 (data drawn from the attached balance sheet).

Total Liabilities	\$314,256.87
Total Equity	\$328,408.69
Debt to Equity	0.95

Q1 2016 Update: The Debt-to-Equity ratio for Q1 2016 was 1.06, rather than the 1.01 previously reported.

- 5) **The GM will not incur debt other than trade payables or other reasonable and customary liabilities incurred in the ordinary course of doing business.**
I report compliance.

Operational definition / Interpretation:

Management may not incur new indebtedness except as trade payables, ordinary credit lines, and leases for equipment necessary in the ordinary course of business.

Compliance will be achieved if, since the last report, no new indebtedness that has not been authorized by the Board of Directors is reflected on the Balance Sheet other than those described above.

Data:

No new debt or other than ordinary business liabilities have been incurred in this period. As reported in April's monitoring report, we did draw down \$6K on our previously authorized line of credit from Co-op Fund of New England to purchase a new compressor for an ailing Produce display case.

- 6) **The GM will not acquire, encumber or dispose of real estate.**
I report compliance.

Operational definition / Interpretation:

This policy limits the GM from purchasing or committing to purchase any real estate; only the Board has the authority to make any kind of real estate (land or buildings) deal. Real estate is considered a fixed asset, and is listed as such on our balance sheet. The land and buildings designated as fixed assets on the current balance sheet should be the same as on the previous quarter's balance sheet— unless the board has specifically authorized a purchase or sale.

Data:

I have not made any real estate purchases or commitments in this period. We lease our store site, and the lease extension was successfully negotiated in last quarter.

7) The GM will not allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.**I report compliance.****Operational definition / Interpretation:**

Our only “government-ordered” payments are the various taxes we pay. These are considered “overdue or inaccurately filed” only if the co-op receives notice from the government to this effect. Compliance is payment of all taxes by due dates or extended due dates by filing for extensions for income taxes.

Data:

The following taxes were paid in a timely manner

Personal Property tax, billed semi-annually. A bill for \$375.27 was paid in July.

Sales tax, billed monthly on the 20th of the month for the previous month based on sales has been kept current.

8) The GM will not allow late payment of contracts, payroll, loans or other financial obligations.**I report out of compliance.****Operational definition / Interpretation:**

A. Contracts are agreements between the Co-op and another party. They include, for example, purchasing contracts with United Natural Foods, and our contract with CDS for the CBLD board development program. Contracts are considered settled in a timely manner unless we receive notice that we are in default.

B. Payroll is the sum of wages and benefits paid to staff. It is considered settled in a timely manner if employees receive their wages and benefits as outlined in the Employee Handbook, and if no employee makes a valid grievance concerning untimely payment.

C. Loans are anything listed as “Long Term Liabilities” on our Balance Sheet. They are considered settled in a timely manner if we make payments according to the note, and if we receive no notice that our payment in default.

D. Other financial obligations include our commitment to pay vendors and service providers. They are considered timely if paid without material penalty for late payment or default notice.

Data:

AS reported previously, there are three member loans that are past due which are being renegotiated for extension.

The co-op has received no notice of overdue payments this quarter.

9) The GM will not use restricted funds for any purpose other than that required by the restriction.

I report compliance.

Operational definition / Interpretation:

Restricted funds are any money or account controlled by any outside authority or by the Board of Directors for a specific purpose. Only the Board or the governing outside authority may alter the spending assignment for that money.

Data: No restricted funds were disbursed for any purpose outside that restriction.

10) The GM will not allow financial record keeping systems to be inadequate or out of conformity with Generally Accepted Accounting Principles (GAAP).

I report out of compliance.

Operational definition / Interpretation:

The co-op's financial record keeping systems will comply with Generally Accepted Accounting Principles (GAAP).

A qualified third party from outside the organization will review the co-op's accounting systems on an annual basis to a level of depth necessary to provide an opinion regarding compliance with GAAP. An external CPA firm hired by Fiddleheads to perform a full audit would qualify as this party, and compliance will be achieved if the auditor provides a "clean" or unqualified letter regarding conforming to GAAP.

Data:

In 2015, Fiddleheads contracted for an annual review with Wegner LLC, CPAS and Consultants, but a review is insufficient to meet this standard, as the CPA relies on assurances from the General Manager on several internal practices that would impact compliance with GAAP.

We did receive a qualified letter regarding 2015 Year End statements from Wegner, but this does not meet the standard outlined above.

As of this writing, I do not feel that Fiddleheads is adequately prepared to schedule a full audit at the end of this fiscal year, which would mean remaining out of compliance for another full year. I recommend a review in combination with an audit preparedness assessment, and have requested a proposal for this work from Wegner.

11) The GM will not allow growth in ownership and owner paid-in equity to be insufficient.

I report compliance.

