

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## National Stock Yards Company

2501 Exchange Avenue – Room 107  
Oklahoma City, OK 73108

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405-235-8675  
Oknationalstockyards.com  
office@okstockyards.com

## Quarterly Report

For the period ending June 30, 2024 (the "Reporting Period")

### Outstanding Shares

The number of shares outstanding of our Common Stock was:

43,612 as of June 30, 2024 (*Current Reporting Period Date or More Recent Date*)

43,612 as of June 30, 2024 (*Most Recent Completed Fiscal Year End*)

### Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

### Change in Control

Indicate by check mark whether a Change in Control<sup>4</sup> of the company has occurred during this reporting period:

Yes:  No:

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<sup>4</sup> "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer and names used by predecessor entities, along with the dates of the name changes.

National Stock Yards Company

Current State and Date of Incorporation or Registration: Delaware 3-18-1932

Standing in this jurisdiction: (e.g. active, default, inactive): Yes

Prior Incorporation Information for the issuer and any predecessors during the past five years:

N/A

Describe any trading suspension or halt orders issued by the SEC or FINRA concerning the issuer or its predecessors since inception:

N/A

List any stock split, dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

Address of the issuer's principal executive office:

2501 Exchange Avenue – Room 107 – Oklahoma City, OK 73108

Address of the issuer's principal place of business:

Check if principal executive office and principal place of business are the same address:

2501 Exchange Avenue – Room 107 – Oklahoma City, OK 73108

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No:  Yes:  If Yes, provide additional details below:

\_\_\_\_\_

**2) Security Information**

**Transfer Agent**

Name: Computershare

Phone: 303-262-0710

Email: brooke.webb@computershare.com

Address: P.O. Box 50500, Louisville, KY 40233

**Publicly Quoted or Traded Securities:**

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	<u>NSYC</u>	
Exact title and class of securities outstanding:	<u>C01-Common</u>	
CUSIP:	<u>637858101</u>	
Par or stated value:	<u>0</u>	
Total shares authorized:	<u>73,100</u>	as of date: <u>June 30, 2024</u>
Total shares outstanding:	<u>43,612</u>	as of date: <u>June 30, 2024</u>
Total number of shareholders of record:	<u>47</u>	as of date: <u>June 30, 2024</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/S

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	<u>N/A</u>	
CUSIP (if applicable):	<u>N/A</u>	
Par or stated value:	<u>N/A</u>	
Total shares authorized:	<u>N/A</u>	as of date: _____
Total shares outstanding (if applicable):	<u>N/A</u>	as of date: _____

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

N/A

**Security Description:**

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

**1. For common equity, describe any dividend, voting and preemption rights.**

Holders of Common Stock are entitled to receive such dividends and other distributions as may be authorized and declared by the Board of Directors from time to time. Each holder of shares of Common Stock is entitled to one vote for each share of Common Stock held on all matters submitted to a vote of stockholders of National Stock Yards Company. The holders of Common Stock vote together as a single class. Holders of Common Stock are not entitled to preemptive rights.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

N/A

3. Describe any other material rights of common or preferred stockholders.

N/A

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

N/A

### 3) Issuance History

*The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.*

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No:  Yes:  (If yes, you must complete the table below)

Shares Outstanding <u>Opening Balance:</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date _____	Common: _____	Preferred: _____							
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to.  ***You must disclose the control person(s) for any entities listed.	Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

Shares Outstanding on Date of This Report:	
<u>Ending Balance:</u>	
Date _____	Common: _____
	Preferred: _____

**Example:** A company with a fiscal year end of March 31<sup>st</sup> 2024, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2022 through March 31, 2024 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

### B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No:       Yes:  (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *** You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. Ensure that these descriptions are updated on the Company's Profile on [www.OTCMarkets.com](http://www.OTCMarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Livestock - we offer cattle for sale every week at Oklahoma National Stockyards in Oklahoma City, OK. Our operations are live auctions.

Real Estate - we have properties, offices and buildings for rent and short-term or long-term lease. We also offer properties for sale.

