



FINANCIAL STATEMENTS

Year Ended December 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Bushmills Ethanol, Inc
Atwater, Minnesota

Opinion

We have audited the accompanying financial statements of **Bushmills Ethanol, Inc** (a Minnesota cooperative), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Bushmills Ethanol, Inc** as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Bushmills Ethanol, Inc** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Bushmills Ethanol, Inc's** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Bushmills Ethanol, Inc's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Bushmills Ethanol, Inc's** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Christina PUP

Willmar, Minnesota
February 19, 2024

BUSHMILLS ETHANOL, INC
BALANCE SHEETS
December 31, 2023 and 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	\$ 63,521,879	\$ 49,307,138
Accounts receivable	10,560,342	6,732,555
Inventories	11,546,849	13,496,635
Prepaid expenses	724,181	642,669
Hedge accounts	-	4,974,821
	86,353,251	75,153,818
PROPERTY AND EQUIPMENT		
Land and improvements	5,659,373	5,659,373
Buildings	7,664,334	7,664,334
Vehicles	81,374	81,374
Office equipment	476,047	406,462
Plant equipment	103,182,691	101,477,752
Construction in progress	1,057,717	354,035
	118,121,536	115,643,330
Accumulated depreciation	(85,242,823)	(81,239,692)
	32,878,713	34,403,638
OTHER ASSETS		
Financing costs, net of amortization	26,657	45,296
Restricted cash	600,159	571,784
Right-of-use assets - operating leases	7,240,196	4,181,195
Investments	10,126,638	8,789,684
	17,993,650	13,587,959
TOTAL ASSETS	\$ 137,225,614	\$ 123,145,415
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 22,014,421	\$ 18,144,712
Accounts payable - related party	7,542,683	5,769,798
Accrued expenses	1,295,506	1,260,419
Deferred corn pool fees	5,355	26,773
Current maturities of lease liability - operating leases	1,520,364	948,327
Hedge accounts	173,634	-
	32,551,963	26,150,029
TOTAL CURRENT LIABILITIES	32,551,963	26,150,029
LEASE LIABILITY - OPERATING, net of current maturities	5,719,832	3,232,868
MEMBERS' EQUITY	98,953,819	93,762,518
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 137,225,614	\$ 123,145,415

Excerpted from audited financial statements.

BUSHMILLS ETHANOL, INC
STATEMENTS OF OPERATIONS
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
SALES	\$ 240,532,150	\$ 257,104,614
COST OF SALES	<u>210,074,591</u>	<u>228,609,336</u>
GROSS PROFIT	30,457,559	28,495,278
OPERATING EXPENSES	<u>4,551,319</u>	<u>3,886,162</u>
INCOME FROM OPERATIONS	25,906,240	24,609,116
OTHER INCOME (EXPENSE)		
Interest and dividend income	1,151,098	119,709
Interest expense	(65,000)	(33,800)
Miscellaneous income	13,213	156,482
	<u>1,099,311</u>	<u>242,391</u>
NET INCOME	<u>\$ 27,005,551</u>	<u>\$ 24,851,507</u>

Excerpted from audited financial statements.

BUSHMILLS ETHANOL, INC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
Years Ended December 31, 2023 and 2022

BALANCE - December 31, 2021	\$	102,848,289
Membership fees - patron		3,000
Distributions		(33,940,278)
Net income		<u>24,851,507</u>
BALANCE - December 31, 2022		93,762,518
Membership fees - patron		4,500
Distributions		(21,818,750)
Net income		<u>27,005,551</u>
BALANCE - December 31, 2023	\$	<u><u>98,953,819</u></u>

Excerpted from audited financial statements.

BUSHMILLS ETHANOL, INC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	2023	2022
OPERATING ACTIVITIES		
Net income	\$ 27,005,551	\$ 24,851,507
Charges to net income not affecting cash		
Depreciation and amortization	4,021,770	4,028,594
Realized and unrealized (gains) losses on hedging activities	(688,712)	5,416,638
(Increase) decrease in current assets		
Accounts receivable	(3,827,787)	3,891,746
Prepaid accounts	(81,512)	(57,271)
Net cash received from (paid on) hedging activities	5,837,167	(3,644,409)
Inventories	1,949,786	(993,026)
Increase (decrease) in current liabilities		
Accounts payable	5,642,594	4,076,314
Accrued expenses	35,087	(37,520)
Deferred corn pool fees	(21,418)	(21,417)
	39,872,526	37,511,156
NET CASH PROVIDED BY OPERATING ACTIVITIES		
INVESTING ACTIVITIES		
Purchases of property and equipment	(2,478,206)	(516,739)
Purchases of investments	(1,336,954)	(8,358,606)
	(3,815,160)	(8,875,345)
NET CASH USED IN INVESTING ACTIVITIES		
FINANCING ACTIVITIES		
Distributions to members	(21,818,750)	(33,940,278)
Proceeds from membership fees	4,500	3,000
	(21,814,250)	(33,937,278)
NET CASH USED IN FINANCING ACTIVITIES		
NET DECREASE IN CASH AND CASH EQUIVALENTS		
	14,243,116	(5,301,467)
CASH AND CASH EQUIVALENTS - beginning of year		
	49,878,922	55,180,389
CASH AND CASH EQUIVALENTS - end of year		
	\$ 64,122,038	\$ 49,878,922
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents	\$ 63,521,879	\$ 49,307,138
Restricted cash	600,159	571,784
Total cash, cash equivalents, and restricted cash	\$ 64,122,038	\$ 49,878,922
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 65,000	\$ 33,800
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Initial right-of-use operating assets and liabilities recorded upon adoption of ASC 842 (see Note I)	\$ -	\$ 5,256,246
Right-of-use operating assets and liabilities incurred upon lease execution (see Note I)	\$ 4,369,476	\$ -

Excerpted from audited financial statements.