



2024 Annual Report

Countdown
Our Final Two Years



HIGHLIGHTS	Year Ended		
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Total Members' Equity	\$24,696,000	\$26,403,000	\$27,654,000
Income from ProGold LLC	\$6,240,000	\$6,084,000	\$6,751,000
Net Income	\$6,041,000	\$5,331,000	\$6,680,000
Earnings per Unit	\$0.39	\$0.34	\$0.43

Financial Review

Golden Growers Cooperative is an agricultural cooperative owned by 1456 members who reside primarily in Minnesota, North Dakota, and South Dakota. The cooperative was created in 1994 with the goal of adding value to members' corn by processing it into value added products. Until recently, Golden Growers owned 49% and American Crystal Sugar Company of Moorhead, Minnesota owned 51% interest in ProGold, LLC. On March 1st 2022, Cargill, Inc. and Golden Growers became 50/50 partners in ProGold, LLC.

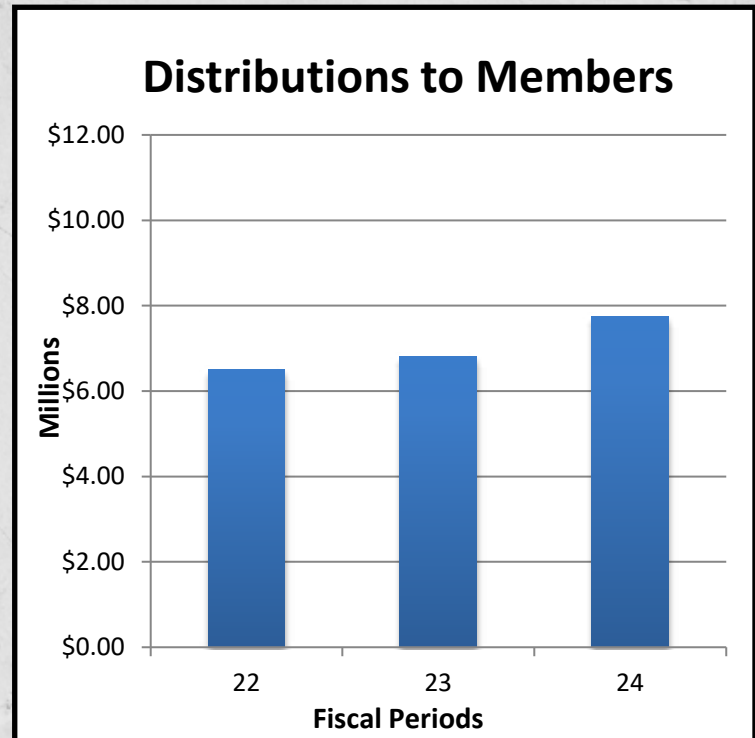
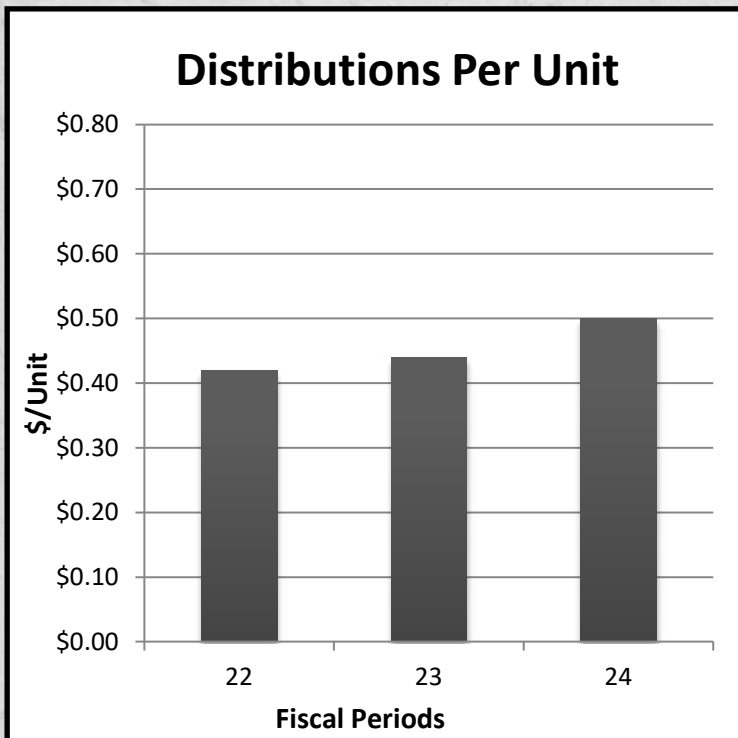
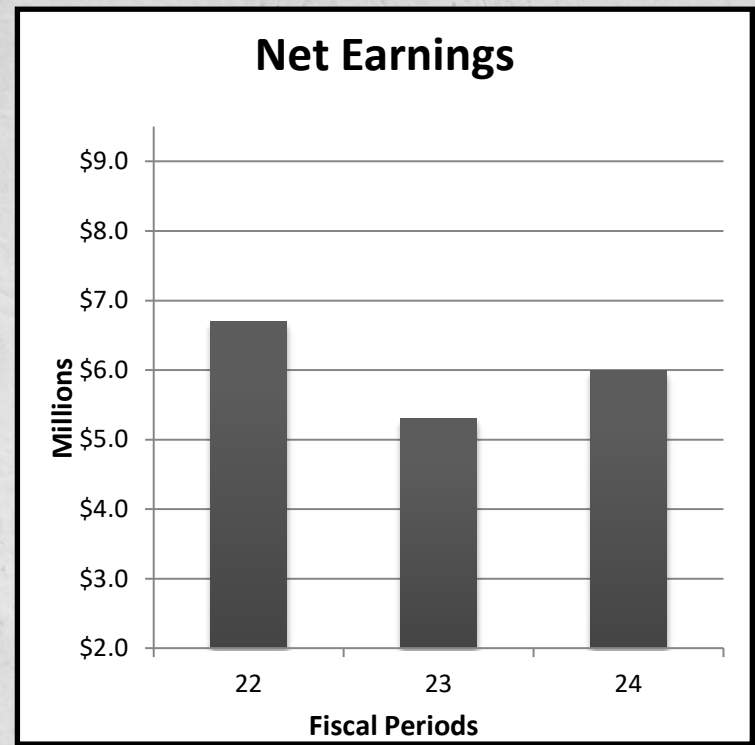
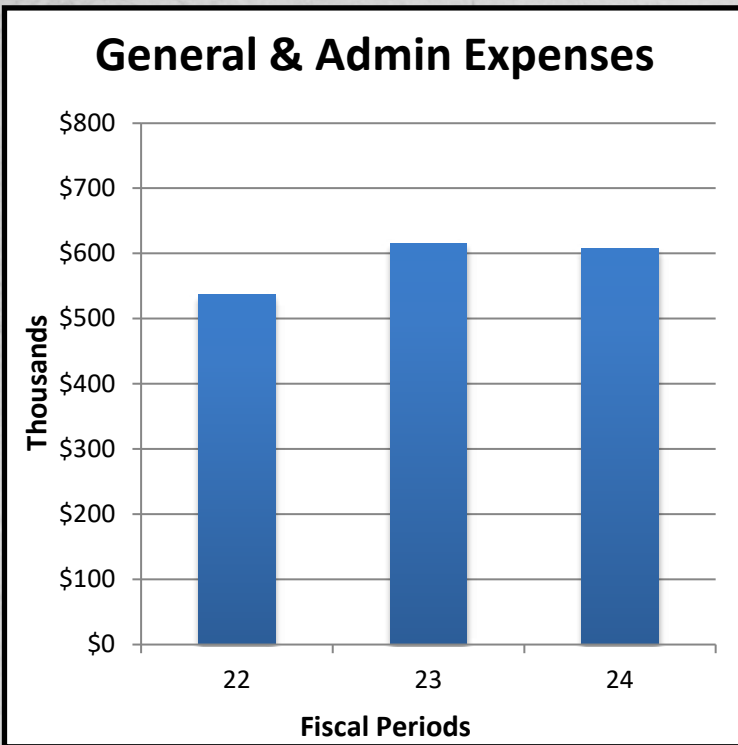
Effective March 1st, 2022, ProGold, LLC amended its lease agreement with Cargill Inc. to operate the ProGold corn wet-milling facility through December 31st, 2026. Under this agreement, ProGold retains ownership of the facility and receives rent of \$15.5 million for 2022-3, \$16 million for 2024-6. ProGold committed infrastructure maintenance spending of \$750,000 per year for 2022-3 and \$500,000 per year for 2024-6. Cargill will deploy capital for several approved projects. They will hold a leasehold interest in these capital projects and receive the benefit of depreciation during the lease period.

