

CASEYS GENERAL STORES INC

Form 10-K

June 26, 2015

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United States

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934  
For the Fiscal Year Ended April 30, 2015  
Commission File Number 001-34700

CASEY'S GENERAL STORES, INC.

(Exact name of registrant as specified in its charter)

IOWA

(State or other jurisdiction of  
incorporation or organization)

ONE CONVENIENCE BLVD., ANKENY, IOWA

(Address of principal executive offices)

50021

(Zip Code)

(515) 965-6100

(Registrant's telephone number, including area code)

Securities Registered pursuant to Section 12(b) of the Act

COMMON STOCK

(Title of Class)

Securities Registered pursuant to Section 12(g) of the Act

NONE

42-0935283

(I.R.S. Employer

Identification Number)

NASDAQ

(Name of Exchange on which Registered)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Accelerated filer ..

Smaller reporting company ..

The aggregate market value of the registrant's common stock held by non-affiliates as of October 31, 2014, was approximately \$3.2 billion based on the closing sales price (\$81.87 per share) as quoted on the NASDAQ Global Select Market.

Indicate the number of shares outstanding of each of the issuer's class of common stock, as of the latest practicable date.

Class	Outstanding at June 22, 2015
Common Stock, no par value per share	38,923,505 shares

## DOCUMENTS INCORPORATED BY REFERENCE

The information called for by Item 5 of Part II and Items 10, 11, 12, 13 and 15 of Part III is hereby incorporated by reference from the definitive Proxy Statement to be filed with the Securities and Exchange Commission in connection with the Annual Meeting of Shareholders, which will be filed with the Securities and Exchange Commission not later than 120 days after April 30, 2015.

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PART I

The previously announced revisions to our financial results regarding an immaterial correction of an error for the fiscal 2015 first quarter and fiscal 2014 are reflected in all year-to-date results and comparisons to prior periods.

ITEM 1.

BUSINESS

The Company

Casey's General Stores, Inc. ("Casey's") and its wholly owned subsidiaries (Casey's, together with its subsidiaries, are referred to herein as the "Company" or "we") operate convenience stores under the name "Casey's General Store" (hereinafter referred to as "Casey's Store" or "Stores") in fourteen Midwestern states, primarily in Iowa, Missouri, and Illinois. The Company also operates one store selling primarily tobacco products. The stores carry a broad selection of food (including freshly prepared foods such as pizza, donuts, and sandwiches), beverages, tobacco products, health and beauty aids, automotive products, and other nonfood items. In addition, all but one Casey's store offers fuel for sale on a self-service basis. Our fiscal year runs from May 1 through April 30 of each year. On April 30, 2015 there were a total of 1,878 stores in operation. There were 45 stores newly constructed and we closed nine stores in fiscal 2015. We also acquired 36 additional stores in fiscal 2015; 32 of those stores were opened in 2015, three were permanently closed and one will be opened during the 2016 fiscal year. We operate a central warehouse, Casey's Distribution Center, adjacent to our corporate headquarters in Ankeny, Iowa, through which we supply grocery and general merchandise items to our stores.

Approximately 57% of all our stores are located in areas with populations of fewer than 5,000 persons, while approximately 18% of our stores are located in communities with populations exceeding 20,000 persons. The Company competes on the basis of price as well as on the basis of traditional features of convenience store operations such as location, extended hours, and quality of service.

Casey's, with executive offices at One Convenience Blvd., Ankeny, Iowa 50021-8045 (telephone 515-965-6100) was incorporated in Iowa in 1967. One of our subsidiaries, Casey's Marketing Company (Marketing Company) also operates from the Corporate Headquarters facility and was incorporated in Iowa in March 1995. A second subsidiary, Casey's Services Company (Services Company) operates from a nearby facility and was also incorporated in Iowa in March 1995. A third subsidiary, Casey's Retail Company, was incorporated in Iowa in 2004 and a fourth subsidiary, CGS Sales Corp., was incorporated in 2008 and both also operate from the Corporate Headquarters facility. A fifth subsidiary, Tobacco City Inc., was incorporated in Iowa in 2014 and also operates from the Corporate Headquarters. The Company's Internet address is [www.caseys.com](http://www.caseys.com). Each year we make available through our website all of our SEC filings, including current reports on Form 8-K, quarterly reports on Form 10-Q, our annual report on Form 10-K, and amendments to those reports, free of charge as soon as reasonably practicable after they have been electronically filed with the Securities and Exchange Commission. Additionally, you can go to our website to read our Financial Code of Ethics, Corporate Governance Guidelines, Code of Conduct, and committee charters. We intend to post disclosure of any waivers to the Code of Conduct on our website.

General

We seek to meet the needs of residents of smaller towns by combining features of both general store and convenience store operations. Smaller communities often are not served by national-chain convenience stores. We have succeeded at operating Casey's General Stores in smaller towns by offering, at competitive prices, a broader selection of products than does a typical convenience store. We have also succeeded in meeting the needs of residents in larger communities with these offerings. We currently own most of our real estate, including the Casey's Distribution Center, the Services Company facility, and the Corporate Headquarters facility.

The Company derives its revenue primarily from the retail sale of fuel and the products offered in our stores. Our sales historically have been strongest during the first and second fiscal quarters (May through October) relative to the third and fourth (November through April). In warmer weather, customers tend to purchase greater quantities of fuel and certain convenience items such as beer, pop, and ice.

Corporate Subsidiaries

The Marketing Company and the Services Company were organized as Iowa corporations in March 1995, and both are wholly owned subsidiaries of Casey's. Casey's Retail Company was organized as an Iowa corporation in April

2004, CGS

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Sales Corp. was organized as an Iowa corporation in 2008, and Tobacco City, Inc. was organized as an Iowa corporation in 2014. All such entities are wholly-owned subsidiaries of Casey's.

Casey's Retail Company operates stores in Illinois, Kansas, Minnesota, Nebraska, North Dakota and South Dakota; it also holds the rights to the Casey's trademark and trade name. The Marketing Company owns and has responsibility for the operation of stores in Arkansas, Indiana, Iowa, Kentucky, Missouri, Oklahoma, Tennessee and Wisconsin. The Marketing Company also has responsibility for all of our wholesale operations, including the Distribution Center. The Services Company provides a variety of construction and transportation services for all stores. CGS Sales Corp. operates one store in Iowa and one in Nebraska. Tobacco City Inc. operates one store in North Dakota.

### Store Operations

#### Products Offered

Each Casey's General Store typically carries over 3,000 food and nonfood items. Many of the products offered are those generally found in a supermarket. The selection is generally limited to one or two well-known brands of each item stocked. Most of our staple foodstuffs are nationally advertised brands. Stores sell regional brands of dairy and bakery products, and approximately 87% of the stores offer beer. Our nonfood items include tobacco products, health and beauty aids, school supplies, housewares, pet supplies, and automotive products.

All but one Casey's General Stores offer gasoline or diesel for sale on a self-service basis. Gasoline and diesel are sold under the Casey's name.

It is our policy to continually make additions to the Company's product line, especially products with higher gross profit margins. As a result, we have added various prepared food items to our product line over the years, facilitated by the installation of snack centers, which now are in the majority of stores. The snack centers sell sandwiches, fountain drinks, and other items that have gross profit margins higher than those of general staple goods. As of April 30, 2015, the Company was selling donuts prepared on store premises in approximately 98% of our stores in addition to cookies, brownies, and other bakery items. The Company installs donut-making equipment in all newly constructed stores.

We began marketing made-from-scratch pizza in 1984, and it is available in 1,836 stores (98%) as of April 30, 2015. Although pizza is our most popular prepared food offering, we continue to expand our prepared food product line, which now includes ham and cheese sandwiches, pork and chicken fritters, sausage sandwiches, chicken tenders, pizza rolls, popcorn chicken, breakfast croissants and biscuits, breakfast pizza, hash browns, quarter-pound hamburgers and cheeseburgers, and potato cheese bites. The newly constructed stores and many of the remodeled stores now offer made-to-order sub sandwiches.

The growth in our proprietary prepared food program reflects management's strategy to promote high-margin products that are compatible with convenience store operations. In the last three fiscal years, retail sales of nonfuel items have generated about 30% of our total revenue, but they have resulted in approximately 77% of our gross profits. Gross profit margins on prepared food items averaged approximately 61% during the three fiscal years ended April 30, 2015—substantially higher than the gross profit margin on retail sales of fuel, which averaged approximately 5%.

### Store Design

Casey's General Stores are primarily freestanding and, with a few exceptions to accommodate local conditions, conform to standard construction specifications. The latest store design (O2 style) measures 39 feet by 103 feet with approximately 2,500 square feet devoted to sales area, 500 square feet to kitchen space, 400 square feet to storage, and 2 large public restrooms. The latest store design for smaller communities (P style) measures 43 feet by 75 feet with approximately 1,600 square feet devoted to sales area with the remaining areas similar in size. Store lots have sufficient frontage and depth to permit adequate drive-in parking facilities on one or more sides of each store. Each new store typically includes 4 to 10 islands of fuel dispensers and storage tanks with capacity for 30,000 to 50,000 gallons of fuel. The merchandising display follows a standard layout designed to encourage a flow of customer traffic through all sections of every store. All stores are air-conditioned and have modern refrigeration equipment. Nearly all the store locations feature our bright red and yellow sign which displays Casey's name and service mark.

All Casey's General Stores remain open at least sixteen hours per day, seven days a week. Hours of operation may be adjusted on a store-by-store basis to accommodate customer traffic patterns. We currently operate approximately 850

stores on a 24-hour basis. We require that all stores maintain a bright, clean interior and provide prompt checkout service.

