

GCC Board Elections

MARCH 9TH, 2021 - 2PM
WEST PAVILION
FINNEY COUNTY FAIRGROUNDS
409 LAKE AVENUE
GARDEN CITY, KS



Agenda

Call To Order

TYLER HANDS

- Welcome
- Declaration of Quorum
- Proof of Notice
- Approval of Minutes

Nominating Committee Report

TOM MULVILLE

Election of Directors

TYLER HANDS

New / Old Business

TYLER HANDS

Question & Answer Session

Redemption Giveaways

CLAYTON MADDUX

Announcement of Directors

TYLER HANDS

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.



ANNUAL MEETING

For the Manager, Chairman and CFO reports and employee recognitions, please visit our annual meeting video online:

<https://www.gccoop.com/2020-annual-meeting>

Minutes

UNAPPROVED

Garden City Co-op, Inc
Annual Stockholders Meeting
December 3, 2019

The Annual Meeting of the Stockholders of the Garden City Co-op, Inc.(GCC) met Tuesday, December 3, 2019, at the Clarion Inn, 1911 E Kansas Ave, Garden City, Kansas.

At 2:00 p.m., Tyler Hands, Board Chairman, called the 100th 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 Curtis Ansel, Nelson W. Rider, and New Associate Director Keith Miller. Kyle Deaver was not present.

Tyler Hands advised that there were 225 voting members present, thus making a quorum. Tyler further advised that on November 12, 2019, 1421 notices were mailed, and certified by the U.S. Post Office. Tyler asked for any corrections to the minutes from the 2018 annual meeting. With no corrections, minutes were approved as provided.

Tyler Hands welcomed members and guests and expressed the Board of Directors' appreciation at the level of attendance. He also recognized all past board members, in which several were present. Past General Managers Harley Foulks and John McClelland were also in attendance. Jeff Boyd introduced guests: Brandi Miller with Kansas Co-op Council, Michael Walton with CoBank, Steve Fenton from CFA, John Ricker, Scott Anderson, and Greg Johnston with KFSA, Kendall Poland from Sublette Co-op, Mike Shirley from Winfield United, Jason Baker with Scott Co-op, Nick Mueting from Lindburg Vogel Pierce Faris, Bob Tempel and Jeff Huggard of Windriver Grain, Kyle Smith with FC Stone, Rocky Bell from CHS, Seleise Barrett from the ACCC-K-State, and Jonathan Lightner from Commerce Bank. Roberta Renick, granddaughter of founding member RJ Ackley, was also in attendance.

Kelly Drees, CFO, described the items in the registration packet. Kelly then discussed financial statements and grain receipts, decreased wheat margins due to low protein levels, and the cost of adding bunker space at Lowe and Rock Island facilities. Kelly reported that Petroleum and Agronomy had a record year of sales due to weather, however expertise comes at a price. GCC has 12 million in Long Term Debt due to be paid by 2025. We will once again return the DPAD back to our members.

The following financial information was reviewed: Sales \$221,312,633.93; Gross Margins \$23,512,380.00; Gross Income from Local Operations \$32,541,530.89; Total Assets \$146,705,167.55; Total Current Liability \$43,141,679.06, Total Long-Term Liabilities \$13,411,789.64; Total Members' Equity \$90,151,698.85; Retained Savings are at \$1,750,700.24; Total Patronage Dividends are at \$0.00. Nick Mueting of Lindburg Vogel Pierce Faris stated that he had submitted an unmodified or clean opinion on the August 31, 2019 financial statements. There were no questions or comments regarding the financial report.

Tyler Hands then discussed our centennial year. The board is proud to serve such an historic company. Tyler spoke of the transitions the Co-op has made in the past 100 years, and relayed some quotes from past

board chairmen, Otis Molz, Boyd Lear, and Greg Hands. He discussed the legacy of the co-op, acknowledged changes, and ensured members that the board is here to serve them for the next 100 years.

He then introduced the current Board of Directors and their spouses. During the 2018-2019 year, Curtis Ansel completed his term as an associate. Tyler introduced new associate Keith Miller.