The 2022 agreement allowed for Golden Growers and Cargill to enter into an integrated JV agreement to operate the facility if certain conditions could be met. In December of 2024, Golden Growers and Cargill announced that an integrated JV agreement was not possible and that Cargill will purchase Golden Growers interest in ProGold for \$81,000,000 at the end of the current lease that expires December 31, 2026.

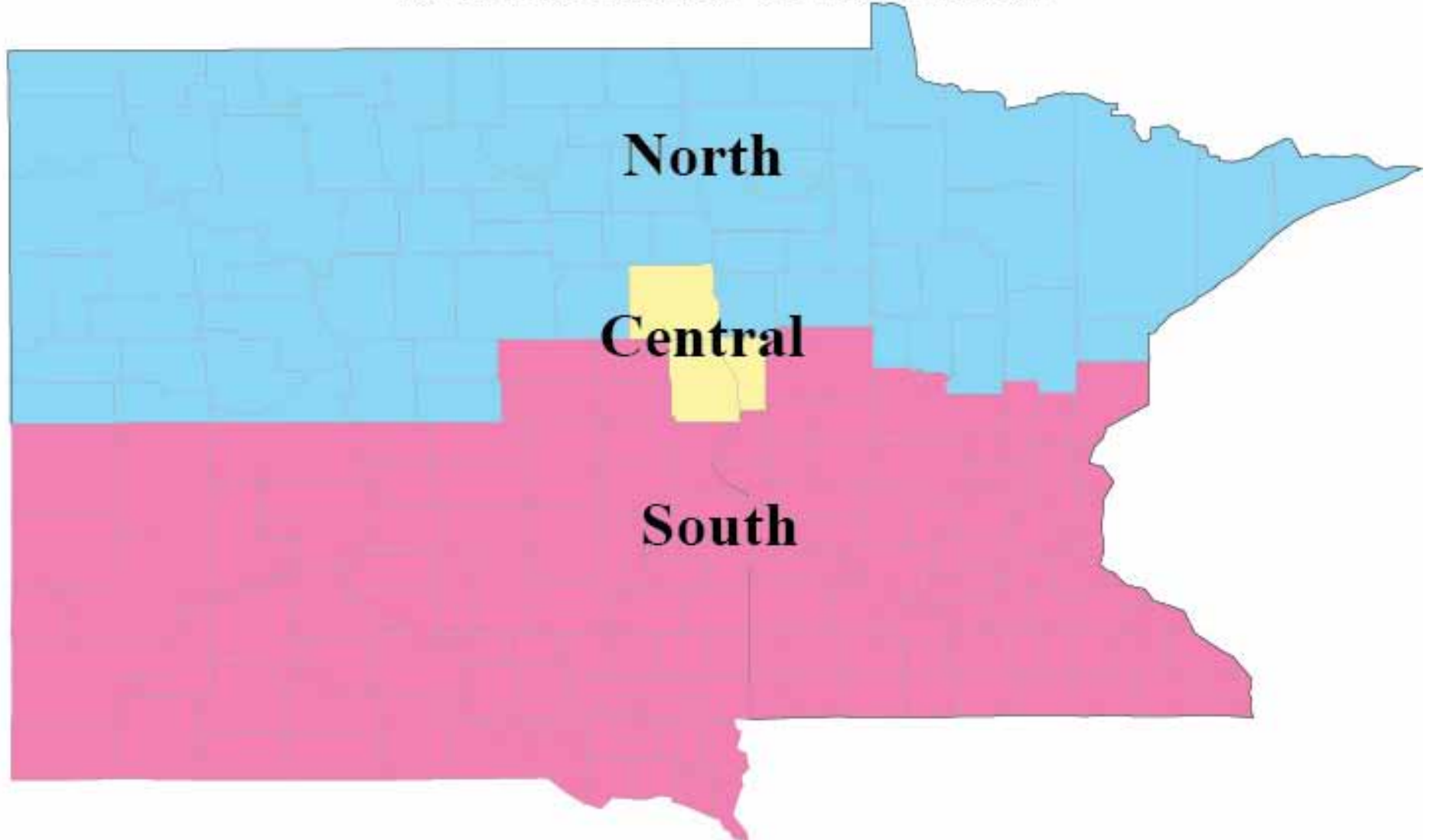
Golden Growers is registered as a Minnesota cooperative governed by Minnesota statute 308B. The financial reports presented in this document reflect audited financial reports for the periods ending December 31, 2024, 2023, and 2022.