B. List any subsidiaries, parent company, or affiliated companies.

Oklahoma National Stockyards - Oklahoma City, OK

St. Louis National Stockyards - St. Louis, IL

East St Louis Junction Railroad - St. Louis, IL

C. Describe the issuers' principal products or services.

Cattle Merchandising

Real Estate - Leasing, Rental & Merchandising

**5) Issuer's Facilities**

*The goal of this section is to provide investors with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.*

Oklahoma National Stockyards - The property is approximately 100 acres, consisting of over 45 acres of cattle pens, loading/unloading chutes, allies, vet chutes, receiving/load out offices and the auction barn. There are 8 buildings with 155,609 sq feet of office/warehouse space for rent/lease to various supply and Main Street Companies. The Exchange building has approximately 50 offices with 26,490 sq feet that is rented to commission firms, order buyers, finance insurance and trucking companies. The Exchange building also has 1 full-service restaurant and a 4,000 sq foot atrium.

St. Louis and East St. Louis Railroad - There are approximately 80 acres in the two properties with 2 buildings consisting of 14,000 square feet of office/warehouse space that is rented to various companies.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

The leases range from year to year up to 20-year leases. Property taxes are passed on to the tenants along with their water and electricity cost. The company takes responsibility for the maintenance of HVAC units and roofs.

**6) All Officers, Directors, and Control Persons of the Company**

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer’s securities. If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity. Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

*The goal of this section is to provide investors with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial owners.*

Names of All Officers, Directors, and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of 5% or more)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Chris Bakwin	CEO	P.O. Box 1542 Bozeman, MT 59771	4386	Common	10	_____
Edward J Henry	Secretary	5600 W. Lovers Lane #116-408 Dallas, TX 75029	0	N/A	0	_____
Phil Fleetwood	Director	P.O. Box 407 Marlow, Ok 73055	0	N/A	0	_____
James Reynolds	Director	19525 Millstone Crossing Drive Edmond, OK 73012	0	N/A	0	_____
Cede & Company	Owners of 5% or more	P.O. Box 5020 Bowling Green Station New York, NY10274-5020	38694.75	Common	88%	_____

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

NO

2. Been the subject of the entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, financial- or investment-related, insurance or banking activities;

NO

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

NO

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

NO

5. Been the subject of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

NO

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

NO

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party to or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

N/A



## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

### Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Zane Anderson  
Address 1: Crowe & Dunlevy  
Address 2: 324 N. Robinson Avenue Ste: 100, Oklahoma City, Ok 73102  
Phone: 405-234-3244  
Email: [zane.anderson@crowedunlevy.com](mailto:zane.anderson@crowedunlevy.com)

### Auditor

Name: Rich Prine  
Firm: Lopata, Flegel & Company, LLP  
Address 1: 600 Mason Ridge Center Drive Ste 100, St. Louis, MO 63141  
Phone: 314-336-1540  
Email: [rprine@lfco.cpa](mailto:rprine@lfco.cpa)

### Accountant

Name: Susan A. Regier  
Firm: Regier Cox & Associates  
Address 1: 5225 N. Shartel Avenue Ste: 100, Oklahoma City, Ok 73118  
Phone: 405-767-0531  
Email: [sregier@refiercox.com](mailto:sregier@refiercox.com)

### Investor Relations

Name: N/A  
Firm: N/A  
Address 1: N/A  
Address 2: N/A  
Phone: N/A  
Email: N/A

### *All other means of Investor Communication:*

Twitter: N/A  
Discord: N/A  
LinkedIn: N/A  
Facebook: N/A  
[Other ] N/A

### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: N/A  
Firm: N/A  
Nature of Services: N/A  
Address 1: N/A  
Address 2: N/A  
Phone: N/A  
Email: N/A

### 9) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: Theresa Moyers  
Title: Officer Manager/Assistant Secretary  
Relationship to Issuer: Employee

B. The following financial statements were prepared in accordance with:

- IFRS  
 U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: Rich Prine – Lopata, Flegel & Company  
Title: Partner  
Relationship to Issuer: Auditor & Management Consultant  
Describe the qualifications of the person or persons who prepared the financial statements: CPA

