

104th Annual Stockholders Meeting

ANNUAL REPORT

December 4th, 2023 - 2 PM
Clarion Inn & Conference Center
1911 East Kansas Ave.
Garden City, Kansas



TABLE OF CONTENTS

Agenda / Annual Reports	03
2022 Unapproved Minutes	4-6
CEO & Chairman Statements	07
Molz Cooperative Scholarship	8
Our Giving Policy (R.E.A.C.H)	9
Nominated Members	10-11
GCC Management / Board	12-13
GCC Board / Pin Recipients	14-15
Contact Us	16

AGENDA

Invocation	TYLER HANDS
Call To Order	TYLER HANDS
<ul style="list-style-type: none">• Welcome• Declaration of Quorum• Proof of Notice• Approval of Minutes• Intro of Past Board Members & GMs	
Introduction of Guests	JEFF BOYD
Audit Report	KELLY DREES
Chairman Report	TYLER HANDS
Management Report	JEFF BOYD
Nominating Committee Report	JOANNA SCHMEECKLE
Associate Director Report	DYLAN LINENBERGER
Election of Directors	CLAYTON MADDUX
New / Old Business	TYLER HANDS
Employee / Retiree Recognitions	BOYD / HANDS
Question & Answer Session	
Redemption Giveaways	GORDON DREES
Director Election Results	
Adjournment	

ANNUAL REPORTS



Find this and previous years annual reports by scanning this qr code:



SCAN ME

2022 Minutes

UNAPPROVED
Garden City Co-op, Inc.
Annual Stockholders Meeting
December 6, 2022

The Annual Meeting of the Stockholders of the Garden City Co-op, Inc. (GCC) met Tuesday, December 6, 2022, at the Clarion Inn and Convention Center, Garden City, Kansas. This meeting represents the Fiscal Year Sept 2021 through August 2022.

At 2:00 p.m., Tyler Hands, Board Chairman, called the 103rd annual meeting to order. Directors in attendance were Gordon Drees, Chris Fullmer, Clayton Maddux, Lynn Teeter, and Max Engler. Associate Directors in attendance were Keith Miller, Zion Roth, and Dylan Linenberger.

Tyler began the meeting with GCC's Inaugural Dad Jokes about the "lack of rain." Tyler also gave GCC's Not Top 10.

Tyler Hands advised that there were 175 voting members present, thus making a quorum. Tyler further advised that on November 16, 2022, we mailed 1352 notices certified by the U.S. Post Office. Tyler asked for any corrections to the minutes from the 2021 annual meeting. There were no corrections. Minutes were approved and seconded. Motion passes.

Tyler Hands welcomed members and expressed the Board of Directors' appreciation for their attendance. He also recognized past board members.

Jeff Boyd introduced special guests Cole Halbleib and Jason Dinkel from CHS, Jason Baker from Scott Co-op, Kaylee Million and Cassidy Bockelman with Lindburg Vogel Pierce Faris, Kendall Poland of Sublette Co-op, Morgan Walls, Harry Mines, and Bill Brooks of Elkhart Co-op, Bob Temple and Jeff Huggard from Windriver Grain, Richard Harp and Jordan Dawson from Commerce Bank, Michael Walton of CoBank, Mitch Williams and Scott Anderson from ProValue, Stan Stark from Alliance Ag and Grain, Leon and Beverly Richards of Hooker Equity, Scott Buchli with Land O'Lakes, and Chris Irvin with Bayer.

Kelly Drees, CFO, described the items in the registration packet. Kelly then discussed the financial statement of operations, Sept 1, 2021, through August 31, 2022. Challenges continue with covid ramifications, drought, cyber threats, supply issues, interest rate increases, fewer bushels in grain, higher labor costs, and larger margin calls due to war in Ukraine. Agronomy supply and prices were crazy. We were able to stockpile products in the Lowe Warehouse. Agronomy had one of the most successful years in its history. Petroleum saw supply issues, increased freight costs, and labor challenges. DEF sales continue to increase, and total sales were up but with less margin. We will continue to focus on local earnings as patronage income is not dependable. Kayleen Million with Lindberg Vogel Pierce Faris came forward to give the auditor opinion, which was favorable toward the Garden City Co-op.

