

**WHEAT MARKETING CENTER, INC.
AND AFFILIATES**

INDEPENDENT AUDITORS' REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wheat Marketing Center, Inc. and Affiliates

Opinion

We have audited the accompanying consolidated financial statements of Wheat Marketing Center, Inc. and Affiliates (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Wheat Marketing Center, Inc. and Affiliates as of June 30, 2024 and 2023, and the consolidated changes in its net assets and its consolidated 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 Wheat Marketing Center, Inc. and Affiliates 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 Wheat Marketing Center, Inc. and Affiliates' 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Wheat Marketing Center, Inc. and Affiliates' 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 Wheat Marketing Center, Inc. and Affiliates' 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.

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information appearing on pages 16 through 19 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Jarrard, Seibert, Pollard & Company, LLC
Certified Public Accountants

_____, 2024

WHEAT MARKETING CENTER, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 440,280	\$ 394,336
Certificates of deposit	795,000	995,000
Accounts receivable	42,382	88,025
Other current assets	11,915	24,810
Operating ROU asset, property and equipment	<u>3,465,585</u>	<u>3,547,384</u>
Total assets	\$ 4,755,162	\$ 5,049,555
LIABILITIES AND NET ASSETS		
	<u>LIABILITIES AND NET ASSETS</u>	
Accounts payable	\$ 47,092	\$ 20,553
Accrued payroll and related liabilities	45,018	70,490
Operating lease liability	3,275,982	3,396,317
Equity In deficit of Partnership	<u>1,234,866</u>	<u>1,320,800</u>
Total Liabilities	<u>4,602,958</u>	<u>4,808,160</u>
Commitments and contingencies		
NET ASSETS	<u>152,204</u>	<u>241,395</u>
Total liabilities and net assets	\$ <u>4,755,162</u>	\$ <u>5,049,555</u>

See accompanying notes to financial statements

WHEAT MARKETING CENTER, INC.
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING REVENUES AND GAINS		
Guaranteed payments from Partnership	\$ 300,000	\$ 300,000
Wheat agencies support	1,098,550	1,024,373
Other program revenues	142,912	187,939
Interest income	34,615	19,919
	<u>1,576,077</u>	<u>1,532,231</u>
EXPENSES		
Board of directors	8,679	6,004
Business development	13,670	20,454
Conferences and training	13,829	17,963
Copying and printing	4,097	6,431
Courses and workshops	25,087	22,522
Crop quality	26,220	21,164
Depreciation	75,046	109,670
Insurance	36,480	35,392
Marketing and outreach	6,369	2,208
Miscellaneous	10,211	6,421
Postage and delivery	686	999
Professional services	22,257	106,821
Rent	288,635	287,255
Repairs and maintenance	35,437	21,033
Research projects	14,005	28,905
Salaries and wages	821,773	852,863
Subscriptions and dues	12,821	4,877
Supplies	17,230	21,921
Utilities and telephone	18,166	25,967
Visiting scholars		3,009
	<u>1,450,698</u>	<u>1,601,879</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
BEFORE NON-OPERATING ACTIVITIES	<u>125,379</u>	<u>(69,648)</u>
NON-OPERATING ACTIVITIES		
Unrelated business income tax	(504)	(234)
Equity in Partnership income	(214,066)	(262,890)
	<u>(89,191)</u>	<u>(332,772)</u>
CHANGE IN NET ASSETS		
NET ASSETS AT BEGINNING OF YEAR (restated for 2023)	<u>241,395</u>	<u>574,167</u>
NET ASSETS AT END OF YEAR	<u>\$ 152,204</u>	<u>\$ 241,395</u>

