

Analysis of key aspects of the PSFC Financial Statement for the 4 week period ending 01/30/2022 & the 52-Week period ending: 01/30/2022

page 1 of 2

After these two analysis pages please find 21 additional pages. The first 3 additional pages are the income statement for the most recent 4-week period juxtaposed with the income statement for the 52 weeks. Then come the 6 pages that compare the 52 pandemic weeks this past year with the pre-pandemic 52 weeks ending on 02/02/2020. The second set of 6 pages compare 52 weeks this past fiscal year with the 48 weeks this past fiscal year. The third set of 6 pages compares 52 weeks this past year with the 52 weeks the previous year that were only partially during the pandemic. This report will be discussed at the Meeting on 02/22/2022.

- A) **"Preliminary":** The attached statements are titled as "preliminary" since they will not be finalized until our outside CPA auditors finish the annual audit sometime in June.
- B) **The gross margin of 17.78% was dismal for the 4 weeks ending 01/30/22.**
Normally the margin should have been at least 2% higher. Had it been 2% higher for these 4 weeks we would have more than \$70,000 additional gross margin dollars with which to pay expenses. This poor number, 17.78%, may have been caused by the thoroughness and accuracy of the year-end inventory. We will need to look carefully at the Gross margin in the new year that has just begun and if the gross margin doesn't improve significantly more research will be done and possible remedial actions will be considered.
- C) **The gross margin of 19.72% for the 52 weeks ending 01/30/22 was below our target of 20% but is acceptable.** This represents about \$120,000 below target. Nevertheless, the shrink (see footnote 3 on the next page) is within the range of our historical norms at 1.20%. Our goal or target is about .9%. The supermarket industry average is about 3%.
- D) **The forgiveness application in regard to our second Paycheck Protection Program (PPP) loan is in the pipeline.** The loan is for \$1,677,000. When it is forgiven it will add to our income and subtract from our debt.
- E) **The total of our cash plus money owed to us by the IRS went up in the last 4 weeks of the fiscal year by over \$280,000.** Owing our vendors an additional \$200,000 was an important factor in this good development.
- F) **The money owed to us by the IRS currently stands at over 1.5 million dollars.** The IRS owes us money for our Employee Retention Credits (ERCs) from Q1 and Q2 of 2021.
- G) **If we count the money owed to us by the IRS as equivalent to cash then we have more than 5.7 million in cash at 01/30/2022.** This compares favorably to the 4.0 million in cash plus cash equivalents that we had pre-pandemic on 02/02/2020. See page 7 of 21. Also see chart on the next page of this analysis.
- H) **About the higher 25% base mark-up.** If we were to keep the 25% base mark-up in place for this entire new fiscal year we should have a positive cash flow especially if we continue to not pay money into our pension plan. If instead we were to lower the base mark-up we would certainly have less cash at the end of this year than we have now. I believe that beginning on 01/30/2023 we could lower the mark-up since at that point we would be more firmly in a better position for the next pandemic than we were for this current pandemic. We would be at or close to cash flow breakeven with the base mark-up lowered to 21% or 22%.

D) Pandemic ERA Cash plus cash equivalents Analysis

Date	Source of Cash In	Amount
February 2020	Balance sheet cash balance	\$4.0 million
April 2020 & March 2021	PPP Loans	3.1 million
2020 and 2021	Employee Retention Credits	3.1 million
02/20 to 01/22	Added Member Investments	.7 million
10/13/20 to 01/30/22	higher mark-up effect on cash	1.7 million
Feb. 1, 2020 – January 30, 2022	Total cash available to the Coop:	12.6 million=available cash during this 2 year period
January 30, 2022	Subtract cash at end date	(5.7)Million
Feb. 1, 2020 – January 30, 2022	Used (lost) by Coop during 2yr. period.	\$6.9 million
Question for our Coop: In order to protect and preserve the Coop:	How much money should we have to be ready	for future pandemics or emergencies?

Definitions and Calculations for understanding the following attached 52 week and 4 week financial statements:

- ¹ Gross Margin = Net Sales (money generated by members when we shop) – Cost of the Goods Sold. The Gross Margin dollars divided by Net Sales dollars yields the gross margin percentage. The gross margin dollars are used to pay the expenses of running of the Coop.
- ² The Coop marks up all items received for resale to try to generate enough money to cover the expenses of operating the Coop. As of 10/13/2020 products are marked-up 25% for most members (temporarily up from 21%) above the delivered cost. The exceptions: vitamins and supplements are marked-up an additional 10% above that; cheese, an additional 3%; bulk items, an additional 7%; organic produce, an additional \$1.10 per case to the delivered case cost; conventionally grown produce, an additional \$.50 per case; organic bananas, an extra \$2.50 per case in addition to the \$1.10; and conventional papayas, an extra \$1.00 in addition to the \$.50. There are other minor add-ons that also are part of the mark-up. The result is an estimated overall current markup of 26.8 minus adjustment for continuation of 21% base markup for some members resulting in an adjusted estimate of 26.45%.
- ³ Shrink and perfect gross margin have been part of our financial analysis since the Coop started in 1973. Perfect gross margin is reached when there is no spoilage, no theft, etc.; by the way, it is never reached. Because the Coop is usually run at about breakeven we pay attention to how far from perfect we are in order to remain financially sustainable and to be alerted to problems that have a financial impact and therefore need to be solved or improved upon. The goal is to keep our low-price structure by solving problems instead of raising prices. Shrink is the amount of imperfection. It is calculated by comparing the actual gross margin to the perfect gross margin. Our perfect gross margin is calculated by dividing .2645 (the mark-up) by 1.2645 which =20.92%. We estimate that a typical natural foods supermarket uses a markup of about 56% to yield a gross margin of about 34%. Our estimated shrink for the 52 week period ended 01/30/2022 is 1.20% as a percent of sales. This is calculated from "perfect" gross margin of 20.92% minus gross margin from page 1 of 19.72%=1.20%.

Please see the attached 21 pages of financial statements.