Annual Report _ 5

The following financial information was reviewed: UPDATE FOR NEW YEAR Sales \$301,649,483.93; Gross Margins \$27,745,501.69; Gross Income from Local Operations \$34,615,383.19; Total Assets \$197,219,638.64; Total Current Liability \$80,257,250.68, Total Long-Term Liabilities \$11,257,139.98; Total Members' Equity \$105,705,247.98; Retained Savings are at \$1,340,351.47; Total Patronage Dividends are at \$4,581,713.96. Kayleen Million of Lindburg Vogel Pierce Faris stated that she had submitted an unmodified or clean opinion on the August 31, 2022, financial statements. There were no questions or comments regarding the financial report.

Tyler then introduced the current Board of Directors and their spouses.

Tyler gave the chairman report, discussing growth and change. Tyler talked about the new rail facility west of Holcomb as well as the Hooker Equity merger. Both will bring value to all co-op members.

There were nine regular meetings, one emergency Zoom meeting, and one emergency text vote. There were three monthly meetings which did not have full attendance.

Jeff Boyd gave the General Manager's Report. Jeff recognized the employees of GCC in attendance and then talked about "what is normal" in agriculture. Lack of grain volume will stress the ability to make money. Jeff talked about the sixth cooperative principle, cooperation among cooperatives. He gave examples of the companies we have relationships with that help us do business. He also addressed labor issues, resulting in the addition of a recruiter. Jeff discussed The Hooker Equity merger, including how it came to be. Hooker voted 52-4 in approval of the merger. Benefits include similar geography to existing GCC patterns, high grain volume receipts, and their location on the Union Pacific rail line. For Hooker, this allows the continuation of the cooperative model, and access to more services such as grain origination. The merger is effective December 15, 2022. Hooker will appoint a board member for one year, increasing to eight board members. Next year, the board will reduce back down to seven members.

Construction is set to begin at the River Valley Terminal, and an estimated completion has been set for early 2024. This facility is wholly owned by GCC. We will continue to explore other business opportunities along the rail site. Jeff also warned of a potentially difficult year coming up due to drought and expenses on the rail project. As such, GCC will not retire member equity but will revisit as we see how financials are shaping up throughout the year.

Trevor Hands, GCC Communications Director, presented a video highlighting the 6th Cooperative Principle, cooperation among cooperatives.

Clayton Maddux gave the nominating committee report. The nominating committee consists of Joanna Schmeeckle, Jonathan Lightner, and Boyd Lear. Nominees for the Board of Directors are Chris Fullmer, Shane Browning, Kyle Deaver, and Zion Roth. Clayton Maddux asked for members to make two selections. There were no nominations from the floor. Chris Fullmer and Kyle Deaver were the two members elected to the Board of Directors. Kayleen Million oversaw the vote.

Keith Miller gave the Associate Director report. He thanked the board for the opportunity to be an associate. He is confident in the direction the board is going as well as the staff.

Annual Report _ 6

Years of Service Recognition: 5 Years-Jamie Beltran, Refugio Barron, Jesus Marquez, Oliver Posada, Derek Scheer, and Kendra Oliphant; 10 Years-Grant Geyer, Jose Lopez, Joe Ward, Ed Vargas, and Logan Dreiling; 15 Year-Lacie Kennedy and Caleb Bishop; 20 Year-Delores Guthrie, Brent McMillan, and Jeff Boyd; 25 Year-Juan Barron and Kurt Strasser; Retirements: Ann Jackson and Shelly Mann.

Tyler asked for new business. There was no new or old business.

Question-and-Answer session:

Will there be a name change to Hooker Equity? The Garden City Co-op, Inc. at Hooker.

What is the Hooker Capacity? Six million storage and receipts are over five million bushels per year.

How much has the cost of the shuttle loader increased? The cost was thirty million and this has not changed.

Do we still have a relationship with Windriver? Yes, and this will continue.

How do we finance the new facility? We will finance the new facility through term debt with CoBank and working capital.

Tyler issued a reminder that the Molz Scholarship is available to the immediate family of GCC members and employees Patronage checks will be processed and distributed to members the following week.

Winners for the early redemptions of stock up to \$1,000 were Keith Strasser, Shane Browning, Mary Heath, Paula Eaton, and Roger Powers.

It was moved and seconded that the meeting be adjourned.

