

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

CONSOLIDATED BALANCE SHEETS
August 31, 2014 and 2013

ASSETS

	2014	2013
CURRENT ASSETS		
Cash	\$ 791,903.50	\$ 4,335,959.89
Investment securities available-for-sale	1,002,982.50	0.00
Accounts and notes receivable - trade	4,187,307.92	6,283,859.32
Allowance for doubtful accounts	(50,000.00)	(50,000.00)
Grains receivable - trade	16,490,009.58	12,563,665.25
Grain storage receivable	1,121,712.17	1,219,342.29
Margin deposits and derivative assets	0.00	368,421.89
Other receivables	9,655,707.23	3,467,448.01
Inventories	32,230,201.22	13,776,456.67
Prepaid commodities and expenses	6,160,546.30	3,628,245.92
Deferred tax assets	99,117.70	0.00
TOTAL CURRENT ASSETS	71,689,488.12	45,593,399.24
INVESTMENTS AND OTHER ASSETS		
Corporate stock and equity	42,969,368.40	37,455,327.47
Limited liability companies	2,292,268.68	8,083,985.23
Cash surrender value of life insurance	237,805.33	233,329.98
Notes receivable	178,222.75	240,757.68
Other assets	17,081.83	22,808.83
TOTAL INVESTMENTS AND OTHER ASSETS	45,694,746.99	46,036,209.19
PROPERTY, PLANT, AND EQUIPMENT		
Cost	88,187,065.90	72,560,236.93
Accumulated depreciation	(41,626,571.28)	(38,621,645.36)
NET PROPERTY, PLANT, AND EQUIPMENT	46,560,494.62	33,938,591.57
TOTAL ASSETS	\$ 163,944,729.73	\$ 125,568,200.00
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts, expenses, and taxes payable	\$ 12,290,566.60	\$ 12,965,192.11
Grains payable	8,233,936.91	8,264,867.25
Collections received in advance	134,442.75	181,810.65
Current maturities of notes payable	29,223,747.32	1,500,000.00
Current maturities of capital lease obligations	1,089,439.39	1,030,053.71
Current maturities of patron notes payable	5,600,000.00	5,599,960.00
Patronage dividends payable	1,143,874.30	1,538,050.26
Equity retirements payable	1,000,000.00	1,200,000.00
Income taxes payable	9,166.61	290,575.79
TOTAL CURRENT LIABILITIES	58,725,173.88	32,570,509.77
LONG-TERM LIABILITIES, excluding current maturities		
Notes payable	17,090,000.00	11,337,686.15
Capital lease obligations	4,905,218.74	5,994,658.13
Grain contracts payable	759,454.79	1,218,540.30
Deferred income taxes	714,593.22	933,026.86
TOTAL LONG-TERM LIABILITIES	23,469,266.75	19,483,911.44
MEMBERS' EQUITY		
Common stock	29,210,828.63	27,080,894.30
Participating stock	6,381,881.22	6,336,406.79
Patronage dividends	2,669,040.02	3,588,783.94
Equity retirements payable	(1,000,000.00)	(1,200,000.00)
Retained savings	44,501,226.53	37,707,693.76
Accumulated other comprehensive income	(12,687.30)	0.00
TOTAL MEMBERS' EQUITY	81,750,289.10	73,513,778.79
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 163,944,729.73	\$ 125,568,200.00

See accompanying notes.

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

CONSOLIDATED STATEMENTS OF OPERATIONS
For Years Ended August 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
SALES		
Grain	\$ 85,971,721.00	\$ 130,163,182.14
Supply	26,088,222.24	22,888,098.00
Commercial and wholesale	<u>130,590,509.80</u>	<u>157,978,536.66</u>
TOTAL SALES	242,650,453.04	311,029,816.80
COST OF SALES	<u>227,531,417.67</u>	<u>292,019,019.23</u>
GROSS MARGINS ON SALES	<u>15,119,035.37</u>	<u>19,010,797.57</u>
OTHER INCOME		
Storage and handling	2,226,061.17	2,495,110.82
Drying income	360,156.41	344,091.85
Service income	675,792.44	545,173.34
Freight income	2,865,079.35	2,236,076.32
Gain on disposal of property, plant, and equipment	182,124.40	110,364.90
Interest income and finance charges	37,678.29	36,773.63
Patronage dividends	6,810,425.93	7,143,504.63
Investment income and dividends on stock	6,836,560.19	3,036,624.27
Miscellaneous income	<u>112,801.31</u>	<u>99,839.87</u>
TOTAL OTHER INCOME	<u>20,106,679.49</u>	<u>16,047,559.63</u>
GROSS SAVINGS	<u>35,225,714.86</u>	<u>35,058,357.20</u>
EXPENSES		
Personnel costs	11,290,226.97	9,774,042.71
Fixed expenses	7,871,613.26	6,882,133.95
Other expenses	<u>5,902,244.14</u>	<u>4,956,783.32</u>
TOTAL EXPENSES	<u>25,064,084.37</u>	<u>21,612,959.98</u>
SAVINGS BEFORE INCOME TAXES	10,161,630.49	13,445,397.22
INCOME TAX BENEFIT (EXPENSE)	<u>441,285.52</u>	<u>(571,008.35)</u>
NET SAVINGS	<u>\$ 10,602,916.01</u>	<u>\$ 12,874,388.87</u>
DISTRIBUTION OF NET SAVINGS		
Patronage dividends	\$ 3,812,914.32	\$ 5,126,834.20
Retained savings	<u>6,790,001.69</u>	<u>7,747,554.67</u>
TOTAL	<u>\$ 10,602,916.01</u>	<u>\$ 12,874,388.87</u>

See accompanying notes.