For the year ended December 31, 2024, Golden Growers had net income of \$6,826,000, compared with a net income of \$5,331,000 for 2023, and \$6,680,000 for 2022.

Until recently, ProGold's fiscal year ended on August 31st. Adjusted for the calendar year, ProGold's net income for the twelve months ending December 31 of 2024 was \$12,480,000 compared to \$12,169,000 for calendar year 2023, and \$13,549,000 for calendar year 2022. Increased net income for ProGold in 2024 compared to 2023 is primarily attributable to increased lease income and decreased infrastructure expense.



Territorial Districts



This communication contains discussion of some of our expectations regarding Golden Growers Cooperative and ProGold LLC's future performance. These forward looking statements are based on our current views and assumptions. Actual results could differ materially from these current expectations and forecasts, and from historical performance. Members should consider such risks and uncertainties when evaluating any forward-looking statement and not put undue reliance on any forward-looking statements. Golden Growers Cooperative undertakes no obligation to update any forward-looking statements in this presentation to reflect future events or developments.

Board of Directors and Management

North



Blane Benedict
Sabin, MN



David Kragnes
Felton, MN
2nd Vice Chair

Central



Brett Johnson
Mooreton, ND
Chairman



Nicolas Pyle
Casselton, ND
1st Vice Chair



Scott Stofferahn
Executive Vice President

South



Richard Bot
Minneota, MN



Larry Vipond
Herman, MN
Treasurer

At Large



Mark Harless
Borup, MN



Matt Hasbargen
Fargo, ND
Secretary



Brady Koehl
Hancock, MN



1765 West 2320 South
Salt Lake City, UT 84119
801-972-4800
801-972-8841
www.HaynieCPAs.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Audit Committee, Board of Directors and Members
Golden Growers Cooperative
West Fargo, ND

Opinion on the Financial Statements

We have audited the accompanying balance sheet of Golden Growers Cooperation (the Company) as of December 31, 2024, and the related statements of operations, comprehensive income, changes in members' equity, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

The Company's balance sheet as of December 31, 2023 and the related statements of operations, comprehensive income, changes in members' equity and cash flows for each of the two years in the period ended December 31, 2023 were audited by other auditors whose report dated March 12, 2024, expressed an unqualified opinion on those financial statements.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the

Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provided a reasonable basis for our opinion.

Critical Audit Matters

Critical Audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

Haynie & Company
Salt Lake City, UT

March 18, 2025

We have served as **Golden Growers Cooperative's** auditor since 2024.



MANAGEMENT'S DISCUSSION OF FINANCIAL RESPONSIBILITY

The management of Golden Growers Cooperative is responsible for the preparation, integrity and objectivity of the accompanying financial statements and related information contained in this annual report. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles. Where appropriate, management has included estimates and judgments it believes are reasonable under the circumstances.

As a means of fulfilling its responsibility for the integrity of financial information included in this annual report, management has established a system of internal controls to obtain reasonable assurance that assets are safeguarded and transactions are properly recorded. Although no system of internal controls can detect and prevent all errors and irregularities, management believes the established system provides reasonable assurance that material errors and irregularities will be detected. The Board of Directors has also engaged independent certified accountants to review and assess the effectiveness of the internal accounting control system and to audit the cooperative's financial statements.

The Board of Directors has formed a finance committee to meet on a regular basis to review accounting, internal control, auditing and financial reporting matters. In addition, the finance committee meets with independent certified public accountants to discuss the planning and results of their audits.

Scott B. Stofferahn
Executive Vice President

Countdown

In late November it became obvious to your Board of Directors that Golden Growers ownership interest in ProGold, LLC would conclude at the end of the current lease period. Opportunities for a long-term joint venture with Cargill were unrealistic and we didn't want our member's financial interest to be diminished by hanging on longer than necessary.