Provide the following qualifying financial statements:

- Audit letter, if audited;
- Balance Sheet;
- Statement of Income;
- Statement of Cash Flows;
- Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- Financial Notes

### **Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Chris Bakwin certify that:

1. I have reviewed this Disclosure Statement for National Stock Yards Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

\_\_\_\_\_ [Date]

\_\_\_\_\_ [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, Chris Bakwin certify that:

1. I have reviewed this Disclosure Statement for National Stock Yards Company;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

\_\_\_\_\_ [Date]

\_\_\_\_\_ [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

# NATIONAL STOCK YARDS COMPANY



## QUARTERLY REPORT

QUARTERS ENDED JUNE 30, 2024 AND 2023

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Accountants and Management Consultants

600 Mason Ridge Center Drive  
Suite 100  
St. Louis, MO 63141  
314-514-8881  
314-514-8872 Fax

**INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Board of Directors  
National Stock Yards Company

Management is responsible for the accompanying consolidated interim financial statements of National Stock Yards Company (a Delaware corporation) & Subsidiaries, which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the related consolidated statements of operations and retained earnings, and cash flows for the six months then ended, and the related notes to the interim financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated interim financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these consolidated interim financial statements.

*Lopata, Flegel & Company LLP*

St. Louis, Missouri  
August 13, 2024

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Consolidated Balance Sheets

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 657,340	\$ 1,551,707
Accounts receivable	101,347	62,979
Inventories	51,459	17,875
Prepaid supplies	22,594	36,143
Prepaid expenses	137,924	129,258
Land sale note receivable	-	230,167
Other receivable	31,011	5,053
Prepaid income taxes	78,405	30,549
Total Current Assets	<u>1,080,080</u>	<u>2,063,731</u>
<b>Property and Equipment</b>		
Buildings, equipment, and roads	11,448,788	11,251,446
Less accumulated depreciation	<u>8,092,248</u>	<u>7,772,153</u>
	3,356,540	3,479,293
Land and land development costs	<u>1,702,150</u>	<u>1,702,150</u>
	5,058,690	5,181,443
St. Louis real estate available for sale	<u>2,155,431</u>	<u>2,155,431</u>
	<u>7,214,121</u>	<u>7,336,874</u>
	<u>\$ 8,294,201</u>	<u>\$ 9,400,605</u>

*The accompanying notes are an integral part of these statements.*

## NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

### Consolidated Balance Sheets - Continued

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

	2024	2023
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 97,930	\$ 53,341
Accrued liabilities	278,738	249,767
Line of credit	-	117,109
Current maturity of building construction loan	21,843	18,742
Current maturity of equipment financing	13,213	12,054
Other current liabilities	104,088	10,253
Total Current Liabilities	<u>515,812</u>	461,266
<b>Long-Term Obligations</b>		
Building loan	729,754	751,464
Equipment financing	29,972	43,574
Deferred income taxes	154,000	168,000
Total Long-Term Liabilities	<u>913,726</u>	963,038
<b>Stockholders' Equity</b>		
Common stock - stated value \$50 per share; authorized and issued 73,100 shares	3,655,000	3,655,000
Additional paid-in capital	3,518,050	3,518,050
Retained earnings	1,058,319	2,169,957
	<u>8,231,369</u>	9,343,007
Less common stock in treasury, at cost 29,488 shares	1,366,706	1,366,706
	<u>6,864,663</u>	7,976,301
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u><u>\$ 8,294,201</u></u>	<u><u>\$ 9,400,605</u></u>

*The accompanying notes are an integral part of these statements.*



# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Consolidated Statements of Operations and Retained Earnings

Three and Six Months ended June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

