Wyoming Sugar Company

FY 2021 ANNUAL REPORT

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WYOMING SUGAR COMPANY

300 South 1st Street, Worland, Wyoming
Phone: (307) 347-3261
Chairman of the Board of Directors: Tom B. Clark
President and CEO: Michael D. Greear

THE ANNUAL MEETING

The Annual Meeting of the Shareholders held December 7, 2021.
2:00 p.m. Worland Elks Lodge, 604 Coburn Ave, Worland, WY

FISCAL YEAR

September 1 – August 31

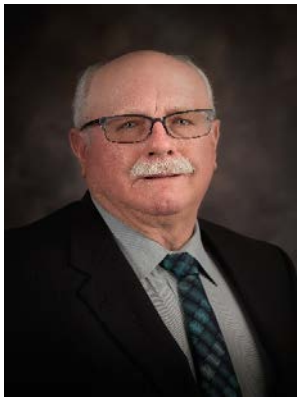
PROCESSING FACILITY

300 South 1st Street, Worland, Wyoming

AUDITORS

Eide Bailly
4310 17th Ave. S., Fargo, ND
Dave P. Glennon – Lead Auditor

BOARD OF DIRECTORS



TOM B. CLARK
Chairman
Washakie Co.
(Factory District)

Term exp. Dec. 2023

LANDIS BENSON
Secretary
Washakie Co.
(Non-Grower)

Term exp. Dec. 2021

DARRELL
BULLINGER
Big Horn Co.
(Basin District)

Term exp. Dec. 2022

DAN PINCE
Fremont Co.
(Fremont District)

Term exp. Dec. 2021

JOHN W. SNYDER, JR.
Washakie County
(Factory District)

Term exp. Dec. 2022

DAVID J. BOSTROM
Worland,
(Non-Grower)

Term exp. Dec. 2023

BOARD OF DIRECTORS cont.

VANCE LUNGREN, JR.
Washakie Co.
(Factory District)

Term exp. Dec. 2023

ROBERT SHELTON
Washakie Co.
(Factory District)

Term exp. Dec. 2021

BRYCE VIGIL
Big Horn Co.
(At Large)

Term exp. Dec. 2022

MANAGEMENT TEAM

MICHAEL D. GREEAR
President & CEO

VINCE SALZMAN
V.P. Operations

TODD BRYNGELSON
Operations Manager

BETHANY STIVER
Controller

DREW A. PERKINS
CFO
(Perkins Law, PC.)

LETTER TO MEMBERS

Dear Members:

The Fiscal Year ending August 31, 2021 (FY 21) was a significant step in the right direction for the Company. After the near disaster of FY 20 (crop year 2019) associated with the severe freeze, the Company and its Members were all left in a weak cash flow position. The WHIP Plus program for our Members, allowed us to push through the year and continue to work towards our goals.

Crop year 2020 and the associated campaign were dominated by COVID-19. We started dealing with COVID related matters in March of 2020 and the issues has yet to go away. While we endured several outbreaks in the factory, we were fortunate in that we did not have an employee become seriously ill. We implemented safety protocols early and were able to isolate employees and stem the spread. That being said, the pandemic did have significant impact on our ability to staff the factory for the campaign. During the 2020 harvest and at factory startup we had many of our key people working 12 hour shifts for weeks on end. Their dedication and hard work allowed us to have one of the best start ups in over a decade.

The 2020 harvest was difficult, as has come to be the norm. We started with very warm weather and then were faced with an October 21st freeze. With the addition of a new piler (new to us) and some very long hours, our Members were able to get their crop into the pile – just hours before the freeze hit, thus avoiding a repeat of the 2019 nightmare.

While the startup was all that we could ask, by mid-December we were once again faced with filtration difficulties and the campaign slowed significantly. We were able to process the crop and produce over 1,000,000 cwts netting a $52.00/ton payment; however, the final results were very disappointing. With the quality of the crop, 19.6% sugar content, we should have yielded a higher payment. Too much sugar was lost down the stretch as a result of poor thick juice quality and the campaign wore on as production slowed. The net result was a disappointing finish to a promising campaign and for our Members a lower than hoped for beet payment.

CAPITAL INVESTMENT

In FY 21 our initial Capex plan was to implement the bulk of the BMA improvements to our purification process and then to continue to focus on ordinary Repairs and Maintenance. However, with the availability of additional Federal Funds and the glaring need to address our filtration issues, we added filtration upgrades to our Capex plan. We knew that we were getting a late start on the filtration project and that supply chain logistics were going to be an issue. Nonetheless, with the disappointing end to the 20/21 campaign we felt it was necessary to address the nagging filtration problems now rather than later.

We were able to get the BMA recommended improvements completed to help our purification, with a heavy reliance on third party contractors; however, COVID related delays from our vendors nagged us though the entire project. The filtration upgrades were the addition of three (one new and two used) U.S. style filters. These filters more than doubled our standard

liquor filtration capacity and use no labor (other than monitoring and control). We were able to get the new filter online shortly after starting the factory and the other two came online in mid-November. Both the purification and filtration upgrades have been a huge success and will make us better going forward. The downside to such an aggressive Capex plan was that we spent too much time on capital improvements and not enough time in the factory. The factory was not ready for the 2021 crop year campaign, and we have suffered a very slow start up, especially when compared to last year (crop year 2020).

A significant focus was placed on pile yard upgrades and maintenance, especially at the factory yard. Piler four was stretched and rebuilt by our staff and performed wonderfully. Down time on pilers this year nearly disappeared and wait times were significantly reduced. Again, the downside was that the focus on receiving left a few things in the factory undone and added to our start up woes.

Moving into next year the Capex plan is being scaled back, with focus on finishing the balance of the BMA purification recommendations. We will double down on more ordinary repairs and work on redundancies. We will have the factory ready for the 2022 crop, get off to a great start and with the prior investments, finish strong. We will continue to look to the future and address the need for upgrades, simplification of process, reduce labor needs and increase the abilities of our employees.