After some honest conversations with Cargill, we decided to jointly announce that there was no other alternative left, but to publicly state that Cargill will purchase Golden Growers interest in ProGold, LLC (the corn milling facility) in late 2026 for \$81 million.

It had long been our goal to share in the profits and loss of the ProGold corn milling facility for years to come. Our agreement in February of 2022 would trigger a long-term JV negotiation if we could land a co-located operation that would consume at least one third of the grind capacity of the facility. We were hopeful that could be accomplished. The situation changed, however, as equity financing for emerging companies became difficult to attract in the midst of higher interest rates and construction costs. While there are several good prospects to make new products from corn sweetener or starch, all are well beyond the time horizon for our agreement with Cargill.

The future of the ProGold corn milling plant looks secure. Cargill has invested millions of dollars of capital to improve the facility. Those investments include rebuilding the fiber pre-dryer, replacement of the germ burner, anaerobic reactor replacement, and the distributive control system replacement. Experience informs us that companies investing significant amounts of capital into a facility shows a commitment well into the future.

And to be clear, under terms of the 2022 agreement, Cargill is REQUIRED to purchase Golden Growers interest in ProGold, LLC at the end of the lease.

For Golden Growers Cooperative, a countdown has begun. If members approve the resolution submitted with our notice of annual meeting, our cooperative will begin a required two-year process to wrap up business, distribute our assets to members, and dissolve in early 2027. In the meantime, your membership remains valuable. In addition to the \$81 million which, pending resolution approval, will be distributed in early 2027, Golden Growers had cash and investments assets of around \$9 million as of December 31, 2024. Our recent February payment begins the orderly distribution of cash reserves that are no longer needed for a potential long-term joint venture.

During 2025 and 2026, Golden Growers will continue to receive our share of ProGold rental income. We will continue to file our quarterly and annual SEC reports, and members will continue with their corn delivery obligations.

As outlined in the resolution submitted to members, the Board will maintain a reserve to address any potential claims. In 2027, the bulk of the \$81 million will be paid to members within a reasonable time period upon receipt of the Cargill payment. And a final payment will be issued after all obligations are satisfied. We will then notify the Minnesota Secretary of State that Golden Growers has been dissolved.

Our path has been determined and a countdown has begun. And while this path isn't what we'd hoped for, we believe we've kept our focus on our members and the good stewardship of their investment in our Cooperative.

Brett Johnson, Chairman

BALANCE SHEETS**Golden Growers Cooperative****December 31,**

(in thousands)

2024**2023****ASSETS**

Current Assets		
Cash and Cash Equivalents	\$ 1,307	\$ 2,097
Short-Term Investments	7,328	4,548
Other Current Assets	<u>298</u>	<u>318</u>
Total Current Assets	8,933	6,963
 Long-term Investments	 379	 2,788
Investment in ProGold Limited Liability Company	<u>15,588</u>	<u>17,073</u>
 Total Assets	 \$ <u>24,900</u>	 \$ <u>26,824</u>

LIABILITIES AND MEMBERS' EQUITY

Current Liabilities		
Accounts Payable	\$ -	\$ -
Accrued Liabilities	<u>204</u>	<u>421</u>
Total Current Liabilities	204	421
 Commitments and contingencies (Note 8)		
 Members' Equity		
Members' Equity	24,732	26,436
Membership Units, Authorized 60,000,000 Units, Issued and Outstanding 15,490,480 as of December 31, 2022 and 2021		
Accumulated Other Comprehensive Loss	<u>(36)</u>	<u>(33)</u>
Total Members' Equity	<u>24,696</u>	<u>26,403</u>
 Total Liabilities and Members' Equity	 \$ <u>24,900</u>	 \$ <u>26,824</u>

See accompanying Report of Independent Registered Public Accounting Firm and Notes to Financial Statements

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

OPERATIONS

Golden Growers Cooperative (in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Corn Revenue	\$ 61,998	\$ 88,019	\$ 107,409
Corn Expense	(62,033)	(88,278)	(107,451)
Net Income from ProGold Limited Liability Company	6,240	6,084	6,751
General & Administrative Expenses	<u>(608)</u>	<u>(615)</u>	<u>(537)</u>
Net Income from Operations	5,597	5,210	6,172
Other Income	<u>444</u>	<u>121</u>	<u>508</u>
Net Income	<u>\$ 6,041</u>	<u>\$ 5,331</u>	<u>\$ 6,680</u>
Weighted Average Shares/Units Outstanding	<u>15,490,480</u>	<u>15,490,480</u>	<u>15,490,480</u>
Earnings per Share/Membership Unit Primary and Fully Diluted	<u>\$ 0.39</u>	<u>\$ 0.34</u>	<u>\$ 0.43</u>

COMPREHENSIVE INCOME

Golden Growers Cooperative (in thousands)	Year Ended December 31, 2024	Year Ended December 31, 2023	Year Ended December 31, 2022
Net Income	\$ 6,041	\$ 5,331	\$ 6,680
Unrealized loss on investments	<u>(3)</u>	<u>234</u>	<u>(267)</u>
Comprehensive Income	<u>\$ 6,038</u>	<u>\$ 5,565</u>	<u>\$ 6,413</u>

STATEMENTS OF CHANGES IN MEMBERS' EQUITY

Golden Growers Cooperative (in thousands)	Total Members' Equity
BALANCE, DECEMBER 31, 2021	\$ 27,747
Net Income	6,680
Member Distributions	(6,506)
Unrealized loss on investments	<u>(267)</u>
BALANCE, DECEMBER 31, 2022	\$ 27,654
Net Income	5,331
Member Distributions	(6,816)
Unrealized loss on investments	<u>234</u>
BALANCE, DECEMBER 31, 2023	\$ 26,403
Net Income	6,041
Member Distributions	(7,745)
Unrealized loss on investments	<u>(3)</u>
BALANCE, DECEMBER 31, 2024	\$ <u>24,696</u>