	Three Months Ended June 30		Six Months Ended June 30	
	2024	2023	2024	2023
<b>Revenues</b>				
Livestock operations	\$ 1,381,827	\$ 1,544,848	\$ 3,075,797	\$ 3,328,196
Real estate operations	251,928	261,516	512,791	497,661
	<u>1,633,755</u>	<u>1,806,364</u>	<u>3,588,588</u>	<u>3,825,857</u>
<b>Operating costs and expenses</b>				
Depreciation	80,563	77,204	160,608	148,448
Payroll expense and related benefits	587,993	469,560	1,153,525	911,462
Operating expenses	892,097	936,400	1,965,265	1,980,493
Administrative expenses	378,088	135,738	571,963	326,430
	<u>1,938,741</u>	<u>1,618,902</u>	<u>3,851,361</u>	<u>3,366,833</u>
Operating profit (loss)	<u>(304,986)</u>	<u>187,462</u>	<u>(262,773)</u>	<u>459,024</u>
<b>Other income (expense)</b>				
Interest expense	(12,656)	(11,591)	(24,971)	(23,363)
Interest income	8,620	17,358	23,228	38,312
Other income	11,261	1,355	15,947	3,451
	<u>7,225</u>	<u>7,122</u>	<u>14,204</u>	<u>18,400</u>
Earnings (loss) before income taxes	<u>(297,761)</u>	<u>194,584</u>	<u>(248,569)</u>	<u>477,424</u>
<b>Income tax expense (benefit)</b>				
Current	(13,012)	55,886	1,988	138,279
Deferred	(46,000)	-	(46,000)	-
	<u>(59,012)</u>	<u>55,886</u>	<u>(44,012)</u>	<u>138,279</u>
<b>NET EARNINGS (LOSS)</b>	<u>(238,749)</u>	<u>138,698</u>	<u>(204,557)</u>	<u>339,145</u>
Retained earnings - beginning of period	<u>1,297,068</u>	<u>2,031,259</u>	<u>1,262,876</u>	<u>1,830,812</u>
Retained earnings - end of period	<u>\$ 1,058,319</u>	<u>\$ 2,169,957</u>	<u>\$ 1,058,319</u>	<u>\$ 2,169,957</u>
<b>NET EARNINGS (LOSS) PER COMMON SHARE</b>	<u>\$ (5.47)</u>	<u>\$ 3.18</u>	<u>\$ (4.69)</u>	<u>\$ 7.78</u>

The accompanying notes are an integral part of these statements.

## NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

### Consolidated Statements of Cash Flows

Three and Six Months ended June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

	Three Months		Six Months	
	Ended June 30 2024	2023	Ended June 30 2024	2023
<b>Decrease in Cash and Cash Equivalents</b>				
<b>Cash flows from operating activities:</b>				
Net earnings (loss)	\$ (238,749)	\$ 138,698	\$ (204,557)	\$ 339,145
Adjustments to reconcile net earnings (loss) to net cash used in operating activities:				
Depreciation	80,563	77,204	160,608	148,448
Deferred income taxes	(46,000)	-	(46,000)	-
Accounts and note receivable	15,932	(38,063)	55,004	38,404
Other receivable	(5,590)	-	(18,379)	-
Inventories	(19,680)	4,995	(20,242)	6,966
Prepaid supplies and expenses	(10,103)	(14,657)	(37,280)	33,733
Income taxes	24,442	(164,286)	39,442	(81,893)
Accounts payable	(128,206)	(61,252)	38,393	(89,170)
Accrued liabilities	67,345	8,366	(886,342)	(1,042,122)
Other current liabilities	(16,731)	(14,618)	63,856	(28,996)
Net cash used in operating activities	(276,777)	(63,613)	(855,497)	(675,485)
<b>Cash flows from investing activities:</b>				
Acquisition of property and equipment	(50,794)	(36,033)	(94,680)	(262,574)
<b>Cash flows from financing activities:</b>				
Net borrowings (payments) on line of credit	-	(9,000)	-	(25,000)
Borrowings on construction loan	-	11,222	-	137,109
Payments on construction loan	(5,170)	-	(10,384)	-
Payments on equipment financing	(3,409)	(2,845)	(6,554)	(5,625)
Net cash provided by (used in) financing activities	(8,579)	(623)	(16,938)	106,484
Net decrease in cash and cash equivalents	(336,150)	(100,269)	(967,115)	(831,575)
Cash and cash equivalents at beginning of period	993,490	1,651,976	1,624,455	2,383,282
Cash and cash equivalents at end of period	\$ 657,340	\$ 1,551,707	\$ 657,340	\$ 1,551,707
<b>Supplemental disclosure of cash flow information:</b>				
<b>Cash paid during the period for:</b>				
Income taxes, net of refunds	\$ (37,454)	\$ 220,172	\$ (37,454)	\$ 220,172
Interest	\$ 12,656	\$ 11,591	\$ 24,971	\$ 23,363