See accompanying notes to financial statements

WHEAT MARKETING CENTER, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Decrease in net assets	\$ (89,191)	\$ (332,772)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	75,046	109,670
Equity in Partnership (income) loss	214,066	262,890
Noncash lease expense	37,108	41,654
(Increase)decrease in accounts receivable	45,643	(1,254)
(Increase)decrease in other assets	12,895	19,924
Increase(decrease) in accounts payable	26,539	(19,344)
Increase(decrease) in accrued liabilities	(25,472)	19,187
Increase(decrease) in deferred revenue	-	-
	385,825	432,727
Total adjustments		
Net cash provided by operating activities	296,634	99,955
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment	(150,690)	-
Net change in investments	200,000	100,000
Capital contribution to Partnership	(300,000)	-
Distributions received from Partnership	-	-
	(250,690)	100,000
Net cash provided (used) by investing activities		
	45,944	199,955
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS, beginning of year	394,336	194,381
CASH AND CASH EQUIVALENTS, end of year	\$ 440,280	\$ 394,336

See accompanying notes to financial statements

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE A - Nature of Activities and Summary of Significant Accounting Policies:

Nature of Activities - Wheat Marketing Center, Inc. and Affiliates (collectively, the Center) is an educational organization located in Portland, Oregon. The Center's mission is to conduct wheat research projects and to provide related educational activities to the worldwide wheat-consuming industry. The Center accomplishes this goal by maintaining an information center, performing research, and promoting, along with state wheat agencies and agricultural trade associations, the education of the public about United States wheat.

Summary of Significant Accounting Policies – The significant accounting policies followed by the Center are described below to enhance the usefulness of the consolidated financial statements to the reader.

Principles of Consolidation – The accompanying consolidated financial statements include the consolidated accounts of Wheat Marketing Center, Inc. (WMCI), WMC Title Holding Company (Holding Company), and WMC Laboratory Services Corp. (Lab Services). All significant intercompany transactions and balances have been eliminated.

Consolidation is required because of WMCI's controlling interest in the Holding Company and because WMCI is a 100 percent owner of Lab Services.

Basis of Presentation – Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as net assets with or without donor restrictions and are subject to donor-imposed stipulations that will be met either by actions of the Center and/or the passage of time. There were no net assets with donor restrictions at June 30, 2024 and 2023.

Revenue Recognition - The Center reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE A - Nature of Activities and Summary of Significant Accounting Policies (Continued):

The Center reports gifts of furniture and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Program revenues are recognized at the time services are provided and the revenues are earned.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent 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 these estimates. Estimates are used in the financial statements for, among other things, the calculation of depreciation and amortization expense, the determination of any Allowances for uncollectible receivables, and the estimated potential liability of the Albers Mill Building Partnership for environmental remediation costs described in Note D.

Cash and Cash Equivalents – Cash equivalents include debt instruments with original maturities of less than three months.

Accounts Receivable - Account receivables are recognized as services are provided. At the discretion of management, certain delinquent accounts may be assessed finance charges, which are recognized as income when charged.

The Center uses the allowance method to account for uncollectible accounts. The allowance for doubtful accounts is estimated by management based on various factors, including past history and current economic conditions. Management did not consider an allowance to be necessary at June 30, 2024 and 2023. Accounts receivables are written off once management has exhausted all reasonable collection efforts.

Financial Instruments with Concentrations of Risk – Financial instruments that potentially subject the Center to concentrations of risk consist primarily of cash and cash equivalents and accounts receivable. From time to time, the Center's cash and cash equivalents may be in excess of Federally insured limits.

Property and Equipment – Property and equipment are recorded at cost, or at market value when acquired by gift. Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the respective assets ranging from 3 to 10 years. Leasehold improvements are amortized over the shorter of the estimated lives of the improvements or the lease term. The Center capitalizes all acquisitions over \$2,500 at the date of the acquisition.

Investment in Partnership – The Holding Company accounts for its investment in the Albers Mill Building Partnership using the equity method.

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE A - Nature of Activities and Summary of Significant Accounting Policies (Continued):

Income Taxes – WMCI and the Holding Company are tax-exempt organizations under Sections 501(c)(3) and 501(c)(2), respectively, of the Internal Revenue Code and similar state provisions. Neither are classified as a private foundation. Lab Services is not a tax-exempt organization.

The activities of Lab Services generated small taxable losses for the years ended June 30, 2024 and 2023.