MARKET AND MARKETING

With the weather disaster of 2019 and the force majeure declaration by United Sugars came opportunity. United dealt with the shortage of sugar that year by ensuring deliveries during the 4th quarter of 2019 to allow imports time to soften the impacts to users. They also kept in constant contact with our customers and dealt with them honestly and fairly. As a result, it saw a rush of new customers willing to pay more (slightly more) for better service and reliability of delivery this last year. This has led to the United team working harder than ever, but to our benefit. They are servicing a significantly larger number of smaller industrial customers, that take more time, add to the workload of delivery logistics in a very tight transportation market and increased quality verification. However, it has increased the NSP – the bottom line. The United motto “Sell it all and Sell it high” is right on the mark.

The 2021 crop is 98.2% booked and this this a tribute to United’s customer service. While sugar is a fungible commodity, United understands that customer service has value and our customers recognized this as well.

FY 2021 had its plusses and minuses, but we continued to move forward despite the challenges of a national pandemic that affected workforce, material availability and supply chain. We must continue to be forward looking to make our Company the best it can be for the Members and Employees. While we have short term goals, we must be diligent in looking long term. Thank you to everyone for your commitment to Wyoming Sugar Company.

Michael D. Greear
President & CEO

Tom B. Clark
Chairman of the Board of Directors

AGRICULTURE

2020 Crop

The 2020 crop had the highest sugar content received in the Industry of 19.62%. Pre-pile and full harvest were plagued with hot and dry weather. Due to the weather, there were several partial and half days of receiving. In mid-October, an oncoming hard frost forced beet receiving between 4 a.m. to 7 p.m. The last fields were dug the night before the frost hit. We did find that pushing the envelope to get the crop in had an impact in processing – with early hot weather and early hard freezes, a fine line is walked between getting the crop harvested and proper storage. The Company has invested in improving the capacity of the piling equipment with a goal of being able to handle 400,000 tons of beets with 10 days of pre-pile and 20 days of regular harvest (accounting for a reasonable number of partial harvest days).

Reported to Date						
Station		**No. of Loads**	**Net Tons of Beets**	**%Tare**	**% Sugar**	**PPM N03**
BASN		**2,329**	**51,813**	**2.69%**	**19.68%**	**24**
FCTY		**14,178**	**293,593**	**3.09%**	**19.62%**	**38**
MDVL		**1,126**	**20,425**	**3.05%**	**19.53%**	**23**
RVTN		**807**	**15,381**	**2.30%**	**19.57%**	**23**
Totals:		**18,440**	**381,213**	**3.00%**	**19.62%**	**26**

2021 Crop

The 2021 crop was great, although it is always hard to see it that way when following a record year. Our overall sugar content landed at 19.00% with a companywide average of 33.3 TPA. Our crop estimate was low, which surprised us given the erratic spring weather. Despite the inconsistency early on, the growing season was great for the crop. The unusually warm weather once again plagued harvest as it has lingered for the last 3 months and is still showing signs into early December. The warm weather only allowed for partial and half days of receiving through pre-pile and almost all of October. Surprisingly we had favorable weather on the back end of harvest that allowed for consistent stretches of 12hr receiving days until all the beets were brought in. Harvest concluded on Friday, November 12th for the 2021 crop.

Reported To Date						
Station		**No. of Loads**	**Net Tons of Beets**	**% Tare**	**% Sugar**	**PPM N03**
BASN		**2,205**	**48,049**	**2.17%**	**19.14%**	**57**
FCTY		**14,204**	**299,051**	**3.31%**	**18.96%**	**86**
MDVL		**1,458**	**25,403**	**2.92%**	**19.09%**	**56**
RVTN		**1,006**	**19,229**	**2.29%**	**19.20%**	**49**
Total:		**18,873**	**391,731**	**3.09%**	**19.00%**	**62**

OPERATIONS

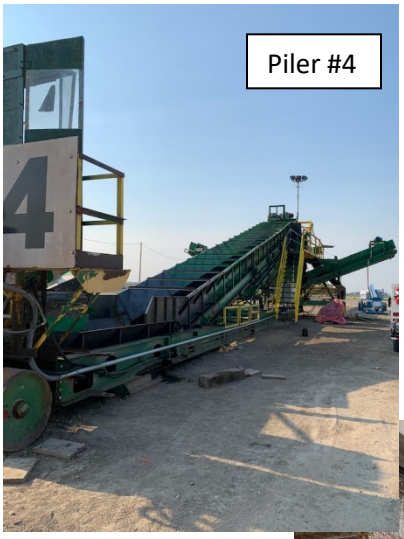
2020-CROP

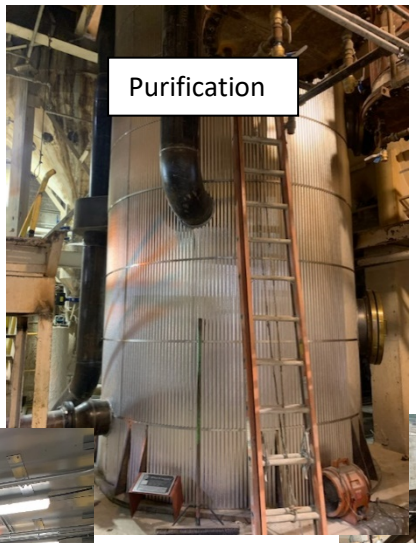
Processing the 2020-Crop began on September 23rd, 2020. Slice was completed on February 2, 2021. The Factory Sliced 362,082 tons of beets. There was a Thick Juice run after the completion of slice and the last High Raw Pan was dropped on March 7, 2021. The Factory struggled with the filtration and thick juice storage issues. The factory produced 1,027,174 cwt sugar with a recovery of 68.65% of beets purchased.

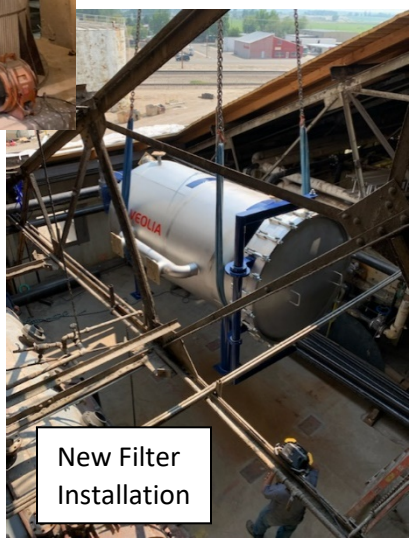
2021-CROP

Continued an Aggressive Maintenance plan between the 2020 and 2021 Crop. Some of the major projects of note included Extension of Piler #4, Electrical and Grab roll Modifications for the #1 Piler, new Compressed Air System, Purification Upgrade, Increased Standard Liquor Filtration, Expanded PCC Storage, Molasses Loading Fall Protection, and Rail Repair.