The accompanying notes are an integral part of these statements.

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS

National Stock Yards Company, through its subsidiaries, St. Louis National Stockyards Company (SLNSY) and Oklahoma National Stock Yards Company (ONSY), operates a diversified corporation.

ONSY provides a marketplace for the exchange of livestock. Their customer base consists of livestock producers who provide animals for sale primarily to feedlots, meatpackers and other livestock operations throughout the United States.

SLNSY owns approximately 75 acres of undeveloped real estate located approximately 2 miles from downtown St. Louis, Missouri. Note F provides more detail. The East St. Louis Junction Railroad Company, a wholly owned subsidiary of SLNSY, further enhances the commercial diversity of the properties. The St. Louis property is currently for sale.

Both operating facilities provide leasing of real estate, warehouses and office space.

#### **1. Principles of Consolidation**

The consolidated financial statements include the accounts of National Stock Yards Company and its wholly-owned subsidiaries, Oklahoma National Stock Yards Company and St. Louis National Stockyards Company.

All significant intercompany transactions have been eliminated.

#### **2. Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. The Company has cash and cash equivalents in a financial institution that at times may exceed federal deposit insurance limits. The Company has not experienced any losses in such accounts, and management believes that the Company is not exposed to any significant credit risk on cash and cash equivalents.

#### **3. Trade Accounts Receivable**

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

There were no write-offs or recoveries collected for the three and six months ended June 30, 2024 and 2023. See Note G regarding ongoing litigation as of the date of this report.

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS (CONTINUED)

#### **4. Property and Equipment**

Land owned by St. Louis National Stockyards Company was recorded at the organization of the Company in 1932 at an amount equal to the book value of a predecessor company. The land value was subsequently reduced in the 1980's to reflect its then estimated realizable value. Additions to property and equipment are recorded at cost.

Depreciation is computed using straight-line and accelerated methods. The provision for depreciation is computed based on the Company's estimates of the useful lives of the property, which range from 3 to 40 years.

The cost of maintenance and repairs is charged to operations as incurred. Renewals and betterments which extend the lives of existing properties are capitalized. Gain or loss on the disposal of assets is reflected in operations at the time of disposal.

#### **5. Advertising**

Advertising costs are expensed as incurred. Advertising expense for the three and six months ended June 30, 2024 was approximately \$109,300 and \$140,400, respectively. Advertising expense for the three and six months ended June 30, 2023 was approximately \$19,400 and \$36,800, respectively. Oklahoma National Stockyards hosted the 2024 Livestock Marketing Association Convention, including the World Livestock Auctioneer Championship in June 2024. This infrequent event generated additional sales volume from a special auction and event sponsorships. The net costs of this event are included in advertising costs.

#### **6. Income Taxes**

The Company accounts for income taxes utilizing an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax bases of assets and liabilities is determined quarterly. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce deferred tax assets to the amount that will more likely than not be realized. Income tax expense represents the current tax payable or refundable for the period plus or minus the net change in the deferred tax assets and liabilities.

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS (CONTINUED)

#### **7. Revenue Recognition**

The Company recognizes revenue for financial reporting purposes when it satisfies a performance obligation by transferring control over a product or service to a customer. The Company earns revenues primarily from its livestock operations and its leasing operations. Revenues earned through its leasing operations are accounted for under ASC Topic 842 *Leases*.

The Company's contracts with customers include goods and services of delivery, yardage assessments, auction, and feed, which are integrated into one overall output or performance obligation as the provision of a marketplace for the exchange of livestock. The Company's performance obligations are satisfied as the Company completes each day's obligations.

