



NUMBER 17679

INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS

SHARES 710

United Cooperative Society of Maynard

Shares Each



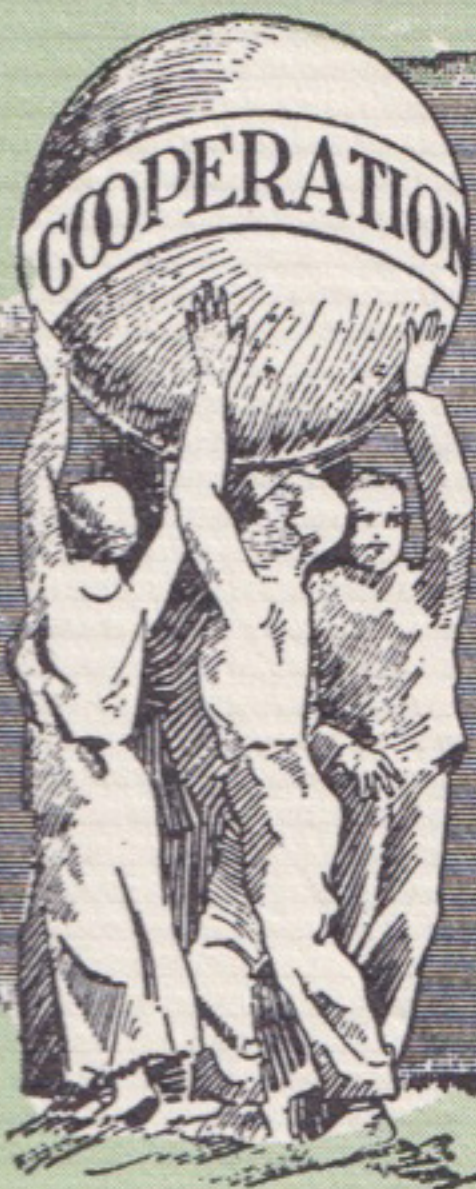
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INCORPORATED UNDER THE LAWS OF THE COMMONWEALTH OF MASSACHUSETTS

SHARES 710

United Cooperative Society of Maynard

Maynard, Mass.

Shares \$5.00 Each

Capital Stock \$1,000,000.00

This Certifies that

is the owner of Ten Shares of the Capital Stock of the United Cooperative Society of Maynard, fully paid and non-assessable,

subject to the conditions set forth in the Articles and By-Laws of the Society and transferable only on the books of the Society and upon consent of its Board of Directors, by the holder hereof in person or by Attorney, upon surrender of this Certificate properly endorsed.

TRANSFER OF THIS STOCK IS RESTRICTED AND SUBJECT TO LIEN FOR HOLDER'S DEBTS For these provisions see Articles of Organization and the amendments thereto and By-Laws. Copies are available to you upon request to the corporation.

In Witness Whereof, the said Society has caused this Certificate to be signed by its duly authorized officers and to be sealed with the seal of the Society,

this 19th day of May A. D. 1962

Edward Whisenand Treasurer

Frederick J. ... President

UNITED COOPERATIVE SOCIETY OF MAYNARD

ANNUAL REPORT FOR 1962



JOHN F. KENNEDY

DWIGHT D. EISENHOWER

**NATIONAL COUNCIL OF
CHURCHES OF CHRIST**

**THE REVEREND
EDWARD W. O'ROURKE**

**IN THE U. S. A.
DAG HAMMARSKJOLD**

WASHINGTON POST

**they
all
endorse**

CO-OPERATIVES

COOPERATIVE AND MUTUAL business has been a very important and constructive part of our free economy ever since Benjamin Franklin organized the first mutual insurance company in Philadelphia in 1752. It is one of the finest expressions of the American spirit. Here groups of people, faced with common needs, invest their capital and organize their own cooperatives to meet these needs. This is self-help at its best.

COOPERATION IS THE means by which free men solve problems or tackle jobs too big for the individual.

THE CHURCHES SHOULD encourage full membership participation in organizations of mutual aid and cooperation.

EXECUTIVE SECRETARY, National Catholic Rural Life Conference: Cooperatives make it possible for individual citizens to gain more ownership and control of their economic affairs . . . By training men to practice self-reliance and mutual self-help, cooperatives promote democracy.

THE LATE Secretary General of United Nations: Co-operatives aim not at making maximum profits for a few but at rendering maximum service to the community at large.

THE COOPERATIVE movement has made an exceedingly valuable contribution to American democracy . . . It has demonstrated the feasibility of applying democratic controls to economic as well as to political affairs.

BOARD OF DIRECTORS' REPORT

Present Officers and Directors and their meeting attendance record.

Toivo J. J. Erkinen, President
attended 12 out of possible 12

Elmer W. Salenius, Vice-President
attended 12 out of possible 12

Paul E. Smith, Jr., Secretary-Clerk
attended 10 out of possible 12

Francis Alving
attended 12 out of possible 12

Joseph E. Boothroyd
attended 9 out of possible 12

Edward Helander
attended 12 out of possible 12

Ahti Jaakkola
attended 9 out of possible 9

Leo F. Mullin
attended 11 out of possible 12

Emil Pitkanen
attended 12 out of possible 12

Since the Annual Membership Meeting, held on March 17, 1962, the Board has held regular monthly meetings plus four special Board Meetings. Various sub-committees have met during the year. The General Manager has attended all Board Meetings and sub-committee meetings. He has reported to the Board each month on the operating results and sales of each department.

The Board of Directors consists of nine members, elected by the membership meeting. The Board is responsible to the membership for the conduct of the business and maintenance of its assets in accordance with the charter of the Society, its by-laws, the General Laws of the Commonwealth of Massachusetts, and the principles of Rochdale Co-operation.

The transition from the management of Arvo Rivers to that of Edward Misserian which occurred during the first months of the year was carried out successfully due to the excellent cooperation of both men. The Board of Directors was pleased to participate in a testimonial given in honor of Arvo Rivers, our former General Manager, whose nearly thirty years service saw a tremendous growth in the United Cooperative Society of Maynard. Tributes to Arvo Rivers by various speakers and in the form of letters, telegrams, and gifts expressed the consensus of a good job, well done. We take this opportunity to add our commendation and best wishes to those already recorded.