INCOME STATEMENT

	52 weeks to	1/30/22 Per Cent of Sales	4 Week thru	1/30/22 of Sales
Net Sales	<u>42,862,061</u>	<u>100.00%</u>	<u>3,577,819</u>	<u>100.00%</u>
Cost of Goods Sold				
Inventory At Beginning	630,935		630,935	
Net Purchases	<u>34,468,165</u>		<u>2,880,205</u>	
Total Available for Sale	<u>35,099,100</u>		<u>3,511,140</u>	
Less: Inventory At End	<u>689,804</u>		<u>(61,656)</u>	
Cost of Goods Sold	<u>34,409,296</u>	<u>80.28%</u>	<u>2,941,861</u>	<u>82.22%</u>
Gross Margin	<u>8,452,765</u>	<u>19.72%</u>	<u>635,959</u>	<u>17.78%</u>
Expenses				
Expenses Except Depreciation	10,891,930	25.41%	760,352	21.25%
Depreciation	<u>251,573</u>	<u>.59%</u>	<u>17,848</u>	<u>.50%</u>
Total Expenses (Schedule)	<u>11,143,503</u>	<u>26.00%</u>	<u>778,200</u>	<u>21.75%</u>
Operating Income (Loss)	<u>(2,690,738)</u>	<u>(6.28%)</u>	<u>(142,241)</u>	<u>(3.98%)</u>
Other Income				
Membership Fees	21,750	.05%	8,690	.24%
Events & Gifts	90	.00%	0	.00%
Cash Discounts & Rebates	11,229	.03%	0	.00%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	13,294	.03%	0	.00%
Income Tax Refund	0	.00%	0	.00%
Other Income (incl SBA PPP Loan Forgiveness)	<u>2,236,275</u>	<u>5.22%</u>	<u>33,843</u>	<u>.95%</u>
Total Other Income	<u>2,282,638</u>	<u>5.33%</u>	<u>42,533</u>	<u>1.19%</u>
Income Before Interest & Taxes	<u>(408,100)</u>	<u>(.95%)</u>	<u>(99,708)</u>	<u>(2.79%)</u>
Interest Expense-Loans	0	.00%	0	.00%
Interest Expense-Other	0	.00%	0	.00%
Interest Income	<u>19,534</u>	<u>.05%</u>	<u>5,532</u>	<u>.15%</u>
Net Interest	<u>19,534</u>	<u>.05%</u>	<u>5,532</u>	<u>.15%</u>
Income (Loss) Before Income Taxes	<u>(388,566)</u>	<u>(.91%)</u>	<u>(94,177)</u>	<u>(2.63%)</u>
Provision for Taxes	<u>0</u>		<u>TBD</u>	
Net Income (Loss)	<u>(388,566)</u>		<u>TBD</u>	
Other Comprehensive Income-pension Plan Related	<u>0</u>		<u>TBD</u>	
Total Comprehensive Income (Loss)	<u>(388,566)</u>		<u>TBD</u>	

SCHEDULES OF OPERATING EXPENSES

	52 weeks to	1/30/22 Per Cent of Sales	4 Week thru	1/30/22 Per Cent of Sales
Personnel				
Salary-General Coordinating	519,250	1.21%	38,435	1.07%
Salary/Wages-IT	484,578	1.13%	38,244	1.07%
Wages-Hourly Coordinating	4,949,217	11.55%	323,507	9.04%
Total Payroll	5,953,045	13.89%	400,185	11.19%
Employee Health Benefits	2,000,655	4.67%	129,500	3.62%
Employee Pension Benefits	772,650	1.80%	59,435	1.66%
Employee Benefits-Other	88,586	.21%	(1,008)	(.03%)
Vacation, Health & Personal Days Accrued	0	.00%	0	.00%
Total Compensation Package	8,814,936	20.57%	588,112	16.44%
Payroll Taxes	496,522	1.16%	45,758	1.28%
Workers Comp. Insurance Expense-Staff	32,985	.08%	5,445	.15%
EAP and/or Training Fees	14,734	.03%	0	.00%
Payroll Preparation Expense	77,856	.18%	4,110	.11%
Pension/401k Administration Expense	15,383	.04%	1,056	.03%
Consultant Fees	3,161	.01%	0	.00%
Total Personnel	9,455,577	22.06%	644,481	18.01%
Occupancy				
Electric	150,403	.35%	11,162	.31%
Gas	38,894	.09%	5,276	.15%
Insurance	257,232	.60%	17,356	.49%
Taxes - Real Estate	152,786	.36%	11,394	.32%
Taxes - Water & Sewer	9,179	.02%	700	.02%
Exterminator	3,194	.01%	490	.01%
Subtotal	611,690	1.43%	46,377	1.30%
Deprec. - Building	179,184	.42%	13,781	.39%
Total - Occupancy	790,874	1.85%	60,157	1.68%
Store				
Store Supplies	52,167	.12%	2,882	.08%
Recycling and Garbage Removal	30,551	.07%	2,703	.08%
Cash Short or (Over)	2,144	.01%	1,539	.04%
Svc Cntrct Exp. & Rpr.-Stre Equip.	188,599	.44%	9,566	.27%
Subtotal	273,462	.64%	16,691	.47%
Depreciation - Fixtures & Equip.	49,694	.12%	2,591	.07%
Total Store	323,156	.75%	19,282	.54%
Office				
Printing & Copying	14,188	.03%	0	.00%
Office Supplies	60,702	.14%	3,939	.11%
Telecommunications	32,437	.08%	1,202	.03%
Postage	16,499	.04%	2,897	.08%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	88,076	.21%	5,894	.16%
Subtotal	211,902	.49%	13,932	.39%
Depreciation - Furn. & Equip.	22,694	.05%	1,476	.04%
Total Office	234,596	.55%	15,408	.43%

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SCHEDULES OF OPERATING EXPENSES (cont'd)	52 weeks to		4 Weekthru	
		1/30/22 Per Cent of Sales		1/30/22 Per Cent of Sales
Other				
Repairs, Tools, Maintenance	47,354	.11%	5,709	.16%
Advertising and Promotion Expense	200	.00%	0	.00%
Meeting Room Expense	4,614	.01%	342	.01%
Miscellaneous Expense	22,954	.05%	3,639	.10%
Gazette Ad Income	225		0	.00%
Less: Printing & Delivery	779		230	.01%
National Co-op Grocers Member Fees	30,000	.07%		.00%
Childcare Expense	0	.00%	0	.00%
Audit Expense/Tax Preparation	63,500	.15%	0	.00%
Bank Charges	7,267	.02%	549	.02%
Electronic Payment Service Charges	140,009	.33%	11,376	.32%
Workers Compensation Insurance-Members	(6,857)	(.02%)	3,189	.09%
Legal Fees	29,255	.07%	6,338	.18%
Total Other	339,300	.79%	38,871	1.09%
Total Expenses	11,143,503	26.00%	778,200	21.75%