There were nine regular meetings with all in attendance and there were no special meetings. There were three monthly meetings which did not have full attendance.

Brandi Miller from Kansas Cooperative Council made a special presentation to GCC for reaching their 100-year milestone. She presented a plaque to Tyler Hands for 100 years of service., noting that KCC supports education and provides advocacy for Co-op's across Kansas.

Jeff Boyd, CEO, began by introducing the management team and employees. Jeff reflected on 100 years of business and the future of the Co-op. Our purpose is to help farmers be more successful by working together. A short trailer was shown of the three-part miniseries created by Trevor Hands. The changes, transitions, and the opportunities they create were discussed as well as the economic downturn and the impact of the trade-war with China. Success of the co-op heavily relies on the success of the producer, and we will not pay out patronage due to economic decline. We will evolve and be disciplined as we move forward. Jeff presented maps of our large territory in SW KS and conferred the need to continue to grow as farm needs evolve. Online marketing opportunities are being evaluated as well as the capability of making agronomy purchases online. Success is due to the leadership of the past. We hold ourselves to that standard as we adjust due to change. Jeff would like to encourage feedback from our producers.

Jeff and Tyler recognized years of service and retirements. 5 Years: Danny Peck, Joey Kuehler, Ambrocio Estrada, Tami Williams, Jake Drohman, Pete Riojas, Rachel Livermore, Nathan Flores, Deb Lee, Doug Smith. 10 Years: Abe Hamm, John Griffin, Brandon Ochs, Omaro Quinonez, Pedro Hernandez, Tavo Gomez, Nathan Gonzales. 15 years: Henry Miller and Rochelle Mann. 20 Years: Holly Cowan and Mike Mings. 25 Years: Toby Wilson, 30 Years Alberto Barron. 2 Retirements: Brett Butler 31 years from Friend. Robert Almos, merchandiser main office: 42 years.

Tyler then introduced Tom Mulville with the nominating committee report. The nominating committee consists of Tim Miller, Mike Deaver, and Chris Boyd. Nominees are Lynn Teeter, Chris Fullmer, and Chris Boyd. Tom Mulville disclosed that Chris Boyd was the brother of CEO Jeff Boyd. Tyler asked for two selections to be made. There were no nominations from the floor. There was a unanimous ballot cast for the two nominations. Lynn Teeter and Chris Fullmer were reelected to the board of directors.

Curtis Ansel gave a report about his time as an associate director. Curtis discussed his experiences learning how decisions are made and the functions of a co-op.

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

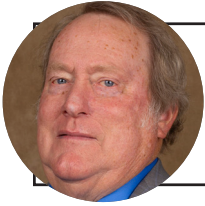
A Question and Answer session was then opened.

A gentleman asked if we had future plans: Tyler said currently we do not, as we continue to pay our debt that is due in 2025. Roberta Renick from Holcomb and the 97-year-old granddaughter of RJ Ackley spoke that she was 3 years younger than the co-op. She hopes her kids and grandkids can attend our 200th year meeting.

Early redemptions of stock up to \$1,000 were given to William Rooney, John Beaton, Gary Graff, Lamar Fullmer, and Jill Hill.

It was moved and seconded that the meeting be adjourned.

Nominated Members



Bill Maughlin*

Hello everyone, my name is Bill Maughlin, and I am running in the co-op board election. I have been through the associate board program and two earlier elections. I am serving now as board vice-chair. I live up at Dighton in Lane County, and have been involved in the co-op for 30+ years. I am a dry land farm in the Alamota and Amy areas. My son and grandson were the fourth and fifth generations harvesting on a field in 2020. Wheat and milo are my main crops.

My wife Donnis and I have two kids and two grand kids. Donnis works with KSU extension in Lane County. Donnis and I both have board jobs with the Methodist church in Dighton. I was a member of the Farmers Co-op in Dighton before the merger with GCC. We love chasing kids in sports and dirt track racing while living the good life in fly-over country.