Consideration from livestock contracts is variable in nature because fees are based on the number of livestock brought to the marketplace, which can vary from period to period and is outside the Company's control. Fees at published rates are invoiced to customers daily as performance obligations are met based on the volume of livestock brought through the marketplace and payment is generally due when invoiced. The Company recognizes revenue when invoiced and collection is reasonably expected.

Receivables from livestock contracts were approximately \$47,000, \$60,000, and \$52,000 at June 30, 2024, March 31, 2024 and December 31, 2023, respectively. There were no payables from livestock contracts at the end of each of these periods.

Receivables from leasing operations were approximately \$57,000, \$60,000, and \$106,000 at June 30, 2024, March 31, 2024 and December 31, 2023, respectively. There were no payables from leasing contracts at the end of each of these periods.

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

### A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS (CONTINUED)

#### 7. Revenue Recognition (Continued)

Livestock and leasing operations by geographic area consisted of the following for the quarter ended June 30, 2024:

	<b>ONSY Livestock</b>	<b>ONSY Leasing</b>	<b>SLNSY Leasing</b>	<b>Total</b>
Revenues	\$ 1,381,827	\$ 239,908	\$ 12,020	\$ 1,633,755
Depreciation	45,618	33,457	1,488	80,563
Operating Expenses	1,369,645	409,937	78,596	1,858,178
Operating Profit (Loss)	<u>\$ (33,436)</u>	<u>\$ (203,486)</u>	<u>\$ (68,064)</u>	<u>\$ (304,986)</u>

Livestock and leasing operations by geographic area consisted of the following for the six months ended June 30, 2024:

	<b>ONSY Livestock</b>	<b>ONSY Leasing</b>	<b>SLNSY Leasing</b>	<b>Total</b>
Revenues	\$ 3,075,797	\$ 488,751	\$ 24,040	\$ 3,588,588
Depreciation	90,862	66,773	2,973	160,608
Operating Expenses	2,790,898	744,351	155,504	3,690,753
Operating Profit (Loss)	<u>\$ 194,037</u>	<u>\$ (322,373)</u>	<u>\$ (134,437)</u>	<u>\$ (262,773)</u>

Livestock and leasing operations by geographic area consisted of the following for the quarter ended June 30, 2023:

	<b>ONSY Livestock</b>	<b>ONSY Leasing</b>	<b>SLNSY Leasing</b>	<b>Total</b>
Revenues	\$ 1,544,848	\$ 249,496	\$ 12,020	\$ 1,806,364
Depreciation	53,069	22,650	1,485	77,204
Operating Expenses	1,227,147	238,838	75,713	1,541,698
Operating Profit (Loss)	<u>\$ 264,632</u>	<u>\$ (11,992)</u>	<u>\$ (65,178)</u>	<u>\$ 187,462</u>

Livestock and leasing operations by geographic area consisted of the following for the six months ended June 30, 2023:

	<b>ONSY Livestock</b>	<b>ONSY Leasing</b>	<b>SLNSY Leasing</b>	<b>Total</b>
Revenues	\$ 3,328,196	\$ 473,621	\$ 24,040	\$ 3,825,857
Depreciation	100,178	45,300	2,970	148,448
Operating Expenses	2,530,065	506,136	182,184	3,218,385
Operating Profit (Loss)	<u>\$ 697,953</u>	<u>\$ (77,815)</u>	<u>\$ (161,114)</u>	<u>\$ 459,024</u>

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND DESCRIPTION OF BUSINESS (CONTINUED)

#### **8. Net Earnings Per Common Share**

Net earnings per common share have been computed based on the common shares outstanding of 43,612 at June 30, 2024 and 2023.

#### **9. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 those estimates.

#### **10. Subsequent Events**

The Company has evaluated subsequent events through August 13, 2024 which is the date the financial statements were available to be issued.