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	52 weeks to	1/30/22	4 Weekthru	1/30/22
Average	\$824,270		5,849	
Increase or (Decrease) in Sales Per Week	(\$11,406)	-1.36%	7,196	.20%

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

INCOME STATEMENT	52 weeks to	1/30/22 Per Cent of Sales	52 weeks to	2/2/20 Per Cent of Sales
Net Sales	42,862,061	100.00%	57,857,479	100.00%
Cost of Goods Sold				
Inventory At Beginning	630,935		698,341	
Net Purchases	34,468,165		47,801,388	
Total Available for Sale	35,099,100		48,499,729	
Less: Inventory At End	689,804		712,728	
Cost of Goods Sold	34,409,296	80.28%	47,787,001	82.59%
Gross Margin	8,452,765	19.72%	10,070,478	17.41%
Expenses				
Expenses Except Depreciation	10,891,930	25.41%	9,361,162	16.18%
Depreciation	251,573	.59%	241,030	.42%
Total Expenses (Schedule)	11,143,503	26.00%	9,602,192	16.60%
Operating Income (Loss)	(2,690,738)	(6.28%)	468,286	.81%
Other Income				
Membership Fees	21,750	.05%	50,050	.09%
Events & Gifts	90	.00%	1,250	.00%
Cash Discounts & Rebates	11,229	.03%	32,017	.06%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	13,294	.03%	148,594	.26%
Income Tax Refund	0	.00%	0	.00%
Other Income (incl SBA PPP Loan Forgiveness)	2,236,275	5.22%	18,885	.03%
Total Other Income	2,282,638	5.33%	250,797	.43%
Income Before Interest & Taxes	(408,100)	(.95%)	719,083	1.24%
Interest Expense-Loans	0	.00%		
Interest Expense-Other	0	.00%	(1,556)	(.00%)
Interest Income	19,534	.05%	59,226	.10%
Net interest	19,534	.05%	57,670	.10%
Income (Loss) Before Income Taxes	(388,566)	(.91%)	776,753	1.34%
Provision for Taxes	0		(251,621)	
Net Income (Loss)	(388,566)		525,132	
Other Comprehensive Income-pension Plan Related	0		62,686	
Total Comprehensive Income (Loss)	(388,566)		587,818	

Preliminary

Park Slope Food Coop

Financial Statement

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SCHEDULES OF OPERATING EXPENSES

	52 weeks to	1/30/22 Per Cent of Sales	52 weeks to	2/2/20 Per Cent of Sales
Personnel				
Salary-General Coordinating	519,250	1.21%	557,089	.96%
Salary/Wages-IT	484,578	1.13%	473,011	.82%
Wages-Hourly Coordinating	4,949,217	11.55%	3,933,546	6.80%
Total Payroll	5,953,045	13.89%	4,963,646	8.58%
Employee Health Benefits	2,000,655	4.67%	1,389,015	2.40%
Employee Pension Benefits	772,650	1.80%	632,173	1.09%
Employee Benefits-Other	88,586	.21%	57,314	.10%
Vacation, Health & Personal Days Accrued	0	.00%	(17,431)	(.03%)
Total Compensation Package	8,814,936	20.57%	7,024,717	12.14%
Payroll Taxes	496,522	1.16%	405,393	.70%
Workers Comp. Insurance Expense-Staff	32,985	.08%	45,393	.08%
EAP and/or Training Fees	14,734	.03%	14,602	.03%
Payroll Preparation Expense	77,856	.18%	27,101	.05%
Pension/401k Administration Expense	15,383	.04%	8,074	.01%
Consultant Fees	3,161	.01%	22,060	.04%
Total Personnel	9,455,577	22.06%	7,547,340	13.04%
Occupancy				
Electric	150,403	.35%	157,241	.27%
Gas	38,894	.09%	34,844	.06%
Insurance	257,232	.60%	237,968	.41%
Taxes - Real Estate	152,786	.36%	149,292	.26%
Taxes - Water & Sewer	9,179	.02%	9,180	.02%
Exterminator	3,194	.01%	7,520	.01%
Subtotal	611,690	1.43%	596,044	1.03%
Deprec. - Building	179,184	.42%	154,138	.27%
Total - Occupancy	790,874	1.85%	750,182	1.30%
Store				
Store Supplies	52,167	.12%	101,111	.17%
Recycling and Garbage Removal	30,551	.07%	40,968	.07%
Cash Short or (Over)	2,144	.01%	2,097	.00%
Svc Cntrct Exp. & Rpr.-Stre Equip.	188,599	.44%	174,666	.30%
Subtotal	273,462	.64%	318,841	.55%
Depreciation - Fixtures & Equip.	49,694	.12%	71,400	.12%
Total Store	323,156	.75%	390,241	.67%
Office				
Printing & Copying	14,188	.03%	20,700	.04%
Office Supplies	60,702	.14%	59,508	.10%
Telecommunications	32,437	.08%	51,953	.09%
Postage	16,499	.04%	26,741	.05%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	88,076	.21%	94,735	.16%
Subtotal	211,902	.49%	253,636	.44%
Depreciation - Furn. & Equip.	22,694	.05%	15,492	.03%
Total Office	234,596	.55%	269,128	.47%

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SCHEDULES OF OPERATING EXPENSES (cont'd)	52 weeks to	1/30/22	52 weeks to	2/2/20
		Per Cent of Sales		Per Cent of Sales
Other				
Repairs, Tools, Maintenance	47,354	.11%	70,725	.12%
Advertising and Promotion Expense	200	.00%	7,807	.01%
Meeting Room Expense	4,614	.01%	6,302	.01%
Miscellaneous Expense	22,954	.05%	33,387	.06%
Gazette Ad Income	225		(4,295)	
Less: Printing & Delivery	779		20,510	
National Co-op Grocers Member Fees	30,000	.07%	30,000	.05%
Childcare Expense	0	.00%	2,329	.00%
Audit Expense/Tax Preparation	63,500	.15%	60,500	.10%
Bank Charges	7,267	.02%	10,747	.02%
Electronic Payment Service Charges	140,009	.33%	274,888	.48%
Workers Compensation Insurance-Members	(6,857)	(.02%)	92,634	.16%
Legal Fees	29,255	.07%	39,765	.07%
Total Other	339,300	.79%	645,300	1.12%
Total Expenses	11,143,503	26.00%	9,602,192	16.60%