Store Locations

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The Company traditionally has located its stores in smaller towns not served by national-chain convenience stores. Management believes that a Casey's General Store provides a service not otherwise available in small towns and that a convenience store in an area with limited population can be profitable if it stresses sales volume and competitive prices. Our store-site selection criteria emphasize the population of the immediate area and daily highway traffic volume. We can often operate profitably at a highway location in a community with a population of as few as 400.

**Fuel Operations**

Fuel sales are an important part of our revenue and earnings. Approximately 66% of Casey's total revenue for the year ended April 30, 2015 was derived from the retail sale of fuel. The following table summarizes (dollars and gallons in thousands) fuel sales for the three fiscal years ended April 30, 2015:

	Year ended April 30,				
	2015	2014	2013		
Number of gallons sold	1,816,596	1,665,600	1,535,140		
Total retail fuel sales	\$5,144,385	\$5,554,580	\$5,229,157		
Percentage of total revenue	66.2	% 70.8	% 72.1	%	
Gross profit percentage (excluding credit card fees)	6.8	% 4.8	% 4.2	%	
Average retail price per gallon	\$2.83	\$3.33	\$3.41		
Average gross profit margin per gallon (excluding credit card fees)	19.33	¢ 16.08	¢ 14.42	¢	
Average number of gallons sold per store*	968	932	883		

\* Includes only those stores in operation at least one full year on April 30 of the fiscal year indicated.

Retail prices of fuel decreased significantly during the year ended April 30, 2015. The total number of gallons we sold during this period increased, primarily because of the higher number of stores in operation, our continued efforts to price our retail fuel to compete in local market areas, the lower retail prices, and the growth in expanded hour stores. For additional information concerning the Company's fuel operations, see Item 7 herein.

**Distribution and Wholesale Arrangements**

The Marketing Company supplies all stores with groceries, food, health and beauty aids, and general merchandise from our Distribution Center. The stores place orders for merchandise electronically to our headquarters in Ankeny, and we fill the orders with weekly shipments in Company-owned delivery trucks. All of our existing and most of our proposed stores are within the Distribution Center's optimum efficiency range—a radius of approximately 500 miles. In April 2014, we announced plans to build a second distribution center in Terre Haute, Indiana. This second distribution center (planned to begin operations in February 2016) will enable us to expand our territory while at the same time provide a more efficient distribution system to our existing stores.

In fiscal 2015, we purchased directly from manufacturers a majority of the food and nonfood items supplied to stores from our Distribution Center. It is our practice, with few exceptions, not to enter into long-term supply contracts with any of the suppliers of products sold by Casey's General Stores. We believe the practice enables us to respond flexibly to changing market conditions.

**Personnel**

On April 30, 2015, we had 13,050 full-time employees and 18,716 part-time employees. We have not experienced any work stoppages. There are no collective bargaining agreements between the Company and any of its employees.

**Competition**

Our business is highly competitive. Food, including prepared foods, and nonfood items similar or identical to those sold by the Company are generally available from various competitors in the communities served by Casey's General Stores. We believe our stores located in smaller towns compete principally with other local grocery and convenience stores, similar retail outlets, and, to a lesser extent, prepared food outlets, restaurants, and expanded fuel stations offering a more limited selection of grocery and food items for sale. Stores located in more heavily populated communities may compete with local and national grocery and drug store chains, expanded fuel stations, supermarkets, discount food stores, and traditional convenience stores. Convenience store chains competing in the larger towns served by Casey's General Stores include Quik Trip, Kwik Trip, and



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regional chains. Some of the Company's competitors have greater financial and other resources than we do. These competitive factors are discussed further in Item 7 of this Form 10-K.

### Service Marks

The name "Casey's General Store" and the service mark consisting of the Casey's design logo (with the words "Casey's General Store") are our registered service marks under federal law. We believe these service marks are of material importance in promoting and advertising the Company's business.

### Government Regulation (dollars in thousands)

The United States Environmental Protection Agency and several states, including Iowa, have established requirements for owners and operators of underground fuel storage tanks (USTs) with regard to (i) maintenance of leak detection, corrosion protection, and overfill/spill protection systems; (ii) upgrade of existing tanks; (iii) actions required in the event of a detected leak; (iv) prevention of leakage through tank closings; and (v) required fuel inventory record keeping. Since 1984, new stores have been equipped with noncorroding fiberglass USTs, including some with double-wall construction, overfill protection, and electronic tank monitoring. We currently have 4,245 USTs, 3,328 of which are fiberglass and 917 are steel, and we believe that all capital expenditures for electronic monitoring, cathodic protection, and overfill/spill protection to comply with the existing UST regulations have been completed. Additional regulations or amendments to the existing UST regulations could result in future expenditures.

Several states in which we do business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs incurred by UST owners, including the Company. In the years ended April 30, 2015 and 2014, we spent approximately \$1,387 and \$1,224, respectively, for assessments and remediation. Substantially all of these expenditures were submitted for reimbursement from state-sponsored trust fund programs. As of April 30, 2015, approximately \$17,848 has been received from such programs since inception. The payments are typically subject to statutory provisions requiring repayment of the reimbursed funds for noncompliance with upgrade provisions or other applicable laws. None of the reimbursements received are currently expected to be repaid by the Company to the trust fund programs. At April 30, 2015, we had an accrued liability of approximately \$388 for estimated expenses related to anticipated corrective actions or remediation efforts, including relevant legal and consulting costs. We believe we have no material joint and several environmental liability with other parties.

## ITEM 1A.

### RISK FACTORS

You should carefully consider the risks described in this report before making a decision to invest in our securities. If any of such risks actually occur, our business, financial condition, and/or results of operations could be materially adversely affected. In that case, the trading price of our securities could decline and you might lose all or part of your investment.

#### Risks Related to Our Industry

The convenience store industry is highly competitive.

The convenience store and retail fuel industries in which we operate are highly competitive and characterized by ease of entry and constant change in the number and type of retailers offering the products and services found in our stores. We compete with many other convenience store chains, gasoline stations, supermarkets, drugstores, discount stores, club stores, fast food outlets, and mass merchants. In recent years, several nontraditional retailers such as supermarkets, club stores, and mass merchants have affected the convenience store industry by entering the fuel retail business. These nontraditional fuel retailers have obtained a significant share of the motor fuels market, and their market share is expected to grow. In some of our markets, our competitors have been in existence longer and have greater financial, marketing, and other resources than we do. As a result, our competitors may be able to respond better to changes in the economy and new opportunities within the industry. To remain competitive, we must constantly analyze consumer preferences and competitors' offerings and prices to ensure we offer convenience products and services consumers demand at competitive prices. We must also maintain and upgrade our customer service levels, facilities, and locations to remain competitive and attract customer traffic. These competitive pressures could materially and adversely affect our fuel and merchandise sales and gross profit margins, and therefore could have a material adverse effect on our business, financial condition and results of operations.

The volatility of wholesale petroleum costs could adversely affect our operating results.



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Over the past three fiscal years, on average our fuel revenues accounted for approximately 70% of total revenue and our fuel gross profit accounted for approximately 23% of total gross profit. Crude oil and domestic wholesale petroleum markets are marked by significant volatility. General political conditions, acts of war or terrorism, and instability in oil producing regions, particularly in the Middle East and South America, can significantly affect crude oil supplies and wholesale petroleum costs. In addition, the supply of fuel and our wholesale purchase costs could be adversely affected in the event of a shortage, which could result from, among other things, lack of capacity at United States oil refineries or, in our case, the absence of fuel contracts that guarantee an uninterrupted, unlimited supply of fuel. Significant increases and volatility in wholesale petroleum costs have resulted and could in the future result in significant increases in the retail price of petroleum products and in lower gasoline average margin per gallon. Increases in the retail price of petroleum products have resulted and could in the future adversely affect consumer demand for fuel. This volatility makes it difficult to predict the impact that future wholesale cost fluctuations will have on our operating results and financial condition. These factors could adversely affect our fuel gallon volume, fuel gross profit, and overall customer traffic, which in turn would affect our sales of grocery and general merchandise and prepared food products.

Changing consumer preferences for alternative motor fuel and improvements in fuel efficiency could adversely impact our business.

Technological advancement, regulatory changes, or changes in consumer preferences toward alternative motor fuels or more fuel-efficient vehicles could reduce demand for the fuel products we currently sell. In addition, a shift toward electric, hydrogen, natural gas or other alternative fuel-powered vehicles could fundamentally change the shopping habits of our customers or lead to new forms of fueling destinations or new competitive pressure. New technologies developed to improve the fuel efficiency of automobiles, or further governmental mandates to improve fuel efficiency, may result in decreased demand for conventional fuel. Any of these outcomes could potentially result in fewer customer visits to our stores, decreases both in fuel and general merchandise sales revenue or reduce profit margins, which could have a material adverse effect on our business, financial condition and results of operations.

Legal, political, scientific and technological developments related to fuel efficiency and climate change may decrease demand for motor fuel.

Changes in our climate including the effects of greenhouse gas emissions in the environment may lessen the demand for our largest revenue product, petroleum-based motor fuel, or lead to additional government regulation. Consumer attitudes toward this product and its relationship to the environment and additional regulations could significantly affect our revenue and the ability to market fuel. Technological advances to reducing fuel use may steer public opinion against our product, which could have a material adverse effect on our business, financial condition and results of operations. In addition, new advancements that improve fuel efficiency or other governmental mandates to advance fuel efficiency may result in a reduction in demand for petroleum-based motor fuel, which again could have a material adverse effect on our business.

