

Greetings, all. Thank you very much for joining us here this afternoon. As you're probably aware by now, my name is Lloyd, and I am your new General Manager at The Old Creamery Co-op. I'd like to say thank you very much to the board for all their good work and good help with the transition into the position. Their knowledge and consult has been, and continues to be invaluable.

If you haven't yet been made privy to my whole backstory, I can tell you that I've been a great big fan of The Old Creamery for a big long time, though my experiences with her have surely been far more casual than your own. I met my wife in New Orleans, where she had moved to be with her mother and finish out high school after being previously raised in various corners of New York City. Whilst a very young person back in the 1980s, she began attending Shire Village Camp, and has returned to Cummington to attend or work at that camp every summer since. I joined her in summertime employment for a few years up here, back when my time was a little more malleable, and that's how I was first introduced to The Creamery.

Nowadays we're married and raising children. We've gotten one out of the house, with two more to go. The way things have been in New Orleans for the last 15 years, we decided that the right thing to do for those two was to finally move North and give them the benefit of a better public school system in a state with, shall we say, a slightly better national ranking in almost every single category than the one in which we had spent the previous twenty years.

Now; that's all personal. Professionally speaking, I've spent the last twenty years helping homegrown small businesses find, or re-establish, their foothold in the local culture through judicious application of basic organizational technique, good sense decision making, and hard work. The culmination of those years of professional collaboration and personal development came in the formation of my own business, partnering with The Monaghan family, the same folks who had the good sense to hire me as a bartender when I first moved to that town back in 2001.

That business ran under the name Junction, and still does. It's a great spot, and I encourage you all to go check it out the next time you're passing through New Orleans. 40 beers on tap. Farm to table burgers with all scratch-made ingredients. It's awesome.

And that brings us to today: The Annual Meeting for the Member Owners of The Old Creamery Co-op. So, the traditional role of the General Manager in this situation would be to give a more or less full accounting of the business of the store over the course of the past year. Of course, we do find ourselves in a slightly less than traditional situation. Seeing as how I've been with the organization for just about 3 months at this point, I believe the tack I'll be taking this afternoon is to outline for you the following:

- I. A birds-eye view summation of our trajectory since our last meeting in October, 2020.
- II. Super cool data points that tell a pretty good story.
- III. Positive Takeaways, coupled with Cautionary Considerations for the future.

So, I think the place to start would be to state the obvious. I know where we're coming from. I've read Dan Esko's GM report from the 2020 October meeting. It seems that the word that best sums up the state of affairs in The Old Creamery Co-op's recent history might be "dire." And I would like to tell you all that you're all a bunch of superstars for hanging in there and pushing for this place. I'm very proud to say that I too believe in The Creamery, hopefully as much as you all clearly do. And I think that your hard work and commitment may soon begin to show some really solid returns. There's no getting around the fact that there are a really serious set of challenges in front of us to be addressed, but I think I can confidently report that we do in fact have the tools to do this work. It's going to take time, and it's going to take perseverance. But we can get there.

Now, a lot's happened since that last meeting. The hiring of Columinate in a consultory capacity yielded the installment of Scot Destasio as interim General Manager. This guy had a big job to do, and in the middle of a pandemic, no less. And he did some really important work here. Chief amongst these tasks would probably be the establishment of an industry and area appropriate wage scale, and the transition to Associated Grocers of New England as our primary vendor.

These aren't easy decisions to execute. The re-configuring of a wage scale can be very painful for a staff, and I don't think this was any exception. But it was an extremely necessary move, and I believe it has created some stability and installed a logic-based operating system. It can be a delicate thing to discuss, but at the end of the day, there is a very finite amount of capital that you can spend on labor, and in doing so, you need to apportion it in such a way that all of the crucial work of this business can be done. I believe that has been accomplished. And, for my part, I've attempted to drive home the consistent message that all of our staff are valued. We have a budget that allows us to spend X dollars on X position. If we could pay all of our staff as much as we feel they're really worth, we'd go broke, because they're all awesome. And we will always be understanding if other, better opportunities present. But we hope that the value of employment at The Old Creamery Co-Op extends beyond monetary pay. And it's my job to make sure that it does.

As for the transition to Associated Grocers of New England as our primary vendor, this has been huge. Now, please understand that my first full day on the job was the day that we received our first big order from AGNE. (We call them AGNE for short.) So I'm afraid I'm lacking in first hand experience as relates to the positives and negatives of the systems that came before. But I've heard a lot. And to be sure, there are still kinks that we're ironing out every day. But I don't expect that to ever end. If we're doing our job, we'll always be discovering things we can do better and ways in which we can better fulfill our community's wishes for their store.

