

105th Annual Stockholders Meeting

# ANNUAL REPORT

**December 10th, 2024 - 2 PM**

**Clarion Inn &  
Conference Center  
1911 East Kansas Ave.  
Garden City, KS**



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# AGENDA

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

# ANNUAL REPORTS



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



SCAN ME

# 2023 Minutes

## **UNAPPROVED**

### **Garden City Co-op, Inc. Annual Stockholders Meeting December 4, 2023**

The Annual Meeting of the Stockholders of the Garden City Co-op, Inc. (GCC) met Monday, December 4, 2023, at the Clarion Inn and Convention Center, Garden City, Kansas. This meeting represents the Fiscal Year Sept 2022 through August 2023.

At 2:00 p.m., Tyler Hands, Board Chairman, called the 104th annual meeting to order. Directors in attendance were Gordon Drees, Chris Fullmer, Clayton Maddux, Kyle Deaver, Joanna Schmeeckle, Jeff Herald and Max Engler. Associate Directors in attendance were Shane Browning, Zion Roth, and Dylan Linenberger.

Tyler began the meeting with a prayer and stating the agenda.

Tyler Hands advised that there were 169 voting members present, thus making a quorum. Tyler further advised that on November 3, 2023, we mailed 1368 notices certified by the U.S. Post Office. Tyler asked for any corrections to the minutes from the 2022 annual meeting. There were no corrections. Minutes were approved as provided.

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 Kayleen Million and Nick Mueting with Lindburg Vogel Pierce Faris, Jason Dinkel and Cole Halbleib with CHS, Brad Stedman with MKC, Kendall Poland of Sublette Co-op, Ashely Wheaton with ProValue Insurance, Bob Tempel, Jeff Huggard, and Adam Watson of Windriver Grain, Mark Koeghan and Wes Schnelle from CoBank, Kyle Eberle with Alliance Ag, John Koons, Jordan Dawson, Jonathan Lightner, and Dennis Burns of Commerce Bank, Jason Baker with Scott Co-op, and Mike Schlochtermeyer with Meade Co-op.

Kelly Drees, CFO, described the items in the registration packet. Kelly then discussed the financial statement of operations, Sept 1, 2022, through August 31, 2023. She discussed continued opportunities for growth, highlighting the Hooker Equity merger and construction of the River Valley Terminal. Losses were mostly due to lack of grain caused by drought. Agronomy struggled in the NH3 market and there were supply issues in Energy. Energy was the bright spot, due to strategic changes and CHS cash patronage. Throughout the year Working Capital was purposefully built up to help finance the shuttle loader.

The following financial information was reviewed: Sales \$230,428,492; Gross Margins \$14,261,464; Gross Income from Local Operations \$23,870,999; Total Assets \$187,792,088; Total Current Liability \$66,035,803, Total Long-Term Liabilities \$16,330,431; Total Members' Equity \$105,425,854; Retained Savings for the fiscal year are at \$(1,807,957); Total Patronage Dividends were not allocated. Nick Mueting of Lindburg Vogel Pierce Faris stated that he had submitted an unmodified or clean opinion on the August 31, 2023 financial statements. There were no questions or comments regarding the financial report.

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

Tyler gave the chairman report and began by talking about the slip structure construction at River Valley, and the marketing options presented with this facility. He also gave some fun facts about the construction. Tyler also pointed out the challenges we faced with the Hooker Equity merger. Hands closed his report by challenging those in attendance to uphold the legacy and traditions of the co-op, while adhering to our core values.

There were eight regular meetings, and one remote meeting. There was one monthly meeting which did not have full attendance.

Jeff Boyd gave the General Manager's Report. Grain volumes were hampered first by drought, then heavy April rains, high heat, tornadoes, etc. Jeff discussed the importance of grain volumes, and we may have to bend, but we can't break to make it through our challenges. Grain margins were specifically challenging as was sales basis volatility. Agronomy had a loss, but Energy had a good year, with better efficiency and growth. Co-op systems as a whole were not profitable in Southwest Kansas, but we persevered, applying for and receiving employee retention tax credits, and entering into positive interest rate swaps. Ultimately, we did not reach our financial goal of local earnings. Jeff also mentioned co-op consolidations, resulting in a fewer number of co-ops. Other items discussed included corn moisture challenges in Hooker and improvements needed to increase efficiency at the Hooker facility, insurance rate increases, and the expected benefits of the River Valley Terminal.

Trevor Hands, GCC Communications Director, presented a video titled Good Timber.

