

GCC's 102nd Annual Stockholders Meeting

DECEMBER 7TH, 2021 - 2 PM

CLARION INN & CONFERENCE CENTER

1911 EAST KANSAS AVE.

GARDEN CITY, KS



Agenda

Invocation

TYLER HANDS

Call To Order

TYLER HANDS

- Welcome
- Declaration of Quorum
- Proof of Notice
- Approval of Minutes
- Intro of Past Board Members
- Intro of Previous GMs

Introduction of Guests

JEFF BOYD

Audit Report

KELLY DREES

Chairman Report

TYLER HANDS

Management Report

JEFF BOYD

Nominating Committee Report

TOM MULVILLE

Election of Directors

CLAYTON MADDUX

New/Old Business

TYLER HANDS

Employee/Retiree Recognition

BOYD/HANDS

Question & Answer Session

Redemption Giveaways

GORDON DREES

Director Election Results

Adjournment

Annual Report



You can find this and previous years annual reports by visiting:

<https://www.gccoop.com/about/#annual-reports>

or open your smartphone's camera and hold it over (don't take a picture) this code and follow the link that pops up.



2021-2022 Otis & Mary Lee Molz Cooperative Scholarship Recipients

Jaycee Stewart

Biology major - Garden City

Brady Schmeckle

Agribusiness major - Ingalls

Matt Morgan

Production Agriculture major - Lakin

Elizabeth (Elly) Murrell

Biology major - Garden City

Our Giving Policy



Minutes

UNAPPROVED

Garden City Co-op, Inc Annual Stockholders Meeting March 9, 2021 (for year 2020)

The Annual Meeting of the Stockholders of the Garden City Co-op, Inc. (GCC) met Tuesday, March 9, 2021, at the West Pavilion, Finney County Fairgrounds, Garden City, Kansas. This meeting represents the year 2020.

At 2:00 p.m., Tyler Hands, Board Chairman, called the 101st annual meeting to order. Directors in attendance were Gordon Drees, Chris Fullmer, Clayton Maddux, Bill Maughlin, Lynn Teeter, and Max Engler. Associate Directors in attendance were Keith Miller, Kyle Deaver, and Joanna Schmeeckle.

Tyler Hands advised that there were 75 voting members present, thus making a quorum. Tyler further advised that on February 23, 2021, 1466 notices were mailed, and certified by the U.S. Post Office. Tyler asked for any corrections to the minutes from the 2019 annual meeting. With no corrections, minutes were approved as provided.

Tyler Hands welcomed members and expressed the Board of Directors' appreciation for their attendance. There were no special guests due to Covid-19 restrictions.

The following financial information was reviewed:

Sales \$196,204,395.52
Gross Margins \$23,635,046.45
Gross Income from Local Operations \$35,638,904.24
Total Assets \$149,007,997.92
Total Current Liability \$41,195,572.93
Total Long-Term Liabilities \$11,373,226.64
Total Members' Equity \$96,439,198.35
Retained Savings are at \$7,479,424.55
Total Patronage Dividends are at \$847,839.82

Nick Mueting of Lindburg Vogel Pierce Faris stated that he had submitted an unmodified or clean opinion on the August 31, 2020 financial statements. There were no questions or comments regarding the financial report.

Tyler then introduced the current Board of Directors and their spouses. During the 2019–2020 year Nelson Wayne Rider completed his term as an associate. Tyler introduced new associate Joanna Schmeeckle.

There were nine regular meetings no special meetings. There were five monthly meetings which did not have full attendance.

Tyler then introduced Tom Mulville with the nominating committee report. The nominating committee consists of Tom Mulville, Tim Miller, Mike Deaver, and Chris Boyd. Nominees are Max Engler, Clayton Maddux, Bill Maughlin, Joanna Schmeckle, and Chris Boyd. Tom Mulville disclosed that Chris Boyd was the brother of CEO Jeff Boyd. Tyler asked for three selections to be made. There were no nominations from the floor. Clayton Maddux, Max Engler, Joanna Schmeckle were elected to the board of directors. Nick Meuting oversaw the vote.

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

A Question-and-Answer session was then opened. There were no questions.

Tyler issued a reminder of Molz Scholarship and that patronage checks would be distributed the following week.

Early redemptions of stock up to \$1,000 were given to Mike Deaver, Janet Hands, Gerald Danler, Steve Parks, and Corinne Herndon.

