

# Midway Co-op Association

3/31/2018

## BALANCE SHEET

<u>ASSETS</u>			<u>LIABILITIES AND MEMBERS' EQUITY</u>		
	<u>2018</u>	<u>2017</u>		<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash	\$ 740,828	\$ 590,602	Accounts, taxes, and expenses payable	\$ 4,632,728	\$ 5,251,231
Investment securities available-for-sale	\$ 1,627,259	\$ 1,536,482	Grains payable	\$ 565,955	\$ 521,407
Accounts/notes receivable-trade	\$ 4,329,181	\$ 4,209,824	Collections received in advance	\$ 3,482,415	\$ 3,311,129
Allowance for doubtful accounts	\$ (350,000)	\$ (600,000)	Current maturities of notes payable	\$ 27,357,145	\$ 15,924,494
Grains receivable - trade	\$ 809,001	\$ 750,218	Certificates of indebtedness	\$ 5,428,660	\$ 5,680,642
Grain storage receivable	\$ 726,828	\$ 1,009,746	Patronage dividends payable	\$ 4,111,111	\$ 3,386,196
Commodity margin deposits	\$ 878,692	\$ 1,296,391	Income taxes payable	\$ 586,204	\$ 612,484
Other receivables	\$ 989,119	\$ 937,160	Deferred income taxes	\$ 151,539	\$ 230,841
Prepaid commodities	\$ 3,957,464	\$ 2,921,269			
Inventories	\$ 45,521,954	\$ 32,890,951	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 46,313,757</b>	<b>\$ 34,918,424</b>
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 59,210,326</b>	<b>\$ 45,542,443</b>			
<b>INVESTMENTS</b>			<b>LONG-TERM LIABILITIES, excluding current maturities</b>		
Equity in other Cooperatives	\$ 10,866,602	\$ 9,859,243	Grain contracts payable	\$ -	\$ -
Other	\$ 621,252	\$ 569,604	Other	\$ 1,151,012	\$ 1,174,495
<b>TOTAL INVESTMENTS</b>	<b>\$ 11,287,854</b>	<b>\$ 10,428,847</b>	<b>TOTAL LONG-TERM LIABILITIES</b>	<b>\$ 1,151,012</b>	<b>\$ 1,174,495</b>
<b>PROPERTY, PLANT AND EQUIPMENT</b>			<b>MEMBERS' EQUITY</b>		
Cost	\$ 57,858,564	\$ 53,523,793	Common stock	\$ 55,300	\$ 56,310
Accumulated depreciation	\$ (29,737,564)	\$ (27,070,825)	Participating Stock	\$ 8,420	\$ 8,350
<b>NET PROPERTY, PLANT, AND EQUIPMENT</b>	<b>\$ 28,121,000</b>	<b>\$ 26,452,968</b>	Patronage ledger credits	\$ 26,027,822	\$ 24,549,666
<b>TOTAL ASSETS</b>	<b>\$ 98,619,180</b>	<b>\$ 82,424,258</b>	Patronage dividends	\$ 4,111,110	\$ 3,386,196
			Accumulated other comprehensive income	\$ 537,273	\$ 367,193
			Retained Savings	\$ 20,414,486	\$ 17,963,624
			<b>TOTAL MEMBERS' EQUITY</b>	<b>\$ 51,154,411</b>	<b>\$ 46,331,339</b>
			<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	<b>\$ 98,619,180</b>	<b>\$ 82,424,258</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.

## STATEMENT OF OPERATIONS

	<u>2018</u>	<u>2017</u>
<b>SALES</b>		
Grain	\$ 63,583,678	\$ 61,985,585
Supply	<u>\$ 43,625,634</u>	<u>\$ 41,586,154</u>
<b>TOTAL SALES</b>	<u>\$ 107,209,312</u>	<u>\$ 103,571,739</u>
<b>COST OF SALES</b>		
Grain	\$ 51,215,918	\$ 53,537,181
Supply	<u>\$ 34,533,933</u>	<u>\$ 32,805,806</u>
<b>TOTAL COST OF SALES</b>	<u>\$ 85,749,851</u>	<u>\$ 86,342,987</u>
<b>GROSS MARGINS ON SALES</b>	<u>\$ 21,459,461</u>	<u>\$ 17,228,752</u>
<b>OTHER OPERATING INCOME</b>		
Storage and handling	\$ 1,808,653	\$ 2,324,414
Mill Operations	\$ 398,750	\$ 438,722
Freight and delivery income	\$ 293,135	\$ 323,651
Application income	\$ 1,506,439	\$ 1,606,716
Station services	\$ 231,226	\$ 233,703
Farm service income	\$ 42,376	\$ 40,025
Finance charges and interest income	\$ 508,859	\$ 432,417
Gain on disposal of property/plant/equipmer	\$ 238,056	\$ 14,034
Miscellaneous	<u>\$ 322,604</u>	<u>\$ 236,574</u>
<b>TOTAL OTHER OPERATING INCOME</b>	<u>\$ 5,350,098</u>	<u>\$ 5,650,256</u>
<b>GROSS INCOME FROM LOCAL OPERATIONS</b>	<u>\$ 26,809,559</u>	<u>\$ 22,879,008</u>

	<u>2018</u>	<u>2017</u>
<b>OPERATING EXPENSES</b>		
Personnel Costs	6,759,941	6,865,630
Fixed expenses	5,339,945	4,441,754
Other operating expenses	<u>5,314,034</u>	<u>4,682,718</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>17,413,920</u>	<u>15,990,102</u>
<b>SAVINGS FROM LOCAL OPERATIONS</b>	<u>9,395,639</u>	<u>6,888,906</u>
<b>OTHER SAVINGS</b>		
Regional Patronage Dividends	1,829,371	1,648,398
Dividends on stock	41,748	54,471
Investment income	-	-
<b>TOTAL OTHER SAVINGS</b>	<u>1,871,119</u>	<u>1,702,869</u>
<b>SAVINGS BEFORE INCOME TAXES</b>	<u>11,266,758</u>	<u>8,591,775</u>
<b>INCOME TAXES</b>	<u>(585,692)</u>	<u>(619,887)</u>
<b>NET SAVINGS</b>	<u>10,681,066</u>	<u>7,971,888</u>
<b>OTHER COMPREHENSIVE INCOME [LOSS]</b>		
Unrealized gain [loss] on securities available for sale	170,080	129,804
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>10,851,146</u>	<u>8,101,692</u>
<b>DISTRIBUTION OF COMPREHENSIVE INCOME</b>		
Patronage Dividends	8,222,221	6,772,392
Retained savings	2,458,845	1,199,496
Accumulated other comprehensive income [loss]	<u>170,080</u>	<u>129,804</u>
<b>TOTAL</b>	<u>10,851,146</u>	<u>8,101,692</u>

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<b>Patronage Rates</b>			
Commodity	2018	2017	2016
Based on bushels sold			
Grain	40.02¢ / bu	26.59¢ / bu	30.08¢ / bu
Grain Storage Paid	19.3%	20.5%	25.1%
Based on Purchases			
Fertilizer	10.348% or apprx \$45.01 / ton	9.25% or apprx \$50.00 / ton	12.018% or apprx \$65.00 / ton
Chemical	10.348%	9.257%	12.018%
Petroleum	1.705% or apprx 4¢ / Gal	2.290% or apprx 5¢ / Gal	6.218% or apprx 14¢ / Gal
Feed & Merchandise	2.876%	3.228%	3.633%