Processing of the 2021 Crop began on September 26, 2021.







MARKETING – UNITED SUGARS CORPORATION

United Sugars markets all the sugar we produce each year – along with the sugar supplied by its three other members. United Sugars is focused on selling our sugar at the highest possible Net Selling Price. Over the course of its 27-year history, United Sugars has become the preferred sugar supplier due to its reputation as the most reliable supplier of sugar in the United States. Sugar users have learned to count on United Sugars to reliably deliver on-time and in specification sugar.

2021 SUGAR DEMAND AND SUPPLY

The US Sugar industry saw a return to more normal supply conditions in Fiscal Year 2021. This was after a challenging 2020 marked by force-majeure declarations by several beet suppliers, short crops in Louisiana and Mexico and the beginning of COVID-19 related disruptions. An above average beet crop and a record cane crop led to less reliance on imported sugar. Customers returned to more familiar domestic supply options which led to more reliable supply. The USDA effectively managed imports and ended the year very close to the 13.5% target ending stocks to use ratio.

Like many other industries, the sugar industry faced its share of supply- chain issues including limited truck and ocean vessel transportation capacity, and shortages of key materials and ingredients. United Sugars' employees worked diligently through these supply chain issues and successfully delivered sugar to our customers on time and within specification. Their continued focus on reliability makes United Sugars the preferred sugar supply solution with customers.

Demand for sugar in fiscal year 2021 was down 1.1% over fiscal year 2020. The drop in fiscal year 2021 demand was largely a draw-down of inventory at customer locations who increased demand 1.1% during the depths of Covid fears. Combining demand over the past two years results in a continuation of a five-year, flat growth trend. Prices rose through the winter and spring and then held through the summer. As the market transitioned into 2022, expectations exist that the market will continue to be balanced, as prescribed by the U.S. Mexican Suspension Agreement, and pricing should remain steady.

Despite ongoing supply chain issues, fiscal year 2022 looks to be a good year. United Sugars will continue to focus on safety and low cost, reliable supply to customers, increasing customer preference, and maximizing the Net Selling Price to its members.

COSTS

The large majority of the costs managed by United Sugars fall into three categories—transportation, warehousing, and packaging. Faced with a difficult supply chain environment these costs were all slightly elevated over 2020 levels. The United Sugars team remains committed to continually seeking cost reductions with the continued goal of being the lowest cost, and most effective, marketer of sugar in the United States.

CUSTOMERS

The United Sugars sales groups, customer service group, quality team, distribution group, and others worked hard during the year to achieve the United Sugars goal of being the premier marketer of sugar in North America. Customers continue to desire to do business with the lowest cost and most reliable providers of sugar---just one more reason why the United Sugars team is keenly focused on safety, quality and continuous cost reduction and service improvements.

CONCLUSION

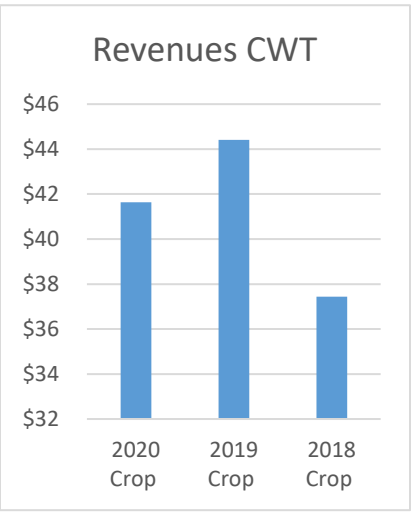
In fiscal year 2021, in spite of supply chain issues, United was able to deliver higher Net Selling Prices than Fiscal 2020 levels. The U.S. sugar market saw a return to more stable sugar production levels and market conditions. Faced with an increasingly challenging supply chain, United Sugars stayed steady and managed its costs well in an effort to provide reliable supply to its customers. Fiscal year 2022 looks to be a good year despite the ongoing supply chain issues. United Sugars will continue to focus on safety, meeting customers' needs and efficient distribution to increase customer preference, control costs and maximizing the Net Selling Price for our members.