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	52 weeks to	1/30/22	52 weeks to	2/2/20
Average	\$824,270		\$1,112,644	
Increase or (Decrease) in Sales Per Week	(\$11,406)	-1.36%	\$12,247	1.11%

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

BALANCE SHEETS

ASSETS

Current Assets

	52 weeks to 1/30/22			52 weeks to 2/2/20		
Cash (Schedule)			4,188,155			3,943,293
Inventory			689,804			712,728
Prepaid Expenses (Schedule)			210,852			185,095
Other Current Assets			1,549,992			57,024
			6,638,803			4,898,139

Fixed Assets

	Gross	Accum. Deprec.	Net	Gross	Accum. Deprec.	Net
Land	165,000		165,000	165,000		165,000
Building	6,079,884	3,055,359	3,024,524	6,053,505	2,697,150	3,356,355
Office Equipment	459,889	426,954	32,935	453,067	385,000	68,067
Store Equipment	2,128,895	2,101,733	27,162	2,103,293	1,989,063	114,230
Leased Equipment	30,150	7,659	22,492	23,700	1,506	22,195
Deposit on purch of FA	0		0	0		0
	8,863,818	5,591,705	3,272,113	8,798,565	5,072,718	3,725,847

Other Assets

Invest. in Other Cooperative Associations (Sched.)			481,310			378,831
Security Deposit (NCG Joint Liability)			229,602			85,496
Deferred Income Tax Asset			1,534,507			531,849
Total Assets			12,156,335			9,620,163

LIABILITIES & MEMBERS EQUITY

Current Liabilities

Accounts Payable			1,958,509			2,233,801
Accrued Vacation, Health & Personal Days			498,539			408,985
Accrued Miscellaneous Expense			226,621			185,713
Donations Payable: Fair Food Program			1,672			2,399
Taxes Payable			9,468			20,413
Net Income Tax Liabilities			(216,723)			90,516
Current Obligations Payable Under Capital Leases			1,471			3,930
			2,479,558			2,945,758

Long Term Liabilities

Non-Current Oblig. Payable Under Capital Leases			23,936			17,623
Bank Loans Payable			1,677,345			
Pension Plan Liability			3,123,859			1,605,169
Total Liabilities			7,304,698			4,568,549

Members' Investment & Members' Equity

Members' Investment			3,873,742			3,160,524
Paid-in Capital			10,566			10,566
Additional Paid-in Capital			83,205			39,438
Accumulated other comprehensive income			(481,159)			(209,579)
Retained Earnings			1,365,283			2,050,665
Total Liabilities & Members Equity			12,156,335			9,620,163

Cash			\$4,188,155			\$3,943,293
Less: Accounts Payable (money owed to suppliers)			1,958,509			2,233,801
			\$2,229,646			\$1,709,492

BALANCE SHEET SCHEDULES

52 weeks to 1/30/22

52 weeks to 2/2/20

Cash

Citibank Checking	0	0
Sterling Checking	661,159	609,833
Sterling Money Market Accounts	450,401	1,599,582
Sterling FSA	57,182	35,847
National Cooperative Savings Bank CDs/Money Market	2,477,605	1,175,808
Spring Bank Money Market/Savings	280,050	271,824
Peoples Alliance Federal Credit Union CD	261,757	250,399
	<u>4,188,155</u>	<u>3,943,293</u>

Prepaid Expenses

Miscellaneous	0	0
Service Contract-Office Equipment	39,610	58,982
Service Contract-Store Equipment	32,530	31,730
Workers Compensation Insurance	63,750	15,226
Childcare Insurance	0	2,108
Fire and Liability Insurance	0	0
Fidelity Bond-Pension/401k	1,109	683
Directors and Officers Liability Insurance	13,360	11,189
Meeting Room Expense	2,782	0
CBD Products Insurance	0	45
Real Estate Taxes	57,711	65,133
Net Tax Asset	<u>0</u>	<u>0</u>
	<u>210,852</u>	<u>185,095</u>

Investment in Cooperative Suppliers

Patronage Dividends-National Co+op Grocers	317,506	225,340
Patronage Refund-Frontier	73,693	66,781
Patronage Refund-Fedco Seeds	611	611
Equity-Frontier Cooperative Herbs	3,734	3,734
Equity-National Coop. Bank-Class C Stock	28,412	28,412
Equity-National Co+op Grocers (Member Equity)	56,855	53,454
Equity-National Co+op Grocers (Voting Stock)	<u>500</u>	<u>500</u>
	<u>481,310</u>	<u>378,831</u>

52 weeks to 1/30/22

52 weeks to 2/2/20

Inventory Turnover

52 x

68 x

STATEMENT OF CASH FLOWS

	<u>52 weeks to 1/30/22</u>	<u>52 weeks to 2/2/20</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, FISCAL YEAR TO DATE:		
Cash flows from operating activities:		
Net income (loss) before income taxes	(388,566)	525,132
Adjustments to reconcile results of operations to net cash effect of operating activities:		
Depreciation	251,573	241,030
Deferred income taxes	0	16,521
Excess of pension expense over cash contributions	570,917	24,173
Net change in asset and liability accounts:		
Inventories	(58,869)	(14,387)
Prepaid Expenses	(36,530)	78,787
Other current assets	(455,211)	(49,864)
Accounts payable	616,802	243,766
Other current liabilities	(209,332)	33,937
Total adjustments	<u>679,349</u>	<u>573,963</u>
Net cash provided by (used for) operating activities	<u>290,783</u>	<u>1,099,095</u>
Cash flows from investing activities:		
Acquisition of property and equipment, net	(33,279)	(387,016)
Investment in other cooperative associations	(2,417)	(127,295)
Security Deposit	(94,449)	(975)
Net cash provided by (used for) investing activities	<u>(130,145)</u>	<u>(515,286)</u>
Cash flows from financing activities:		
Repayment of capital lease obligations		(3,947)
Bank Loans Payable	1,677,345	0
Net proceeds from member investments	(113,115)	48,920
Capital contributions	40,223	2,855
Net cash provided by (used for) financing activities	<u>1,604,452</u>	<u>47,828</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>1,765,091</u>	<u>631,637</u>
Cash and cash equivalents - beginning of year	<u>2,423,064</u>	<u>3,311,656</u>
Cash and cash equivalents - end of period	<u>4,188,155</u>	<u>3,943,293</u>