Increased credit card expenses could increase operating expenses.

A significant percentage of our fuel sales are made with the use of credit cards. Since the interchange fees we pay when credit cards are used to make purchases are based on transaction amounts, higher fuel prices at the pump result in higher credit card expenses. These additional fees increase operating expenses. Higher operating expenses that result from higher credit card fees may decrease our overall profit and have a material adverse effect on our business, financial condition and results of operations. Total credit card fees paid in fiscal 2015, 2014, and 2013, were approximately \$100 million, \$95 million, and \$85 million, respectively.

Wholesale cost and tax increases relating to tobacco products could affect our operating results.

Sales of tobacco products have averaged approximately 9% of our total revenue over the past three fiscal years, and our tobacco gross profit accounted for approximately 11% of total gross profit for the same period. Any significant increases in wholesale cigarette costs or tax increases on tobacco products may have a materially adverse effect on unit demand for cigarettes domestically. Currently, major cigarette manufacturers offer significant rebates to retailers, although there can be no assurance that such rebate programs will continue. We include these rebates as a component of cost of goods sold, which affects our gross margin from sales of cigarettes. In the event these rebates are no longer offered or decreased, our wholesale cigarette costs will increase accordingly. In general, we attempt to pass price

increases on to our customers. Due to competitive pressures in our markets, however, we may not always be able to do so. These factors could adversely affect our retail price of cigarettes, cigarette unit volume and revenues, merchandise gross profit, and overall customer traffic, and in turn have a material adverse effect on our business, financial condition and results of operations.

Governmental action and campaigns to discourage smoking may have a material adverse effect on our revenues and gross profit.

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Congress has given the Food and Drug Administration (“FDA”) broad authority to regulate tobacco products, and the FDA has enacted numerous regulations restricting the sale of such products. These governmental actions, as well as national, state and local campaigns to discourage smoking and other factors, have resulted in reduced industry volume and consumption levels, and could materially affect the retail price of cigarettes, unit volume and revenues, gross profit, and overall customer traffic, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Future consumer or other litigation could adversely affect our financial condition and results of operations.

Our retail operations are characterized by a high volume of customer traffic and by transactions involving a wide array of product selections, including prepared food. These operations carry a higher exposure to consumer litigation risk when compared to the operations of companies operating in many other industries. Consequently, we may become a party to individual personal injury, bad fuel, product liability and other legal actions in the ordinary course of our business. While these actions are generally routine in nature, incidental to the operation of our business and immaterial in scope, if our assessment of any action or actions should prove inaccurate, our financial condition and results of operations could be adversely affected.

Additionally, we are occasionally exposed to industry-wide or class-action claims arising from the products we carry or industry-specific business practices. For example, various petroleum marketing retailers, distributors and refiners are currently defending class-action claims alleging that the sale of unadjusted volumes of fuel at temperatures in excess of 60 degrees Fahrenheit violates various state consumer protection laws due to the expansion of the fuel with the increase of fuel temperatures. In addition, certain retailers have experienced data breaches resulting in exposure of sensitive customer data, including payment card information. Any such breach of our systems, or any failure to secure our systems against such a breach, could expose us to customer litigation, as well as sanctions from the payment card industry. Certain claims asserted in these lawsuits, if resolved against us, could give rise to substantial damages. Our defense costs and any resulting damage awards or settlement amounts may not be fully covered by our insurance policies. Thus, an unfavorable outcome or settlement of one or more of these lawsuits could have a material adverse effect on our financial position, liquidity and results of operations in a particular period or periods.

Our business and our reputation could be adversely affected by the failure to protect sensitive customer, employee or vendor data, whether as a result of cybersecurity attacks or otherwise, or to comply with applicable regulations relating to data security and privacy.

In the normal course of our business as a motor fuel and merchandise retailer, we obtain large amounts of personal data, including credit and debit card information from our customers. While we have invested significant amounts and engaged professional advisers in the protection of our IT systems and maintain what we believe are adequate security controls over individually identifiable customer, employee and vendor data provided to us, a breakdown or a breach in our systems that results in the unauthorized release of individually identifiable customer or other sensitive data could nonetheless occur and have a material adverse effect on our reputation, operating results and financial condition.

Cyberattacks are rapidly evolving and becoming increasingly sophisticated. A successful cyberattack resulting in the loss of sensitive customer, employee or vendor data could adversely affect our reputation, results of operations, financial condition and liquidity, and could result in litigation against us or the imposition of penalties. Moreover, a security breach could require that we expend significant additional resources to further upgrade the security measures that we employ to guard against cyberattacks.

General economic conditions that are largely out of the Company’s control may adversely affect the Company’s financial condition and results of operations.

Current economic conditions, higher interest rates, higher fuel and other energy costs, inflation, increases in commodity prices, higher levels of unemployment, higher consumer debt levels, higher tax rates and other changes in tax laws or other economic factors may affect consumer spending or buying habits, and could adversely affect the demand for products the Company sells in its stores. Economic conditions, higher fuel prices, and unemployment levels can affect consumer confidence, spending patterns, and miles driven, where customers “trade down” to lower priced products in certain categories. These factors can lead to sales declines in both fuel and general merchandise, and in turn have an adverse impact on our business, financial condition and results of operations.

Risks Related to Our Business

The prices of “RINs” and certain commodities fluctuate widely.

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The market prices paid to the Company for its “renewable identification numbers”, or “RINs”, as well as the wholesale costs paid by the Company for certain commodities such as cheese, coffee and meat, can fluctuate widely from period to period and have a significant impact on the Company’s financial results for a particular period or periods. Due to the inherent price volatility of RINs, there can be no assurance that the Company will be able to sell its RINs in the future at any particular price. Any significant decline in the market price of RINs, as well as any increases in the wholesale costs of commodities such as cheese, coffee and meat could have a material adverse effect on the Company’s results of operations in a particular period or periods.

Unfavorable weather conditions can adversely affect our business.

All of our stores are located in the Midwest region of the United States, which is susceptible to tornadoes, thunderstorms, extended periods of rain, flooding, ice storms, and heavy snow. Inclement weather conditions could damage our facilities or could have a significant impact on consumer behavior, travel, and convenience store traffic patterns as well as our ability to operate our locations. In addition, we typically generate higher revenues and gross margins during warmer weather months, which fall within our first and second fiscal quarters. When weather conditions are not favorable during a particular period, our operating results and cash flow from operations could be adversely affected.

Any failure to anticipate and respond to market trends and changes in consumer preferences could adversely affect our financial results.

Our continued success depends on our ability to anticipate, gauge and react in a timely and cost-effective manner to changes in consumer tastes, their attitudes toward our industry and brands, as well as to where and how consumers shop for those products. We must continually work to develop, produce and market new products, maintain and enhance the recognition of our brands, achieve a favorable mix of products, and refine our approach as to how and where we market and sell our products. While we devote considerable effort and resources to shape, analyze and respond to consumer preferences, we recognize that consumer tastes cannot be predicted with certainty and can change rapidly. The issue is compounded by the increasing use of social and digital media by consumers and the speed by which information and opinions are shared. If we are unable to anticipate and respond to sudden challenges that we may face in the marketplace, trends in the market for our products and changing consumer demands and sentiment, it could have a material adverse effect on our business, financial condition and results of operations.

We may not be able to identify, acquire, and integrate new stores, which could adversely affect our ability to grow our business.

An important part of our growth strategy has been to acquire other convenience stores that complement our existing stores or broaden our geographic presence. From May 1, 2014 through April 30, 2015 we acquired 36 and opened 32 convenience stores. We expect to continue pursuing acquisition opportunities.

Acquisitions involve risks that could cause our actual growth or operating results to differ materially from our expectations or the expectations of securities analysts. These risks include:

- The inability to identify and acquire suitable sites at advantageous prices;
- Competition in targeted market areas;
- Difficulties during the acquisition process in discovering some of the liabilities of the businesses that we acquire;
- Difficulties associated with our existing financial controls, information systems, management resources and human resources needed to support our future growth;
- Difficulties with hiring, training and retaining skilled personnel, including store managers;
- Difficulties in adapting distribution and other operational and management systems to an expanded network of stores;
- Difficulties in obtaining governmental and other third-party consents, permits and licenses needed to operate additional stores;
- Difficulties in obtaining the cost savings and financial improvements we anticipate from future acquired stores;
- The potential diversion of our senior management’s attention from focusing on our core business due to an increased focus on acquisitions; and
- Challenges associated with the consummation and integration of any future acquisition.

We are subject to federal and state environmental and other regulations.

Our business is subject to extensive governmental laws and regulations that include but are not limited to environmental and employment laws and regulations; health care; legal restrictions on the sale of alcohol, tobacco, and lottery products;

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requirements related to minimum wage, working conditions, public accessibility, and citizenship. A violation of or change in such laws and/or regulations could have a material adverse effect on our business, financial condition, and results of operations.

Under various federal, state, and local laws, regulations, and ordinances, we may, as the owner/operator of our locations, be liable for the costs of removal or remediation of contamination at these or our former locations, whether or not we knew of, or were responsible for, the presence of such contamination. Failure to remediate such contamination properly may make us liable to third parties and adversely affect our ability to sell or lease such property.

Compliance with existing and future environmental laws regulating underground storage tanks may require significant capital expenditures and increased operating and maintenance costs. The remediation costs and other costs required to clean up or treat contaminated sites could be substantial. We pay tank registration fees and other taxes to state trust funds established in our operating areas in support of future remediation obligations.