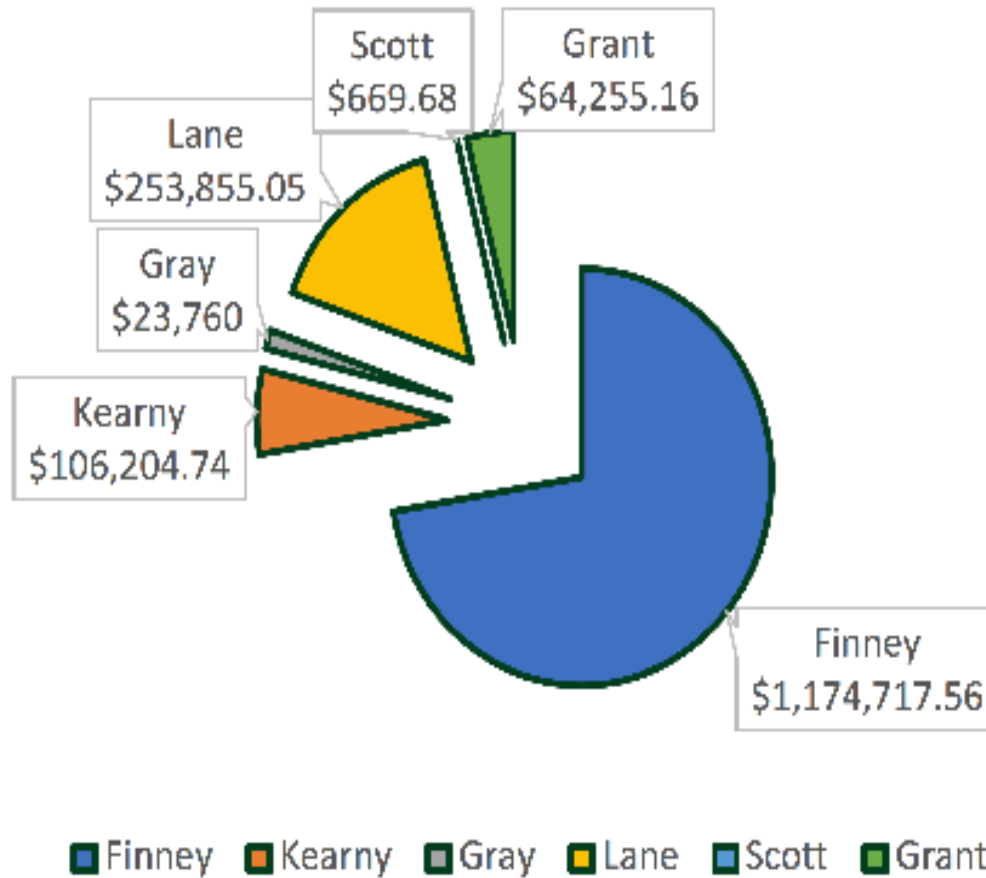
It was moved and seconded that the meeting be adjourned.

Chairman

Secretary/Treasurer

GCC GIVES BACK

Property Taxes Per County paid by GCC



Fiscal Year End 2021 Contributions Report	Total
Local County Fairs and 4-H	\$ 45,738.16
Matching Funds from Cobank, LOL, and Growmark	\$ 40,000.00
GCCC Otis and Mary Lee Molz Coop Scholarship	\$ 15,000.00
Kansas Food Bank	\$ 15,000.00
Russell Child Development Center	\$ 14,000.00
Community Sponsorships and Memorials	\$ 11,985.00
Grand Total	\$ 141,723.16

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Nominated Members



Tyler Hands*

Tyler Hands was raised in the Plymell community just South of Garden City. After graduating from Garden City High School, Tyler attended Kansas State University where he majored in Milling Science and Management and minored in Leadership Studies. After graduation, Tyler worked for three years at Quaker Oats in Cedar Rapids, Iowa. He is now back helping out on the family farm south of Garden City and south of Deerfield. They raise irrigated wheat, milo, corn, and soybeans and also dryland wheat and milo.

Tyler is the fifth generation to help farm the family farm and the fourth generation to serve on the board, starting with his great-grandfather, V.V. Hands, then his grandfather, Fielding Hands, followed by his father, Greg Hands.