OPERATING RESULTS

The results of the year's operation are set forth in the balance sheet and operating statement and commented upon by the General Manager and Treasurer. We believe the financial condition of the Co-operative is sound and that it is capable of such expenditures as may be required to maintain its equipment in modern and efficient condition by repairs or replacement. Operating re-

sults were not as good as we had hoped for during the year as a whole. We have noted an upward trend, compared to the previous year, in the sales of the Supermarket starting in August. If this trend continues and if we are able to increase the efficiency of the operation of the Supermarket by the installation of more modern equipment, we believe the present year of 1963 will show an improvement over 1962. As was noted in the previous year's report, our operations can be substantially improved by a modest increase in the volume of sales. This is true because many costs, including payroll, need not increase substantially to accommodate a larger volume of sales. Increased patronage of all departments by the members will pay off in increased rebates.

REPAIRS, REPLACEMENTS, AND ADDITIONS

Repairs and replacements required during 1962 were not as extensive as those of some former years. Two cash registers were replaced, an incinerator was constructed to eliminate frequent trips to the dump, and an ice vending machine was installed at the Gas Station on a commission basis. Future requirements for replacement of equipment were studied during the latter half of the year. The following departments are under consideration: Supermarket - modern frozen food, meat, and dairy cases; gasoline station - modern high-speed pumps and improved lighting and signs; dairy - new higher capacity delivery equipment (purchased in early 1963); oil department - additional delivery equipment and storage space. These replacements should enable us to continue our present business with increased efficiency.

Funds received through sale of shares have been used to retire maturing notes or added to working capital in anticipation of requirements for replacement of equipment.

REGIONAL ACTIVITIES

1. General Manager attended the National Dairy Convention in Atlantic City during October.

2. N. E. C. I. Annual Meeting was held in Fitchburg in November. Our Society was represented by 14 members.

3. Our Society sponsored a Board of Directors Seminar on May 12 attended by members of the boards of directors of several members of N. E. C. I., including Fitchburg, Andover, Natick, Hanover, Marlboro, and Stafford Springs. Speakers were Malcolm McCabe of Massachusetts Retail Grocers' Association and Clyde Benedict of Nationwide Insurance Company.

In July we sent three delegates to the Co-op Institute

HIGHLIGHTS OF ACTIVITIES OF PUBLIC RELATIONS COMMITTEE

The Public Relations Committee in 1962 carried out its assigned task of keeping the membership informed of Co-op activities and by working to improve the Co-op image with the general public.

Ten issues of the Co-op News were published and sent to our 3,000 members. This activity is a major one and consumes a large part of our budget. We believe that it is a very important activity, because it helps to educate our members in the principles of the Co-op movement. The paper is edited by Roy Helander who has done a very capable job.

Directors Report continued on page 6



EDWARD MISSERIAN

GENERAL MANAGER'S REPORT

It's Spring fervor time! Spring is a busy season for many — for some it's sprinkled with showers and flowers, and for ourselves and the staff it's annual report time.

At the expense of reiterating my statements I wish to express my appreciation for the time and effort everyone contributed to make the transition in the General Manager's Office a successful time.

1963 LOOMS BIG

In the light of current trends and a reasonable allowance for factors which should favor our operation in the year ahead, I have no hesitation whatever in predicting that 1963 will re-establish our sales progressively toward our 1959 high mark.

OPERATIONS FOR PERIOD JULY 1 - DEC. 29, 1962

Savings for the Year

Our net savings for the second half before taxes were \$23,714.92. Out of the savings the Co-op will pay 5% dividend on share capital, and it appears that a 1% patronage rebate is a possibility. Management realizes that had the first half been closer to a normal operation a larger rebate would have been possible.

DEPARTMENTAL REVIEW

Dairy

Although we did somewhat less in sales than in 1961 our operating expenses were reduced year-end from 41.6% to 39.3%. There were approximately 6,051 quarts less sold overall in 1962; over 35,000 quarts were lost through Bob-Tailers who discontinued operations, approximately 1,051 less quarts were used in our town facilities (bakery-coffee room), approximately 3,300 less were sold to retail stores, and over 2,700 quarts were reduced in Sudbury deliveries. On the other hand, our own Supermarket sold over 8,700 more quarts, while we increased sales in schools, and in Stow and Maynard by more than 27,300 quarts. Our efforts will be directed toward regaining the ground that was lost and revitalizing our present routes.

Bakery

Our transition from self service to service has been commented on most favorably. This change-over occurred in November. Our bakery has averaged almost 9.0% of weekly Supermarket sales; comparatively this is high for in-store sales. Also, comparatively speaking, January and February sales for 1962 and 1963 have been within .2% of each other, while 1961 sales were 2.2% lower than the average of "62" and "63".

From time to time we have faced the problems of the industry — that is securing the services of qualified bakers. We again find ourselves short one baker due to problems of personnel relocating and assuming additional responsibilities.

Please accept our apology if you find we are temporarily out of your favorite bakery item. We are doing our utmost to supplement our present staff.

Coal and Grain

I believe a note of explanation is worthwhile here. In view of our obsolete equipment, the Board of Directors has authorized the General Manager to discontinue coal deliveries after May 1, 1963. Our grain will be drop shipped from Fitchburg to our dairy producers as has been the case this past year. We are offering to our coal customers a well-planned program whereby they may convert to oil at a very nominal cost.

Oil Division

Our oil division contributed considerably to our second half net departmental income. It is very pleasant to report that our sales and customers are ever increasing, and after a slow start in early 1962, sales in the second half brought our year's oil net savings up to almost 9.3% of sales. No department should be deserving of any more recognition than this division.

Gas Station

Competition is one of the strong and constant factors to be met. As compared to 1961 we had \$8,000. less sales, amounting to a 5.5% decrease. Overhead costs take a healthy bite from income. Together with costs of products they eat up most of the sales dollar. These facts point to the need for developing and maintaining effective merchandising. We have proposed minor improvements in equipment which are under consideration by the board.