Chairman

Secretary/Treasurer

A MESSAGE FROM OUR CEO & CHAIRMAN



Jeff Boyd - CEO



Tyler Hands - Chairman

Why does GCC exist? We believe that GCC exists to provide value to farms through our people, assets, and technology. We strive to be your most valued partner on your farm through committed cooperative teamwork. We recognize value means many different things to farmers. In the end though, we push to be innovative, stable and dependable, and trustworthy when working with you. To continue to create value for your farms, GCC must continue to evolve. This will be our 104th Annual Meeting of the membership of GCC. A lot has changed in 104 years. Farmers needs have drastically changed in that time. Farm needs will continue to aggressively evolve into the future as well.

The Board and Leadership of GCC continue to test and adjust our strategic plans to ensure that we are positioning GCC to be valuable into the future. The employee group then works every day to execute that plan. That has been more challenging the last few years with the extreme drought and market volatility we experienced. In terms of received moisture, farms just survived a drought worse than the dust bowl era. We also know droughts have long tails in terms of how it affects your coop. The lack of yields stresses our income statement and balance sheet as there is less volume to cover costs with. Market volatility was also heavily influential this year as well. Grain basis values moved all over, fertilizer prices crashed, and some chemical prices also reset. Less volume due to drought and less margin due to market conditions are tough to overcome. Add on top of that rising expenses. The business of your coop today is much more complex than it used to be, but we will still work to be stable and dependable. This volatility is also changing the cooperative system. As farmers continue to consolidate, so do the coops that service them. The Kansas cooperative landscape has 23 less coops than seven years ago. That trend is not going to stop. GCC integrated the Hooker Equity operations into our system this year and continues to work through challenges associated with the new location.

Our contractors continue to build our new River Valley facility at Holcomb. Overall, construction progress has gone well, with some delays due to rain and heat. We hope to have the facility operational after the wheat harvest of 2024. This is a new strategic asset for GCC and will connect us deeper into domestic and export markets. This will allow us to control our own logistics more effectively for grain flow and open new grain opportunities for our farmers.

We manage GCC to be a disciplined participant in the markets we operate in. We continue to support the communities you live in with our taxes, wages, and contributions. Our REACH committee this year made contributions to youth sports programs, school activities, community events, local hunger initiatives, ag events, and many other examples. We care about the communities we serve and work to be good neighbors.

Agriculture is not an easy industry. It comes with stress, and many, such as weather, are not in our control. We take these challenges on and work to create value for the farmers and markets we serve. We appreciate the support you give the company you own. We work to continue to execute on our plans to provide value for your farms today but also as your needs evolve into the future.

2022-2023 Otis & Mary Lee Molz Cooperative Scholarship Recipients

Congratulations to this year's GCCC Molz Cooperative Scholarship Recipients!

The scholarship fund, established in 2014, is made possible by the largest donation made by a living donor to the GCCC Endowment Association by Co-op members Otis & Mary Lee Molz. The fund provides six full tuition and standard fees for Garden City Co-op employees, members, and their spouses, children, and grandchildren. A committee comprised of board members from the Garden City Co-op selects the final recipients of the award each year.



Taylin Ansel
Deerfield

Art



Adison George
Holcomb

Agribusiness



William Ast
Ingalls

Agriculture



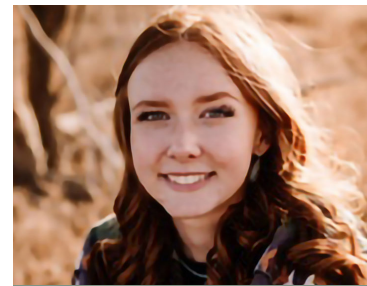
Chantal Barron-Calva
Ulysses

General Studies



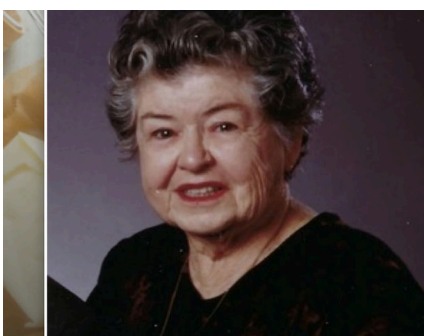
Michael Varela
Garden City

Criminal Justice



Abigail Lightner
Ingalls

Agribusiness



In Memorium

Mary Lee Molz

Tuesday, July 28th, 1931 - Monday, October 30th, 2023

Our Giving Policy - (R.E.A.C.H.)