I enjoy working with other great people at the co-op to steer our company into the future. It's often a good learning experience, and a nice way to stay up on many of the latest happenings in agriculture. I wish all members could see our co-op work like I do from the board room! I would appreciate your vote in the election. Thank you.



Clayton Maddux*

I farm with my family near the Deerfield/Wolf locations. Maddux Farms is a fifth generation, multi-crop operation, on both irrigated and dryland acres.

I have served on the board of the Garden City Co-op for five years now; the first two as an associate director and for the last three as Secretary/Treasurer.

My wife Sarah and I were blessed with the birth of our first child last year, Carter Cole Maddux. Carter and Sarah are the reasons I am inclined to continue to serve on the board of the Garden City Co-op!



Max Engler*

I farm in northern Kearny County and northwest Finney County and raise dryland wheat and milo. My wife Cathy and I have two children. My son Zeke is currently working on the family farm and our daughter Zoe is employed by High Plains Educational Cooperative and working at Deerfield Elementary School. Cathy is employed at the Holcomb school district. We are members of the Bible Christian Church in Garden City. When possible we like taking a break for a few days at one of the lakes in Kansas.

I am the third generation to farm in the Garden City area and all three generations have been members of the Garden City Co-op with my Dad, Max Jr. also serving on the Garden City Co-op board. I graduated from KSU in 1981 with a degree in Agricultural Economics. I was employed with the Federal Land Bank in Guymon, Oklahoma for two years and then in the Garden City Federal Land Bank office for five years. I returned to the family farm in 1988.

I believe in the cooperative system and the benefits it brings to its patrons and the community. The Garden City Co-op has been here for more than 100 years, locally owned by the farmers who use it to receive products and services for their operation from start to finish that often isn't available from independent companies. Competition is good and vital to ensure the best products are available at a competitive price with top quality in service to its members.

My desire is to serve on the co-op board as a representative to its members and help ensure the future of the local co-op and working with fellow board of directors to establish operating policies and set objectives for the co-op.

* Incumbent



Chris Boyd+

My farming operation is located north east of Garden City. I grow dryland wheat, milo, and corn. I have been farming on my own for about 10 years. I also help my parents with their farm, which is a mix of dryland and irrigated wheat, milo, and corn. We occasionally grow soybeans and sunflowers as well, depending on rotations and markets.

I am the fourth generation to be farming at our location. Before returning to the farm around 13 years ago I lived in Manhattan, KS where I worked as an automotive technician for 3 years.

I have been a member of the Garden City Co-op since I returned to the farm in 2006. Our family has been involved with the Co-op for 4 generations. My experience with the Co-op is always evolving. When I first started to farm, the Co-op was a place to take grain and buy inputs but over the years it has become a place to help improve our operation. From the precision ag department helping with variable rate fertilizer maps to our agronomist salesman helping make decisions about fertilizer and chemicals, the advice and help we receive makes our operation more successful. My experience with the Co-op has always been positive and the services that we receive seem to improve and expand over time.

I am married with two children. My wife is Kylie Boyd. I have a daughter Madyn (6 yrs) and a son Jayton (2 yrs). We attend the First United Methodist Church. In my spare time, when I can find it, I enjoy the outdoors. We like to try and take some time in the summer after wheat harvest to take a trip to Colorado. We like to walk the trails and see the sights. Some of my time is also spent doing projects renovating our house. I enjoy building things with my hands and seeing the finished projects. I recently finished out our basement and am currently working on building a new vanity for our bathroom.

I am wanting to serve on the Co-op board to help give a voice to the area that I currently farm in. I want to help to make sure that we continue to get good service and support for our farms and that those services continue to stay relevant to what we all need. I am also wanting to serve after the great experience that I had while serving as an associate board member in the past. I want to continue to learn more about how our Co-op operates and serves our members and how it may serve our members going forward.



Joanna Schmeeckle

My name is Joanna Schmeeckle and I am a proud farmer, wife of a farmer, daughter and granddaughter of a farmer. My husband, Brian and I, farm my family's farm south and east of Garden City in the Pierceville/Plymell area. We can trace some of our farm ground was owned by my great grandfather, Rolla McGraw, over 100 years ago. It is with great pride that we continue on. My father, Doug McGraw, retired in 2010 and we have taken over as operators since.