Operational definition / Interpretation:

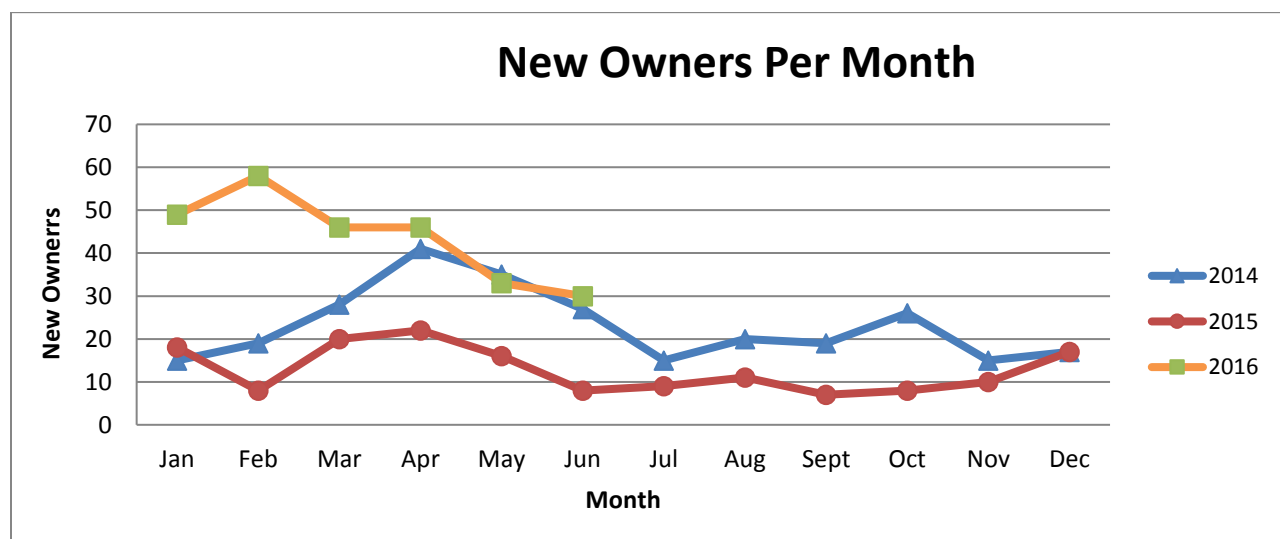
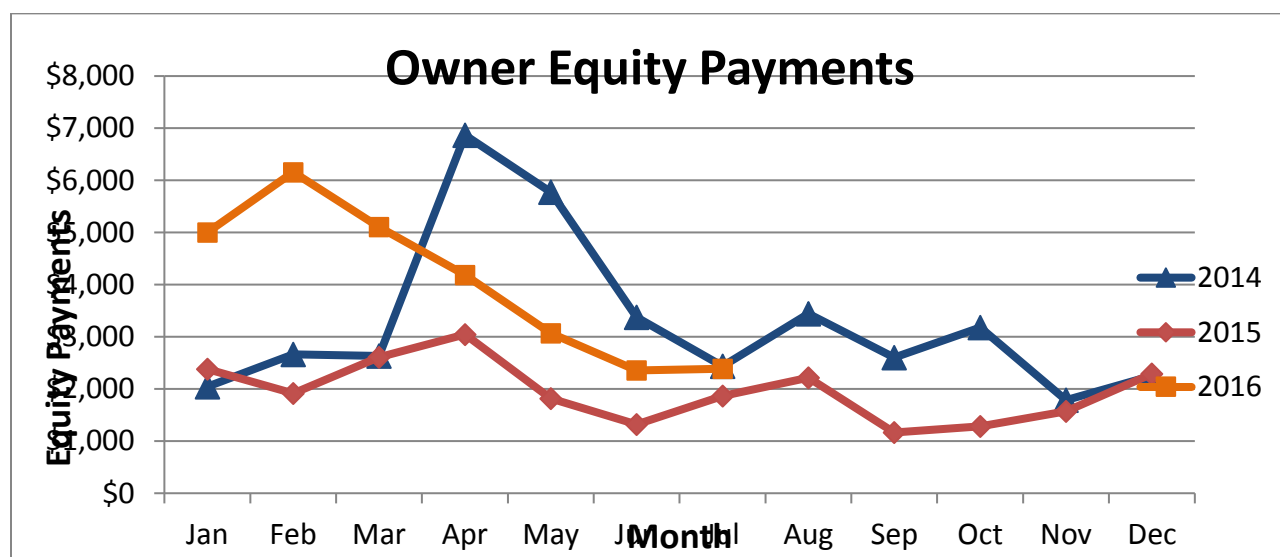
Owner paid-in equity will grow at least 5% annually.