One of the seven cooperative principles that was established in the cooperative movement's infancy was concern for the community. At the Garden City Co-op, Inc. (GCC), we are committed to being responsive, responsible and respected citizens in the communities in which we live and work. GCC is deeply committed to supporting organizations throughout its service area that help people live more productive, educated, and enriched lives. Our goal is to provide for those in need and assist those who are working to better their communities.

Our giving strategy is designed to support our communities through initiatives that have lasting value, with a priority given to agricultural needs, education, children, and hunger relief in the communities we serve. Nonprofit organizations located within our service area are encouraged to apply.



REGION (R)

Preserve and increase access to the region's unique assets



EDUCATION (E)

Support educational endeavors for youth and those pursuing continuing education



AGRICULTURE (A)

Promote agricultural programs in the community



CHILDREN (C)

Improve children's physical, mental, emotional and overall wellbeing and sense of self by supporting various youth focused programs, including civic service, leadership and sports initiatives.



HUNGER (H)

Support hunger relief initiatives, specifically food insecurity in school children.



Read More About Our Giving Policy



SCAN ME

Nominated Members



Joanna Schmeeckle

Joanna Schmeeckle is a 5th generation farmer that grew up in the Plymell area south of Garden City. Joanna was a eleven year 4H member and attended Garden City High School. After high school, Joanna graduated from Kansas State University majoring in Animal Science. Joanna is married to Brian Schmeeckle and together with their three children they farm Joanna's family's farm consisting of corn, milo, wheat, soybeans, camelina as well as custom farming and harvesting. Joanna and her daughters also breed and sell reining and cow horses. The Schmeeckle's are members of Pierceville Church. Their children are Brady, Anna, and Jillian.

Joanna served as an associate in 2020 and joined the board in March



Clayton Maddux

Clayton farms with his family North of Deerfield, Kansas. Maddux Farms is a fifth generation multi-crop operation, on both irrigated and dryland acres.

After graduating valedictorian from Deerfield High School, Clayton attended Kansas State University where he earned a degree in Aeronautical Technology with a minor in Safety Studies. After college, Clayton worked for a short time as a flight instructor for Kansas State, and as a regional airline pilot, before returning home to farm.

Clayton and his wife Sarah live in Garden City, Kansas. They have two sons, Carter and Roland.

Clayton became an Associate Director of the Garden City Co-op in December 2015 and Secretary/Treasurer in December 2017.



Dylan Linenberger

Dylan was raised in the Dighton area with a strong passion for agriculture. He now farms in Lane and Northern Finney County with his Father In-law and Brother In-law. It is a dryland operation that primarily raises wheat, corn, and milo.

Dylan and his wife Sarah have one son, Sage, and they are members of the St. Theresa's Catholic Church in Dighton.

Nominated Members (cont'd)



Shane Browning

Shane Browning graduated from Deerfield High School. He moved to Garden City and attended Garden City Community College where he studied Science and Business Management.

Shane is married to Kay Lynn Browning and they have two children: Parker and Hailee.

Shane is a first generation farmer who moved his family to Ulysses in 2008 to help his father-in-law on their fourth Generation farm. They farm dryland and irrigated acres of wheat, corn and milo and run a cow/calf herd.

Shane enjoys spending time with his family, hunting, camping and fishing.



Jeff Herald

Jeff Herald farms in the Hooker, Oklahoma area, where he raises dryland wheat and milo in addition to having a cow/calf operation. He is the fourth generation to farm NW of Hooker.

Jeff and his wife Kathy have four children: Brent (& wife Kayla), Grace, Ema, and Roy. They have two grandchildren: Paisley and Clara. They also attend the Hooker Church of Christ. Besides farming, Jeff enjoys following the activities of his children and grandchildren.

Jeff served on the Hooker Equity board for several years before merging with GCC. Jeff has had relatives that served Hooker Equity in many roles, including a great grandfather that was one of the early managers of the cooperative.

Jeff joined the GCC board upon the merger with Hooker Equity in December of 2022.