Certain activities of the Holding Company may result in unrelated business income. Those activities resulted in \$ (17,184) of taxable income for the year ended June 30, 2024. Federal and state unrelated business income taxes incurred during 2024 totaled \$500.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and provide guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe WMCI, Lab Services, or the Holding Company has taken any uncertain tax positions. WMCI and the Holding Company file informational returns, and Lab Services and the Holding Company file tax returns in the U.S. Federal and Oregon jurisdictions. Generally, the returns are subject to examination by income tax authorities for three years from the filing of a return. There are currently no examinations in progress for any periods. Interest or penalties assessed by taxing authorities, if any, would be included with general and administrative expenses.

Subsequent Events – Management has evaluated subsequent events through _____, 2024, the date the consolidated financial statements were available for issue.

NOTE B – Certificates of Deposit:

Certificates of deposit were comprised of the following as of June 30, 2024:

Goldman Sachs Bank (3.150%), acquired June,21, 2022 and maturing July 1, 2024	125,000
BMW Bank North Amer (0.950%), acquired December 13, 2021 and maturing December 17, 2024	100,000
State Bank India (5.100%), acquired March 19, 2024 and maturing March 21, 2025	100,000
Synchrony Bank Retail (3.400%) acquired July 25, 2022 and maturing July 29, 2025	120,000
Western Alliance Bank (5.050%), acquired March 19, 2024 and maturing September 26, 2025	100,000
Greenstate Credit Union (5.000%), acquired May 25, 2023 and maturing December 1, 2025	100,000
Sallie Mae Bank (1.000%), acquired July 13, 2021 and maturing July 21, 2026	50,000

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE B – Certificates of Deposit (Continued):

State Bank India (1.100%), acquired September 21, 2021 and maturing September 28, 2026	<u>100,000</u>
	<u>\$ 795,000</u>

Certificates of deposit were comprised of the following as of June 30, 2023:

	<u>Carrying Value</u>
Synchrony Bank (3.400%), acquired July 25, 2022 and maturing July 29, 2025	\$ 120,000
Greenstate CU (5.000%), acquired May 25, 2023 and maturing December 1, 2025	100,000
John Marshall Bank (0.150%), acquired January 22, 2021 and maturing July 28, 2023	100,000
State Bank India (0.650%), acquired December 13, 2021 and maturing December 29, 2023	100,000
Ally Bank (1.300%), acquired February 17, 2022 and maturing February 23, 2024	100,000
Ally Bank (2.550%), acquired April 26, 2022 and maturing May 6, 2024	100,000
Goldman Sachs Bank (3.150%), acquired June 21, 2022 and maturing July 1, 2024	125,000
BMW Bank North Amer (0.950%), acquired December 13, 2021 and maturing December 17, 2024	100,000
Sallie Mae Bank (1.000%), acquired July 13, 2021 and maturing July 21, 2026	50,000
State Bank India (1.100%), acquired September 21, 2021 and maturing September 28, 2026	<u>100,000</u>
	<u>\$ 995,000</u>

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE C – Net Property and Equipment:

	<u>2024</u>	<u>2023</u>
Operating Rou (office space)	\$ 3,508,214	\$ 3,508,214
Laboratory equipment	2,777,610	2,628,073
Display room equipment	97,500	97,500
Office furniture and equipment	250,827	249,676
Leasehold improvements	<u>1,619,831</u>	<u>1,619,831</u>
	8,253,982	8,103,291
Less accumulated depreciation and amortization	<u>(4,788,397)</u>	<u>(4,555,907)</u>
Net property and equipment	<u>\$ 3,465,585</u>	<u>\$ 3,547,384</u>

NOTE D – Investment in Partnership:

In March 1989, the Holding Company and Bill Naito Company formed Albers Mill Building Partnership (the Partnership) to acquire and develop the former Albers Mill Company site. The Holding Company contributed \$4.8 million to the Partnership in exchange for a 50 percent ownership interest in the Partnership. Bill Naito Company contributed approximately \$1.09 million to the Partnership in exchange for its 50 percent ownership interest in the Partnership. Under the terms of the Partnership Agreement, income and losses of the Partnership are allocated equally to each partner. Additionally, the Holding Company is to receive annual guaranteed payments of \$300,000 as a return on the Holding Company's original capital contribution in excess of Bill Naito Company's investment.