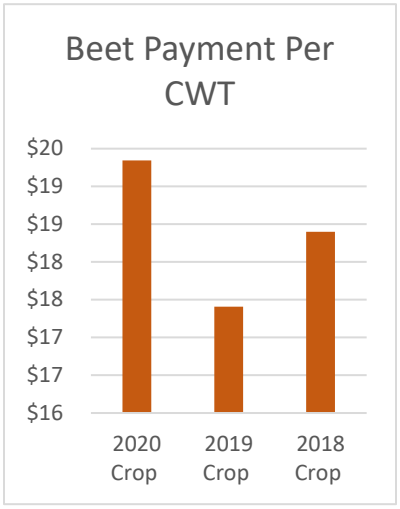
Matt Wineinger

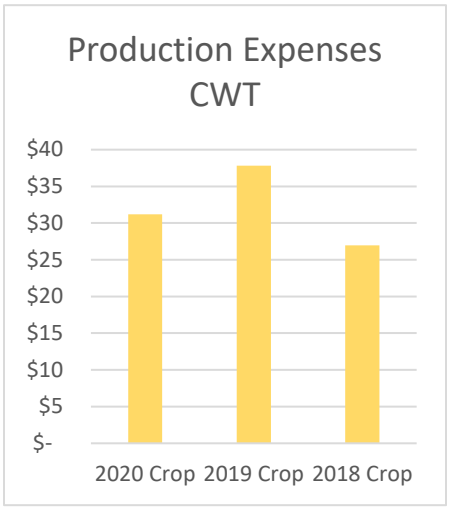
President of United Sugars Corporation

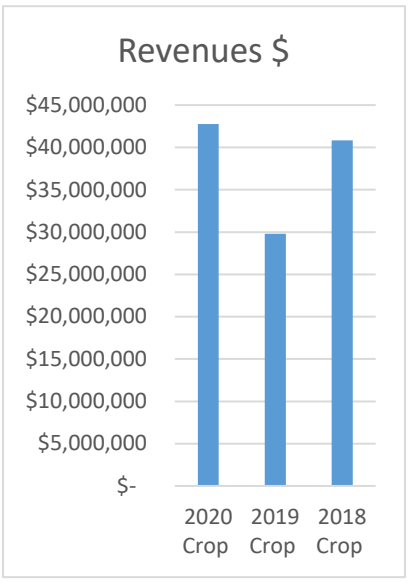
Selected Data and Statistics

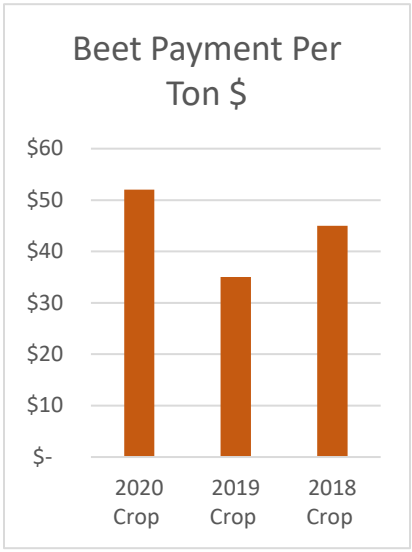
	2020 Crop	2019 Crop	2018 Crop
Revenues	$ 42,762,801	$ 29,783,178	$ 40,842,279
Total Beet Payment	$ 19,870,990	$ 11,671,720	$ 20,068,649
Beet Payment Per Ton	$ 52	$ 35	$ 45
Unit Retains per Ton	$ 2	$ 2	$ 6
Production Expenses	$ 32,044,711	$ 25,368,918	$ 29,408,526
Interest	$ 301,154	$ 354,521	$ 572,694
Long Term Debt	$ 4,694,815	$ 5,458,846	$ 5,725,818
Patron's Investment	$ 12,965,088	$ 10,263,904	$ 12,031,335

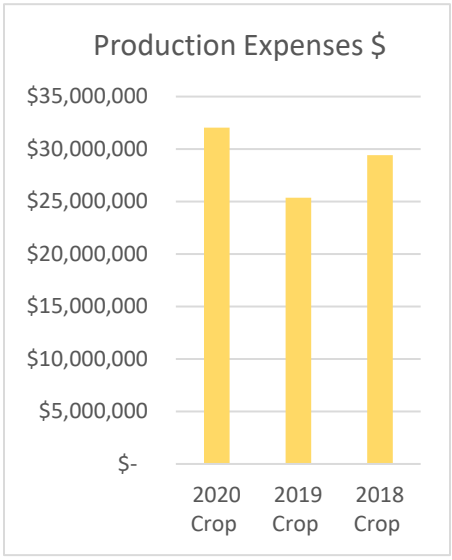








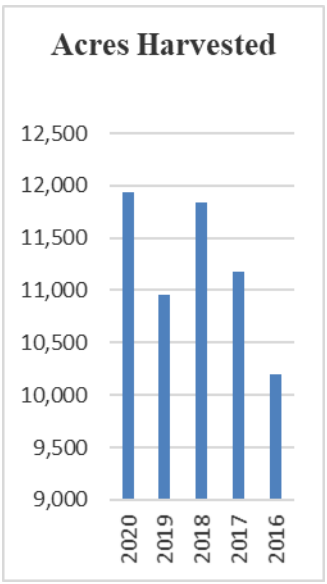


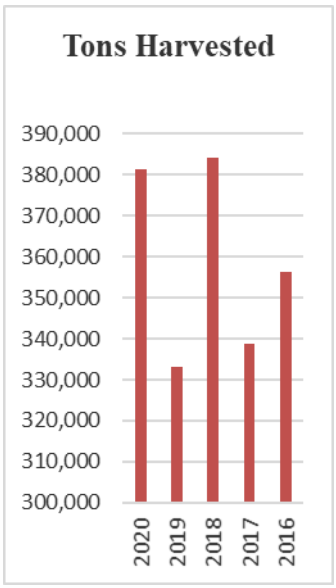


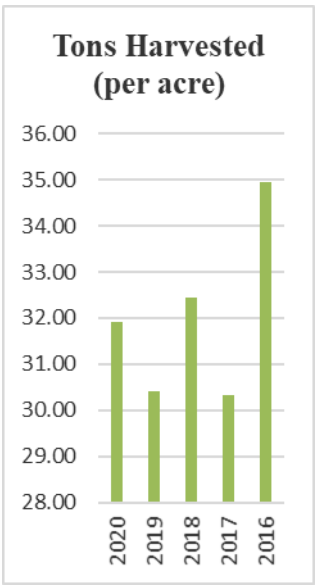
	2020	2019	2018	2017	2016
Acres Harvested	11,940	10,957	11,842	11,179	10,202
Tons Harvested	381,213	333,251	384,266	338,898	356,433
Tons Harvested per Acre	31.93	30.41	32.45	30.32	34.94
% Sugar Harvested	19.62	17.36	19.13	17.97	17.92

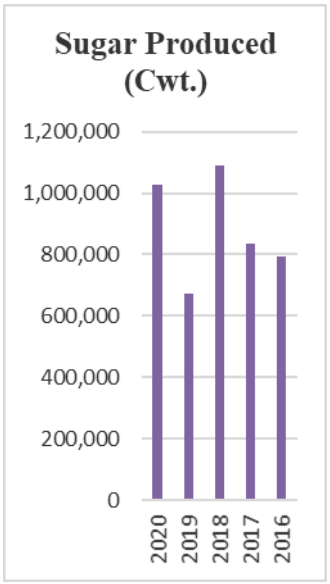
Production:

Sugar CWT	1,027,174	670,545	1,090,763	833,490	792,895
Pulp Tons Sold	80,778	61,010	83,252	69,576	71,191
Molasses Tons	13,889	12,306	11,357	11,410	11,471









MANAGEMENT'S REPORT OF THE FINANCIAL STATEMENTS

The management of Wyoming Sugar Company is responsible for the preparation, integrity, and fair presentation of the accompanying consolidated financial statements and related information contained in this annual report. The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Where necessary, management has used its knowledge and experience about past and current events and assumptions about future events to make informed judgments and estimates of the outcomes of events and transactions, with due consideration given for materiality.