Hardware and Appliance

It is disheartening to report that our appliance center operated at a loss. We had \$4,389. less in sales than in the previous year, which resulted in a (\$2,217.59) deficit.

Payroll dollars expended were less, but because of lower sales, payroll percentages increased year-end by .8%. Because of capitalizing the repairs on the appliance building our costs in this area also went up. But, needless to say, we are making every effort to increase service and lines, and at the same time be as competitive with the large discounters as possible.

Super Market

In view of our interest in increasing our Supermarket sales more time was spent in analyzing operations in this area than all others combined. The general decline in sales was reduced somewhat overall, and in total there was a decrease of only \$8,910.11 in sales from the previous year. Our meat department showed an increase of 2.1%, and this increase began in August of this last year.

Our payroll costs for the year were increased by .5% or \$2,652.26, and yet only modest increases were given to most male personnel. Our Supermarket year-end total operating expenses increased from 16.4% in 1961 to 16.8% in 1962, and our net savings were 1% as compared to 1.2% in 1961. A point of analysis, we reduced other expenses from the first half by .3%, and total operating expenses were reduced by .3%. Much remains to be desired on our net savings — and with the purchasing power of our members I am sure that this can be substantially improved.

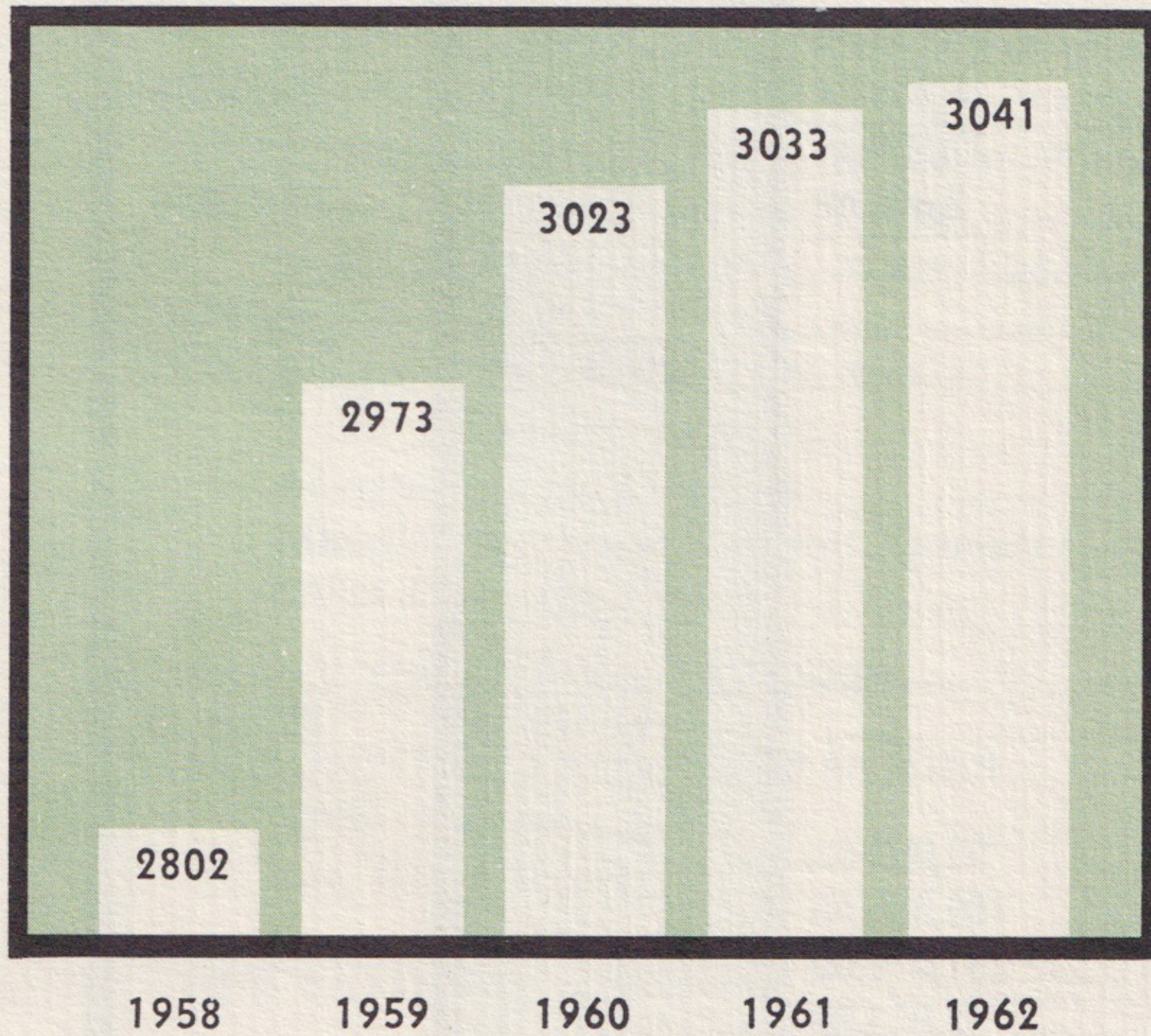
Manager's Report Continued on Page 7

5 YEAR

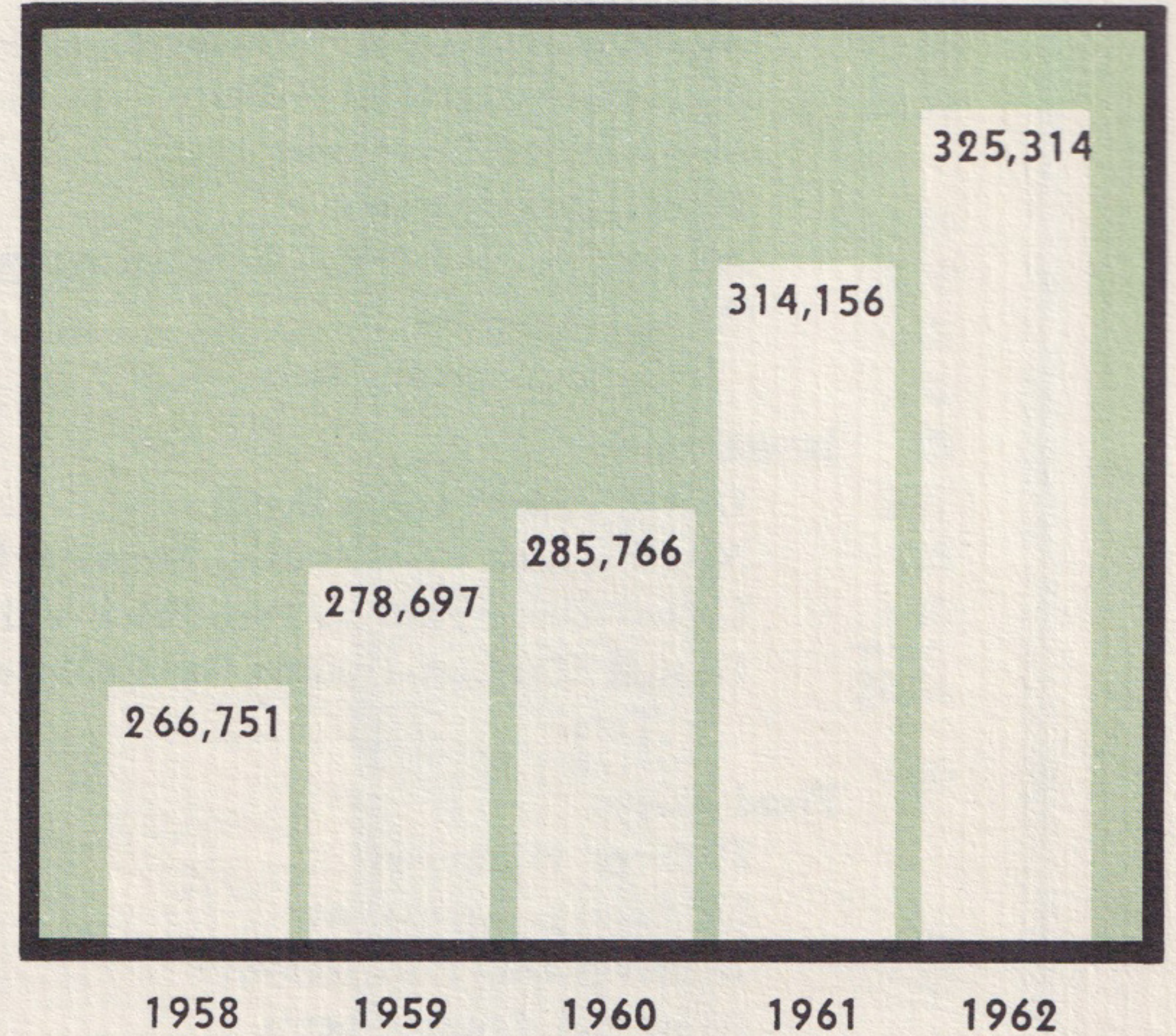


GROWTH

MEMBERSHIP



EQUITY CAPITAL



THIRTEEN YEAR COMPARATIVE REVIEW

Year	Members	Equity Capital	Sales	Savings	Share Dividend Rate	Patronage Rebate Rate
1950	2,658	\$241,124.	\$1,312,307.	\$30,912.	5%	1. %
1951	2,632	241,251.	1,342,727.	19,224.	5%	1. %
1952	2,633	242,105.	1,377,411.	17,171.	5%	¾%
1953	2,674	240,198.	1,368,800.	27,271.	5%	1.4 %
1954	2,721	242,573.	1,385,063.	24,194.	5%	1.1 %