Data:

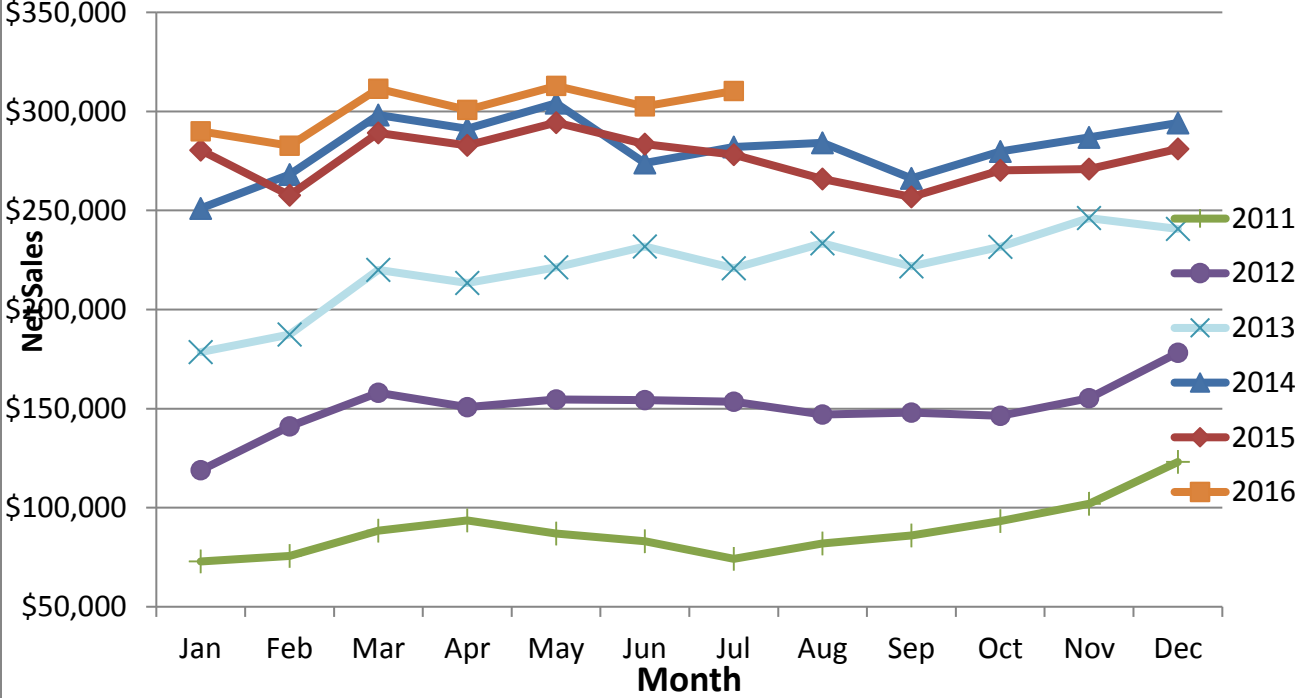
2Q2016 paid-in equity was 55% higher than the same quarter in 2015 and we added 109 new Owners in this quarter.

However, this dollar figure is just slightly under the average of the four quarters in 2014, and significantly down from the \$16K achieved in the first quarter of 2016 (boosted by the 8th year Birthday Party). While sales in this quarter have been robust, the rate of adding new owners has dropped steadily, indicating that this needs renewed focus and support (see graphs below). We have scheduled an Ownership Drive for September and October of this year.

Equity payments Q2 2016	\$	9,610.00
Equity payments Q2 2015	\$	6,181.00
Increase year over year		55.48%



Monthly Net Gross Sales



Fiddleheads Natural Food Coop
Profit & Loss Prev Year Comparison
April through June 2016