INCOME STATEMENT	52 weeks to	1/30/22 Per Cent of Sales	48 weeks to	1/2/22 Per Cent of Sales
Net Sales	42,862,061	100.00%	39,284,241	100.00%
Cost of Goods Sold				
Inventory At Beginning	630,935		630,935	
Net Purchases	34,468,165		31,587,960	
Total Available for Sale	35,099,100		32,218,895	
Less: Inventory At End	689,804		751,460	
Cost of Goods Sold	34,409,296	80.28%	31,467,435	80.10%
Gross Margin	8,452,765	19.72%	7,816,806	19.90%
Expenses				
Expenses Except Depreciation	10,891,930	25.41%	10,131,578	25.79%
Depreciation	251,573	.59%	233,724	.59%
Total Expenses (Schedule)	11,143,503	26.00%	10,365,303	26.39%
Operating Income (Loss)	(2,690,738)	(6.28%)	(2,548,497)	(6.49%)
Other Income				
Membership Fees	21,750	.05%	13,060	.03%
Events & Gifts	90	.00%	90	.00%
Cash Discounts & Rebates	11,229	.03%	11,229	.03%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	13,294	.03%	13,294	.03%
Income Tax Refund	0	.00%	0	.00%
Other Income (incl SBA PPP Loan Forgiveness)	2,236,275	5.22%	2,202,432	5.61%
Total Other Income	2,282,638	5.33%	2,240,105	5.70%
Income Before Interest & Taxes	(408,100)	(.95%)	(308,392)	(.79%)
Interest Expense-Loans	0	.00%	0	.00%
Interest Expense-Other	0	.00%	0	.00%
Interest Income	19,534	.05%	14,002	.04%
Net Interest	19,534	.05%	14,002	.04%
Income (Loss) Before Income Taxes	(388,566)	(.91%)	(294,390)	(.75%)
Provision for Taxes	0		TBD	
Net Income (Loss)	(388,566)		TBD	
Other Comprehensive Income-pension Plan Related	0		TBD	
Total Comprehensive Income (Loss)	(388,566)		TBD	

SCHEDULES OF OPERATING EXPENSES

	52 weeks to	1/30/22 Per Cent of Sales	48 weeks to	1/2/22 Per Cent of Sales
Personnel				
Salary-General Coordinating	519,250	1.21%	480,816	1.22%
Salary/Wages-IT	484,578	1.13%	446,335	1.14%
Wages-Hourly Coordinating	4,949,217	11.55%	4,625,710	11.77%
Total Payroll	5,953,045	13.89%	5,552,860	14.14%
Employee Health Benefits	2,000,655	4.67%	1,871,155	4.76%
Employee Pension Benefits	772,650	1.80%	713,215	1.82%
Employee Benefits-Other	88,586	.21%	89,594	.23%
Vacation, Health & Personal Days Accrued	0	.00%	0	.00%
Total Compensation Package	8,814,936	20.57%	8,226,824	20.94%
Payroll Taxes	496,522	1.16%	450,764	1.15%
Workers Comp. Insurance Expense-Staff	32,985	.08%	27,539	.07%
EAP and/or Training Fees	14,734	.03%	14,734	.04%
Payroll Preparation Expense	77,856	.18%	73,746	.19%
Pension/401k Administration Expense	15,383	.04%	14,327	.04%
Consultant Fees	3,161	.01%	3,161	.01%
Total Personnel	9,455,577	22.06%	8,811,095	22.43%
Occupancy				
Electric	150,403	.35%	139,241	.35%
Gas	38,894	.09%	33,619	.09%
Insurance	257,232	.60%	239,877	.61%
Taxes - Real Estate	152,786	.36%	141,393	.36%
Taxes - Water & Sewer	9,179	.02%	8,479	.02%
Exterminator	3,194	.01%	2,704	.01%
Subtotal	611,690	1.43%	565,313	1.44%
Deprec. - Building	179,184	.42%	165,404	.42%
Total - Occupancy	790,874	1.85%	730,717	1.86%
Store				
Store Supplies	52,167	.12%	49,285	.13%
Recycling and Garbage Removal	30,551	.07%	27,848	.07%
Cash Short or (Over)	2,144	.01%	605	.00%
Svc Cntrct Exp. & Rpr.-Stre Equip.	188,599	.44%	179,033	.46%
Subtotal	273,462	.64%	256,771	.65%
Depreciation - Fixtures & Equip.	49,694	.12%	47,103	.12%
Total Store	323,156	.75%	303,874	.77%
Office				
Printing & Copying	14,188	.03%	14,188	.04%
Office Supplies	60,702	.14%	56,762	.14%
Telecommunications	32,437	.08%	31,236	.08%
Postage	16,499	.04%	13,602	.03%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	88,076	.21%	82,182	.21%
Subtotal	211,902	.49%	197,970	.50%
Depreciation - Furn. & Equip.	22,694	.05%	21,218	.05%
Total Office	234,596	.55%	219,188	.56%

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SCHEDULES OF OPERATING EXPENSES (cont'd)	52 weeks to	1/30/22	48 weeks to	1/2/22
		Per Cent of Sales		Per Cent of Sales
Other				
Repairs, Tools, Maintenance	47,354	.11%	41,645	.11%
Advertising and Promotion Expense	200	.00%	200	.00%
Meeting Room Expense	4,614	.01%	4,272	.01%
Miscellaneous Expense	22,954	.05%	19,315	.05%
Gazette Ad Income	225		(5)	
Less: Printing & Delivery	779		779	
National Co-op Grocers Member Fees	30,000	.07%	22,500	.06%
Childcare Expense	0	.00%	0	.00%
Audit Expense/Tax Preparation	63,500	.15%	63,500	.16%
Bank Charges	7,267	.02%	6,718	.02%
Electronic Payment Service Charges	140,009	.33%	128,632	.33%
Workers Compensation Insurance-Members	(6,857)	(.02%)	(10,046)	(.03%)
Legal Fees	29,255	.07%	22,918	.06%
Total Other	339,300	.79%	300,429	.76%
Total Expenses	11,143,503	26.00%	10,365,303	26.39%