These state trust funds are expected to pay or reimburse us for remediation expenses less a deductible. To the extent third parties do not pay for remediation as we anticipate, we will be obligated to make these payments, which could materially adversely affect our financial condition and results of operations. Reimbursements from state trust funds will be dependent on the maintenance and continued solvency of the various funds.

In the future, we may incur substantial expenditures for remediation of contamination that has yet to be discovered at existing locations or at locations we may acquire. We cannot assure you that we have identified all environmental liabilities at all of our current and former locations; that material environmental conditions not known to us do not exist; that future laws, ordinances, or regulations will not impose material environmental liability on us; or that a material environmental condition does not otherwise exist at any one or more of our locations. In addition, failure to comply with any environmental laws, regulations, or ordinances or an increase in regulations could adversely affect our operating results and financial condition.

State laws regulate the sale of alcohol, tobacco, and lottery products. A violation or change of these laws could adversely affect our business, financial condition, and results of operations because state and local regulatory agencies have the power to approve, revoke, suspend, or deny applications for and renewals of permits and licenses relating to the sale of these products or to seek other remedies.

Any appreciable increase in income, overtime pay, or the statutory minimum wage rate or adoption of mandated healthcare benefits would result in an increase in our labor costs. Such cost increases or the penalties for failing to comply with such statutory minimum could adversely affect our business, financial condition, and results of operations. State or federal lawmakers or regulators may also enact new laws or regulations applicable to us that may have a material adverse and potentially disparate impact on our business.

Health care reform legislation could have a negative impact on our business.

The Patient Protection and Affordable Care Act (the “PPACA”) as well as other healthcare reform legislation being considered by Congress and various State legislatures may have a negative impact on our business. Although some of the rules, reforms and regulations required to implement the PPACA have not yet been adopted, such reforms appear likely to significantly increase our employee healthcare-related costs and therefore our operating expenses. As the provisions of such reform legislation are phased in over time, the resulting changes to our healthcare cost structure could have a material adverse effect on our business, financial condition and results of operations.

The dangers inherent in the storage and transport of motor fuel could cause disruptions and could expose us to potentially significant losses, costs or liabilities.

We store motor fuel in storage tanks at our retail locations. Additionally, we transport a significant portion of our motor fuel in our own trucks, instead of by third-party carriers. Our operations are subject to significant hazards and risks inherent in transporting and storing motor fuel. These hazards and risks include, but are not limited to, fires, explosions, traffic accidents, spills, discharges and other releases, any of which could result in distribution difficulties and disruptions, environmental pollution, governmentally-imposed fines or clean-up obligations, personal injury or wrongful death claims and other damage to our properties and the properties of others. As a result, any such event could have a material adverse effect on our business, financial condition and results of operations.

We may incur costs or liabilities as a result of litigation or adverse publicity resulting from concerns over food quality, health or other issues that could cause customers to avoid our convenience stores.

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We may be the subject of complaints or litigation arising from food-related illness or injury in general which could have a negative impact on our business. Additionally, negative publicity, regardless of whether the allegations are valid, concerning food quality, food safety or other health concerns, employee relations or other matters related to our operations may materially adversely affect demand for our food and could result in a decrease in customer traffic to our convenience stores.

It is critical to our reputation that we maintain a consistent level of high quality prepared food offerings at our convenience stores. Health concerns, poor food quality or operating issues stemming from one store or a limited number of stores could materially adversely affect the operating results of some or all of our stores.

Because we depend on our senior management's experience and knowledge of our industry, we could be adversely affected were we to lose key members of our senior management team.

We are dependent on the continued efforts of our senior management team. If, for any reason, our senior executives do not continue to be active in management, our business, financial condition or results of operations could be adversely affected. We also rely on our ability to recruit qualified store managers, supervisors, district managers, regional managers and other store personnel. Failure to continue to attract these individuals at reasonable compensation levels could have a material adverse effect on our business and results of operations.

We rely on our information technology systems to manage numerous aspects of our business, and a disruption of these systems could adversely affect our business.

We depend on our information technology (IT) systems to manage numerous aspects of our business transactions and provide analytical information to management. Our IT systems are an essential component of our business and growth strategies, and a serious disruption to our IT systems could significantly limit our ability to manage and operate our business efficiently. These systems are vulnerable to, among other things, damage and interruption from power loss or natural disasters, computer system and network failures, loss of telecommunications services, physical and electronic loss of data, security breaches and computer viruses. Any disruption could cause our business and competitive position to suffer and cause our operation results to be reduced. Also, our business continuity plan could fail.

Control deficiencies could prevent us from accurately and timely reporting our financial results.

Our internal control over financial reporting constitutes a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). We have in the past and may in the future identify deficiencies in our internal control over financial reporting, including significant deficiencies and material weaknesses. Failure to identify and remediate deficiencies in our internal control over financial reporting in a timely manner could prevent us from accurately and timely reporting our financial results, which could cause us to fail to meet our reporting obligations, lead to a loss of investor confidence and have a negative impact on the trading price of our common stock.

### Other Risks

Any issuance of shares of our common stock in the future could have a dilutive effect on your investment.

We could issue additional shares for investment, acquisition, or other business purposes. Even if there is not an immediate need for capital, we may choose to issue securities to sell in public or private equity markets if and when conditions are favorable. Raising funds by issuing securities would dilute the ownership interests of our existing shareholders. Additionally, certain types of equity securities we may issue in the future could have rights, preferences, or privileges senior to the rights of existing holders of our common stock.

Iowa law and provisions in our charter documents may have the effect of preventing or hindering a change in control and adversely affecting the market price of our common stock.

Our articles of incorporation give the Company's board of directors the authority to issue up to one million shares of preferred stock and to determine the rights and preferences of the preferred stock without obtaining shareholder approval. The existence of this preferred stock could make it more difficult or discourage an attempt to obtain control of the Company by means of a tender offer, merger, proxy contest, or otherwise. Furthermore, this preferred stock could be issued with other rights, including economic rights, senior to our common stock, thereby having a potentially adverse effect on the market price of our common stock.



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Our articles of incorporation were amended in 2011 to stagger the terms of the Company's board of directors, as a result of amendments to the Iowa Business Corporation Act. Our staggered board, along with other provisions of our articles of incorporation and bylaws and Iowa corporate law, could make it more difficult for a third party to acquire us or remove our directors by means of a proxy contest, even if doing so would be beneficial to our shareholders. For example, Section 409.1110 of the Iowa Business Corporation Act prohibits publicly held Iowa corporations to which it applies from engaging in a business combination with an interested shareholder for a period of three years after the date of the transaction in which the person became an interested shareholder unless the business combination is approved in a prescribed manner. Further, Section 490.1108A of the Iowa Business Corporation Act permits a board of directors, in the context of a takeover proposal, to consider not only the effect of a proposed transaction on shareholders, but also on a corporation's employees, suppliers, customers, creditors, and on the communities in which the corporation operates. These provisions could discourage others from bidding for our shares and could, as a result, reduce the likelihood of an increase in our stock price that would otherwise occur if a bidder sought to buy our stock. We may, in the future, adopt other measures (such as a shareholder rights plan or "poison pill") that could have the effect of delaying, deferring, or preventing an unsolicited takeover, even if such a change in control were at a premium price or favored by a majority of unaffiliated shareholders. These measures may be adopted without any further vote or action by our shareholders.

The market price for our common stock has been and may in the future be volatile, which could cause the value of your investment to decline.

Securities markets worldwide experience significant price and volume fluctuations. This market volatility could significantly affect the market price of our common stock without regard to our operating performance. In addition, the price of our common stock could be subject to wide fluctuations in response to these and other factors:

- ▲ A deviation in our results from the expectations of public market analysts and investors;
- § Statements by research analysts about our common stock, company, or industry;
- Changes in market valuations of companies in our industry and market evaluations of our industry generally;
- ▲ Additions or departures of key personnel;
- ▲ Actions taken by our competitors;
- § Sales of common stock by the Company, senior officers, or other affiliates; and
- Other general economic, political, or market conditions, many of which are beyond our control.

The market price of our common stock will also be affected by our quarterly operating results and monthly same store sales results, which may be expected to fluctuate. The following are factors that may affect our quarterly results and same store sales: general, regional, and national economic conditions; competition; unexpected costs; changes in retail pricing, consumer trends, and the number of stores we open and/or close during any given period; costs of compliance with corporate governance and Sarbanes-Oxley requirements. Other factors are discussed throughout Management's Discussion and Analysis of Financial Condition and Results of Operations. You may not be able to resell your shares of our common stock at or above the price you pay.

## ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

## ITEM 2. PROPERTIES

We own our corporate headquarters and Distribution Center. Located on an approximately 45-acre site in Ankeny, Iowa, these adjacent facilities and our vehicle service and maintenance center occupy a total of approximately 375,000 square feet. The original complex was completed in February 1990 and placed in full service at that time. In fiscal 2007, we added 98,000 square feet to the Distribution Center, 20,000 square feet of office space, additional paving for truck parking, and necessary drainage and landscaping improvements. In fiscal 2013, we purchased a nearby service building, which consists of approximately 60,000 square feet of warehouse space and approximately 14,000 square feet of office space. In Fiscal 2015, we completed further expansion of our distribution center by adding approximately 38,000 of additional square feet of warehouse space.





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In April 2014, we announced plans to build a second distribution center, to be located in Terre Haute, Indiana. This second distribution center (planned to begin operations in February 2016) is projected to have approximately 250,000 square feet of warehouse space.