That said, the long and the short of it is this: Our transition to AGNE as primary vendor has led to our ability to offer lower shelf prices to our customers, at a better margin to the store. To illustrate the effect that this has had on our bottom line in very concrete terms, I'm happy to report to you all that The Old Creamery Co-op has, in Quarter 2 of 2021, had the highest selling April, May, and June since its establishment as a cooperative in 2012. And this is a pretty quick turnaround, when you consider that January and February of 2020, the last two months of theoretically normal business before the pandemic really hit in March, were the two lowest selling months in the history of this cooperative.

So: things are better. How much better?

GROSS SALES:

APR/21: \$155,368.25	MAY/21: \$175,227.25	JUN/21: \$179,358.05
APR/20: \$124,504.13	MAY/20: \$140,422.52	JUN/20: \$144,481.81
INCREASE OF 24.79%	INCREASE OF 24.79%	INCREASE OF 24.14%

NET INCOME:

APR/21: (\$25,659.69)*	MAY/21: \$14,847.44	JUN/21: \$13,782.43
APR/20: (\$8,187.73)	MAY/20: \$3,716.33	JUN/20: (\$9,558.89)
DECREASE OF 213.39%	INCREASE OF 299.52%	INCREASE OF 244.18%

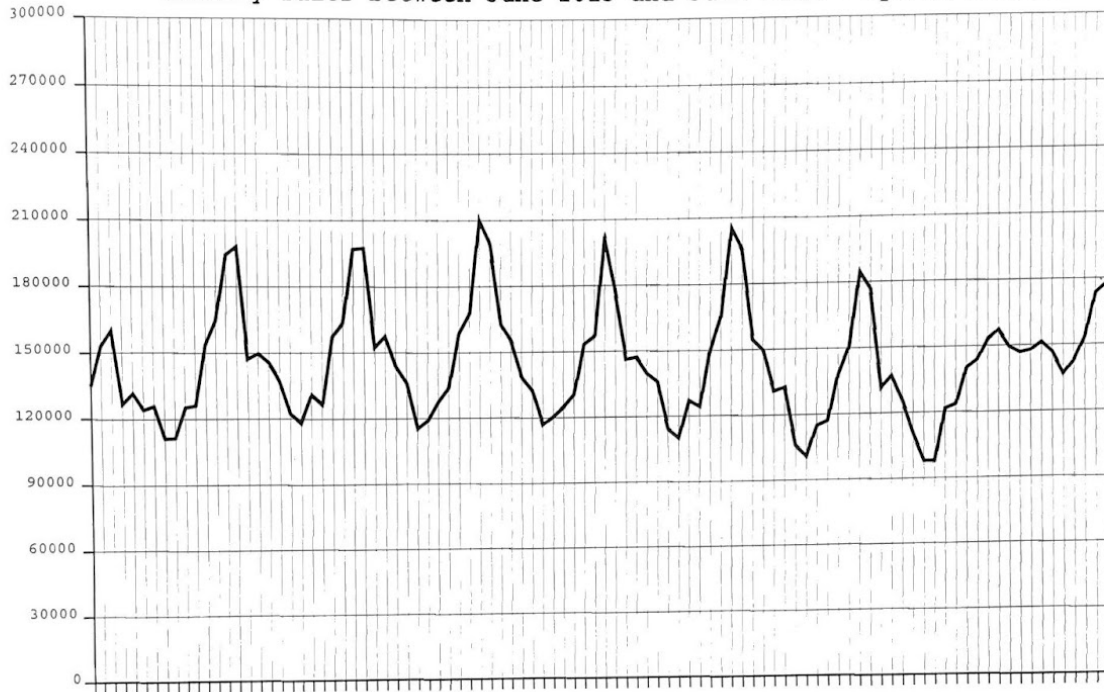
NOTE: April, 2021 Net Income stands out as a trend outlier due to several factors unique to that particular month. The main points to keep in mind are that April marked our changeover to AGNE as primary vendor for the store. This meant that we ran down our inventory leading up to the changeover and had very large purchases to reset pretty much our entire stock. Additionally, because we ceased doing business with several vendors at this point, it was necessary for us to bring those accounts, some of which had drifting totals, to current and close.