	Apr - Jun 16	Apr - Jun 15	\$ Change	% Change
Ordinary Income/Expense				
Income				
4000000 · Retail Sales Net after Discount				
4111100 · Sales - Grocery				
4111001 · Sales Bulk	120,741.18	118,352.00	2,389.18	2.0%
4111003 · Sales-Refrigerated	119,649.69	130,685.29	-11,035.60	-8.4%
4111004 · Sales-Bulk Tea & Spice	0.00	9,002.52	-9,002.52	-100.0%
4111006 · Sales-Packaged Grocery	196,721.30	184,901.95	11,819.35	6.4%
4111007 · Sales-Taxable Grocery	23,877.03	20,773.69	3,103.34	14.9%
4111011 · Sales-Frozen	32,598.48	42,031.81	-9,433.33	-22.4%
4111014 · Sales-Beer	8,853.12	6,899.74	1,953.38	28.3%
Total 4111100 · Sales - Grocery	502,440.80	512,647.00	-10,206.20	-2.0%
4111200 · Sales - Deli				
4111008 · Sales-Cheese	29,156.81	25,428.38	3,728.43	14.7%
4111012 · Sales-Bakery	27,628.49	27,404.93	223.56	0.8%
4111018 · Sales - Cafe	4,386.62	4,743.16	-356.54	-7.5%
Total 4111200 · Sales - Deli	61,171.92	57,576.47	3,595.45	6.2%
4111300 · Meat				
4111015 · Sales-Meat	46,591.06	4,028.50	42,562.56	1,056.5%
Total 4111300 · Meat	46,591.06	4,028.50	42,562.56	1,056.5%
4111400 · Sales - Produce				
4111002 · Sales-Produce	174,674.00	158,354.93	16,319.07	10.3%
Total 4111400 · Sales - Produce	174,674.00	158,354.93	16,319.07	10.3%
4111500 · Sales - Personal Care				
4111005 · Sales - Personal Care	87,954.18	87,186.86	767.32	0.9%
Total 4111500 · Sales - Personal Care	87,954.18	87,186.86	767.32	0.9%
4111600 · Sales - General Merchandise				
4111010 · Sales-General Merchandise	15,723.27	20,253.05	-4,529.78	-22.4%
Total 4111600 · Sales - General Merchandise	15,723.27	20,253.05	-4,529.78	-22.4%
4000000 · Retail Sales Net after Discount - Other	0.00	-134.53	134.53	100.0%
Total 4000000 · Retail Sales Net after Discount	888,555.23	839,912.28	48,642.95	5.8%
4111700 · Sales - Other				
4111040 · Sales-Misc	0.00	80.78	-80.78	-100.0%
4111041 · Processing Fees	1,030.00	192.00	838.00	436.5%
4111080 · Sales-Bottle Deposits Returns	578.60	470.55	108.05	23.0%
4111090 · Store Event Income	286.70	0.00	286.70	100.0%
4111193 · Vendor Coupons	144.97	-287.97	432.94	150.3%
Total 4111700 · Sales - Other	2,040.27	455.36	1,584.91	348.1%
4111800 · Discounts - added back to gross				
4111801 · Quarterly Coupon	8,245.41	0.00	8,245.41	100.0%
4111802 · Member Discount	1,425.86	11,181.62	-9,755.76	-87.3%
4111803 · Employee Discount	7,238.21	9,073.99	-1,835.78	-20.2%
4111804 · Product Discounts	8,214.61	5,053.06	3,161.55	62.6%
Total 4111800 · Discounts - added back to gross	25,124.09	25,308.67	-184.58	-0.7%
8100000 · Earned revenues				
8100001 · Vendor Fees	255.00	105.00	150.00	142.9%
Total 8100000 · Earned revenues	255.00	105.00	150.00	142.9%
Total Income	915,974.59	865,781.31	50,193.28	5.8%
Cost of Goods Sold				
5113100 · COG Grocery				
5113201 · COGS-Bulk	75,347.39	77,904.07	-2,556.68	-3.3%
5113203 · COGS-Refrigerated	86,319.93	89,859.67	-3,539.74	-3.9%
5113204 · COGS-Bulk Tea and Spice	0.00	2,457.17	-2,457.17	-100.0%
5113206 · COGS-Packaged Grocery	125,138.59	115,827.38	9,311.21	8.0%
5113207 · COGS-Taxable Grocery	13,267.97	15,041.96	-1,773.99	-11.8%
5113211 · COGS-Frozen	21,419.51	30,445.11	-9,025.60	-29.7%
5113213 · COGS-Taxable Bulk	0.00	581.58	-581.58	-100.0%
5113214 · COGS-Beer	6,308.78	5,264.17	1,044.61	19.8%
Total 5113100 · COG Grocery	327,802.17	337,381.11	-9,578.94	-2.8%
5113200 · COGS - Deli				
5113208 · COGS-Cheese	20,730.47	17,195.07	3,535.40	20.6%
5113212 · COGS-Bakery	21,194.21	18,839.42	2,354.79	12.5%
5113218 · COGS - Cafe	3,649.84	3,796.96	-147.12	-3.9%
Total 5113200 · COGS - Deli	45,574.52	39,831.45	5,743.07	14.4%
5113300 · COGS - Meat				
5113215 · COGS - Meat	34,636.32	3,811.09	30,825.23	808.8%
Total 5113300 · COGS - Meat	34,636.32	3,811.09	30,825.23	808.8%
5113400 · COGS - Produce				
5113202 · COGS - Produce	126,011.52	109,442.25	16,569.27	15.1%
Total 5113400 · COGS - Produce	126,011.52	109,442.25	16,569.27	15.1%
5113500 · COGS - Personal Care				
5113205 · COGS - Personal Care	50,124.16	53,988.45	-3,864.29	-7.2%
Total 5113500 · COGS - Personal Care	50,124.16	53,988.45	-3,864.29	-7.2%
5113600 · COGS - General Merchandise				
5113210 · COGS-General Merchandise	10,545.27	10,673.52	-128.25	-1.2%
Total 5113600 · COGS - General Merchandise	10,545.27	10,673.52	-128.25	-1.2%
5113700 · COGS - Other				
5113240 · COGS-Misc	0.00	55.00	-55.00	-100.0%
5113260 · COGS - Product Discount	8,214.61	5,053.06	3,161.55	62.6%
5113270 · COGS-Special Orders-Preorders	5,980.83	3,485.15	2,495.68	71.6%
5113280 · COGS-Bottle Deposit/ /Returns	931.48	16.66	914.82	5,491.1%
Total 5113700 · COGS - Other	15,126.92	8,609.87	6,517.05	75.7%
Total COGS	609,820.88	563,737.74	46,083.14	8.2%
Gross Profit	306,153.71	302,043.57	4,110.14	1.4%
Expense				
6210000 · Personnel Expense				
6211000 · Salaries & Wages	123,697.96	106,445.28	17,252.68	16.2%