On April 30, 2015, we also owned the land at 1,857 store locations and the buildings at 1,862 locations and leased the land at 21 locations and the buildings at 16 locations. Most of the leases provide for the payment of a fixed rent plus property taxes, insurance, and maintenance costs. Generally, the leases are for terms of ten to twenty years with options to renew for additional periods or options to purchase the leased premises at the end of the lease period.

ITEM 3. LEGAL PROCEEDINGS

The information required to be set forth under this heading is incorporated by reference from Note 10, Contingencies, to the Consolidated Financial Statements included in Part II, Item 8.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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## PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND  
ISSUER PURCHASES OF EQUITY SECURITIES

## Common Stock

Casey's common stock trades on the Nasdaq Global Select Market under the symbol CASY. The 38,886,165 shares of common stock outstanding at April 30, 2015 had a market value of approximately \$3.2 billion. On that date there were 1,749 shareholders of record.

## Common Stock Market Prices

Calendar 2013	High	Low	Calendar 2014	High	Low	Calendar 2015	High	Low
Q1	\$59.00	\$51.45	Q1	\$70.95	\$64.84	Q1	\$94.67	\$83.00
Q2	\$63.89	\$52.84	Q2	\$75.79	\$64.12			
Q3	\$74.08	\$60.47	Q3	\$73.09	\$65.70			
Q4	\$77.58	\$67.80	Q4	\$91.42	\$71.08			

## Dividends

We began paying cash dividends during fiscal 1991. The dividends declared in fiscal 2015 totaled \$0.80 per share. The dividends declared in fiscal 2014 totaled \$0.72 per share. On June 5, 2015, the Board of Directors declared a quarterly dividend of \$0.22 payable August 17, 2015 to shareholders of record on August 3, 2015. The Board expects to review the dividend every year at its June meeting.

The cash dividends declared during the calendar years 2013-15 were as follows:

Calendar 2013	Cash dividend declared	Calendar 2014	Cash dividend declared	Calendar 2015	Cash dividend declared
Q1	\$0.165	Q1	\$0.180	Q1	\$0.200
Q2	0.180	Q2	0.200	Q2	0.220
Q3	0.180	Q3	0.200		
Q4	0.180	Q4	0.200		
	0.705		0.780		

## ITEM 6. SELECTED FINANCIAL DATA

(In thousands, except per share amounts)

## Statement of Income Data

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	Years ended April 30,				
	2015	2014	2013	2012	2011
Total revenue	\$7,767,216	\$7,840,255	\$7,250,840	\$6,987,804	\$5,635,240
Cost of goods sold	6,327,431	6,618,239	6,179,771	5,987,659	4,754,173
Gross profit	1,439,785	1,222,016	1,071,069	1,000,145	881,067
Operating expenses	960,424	857,297	760,365	688,431	607,628
Depreciation and amortization	156,111	131,160	111,823	96,552	82,355
Interest, net	41,225	39,915	35,265	35,192	28,497
Loss on early retirement of debt	—	—	—	—	11,350
Income before income taxes	282,025	193,644	163,616	179,970	151,237
Federal and state income taxes	101,397	66,824	59,802	65,276	56,614
Net income	\$180,628	\$126,820	\$103,814	\$114,694	\$94,623
Basic earnings per common share	\$4.66	\$3.30	\$2.71	\$3.01	\$2.24
Diluted earnings per common share	\$4.62	\$3.26	\$2.69	\$2.99	\$2.22
Weighted average number of common shares outstanding—basic	38,743	38,458	38,297	38,068	42,285
Weighted average number of common shares outstanding—diluted	39,104	38,868	38,620	38,392	42,567
Dividends paid per common share	\$0.80	\$0.72	\$0.66	\$0.60	\$0.51
Balance Sheet Data					
	As of April 30,				
	2015	2014	2013	2012	2011
Current assets	\$305,260	\$389,558	\$278,967	\$280,726	\$293,887
Total assets	2,469,965	2,304,876	1,990,168	1,776,263	1,610,955
Current liabilities	364,889	390,889	412,806	310,186	294,500
Long-term debt, net of current maturities	838,245	853,642	653,081	667,930	678,680
Shareholders' equity	875,229	703,264	593,387	503,944	403,896

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF ITEM 7. OPERATIONS

(Dollars and gallons in thousands, except per share amounts)

Please read the following discussion of the Company's financial condition and results of operations in conjunction with the selected historical consolidated financial data and consolidated financial statements and accompanying notes presented elsewhere in this Form 10-K.

### Overview

The Company primarily operates convenience stores under the name "Casey's General Store" in fourteen Midwestern states, primarily in Iowa, Missouri and Illinois. On April 30, 2015, there were a total of 1,878 stores in operation. All but one store offers fuel for sale on a self-serve basis and carry a broad selection of food (including freshly prepared foods such as pizza, donuts and sandwiches), beverages, tobacco products, health and beauty aids, automotive products and other non-food items. We derive our revenue from the retail sale of fuel and the products offered in our stores.

Approximately 57% of all Casey's General Stores are located in areas with populations of fewer than 5,000 people, while approximately 18% of all stores are located in communities with populations exceeding 20,000 persons. We operate a central warehouse, the Casey's Distribution Center, adjacent to our Corporate Headquarters facility in Ankeny, Iowa, through which we supply grocery and general merchandise items to our stores. At April 30, 2015, the Company owned the land at 1,857 store locations and the buildings at 1,862 locations, and leased the land at 21 locations and the buildings at 16 locations.



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During the fourth quarter of fiscal 2015, the Company earned \$1.05 in diluted earnings per share compared to \$0.54 per share for the same quarter a year ago. Fiscal 2015 diluted earnings per share were \$4.62 versus \$3.26 for the prior year. The Company's business is seasonal, and generally the Company experiences higher sales and profitability during the first and second fiscal quarters (May-October), when customers tend to purchase greater quantities of fuel and certain convenience items such as beer and soft drinks.

During the 2015 fiscal year, we acquired and opened 32 convenience stores from other parties and completed 45 new store constructions. In addition to this activity, the Company also replaced 27 stores and closed nine stores during the year.

The fourth quarter results reflected a 3.5% increase in same-store fuel gallons sold, with an average margin of approximately 16.9 cents per gallon. The Company's fourth quarter fuel margin was helped by our ability to sell approximately 13.9 million renewable fuel credits for \$9,700. For the fiscal year, same-store gallons increased 2.6% with an average margin of 19.3 cents per gallon. The Company's policy is to price to the competition, so the timing of retail price changes is driven by local competitive conditions.

Same store sales of grocery & other merchandise increased 9.7% and prepared foods & fountain increased 13.5% during the fourth quarter of fiscal 2015.

The Company has several energy initiatives designed to reduce operating expenses associated with energy consumption. The Company believes that reducing energy consumption where feasible is a sound long-term business strategy. While individually and in aggregate the financial impact of these initiatives may not be material, implementing them throughout our operations is a part of our overall expense management. Below is a list of some of the energy initiatives the Company is currently undertaking:

All newly constructed stores use 100 percent high efficiency LED lighting. Also, when we perform a major remodel of an existing store, the fluorescent lighting is replaced with LED lighting. Furthermore, new canopies over the fuel pumps are installed with time systems and photo eyes to help control the canopy lighting.

Multiple paperless initiatives are going on throughout the Company, including going to paperless paystubs and W-2's where state law allows.

Electric fuel tank heaters have been installed in our fleet of trucks, significantly reducing idle time. Furthermore, timers have been installed that automatically turn off the engine if it is idling for more than ten minutes.

All of our store managers receive a portion of their pay in the form of incentive compensation. This encourages store managers to efficiently manage operating expenses, including utility expenses. All levels of supervision, including executive officers and supervisory personnel within the store operations department receive some form of incentive compensation, and operating expenses have a direct impact on the amount of annual incentive compensation payments made to these employees.

For further information concerning the Company's operating environment and certain conditions that may affect future performance, see the "Forward-looking Statements" at the end of this Item 7.

### Fiscal 2015 Compared with Fiscal 2014

Total revenue for fiscal 2015 decreased 0.9% to \$7,767,216, primarily due to a 15% decrease in the average price of a gallon of gas (an \$837,798 decrease), offset by an increase in the number of gallons sold (which generated an additional \$427,603), and an increase in inside sales (grocery & other merchandise and prepared food & fountain) (a \$333,299 increase). Retail fuel sales for the fiscal year were \$5,144,385, a decrease of 7.4%. Gallons sold increased 9.1% to 1.8 billion gallons. Inside sales increased 14.9% to \$2,575,709, primarily a result of a \$124,491 increase from stores that were built or acquired after April 30, 2013, and a \$60,316 increase from the rollout and expansion of our operating initiatives in our stores (expanded hours at select locations, stores with pizza delivery, and major remodels). Total gross profit margin was 18.5% for fiscal 2015 compared with 15.6% for the prior year. The fuel margin increased to 6.8% in fiscal 2015 from 4.8% in fiscal 2014 primarily due to a steady fall in wholesale costs midyear, contributing to a stronger margin. The grocery & other merchandise margin stayed flat at 32.1% in fiscal 2015 compared to 32.1% in fiscal 2014. The prepared food & fountain margin decreased to 59.7% from 61.1% primarily due to the higher costs of cheese and meat during the first few quarters of fiscal 2015.

Operating expenses increased 12.0% (\$103,127) in fiscal 2015 primarily due to an increase from stores built or acquired after April 30, 2013 (\$45,579), and the expansion of our operating initiatives noted above (\$15,207).