STATEMENTS OF CASH FLOWS

Golden Growers Cooperative

(in thousands)

For the Years Ended December 31

2024

2023

2022

Cash Flows from Operating Activities

Net Income	\$ 6,041	\$ 5,331	\$ 6,680
Net (Income) from ProGold LLC	(6,240)	(6,084)	(6,751)
Realized (Gain)Loss - Investments	-	266	(286)
Changes in Assets and Liabilities			
Other Current Assets	20	(10)	(53)
Accrued Liabilities and Payables	<u>(217)</u>	<u>216</u>	<u>-</u>
Net Cash Used in Operating Activities	<u>(396)</u>	<u>(281)</u>	<u>(410)</u>

Cash Flows from Investing Activities

(Purchase) Sale of Investments	(8,802)	(2,312)	(2,039)
Proceeds from investments	8,428	2,016	-
Investment in ProGold LLC	-	-	(89)
Distribution received from ProGold LLC	<u>7,725</u>	<u>7,344</u>	<u>9,595</u>
Net Cash Provided by Investing Activities	<u>7,351</u>	<u>7,048</u>	<u>7,467</u>

Cash Flows from Financing Activities

Member Distributions Paid	<u>(7,745)</u>	<u>(6,816)</u>	<u>(6,506)</u>
Net Cash Used by Financing Activities	<u>(7,745)</u>	<u>(6,816)</u>	<u>(6,506)</u>

Increase (Decrease) in Cash and Cash Equivalents

	(790)	(49)	551
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Cash and Cash Equivalents, Beginning of Year

	<u>2,097</u>	<u>2,146</u>	<u>1,595</u>
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Cash and Cash Equivalents, End of Year

	\$ <u>1,307</u>	\$ <u>2,097</u>	\$ <u>2,146</u>
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Supplemental Schedule of Non-Cash and Investing Activity

Investing Activity			
Unrealized Gain(Loss) on Investments	\$ <u>(3)</u>	\$ <u>234</u>	\$ <u>(267)</u>

See accompanying Report of Independent Registered Public Accounting Firm and Notes to Financial Statements

NOTE 1 - NATURE OF OPERATIONS

Organization - Golden Growers Cooperative was initially organized as a North Dakota member-owned cooperative incorporated on January 19, 1994 ("GG-ND"). GG-ND and two other partners, one of whom was American Crystal Sugar Company ("ACSC") entered into a joint venture that formed ProGold Limited Liability Company, a Minnesota limited liability company ("ProGold") which designed and constructed a corn wet-milling facility in Wahpeton, North Dakota (the "Facility"). Effective March 1, 2022, Cargill exercised its Option to purchase a 50% interest in ProGold from American Crystal Sugar. Simultaneously with the exercise of the Option, the Cooperative, pursuant to the Consent Agreement, elected to purchase American Crystal's remaining 1% interest in ProGold. Under the joint venture, GG-ND (and indirectly its members) had the right and obligation to deliver corn to be processed at the Facility. In 1997, the Facility was leased to Cargill Incorporated ("Cargill") who continues to operate the Facility. In connection with the Option exercise, ProGold and Cargill entered into that certain First Amended and Second Amended and Restated Facility lease, effective March 1, 2022, which extended the term of the Facility Lease through December 31, 2026.

On July 29, 2009 GG-ND formed a wholly owned cooperative subsidiary in the state of Minnesota (GG-MN), organized under Minnesota Statutes chapter 308A, solely for the purpose of reincorporating into the state of Minnesota. On September 1, 2009, GG-ND merged into GG-MN and reincorporated into the state of Minnesota. Immediately after the merger, GG-MN statutorily converted into a cooperative association governed under Minnesota Statutes 308B. As a result of its reincorporation and reorganization Golden Growers — North Dakota, a North Dakota cooperative association historically taxed as a tax-exempt cooperative under Subchapter T of the Internal Revenue Code, became Golden Growers Cooperative, a Minnesota cooperative association governed by Minnesota Statutes chapter 308B as a cooperative for state law purposes but taxed as a partnership under Subchapter K of the Internal Review Code for tax purposes. Golden Growers Cooperative succeeded to the business of Golden Growers — North Dakota and except for changes to the structure and operations as a result of the reincorporation and statutory conversion, continues to operate the business of Golden Growers — North Dakota.

As part of the Conversion, GG-ND's members exchanged their shares of Class A Common Voting Membership Stock and Class B Non-Voting Equity Stock for identical and equal shares of such stock in GG-MN. Each member's single share of Class A Common Voting Membership Stock was redeemed for \$150 and each member received membership units in GG-MN equal to the number of shares of Class B Non-Voting Equity Stock each member held in GG-ND prior to the Merger.

Prior to September 1, 2009, ownership of membership stock, which signified membership in the Cooperative, was restricted to producers of agricultural products. The ownership of equity stock was restricted to members of the Cooperative. Preferred stock could be held by persons who were not members of the Cooperative. At August 31, 2009 and 2008, the Cooperative had 10,000 shares of non-voting, \$1,000 par-value preferred stock authorized, of which none were issued or outstanding. Equity requirements, as determined by the board of directors, could be retained from amounts due to patrons and credited to members' equity in the form of unit retains or allocated patronage.

The Cooperative reserved the right to acquire any of its stock offered for sale and the right to recall the stock of any member. In the event this right was exercised, the consideration paid for such stock was 25% of its book value.

