

Consolidated Balance Sheet

Years Ended August 31, 2023 and 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	\$ 643,353	\$ 1,491,879
Accounts receivable - patron accounts, net of allowance for doubtful receivables of \$180,000 in 2023 and 2022	5,928,934	5,604,147
Income taxes receivable	384,232	465,559
Margin account equity	212,285	246,290
Inventories	13,394,987	15,651,520
Prepaid expenses and other current assets	2,423,102	1,686,413
Deferred taxes	-	-
Total current assets	\$ 22,986,893	\$ 25,145,808
PROPERTY, PLANT AND EQUIPMENT - AT COST		
Land	\$ 4,811,948	\$ 4,811,948
Buildings	19,748,091	19,720,846
Equipment	36,811,575	34,447,470
Construction in progress	162,628	66,989
Total property, plant and equipment	\$ 61,534,242	\$ 59,047,253
Less accumulated depreciation	(41,583,011)	(39,396,008)
Net property, plant and equipment	19,951,231	19,651,245
Right of Use assets	\$ 554,329	-
Less accumulated amortization	(177,940)	-
Net right of use assets	376,389	-
OTHER ASSETS		
Investments in other organizations	\$ 11,232,733	\$ 11,296,495
Other assets	4,806	4,806
Total other assets	\$ 11,237,539	\$ 11,301,301
TOTAL ASSETS	\$ 54,552,052	\$ 56,098,354

LIABILITIES & MEMBERS' EQUITY

	2023	2022
CURRENT LIABILITIES		
Current maturities of long-term obligations	1,911,189	1,892,770
Short-term debt	3,668,450	7,994,728
Short-term lease liability	185,005	-
Accounts payable	3,112,286	2,869,798
Customer prepayments	1,179,401	1,330,447
Accrued expenses	1,975,994	1,697,207
Accrued interest payable	205,145	166,308
Other current liabilities	42,726	57,136
Total current liabilities	\$ 12,280,196	\$ 16,008,394
LONG-TERM LIABILITIES		
Long-term obligations, less current maturities above	\$ 13,267,036	\$ 14,195,228
Long-term lease liability, less current maturities above	\$ 193,575	\$ -
Accrued environmental clean-up costs	94,638	94,638
Deferred income taxes	1,583,421	935,095
Other long-term liabilities	11,000	11,000
Total long-term liabilities	\$ 15,149,670	\$ 15,235,961
Total liabilities	\$ 27,429,866	\$ 31,244,355
MEMBERS' EQUITY		
Capital stock - authorized, 15,000 shares of \$200 par value issued and outstanding 3,615 and 3,660 in 2023 and 2022, respectively	\$ 723,000	\$ 732,000
Members' equity credits	11,515,777	11,648,044
Retained savings	14,883,409	12,473,955
Total members' equity	\$ 27,122,186	\$ 24,853,999
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 54,552,052	\$ 56,098,354

Consolidated Statement of Operations

Years Ended August 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Sales	\$ 126,679,890	\$ 122,972,767
Cost of goods sold	<u>101,031,958</u>	<u>97,277,214</u>
Gross margin	<u>\$ 25,647,932</u>	<u>\$ 25,695,553</u>
Operating expenses:		
Selling, general and administrative	\$ 28,602,359	\$ 26,357,610
Depreciation and amortization	<u>2,284,960</u>	<u>2,188,580</u>
Total operating expenses	<u>\$ 30,887,319</u>	<u>\$ 28,546,190</u>
Gain (loss) on disposal of equipment	\$ (592)	\$ 11,429
Service labor	\$ 2,074,287	\$ 1,739,039
Other revenue	<u>4,186,626</u>	<u>3,192,046</u>
Operating income (loss)	\$ 1,020,934	\$ 2,091,877
Gain (loss) on sale of investments	-	(36)
Interest and dividend income	1,466	2,122
Interest expense	<u>(1,260,100)</u>	<u>(1,159,477)</u>
Net local savings (loss)	\$ (237,700)	\$ 934,486
Other Non-operational Expense	\$ (668)	\$ -
Patronage refunds from regionals	<u>3,378,315</u>	<u>830,930</u>
Savings (loss) before income taxes and patronage distribution	\$ 3,139,947	\$ 1,765,416
Income tax (expense) benefit	<u>(752,195)</u>	<u>(337,357)</u>
NET SAVINGS (LOSS) BEFORE PATRONAGE DISTRIBUTION	<u><u>\$ 2,387,752</u></u>	<u><u>\$ 1,428,059</u></u>
Distribution of net savings:		
Cash patronage refunds payable	\$ -	\$ -
Members' equity allocation	-	-
Retained savings	<u>2,387,752</u>	<u>1,428,059</u>
TOTAL DISTRIBUTION	<u><u>\$ 2,387,752</u></u>	<u><u>\$ 1,428,059</u></u>

The Annual Audit resulted in a nonqualified opinion from CliftonLarsonAllen, LLP, stating that the financial statements present fairly the financial position of Panhandle Cooperative Association and the results of its operations in conformity with generally accepted accounting principles.

These statements are presented in short form.

A more detailed audit report containing the auditors opinion and the required footnote disclosures is on file for review at the administrative office.