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Depreciation and amortization expense increased 19.0% to \$156,111 in fiscal 2015 from \$131,160 in fiscal 2014. The increase was due to capital expenditures made in fiscal 2015.

The effective tax rate increased 150 basis points to 36.0% in fiscal 2015 from 34.5% in fiscal 2014. The increase in the effective tax rate was primarily due to favorable out of period adjustments to correct accumulated variances in deferred taxes (\$2,760) in the prior year.

Net income increased to \$180,628 in fiscal 2015 from \$126,820 in fiscal 2014. The increase was due primarily to the increase in the number of fuel gallons sold and the increase in the fuel gross profit margin due to the volatility in prices contributing to a stronger fuel margin, as well as an increase in inside sales. However, this was partially offset by the decreases in gross profit margins from inside sales, an increase in the operating expenses, and an increase in depreciation and amortization.

### Fiscal 2014 Compared with Fiscal 2013

Total revenue for fiscal 2014 increased 8.1% to \$7,840,255, primarily due to an increase in the number of gallons sold (which generated an additional \$435,070), and an increase in inside sales (grocery & other merchandise and prepared food & fountain) (a \$258,775 increase). This was partially offset by a 2.1% decrease in average fuel prices (amounting to a \$109,647 decrease). Retail fuel sales for the fiscal year were \$5,554,580, an increase of 6.2%, and gallons sold increased 8.5% to 1,665,600. Inside sales increased 13% to \$2,242,410, primarily a result of an \$83,454 increase from the rollout and expansion of our operating initiatives in our stores (expanded hours at select locations, stores with pizza delivery, and major remodels), and a \$79,743 increase from stores that were built or acquired after April 30, 2012.

Total gross profit margin was 15.6% for fiscal 2014 compared with 14.8% for the prior year. The fuel margin increased to 4.8% in fiscal 2014 from 4.2% in fiscal 2013 primarily due to the increase in the value of the renewable fuel credits sold. The grocery & other merchandise margin decreased to 32.1% in fiscal 2014 from 32.6% in fiscal 2013 primarily due to the cigarette retail price adjustments made during last fiscal year. The prepared food & fountain margin decreased to 61.1% from 61.8% primarily due to the higher costs of cheese and meat during fiscal 2014. Operating expenses increased 12.7% (\$96,932) in fiscal 2014 primarily due to an increase from stores built or acquired after April 30, 2012 (\$31,061), and the expansion of our operating initiatives noted above (\$29,511). The operating expense ratio also increased to 10.9% of total revenue in fiscal 2014 from 10.5% in the prior year.

Depreciation and amortization expense increased 17.3% to \$131,160 in fiscal 2014 from \$111,823 in fiscal 2013. The increase was due to capital expenditures made in fiscal 2014.

The effective tax rate decreased 210 basis points to 34.5% in fiscal 2014 from 36.6% in fiscal 2013. The decrease in the effective tax rate was primarily due to out of period adjustments to correct accumulated variances in deferred taxes (\$2,760) in Fiscal 2014.

Net income increased to \$126,820 in fiscal 2014 from \$103,814 in fiscal 2013. The increase was due primarily to the increase in the number of fuel gallons sold and the increase in the fuel gross profit margin due to the increase of the renewable fuel credits sold, along with an increase in inside sales. However, this was partially offset by the decreases in gross profit margins from inside sales, an increase in the operating expenses, and an increase in depreciation and amortization.

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## COMPANY TOTAL REVENUE AND GROSS PROFIT BY CATEGORY

	Years ended April 30,		
	2015	2014	2013
Total revenue by category			
Fuel	\$5,144,385	\$5,554,580	\$5,229,157
Grocery & other merchandise	1,794,822	1,583,234	1,418,711
Prepared food & fountain	780,887	659,176	564,924
Other	47,122	43,265	38,048
	\$7,767,216	\$7,840,255	\$7,250,840
Gross profit by category (1)			
Fuel	\$351,155	\$267,872	\$221,422
Grocery & other merchandise	575,510	507,936	462,663
Prepared food & fountain	466,056	402,996	348,993
Other	47,064	43,212	37,991
	\$1,439,785	\$1,222,016	\$1,071,069

## INDIVIDUAL STORE COMPARISONS (2)

	Years ended April 30,		
	2015	2014	2013
Average retail sales	\$4,133	\$4,376	\$4,159
Average retail inside sales	1,384	1,270	1,152
Average gross profit on inside items	554	512	467
Average retail sales of fuel	2,748	3,105	3,007
Average gross profit on fuel (3)	194	151	127
Average operating income (4)	256	199	174
Average number of gallons sold	968	932	883

Gross profits represent total revenue less cost of goods sold. Gross profit is given before charges for depreciation, (1) amortization, and credit card fees. Cost of goods sold includes the costs we incur to acquire fuel and merchandise, including excise taxes, less vendor allowances and rebates and renewable fuel credits (RINs).

(2) Individual store comparisons include only those stores that had been in operation for at least one full year and remained open on April 30 of the fiscal year indicated.

Retail fuel profit margins have a substantial impact on our net income. Profit margins on fuel sales can be adversely affected by factors beyond our control, including oversupply in the retail fuel market, uncertainty or (3) volatility in the wholesale fuel market, and price competition from other fuel marketers. Any substantial decrease in profit margins on retail fuel sales or the number of gallons sold could have a material adverse effect on our earnings.

Average operating income represents retail sales less cost of goods sold and operating expenses attributable to a (4) particular store; it excludes federal and state income taxes, Company operating expenses not attributable to a particular store, and our matching contribution paid to the 401(k) Plan.



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## SAME STORE SALES GROWTH BY CATEGORY

	Years ended April 30,			
	2015	2014	2013	
Fuel gallons (1)	2.6	% 3.1	% 0.1	%
Grocery & other merchandise (2)	7.8	7.4	0.8	
Prepared food & fountain (3)	12.4	11.8	8.6	

The 3.1% growth in the fuel gallons in 2014 as compared to 2013 was due primarily to the growth in the "fuel saver program." This program, which is primarily with one grocery store chain at present, provides a discount on the retail price of fuel purchased at Casey's stores (or at the fuel outlets owned and operated by the grocery store chain) based on the purchase of selected items at the grocery store. We have recorded fuel sales resulting from the (1) fuel saver program in 11 states covering over 1,300 stores, although most of the activity presently occurs in the state of Iowa. Much of the same store sales impact attributable to a fuel saver program occurs in the first year of operations, as grocery store customers (who may not have purchased fuel at a Casey's store before) become familiar with the program. We hope to establish fuel saver programs with other grocery store chains in other designated market areas in the future.

(2) The increase in same store grocery & other merchandise in 2014 is due primarily to the continued rollout of store initiatives, expanded hours and major store remodels.

(3) The increase in same store prepared food & fountain in 2014 compared to 2013 is due primarily to the continued rollout of the expanded hour, pizza delivery and major store remodel initiatives.

The same store sales comparison includes aggregated individual store results for all stores open throughout both periods presented. When comparing quarterly data the store must be open for each entire quarter. When comparing annual data, the store must be open for each entire fiscal year being compared.

Remodeled stores that remained open or were closed for just a very brief period of time (less than a week) during the period being compared remain in the same store sales comparison. If a store is replaced, either at the same location (razed and rebuilt) or relocated to a new location, it is removed from the comparison until the new store has been open for each entire period being compared. Newly constructed and acquired stores do not enter the calculation until they are open for each entire period being compared as well.

Use of Non-GAAP Measures

We define EBITDA as net income before net interest expense, depreciation and amortization, and income taxes.

Adjusted EBITDA further adjusts EBITDA by excluding the gain or loss on disposal of assets as well as impairment charges. Both EBITDA and Adjusted EBITDA are not presented in accordance with GAAP.

We believe EBITDA and Adjusted EBITDA are useful to investors in evaluating our operating performance because securities analysts and other interested parties use such calculations as a measure of financial performance and debt service capabilities, and they are regularly used by management for internal purposes including our capital budgeting process, evaluating acquisition targets, and assessing store performance.

EBITDA and Adjusted EBITDA are not recognized terms under GAAP and should not be considered as a substitute for net income, cash flows from operating activities or other income or cash flow statement data. These measures have limitations as analytical tools, and should not be considered in isolation or as substitutes for analysis of our results as reported under GAAP. We strongly encourage investors to review our financial statements and publicly filed reports in their entirety and not to rely on any single financial measure.

Because non-GAAP financial measures are not standardized, EBITDA and Adjusted EBITDA, as defined by us, may not be comparable to similarly titled measures reported by other companies. It therefore may not be possible to compare our use of these non-GAAP financial measures with those used by other companies.

The following table contains a reconciliation of net income to EBITDA and Adjusted EBITDA for the three months and years ended April 30, 2015 and 2014, respectively:



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	Three months ended		Years ended	
	April 30, 2015	April 30, 2014	April 30, 2015	April 30, 2014
Net income	\$41,343	\$20,942	\$180,628	\$126,820
Interest, net	10,168	10,320	41,225	39,915
Depreciation and amortization	42,156	35,556	156,111	131,160
Federal and state income taxes	20,333	6,679	101,397	66,824
EBITDA	\$114,000	\$73,497	\$479,361	\$364,719
(Gain) loss on disposal of assets and impairment charges	1,786	(34 )	2,370	2,846
Adjusted EBITDA	\$115,786	\$73,463	\$481,731	\$367,565

For the three months ended April 30, 2015, EBITDA and Adjusted EBITDA were up 55.1% and 57.6% respectively, when compared to the same period a year ago. The increase was due to improved fuel margins, operating 70 more stores than the same period a year ago, the results from the implementation of expanded hours, major remodels and pizza delivery, as well as operating more replacement stores. These gains were offset by increases in operating expenses and lower margins in prepared food & fountain. For the year ended April 30, 2015, EBITDA and Adjusted EBITDA were up 31.4% and 31.1% respectively. The primary reason for the increase was attributable to improved fuel margins, operating 70 more stores than the same period a year ago, the results from the implementation of expanded hours, major remodels and pizza delivery, as well as operating more replacement stores.