Beginning September 1, 2009, ownership of membership units is available to any person or entity residing in the United States of America. Net proceeds or losses will be allocated to members on the basis of their patronage of the Cooperative.

In connection with the Conversion, the Cooperative changed its fiscal year end to December 31.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant Accounting Policies:

Receivables — The Cooperative charges members an agency fee in connection with corn procurement services provided to the members. The Cooperative has tracked historical loss information for its member receivables and has compiled historical credit loss percentages for different aging categories. The Cooperative's member receivables are included in Other Current Assets in the accompanying balance sheets and totaled \$224,000 as of December 31, 2024, \$220,000 as of December 31, 2023 and \$224,000 as of December 31, 2022.

The Cooperative believes that the historical loss information it has compiled is a reasonable base on which to determine expected credit losses for member receivables held at December 31, 2024 and 2023 because the composition of the member receivables at those dates are consistent with that used in developing the historical credit-loss percentages (i.e., the similar risk characteristics of its members and its lending practices have not changed significantly over time). Additionally, the Cooperative has determined that the current and reasonable and supportable forecasted economic conditions are consistent with the economic conditions included in the historical information. As a result, the historical loss rates have not been adjusted for differences in current conditions or forecasted changes. Accordingly, there was no allowance for credit losses at December 31, 2024 and 2023.

Investments — The Cooperative's investment in ProGold is recorded at historical cost plus its pro-rata share of ProGold's net income and additional paid-in capital less distributions received from ProGold.

The Cooperative classifies its debt securities into held-to-maturity, trading, or available-for-sale categories. Debt securities are classified as held-to-maturity when the Cooperative has the positive intent and ability to hold the securities to maturity. Held-to-maturity securities are recorded as either short-term or long-term on the balance sheet based on contractual maturity date and are stated at amortized cost. Debt securities not classified as held-to-maturity or as trading are classified as available-for-sale and are carried at fair market value, with unrealized gains and losses included in the determination of comprehensive income and reported as a component of stockholders' equity.

The Cooperative establishes an allowance for credit losses on debt securities where the fair value is less than the amortized cost basis to the extent the unrealized loss is due to credit losses. The expected credit losses are presented as loss on investments in the accompanying statement of

operations. The Cooperative's process for establishing the allowance for credit losses considers the risk characteristics of the security class. To the extent possible, losses are estimated collectively for classes of securities with similar risk characteristics. For securities that do not share similar risk characteristics with others, the losses are estimated individually. For available-for-sale debt securities, losses are estimated at the individual security level. The Cooperative's allowance for credit losses are influenced by a variety of factors, including portfolio credit quality and general economic conditions. General economic conditions are forecasted using economic variables which will create volatility as those variables change over time. The Cooperative's allowance for credit losses on its held to maturity securities and its available for sale securities was not significant as of December 31, 2024 and 2023. The Cooperative did not recognize any credit losses on its held to maturity securities and available for sale securities for the years ended December 31, 2024 and 2023.

Cash and Cash Equivalents — The Cooperative considers all demand accounts and overnight sweep accounts to be cash equivalents. Cash equivalents do not include money market accounts maintained by the Cooperative's investment managers. Cash equivalents do not include any investment with a stated maturity date, regardless of the term to maturity.

Income Taxes — Golden Growers Cooperative is taxed as a limited liability company under Subchapter K of the Internal Revenue Code. As such, the Cooperative is generally not subject to income taxes. Instead, net income is reported by its members who will be responsible for any income taxes which may be due. The Cooperative's net financial basis in its assets and liabilities exceeded its tax basis by approximately \$5.3 million and \$6.1 million as of December 31, 2024 and 2023, respectively.

Property and Equipment — Property and equipment are stated at cost. Depreciation on assets placed in service is provided using the straight-line method over estimated useful lives ranging from 5 to 10 years.

Accounting Estimates — The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition — Revenue from marketing of members' corn is recognized as a point in time upon delivery of the corn to the cooperative.

NOTE 2 - Continued

The Cooperative's members are contractually obligated to annually deliver corn to the Cooperative by either Method A or Method B or a combination of both. Under Method A, a member is required to physically deliver corn to the cooperative and under Method B, the Cooperative, at the request of the member, arranges for the acquisition and delivery of corn on the member's behalf. For those members delivering under Method A, the Cooperative has an agreement with Cargill, Inc. ("Cargill") in which Cargill coordinates the delivery of the corn to the ProGold plant by the Cooperative's members. For those members delivering under Method B, the Cooperative has an agreement with Cargill in which Cargill acquires corn on behalf of the Cooperative's members in fulfillment of the members' delivery commitments. In exchange for these services, the Cooperative pays Cargill an annual fee of \$60,000, paid in quarterly installments.

In fiscal year 2024, the Cooperative paid members who deliver corn under Method A an incentive payment of \$.05 per bushel while members who elect Method B to deliver corn pay the Cooperative a \$.02 per bushel fee for the cost of having the Cooperative deliver corn on their behalf. For fiscal year 2025, the Cooperative will pay a \$.05 per bushel Method A incentive payment and assess a \$.02 Method B fee. The board has the discretion to change the incentive fees based on the Cooperative's corn delivery needs. The delivery fees are a component of Corn Expense.

With respect to all Method A corn deliveries, members who deliver corn under Method A are paid the market or contracted price for their corn. However, per agreement with the Cooperative, Cargill reports the purchase price as the product of Method A bushels delivered during a month and the average market price for the month. If at the conclusion of the year, a Method A member fails to fully satisfy the corn delivery requirement, Cargill will purchase replacement corn. The member with a Method A shortfall will be responsible for a purchased corn fee payable to Cargill and a fee determined by the Board of Directors for all bushels needed to complete their annual Method A delivery.