Wyoming Sugar Company has established a system of internal controls to ensure, within reasonable limits, that assets are safeguarded, transactions are properly recorded and executed in accordance with management's authorization, and the accounting records provide a solid foundation from which to prepare the financial statements. It is recognized that no system of internal controls can detect and prevent all errors or irregularities. Management believes the established system provides an acceptable balance between benefits to be gained and their related costs.

The independent auditors, Eide Bailly LLP, audited Wyoming Sugar Company's financial statements in accordance with auditing standards generally accepted in the United States of America. The independent auditors were given unrestricted access to all financial records and related data in order to perform the audit. As part of their audit of the financial statements, they considered Wyoming Sugar Company's internal controls for the purpose of determining their audit procedures. Where applicable the independent auditors will report to the Board of Directors matters coming to their attention relating to deficiencies in the design or operation of internal controls that in their judgment could adversely affect Wyoming Sugar Company's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The Board of Directors have met with the independent auditors and Management to review their respective activities and to provide oversight to the financial reporting process. The independent auditors were provided free access to the Board of Directors without Management present, to discuss the scope and results of their audits and the adequacy of the system of internal controls. No issues were reported by the independent auditors to the Board of Directors.

This is the Company's third audit as a Cooperative and with Eide Bailly LLP, the attached Financial Statements and Audit Report are in final form. A review of the Audit Report by Management did not reveal any discrepancies or surprises.

Bethany Stiver
Controller

Michael D. Greear
President & CEO

INDEPENDENT AUDITOR'S REPORT

Financial Statements
August 31, 2021 and 2020

Wyoming Sugar Company

Independent Auditor's Report 1

Financial Statements

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Balance Sheets – Liabilities and Patron's Investment 4
Statements of Operations 5
Statements of Changes In Patrons' Investment 6
Statements of Cash Flows 7
Notes to Financial Statements 9

EideBailly

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Board of Directors and Patrons
Wyoming Sugar Company
Worland, Wyoming

Report on the Financial Statements
We have audited the accompanying financial statements of Wyoming Sugar Company (a Wyoming cooperative association) which comprise the balance sheets as of August 31, 2021 and 2020, and the related statements of operations, changes in patrons' investments, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4310 17th Ave. S. | P.O. Box 2545 | Fargo, ND 58108-2545 | T 701.239.8500 | F 701.239.8600 | EOE

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wyoming Sugar Company as of August 31, 2021 and 2020, 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.

Eide Bailly LLP

Fargo, North Dakota
November 29, 2021

Wyoming Sugar Company
Balance Sheets – Assets
August 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash	$ 1,072,403	$ 547,931
Receivables	2,046,521	1,134,528
Inventories		
Refined sugar	3,933,434	2,839,004
By products inventory	73,865	185,820
In process inventory	15,846	15,847
Materials and supplies	1,682,553	1,624,064
Total inventories	5,705,698	4,664,735
Prepaid gas and insurance	272,860	759,890
Total Current Assets	9,097,482	7,107,084
Property, Plant and Equipment		
Land and land improvement	164,255	164,255
Buildings and equipment	20,836,533	18,743,648
Construction in progress	1,469,553	1,183,301
Total Property, Plant and Equipment	22,470,341	20,091,204
Less: Accumulated Depreciation	10,225,167	8,512,008
Net Property, Plant and Equipment	12,245,174	11,579,196
Other Assets		
Investments in securities	931,124	868,336
Investment in United Sugars Corporation	237,469	95,186
	1,168,593	963,522
Total Assets	$ 22,511,249	$ 19,649,802

	2021	2020
Liabilities and Patron's Investment		
Current Liabilities		
Short-Term Debt	$ 757,500	$ 1,250,000
Current maturities of long-term debt	818,619	656,560
Accounts payable	955,681	756,213
Accrued liabilities	356,342	327,590
Accrued interest	64,266	61,953
Grower payable	1,898,938	874,736
Total current liabilities	4,851,346	3,927,052
Long-term Liabilities		
Long-term debt, less current maturities and unamortized debt issuance costs	4,694,815	5,458,846
Total Liabilities	9,546,161	9,385,898
Patron's investment		
Class A Common stock, $500 par value, 45 shares issued and outstanding	22,500	22,500
Class B Common stock, no par value, 10,275 shares issued and outstanding	10,275	10,275
Paid in capital in excess of par	8,127,706	8,127,706
Unallocated patronage income (loss)	1,113,362	(858,607)
Unit retention capital	3,691,245	2,962,030
Total patron's investment	12,965,088	10,263,904
Total liabilities and patron's investment	$ 22,511,249	$ 19,649,802

Wyoming Sugar Company
Statements of Operations
Year Ended August 31, 2021 and 2020

	2021	2020
Revenue		
Sale of Sugar and Co-Products, net of $682,071 and $420,780 of discounts in 2021 and 2020, respectively	$ 42,762,801	$ 29,783,178
Expenses		
Production Costs of Sugar, and Co-Products Sold	5,685,079	6,412,486
Salaries, Wages, and Benefits	7,433,703	7,051,136
Facilities and depreciation	4,316,513	3,495,140
Other Operating Expenses	1,126,020	1,027,008
Repairs and Maintenance	1,500,990	1,341,135
Operating Materials	1,204,802	1,092,974
Tools and Equipment	478,201	411,084
Interest Expense	350,073	404,882
Total Expenses	22,095,381	21,235,845
Other Income	1,175,539	726,843
Total Net Proceeds	$ 21,842,959	$ 9,274,176
Distribution of Net Proceeds		
Credited to Patrons' Investment		
Components of Net Income		
Income (Loss) from Patronage Income	1,971,969	(2,397,544)
Payments to Patrons for Sugarbeets, Prior to Unit Retention Capital	19,870,990	11,671,720
Net Proceeds Resulting from Patron and Non-Patron Business	$ 21,842,959	$ 9,274,176

Wyoming Sugar Company
Statements of Changes In Patrons' Investment
Year Ended August 31, 2021 and 2020