**Critical Accounting Policies**

Critical accounting policies are those accounting policies that management believes are important to the portrayal of our financial condition and results of operations and require management's most difficult, subjective judgments, often because of the need to estimate the effects of inherently uncertain factors.

**Inventory**

Inventories, which consist of merchandise and fuel, are stated at the lower of cost or market. For fuel, cost is determined through the use of the first-in, first-out (FIFO) method. For merchandise inventories, cost is determined through the use of the last-in, first-out (LIFO) method for financial and income tax reporting applied to inventory values determined primarily by our FIFO accounting system for warehouse inventories.

Vendor allowances include rebates and other funds received from vendors to promote their products. The Company often receives such allowances on the basis of quantitative contract terms that vary by product and vendor or directly on the basis of purchases made. Vendor rebates in the form of rack display allowances (RDAs) are funds that we receive from various vendors for allocating certain shelf space to carry their specific products or to introduce new products in our stores for a particular period of time. The RDAs are treated as a reduction in cost of goods sold and are recognized incrementally over the period covered by the applicable rebate agreement. These funds do not represent reimbursements of specific, incremental, identifiable costs incurred by us in selling the vendor's products. Vendor rebates in the form of billbacks are treated as a reduction in cost of goods sold and are recognized at the time the product is sold. Reimbursements of an operating expense (e.g., advertising) are recorded as reductions of the related expense. The Company takes title to RINs when we purchase clear unleaded gasoline or diesel fuel, and purchase ethanol separately. The ethanol is blended in the tanker during transit to the store and the blending is the event that enables the RIN to be separated from the ethanol it identifies and allows it to be sold to third parties. The RINs are recorded as a reduction in the cost of goods sold in the period when the Company commits to a price and agrees to sell all of the RINs acquired during a specified period.

**Long-lived Assets**

The Company periodically monitors closed and underperforming stores for an indication that the carrying amount of assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recognized to the extent the carrying value of the assets exceeds their estimated fair value. The Company bases the estimated net realizable value of property and equipment on its experience in utilizing and/or disposing of similar assets and on estimates provided by its own and/or third-party real estate experts. Fair value is based on management's estimate of the future cash flows to be generated and the amount

that could be realized from the sale of assets in a current transaction between willing parties, which are considered Level 3 inputs. The estimate is derived from offers, actual sale or

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disposition of assets subsequent to year-end, and other indications of fair value. In determining whether an asset is impaired, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets, which for the Company is generally on a store-by-store basis. The Company recorded impairment charges of \$1,785 in fiscal 2015, \$2,542 in fiscal 2014, and \$3,680 in fiscal 2013, the majority of which was related to replacement store and acquisition activities. Impairment charges are a component of operating expenses.

### Self-insurance

We are primarily self-insured for employee healthcare, workers' compensation, general liability, and automobile claims. The self-insurance claim liability for workers' compensation, general liability, and automobile claims is determined actuarially at each year end based on claims filed and an estimate of claims incurred but not yet reported. Actuarial projections of the losses are employed due to the high degree of variability in the liability estimates. Some factors affecting the uncertainty of claims include the development time frame, settlement patterns, litigation and adjudication direction, and medical treatment and cost trends. The liability is not discounted. The balances of our self-insurance reserves were \$31,389 and \$28,429 for the years ended April 30, 2015 and 2014, respectively.

### Goodwill

Goodwill and intangible assets with indefinite lives are tested for impairment at least annually. The Company assesses impairment annually at year-end using a market based approach to establish fair value. All of the goodwill assigned to the individual stores is aggregated into a single reporting unit due to the similar economic characteristics of the stores. As of April 30, 2015, there was \$127,046 of goodwill and management's analysis of recoverability completed as of the fiscal year-end yielded no evidence of impairment and no events have occurred since the annual test indicating a potential impairment.

### Recent Accounting Pronouncements

In April 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-8, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, to clarify the definition of discontinued operations, limiting it to disposals of components that represent a strategic shift that has or will have a major effect on operations and financial results. Examples of a strategic shift include disposals of a major geographic area, a major line of business, or a major equity method investment. The standard was effective prospectively for disposals that occur within annual periods beginning on or after December 15, 2014, and interim periods within those annual periods. It was adopted by the Company on May 1, 2015. It did not have a material impact on our consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-9, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for the Company on May 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-9 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting. In April 2015, the FASB proposed to defer the effective date of this guidance by one year, with early adoption permitted on the original effective date.

### Liquidity and Capital Resources

Due to the nature of our business, cash provided by operations is our primary source of liquidity. We finance our inventory purchases primarily from normal trade credit aided by relatively rapid inventory turnover. This turnover allows us to conduct operations without large amounts of cash and working capital. As of April 30, 2015, the Company's ratio of current assets to current liabilities was 0.84 to 1. The ratio at April 30, 2014 and at April 30, 2013 was 1.00 to 1 and 0.68 to 1 respectively. We believe our current \$100,000 bank line of credit, together with the current cash and cash equivalents and the future cash flow from operations will be sufficient to satisfy the working capital needs of our business.

Net cash provided by operating activities increased \$27,522 (8.8%) in the year ended April 30, 2015, primarily because of an increase in net income, and a larger decrease in inventory, offset by decreases in accounts payable and

accrued expenses. Cash used in investing activities in the year ended April 30, 2015 increased \$62,254 (18.5%) primarily due to the increase in the purchase of property and equipment from the prior year. Cash flows from financing activities decreased (\$118,738) (115.2%), primarily due to the proceeds from long-term debt received in the prior year.

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Capital expenditures represent the single largest use of Company funds. We believe that by reinvesting in stores, we will be better able to respond to competitive challenges and increase operating efficiencies. During fiscal 2015, we expended \$401,891 for property and equipment, primarily for construction, acquisition, and remodeling of stores compared with \$340,217 in the prior year. In fiscal 2016, we anticipate expending between \$436,000 and \$528,000, primarily from existing cash, funds generated by operations, and long-term debt proceeds for our construction, acquisition, and remodeling of stores.

At April 30, 2015, the Company had a bank line of credit arrangement consisting of two Promissory Notes, in the principal amount of \$50,000 each (together, the “Notes”). The Notes evidenced a revolving line of credit in the aggregate principal amount of \$100,000 and bear interest at variable rates subject to change from time to time based on changes in an independent index referred to in the Notes as the Federal Funds Offered Rate (the “Index”). The interest rate to be applied to the unpaid principal balance of the first Note was at a rate of 0.750% over the Index. The interest rate applicable to the second note is 1.000% over the Index. There was a \$0 balance owed on the Notes at both April 30, 2015 and April 30, 2014. The line of credit is due upon demand.

As of April 30, 2015, we had long-term debt, net of current maturities, of \$838,245 consisting of \$569,000 in principal amount of 5.22% Senior notes, \$60,000 in principal amount of 5.72% Senior notes, Series A and B; \$150,000 in principal amount of 3.67% Senior Notes, Series A, \$50,000 in principal amount of 3.75% Senior Notes, Series B, and \$9,245 of capital lease obligations.

Interest on the 5.22% Senior notes is payable on the 9th day of each February and August. Principal on the 5.22% Senior notes is payable in full on August 9, 2020. We may prepay the 5.22% notes in whole or in part at any time in an amount of not less than \$2,000 at a redemption price calculated in accordance with the Note Agreement dated August 9, 2010 between the Company and the purchasers of the 5.22% Senior notes.

Interest on the 5.72% Senior notes Series A and Series B is payable on the 30th day of each March and September. Principal on the Senior notes Series A and Series B is payable in various installments beginning September 30, 2012. We may prepay the 5.72% Senior notes Series A and Series B in whole or in part at any time in an amount of not less than \$2,000 at a redemption price calculated in accordance with the Note Agreement dated September 29, 2006 between the Company and the purchasers of the 5.72% Senior notes Series A and Series B.

Interest on the 3.67% Senior notes Series A and 3.75% Series B is payable on the 17th day of each June and December. Principal on the Senior notes Series A and Series B is payable in various installments beginning June 17, 2022 (Series A) and December 17, 2022 (Series B). We may prepay the 3.67% and 3.75% Senior notes in whole or in part at any time in an amount of not less than \$2,000 at a redemption price calculated in accordance with the Note Agreement dated June 17, 2013, between the Company and the purchasers of the Senior notes Series A and Series B. To date, we have funded capital expenditures primarily through funds generated from operations, the proceeds of the sale of common stock, issuance of 6.25% convertible subordinated debentures (converted into shares of common stock in 1994), the Senior notes funded through private placement, and a mortgage note. Future capital required to finance operations, improvements, and the anticipated growth in the number of stores is expected to come from cash generated by operations, the bank line of credit, and additional long-term debt or other securities as circumstances may dictate. We do not expect such capital needs to adversely affect liquidity.