Tyler and his wife, Amanda, have three daughters - Macy, Gentry and Lainey. They belong to the First United Methodist Church. Tyler also enjoys hunting and fishing.

Tyler became an Associate Director of the Garden City Co-op in December 2010. He became a Director in December 2012 and Chairman in December 2017.



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. They belong to the Trinity Lutheran Church.

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.



Kyle Deaver

Kyle Deaver was raised in the Plymell area just south of Garden City. He attended Garden City High School and then furthered his education at Garden City Community College where he earned a certificate in agriculture in 2015. Kyle has been very active in agriculture since a young age, being involved in 4-H, FFA, Farm Bureau and is currently serving on the Finney Co. Fair board and has been an associate director on the GCC Board of Directors since 2018. He is the third generation to serve on the Garden City Coop Board, following in the footsteps of his grandfather (Harvey Richards; 1984-1995) and his father (Mike Deaver; 2004-2015).

Kyle is a third generation farmer on his family's farm south of Garden City, where he farms alongside his dad. Together they raise both irrigated and dryland wheat, corn, soybeans, milo, triticale and alfalfa in Finney, Gray and Haskell counties.

Kyle married Aleasha (Krehbiel) in June of 2015. They have two children together, Harper (4) and Jace (1).

Nominating Committee: Tom Mulville (Chair), Tim Miller, & Mike Deaver

* Incumbent

Your Management

The Garden City Co-op
Management Team



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



GRANT GEYER

Safety Director

Your Board

The Garden City Co-op Board of
Directors for 2021



TYLER HANDS

Chairman

Area Represented: Plymell / Deerfield
Term Expires: 2021
Served Since: 2012



GORDON DREES

Vice Chairman

Area Represented: Garden City
Term Expires: 2021
Served Since: 2015



CLAYTON MADDUX

Secretary / Treasurer

Area Represented: Deerfield
Term Expires: 2023
Served Since: 2017



CHRIS FULLMER

Asst Secretary / Treasurer

Area Represented: Dighton
Term Expires: 2022
Served Since: 2016



LYNN TEETER

Director

Area Represented: Ulysses
Term Expires: 2022
Served Since: 2013



MAX ENGLER

Director

Area Represented: Deerfield
Term Expires: 2023
Served Since: 2017



JOANNA SCHMEECKLE

Director

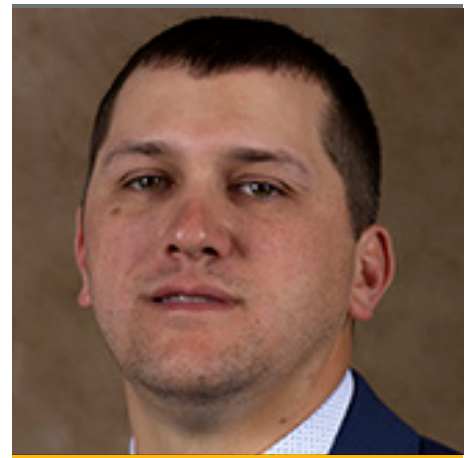
**Area Represented: Plymell
Term Expires: 2023
Served Since: 2020**



KYLE DEAVER

Associate Director

**Area Represented: Plymell
Term Expires: 2021
Served Since: 2018**



KEITH MILLER

Associate Director

**Area Represented: Garden City
Term Expires: 2022
Served Since: 2019**



DYLAN LINENBERGER

Associate Director

**Area Represented: Dighton
Term Expires: 2023
Served Since: 2020**



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Garden City, KS 67846
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FORWARD SERVICE REQUESTED