### NOTE B – FINANCING ARRANGEMENTS

The Company has a \$500,000 unsecured line of credit with a bank which matures in November 2024. Interest is computed at the prime rate, which was 8.5% and 8.25% at June 30, 2024 and 2023, respectively. There was no outstanding balance at June 30, 2024. The balance of the line of credit at June 30, 2023 was \$117,109.

In June 2022, the Company entered into a finance lease to purchase equipment. The total cost of the equipment was \$69,500. The lease requires monthly interest and principal payments of \$1,390 and matures June 2027. Interest on the lease was calculated at 9.215%. The outstanding principal balance on this lease at June 30, 2024 and 2023 was \$43,185 and \$55,628, respectively.

In October 2022, the Company obtained a construction loan to fund the cost to build a warehouse for an existing tenant. The construction was completed in March 2023 with borrowings totaling \$770,206. The loan has a variable interest rate and matures October 2032. The loan includes a demand feature that will only be exercised if an event of default takes place. This loan requires interest only payments through July 2023, monthly principal and interest payments of \$5,501 through October 2027, monthly principal and interest payments of \$6,043 through September 2032, with final payment due October 2032. The outstanding principal balance at June 30, 2024 and 2023 was \$751,597 and \$770,206. The loan is collateralized by all assets of the Company.

## NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

### Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

#### NOTE B – FINANCING ARRANGEMENTS (CONTINUED)

The following is a schedule of future principal payments required under the equipment and building financing arrangements, outstanding as of June 30, 2024:

Twelve month period ending June 30,	Equipment Lease	Building Loan	Total
2025	\$ 13,213	\$ 21,843	\$ 35,056
2026	14,484	23,180	37,664
2027	15,488	24,599	40,087
2028	-	25,814	25,814
2029	-	27,661	27,661
Thereafter	-	628,500	628,500
	43,185	751,597	794,782
Less: current maturities	(13,213)	(21,843)	(35,056)
Long-term debt	\$ 29,972	\$ 729,754	\$ 759,726

#### NOTE C – INCOME TAXES

The Company recognizes uncertain tax positions in the financial statements based on whether positions are more likely than not of being sustained on audit, based on the technical merits of the positions. Amounts recognized are subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. No provision for uncertain tax positions was considered necessary at June 30, 2024 or 2023. The Company is no longer subject to examination by U.S. federal or applicable state tax authorities for years before 2021. Management continually evaluates the effect of expiring statutes of limitations, changes in tax law and new authoritative rulings.

The tax effect of temporary differences giving rise to the net deferred tax liabilities as of June 30, 2024 or 2023 is as follows:

Net deferred tax liability	2024	2023
Depreciation	\$ (299,000)	\$ (280,000)
Net operating loss	65,000	-
Difference between book and tax basis of land held for real estate development	65,000	65,000
Other	15,000	47,000
	\$ (154,000)	\$ (168,000)



# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE D – EMPLOYEE BENEFIT PLANS

The Company sponsors the National Stock Yards Company Savings and Retirement Plan for the benefit of its employees. The savings component of the plan is a 401(k) plan and covers all employees of the Company who have met certain minimum age and length of service requirements. The Plan permits contributions from the employees in an amount not greater than 12% of base compensation. In addition, the Company made discretionary contributions to the plan of 8% of the eligible employees' wages in 2024 and 2023. Company contributions are vested over a six year period. Company contribution expenses were approximately \$23,500 and \$45,100 for the three and six months ended June 30, 2024, respectively. Company contribution expenses were approximately \$19,600 and \$38,600 for the three and six months ended June 30, 2023, respectively. The 2023 expenses were offset by forfeitures utilized in 2023.

### NOTE E – COMMITMENTS AND LEASING

#### Leasing Operations

The Company leases land and commercial space under long-term and month-to-month leases to various tenants at its St. Louis and Oklahoma facilities. The long-term leases expire at various dates through July 2031.

Two leases at the Oklahoma facility require monthly, escalating rent payments. The Company is recognizing rent revenue on a straight-line basis over the terms of the leases, resulting in an unbilled rent receivable of \$31,000, \$25,000 and \$13,000 at June 30, 2024, March 31, 2024 and December 31, 2023, respectively. Tenants who have prepaid rent resulted in deferred rent balances of \$18,000, \$33,000 and \$40,000 at June 30, 2024, March 31, 2024 and December 31, 2023, respectively.