The Holding Company has the option to purchase Bill Naito Company's interest in the Partnership.

The assets, liabilities, deficit, and operations of the Partnership as of and for the year ended June 30, 2024 and 2023 are summarized as follows:

	<u>2024</u>	<u>2023</u>
Total assets	<u>\$ 4,880,433</u>	<u>\$ 4,971,551</u>
Liabilities and partners' deficit:		
Total liabilities	11,618,294	11,881,280
Partners' deficit:		
WMC Title Holding Company	(1,234,866)	(1,320,800)
Bill Naito Company	<u>(5,502,995)</u>	<u>(5,588,929)</u>
Total partners' deficit	<u>(6,737,861)</u>	<u>(6,909,729)</u>
Total liabilities and partners' deficit	<u>\$ 4,880,433</u>	<u>\$ 4,971,551</u>

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE D – Investment in Partnership (Continued):

Rental and other income	\$ 2,058,025	\$ 2,129,107
Operating expenses	(1,274,459)	(1,322,823)
Depreciation and amortization	<u>(409,155)</u>	<u>(483,792)</u>
Operating income	374,411	322,492
Interest expense	(502,543)	(548,271)
Guaranteed payment to WMC Title Holding Company	<u>(300,000)</u>	<u>(300,000)</u>
Net income (loss)	<u>\$ (428,132)</u>	<u>\$ (525,779)</u>

The Center's equity in the income from the Partnership for the year ended June 30, 2024 and 2023 was \$(214,066) and \$(262,890) respectively.

During the year ended June 30, 2024, Partnership distributions made to the Holding Company and Bill Naito Company totaled \$0. Capital contributions to the Partnership from both the Holding Company and Bill Naito Company for the year ended June 30, 2024 totaled \$600,000

The Partnership has been notified by the Department of Environmental Quality (DEQ) that the subsurface soils at the site of the Albers Mill Building are contaminated with petroleum constituents, and groundwater is contaminated with elevated concentrations of metals. Although there has been no order from the DEQ to begin cleanup efforts, the Partnership's management has determined it is probable that cleanup efforts will have to take place at an undetermined time. Based on preliminary and limited information, the Partnership's management has obtained an estimated cost for project remediation. The estimated cost ranges from \$1.5 to \$2.85 million. The Partnership's management has elected to record an estimated liability of \$1.5 million, which is included as a component of total liabilities of the Partnership at June 30, 2024. The amount of the obligation has not been measured on a discounted basis. It is reasonably possible the recorded estimate of the obligation may change in the near term.

The United States Environmental Protection Agency (EPA) has declared the Portland Harbor as a Superfund Site, specifically from Willamette River miles 1 to 12. The Partnership lies within the Portland Harbor boundaries. In early 2008, the Partnership received a first request for information from the EPA. Since the Partnership lies within the Superfund Site's boundaries, the Partnership responded to the EPA by providing the Partnership's history, ownership, and uses since it was first developed. The Partnership's response stated its previous historical uses did not contribute to the environmental issues in the Portland Harbor. The Partnership's intent is to be removed as a participant in this Superfund Site. In January, 2017, the EPA issued its final Record of Decision which explains the cleanup remedy to be used at Portland Harbor. On December 19, 2017, EPA signed an Administrative Settlement Agreement and Order on Consent (ASAOC) with the "Pre-RD" Group for baseline sampling at the Portland Harbor Superfund site. The Pre-RD Group is made up of four of the Potentially Responsible Parties for the site: Arkema Inc., Evraz Inc. NA, Schnitzer Steel Industries Inc., and The Marine Group LLC. The ASAOC includes a Statement of Work and Work Plan for the sampling activities. The ASAOC, Statement of Work, Work Plan and associated tables, figures, maps, and appendices, can be found on the EPA website: <https://semspub.epa.gov/src/document/10/100077191>. The documents detail the tasks the Pre-RD Group will conduct, with EPA oversight, from January 2018 through October 2019. The entire cleanup remedy is expected to take between 16 and 18 years to complete at a present value cost of \$1.4 billion. In 2017, EPA updated the estimated