	Class A Common Stock	Class B Common Stock	Paid-in Capital in Excess of Par Value	Unallocated Patronage Income (Loss)	Unit Retention Capital	Accumulated Other Comprehensive Income	Total
Balance, August 31, 2019	$ 22,500	$ 10,275	$ 8,127,706	1,538,937	2,305,596	$ 26,321	$ 12,031,335
Net loss	-	-	-	(2,397,544)	-	-	(2,397,544)
Unit Retention Capital	-	-	-	-	656,434	-	656,434
Unrealized gain on marketable securities	-	-	-	-	-	(26,321)	(26,321)
Balance, August 31, 2020	$ 22,500	$ 10,275	$ 8,127,706	$ (858,607)	$ 2,962,030	$ -	$ 10,263,904
Net income	-	-	-	1,971,969	-	-	1,971,969
Unit Retention Capital	-	-	-	-	729,215	-	729,215
Balance, August 31, 2021	$ 22,500	$ 10,275	$ 8,127,706	$ 1,113,362	$ 3,691,245	$ -	$ 12,965,088

Wyoming Sugar Company
Statements of Cash Flows
Year Ended August 31, 2021 and 2020

	2021	2020
Operating Activities		
Income credited to patron's investment	$ 1,971,969	$ (2,397,544)
Adjustments to reconcile net income (loss)		
to net cash from operating activities		
Depreciation and amortization	1,715,565	1,472,989
Paycheck Protection Program Forgiveness	(1,059,071)	(899,400)
Interest income credited to investment account	(18,754)	(18,847)
Retention of Unit Retains	729,215	656,434
Income (Loss) from Investment in United Sugars Corporation	(142,283)	147,465
Unrealized gain on investment securities	-	(26,321)
Changes in assets and liabilities		
Receivables and Advances	(911,993)	1,325,332
Inventories	(1,040,963)	964,839
Prepaid expenses	487,030	(120,393)
Accounts payable	199,468	(10,399)
Accrued liabilities	31,065	7,878
Grower payable	1,024,202	(867,345)
Net Cash from Operating Activities	2,985,450	234,688
Investing Activities		
Purchase of property and equipment	(2,379,137)	(1,777,651)
Purchases of investments	(44,034)	(24,576)
Net Cash used for Investing Activities	(2,423,171)	(1,802,227)
Financing Activities		
Proceeds from issuance of short-term debt	757,500	-
Principal payments on short-term debt	(1,250,000)	(648,400)
Proceeds Paycheck Protection Program	1,059,071	899,400
Proceeds from issuance of long-term debt	885,000	497,500
Principal payments on long-term debt	(1,489,378)	(647,178)
Net Cash from (used for) Financing Activities	(37,807)	101,322
Net Change in Cash	524,472	(1,466,217)
Cash, Beginning of Year	547,931	2,014,148
Cash, End of Year	$ 1,072,403	$ 547,931

Supplemental Disclosure of Cash Flow Information		
Cash payments for		
Interest	$ 347,760	$ 407,489
Supplemental Disclosure of Non-cash Investing and Financing Activities		
Property and equipment purchases included in accounts payable	$ 364,492	$ 200,328

Note 1 - Principal Business Activity and Significant Accounting Policies

Principal Business Activity

Wyoming Sugar Company (the Company) is a Wyoming cooperative owned by its shareholder-producers for the purpose of processing sugar beets and marketing sugar and co-products.

The majority of the net proceeds from the Company are from member patronage business.

Receivables and Credit Policy

United Sugars Corporation (USC) – USC sells product to customers on an open credit basis. USC's trade accounts receivable are due from such customers and are generally uncollateralized. Accounts receivable are reported net of an allowance for bad debts, which is based on management's estimate of the amount of receivables that will actually be collected. It is reasonably possible that the Company's estimate of the allowance for doubtful accounts will change.

The Company – Trade receivables are uncollateralized customer obligations due under normal trade terms requiring payment within 15 to 90 days from the invoice date. Trade receivables are stated at the amount billed to the customer. The company does not charge interest on overdue customer account balances, but customer account balances with invoices dated over 90 days old are considered delinquent. If an account is deemed uncollectible, the balance is charged off of accounts receivable and sent to third party collections. Payments of trade receivables are allocated to the specific invoices identified on the customers' remittance advice, or if unspecified, are applied to the earliest unpaid invoices. The carrying amount of trade receivables is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management reviews all trade receivable balances that exceed 90 days from the invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance to apply to the aggregate trade receivables to create a general allowance covering those amounts. The allowance is based on an evaluation of the receivables account with particular attention paid to the largest customer balances and the risk profile of the entire portfolio.

Concentration of Credit Risk

The Company via United Sugars Corporation (USC) grants credit to food processors located throughout the United States. This credit is generally uncollateralized. Accordingly, there is a concentration of credit risk in the food processing industry, which comprise substantially all of the trade accounts receivable.

The Company maintains its cash accounts in various deposit accounts, the balances of which are periodically in excess of federally insured limits.

Inventories

Sugar and Molasses Inventory

Inventories of refined sugar to be sold on a pooled basis and molasses and pulp to be sold on a non-pooled basis, are valued at net realizable value, while third-party purchased refined sugar to be sold on a pooled basis is valued at the lower of the cost or net realizable value. Net realizable value is driven from current market conditions and may be either above or below cost. In valuing inventories at net realizable value, the Company in effect sells the remaining inventory to the subsequent period's sugar.

Materials & Supplies Inventory

Materials and Supplies inventory is comprised of storeroom Inventory, Coal, Coke, Lime Rock, and other inventories. Materials and supplies are valued using the lower of cost (determined using the first in first out method) or net realizable value.

All inventories are classified as current assets on the balance sheet, including storeroom Inventory. However, because of uncertain actual demand from operations in the upcoming year, it is possible that certain storeroom spare components may or may not be used within the next fiscal year.

Property, Plant, Equipment and Depreciation

Property, plant and equipment is recorded at cost. Expenditures for renewals and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. Expenditures for maintenance and repairs are charged to expense. When equipment is retired or sold, the cost and related accumulated depreciation are eliminated from the accounts and the resultant gain or loss is reflected in income.

Depreciation is provided using the straight-line method, based on useful lives of the assets which range from three to forty years.

The Company reviews the carrying value of property and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to an amount by which the carrying value exceeds the fair value of assets. The factors considered by management in performing this assessment include current operating results, trends and prospects, the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based on this assessment there was no impairment at August 31, 2021 and 2020.

Construction in progress (CIP) is recorded at cost and will be capitalized upon completion of the project and the asset being put in service. As of August 31, 2021 and 2020, the Company had no remaining commitments related to future purchases of CIP.