With respect to Method B corn deliveries, the Cooperative shall notify

Cargill of the number of Method B bushels to be purchased during the quarter. Cargill will certify to the Cooperative that it has purchased the necessary Method B bushels. Method B corn revenue will be determined to be equal to the price paid. The Cooperative has determined Corn Expense for Method B deliveries based on the average quarterly market price per bushel reported by Cargill to the Cooperative's members for Method A quarterly deliveries.

Concentrations - Several times during the year, the Cooperative maintained a cash balance in excess of the Federal Deposit Insurance Corporation ("FDIC") limits. At December 31, 2024, the Cooperative's cash balance exceeded the FDIC insurance limits by approximately \$1.1 million.

Fair Value Measurements - The Cooperative has determined the fair value of certain assets and liabilities in accordance with the provisions of Accounting Standards Codification ("ASC") 820-10, which provides a framework for measuring fair value under generally accepted accounting principles.

ASC 820-10 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820-10 requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. ASC 820-10 also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

Level 1 inputs consist of quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the related asset or liability. Level 3 inputs are unobservable inputs related to the asset or liability.

NOTE 3 - RECENTLY ADOPTED ACCOUNTING PRONOUNCEMENTS

Beginning in 2024 annual reporting, the Cooperative adopted Accounting Standards Update (ASU) No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07) that was issued by the Financial Accounting Standards Board (FASB).

This new standard requires an enhanced disclosure of significant segment expenses on an annual basis. Upon adoption, the guidance was applied retrospectively to all prior periods presented in the financial statements.

NOTE 3 - CONTINUED

Operating Segments and Related Disclosures

The Cooperative is managed as a single reportable operating segment, which markets members' corn for processing at ProGold LLC's corn wet-milling plant, and derives income from its investment in ProGold LLC. The single segment information aligns with how the Cooperative's Chief Operating Decision Maker ("CODM") reviews and manages the Cooperative's business. The Cooperative's CODM is the Executive Vice President.

Financial information and annual operating plans and forecasts are prepared and reviewed by the CODM at the entity level. The CODM assesses

performance for the segment and decides how to better allocate resources based on net income that is reported on the Statements of Operations.

The Cooperative's objective in making resource allocation decisions is to optimize the financial results. The accounting policies of the Cooperative's single segment are the same as those described in the summary of significant accounting policies herein.

For single reportable segment-level financial information, total assets, and significant non-cash transactions, see Financial Statements.

NOTE 4 - PROGOLD LIMITED LIABILITY COMPANY

For the first two months of 2022, the Cooperative had a 49% ownership interest in ProGold LLC. For the last ten months of 2022 and all of 2023 and 2024, the Cooperative had a 50% ownership in ProGold LLC. Following is summary financial information for ProGold LLC. (in thousands):

	2024	<u>December 31,</u> 2023	2022
Current Assets	\$ 293	\$ 201	\$ 223
Long-Term Assets	<u>30,969</u>	<u>33,945</u>	<u>36,475</u>
Total Assets	<u>\$ 31,262</u>	<u>\$ 34,146</u>	<u>\$ 36,698</u>
Current Liabilities	\$ 88	\$ -	\$ 31
Long-Term Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	88	-	31
Members' Equity	<u>31,174</u>	<u>34,146</u>	<u>36,667</u>
Total Liabilities and Members' Equity	<u>\$ 31,262</u>	<u>\$ 34,146</u>	<u>\$ 36,698</u>
Rent Revenue on Operating Lease	\$ 15,825	\$ 15,810	\$ 17,468
Expenses	<u>3,345</u>	<u>3,641</u>	<u>3,919</u>
Net Income	<u>\$ 12,480</u>	<u>\$ 12,169</u>	<u>\$ 13,549</u>

NOTE 5 - INVESTMENTS

The Cooperative has determined fair value of its investments based on Level 2 inputs (in thousands).

	Level 1	Level 2	Level 3	Total
December 31, 2024				
Corporate Bonds - Held to Maturity	\$ -	\$ 2,665	\$ -	\$ 2,665
Fixed Income Funds	-	710	-	710
Money Market & CD's	-	4,328	-	4,328
	<u>\$ -</u>	<u>\$ 7,703</u>	<u>\$ -</u>	<u>\$ 7,703</u>
December 31, 2023				
Corporate Bonds - Held to Maturity	\$ -	\$ 6,030	\$ -	\$ 6,030
Fixed Income Funds	-	685	-	685
Money Market & CD's	-	601	-	601
	<u>\$ -</u>	<u>\$ 7,316</u>	<u>\$ -</u>	<u>\$ 7,316</u>

The Cooperative's investments are as follows as of December 31, 2024 and 2023 (in thousands):

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2024				
Corporate Bonds - Held to Maturity	\$ 2,669	\$ 17	\$ (21)	\$ 2,665
Fixed Income Funds	746	-	(36)	710
Money Market & CD's	4,328	-	-	4,328
	<u>\$ 7,743</u>	<u>\$ 17</u>	<u>\$ (57)</u>	<u>\$ 7,703</u>
December 31, 2023				
Corporate Bonds - Held to Maturity	\$ 6,050	\$ 30	\$ (50)	\$ 6,030
Fixed Income Funds	718	-	(33)	685
Money Market & CD's	601	-	-	601
	<u>\$ 7,369</u>	<u>\$ 30</u>	<u>\$ (83)</u>	<u>\$ 7,316</u>

NOTE 5 - INVESTMENTS, Continued

Corporate bond maturities are as follows as of December 31, 2024 (in thousands):