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE D – Investment in Partnership (Continued):

health risk for BaP based on over five years of research that showed that it is less toxic for people who contact or ingest the chemical than previously thought. Based on the lower health risks, EPA is proposing to change some of the cleanup levels for cPAHs in the Selected Remedy. The updated cleanup levels will require less sediment capping and removal. The sediment cleanup area is expected to be reduced by about 17 acres from the total 2,200 acres and cost \$35 million less than the original \$1 billion cleanup estimate. At this time, the Partnership cannot make any determinations of liability, if any, regarding responsibility for cleanup.

NOTE E – Leases:

The Organization has an operating lease for office space. The lease has a remaining lease term of 17.5 years, which includes the assumption management exercises its 10 year option.

The following summarizes the line items in the statement of financial position which include amounts for operating leases as of June 30, 2024:

Right-of-use asset	\$ 3,508,214
Less accumulated amortization	(310,994)
Operating lease right-of-use-assets	<u>\$ 3,197,220</u>
 Lease liabilities	 <u>\$ 3,275,982</u>

The following summarizes the weighted average remaining lease term and discount rate as of June 30, 2024:

Weighted Average Remaining Lease Term:

Operating leases	15.5 years
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Weighted Average Discount Rate:

Operating lease	3.35%
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**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE E – Leases (Continued):

The maturities of the operating lease liability as of June 30, 2024 are as follows:

Year Ending December 31:

2025	\$	236,353
2026		241,091
2027		245,927
2028		250,856
2029		255,881
Thereafter		<u>3,015,396</u>
Total lease payments		4,245,502
Less: interest		<u>(969,520)</u>
Present value of lease liabilities	\$	<u>3,275,982</u>

The following summarizes the line items in the statement of activities which include the components of lease expense for the year ended June 30, 2024:

Operating lease expense included in rent	<u>\$ 268,821</u>
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The following summarizes cash flow information related to leases for the year ended June 30, 2024:

Cash paid for amounts included in the measurement of lease liabilities	<u>\$ 231,714</u>
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NOTE F – Defined Contribution Retirement Plan:

The Center maintains a defined contribution retirement plan (the Plan) operating under Section 403(b) of the Internal Revenue Code. The Plan covers full time employees of the Center who become eligible after 3 months of service and the attainment of age 21. Contributions are made by the Center bi-monthly based on 5 percent of the eligible employee's gross bi-monthly compensation. Participants vest immediately in their accounts. Total employer contributions to the Plan was \$31,756 and \$31,980 for the years ended June 30, 2024 and 2023, respectively.

NOTE G – Functional Expenses:

Expenses have been allocated among program and supporting services. The allocation is as follows for the years ended June 30, 2024 and 2023. Management does not believe a significant amount of time is spent in fundraising activities. As such, no expenses have been allocated to fundraising.

	<u>2024</u>	<u>2023</u>
Program services:		
Laboratory education and operations	\$ -	\$ 1,396,461
Supporting services:		
General and administrative	-	205,418
	<u>\$ -</u>	<u>\$ 1,601,879</u>

**WHEAT MARKETING CENTER, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE H - Contingencies:

The majority of the Center's property and equipment and the Holding Company's interest in the Partnership have been funded by state grants. Should the Center no longer use the property and equipment, or the property owned by the Partnership for purposes authorized by those state grants, state regulations require the property or proceeds from the disposal of the property be returned to the government.