Investments in Debt Securities

The Company classifies its debt securities into held-to-maturity, trading or available-for-sale categories. Debt securities are classified as held-to-maturity when the Company 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, net of tax, included in the determination of comprehensive income and reported as a component of stockholders' equity.

Investments in Equity Securities

Investments in equity securities with readily determinable fair values are measured at fair value in the balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in net income. Investments in equity securities without readily determinable fair values are measured at cost minus impairment (if any) and adjusted for any observable price changes in orderly transactions of identical securities or similar securities of the same issuer. Investments in equity securities without readily determinable fair values are considered annually for indicators of impairment. There were no impairment indicators for the years ended August 31, 2021 and 2020.

Investments in United Sugars Corporation

Equity Method Investments in United Sugars Corporation (USC) - The investment in USC is accounted for using the equity method, wherein the investment is recorded at the amount of the underlying equity in the net assets of the investments and adjusted to recognize the Company's share of the undistributed earnings or losses. Transactions with these companies are considered related party transactions.

The Company has evaluated the equity investment in USC and concluded that it does not meet the criteria of a variable interest entity; therefore, USC is not consolidated in the Company's financial statements.

Fair Value Measurements

The Company has determined the fair value of certain assets and liabilities in accordance with generally accepted accounting principles, which provides a framework for measuring fair value.

Fair value is defined 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. Valuation techniques should maximize the use of observable inputs and minimize the use of unobservable inputs.

A fair value hierarchy has been established, 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.

There have been no changes in Level 1, Level 2, and Level 3 and no changes in valuation techniques for these assets or liabilities for the year ended August 31, 2021.

Income Taxes

The cooperative determines net patronage income on a federal income tax basis. The Bylaws of the cooperative require the net patronage to be allocated to the members on the basis of quantity or value of business done with the cooperative. In the event that taxable income for a year exceeds book income, the cooperative is allowed and anticipates it will allocate the excess taxable income to its members. Accordingly, no deferred tax liability is recognized in the financial statements.

The Company evaluates its tax positions that have been taken or are expected to be taken on income tax returns to determine if an accrual is necessary for uncertain tax positions. As of August 31, 2021 and 2020, the unrecognized tax benefits accrual was zero. The Company will recognize future accrued interest and penalties related to unrecognized tax benefits in income tax expense if incurred.

Patrons' Investment and Payments

The ownership of non-dividend bearing Class A and B common stock is restricted to a "shareholder-producer," as defined in the by-laws of the Company. The Company has authorized 1,000 shares with a par value of $500 per share. In order to be eligible for issuance of Class A stock, a member must acquire a minimum of 35 shares of Class B stock. The Company is authorized to issue 30,000 shares of non-par Class B stock. Each shareholder permitted to plant a certain number of acres for each share of Class B stock owned. The Company's Board of Directors authorized for 2021 a right to grow of 1.1:2 with the obligation of 1:1 and for 2020 a right to grow of 1.1:1 with the obligation of 1:1. The Company's Board of Directors must approve all transfers and sales of stock.

The Company's net income, determined on a federal income tax basis consistently applied, shall be distributed annually on the basis of delivered pounds of sugar, in cash or in the form of credits to each shareholder-producer's patronage credit account as established by the Board of Directors. In the event of a loss in any one year, the Company shall act in such a manner as to first recoup the loss from those patrons who were patrons in the year in which the loss occurred.

Under the terms of the Company's Patron Agreement with each of its shareholder-producers, the Company is obligated to pay the shareholder-producers for sugar beets delivered at a price per pound of extractable and bonus sugar. However, if, in the opinion of the Company's Board of Directors, the working capital position of the Company is insufficient, the Company shall withhold and/or retain from the price to be paid per pound of extractable sugar such amounts as are deemed by the Board of Directors to be necessary for operations, the deductions to be made at such time and in a manner as the Board of Directors shall decide. The amount so withheld and/or retained shall be evidenced in the records of the Company by allocated patronage and/or per unit retains in favor of the shareholder-producers. The Board of Directors has the power to determine whether such allocated patronage and/or per unit retains shall be "qualified" or "nonqualified" for income tax purposes.

The Company deducted $729,215 and $656,434 in unit retains from patrons for the years ended August 31, 2021 and 2020, respectively.

Revenue Recognition

The Company sells substantially all sugar and co-products through its marketing pool subsidiaries that recognize revenue in accordance with ASU No. 2014-09, *Revenue from Contracts with Customer (Topic 606)*.

Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied, which generally occurs when control of the products has transferred to the customer. Under the contracts with its customers, control transfers to customers at a point-in-time when the products have been delivered, as that is generally when legal title, physical possession, and risk and rewards of the product ownership transfer to the customer.

Revenue is valued at the transaction price that the subsidiary expects to be entitled to receive in exchange for transferring sugar or co-products to its customers. Contract terms typically do not contain variable forms of consideration such as customer rebates or volume discounts, and the length of the contracts do not exceed one year. Customers are generally billed at the time of shipment, and payment terms range based on individual negotiated terms. Economic factors such as changes in commodity process typically have the greatest impact on revenues from year-to-year.

Shipping and handling amounts billed to customers as part of a sales transaction are included in revenues, and the related costs are included in cost of goods sold. Shipping and handling is treated as a fulfillment activity rather than a promised service, and therefore is not considered a separate performance obligation.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method. The straight-line method is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt on the balance sheet. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

Self-Funded Insurance

The Contract year for the Company's employee health plan is on a calendar year basis. The Company operates with a self-funded employee health plan administered by Rocky Mountain Administrators. In addition to administering claims during the year, Rocky Mountain Administrators coordinated a stop gap coverage policy with Greenwich Insurance Company for individual health claims in excess of $45,000. The Company has exposure for claims incurred but not reported at the end of each reporting period. Historical information is used to estimate its liability for these claims. This liability is estimated; actual claims experience may differ from Company estimates. As of August 31, 2021 and 2020 the plan was well funded and no additional reserves were recognized by the Company.

Shipping and Handling Costs

Shipping and handling costs are recorded as cost of revenue and amounts billed to customers for shipping and handling costs are recorded in revenue.

Advertising Costs

Advertising costs are expensed as incurred. There were no advertising expenses for the years ended August 31, 2021 and 2020.

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.