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	52 weeks to	1/30/22	48 weeks to	1/2/22
Average	\$824,270		\$818,422	
Increase or (Decrease) in Sales Per Week	(\$11,406)	-1.36%	(\$18,602)	-2.22%

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

	52 weeks to 1/30/22			48 weeks to 1/2/22		
BALANCE SHEETS						
ASSETS						
Current Assets						
Cash (Schedule)			4,188,155			3,051,272
Inventory			689,804			751,460
Prepaid Expenses (Schedule)			210,852			238,469
Other Current Assets			1,549,992	6,638,803		2,405,896
						6,447,097
Fixed Assets						
	Gross	Accum. Deprec.	Net	Gross	Accum. Deprec.	Net
Land	165,000		165,000	165,000		165,000
Building	6,079,884	3,055,359	3,024,524	6,079,884	3,041,579	3,038,305
Office Equipment	459,889	426,954	32,935	459,889	425,919	33,970
Store Equipment	2,128,895	2,101,733	27,162	2,128,895	2,099,142	29,754
Leased Equipment	30,150	7,659	22,492	30,150	7,217	22,933
Deposit on purch of FA	0		0	0		0
	8,863,818	5,591,705	3,272,113	8,863,818	5,573,857	3,289,961
Other Assets						
Invest. in Other Cooperative Associations (Sched.)			481,310			481,310
Security Deposit (NCG Joint Liability)			229,602			227,866
Deferred Income Tax Asset			1,534,507			1,534,507
Total Assets			12,156,335			11,980,742
LIABILITIES & MEMBERS EQUITY						
Current Liabilities						
Accounts Payable			1,958,509			1,757,216
Accrued Vacation, Health & Personal Days			498,539			498,539
Accrued Miscellaneous Expense			226,621			236,092
Donations Payable: Fair Food Program			1,672			1,031
Taxes Payable			9,468			13,033
Net Income Tax Liabilities			(216,723)			(216,723)
Current Obligations Payable Under Capital Leases			1,471	2,479,558		1,471
						2,290,660
Long Term Liabilities						
Non-Current Oblig. Payable Under Capital Leases			23,936			23,936
Bank Loans Payable			1,677,345			1,677,345
Pension Plan Liability			3,123,859	4,825,140		3,064,424
Total Liabilities			7,304,698			7,056,365
Members' Investment & Members' Equity						
Members' Investment			3,873,742			3,853,652
Paid-in Capital			10,566			10,566
Additional Paid-in Capital			83,205			81,859
Accumulated other comprehensive income			(481,159)			(481,159)
Retained Earnings			1,365,283	4,851,637		1,459,459
Total Liabilities & Members Equity			12,156,335			11,980,742
Cash			\$4,188,155			\$3,051,272
Less: Accounts Payable (money owed to suppliers)			1,958,509			1,757,216
			\$2,229,646			\$1,294,056

BALANCE SHEET SCHEDULES

52 weeks to 1/30/22

48 weeks to 1/2/22

Cash

Citibank Checking	0	0
Sterling Checking	661,159	416,481
Sterling Money Market Accounts	450,401	463,764
Sterling FSA	57,182	51,614
National Cooperative Savings Bank CDs/Money Market	2,477,605	1,577,605
Spring Bank Money Market/Savings	280,050	280,050
Peoples Alliance Federal Credit Union CD	261,757	261,757
	<u>4,188,155</u>	<u>3,051,272</u>

Prepaid Expenses

Miscellaneous	0	0
Service Contract-Office Equipment	39,610	39,156
Service Contract-Store Equipment	32,530	36,979
Workers Compensation Insurance	63,750	72,384
Childcare Insurance	0	0
Fire and Liability Insurance	0	16,376
Fidelity Bond-Pension/401k	1,109	1,138
Directors and Officers Liability Insurance	13,360	951
Meeting Room Expense	2,782	3,073
CBD Products Insurance	0	0
Real Estate Taxes	57,711	68,412
Net Tax Asset	<u>0</u>	<u>0</u>
	<u>210,852</u>	<u>238,469</u>

Investment in Cooperative Suppliers

Patronage Dividends-National Co-op Grocers	317,506	317,506
Patronage Refund-Frontier	73,693	73,693
Patronage Refund-Fedco Seeds	611	611
Equity-Frontier Cooperative Herbs	3,734	3,734
Equity-National Coop. Bank-Class C Stock	28,412	28,412
Equity-National Co-op Grocers (Member Equity)	56,855	56,855
Equity-National Co-op Grocers (Voting Stock)	<u>500</u>	<u>500</u>
	<u>481,310</u>	<u>481,310</u>

52 weeks to 1/30/22

48 weeks to 1/2/22

Inventory Turnover

52 x

49 x

STATEMENT OF CASH FLOWS

	52 weeks to 1/30/22	48 weeks to 1/2/22
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, FISCAL YEAR TO DATE:		
Cash flows from operating activities:		
Net income (loss) before income taxes	(388,566)	(294,390)
Adjustments to reconcile results of operations to net cash effect of operating activities:		
Depreciation	251,573	233,724
Deferred income taxes	0	0
Excess of pension expense over cash contributions	570,917	511,482
Net change in asset and liability accounts:		
Inventories	(58,869)	(120,525)
Prepaid Expenses	(36,530)	(64,148)
Other current assets	(455,211)	(1,311,115)
Accounts payable	616,802	415,509
Other current liabilities	(209,332)	(196,937)
Total adjustments	679,349	(532,009)
Net cash provided by (used for) operating activities	290,783	(826,398)
Cash flows from investing activities:		
Acquisition of property and equipment, net	(33,279)	(33,279)
Investment in other cooperative associations	(2,417)	(2,417)
Security Deposit	(94,449)	(92,713)
Net cash provided by (used for) investing activities	(130,145)	(128,409)
Cash flows from financing activities:		
Repayment of capital lease obligations		
Bank Loans Payable	1,677,345	1,677,345
Net proceeds from member investments	(113,115)	(133,206)
Capital contributions	40,223	38,876
Net cash provided by (used for) financing activities	1,604,452	1,583,015
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,765,091	628,208
Cash and cash equivalents - beginning of year	2,423,064	2,423,064
Cash and cash equivalents - end of period	4,188,155	3,051,272

