BUSHMILLS ETHANOL

FINANCIAL STATEMENTS

Year Ended December 31, 2024

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, 2024 and 2023, 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, 2024 and 2023, 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.

Christianson PLLP

Willmar, Minnesota
February 17, 2025

BUSHMILLS ETHANOL, INC
BALANCE SHEETS
December 31, 2024 and 2023

		2024		2023
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$	31,490,144	$	63,521,879
Accounts receivable		6,003,731		10,560,342
Inventories		13,378,094		11,546,849
Prepaid expenses		749,301		724,181
Hedge accounts		3,087,777		-
TOTAL CURRENT ASSETS		54,709,047		86,353,251
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		476,047
Plant equipment		115,200,279		103,182,691
Construction in progress		2,709,662		1,057,717
		131,791,069		118,121,536
Accumulated depreciation		(88,978,944)		(85,242,823)
		42,812,125		32,878,713
OTHER ASSETS				
Financing costs, net of amortization		8,017		26,657
Restricted cash		631,497		600,159
Right-of-use assets - operating leases		5,746,152		7,240,196
Investments		10,282,897		10,126,638
		16,668,563		17,993,650
TOTAL ASSETS	$	114,189,735	$	137,225,614
LIABILITIES AND MEMBERS' EQUITY				
CURRENT LIABILITIES				
Accounts payable	$	11,634,458	$	22,014,421
Accounts payable - related party		5,531,039		7,542,683
Accrued expenses		1,135,065		1,295,506
Deferred corn pool fees		60,500		5,355
Current maturities of lease liability - operating leases		1,495,067		1,520,364
Hedge accounts		-		173,634
TOTAL CURRENT LIABILITIES		19,856,129		32,551,963
LEASE LIABILITY - OPERATING, net of current maturities		4,251,085		5,719,832
MEMBERS' EQUITY		90,082,521		98,953,819
TOTAL LIABILITIES AND MEMBERS' EQUITY	$	114,189,735	$	137,225,614

Excerpted from audited financial statements.

BUSHMILLS ETHANOL, INC
STATEMENTS OF OPERATIONS
Years Ended December 31, 2024 and 2023

	2024	2023
SALES	$ 182,134,103	$ 240,532,150
COST OF SALES	161,077,722	210,074,591
GROSS PROFIT	21,056,381	30,457,559
OPERATING EXPENSES	4,361,179	4,551,319
INCOME FROM OPERATIONS	16,695,202	25,906,240
OTHER INCOME (EXPENSE)		
Interest and dividend income	1,622,050	1,151,098
Interest expense	(45,000)	(65,000)
Miscellaneous income	3,671	13,213
	1,580,721	1,099,311
NET INCOME	$ 18,275,923	$ 27,005,551

Excerpted from audited financial statements.

BUSHMILLS ETHANOL, INC
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
Years Ended December 31, 2024 and 2023

BALANCE - December 31, 2022	$	93,762,518
Membership fees - patron		4,500
Distributions		(21,818,750)
Net income		27,005,551
BALANCE - December 31, 2023		98,953,819
Membership fees - patron		5,000
Distributions		(27,152,221)
Net income		18,275,923
BALANCE - December 31, 2024	$	90,082,521

Excerpted from audited financial statements.

BUSHMILLS ETHANOL, INC
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

		2024		2023
OPERATING ACTIVITIES				
Net income	$	18,275,923	$	27,005,551
Charges to net income not affecting cash				
Depreciation and amortization		3,754,761		4,021,770
Realized and unrealized (gains) losses on hedging activities		(1,787,904)		(688,712)
(Increase) decrease in current assets				
Accounts receivable		4,556,611		(3,827,787)
Prepaid accounts		(25,120)		(81,512)
Net cash received from (paid on) hedging activities		(1,473,507)		5,837,167
Inventories		(1,831,245)		1,949,786
Increase (decrease) in current liabilities				
Accounts payable		(12,163,132)		5,642,594
Accrued expenses		(160,441)		35,087
Deferred corn pool fees		55,145		(21,418)
NET CASH PROVIDED BY OPERATING ACTIVITIES		9,201,091		39,872,526
INVESTING ACTIVITIES				
Purchases of property and equipment		(13,898,008)		(2,478,206)
Purchases of investments		(331,061)		(1,336,954)
Redemption of investments		174,802		-
NET CASH USED IN INVESTING ACTIVITIES		(14,054,267)		(3,815,160)
FINANCING ACTIVITIES				
Distributions to members		(27,152,221)		(21,818,750)
Proceeds from membership fees		5,000		4,500
NET CASH USED IN FINANCING ACTIVITIES		(27,147,221)		(21,814,250)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(32,000,397)		14,243,116
CASH AND CASH EQUIVALENTS - beginning of year		64,122,038		49,878,922
CASH AND CASH EQUIVALENTS - end of year	$	32,121,641	$	64,122,038
RECONCILIATION OF CASH, CASH EQUIVALENTS AND RESTRICTED CASH				
Cash and cash equivalents	$	31,490,144	$	63,521,879
Restricted cash		631,497		600,159
Total cash, cash equivalents, and restricted cash	$	32,121,641	$	64,122,038
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION				
Cash paid for interest	$	45,000	$	65,000
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES				
Equipment purchase included in accounts payable	$	228,475	$	-
Right-of-use operating assets and liabilities incurred upon lease execution (see Note I)	$	-	$	4,369,476

Excerpted from audited financial statements.