Concentration and Sources of Labor

The Company's total workforce, including seasonal and full-time workforce, consists of approximately 150 employees, of which 81% are covered by a collective bargaining agreement. The Cooperative negotiated a five-year labor agreement with the Bakery, Confectionery, Tobacco Workers and Grain Millers (BCTGM) AFL-CIO, which was ratified on April 1, 2018 and expires on March 31, 2023.

Paycheck Protection Program (PPP) Loan

The company was granted a $1,059,071 and $899,400 loan under the PPP administered by a Small Business Administration (SBA) approved partner for the years ended August 31, 2021 and 2020, respectively. The loan is uncollateralized and is fully guaranteed by the Federal Government. The Company initially recorded the loans as a refundable advance and subsequently recognized other income in accordance with guidance for conditional contributions, that is, once the conditions were met by incurring qualifying expenses and maintaining employee headcounts. The Company recognized $1,059,071 and $899,400 of loan forgiveness income for the year-ended August 31, 2021 and 2020, respectively, as other income on the Statements of Operations and Comprehensive Income.

Subsequent Events

The Company has evaluated subsequent events through November 29, 2021, the date which the financial statements were available to be issued.

Note 2 - Accounts Receivable

Receivables at August 31, 2021 and 2020, consists of the following:

	2021	2020
Sugar receivables	$ 2,042,150	$ 1,032,363
Byproducts receivables	159,364	124,794
Other receivables	3,178	20,441
Total gross receivables	2,204,692	1,177,598
Less: allowances allocated from USC	(158,171)	(43,070)
Total net receivables	$ 2,046,521	$ 1,134,528

Total net receivables as of September 01, 2020 and 2019 was $1,134,528 and $2,459,860, respectively.

Note 3 - Investment in Marketing Cooperative

The Company has formed a common marketing agency agreement with USC to be the exclusive marketing agent for all pooled sugar produced by the Company and other member processors.

The Company's ownership requirement in USC is calculated periodically and is based on the average volume of sugar produced during the five previous fiscal years. The investment is accounted for on the equity method, and the amount of sales and related costs recognized by each member processor is allocated based on their pro-rata share of production for the year. During the years ended August 31, 2021 and 2020, the Company had advanced $6,168,652 and $3,824,063, respectively, for operating and marketing expenses incurred. At August 31, 2021 and 2020, the Company had receivables due from USC of $1,883,979 and $989,293, respectively, related to the sale of sugar products included in receivables on the balance sheets. In addition, the Company had an outstanding miscellaneous payable due to USC of $230,147 and $138,303 as of August 31, 2021 and 2020, respectively included in accounts payable on the balance sheets.

Note 4 - Investments in Securities

Trading fixed income and equity securities measured at fair value through net income include the following on August 31:

	2021	2020
Common stock		
Industrial & Miscellaneous	$ 680,607	$ 590,883
International	89,496	68,149
Fixed Income Securities	128,961	151,844
Cash equivalents	32,060	57,460
	$ 931,124	$ 868,336

Note 5 - Short-Term Debt

The Company has entered into a revolving line of credit with ANB Bank that provides for available borrowings of $2,000,000. The agreement was renewed in the current year and will mature on February 15, 2022. Borrowings under the line of credit bear interest at 4.5%. All borrowings are collateralized by all assets of the Company. Amounts outstanding on the line totaled $0 and $1,250,000 as of August 31, 2021 and 2020, respectively. Borrowings under the line of credit are subject to certain covenants and restrictions on indebtedness.

The Company has entered into a revolving line of credit with the USC Commodity Credit Corporation (CCC) that provides for available borrowings for making payments to the cooperative's growers. The agreement has a maturity date of September 30, 2021. Borrowings under the line of credit bear interest at a variable rate which was 1.125% and 2.65% at August 31, 2021 and 2020, respectively. All borrowings are collateralized by the sugar and sugar beets of the cooperative. Amounts outstanding on the line totaled $757,500 and $0 as of August 31, 2021 and 2020, respectively. The outstanding balance was paid in full in September 2021. Borrowings under the line of credit are subject to certain covenants and restrictions on indebtedness.

The Company was in compliance with all covenants and restrictions on August 31, 2021 and 2020.

Note 6 - Long-Term Debt

Long-term debt consists of:

	2021	2020
5% note payable, due on demand, including interest, to July, 2024, secured by equipment	$ -	$ 409,088
2.5% note payable, due in annual installments of $315,025, including interest, to February 2029, secured by silos and slurry tanks, including equipment and accessories	2,258,118	2,510,738
5% note payable, due in quarterly installments of $88,043, including interest, to September 2028, secured by all assets	2,183,531	2,321,511
3.5% promissory note, due in monthly installments of $7,673, including interest, to June 2027, unsecured	339,500	418,471
4.75% promissory note, due in quarterly installments of $28,136, including interest, to March 2025, unsecured	-	475,241
4.5% note payable, due in quarterly installments of $79,754.31, including interest, to December 2023, secured by equipment	749,522	-
Unamortized debt issuance costs	(17,237)	(19,643)
	5,513,434	6,115,406
Less current maturities	(818,619)	(656,560)
Long-term debt, less current maturities and unamortized debt issuance costs	$ 4,694,815	$ 5,458,846

Future maturities of long-term debt are as follows:

Years Ending August 31,	Amount
2022	$ 818,619
2023	822,254
2024	692,449
2025	555,097
2026	574,411
Thereafter	2,067,841
	$ 5,530,671
Unamortized debt issuance costs	(17,237)
	$ 5,513,434

Note 7 - Operating Leases

The Company is party to various operating leases for equipment and land. Future minimum payments for long-term leases for the year ended August 31, 2021, under these obligations are as follows:

Years Ending August 31,	Operating Leases
2022	$ 10,445
2023	2,000
2024	667
Total minimum lease payments	$ 13,112

Operating lease and rental expenses for the years ended August 31, 2021 and 2020 totaled $88,917 and $68,156, respectively.

Note 8 - Defined Contribution Plan

The Company has a defined contribution plan covering substantially all employees. The plan provides that employees who have attained the age 21 and completed 6 months of service can voluntarily contribute from 1% to 10% of their earnings to the plan. Employer contributions range from $75 to $175 per month for union employees depending on years of service and are $250 per month for management employees. Total expense related to the plan for the years ended August 31, 2021 and 2020 was $95,250 and $80,700, respectively.