1955	2,806	250,524.	1,517,252.	23,576.	5%	1. %
1956	2,960	260,223.	1,683,846.	35,557.	5%	1.7 %
1957	2,915	261,991.	1,739,898.	40,442.	5%	1.9 %
1958	2,802	266,751.	1,664,793.	59,991.	5%	3. %
1959	2,973	278,697.	1,779,350.	46,035.	5%	2. %
1960	3,023	285,266.	1,572,629.	31,190.	5%	1½%
1961	3,033	314,156.	1,526,324.	32,552.	5%	1½%
1962	3,041	325,314	1,509,753.	23,715	5%	1. %

OUR CO-OP'S

COMPARATIVE BALANCE SHEET

ASSETS

	Dec. 29, 1962	Dec. 31, 1961
Current Assets:		
Cash in Bank and on Hand	\$ 85,046.12	\$ 59,160.39
Accounts Receivable — General	\$ 30,053.36	
Accounts Receivable — Dairy	6,238.21	28,838.76
Merchandise Inventories	77,309.44	
Bakery Raw Material	2,890.62	85,678.09
Accrued Interest N.E.C.I. Serial Notes	175.12	
Prepaid Expenses	1,858.82	2,623.09
Total Current Assets	203,571.69	176,300.33
Investments:		
United States Savings Bonds	3,962.10	
New England Co-operatives Shares & Notes	34,125.00	
United Co-op Farmers Pref. Stock and rebates	3,587.11	
Deposit Marlboro-Hudson Gas Company	5.00	
Total	41,679.21	39,314.13
Fixed Assets:		
Delivery Equipment	53,992.83	
Machinery Equipment	189,550.55	
Buildings and Improvements	231,074.02	
Land and Improvements	82,925.29	
Total	557,542.69	
Less: Reserve for Depreciation	281,198.76	
Total Fixed Assets	276,343.93	290,506.05
Other Assets:		
Deferred Building and Store Improvements	3,850.80	
Less: Allowance for Amortization	1,082.05	
TOTAL ASSETS	\$524,363.58	\$509,367.80

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities:		
Accounts Payable	\$ 35,885.08	
Advance Oil Payments	25,331.06	61,216.14
Notes Payable (due within one year)		31,379.00
Payroll Taxes		7,709.99
Federal and State Income Taxes		3,795.75
Accrued Expenses		265.53
Patronage Refunds Payable		20,533.49
Total Current Liabilities		124,899.90
Other Liabilities:		
Notes Payable (due after one year)		74,150.00
Members' Equity:		
Share Capital	170,305.00	161,665.00
General Reserve	155,008.68	152,491.38
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$524,363.58	\$509,367.80