Fiddleheads Natural Food Coop
Profit & Loss Prev Year Comparison
April through June 2016

	Apr - Jun 16	Apr - Jun 15	\$ Change	% Change
6212000 · Payroll taxes				
6212010 · Social Security	7,619.70	0.00	7,619.70	100.0%
6212020 · Medicare	1,781.97	0.00	1,781.97	100.0%
6212030 · Federal Unemployment	415.08	0.00	415.08	100.0%
6212040 · State Unemployment	2,826.66	0.00	2,826.66	100.0%
6212000 · Payroll taxes - Other	0.00	32,231.69	-32,231.69	-100.0%
Total 6212000 · Payroll taxes	12,643.41	32,231.69	-19,588.28	-60.8%
6213010 · Workers' Comp	-419.00	8,086.00	-8,505.00	-105.2%
6213100 · Contract Labor	75.00	36.00	39.00	108.3%
6213300 · Employee Discount	7,238.21	9,073.99	-1,835.78	-20.2%
6213400 · Payroll Service Fees	726.55	608.26	118.29	19.5%
6213600 · Training and Development	3,247.12	367.18	2,879.94	784.3%
6213800 · Legal fees	50.00	0.00	50.00	100.0%
6213900 · Accounting fees	0.00	400.00	-400.00	-100.0%
6213910 · Professional fees - other	2,708.10	89.95	2,618.15	2,910.7%
Total 6210000 · Personnel Expense	149,967.35	157,338.35	-7,371.00	-4.7%
6220000 · Occupancy expenses				
6221000 · Rent, parking, other occupancy	34,600.00	24,750.00	9,850.00	39.8%
6221100 · Building Repair & Maintenance	4,041.32	5,614.69	-1,573.37	-28.0%
6221200 · Building/interior improvements	0.00	71.93	-71.93	-100.0%
6221500 · Utilities	13,423.02	12,931.89	491.13	3.8%
6221600 · Security System	130.00	890.00	-760.00	-85.4%
6221700 · Building Services	537.95	0.00	537.95	100.0%
Total 6220000 · Occupancy expenses	52,732.29	44,258.51	8,473.78	19.2%
6227000 · Store Expansion	0.00	370.00	-370.00	-100.0%
6230000 · Depreciation & amortization exp	10,200.00	9,000.00	1,200.00	13.3%
6240000 · Operating Expenses				
6240500 · Credit Card Fees				
6240510 · Amex Credit Card Fees	1,152.93	1,414.57	-261.64	-18.5%
6240520 · Global STL Global Charges	10,946.75	10,255.89	690.86	6.7%
Total 6240500 · Credit Card Fees	12,099.68	11,670.46	429.22	3.7%
6240800 · Equip rental & maintenance				
6240820 · Refrigeration Equipment Repair	6,533.77	500.15	6,033.62	1,206.4%
6240800 · Equip rental & maintenance - Other	1,974.93	2,350.48	-375.55	-16.0%
Total 6240800 · Equip rental & maintenance	8,508.70	2,850.63	5,658.07	198.5%
6241500 · Returned Check	15.00	-12.97	27.97	215.7%
6241600 · Trash Removal	654.06	526.44	127.62	24.2%
6241700 · POS Maintenance	90.90	113.81	-22.91	-20.1%
6241900 · Telephone & telecommunications	2,034.54	1,112.82	921.72	82.8%
6241901 · Supplies and Store Equipment	8,676.63	8,183.32	493.31	6.0%
6241902 · Online ordering	4,435.50	0.00	4,435.50	100.0%