Minimum future rentals to be received on non-cancelable leases for each of the next five calendar years and in the aggregate are:

<b>Year ending December 31,</b>	
2024	\$ 619,754
2025	498,540
2026	510,540
2027	510,540
2028	342,540
Thereafter	234,895
	<u>\$ 2,716,809</u>

In addition to the future rents disclosed above, the Company has a perpetual lease with an unrelated company for land with annual rent of \$48,000 as of March 31, 2024 and 2023.

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE F – SIGNIFICANT ESTIMATES AND CONTINGENCIES

#### **St. Louis Real Estate Development**

Management estimates that the fair value of the Company's St. Louis real estate is in excess of its carrying value and demolition costs, and accordingly, the carrying value of the St. Louis real estate has not been adjusted. However, the amounts the Company will ultimately realize from the sale or development of this property could differ materially from management's current estimate.

#### **St. Louis Real Estate – Environmental**

The Company has obtained Phase I environmental assessments at its St. Louis facility at various times. These assessments have identified past uses of the property which could lead to environmental conditions, however, management is not aware of specific environmental matters which require immediate remediation. Management continues to consider the assessments and will perform the recommended investigations and testing as required to sell or develop the real estate. The ultimate liability for all environmental matters, if any, cannot be determined.

### NOTE G – CLAIMS, CONTRACTS AND COMMITMENTS

#### **St. Louis Real Estate Development**

In connection with a 2020 land sale, the Company received a \$205,547 promissory note which accrued interest at 4% annually. The unpaid principal and accrued interest was due August 20, 2023 and was paid in-full.

#### **Oklahoma National Stock Yards Litigation**

In early 2024, the Company posted a tariff increase of \$5 per head, approved by the United States Department of Agriculture's Packers & Stockyards Division (PSD) on February 8, 2024, and implemented by the Company on February 26, 2024. Certain commission companies operating at the Company's Oklahoma stockyards facility disputed the tariff and filed a formal complaint with the PSD, along with litigation in Oklahoma County district court, to oppose the posted increase. The PSD issued a determination that the increase was reasonable in June 2024, however certain commission companies continue to not remit the current tariff amount. The Company is vigorously defending its right to operate its business and charge reasonable and appropriate fees to third parties privileged to operate at its stockyard. The PSD has the authority to review and regulate the Company's operations, and this matter remains pending before the PSD for a determination on the enforcement of collections of the tariff. The Oklahoma state court litigation has been stayed pending resolution of the matter at the PSD. The increased tariff amounted to approximately \$444,100 and \$654,200 for the three and six months ended June 30, 2024. The Company has not recognized the tariff increase in its revenue pending resolution of the foregoing disputes. In the event that the increased tariff amounts are not collected for the past and future, it will continue to have a negative effect on the Company's financial results.

# NATIONAL STOCK YARDS COMPANY AND SUBSIDIARIES

## Notes To Consolidated Financial Statements

June 30, 2024 and 2023

(See Independent Accountant's Compilation Report)

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### NOTE G – CLAIMS, CONTRACTS AND COMMITMENTS (CONTINUED)

#### Real Estate

The Company is in negotiation with the Oklahoma Industries Authority (OIA) to settle certain liabilities related to the Oklahoma Exchange Building relating to a 1981 public bond program. While a settlement has not been finalized, management expects this it will result in the Company paying approximately \$106,000 with terms to the OIA over a period of time.

### NOTE H – NEW ACCOUNTING STANDARDS

The Financial Accounting Standards Board has issued Accounting Standards Update 2023-09 *Income Taxes (Topic 740)*, regarding income tax disclosures. The new income tax standard is intended to improve the transparency and decision usefulness of income tax disclosures. It will require the Company to disclose income taxes incurred and paid, disaggregated by federal, state and individual jurisdictions. This new standard will become effective for the Company's year-ending December 31, 2025.