JANUARY-JUNE GROSS SALES, TREND OVER TIME:

2013: \$686,974.41	2016: \$834,158.10	2019: \$734,402.61
2014: \$804,677.63	2017: \$816,076.63	2020: \$729,492.76
2015: \$829,072.61	2018: \$803,072.61	2021: \$942,558.48

The following page is a low-tech scan of a report run from our CoPos Point Of Sale system. This is a report I've run, graphing monthly sales from June, 2013 through June, 2021. If you look at it, you'll see, it looks like a cardiogram. Up every Summer, Down every winter. The goal moving forward, clearly, is to attempt to bring those low points higher up on that graph. And if you look at 2020, you'll see that we had a really great winter this past year. So what we're trying to do right now is to harness that momentum. Make sure that our community knows that we really are an alternative to a drive all the way to Pittsfield or Northampton. That we have offerings for everybody, be it conventional and affordable, local, or organic specialty. It's a lot to pull off in a small store, but I like to think we're finding that balance. Now we just have to carry that forward, and not lose as many shoppers through the winter months. Then, we'll really have something.

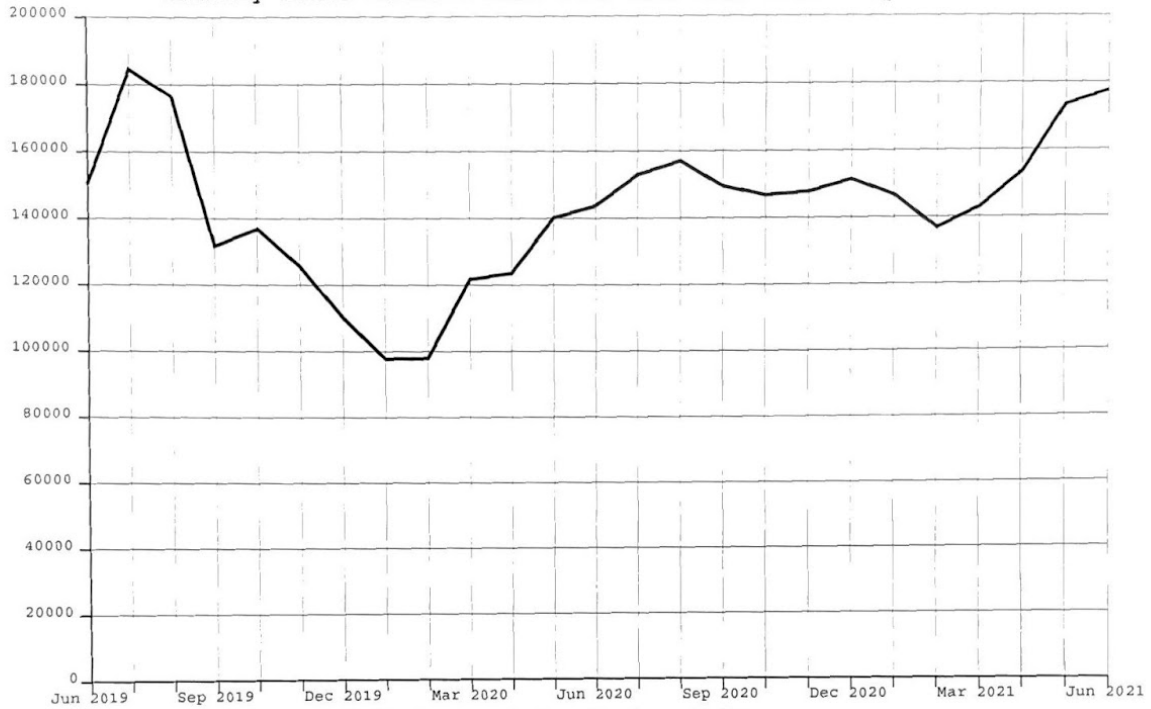
Monthly Sales between June 2013 and June 2021 - Option 3.18.1



Graph shows BOTH Member and Non-Member Sales.
ALL Departments

Month	Net Sales
Jun 2013	135026.52
Jul 2013	153047.05
Aug 2013	160135.50
Sep 2013	126778.80
Oct 2013	131540.10
Nov 2013	124296.53
Dec 2013	125943.43
Jan 2014	111008.72
Feb 2014	111335.60
Mar 2014	125250.15
Apr 2014	126156.53
May 2014	153489.40
Jun 2014	164577.08
Jul 2014	194401.14
Aug 2014	198102.65
Sep 2014	147162.15
Oct 2014	149742.65
Nov 2014	145481.79
Dec 2014	137295.97
Jan 2015	122221.25
Feb 2015	118086.35
Mar 2015	130815.66
Apr 2015	126524.61
May 2015	157451.48
Jun 2015	163399.30