Your Management



Jeff Boyd

General Manager / CEO



Kelly Drees

Chief Financial Officer



Michael Wisner

Vice President - Grain



Trevor Witt

Vice President - Agronomy



Jeremy Peebles

Vice President - Petroleum



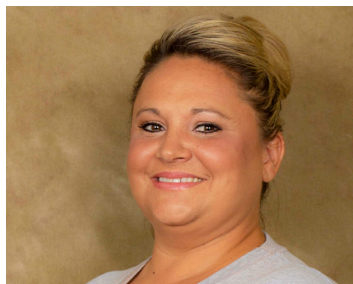
Holly Cowan

**Human Resources/
Admin Services**



Michael Davis

IT Manager / Programmer



Tiffany Harmon

Safety Director

Your Board



Tyler Hands

Chairman

Plymell/Deerfield/Friend Areas
Term Expires: 2024
Served Since: 2012



Gordon Drees

Vice Chairman

Garden City Area
Term Expires: 2024
Served Since: 2015



Clayton Maddux

Secretary/Treasurer

Deerfield Area
Term Expires: 2023
Served Since: 2017



Christopher Fullmer

Asst Secretary/Treasurer

Dighton Area
Term Expires: 2025
Served Since: 2016



Max Engler

Director

Deerfield Area
Term Expires: 2023
Served Since: 2017



Joanna Schmeackle

Director

Plymell Area
Term Expires: 2023
Served Since: 2020



Kyle Deaver

Director

Plymell Area
Term Expires: 2025
Served Since: 2018



Jeff Herald

Director

Hooker Area
Term Expires: 2023
Served Since: 2022



Dylan Linenberger

Associate Director

Dighton Area
Term Expires: 2023
Served Since: 2020

Your Board (cont'd)



Zion Roth

Associate Director

Holcomb Area
Term Expires: 2024
Served Since: 2021



Shane Browning


Associate Director

Ulysses Area
Term Expires: 2025
Served Since: 2022

PIN RECIPIENTS

For every five years an employee is with us, they receive a pin recognizing their years of service. For employees who are with us for twenty years, they are also recognized on a plaque displayed in the main office.