Joanna Schmeeckle gave the nominating committee report. The nominating committee consists of Joanna Schmeeckle, Jonathan Lightner, and Boyd Lear. Nominees for the Board of Directors are Shane Browning, Dylan Linenberger, Joanna Schmeeckle, Clayton Maddux, and Jeff Herald. Members were asked to make three selections. Clayton Maddux then came forward and asked if there were nominations from the floor. Those elected were Dylan Linenberger, Joanna Schmeeckle, and Clayton Maddux.

Dylan Linenberger gave the Associate Director report. He thanked the board for the opportunity to be an associate. He has learned a lot and it's been an honor to be a part of the board. He is proud of where we have been and where we are going.

Years of Service Recognition: 5 Years-Danny Allen, Ross Holmes, Johnny Klassen, Emma Griffin, Jake Stewart, 10 Years-Ciriaco Jurado, Angel Flores, Trevor Witt, Eric Konrade, Deanne Unruh, Tiffany Harmon, Trevor Hands; 15 Year-Kyle Korf, 20 Year-Joe Varela; 35 Year-Daniel Hines; Retirement: Delores Guthrie.

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

Question-and-Answer session:

There was concern about the operations at Hooker and our decision to reduce the allowable moisture for corn and soybeans receipts. There was feedback that some members did not bring their grain due to the moisture requirements.

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Tyler Hands responded that we have a financial obligation to this company and its members to maintain grain quality and reduce spoilage, thus reducing discounts when the grain is sold.

Mike Wisner, VP of Grain, responded: The moisture level was lowered due to existing out-of-condition grain in the facility that was prior to the merger. We had limited space due to the out of condition corn and we chose to segregate it from the new crop corn.

Winners for the early redemptions of stock up to \$1,000 were Randy Richmeier, Robert Drees, Leon Richards, Scott Becker, and Chris Boyd.

It was moved and seconded that the meeting be adjourned.

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Chairman

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Secretary/Treasurer

# A MESSAGE FROM OUR CEO & CHAIRMAN



Jeff Boyd - CEO



Tyler Hands - Chairman

Welcome to the 105th Annual Meeting of your Co-op! We endured another year of weather pattern changes, market volatility, unpredictability in prices, and stressed margins. I mentioned last year that severe droughts have long tails, and we are still impacted by that with supply and demand dynamics. The grain flows in the area continue to evolve with more forage production desired by the beef and dairy industries, lack of export demand for wheat and milo, and lack of local corn supply incentivizing rail import programs. We have invested in our River Valley Terminal to help position your coop strategically for the future and plan through these changing flows. In the end, we strived to deliver on our members' needs of providing grain services and farm inputs today and for the future.

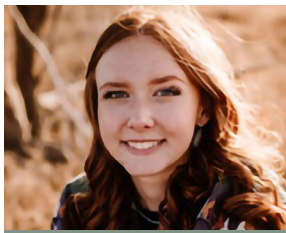
At our Board's strategic planning meeting in February, we re-evaluated our company mission statement and shortened it to make it simpler. Cooperatively creating value. Our job is to create value for our members, employees, vendors, and other stakeholders. As a member of a co-op, you also receive ownership value. An active owner gets to participate in the larger agricultural supply chain through its co-op. You get access to products and services that are reliable and dependable. You have access to marketing choices. You get to directly influence the direction of the company through the election of board directors. The money generated through your business gets to stay local and multiplied. You get to participate in the financial benefits of ownership through qualified and non-qualified equity, and Section 199A(g) DPAD tax benefits. You pool your resources with your other farmer owners to receive services and products that you might not be able to do on your own. Congratulations on doing business with each other! That is what makes a co-op work and be strong. Your co-op is strong when its ownership is strong and participates in the system.

The board and employee group work and plan every day to Cooperatively Create Value for our owners and leverage the existence value of your local co-op. Congratulations again on doing business with each other.

# 2024-2025 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.



**Abigail Lightner  
Ingalls**

**Agribusiness**



**Allison Lightner  
Garden City**

**Animal Science**



**Emily Dryden  
Holcomb**

**Agribusiness**





# 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



Gordon Drees

Gordon Drees was raised North East of Garden City. He attended Garden City High School and Kansas State University where he majored in Agricultural Technology Management and minored in Business. He worked in the grain industry after college and is now back helping with the family farm north east of Garden City. They raise wheat, corn and milo.

Gordon is a fifth generation farmer. Gordon and his wife, Kelly have three children: Cooper, Cody and Catie.

Gordon served as an Associate Director of the Garden City Co-op between December 2011 and December 2013, and was elected to the Board of Directors, December 2014.