BUSINESS YEAR



COMBINED STATEMENT OF OPERATIONS

For Year Ended December 29, 1962

NET SALES.....	\$1,509,753.48	100.00
COST OF GOODS SOLD.....	1,142,392.20	75.66
GROSS MARGIN.....	<u>367,361.28</u>	<u>24.34</u>
EXPENSES: (Including Dairy & Bakery Production)		
Payroll (Fringe Benefits & Taxes).....	220,986.63	14.64
Occupancy (Including Heat, Water, Light and Real Estate Taxes).....	34,740.67	2.30
Equipment.....	18,283.64	1.21
Wrapping Supplies & Milk Bottles.....	7,702.56	.51
Truck & Delivery Expenses.....	13,262.91	.89
Advertising and Promotion.....	16,162.78	1.07
Miscellaneous Taxes, Licenses, Insurance.....	6,471.43	.43
Other Operating Expenses.....	22,574.59	1.49
TOTAL OPERATING EXPENSES.....	<u>340,185.21</u>	<u>22.54</u>
NET SAVINGS FROM OPERATIONS.....	27,176.07	1.80
Other Expenses.....	\$10,668.02	
Less Other Income.....	<u>7,206.87</u>	
NET SAVINGS.....	\$ <u>3,461.15</u>	<u>.23</u>
	\$ 23,714.92	1.57

DISTRIBUTION OF NET SAVINGS

Provisions for Federal Income Taxes.....	3,795.75
To General Reserve.....	2,491.69
Dividends on Share Capital.....	8,247.09
Patronage Refunds.....	9,180.39
Total.....	\$ <u>23,714.92</u>

AUDITOR'S STATEMENT

March 12, 1963

To the Members of
United Co-operative Society of Maynard

We have examined the balance sheet of United Co-operative Society of Maynard as at December 31st, 1962, and the related statements of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of operations present fairly the financial position of United Co-operative Society of Maynard at December 31, 1962, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New England Co-operative
Auditing Service

J. PAUL HEIKKILA
Certified Public Accountant

At the Annual Meeting in March our committee was in charge of entertainment and refreshments. The entertainment which was in the form of an Irish Minstrel Show was the magnet which drew the largest crowd we have had at our Annual Meeting in recent years.

In the spring we sponsored a little league baseball team in the Assabet Valley Little League. At the conclusion of the baseball season in September all members of the team, their parents, and coaches were invited to a delicious banquet served in the Co-op Meeting Room over the Supermarket.

at Hobart College. Mr. Roy Helander, one of the delegates, brought honor to the United Co-operative in being appointed Secretary.

The members of the committee and the members of the Co-op Ladies Auxiliary helped to man a booth in the Supermarket during the month of October, which is Co-op Month. Information concerning Co-ops was distributed to all who passed to partake of a delicious cup of coffee. In this same month we furnished the entertainment and refreshments for our Semi-Annual Meeting.

In December several members, along with members of the Board of Directors, attended the Annual N.E.C.I. Meeting at Fitchburg.

The Children's Christmas Party was held on December 15 at the Co-op Meeting Hall above the Supermarket. A movie was shown and in due time Santa arrived and distributed gifts to the 200 children who attended.

The Public Relations Committee needs a paid part-time director to carry out its job more effectively. To

achieve this goal additional tools are required for management. A public relations director who will have the experience and time to communicate, survey, and report. In essence, under the direction of management he will explain and interpret company policy, objectives, and program to the employees and public.

The Public Relations Committee recommends that money for a public relations director be appropriated at the annual meeting March 16, 1963.

CONCLUSIONS

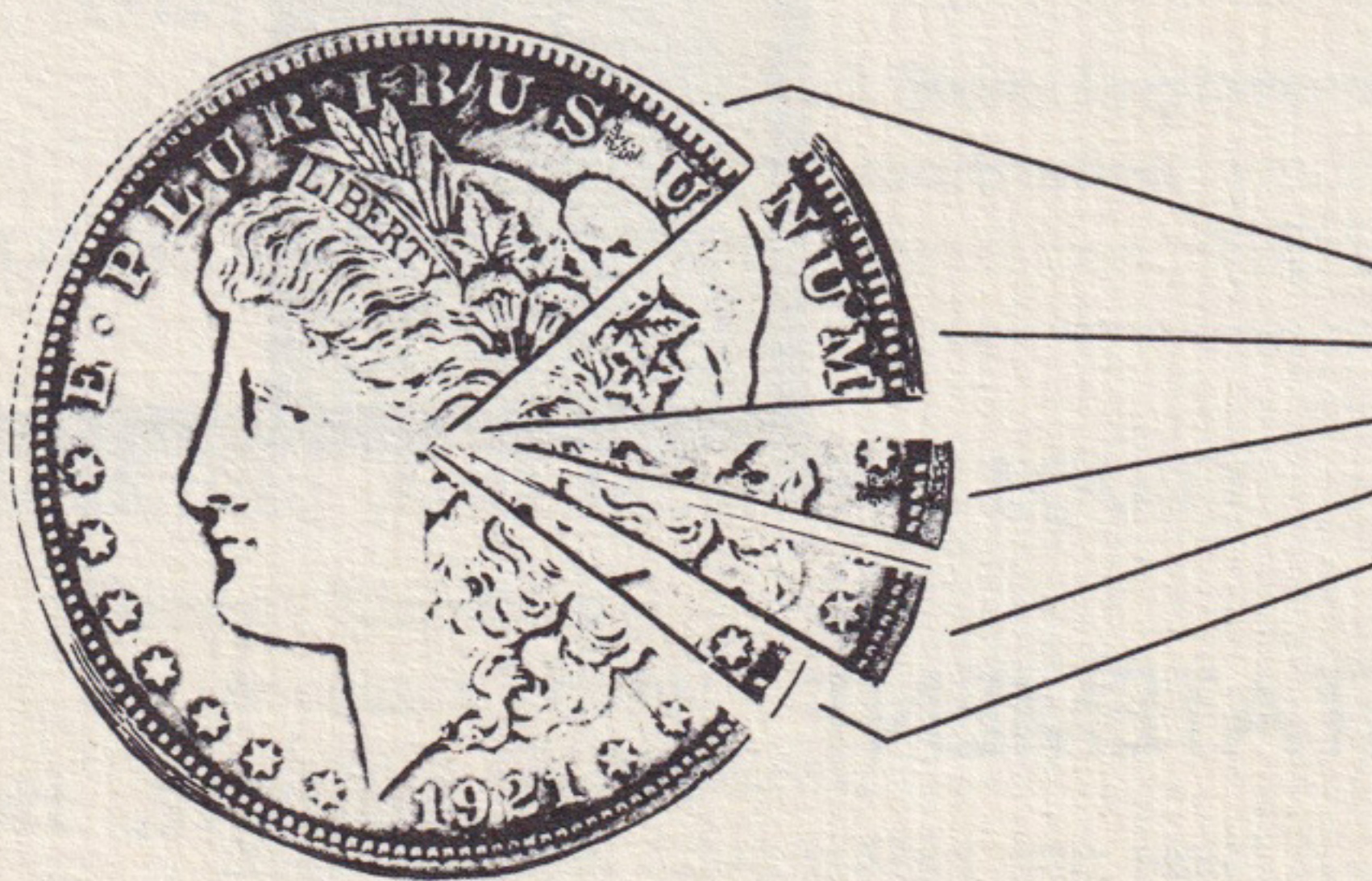
We believe that the improving trend which started in the latter half of the year will continue - with the support of our membership in patronizing all of our departments, we are sure that it will.