I would be a third generation co-op member.

Our operation consists of irrigated row crops, dry land rotation of wheat and milo. We also do custom farming and harvest locally. We have experimented with growing Camelina for Sustainable Oils.

I am married to Brian going on our 25th year and we have three children. Brady is 18, and plans on returning to the farm after college. Anna is 15 and a freshmen and Jill is 12 and 6th grader. Our children attend school in the Ingalls school district.

We are very active in our church at Pierceville Church and Wide-Awake 4H Club. I considered it a privilege to serve on Ingalls school board, leader for our 4H club, leader for Finney Co Horse Club and director of Kid's Club at our church.

My hobby is breeding reining horses and selling the foals. I take great delight in the new born babies born in the spring and selling them and following them as they are shown.

I want to serve on the Garden City Coop because I believe in the value of the family farm. I appreciate the impact this company has on our community and for our farmers. I would like to be a part of an entity that helps farmers be profitable and successful so that the farm can be passed on through the generations.

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

+ In the spirit of transparency, Chris Boyd is a brother to General Manager and CEO, Jeff Boyd.

Your Board



TYLER HANDS

Chairman

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



BILL MAUGHLIN

Vice Chairman

Area Represented: Dighton
Term Expires: 2020
Served Since: 2011



CLAYTON MADDUX

Secretary / Treasurer

Area Represented: Deerfield
Term Expires: 2020
Served Since: 2017



CHRIS FULLMER

Asst Secretary / Treasurer

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



GORDON DREES

Director

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



LYNN TEETER

Director

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



MAX ENGLER

Director

Area Represented: Deerfield
Term Expires: 2020
Served Since: 2017



NELSON RIDER

Associate Director

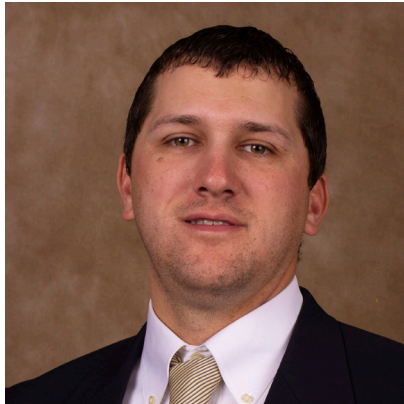
Area Represented: Ulysses
Term Expires: 2020
Served Since: 2017



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



JOANNA SCHMEECKLE

Associate Director

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

Your Management



JEFF BOYD

General Manager/CEO



KELLY DREES

Chief Financial Officer



TOBY WILSON

Chief Operations Officer



MICHAEL WISNER

Vice President - Grain



TIM GIESICK

Vice President - Agronomy



JEREMY PEEBLES

Vice President - Petroleum



HOLLY COWAN

Human Resources/Admin Services



MICHAEL DAVIS

IT Manager / Programmer



GRANT GEYER

Safety Director

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Garden City, KS 67846
(620) 275-6161
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FORWARD SERVICE REQUESTED