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

CONSOLIDATED BALANCE SHEETS
August 31, 2021 and 2020

ASSETS		
	2021	2020
CURRENT ASSETS		
Cash	\$ 559,583.60	\$ 198,858.10
Accounts receivable - trade	4,736,378.13	4,069,930.99
Allowance for doubtful accounts	(73,750.00)	(73,750.00)
Grains receivable - trade	21,240,726.21	14,968,650.33
Grain storage receivable	940,531.75	2,628,110.92
Contracts to market	2,077,866.21	0.00
Margin deposits and derivative assets	5,409,464.33	3,580,050.76
Other receivables	2,123,140.60	1,936,110.90
Inventories	59,422,887.81	30,130,970.83
Prepaid commodities and expenses	2,043,671.81	981,563.02
TOTAL CURRENT ASSETS	98,480,500.45	58,420,495.85
INVESTMENTS AND OTHER ASSETS		
Corporate stock and equity	52,997,761.46	53,327,511.13
Limited liability companies	2,744,513.14	2,910,362.46
TOTAL INVESTMENTS AND OTHER ASSETS	55,742,274.60	56,237,873.59
PROPERTY, PLANT, AND EQUIPMENT		
Cost	98,590,986.88	92,984,560.60
Accumulated depreciation	(61,752,722.00)	(58,634,932.12)
NET PROPERTY, PLANT, AND EQUIPMENT	36,838,264.88	34,349,628.48
TOTAL ASSETS	\$ 191,061,039.93	\$ 149,007,997.92
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts, expenses, and taxes payable	\$ 11,817,721.55	\$ 10,843,058.87
Grain contracts payable	16,126,510.23	6,805,431.65
Collections received in advance	1,445,549.28	1,979,879.82
Current maturities of notes payable	42,391,545.72	14,356,173.10
Current maturities of capital lease obligations	505,450.93	207,513.26
Current maturities of patron notes payable	5,600,000.00	5,600,000.00
Patronage dividends payable	990,383.83	847,839.82
Equity retirements payable	500,000.00	417,592.39
Income taxes payable	272,717.33	138,084.02
TOTAL CURRENT LIABILITIES	79,649,878.87	41,195,572.93
LONG-TERM LIABILITIES, excluding current maturities		
Notes payable	6,423,339.00	8,881,671.00
Capital lease obligations	2,017,847.91	1,081,420.20
Grain contracts payable	3,639,404.54	360,286.90
Deferred income taxes	127,474.99	594,017.06
Other	(87,469.95)	455,831.48
TOTAL LONG-TERM LIABILITIES	12,120,596.49	11,373,226.64
MEMBERS' EQUITY		
Common stock	30,831,439.57	31,431,825.52
Participating stock	7,921,572.61	8,223,309.35
Nonqualified notices of allocation	990,383.82	0.00
Equity retirements payable	(500,000.00)	(417,592.39)
Retained savings	59,959,698.62	57,657,487.35
Accumulated other comprehensive income (loss)	87,469.95	(455,831.48)
TOTAL MEMBERS' EQUITY	99,290,564.57	96,439,198.35
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 191,061,039.93	\$ 149,007,997.92

See accompanying notes.

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

CONSOLIDATED STATEMENTS OF OPERATIONS
For Years Ended August 31, 2021 and 2020

	2021	2020
SALES		
Grain	\$ 177,855,357.36	\$ 124,623,592.33
Supply	39,659,868.99	38,589,988.42
Commercial and wholesale	38,891,504.44	32,990,814.77
TOTAL SALES	256,406,730.79	196,204,395.52
COST OF SALES	233,483,558.01	172,569,349.07
GROSS MARGINS ON SALES	22,923,172.78	23,635,046.45
OTHER INCOME		
Storage and handling	1,919,723.59	5,115,284.78
Drying income	204,728.48	193,376.39
Service income	819,526.92	1,076,393.53
Freight income	785,872.38	825,602.31
Gain on disposal of property, plant, and equipment	233,916.95	100,144.18
Interest income and finance charges	64,324.14	81,082.56
Patronage dividends	1,084,771.70	3,561,192.12
Investment income and dividends on stock	994,273.68	921,269.60
Extinguishment of debt	1,707,565.82	0.00
Miscellaneous income	79,649.90	129,512.32
TOTAL OTHER INCOME	7,894,353.56	12,003,857.79
GROSS SAVINGS	30,817,526.34	35,638,904.24
EXPENSES		
Personnel costs	11,976,601.90	12,451,244.37
Fixed expenses	9,112,603.42	9,116,062.99
Other expenses	5,552,708.54	5,523,209.25
TOTAL EXPENSES	26,641,913.86	27,090,516.61
SAVINGS BEFORE INCOME TAXES	4,175,612.48	8,548,387.63
INCOME TAXES	205,786.87	(221,123.26)
NET SAVINGS	\$ 4,381,399.35	\$ 8,327,264.37
DISTRIBUTION OF NET SAVINGS		
Patronage dividends	\$ 1,980,767.65	\$ 847,839.82
Retained savings	2,400,631.70	7,479,424.55
TOTAL	\$ 4,381,399.35	\$ 8,327,264.37

See accompanying notes.