Total 6240000 · Operating Expenses	36,515.01	24,444.51	12,070.50	49.4%
6250000 · Administrative expenses				
6250100 · Accounting Fees	1,000.00	10,303.75	-9,303.75	-90.3%
6250200 · Office Supplies	730.05	0.00	730.05	100.0%
6250300 · Postage	627.14	40.66	586.48	1,344.0%
6250400 · Consulting Fees	0.00	3,936.44	-3,936.44	-100.0%
6250500 · Outside computer services	5,499.99	1,708.61	3,791.38	221.9%
6250700 · Dues and Subscriptions	1,980.57	1,844.50	136.07	7.4%
6250900 · Inventory Services	972.11	1,042.21	-70.10	-6.7%
6251000 · Legal fees	750.00	4,791.70	-4,041.70	-84.4%
6251500 · Other expenses	19.50	60.83	-41.33	-67.9%
6251600 · Interest expense - general	2,788.51	3,000.00	-211.49	-7.1%
6251800 · Insurance	3,285.00	1,890.51	1,394.49	73.8%
6251900 · Advertising expenses	8,452.90	8,300.10	152.80	1.8%
6252000 · Bank charges	174.04	136.28	37.76	27.7%
6250000 · Administrative expenses - Other	0.00	252.00	-252.00	-100.0%
Total 6250000 · Administrative expenses	26,239.81	37,307.59	-11,067.78	-29.7%
6260100 · Special event costs				
6260110 · advertising	330.00	0.00	330.00	100.0%
6260120 · hiring work done	0.00	245.04	-245.04	-100.0%
6260130 · rent space	0.00	25.00	-25.00	-100.0%
6260140 · supplies and equipment	81.75	4.24	77.51	1,828.1%
6260100 · Special event costs - Other	0.00	179.00	-179.00	-100.0%
Total 6260100 · Special event costs	411.75	453.28	-41.53	-9.2%
6270000 · Governance Expense				
6251704 · Board supplies	0.00	20.68	-20.68	-100.0%
6270701 · Board Development - Conf & Mtgs	300.00	146.86	153.14	104.3%
6270702 · CBLD Fees	1,262.50	2,322.50	-1,060.00	-45.6%
6270703 · Consultant Fees	98.81	0.00	98.81	100.0%
6270704 · Insurance - D&O	769.99	1,215.94	-445.95	-36.7%
6270707 · Annual Meeting	1,405.69	0.00	1,405.69	100.0%
6270000 · Governance Expense - Other	0.00	180.00	-180.00	-100.0%
Total 6270000 · Governance Expense	3,836.99	3,885.98	-48.99	-1.3%
6280000 · Promotions				
4111190 · Quarterly Coupons	8,245.41	0.00	8,245.41	100.0%
4111195 · Member Discounts	1,425.86	11,181.72	-9,755.86	-87.3%
6290701 · Outreach	667.53	577.70	89.83	15.6%
6290702 · Sampling and Demo	323.28	0.00	323.28	100.0%
Total 6280000 · Promotions	10,662.08	11,759.42	-1,097.34	-9.3%
6280200 · Conference, convention, meeting	0.00	100.00	-100.00	-100.0%
6322000 · Business expenses				
6322110 · State Corp Tax Expense	233.00	282.50	-49.50	-17.5%
6322200 · License & Permits	430.00	690.00	-260.00	-37.7%
Total 6322000 · Business expenses	663.00	972.50	-309.50	-31.8%
7330000 · Suspense	0.00	0.00	0.00	0.0%
Total Expense	291,228.28	289,890.14	1,338.14	0.5%
Net Ordinary Income	14,925.43	12,153.43	2,772.00	22.8%