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

CONSOLIDATED BALANCE SHEETS
August 31, 2020 and 2019

ASSETS		
	2020	2019
CURRENT ASSETS		
Cash	\$ 198,858.10	\$ 1,403,968.67
Accounts receivable - trade	4,069,930.99	4,429,240.78
Allowance for doubtful accounts	(73,750.00)	(73,750.00)
Grains receivable - trade	14,968,650.33	18,569,252.92
Grain storage receivable	2,628,110.92	2,524,657.78
Commodity margin accounts and derivative assets	3,580,050.76	1,112,313.85
Other receivables	1,936,110.90	3,519,645.88
Inventories	30,130,970.83	21,653,891.99
Prepaid commodities and expenses	981,563.02	2,467,787.43
TOTAL CURRENT ASSETS	58,420,495.85	55,607,009.30
INVESTMENTS AND OTHER ASSETS		
Corporate stock and equity	53,327,511.13	51,545,868.10
Limited liability companies	2,910,362.46	2,791,729.21
TOTAL INVESTMENTS AND OTHER ASSETS	56,237,873.59	54,337,597.31
PROPERTY, PLANT, AND EQUIPMENT		
Cost	92,984,560.60	92,421,408.36
Accumulated depreciation	(58,634,932.12)	(55,660,847.42)
NET PROPERTY, PLANT, AND EQUIPMENT	34,349,628.48	36,760,560.94
TOTAL ASSETS	\$ 149,007,997.92	\$ 146,705,167.55
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts, expenses, and taxes payable	\$ 10,843,058.87	\$ 14,355,897.00
Grain contracts payable	6,805,431.65	6,904,396.22
Collections received in advance	1,979,879.82	1,542,935.36
Current maturities of notes payable	14,356,173.10	14,566,889.80
Current maturities of capital lease obligations	207,513.26	135,129.41
Current maturities of patron notes payable	5,600,000.00	5,600,000.00
Patronage dividends payable	847,839.82	0.00
Equity retirements payable	417,592.39	0.00
Income taxes payable	138,084.02	36,431.27
TOTAL CURRENT LIABILITIES	41,195,572.93	43,141,679.06
LONG-TERM LIABILITIES, excluding current maturities		
Notes payable	8,881,671.00	11,585,003.00
Capital lease obligations	1,081,420.20	860,781.95
Grain contracts payable	360,286.90	489,367.14
Deferred income taxes	594,017.06	476,637.55
Other	455,831.48	0.00
TOTAL LONG-TERM LIABILITIES	11,373,226.64	13,411,789.64
MEMBERS' EQUITY		
Common stock	31,431,825.52	31,788,785.51
Participating stock	8,223,309.35	8,184,636.10
Equity retirements payable	(417,592.39)	0.00
Retained savings	57,657,487.35	50,178,277.24
Accumulated other comprehensive loss	(455,831.48)	0.00
TOTAL MEMBERS' EQUITY	96,439,198.35	90,151,698.85
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 149,007,997.92	\$ 146,705,167.55

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, 2020 and 2019

	2020	2019
SALES		
Grain	\$ 124,623,592.33	\$ 131,502,400.14
Supply	38,589,988.42	43,268,714.96
Commercial and wholesale	32,990,814.77	46,541,518.83
TOTAL SALES	196,204,395.52	221,312,633.93
COST OF SALES	172,569,349.07	197,800,253.93
GROSS MARGINS ON SALES	23,635,046.45	23,512,380.00
OTHER INCOME		
Storage and handling	5,115,284.78	3,868,118.67
Drying income	193,376.39	437,883.48
Service income	1,076,393.53	915,620.59
Freight income	825,602.31	793,752.52
Gain on disposal of property, plant, and equipment	100,144.18	77,605.00
Interest income and finance charges	81,082.56	83,825.84
Patronage dividends	3,561,192.12	2,313,542.10
Investment income and dividends on stock	921,269.60	395,179.18
Miscellaneous income	129,512.32	143,623.51
TOTAL OTHER INCOME	12,003,857.79	9,029,150.89
GROSS SAVINGS	35,638,904.24	32,541,530.89
EXPENSES		
Personnel costs	12,451,244.37	13,193,096.50
Fixed expenses	9,116,062.99	10,726,604.28
Other expenses	5,523,209.25	6,905,989.76
TOTAL EXPENSES	27,090,516.61	30,825,690.54
SAVINGS BEFORE INCOME TAXES	8,548,387.63	1,715,840.35
INCOME TAXES	(221,123.26)	34,859.89
NET SAVINGS	\$ 8,327,264.37	\$ 1,750,700.24
DISTRIBUTION OF NET SAVINGS		
Patronage dividends	\$ 847,839.82	\$ 0.00
Retained savings	7,479,424.55	1,750,700.24
TOTAL	\$ 8,327,264.37	\$ 1,750,700.24

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