	Net Carrying Amount	Fair Value
Due in 1 Year or Less	\$ 2,290	\$ 2,304
Due in 2 to 5 Years	327	306
Due in 6-10 Years	<u>52</u>	<u>35</u>
	<u>\$ 2,669</u>	<u>\$ 2,665</u>

The following table shows the gross unrealized losses and fair value of the Cooperative's Securities with unrealized losses that are not deemed to have credit losses, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2024 and 2023:

	Less than 12 months		More than 12 months	
	Fair Value	Gross Unrealized Gains	Fair Value	Gross Unrealized Gains
December 31, 2024				
Corporate Bonds - Held to Maturity	\$ 36	\$ (15)	\$ 95	\$ (5)
Fixed Income Funds - Available for Sale	<u>34</u>	<u>-</u>	<u>676</u>	<u>(36)</u>
	<u>\$ 70</u>	<u>\$ (15)</u>	<u>\$ 771</u>	<u>\$ (41)</u>
December 31, 2023				
Corporate Bonds - Held to Maturity	\$ 1,037	\$ (18)	\$ 1,433	\$ (32)
Fixed Income Funds	<u>201</u>	<u>(1)</u>	<u>484</u>	<u>(32)</u>
	<u>\$ 1,238</u>	<u>\$ (19)</u>	<u>\$ 1,917</u>	<u>\$ (64)</u>

The Cooperative has determined that the unrealized losses are deemed to be temporary impairments as of December 31, 2024 and 2023. The Cooperative believes that the unrealized losses generally are caused by interest rate increases and increases in the risk premiums required by market participants rather than an adverse change in cash flows or a fundamental weakness in the credit quality of the issuer or underlying assets.

NOTE 6 - INCOME TAXES

The Cooperative follows the provisions of ASC 740-10 related to accounting for uncertainty in income taxes.

The Cooperative had no unrecognized tax benefits on December 31, 2024 and 2023. No interest or penalties are recognized in the statements of operations or in the balance sheets.

The Cooperative recognized no income tax expense for the years ended December 31, 2024, 2023 and 2022.

NOTE 7 - EMPLOYEE BENEFIT PLANS

Pension Plan – In December 2012, the Cooperative approved a change to freeze the Cooperative's defined benefit pension plan as of January 1, 2013. As a result, no additional benefits accrued to participants in the plan. During the years ended December 31, 2024, 2023 and 2022, there were no pension expenses.

In December 2022, the Cooperative approved a resolution to terminate the plan on March 31, 2023. The process of terminating the plan included the purchase of annuities from the assets of the plan to satisfy payment of vested benefits to the remaining participant as prescribed by the Pension Benefit Guarantee Corporation's standard termination process. There were sufficient funds to purchase an annuity for the plan's remaining participant to pay all of the benefits owed under the plan. In May excess funds totaling \$37,603 were returned to the Cooperative and in August the Cooperative paid an excise tax to the U.S. Treasury in the amount of \$18,802. The Cooperative was notified of the plan termination on August 6, 2024.

401(k) Plan - The Cooperative has a 401(k) plan that covers employees that meet eligibility requirements. The Cooperative's contributions to the plan totaled \$7,983, \$7,693, and \$7,325 for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

The Cooperative contracted with Cargill, Incorporated in connection with the procurement of corn which includes payments of \$60,000 in 2024. The contract continues through 2026.

On March 1, 2022, the Cooperative and Cargill entered into that certain ProGold Limited Liability Company Agreement (the "Operating Agreement"). The Operating Agreement defined a triggering event, whereby the Cooperative and Cargill would work together to finalize a long-term joint venture agreement for the structure, governance and operation of ProGold according to certain operating principles and other guideline terms. In December of 2024, the Cooperative and Cargill determined that a long-term joint venture would not be possible and that Cargill will purchase the Cooperative's 50% interest in ProGold for \$81 million within 30 days following expiration of the Facility Lease pursuant to the terms of the Operating Agreement.

In January 2025, the Cooperative's Board of Directors approved a resolution to submit to the members for their approval at the 2025 Annual Member Meeting a Plan of Liquidation and Dissolution of the Cooperative providing (i) for approval of the sale of the Cooperative's 50% interest in ProGold pursuant to the terms of the Operating Agreement and distribution of the proceeds of such sale, along with all other assets of the Cooperative, to the members; and (ii) granting the Board of Directors authority to negotiate, execute and file all agreements, documents or instruments necessary to effect such liquidation and dissolution of Golden Growers Cooperative. If approved by the Cooperative's members at the 2025 Annual Member Meeting, the Cooperative will implement the Plan of Liquidation and Dissolution as presented to the members.

NOTE 9 - LINE OF CREDIT

The Cooperative established a \$2,000,000 line of credit with a variable interest rate based on the prime rate that terminates on October 16, 2026. The line of credit is secured by the Investment Management Agency account for Golden Growers maintained by Bell Bank. There is no outstanding balance as of December 31, 2023 and 2022.

NOTE 10 - SUBSEQUENT EVENTS

In January of 2025, the Cooperative declared a distribution of \$3,562,810, or \$0.23 per outstanding membership unit.

See Note 8 regarding the Board's approval of a resolution to submit to the members for their approval a Plan of Liquidation and Dissolution of the Cooperative.

Management evaluated all other activity of the Cooperative through March XX, 2025, the date to which the financial statements were available to be issued, and concluded that, other than the matters described above, no other subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

Auditors:
Haynie and Company
Salt Lake City, UT

Fiscal Year:
January 1 through December 31

Annual Meeting:
March 20, 2025
DoubleTree by Hilton, West Fargo

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