INCOME STATEMENT	52 weeks to	1/30/22 Per Cent of Sales	52 weeks to	1/31/21 Per Cent of Sales
Net Sales	42,862,061	100.00%	43,455,158	100.00%
Cost of Goods Sold				
Inventory At Beginning	630,935		712,728	
Net Purchases	34,468,165		35,604,656	
Total Available for Sale	35,099,100		36,317,384	
Less: Inventory At End	689,804		630,935	
Cost of Goods Sold	34,409,296	80.28%	35,686,449	82.12%
Gross Margin	8,452,765	19.72%	7,768,708	17.88%
Expenses				
Expenses Except Depreciation	10,891,930	25.41%	11,180,673	25.73%
Depreciation	251,573	.59%	272,132	.63%
Total Expenses (Schedule)	11,143,503	26.00%	11,452,805	26.36%
Operating Income (Loss)	(2,690,738)	(6.28%)	(3,684,096)	(8.48%)
Other Income				
Membership Fees	21,750	.05%	7,990	.02%
Events & Gifts	90	.00%	3,413	.01%
Cash Discounts & Rebates	11,229	.03%	12,184	.03%
Other Discounts	0	.00%	0	.00%
Patronage Refund Income	13,294	.03%	121,628	.28%
Income Tax Refund	0	.00%	0	.00%
Other Income	2,236,275	5.22%	2,327,588	5.36%
Total Other Income	2,282,638	5.33%	2,472,802	5.69%
Income Before Interest & Taxes	(408,100)	(.95%)	(1,211,294)	(2.79%)
Interest Expense-Loans	0	.00%		
Interest Expense-Other	0	.00%	(1,863)	(.00%)
Interest Income	19,534	.05%	57,989	.13%
Net interest	19,534	.05%	56,126	.13%
Income (Loss) Before Income Taxes	(388,566)	(.91%)	(1,155,169)	(2.66%)
Provision for Taxes	0		858,352	
Net Income (Loss)	(388,566)		(296,817)	
Other Comprehensive Income-pension Plan Related	0		0	
Total Comprehensive Income (Loss)	(388,566)		(296,817)	

SCHEDULES OF OPERATING EXPENSES

	52 weeks to	1/30/22 Per Cent of Sales	52 weeks to	1/31/21 Per Cent of Sales
Personnel				
Salary-General Coordinating	519,250	1.21%	576,634	1.33%
Salary/Wages-IT	484,578	1.13%	477,886	1.10%
Wages-Hourly Coordinating	4,949,217	11.55%	5,349,130	12.31%
Total Payroll	5,953,045	13.89%	6,403,649	14.74%
Employee Health Benefits	2,000,655	4.67%	1,680,587	3.87%
Employee Pension Benefits	772,650	1.80%	663,387	1.53%
Employee Benefits-Other	88,586	.21%	159,467	.37%
Vacation, Health & Personal Days Accrued	0	.00%	89,554	.21%
Total Compensation Package	8,814,936	20.57%	8,996,644	20.70%
Payroll Taxes	496,522	1.16%	438,671	1.01%
Workers Comp. Insurance Expense-Staff	32,985	.08%	45,320	.10%
EAP and/or Training Fees	14,734	.03%	35,500	.08%
Payroll Preparation Expense	77,856	.18%	74,550	.17%
Pension/401k Administration Expense	15,383	.04%	10,385	.02%
Consultant Fees	3,161	.01%	25,560	.06%
Total Personnel	9,455,577	22.06%	9,626,630	22.15%
Occupancy				
Electric	150,403	.35%	136,937	.32%
Gas	38,894	.09%	33,938	.08%
Insurance	257,232	.60%	266,540	.61%
Taxes - Real Estate	152,786	.36%	163,923	.38%
Taxes - Water & Sewer	9,179	.02%	9,250	.02%
Exterminator	3,194	.01%	5,074	.01%
Subtotal	611,690	1.43%	615,661	1.42%
Deprec. - Building	179,184	.42%	179,026	.41%
Total - Occupancy	790,874	1.85%	794,687	1.83%
Store				
Store Supplies	52,167	.12%	89,192	.21%
Recycling and Garbage Removal	30,551	.07%	36,097	.08%
Cash Short or (Over)	2,144	.01%	1,397	.00%
Svc Cntrct Exp. & Rpr.-Stre Equip.	188,599	.44%	152,284	.35%
Subtotal	273,462	.64%	278,971	.64%
Depreciation - Fixtures & Equip.	49,694	.12%	62,976	.14%
Total Store	323,156	.75%	341,947	.79%
Office				
Printing & Copying	14,188	.03%	20,747	.05%
Office Supplies	60,702	.14%	52,815	.12%
Telecommunications	32,437	.08%	33,710	.08%
Postage	16,499	.04%	16,158	.04%
Professional Fees	0	.00%	0	.00%
Svc Cntrct Exp. & Rpr.-Ofc. Equip.	88,076	.21%	103,880	.24%
Subtotal	211,902	.49%	227,310	.52%
Depreciation - Furn. & Equip.	22,694	.05%	30,130	.07%
Total Office	234,596	.55%	257,439	.59%

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SCHEDULES OF OPERATING EXPENSES (cont'd)	52 weeks to		1/30/22		52 weeks to		1/31/21	
			Per Cent	of Sales			Per Cent	of Sales
Other								
Repairs, Tools, Maintenance		47,354	.11%			66,208	.15%	
Advertising and Promotion Expense		200	.00%			1,086	.00%	
Meeting Room Expense		4,614	.01%			360	.00%	
Miscellaneous Expense		22,954	.05%			19,502	.04%	
Gazette Ad Income	225				(1,140)			
Less: Printing & Delivery	779	1,004	.00%		9,195	8,055	.02%	
National Co-op Grocers Member Fees		30,000	.07%			30,000	.07%	
Childcare Expense		0	.00%			241	.00%	
Audit Expense/Tax Preparation		63,500	.15%			60,500	.14%	
Bank Charges		7,267	.02%			10,161	.02%	
Electronic Payment Service Charges		140,009	.33%			120,801	.28%	
Workers Compensation Insurance-Members		(6,857)	(.02%)			87,498	.20%	
Legal Fees		29,255	.07%			27,690	.06%	
Total Other		339,300	.79%			432,102	.99%	
Total Expenses		11,143,503	26.00%			11,452,805	26.36%	

SALES AND MEMBERSHIP AVERAGES

Sales Per Week:	52 weeks to		1/30/22		52 weeks to		1/31/21	
Average		\$824,270				\$835,676		
Increase or (Decrease) in Sales Per Week		(\$11,406)	-1.36%			(\$273,578)	-24.66%	

Due to changes in Coop operations since March 23, 2020, we will not provide numbers and statistics in this section until such time that we can ascertain the accuracy of the number of members.