We take this opportunity to re-emphasize that the Society and its services are owned by you, its members. The Co-operative was organized in 1907 in order to serve its members, it has expanded throughout the years with that goal in mind, and it shall continue to serve you in the future. Your investment in ownership of your Society through purchase of shares will enable it to continue to furnish you with goods and services in an efficient manner. Your participation in the affairs of your Co-operative by attending meetings, answering surveys, offering suggestions, serving on subcommittees, reading the Co-op News, and informing your friends about the Co-op will serve to strengthen the Society and benefit you both materially and spiritually.

Respectfully submitted,
THE BOARD OF DIRECTORS

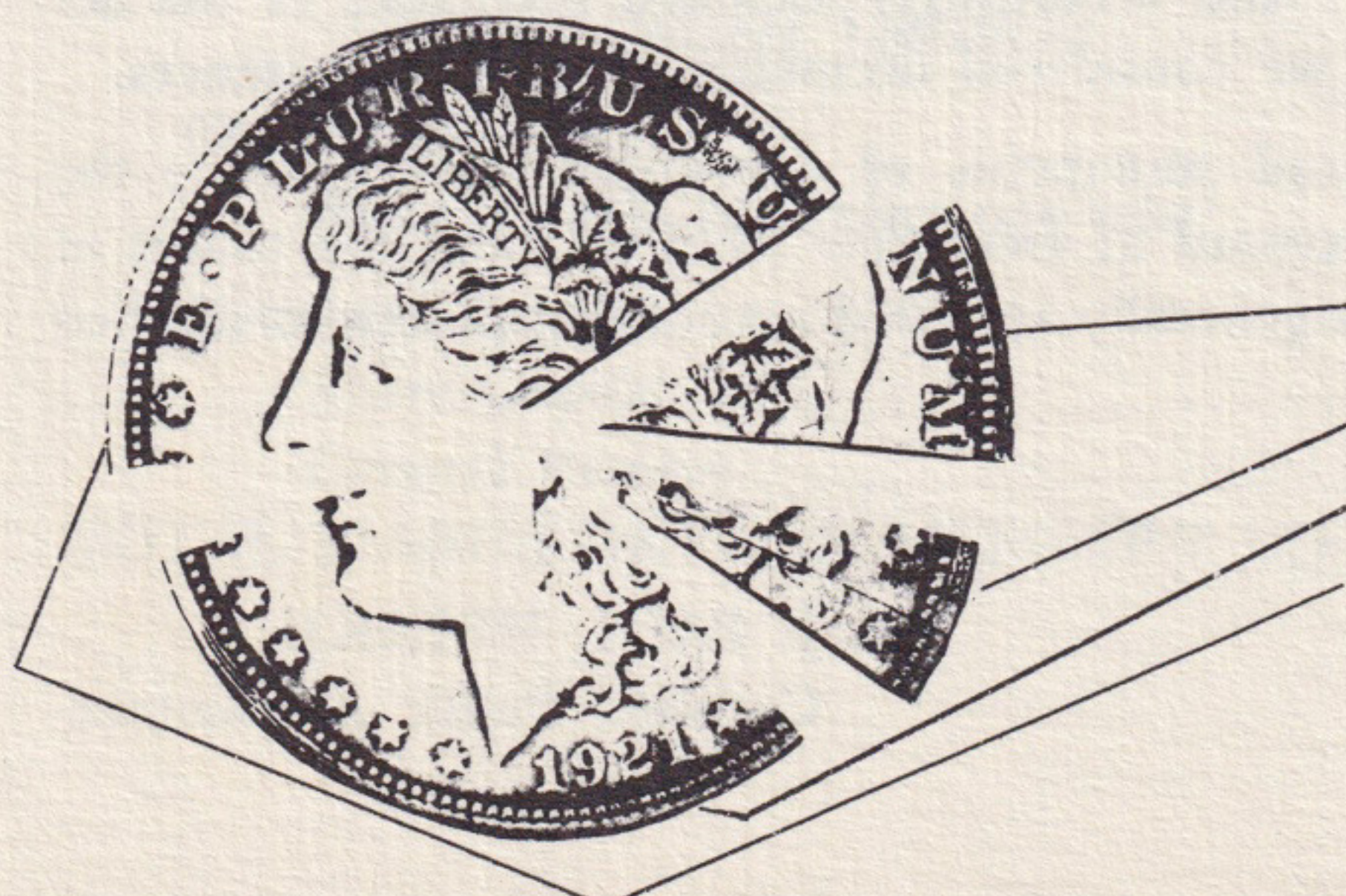
Paul E. Smith, Jr., *Secretary-Clerk*

SALES DOLLAR



DISTRIBUTION

SAVINGS DOLLAR



DISTRIBUTION

WHAT'S AHEAD

Management has devoted considerable time to analyzing operations and preparing with the various committees many recommendations for increasing effectiveness and efficiency. Many recommendations are being reviewed currently by the Board. We are extremely aware of the need for changes in equipment, and also on the other hand, aware of the expenditures that accompany changes.