12:29 AM

08/12/16

Accrual Basis

Fiddleheads Natural Food Coop
Profit & Loss Prev Year Comparison
April through June 2016

	Apr - Jun 16	Apr - Jun 15	\$ Change	% Change
Other Income/Expense				
Other Income				
4111196 · Discount - Gross up of Rev	0.00	0.00	0.00	0.0%
8311200 · Patronage Rebate Income	1,405.69	0.00	1,405.69	100.0%
8311400 · Interest	2.86	14.75	-11.89	-80.6%
Total Other Income	1,408.55	14.75	1,393.80	9,449.5%
Other Expense				
9330000 · Cash Short & Over	134.12	-265.52	399.64	150.5%
Total Other Expense	134.12	-265.52	399.64	150.5%
Net Other Income	1,274.43	280.27	994.16	354.7%
Net Income	16,199.86	12,433.70	3,766.16	30.3%

Fiddleheads Natural Food Coop
Balance Sheet
 As of June 30, 2016

	Jun 30, 16
ASSETS	
Current Assets	
Checking/Savings	
1111010 · Safe/Cash On Hand	1,288.00
1111020 · Checking Accounts	
1111021 · AMEX Card Deposits Acct-3241	587.27
1111022 · Checking Oper - Dime Bank-2628	13,549.01
1111023 · Dime Market account-2038	6,130.69
1111024 · General Manager Dime 4754	78.57
1111025 · Payroll Account Checking-3372	24,040.68
Total 1111020 · Checking Accounts	44,386.22
1111030 · Savings Accounts	
1111032 · Dime Bldg Savings Account-6153	11,482.63
1111034 · Savings New-4611	0.81
1111030 · Savings Accounts - Other	1.37
Total 1111030 · Savings Accounts	11,484.81
Total Checking/Savings	57,159.03
Accounts Receivable	
1112000 · Accounts receivable	38.59
Total Accounts Receivable	38.59
Other Current Assets	
1001119 · Undeposited Funds	17,837.94
1114000 · Inventory Assets	
1114201 · Inventory-Bulk	21,106.94
1114202 · Inventory-Produce	12,073.65
1114203 · Inventory-Refrigerated	10,707.37
1114205 · Inventory-Haba	56,713.85
1114206 · Inventory - Packaged Grocery	56,540.94
1114207 · Inventory-Grocery Taxable	10,095.35
1114208 · Inventory-Cheese	5,616.12
1114210 · Inventory-General Merchandise	6,477.19
1114211 · Inventory-Frozen	6,795.94
1114212 · Inventory-Bakery	564.22
1114214 · Inventory-Beer	2,265.02
1114215 · Inventory-Meat	4,679.86
1114218 · Inventory-Deli	349.72
Total 1114000 · Inventory Assets	193,986.17
1114180 · Patronage Dividends Receivable	280.08
1114500 · Prepaid expenses	10,159.00
4111042 · Charges on Account	76.78
Total Other Current Assets	222,339.97
Total Current Assets	279,537.59
Fixed Assets	
1124000 · Furniture, fixtures, & equip	280,055.89
1125100 · Software	2,547.50
1126000 · Leasehold improvements	209,984.05
1128000 · Accumulated Depreciation	-148,994.73
Total Fixed Assets	343,592.71
Other Assets	
1133000 · Loan Closing Costs	10,600.00
1136000 · Deferred Taxes	5,000.00
1137000 · Other long-term assets	
1137500 · Online Ordering	7,114.93
Total 1137000 · Other long-term assets	7,114.93

Fiddleheads Natural Food Coop
Balance Sheet
 As of June 30, 2016

	Jun 30, 16
1139000 · Accumulated Amortization	-2,179.67
Total Other Assets	20,535.26
TOTAL ASSETS	643,665.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2211010 · Accounts payable	73,386.79
Total Accounts Payable	73,386.79
Other Current Liabilities	
2211020 · Payroll Liabilities	-596.55
2211030 · Sales Taxes Payable	3,757.77
2211031 · Accrued CT Corp Tax	250.00
2211040 · Gift Certificate Liability	2,409.58
2211071 · Accrued CAM Payable	1,500.00
2211072 · Accrued expenses - other	6,988.00
2211090 · Accrued Vacation/Sick	21,716.50
Total Other Current Liabilities	36,025.30
Total Current Liabilities	109,412.09
Long Term Liabilities	
2001000 · Current Portion on LT Debt	
2001001 · CFNE Loan 2012	7,601.82
2001002 · CL&P Loan - Eversource	1,457.75
2001003 · NCB Loan	4,875.67
2001011 · Loan from Pan & Kronenberg	2,500.00
2001012 · Loan from R. Spindler-Virgin	3,000.00
2001013 · Loan from E. Demuzzio	9,000.00
2001014 · Loan from Hunter Hannum	4,625.00
Total 2001000 · Current Portion on LT Debt	33,060.24
2212011 · CFNE Loan 2012	162,686.11
2212012 · CL&P Loan-Eversource	-401.57
2212013 · NCB LOAN	-2,000.00
2212040 · Member Loans	
1212045 · Loan from John H. Sargent	10,000.00
2212043 · Loan from Ellen Anthony	1,500.00
Total 2212040 · Member Loans	11,500.00
Total Long Term Liabilities	204,844.78
Total Liabilities	314,256.87
Equity	
3221100 · Stockholders' Equity	
3221130 · Common Stock, Class A	63,400.00
3227000 · Owner Equity	195,549.84
Total 3221100 · Stockholders' Equity	258,949.84
3226010 · Unrestrict (retained earnings)	30,554.75
Net Income	39,904.10
Total Equity	329,408.69
TOTAL LIABILITIES & EQUITY	643,665.56