-----5 YEARS OF SERVICE-----

 **Dan Allen**
Dighton Agronomy - Agronomy Applicator

 **Ross Holmes**
Lowe Agronomy - Seed Sales Assoc.

 **Johnny Klassen**
Lowe Warehouse - Agronomy Warehouse Mgr

 **Emma Garcia**
Safety - Assistant Safety Director

 **Jake Stewart**
Lowe Warehouse-Ag Warehouse Asst


-----10 YEARS OF SERVICE-----

 **Ciriaco Jurado-Morales**
Grain Operations-Maintenance

 **Angel Flores**
Grain Operations - Wolf Elevator Mgr

 **Trevor Witt**
Agronomy - Vice President


 **Eric Konrade**
Plymell Agronomy - Sales /Agronomist

 **Deanne Unruh**
Admin - Strategic Business Op. Mgr.

 **Tiffany Harmon**
Safety - Safety Director

 **Trevor Hands**
Marketing & Communications Director


-----15 YEARS OF SERVICE-----

 **Kyle Korf**
Lowe Agronomy - Sales / Agronomist

-----20 YEARS OF SERVICE-----

 **Joe Varela**
Grain Operations - Area Grain Supervisor

-----35 YEARS OF SERVICE-----

 **Daniel Hines**
Grain Operations - Ullysses Elevator Grain Operator

-----RETIREE-----

 **Delores Guthrie**
Agronomy - Accounting



CONTACT US

106 N. 6th Street
Garden City, Kansas 67846
(620) 275-6161
www.gccoop.com



THE GARDEN CITY CO-OP, INC.
Garden City, Kansas

CONSOLIDATED BALANCE SHEETS
August 31, 2023 and 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	\$ 1,264,159	\$ 306,148
Accounts receivable - trade	7,313,773	6,801,109
Allowance for doubtful accounts	(75,000)	(50,000)
Grains receivable - trade	15,534,833	6,517,255
Grain storage receivable	2,031,026	1,229,363
Contracts to market	875,272	4,454,562
Margin deposits and derivative assets	3,799,545	5,983,437
Other receivables	2,683,739	1,635,655
Inventories	44,949,990	67,144,461
Prepaid commodities and expenses	3,348,047	4,624,020
TOTAL CURRENT ASSETS	81,725,384	98,646,010
INVESTMENTS AND OTHER ASSETS		
Corporate stock and equity	46,368,261	51,705,666
Limited liability companies	4,531,817	2,993,320
Deferred income taxes	420,000	390,943
Other assets	4,408	3,050,347
TOTAL INVESTMENTS AND OTHER ASSETS	51,324,486	58,140,276
PROPERTY, PLANT, AND EQUIPMENT		
Cost	122,855,001	104,982,317
Accumulated depreciation	(68,112,783)	(64,548,965)
NET PROPERTY, PLANT, AND EQUIPMENT	54,742,218	40,433,352
TOTAL ASSETS	\$ 187,792,088	\$ 197,219,638

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES		
Accounts, expenses, and taxes payable	\$ 9,008,651	\$ 12,763,791
Grain contracts payable	10,336,085	12,354,823
Collections received in advance	2,200,223	1,627,933
Seasonal notes payable	34,017,240	41,718,307
Current maturities of long-term notes payable	3,702,552	2,773,332
Current maturities of finance lease obligations	1,171,052	693,405
Current maturities of patron notes payable	5,600,000	5,600,000
Patronage dividends payable	-	1,832,686
Income taxes payable	-	892,973
TOTAL CURRENT LIABILITIES	66,035,803	80,257,250
LONG-TERM LIABILITIES, excluding current maturities		
Notes payable	14,321,202	8,150,007
Finance lease obligations	1,112,510	1,615,529
Grain contracts payable	431,307	1,491,604
Other	465,412	-
TOTAL LONG-TERM LIABILITIES	16,330,431	11,257,140
MEMBERS' EQUITY		
Common stock	29,399,202	28,735,018
Participating stock	9,953,434	8,883,533
Acquisition equity	3,315,656	-
Nonqualified notices of allocation	3,730,458	3,735,765
Retained savings	59,492,516	61,300,585
Accumulated other comprehensive income (loss)	(465,412)	3,050,347
TOTAL MEMBERS' EQUITY	105,425,854	105,705,248
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 187,792,088	\$ 197,219,638

These statements do not contain all the necessary disclosures to be considered in conformity with accounting principles generally accepted in the United States of America. A short-form report containing the required disclosures is on file at the general office.

THE GARDEN CITY CO-OP, INC.
Garden City, Kansas

CONSOLIDATED STATEMENTS OF OPERATIONS
For Years Ended August 31, 2023 and 2022

	2023	2022
SALES		
Grain	\$ 119,857,124	\$ 186,810,922
Supply	55,657,879	58,038,001
Commercial and wholesale	54,913,489	56,800,561
TOTAL SALES	230,428,492	301,649,484
COST OF SALES	216,167,028	273,903,982
GROSS MARGINS ON SALES	14,261,464	27,745,502
OTHER INCOME		
Storage and handling	2,447,704	2,306,982
Drying income	-	1,153
Service income	1,392,518	1,468,611
Freight income	263,377	504,348
Gain on disposal of property, plant, and equipment	72,187	365,206
Interest income and finance charges	178,527	102,493
Patronage dividends	3,050,333	941,692
Investment income and dividends on stock	1,562,360	1,125,659
Miscellaneous income	642,529	53,737
TOTAL OTHER INCOME	9,609,535	6,869,881
GROSS SAVINGS	23,870,999	34,615,383
EXPENSES		
Personnel costs	12,177,182	12,817,864
Fixed expenses	6,823,510	9,333,507
Other expenses	6,645,396	6,171,530
TOTAL EXPENSES	25,646,088	28,322,901
SAVINGS (LOSS) BEFORE INCOME TAXES	(1,775,089)	6,292,482
INCOME TAXES	(32,868)	(370,417)
NET SAVINGS (LOSS)	\$ (1,807,957)	\$ 5,922,065
DISTRIBUTION OF NET SAVINGS (LOSS)		
Patronage dividends	\$ -	\$ 4,581,714
Retained savings	(1,807,957)	1,340,351
TOTAL	\$ (1,807,957)	\$ 5,922,065

These statements do not contain all the necessary disclosures to be considered in conformity with accounting principles generally accepted in the United States of America. A short-form report containing the required disclosures is on file at the general office.