NOTE I – Net Assets:

The composition of net assets is as follows at June 30:

	<u>2024</u>	<u>2023</u>
Net investment in property and equipment	\$ 189,603	\$ 192,721
Equity in deficit of Partnership	(1,234,866)	(1,320,800)
Available for operations	<u>1,197,467</u>	<u>1,369,474</u>
	<u>\$ 152,204</u>	<u>\$ 241,395</u>

NOTE J - Concentrations:

The Center's revenue and other income are principally derived from the Partnership and state wheat agencies. Eight wheat agencies accounted for 57% of total revenue and other income for the year ended June 30, 2024.

NOTE K – Liquidity and Availability of Financial Assets:

The following reflects the Center's financial assets available within one year of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and cash equivalents	\$ 440,280	\$ 394,336
Accounts receivable	42,382	88,025
Investments – short term maturity	<u>325,000</u>	<u>400,000</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 807,662</u>	<u>\$ 882,361</u>

As part of the Center's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically certificates of deposit.

**SUPPLEMENTARY
INFORMATION**

WHEAT MARKETING CENTER, INC
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2024

	Wheat Marketing Center, Inc	WMC Title Holding Company	WMC Laboratory Services Corp.	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 357,456	\$ 74,686	\$ 8,138		\$ 440,280
Certificates of deposit	795,000				795,000
Accounts receivable	139,432		7,930	(104,980)	42,382
Other current assets	1,726				1,726
Investment in affiliate	14,000			(14,000)	0
Prepaid expense	10,189				10,189
Operating ROU asset, property and equipment	3,465,585				3,465,585
Total assets	\$ 4,783,388	\$ 74,686	\$ 16,068	\$ (118,980)	\$ 4,755,162
LIABILITIES AND UNRESTRICTED(DEFICIT)					
LIABILITIES:					
Accounts payable	\$ 46,892	\$ 74,400	\$ 30,780	\$ (104,980)	\$ 47,092
Accrued payroll and related liabilities	45,018				45,018
Operating lease liability	3,275,982				3,275,982
Equity in deficit of Partnership		1,234,866			1,234,866
Total Liabilities	3,367,892	1,309,266	30,780	(104,980)	4,602,958
Commitments and contingencies					
Net assets (deficit)	1,415,496	(1,234,580)	(14,712)	(14,000)	152,204
Total liabilities and net deficit	\$ 4,783,388	\$ 74,686	\$ 16,068	\$ (118,980)	\$ 4,755,162

WHEAT MARKETING CENTER, INC
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2023

	Wheat Marketing Center Inc	WMC Title Holding Company	WMC Laboratory Services Corp.	Eliminations	Total
ASSETS					
Cash and cash equivalents	\$ 331,206	\$ 52,583	\$ 10,547	\$	\$ 394,336
Certificates of deposit	995,000				995,000
Accounts receivable	146,900		18,240	(77,115)	88,025
Other current assets	1,726				1,726
Investment in affiliate	14,000			(14,000)	0
Prepaid expense	23,084				23,084
Operating ROU asset, property and equipment	3,547,384				3,547,384
Total assets	\$ 5,059,300	\$ 52,583	\$ 28,787	(91,115)	\$ 5,049,555
LIABILITIES AND UNRESTRICTED(DEFICIT)					
LIABILITIES:					
Accounts payable	\$ 19,353	\$ 52,000	\$ 26,315	\$ (77,115)	\$ 20,553
Accrued payroll and related liabilities	70,490				70,490
Operating lease liability	3,396,317				3,396,317
Equity In deficit of Partnership		1,320,800			1,320,800
Total Liabilities	3,486,160	1,372,800	26,315	(77,115)	4,808,160
Commitments and contingencies					
Net assets (deficit)	1,573,140	(1,320,217)	2,472	(14,000)	241,395
Total liabilities and net deficit	\$ 5,059,300	\$ 52,583	\$ 28,787	(91,115)	\$ 5,049,555

