



# CONCORD FOOD COOPERATIVE

## BOARD OF DIRECTORS BOARD MEETING MINUTES.

Wednesday, November 18, 2020, 4PM, via Zoom

Cathy Menard, President, called the meeting of the Concord Food Cooperative Board of Directors to order at 4:08 PM. **Attending:** Cathy Menard, Pete Engel, Krista Helmboldt, Traci Komorek, Katherine Leswing, Erin Waters, and Tracie Sponenberg. **Staff:** Chris Adam Orcutt (Store Manager), Pete DeLeault (Controller) and Melanie Waldvogel (Board Administrator). **Guest:** Eric Rowley (Auditor) of Rowley and Associates.

### AUDIT REPORT

Eric Rowley, CPA issued a clean opinion on the Co-op's financial statements for the year ended June 30, 2020. Eric made special note of the following:

- 1) Current Ratio – This ratio measures the Co-op's liquidity and ability to meet short-term debts (calculated by dividing current assets by current liabilities). Current Ratio improved from 1.2 last year to 1.5 this year.
- 2) Operating expenses increased over prior year, especially payroll expenses which increased across the board. Hazard pay of 10% was paid to employees for their essential work serving the community.
- 3) The Co-op anticipated a loss for the year after the kitchen, hot bar and cafe were closed due to COVID-19, resulting in a 17% reduction of revenue. Net loss from operations was (\$121,063).
- 4) A Paycheck Protection Program (PPP) loan proved to be a helpful source of cash for the Co-op this year. Our application for loan forgiveness has been submitted by the Controller.
  - a) Congress spelled out clearly in the CARES Act that the forgiven loan amount won't be included in taxable income.
  - b) The IRS later released a notice saying that if the forgiven loan isn't included in a business's taxable income, the expenses paid for with the forgiven loan aren't able to be included as a tax deduction.
  - c) Challenges to the IRS decision say that it goes against Congress's intent when they created the PPP. Congress may update the IRS guidance as part of future disaster relief legislation. The ultimate outcome will affect the Co-op's tax return for next year ending June 30, 2021.

### FIRST QUARTER FINANCIALS

Pete DeLeault, Controller, reviewed the financial reports for the quarter ending September 30, 2020, noting the following:

- New London store sales grew 40% over last year, continuing a very positive trend.
- New London's share of administrative costs is allocated based on the store's relative percentage of sales.
- Member equity for the combined stores is \$921,000 currently and is expected to reach \$1,000,000 soon.

### STAFF SURVEY

The board has contracted with Melanie Reid of Columinate to restart the staff survey which was interrupted back in March. We have added a couple of questions related to Covid-19 and employees will have more opportunities to write comments.

### **NEW BOARD MEMBER TRAINING**

New board members Erin Waters and Katherine Leswing reported that their national online training went well. They appreciated learning the history of co-ops and their foundation of diversity. The presentations on policy governance and financial metrics were also helpful.

### **ELECTION OF OFFICERS AND COMMITTEE ASSIGNMENTS**

Officers and board members described their work during the past year, for example in the area of outreach to members. Pete Engel and Cathy will put together a slate of officers to be voted at the January 20th meeting. Board members are asked to reflect on how they would like to contribute to the board's work and to communicate their thoughts to Pete and Cathy. Krista suggested that one option is to volunteer wherever is needed.

### **BOARD VOLUNTEER OPPORTUNITIES**

In the past, the board has been able to help out during the Thanksgiving rush by bagging groceries. This year, board members have the opportunity instead to deliver Rosie (online) orders to customers in their cars or help with turkey pickup in the parking lot.

### ***BOARD VOTE: Approve of the August 19th, 2020 minutes as amended.***

*(Motion by Traci Komorek, seconded by Krista Helmboldt; approved unanimously).*

The Board adjourned at 5:17PM. No board meeting in December. Happy Holidays!  
The next meeting will be on Wednesday, January 20th, 2021 at 4:00 pm via zoom.