COMMENTS FROM THE TREASURER

Our co-operative financial structure is sound. This is particularly true of our current ratios. Our current assets are almost double our current liabilities.

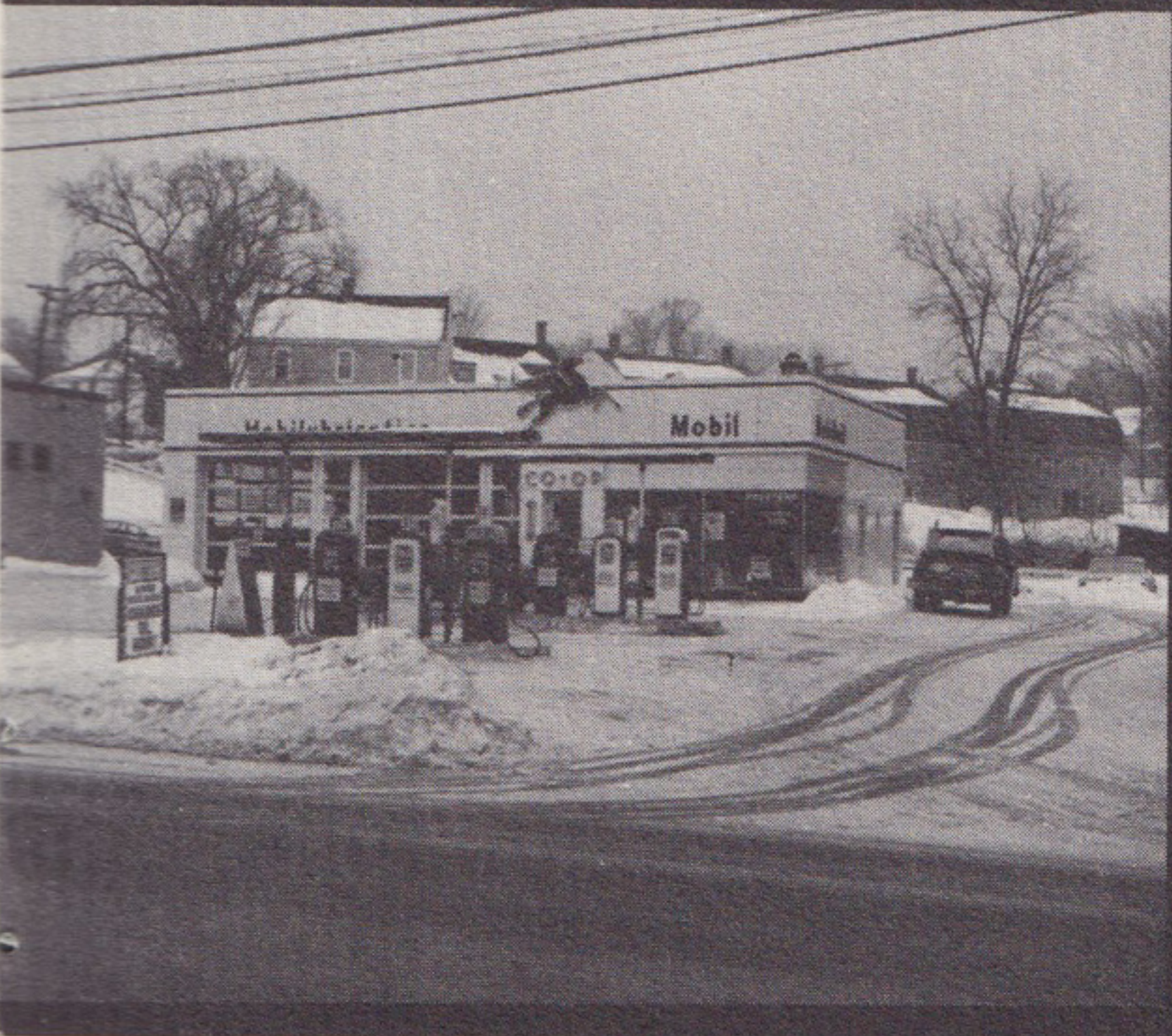
Our short and long term debts are equal to 37% of total assets. Accounts receivable are a small percentage of current assets (17.7% which is equivalent to 7.2 days' sales). Member equities are 62% of total assets; this is what the members of this co-operative own.

I am sure that this Society would not be as strong as it is today if the members had not continued to invest in additional shares. May I respectfully remind you that each member is now permitted a maximum of \$1,000. worth of shares.

Respectfully submitted,

EDWARD MISSERIAN

*General Manager
and Treasurer*



— these are the services and facilities of the United Co-operative Society of Maynard. Added buying power is made possible through our own Distribution Center at Framingham. NECI is owned and controlled by some 21 local co-ops just like ours.

But the most important thing about the facilities and services of our co-op is . . . they're customer-owned.



CO-OP PRINCIPLES

In 1844 the Rochdale Pioneers, founders of the first co-operative, established a set of principles to guide their business. These principles live on and are listed below as they apply to the United Co-operative Society of Maynard.

Open Membership — Membership in our co-operative is open to all. No one is excluded because of race, religion or belief.

Democratic Control — Each member of our co-operative has one vote. It makes no difference whether he has one share or many. In our co-operative it is people, not money, that counts.

Pay Fixed Interest on Capital — Our co-operative pays a fixed rate of interest on invested capital. Co-op shares do not usually fluctuate, but remain a steady, safe investment.

Patronage Refunds Are Paid on Purchases — Co-op members are paid a patronage refund on purchases and in direct proportion to what they spend through their co-op. What others call "profit" a co-op returns to its members.

Sell for Cash at Market Prices — Our co-operative sells its goods and service at prevailing market prices. Any savings realized are passed on to the members as patronage refunds at the end of the year.