Fiddleheads Natural Food Coop
Statement of Cash Flows
 April through June 2016

	<u>Apr - Jun 16</u>
OPERATING ACTIVITIES	
Net Income	16,199.86
Adjustments to reconcile Net Income to net cash provided by operations:	
1114000 · Inventory Assets:1114201 · Inventory-Bulk	-1,711.74
1114000 · Inventory Assets:1114202 · Inventory-Produce	-5,081.76
1114000 · Inventory Assets:1114203 · Inventory-Refrigerated	207.33
1114000 · Inventory Assets:1114205 · Inventory-Haba	-3,609.15
1114000 · Inventory Assets:1114206 · Inventory - Packaged Grocery	488.56
1114000 · Inventory Assets:1114207 · Inventory-Grocery Taxable	-1,608.27
1114000 · Inventory Assets:1114208 · Inventory-Cheese	-293.11
1114000 · Inventory Assets:1114210 · Inventory-General Merchand...	-692.54
1114000 · Inventory Assets:1114211 · Inventory-Frozen	373.63
1114000 · Inventory Assets:1114212 · Inventory-Bakery	-257.00
1114000 · Inventory Assets:1114214 · Inventory-Beer	53.01
1114000 · Inventory Assets:1114215 · Inventory-Meat	-59.03
1114000 · Inventory Assets:1114218 · Inventory-Deli	-52.05
1114500 · Prepaid expenses	1,248.00
4111042 · Charges on Account	107.87
2211010 · Accounts payable	-4,159.43
2211030 · Sales Taxes Payable	-115.89
2211040 · Gift Certificate Liability	-643.30
2211071 · Accrued CAM Payable	-2,000.00
Net cash provided by Operating Activities	<u>-1,605.01</u>
INVESTING ACTIVITIES	
1128000 · Accumulated Depreciation	10,200.00
Net cash provided by Investing Activities	<u>10,200.00</u>
FINANCING ACTIVITIES	
2001000 · Current Portion on LT Debt:2001002 · CL&P Loan - Everso...	-803.14
2001000 · Current Portion on LT Debt:2001011 · Loan from Pan & Kr...	-1,500.00
2212011 · CFNE Loan 2012	4,215.19
2212012 · CL&P Loan-Eversource	-401.57
2212013 · NCB LOAN	-1,500.00
3221100 · Stockholders' Equity:3221130 · Common Stock, Class A	5,950.00
3221100 · Stockholders' Equity:3227000 · Owner Equity	3,635.00
Net cash provided by Financing Activities	<u>9,595.48</u>
Net cash increase for period	18,190.47
Cash at beginning of period	<u>56,806.50</u>
Cash at end of period	<u><u>74,996.97</u></u>



Committee/Task Force

- **Nominations Committee**
- **Annual Meeting Committee**
- **Owner Communications Charter**



Next Meeting Agenda

DRAFT

AGENDA
FIDDLEHEADS BOARD OF DIRECTORS MEETING
September 20, 2016
6:30-8:30 PM
105 Huntington Street, New London

Time	Topic	Resource	Action/Outcome	Leader
6:30	Meeting Preamble <i>Each of us is a member of the coop community and has been elected to be a leader in serving our members. May we conduct this meeting by empowering each other, treating each other with kindness, and maintaining an atmosphere of mutual respect.</i> Check-in	Agenda	Convene/Focus	President
	Agenda Review	Agenda	Make any needed adjustments	President
	Owner Comments		Listen	President
6:35	Approve Draft Minutes <ul style="list-style-type: none">• August 16, 2016	Packet	Approve	
6:40	Consent Agenda <ul style="list-style-type: none">• Member Equity Refund Requests (as needed)	Each item in packet	Approval	President GM
	Discussion of Items removed from Consent Agenda	See above	Discuss/Approve	TBD
6:45	Discussion/Action Items <ul style="list-style-type: none">• Board Monitoring – Policy C3 – Agenda Planning• Charter By-law Revision Task Force - Review input from board support call• Discuss Financial Review/Audit Options			
7:25	GM Monitoring Report <ul style="list-style-type: none">• B7 - Board Communication• B8 - Board Support	In packet	Approve	GM
7:45	Committee/Task Force <ul style="list-style-type: none">• Nominations<ul style="list-style-type: none">◦ Receive Minutes◦ Update on After Action Review• Annual Meeting<ul style="list-style-type: none">◦ Receive Minutes◦ Establish Charter• Owner Alignment (Owner Communications)<ul style="list-style-type: none">◦ Report on Board Support Call◦ Establish Charter			
8:10	Member Comments			
8:10	EXECUTIVE SESSION <ul style="list-style-type: none">• To approve minutes of August 16, 2016, Executive Session	Minutes To Be Provided		Secretary President
8:30	Closings <ul style="list-style-type: none">• Determine use of CDS call (if any)• Review tasks for next meeting and other dates• Adjourn Meeting			President

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BOARD PACKET CONTENTS:

- Meeting Agenda (Elisa)
- Draft Minutes of August 16, 2016 Meeting (Danny & Elisa)
- Member Equity Refund Request (as needed) (Lexa)
- Monitoring Report Decision Tree
- Output for Board Monitoring of Policy C3 – Agenda Planning (Helene and Elisa)
- Options for Financial Review at end of 2016 -- Lexa
- Board Budget (Susan Z.)
- GM Monitoring Report Policy B7 – Board Communication (Lexa)
- GM Monitoring Report Policy B8 – Board Support (Lexa)
- Committee Notes/Minutes
 - Nominations Minutes (Mona/Helene)
 - Annual Meeting Minutes (Carolyn)
 - Owner Alignment/Communications (Carolyn)
- Executive Session Minutes of August 16, 2016 – (circulated confidentially/brought to meeting by Danny)
- Draft Agenda for October 18, 2016 meeting (Elisa)