Monthly Sales between June 2019 and June 2021 - Option 3.18.1



Graph shows BOTH Member and Non-Member Sales.
ALL Departments

Month	Net Sales
Jun 2019	150411.87
Jul 2019	184514.86
Aug 2019	176523.86
Sep 2019	131685.62
Oct 2019	136919.84
Nov 2019	125619.19
Dec 2019	110284.00
Jan 2020	97757.10
Feb 2020	97907.12
Mar 2020	121675.63
Apr 2020	123573.70
May 2020	140108.06
Jun 2020	143715.84
Jul 2020	152972.28
Aug 2020	157006.31
Sep 2020	149411.59
Oct 2020	146748.32
Nov 2020	147772.97
Dec 2020	151367.60
Jan 2021	146668.87
Feb 2021	136730.28
Mar 2021	142890.27
Apr 2021	153425.86
May 2021	173331.50
Jun 2021	177528.50
Totals:	3576551.04

So. We're trending in the right direction. And we're making repairs to our financial situation. At present, we are banking a nominal amount of cash per month, but it's not really showing up as a huge increase in our Operating Account. This is mainly due to the slow but steady repairs to the sinkholes brought about by our formerly extremely thin cash flow situation. In other words, for many months, this business dug itself some serious holes with regards to bill payments. In the last few months, however, we have made a steady and concerted effort to bring all of our accounts to current. In cooperation with our bookkeepers, we have set a limit to our weekly Accounts Payable budget that is steadily filling in that hole that was previously dug. Last week's check run paid all of our bills that were due up to July first. That is, again, in stark contrast to a time when our AP delinquency was measured in months, as opposed to days. Within a few weeks' time, we should be cutting checks ahead of due date, to be received and cashed by our vendors on time. It may not sound like much, but it is a perfect example of a steady, concerted effort that is getting us to where we need to be without hindering other aspects of our operations.

And Speaking of Financial Obligations:

From where I'm sitting, I don't know how this organization could have survived its darker days without the generosity of some of its Member Owners when it was truly in need. At this time, The Old Creamery Co-op is extremely indebted to many of its members, both metaphorically and quite literally. Due to the financial struggles of the past couple of years, coupled with the uncertainty of the past year and a half's global pandemic, very, very few interest or principal payments were made to Member Owner Loans that came due in 2020 or thus far in 2021. The good news here, is that this past week, I've given instructions to our bookkeepers to cut checks for all interest and principal payments still outstanding for 2020, and through October of 2021. To those of you who have sat patiently while we worked on our business and attempted to achieve stability before getting these payments into your hands, thank you very much. Thank you. And to every member who has ever forgiven a loan, knowing the struggles that we're taking on in good faith, thank you. Forgiveness is not something that everyone is capable of offering, and without that combination of patience and forgiveness, I do not know where this cooperative would be today.

Now, all that being said, this organization is still staring down the barrel of a very serious debt burden in the next three years that we simply will not be able to meet through the standard accumulation of funds through regular business. So there is work to be done. Moving forward, it is our intent to look into options that might restructure these loan repayments over a longer, more manageable period of time. Whether that's something we can restructure externally, or through the flexibility of our members, this remains to be seen. There is work to be done, and we're going to do the work.

And since we're talking about financial challenges, this is probably a good spot to mention the fact that nearly every piece of mechanical equipment at the Creamery is fully depreciated. Which is to say that it has met, or exceeded, its anticipated manufacturer's life expectancy. That's a scary spot to be in. Not the end of the world, but definitely enough to make you nervous. Scheduled maintenance becomes super important. And then, as we grow a bit stronger, there are the decisions of which items to replace first? No easy answers. But we're taking it one day at a time.

And while we could discuss financial details all day long, I think there's just one more thought I'd like to leave you with, as pertains to cash flow. Our immediate goal is solvency. At this point, there's really nothing more important than maintaining this stabilization and continuing our current trajectory. A lot of good work was done by the board in developing a community-led Ends Statement. And it's a statement that makes a lot of sense. That statement is this: "Through a thriving cooperative enterprise, we encourage a vibrant healthy community and a sustainable local economy." How that translates to our current standing, in my mind, is this: "We must do well, if we wish to do good." So on a daily basis, we will be moving forward, and attempting to make mission-based decisions within the context and confines of this goal. If we are focusing on profit first, it's so that we can continue to be here to focus on people and planet. But I promise you, we are not losing sight of either.

There's lots more that I'd love to tell you about my plans moving forward, but I'm pretty sure I've used up my time. So I'll just close by saying thank you again for the opportunity to serve, and relinquish the floor.