Zion Roth

Zion is a fourth generation farmer that grew up north of Holcomb and attended Holcomb High School. After graduating, he attended Fort Hays State University where he majored in Agronomy. After receiving his degree, he returned to the family farm located in the Garden city area. It is an irrigated and dry land operation that raises corn, milo, wheat, and sunflowers. He and his wife, Hannah, have one daughter, Nina.



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.

# Your Management



**Jeff Boyd**

**General Manager / CEO**

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**Kelly Drees**

**Chief Financial Officer**

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**Michael Wisner**

**Vice President - Grain**

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**Trevor Witt**

**Vice President - Agronomy**

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**Jeremy Peebles**

**Vice President - Petroleum**



**Deanne Unruh**

**Strategic Business  
Operations Manager**

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**Holly Cowan**

**Human Resources/  
Admin Services**

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**Michael Davis**

**IT Manager / Programmer**

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**Tiffany Harmon**

**Safety Director**

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**Grant Geyer**

**COO - Grain**

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**Tony Salazar**

**Director of Agronomy  
Operations**

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**Trevor Hands**

**Director of Marketing &  
Communications**

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# 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: 2026

Served Since: 2017



**Christopher Fullmer**

**Asst Secretary/Treasurer**

Dighton Area

Term Expires: 2025

Served Since: 2016



**Joanna Schmeeckle**

**Director**

Plymell Area

Term Expires: 2026

Served Since: 2020



**Kyle Deaver**

**Director**

Plymell Area

Term Expires: 2025

Served Since: 2022



**Dylan Linenberger**

**Director**

Dighton Area

Term Expires: 2026

Served Since: 2023



**Zion Roth**

**Associate Director**

Holcomb Area

Term Expires: 2024

Served Since: 2021



**Shane Browning**

**Associate Director**

Ulysses Area

Term Expires: 2025

Served Since: 2022



**Jeff Herald**

**Associate Director**

Hooker Area

Term Expires: 2026

Served Since: 2023

# 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-----

 **Kelly Drees**

Admin - CFO

**Juan Castro**

 Agronomy - Lowe Yard Supervisor

 **Jesse Beesley**

Agronomy - Dighton Ag Support

 **Megan Finch**

Admin - Credit Manager

 **Blair Hoffman**

Agronomy - Dighton Ag Support

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

 **Danny Peck**

Grain Operations-Maintenance

 **Pete Riojas**

Agronomy - Lowe Ag Support

 **Ambrocio Estrada**

Petroleum - Operations Specialist

 **Nathan Flores**

Grain - Associate Grain Originator

 **Joey Kuehler**

Agronomy - Sales Manager/Agronomist

 **Rachel Livermore**

Grain - Accounting Supervisor

 **Tami Williams**

Grain - Accounting Clerk

 **Jenna Davis**

Agronomy - Accounting Supervisor

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

 **John Griffin**

Agronomy- Purchasing & Logistics Manager

 **Octavio Gomez-Favela**

Grain Operations - Maintenance

 **Abe Hamm**

Agronomy - Precision Ag Specialist

 **Nathan Gonzalez**

Petroleum - Oil Warehouse & Distribution Associate

 **Pedro Hernandez**

Grain Operations - Tennis Elevator Manager

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

 **Henry Miller**

Grain Operations - Alamota Elevator Mgr

## -----25 YEARS OF SERVICE-----

 **Holly Cowan**

Admin - Human Resources & Administrative Services Mgr

## -----RETIREE-----

 **Norman Hensley**

Grain Operations - Hickock Elevator Mgr







## CONTACT US

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





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

CONSOLIDATED STATEMENTS OF OPERATIONS  
For Years Ended August 31, 2024 and 2023

	2024	2023
SALES		
Grain	\$ 122,529,077.77	\$ 119,857,123.06