Neutrality in Race, Religion and Politics — Consistent with our democratic ideals, our co-op remains neutral in matters of race, religion and politics. Neutrality, however, does not mean apathy. Our co-op, through its affiliated organizations, stands ready to act in matters that affect the consumer.

Educate Constantly — It is the nature of a co-operative to follow a program of constant education. A well informed membership is our best source of strength.

Expand Continuously — We are ever aware of opportunities that will enable us to better serve growing numbers of people. A continuous effort is made to expand services, facilities and membership consistent with good business operations.



PUBLIC RELATIONS

Among those who serve our co-operative in significant ways are the members of our public relations committee. It is the task of this committee to promote the principles of co-operation within the community. Getting the public to understand what co-op members know, or what they should know, is an important phase of this committee's work.

In the areas of member and public relations, communication, and good will, the public relations committee finds its activities centered.

The report of the board of directors contains some of the highlights of our committee's activity over the past year.

Members of our public relations committee for the past year have been:

Mr. Norman Castle, *Secretary*

Mrs. Vieno Heikkila

Mr. Roy Helander

Mr. Samuel Micciche

Mr. Leo F. Mullin, *Chairman*

Mr. Reino Tuomanen

Mrs. Viola De Grappo

Mr. Francis Alving



BOARD OF DIRECTORS

Toivo J. J. Erkinen

Paul E. Smith Jr.

Edward Misserian

Joseph E Boothroyd

Emil Pitkanen

Elmer W. Salenius

Ahti Jaakkola

Edward Helander

Leo F Mullin

Francis Alving — *Missing*



ATTEND

YOUR CO-OP Annual Meeting!

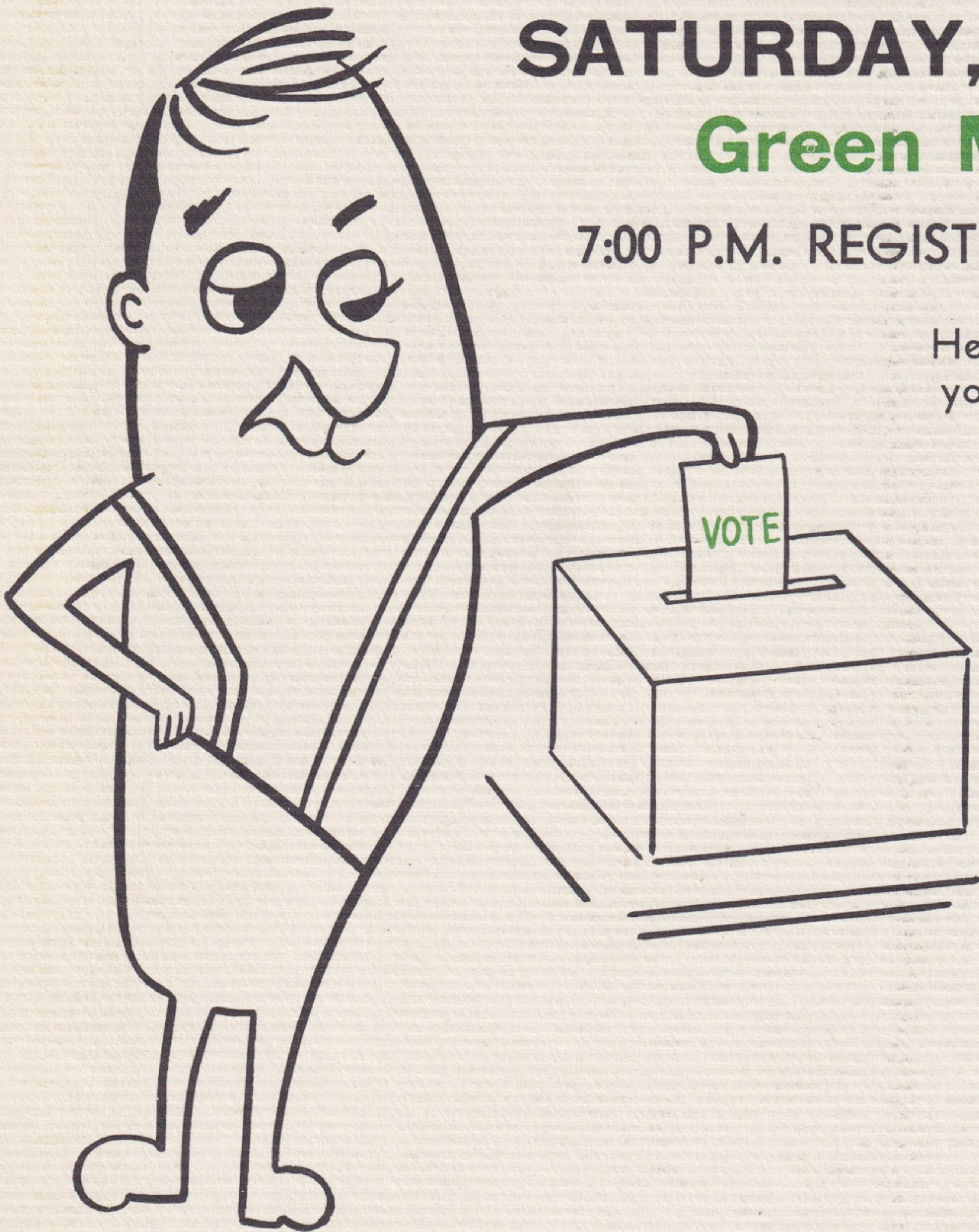
SATURDAY, MARCH 16, 1963
Green Meadow School

7:00 P.M. REGISTRATION 7:30 P.M. MEETING

Here's your chance to use your voice and
your vote in the control of your business

YOU WILL

- ✓ HEAR, QUESTION AND
DISCUSS REPORTS
- ✓ ELECT DIRECTORS
AND OFFICERS
- ✓ ACT ON BOARD
RECOMMENDATIONS
- ✓ CONSIDER NEW BUSINESS
- ✓ ENJOY ENTERTAINMENT
- ✓ BE SERVED REFRESHMENTS



United Co-operative Society
Maynard, Massachusetts



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