52 weeks to 1/30/22

52 weeks to 1/31/21

**BALANCE SHEETS
ASSETS****Current Assets**

Cash (Schedule)		4,188,155		2,423,064	
Inventory		689,804		630,935	
Prepaid Expenses (Schedule)		210,852		174,322	
Other Current Assets		1,549,992	6,638,803	878,058	4,106,379

Fixed Assets

	Gross	Accum. Deprec.	Net	Gross	Accum. Deprec.	Net
Land	165,000		165,000	165,000		165,000
Building	6,079,884	3,055,359	3,024,524	6,046,605	2,876,175	3,170,430
Office Equipment	459,889	426,954	32,935	459,889	410,003	49,886
Store Equipment	2,128,895	2,101,733	27,162	2,128,895	2,052,039	76,857
Leased Equipment	30,150	7,659	22,492	30,150	1,915	28,235
Deposit on purch of FA	0		0	0		0
	8,863,818	5,591,705	3,272,113	8,830,540	5,340,132	3,490,407

Other Assets

Invest. in Other Cooperative Associations (Sched.)		481,310				478,892
Security Deposit (NCG Joint Liability)		229,602				135,153
Deferred Income Tax Asset		1,534,507	2,245,418			1,534,507
Total Assets			<u>12,156,335</u>			<u>9,745,339</u>

LIABILITIES & MEMBERS EQUITY**Current Liabilities**

Accounts Payable		1,958,509		1,341,707	
Accrued Vacation, Health & Personal Days		498,539		498,539	
Accrued Miscellaneous Expense		226,621		214,514	
Donations Payable: Fair Food Program		1,672		2,022	
Taxes Payable		9,468		10,294	
Net Income Tax Liabilities		(216,723)		(216,723)	
Current Obligations Payable Under Capital Leases		1,471	2,479,558	5,011	1,855,365

Long Term Liabilities

Non-Current Oblig. Payable Under Capital Leases		23,936		23,936	
Bank Loans Payable		1,677,345		0	
Pension Plan Liability		3,123,859	4,825,140	2,552,942	2,576,878
Total Liabilities			<u>7,304,698</u>		<u>4,432,243</u>

Members' Investment & Members' Equity

Members' Investment		3,873,742		3,986,858	
Paid-in Capital		10,566		10,566	
Additional Paid-in Capital		83,205		42,983	
Accumulated other comprehensive income		(481,159)		(481,159)	
Retained Earnings		1,365,283	4,851,637	895,497	4,454,744
Total Liabilities & Members Equity			<u>12,156,335</u>		<u>8,886,987</u>

Cash		\$4,188,155		\$2,423,064	
Less: Accounts Payable (money owed to suppliers)		1,958,509		1,341,707	
		<u>\$2,229,646</u>		<u>\$1,081,357</u>	

BALANCE SHEET SCHEDULES

52 weeks to 1/30/22

52 weeks to 1/31/21

Cash

Citibank Checking	0	5,511
Sterling Checking	661,159	187,091
Sterling Money Market Accounts	450,401	385,336
Sterling FSA	57,182	42,228
National Cooperative Savings Bank CDs/Money Market	2,477,605	1,267,231
Spring Bank Money Market/Savings	280,050	278,140
Peoples Alliance Federal Credit Union CD	261,757	257,528
	<u>4,188,155</u>	<u>2,423,064</u>

Prepaid Expenses

Miscellaneous	0	0
Service Contract-Office Equipment	39,610	46,770
Service Contract-Store Equipment	32,530	30,396
Workers Compensation Insurance	63,750	13,015
Childcare Insurance	0	0
Fire and Liability Insurance	0	0
Fidelity Bond-Pension/401k	1,109	329
Directors and Officers Liability Insurance	13,360	12,360
Meeting Room Expense	2,782	0
CBD Products Insurance	0	0
Real Estate Taxes	57,711	71,452
Net Tax Asset	0	0
	<u>210,852</u>	<u>174,322</u>

Investment in Cooperative Suppliers

Patronage Dividends-National Co+op Grocers	317,506	317,506
Patronage Refund-Frontier	73,693	71,276
Patronage Refund-Fedco Seeds	611	611
Equity-Frontier Cooperative Herbs	3,734	3,734
Equity-National Coop. Bank-Class C Stock	28,412	28,412
Equity-National Co+op Grocers (Member Equity)	56,855	56,855
Equity-National Co+op Grocers (Voting Stock)	500	500
	<u>481,310</u>	<u>478,892</u>

52 weeks to 1/30/22

52 weeks to 1/31/21

Inventory Turnover

52 x

53 x

STATEMENT OF CASH FLOWS

52 weeks to 1/30/22

52 weeks to 1/31/21

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS, FISCAL YEAR TO DATE:

Cash flows from operating activities:

Net income (loss) before income taxes	(388,566)	(296,817)
Adjustments to reconcile results of operations to net cash effect of operating activities:		
Depreciation	251,573	272,132
Deferred income taxes	0	(869,852)
Excess of pension expense over cash contributions	570,917	543,387
Net change in asset and liability accounts:		
Inventories	(58,869)	81,793
Prepaid Expenses	(36,530)	(205,950)
Other current assets	(455,211)	(821,035)
Accounts payable	616,802	(892,094)
Other current liabilities	(209,332)	17,344
Total adjustments	679,349	(1,874,275)
Net cash provided by (used for) operating activities	290,783	(2,171,092)

Cash flows from investing activities:

Acquisition of property and equipment, net	(33,279)	(25,066)
Investment in other cooperative associations	(2,417)	(100,061)
Security Deposit	(94,449)	(49,657)
Net cash provided by (used for) investing activities	(130,145)	(174,784)

Cash flows from financing activities:

Repayment of capital lease obligations		(4,232)
Bank Loans Payable	1,677,345	0
Net proceeds from member investments	(113,115)	826,334
Capital contributions	40,223	3,545
Net cash provided by (used for) financing activities	1,604,452	825,647

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,765,091	(1,520,229)
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Cash and cash equivalents - beginning of year	2,423,064	3,943,293
Cash and cash equivalents - end of period	4,188,155	2,423,064