Supply	52,724,673.12	55,657,878.57
Commercial and wholesale	46,945,886.82	54,913,489.40
TOTAL SALES	222,199,637.71	230,428,491.03
COST OF SALES	198,819,335.47	216,167,028.68
GROSS MARGINS ON SALES	23,380,302.24	14,261,462.35
OTHER INCOME		
Storage and handling	4,092,059.39	2,447,703.78
Service income	1,141,450.21	1,392,517.60
Freight income	126,895.43	263,376.60
Gain on disposal of property, plant, and equipment	124,113.36	72,186.68
Interest income and finance charges	181,183.65	178,526.56
Patronage dividends	4,601,489.37	3,050,333.33
Investment income and dividends on stock	933,332.04	1,562,360.01
Government grant income	0.00	705,146.00
Miscellaneous income (loss)	96,200.53	(62,617.08)
TOTAL OTHER INCOME	11,296,723.98	9,609,533.48
GROSS SAVINGS	34,677,026.22	23,870,995.83
EXPENSES		
Personnel costs	13,024,858.07	12,177,181.83
Fixed expenses	9,529,027.92	6,823,509.56
Other expenses	7,636,842.35	6,645,392.42
TOTAL EXPENSES	30,190,728.34	25,646,083.81
SAVINGS (LOSS) BEFORE INCOME TAXES	4,486,297.88	(1,775,087.98)
INCOME TAXES	(225,368.77)	(32,868.12)
NET SAVINGS (LOSS)	\$ 4,260,929.11	\$ (1,807,956.10)
DISTRIBUTION OF NET SAVINGS (LOSS)		
Patronage dividends	\$ 2,436,047.81	\$ 0.00
Retained savings	1,824,881.30	(1,807,956.10)
TOTAL	\$ 4,260,929.11	\$ (1,807,956.10)

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 BALANCE SHEETS  
August 31, 2024 and 2023

ASSETS

	2024	2023
<b>CURRENT ASSETS</b>		
Cash	\$ 442,507.23	\$ 1,264,159.03
Accounts receivable - trade	5,904,434.60	7,313,772.93
Allowance for credit losses	(75,000.00)	(75,000.00)
Grains receivable - trade	5,136,539.88	15,534,833.43
Grain storage receivable	2,156,259.67	2,031,025.73
Contracts to market	678,953.21	875,271.50
Margin deposits and derivative assets	2,602,892.24	3,799,545.19
Other receivables	3,503,825.15	2,683,739.28
Inventories	47,503,509.02	44,949,990.26
Prepaid commodities and expenses	4,659,025.75	3,348,046.69
<b>TOTAL CURRENT ASSETS</b>	<b>72,512,946.75</b>	<b>81,725,384.04</b>
<b>INVESTMENTS AND OTHER ASSETS</b>		
Corporate stock and equity	45,001,018.95	46,368,260.81
Limited liability companies	5,461,637.97	4,531,816.93
Deferred income taxes	741,000.00	420,000.00
Other assets	2,757.75	4,408.42
<b>TOTAL INVESTMENTS AND OTHER ASSETS</b>	<b>51,206,414.67</b>	<b>51,324,486.16</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Cost	142,207,734.79	122,855,000.96
Accumulated depreciation	(71,373,567.34)	(68,112,782.75)
<b>NET PROPERTY, PLANT, AND EQUIPMENT</b>	<b>70,834,167.45</b>	<b>54,742,218.21</b>
<b>TOTAL ASSETS</b>	<b>\$ 194,553,528.87</b>	<b>\$ 187,792,088.41</b>

LIABILITIES AND MEMBERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts, expenses, and taxes payable	\$ 11,379,757.16	\$ 9,008,651.34
Grain contracts payable	6,321,369.00	10,336,084.61
Collections received in advance	3,445,975.70	2,200,222.57
Seasonal notes payable	27,889,358.96	34,017,240.20
Current maturities of long-term notes payable	2,020,895.00	3,702,552.00
Current maturities of finance lease obligations	1,031,811.05	1,171,051.83
Current maturities of patron notes payable	5,600,000.00	5,600,000.00
Patronage dividends payable	974,419.12	0.00
Income taxes payable	544,840.96	0.00
<b>TOTAL CURRENT LIABILITIES</b>	<b>59,208,426.95</b>	<b>66,035,802.55</b>
<b>LONG-TERM LIABILITIES, excluding current maturities</b>		
Notes payable	24,590,060.64	14,321,202.17
Finance lease obligations	1,966,171.80	1,112,510.37
Grain contracts payable	108,071.31	431,306.78
Other	1,175,829.48	465,411.79
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>27,840,133.23</b>	<b>16,330,431.11</b>
<b>MEMBERS' EQUITY</b>		
Common stock	28,886,466.24	29,399,201.89
Participating stock	10,003,624.77	9,953,433.50
Acquisition equity	3,315,655.81	3,315,655.81
Nonqualified notices of allocation	5,157,723.27	3,730,458.34
Retained savings	61,317,328.08	59,492,517.00
Accumulated other comprehensive loss	(1,175,829.48)	(465,411.79)
<b>TOTAL MEMBERS' EQUITY</b>	<b>107,504,968.69</b>	<b>105,425,854.75</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 194,553,528.87</b>	<b>\$ 187,792,088.41</b>

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.