WHEAT MARKETING CENTER, INC
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Wheat Marketing Center Inc	WMC Title Holding Company	WMC Laboratory Services Corp.	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS					
OPERATING REVENUES AND GAINS					
REVENUES:					
Guaranteed payments from Partnership	\$	\$ 300,000	\$	\$	\$ 300,000
Wheat agencies support	1,098,550				1,098,550
Other program revenues	149,042		117,028	(123,158)	142,912
Interest income	33,622	993			34,615
Total revenue	1,281,214	300,993	117,028	(123,158)	1,576,077
EXPENSES:					
Board of directors	8,679				8,679
Business development	13,670				13,670
Conferences and training	13,829				13,829
Copying and printing	4,097				4,097
Courses and workshops	25,087				25,087
Crop quality	26,220				26,220
Depreciation	75,046				75,046
Insurance	36,480				36,480
Lab expense			123,158	(123,158)	0
Marketing and outreach	6,369				6,369
Miscellaneous	7,106	301	2,804		10,211
Postage and delivery	686				686
Professional services	21,252	1,005			22,257
Rent	288,635				288,635
Repairs and maintenance	35,437				35,437
Research projects	14,005				14,005
Salaries and wages	821,773				821,773
Subscriptions and dues	4,571		8,250		12,821
Supplies	17,230				17,230
Utilities and telephone	18,166				18,166
Visiting scholars					0
Total expense	1,438,338	1,306	134,212	(123,158)	1,450,698
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING ACTIVITIES	(157,124)	299,687	(17,184)		125,379
UNRESTRICTED NON-OPERATING ACTIVITIES					
Unrelated business income tax		(500)			(500)
Equity in Partnership Income		(214,066)			(214,066)
Contributions (to) from net	518	518			0
					0
CHANGE IN NET ASSETS	(157,642)	85,639	(17,184)		-89,187
NET ASSETS AT BEGINNING OF YEAR	1,573,140	(1,320,217)	2,472	(14,000)	241,395
NET ASSETS AT END OF YEAR	\$ 1,415,496	\$ (1,234,580)	\$ 14,712	\$ (14,000)	\$ 152,204

**WHEAT MARKETING CENTER, INC
CONSOLIDATING SCHEDULE OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

	Wheat Marketing Center Inc	WMC Title Holding Company	WMC Laboratory Services Corp.	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS					
OPERATING REVENUES AND GAINS					
REVENUES:					
Guaranteed payments from Partnership	\$	\$ 300,000	\$	\$	\$ 300,000
Wheat agencies support	1,024,373				1,024,373
Other program revenues	190,795		172,719	(175,575)	187,939
Interest Income	19,486	433			19,919
Total revenue	1,234,654	300,433	172,719	(175,575)	1,532,231
EXPENSES:					
Board of directors	6,004				6,004
Business development	20,454				20,454
Conferences and training	17,963				17,963
Copying and printing	6,431				6,431
Courses and workshops	22,522				22,522
Crop quality	21,164				21,164
Depreciation	109,670				109,670
Insurance	35,392				35,392
Lab expense			175,575	(175,575)	0
Marketing and outreach	2,208				2,208
Miscellaneous	3,817	135	2,469		6,421
Postage and delivery	999				999
Professional services	26,244	80,577			106,821
Rent	287,255				287,255
Repairs and maintenance	21,033				21,033
Research projects	28,905				28,905
Salaries and wages	852,863				852,863
Subscriptions and dues	4,877				4,877
Supplies	21,921				21,921
Utilities and telephone	25,967				25,967
Visiting scholars	3,009				3,009
Total expense	1,518,698	80,712	178,044	(175,575)	1,601,879
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING ACTIVITIES	(284,044)	219,721	(5,325)	-	(69,648)
NON-OPERATING ACTIVITIES					
Unrelated business income tax		(234)			(234)
Equity in Partnership income		(262,890)			(262,890)
Contributions (to)/from net	243,000	(243,000)			-
CHANGE IN NET ASSETS	(41,044)	(286,403)	(5,325)	(14,000)	(332,772)
NET ASSETS AT BEGINNING OF YEAR, restated	1,614,184	(1,033,814)	7,797	(14,000)	574,167
NET ASSETS AT END OF YEAR	\$ 1,573,140	\$ (1,320,217)	\$ 2,472	\$ (14,000)	\$ 241,395