The table below presents our significant contractual obligations, including interest, at April 30, 2015:

Contractual obligations	Payments due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Senior notes	\$1,088,159	\$56,157	\$109,741	\$106,309	\$815,952
Capital lease obligations	16,477	904	1,738	1,843	11,992
Operating lease obligations	3,437	910	1,641	799	87
Unrecognized tax benefits	8,043	—	—	—	—
Deferred compensation	17,645	—	—	—	—
Total	\$1,133,761	\$57,971	\$113,120	\$108,951	\$828,031

Unrecognized tax benefits relate to uncertain tax positions and since we are not able to reasonably estimate the timing of the payments or the amount by which the liability will increase or decrease over time, the related balances have not been reflected in the “Payments due by period” section of the table.



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At April 30, 2015, the Company had a total of \$8,043 in gross unrecognized tax benefits. Of this amount, \$5,264 represents the amount of unrecognized tax benefits that, if recognized, would impact our effective tax rate. The total amount of accrued interest and penalties for such unrecognized tax benefits was \$152 as of April 30, 2015. Interest and penalties related to income taxes are classified as income tax expense in our consolidated financial statements. The federal statute of limitations remains open for the years 2011 and forward. Tax years 2010 and forward are subject to audit by state tax authorities depending on open statute of limitations waivers and the tax code of each state. A number of years may elapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the expiration of the statute of limitations, examinations or other unforeseen circumstances. The State of Illinois is currently examining tax years 2011 and 2012. Additionally, the IRS is currently examining tax year 2012. The Company has no other ongoing federal or state income tax examinations. The Company currently does not have any outstanding litigation related to tax matters. At this time, management believes it is reasonably possible the aggregate amount of unrecognized tax benefits will decrease by \$2,891 within the next 12 months. This expected decrease is due to the expiration of statute of limitations related to certain federal and state income tax filing positions. Included in long-term liabilities on our consolidated balance sheet at April 30, 2015, was a \$17,645 obligation for deferred compensation. As the specific payment dates for the deferred compensation are unknown due to the unknown retirement dates of many of the participants, the related balances have not been reflected in the "Payments due by period" section of the table. However, known payments of \$4,943 will be due during the next 5 years. At April 30, 2015, we were partially self-insured for workers' compensation claims in all 14 states of our marketing territory; we also were partially self-insured for general liability and auto liability under an agreement that provides for annual stop-loss limits equal to or exceeding approximately \$1,000. To facilitate this agreement, letters of credit approximating \$19,155 and \$15,000, respectively, were issued and outstanding at April 30, 2015 and 2014, on the insurance company's behalf. We renew the letters of credit on an annual basis.

### Forward-looking Statements

This Form 10-K contains various "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 as amended and Section 21E of the Securities Exchange Act of 1934 as amended. Forward-looking statements represent our expectations or beliefs concerning future events, including (i) any statements regarding future sales and gross profit percentages, (ii) any statements regarding the continuation of historical trends, and (iii) any statements regarding the sufficiency of the Company's cash balances and cash generated from operations and financing activities for the Company's future liquidity and capital resource needs. The words believe, expect, anticipate, intend, estimate, project and similar expressions are intended to identify forward-looking statements. We caution you that these statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements, including without limitations the factors described in this Form 10-K.

We ask you not to place undue reliance on such forward-looking statements because they speak only of our views as of the statement dates. Although we have attempted to list the important factors that presently affect the Company's business and operating results, we further caution you that other factors may in the future prove to be important in affecting the Company's results of operations. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

In addition to any assumptions and other factors referred to specifically in connection with such forward-looking statements, factors that could cause the Company's actual results to differ materially from those contemplated in any forward-looking statements include, among others, the following:

### Competition

Our business is highly competitive and marked by ease of entry and constant change in terms of the numbers and type of retailers offering the products and services found in stores. Many of the food (including prepared foods) and nonfood items similar or identical to those we sell are generally available from a variety of competitors in the communities served by our stores, and we compete with other convenience store chains, gasoline stations, supermarkets, drug stores, discount stores, club stores, mass merchants, and fast-food outlets (with respect to the sale

of prepared foods). Sales of nonfuel items (particularly prepared food items) have contributed substantially to our gross profit on retail sales in recent years. Fuel sales are also intensely competitive. We compete for fuel sales with both independent and national brand gasoline stations, other convenience

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store chains, and several nontraditional fuel retailers such as supermarkets in specific markets. Some of these other fuel retailers may have access to more favorable arrangements for fuel supply than we do or the firms that supply our stores. Some of our competitors have greater financial, marketing, and other resources than we have and therefore may be able to respond better to changes in the economy and new opportunities within the industry.

### Fuel Operations

Fuel sales are an important part of our revenue and earnings, and retail fuel profit margins have a substantial impact on our net income. Profit margins on fuel sales can be adversely affected by factors beyond our control, including the supply of fuel available in the retail fuel market, uncertainty or volatility in the wholesale fuel market, increases in wholesale fuel costs generally during a period, and price competition from other fuel marketers. The market for crude oil and domestic wholesale petroleum products is marked by significant volatility and is affected by general political conditions and instability in oil producing regions such as the Middle East and South America. The volatility of the wholesale fuel market makes it extremely difficult to predict the impact of future wholesale cost fluctuation on our operating results and financial conditions. These factors could materially affect our fuel gallon volume, fuel gross profit, and overall customer traffic levels at stores. Any substantial decrease in profit margins on fuel sales or in the number of gallons sold by stores could have a material adverse effect on our earnings.

The Company purchases its fuel from a variety of independent national and regional petroleum distributors. Fuel is purchased at current daily prices at the rack in which the fuel is loaded onto tanker trucks. While the Company has annual purchase agreements with a few distributors, those agreements primarily specify purchasing volumes the Company must maintain to be eligible for certain discounts. We typically sell the fuel before we pay the vendor as a result of our short fuel inventory turnover rate. Any substantial change in the payment terms required by our fuel vendors could impact the amount of cash and working capital we would need to conduct operations.

Although in recent years suppliers have not experienced any difficulties in obtaining sufficient amounts of fuel to meet our needs, unanticipated national and international events could result in a reduction of fuel supplies available for distribution. Any substantial curtailment in our fuel supply could reduce fuel sales. Further, we believe a significant amount of our business results from the patronage of customers primarily desiring to purchase fuel; accordingly, reduced fuel supplies could adversely affect the sale of nonfuel items. Such factors could have a material adverse effect on our earnings and operations.

### Tobacco Products

Sales of tobacco products represent a significant portion of our revenues. Significant increases in wholesale cigarette costs and tax increases on tobacco products (such as the past tax increase in Illinois) as well as national and local campaigns to further regulate and discourage smoking in the United States have had and are expected to continue having an adverse effect on the demand for cigarettes sold in our stores. We attempt to pass price increases on to our customers, but competitive pressures in specific markets may prevent us from doing so. These factors could materially impact the retail price of cigarettes, the gross profit obtained from the cigarette category, the volume of cigarettes sold by stores, and overall customer traffic, and have a material adverse effect on the Company's earnings and profits.

### Environmental Compliance Costs

The United States Environmental Protection Agency and several of the states in which we do business have adopted laws and regulations relating to underground storage tanks used for petroleum products. In the past, we have incurred substantial costs to comply with such regulations, and additional substantial costs may be necessary in the future. Several states in which we do business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs. Any reimbursements received in respect to such costs typically are subject to statutory provisions requiring repayment of the reimbursed funds for any future noncompliance with upgrade provisions or other applicable laws. Although we regularly accrue expenses for the estimated costs related to future corrective action or remediation efforts, there can be no assurance that the accrued amounts will be sufficient to pay such costs or that we have identified all environmental liabilities at all of our current store locations. In addition, there can be no assurance that we will not incur substantial expenditures in the future for remediation of contamination or related claims that have not been discovered or asserted with respect to existing store locations or locations that we may acquire in the future, that we will not be subject to any claims for reimbursement of funds disbursed to us under the various state programs, and/or that additional regulations or amendments to existing regulations will not require

additional expenditures beyond those presently anticipated.

Seasonality of Sales

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Company sales generally are strongest during its first two fiscal quarters (May–October) relative to the third and fourth fiscal quarters (November–April). In the warmer months, customers tend to purchase greater quantities of fuel and certain convenience items such as beer, pop, and ice. Difficult weather conditions (such as flooding, prolonged rain, or snowstorms) in any quarter, however, may adversely reduce sales at affected stores and may have an adverse impact on our earnings for that period.

**Other Factors**

Other factors and risks that may cause actual results to differ materially from those in the forward-looking statements include the risk that our cash balances and cash generated from operations and financing activities will not be sufficient for our future liquidity and capital resource needs, tax increases, potential liabilities and expenditures related to compliance with environmental and other laws and regulations, the seasonality of demand patterns, and weather conditions; the increased indebtedness that the Company has incurred to purchase shares of our common stock in our self-tender offer; and the other risks and uncertainties included from time to time in our filings with the SEC. We further caution you that other factors we have not identified may in the future prove to be important in affecting our business and results of operations.

Please see Item 1A. of this Form 10-K, entitled “Risk Factors,” for further information on these and other factors that may affect our business and financial results.

**ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

The Company’s exposure to market risk for changes in interest rates relates primarily to our investment portfolio and long-term debt obligations. We place our investments with high-quality credit issuers and, by policy, limit the amount of credit exposure to any one issuer. Our first priority is to reduce the risk of principal loss. Consequently, we seek to preserve our invested funds by limiting default risk, market risk, and reinvestment risk. We mitigate default risk by investing in only high-quality credit securities that we believe to be low risk and by positioning our portfolio to respond appropriately to a significant reduction in a credit rating of any investment issuer or guarantor. The portfolio includes only marketable securities with active secondary or resale markets to ensure portfolio liquidity. We believe an immediate 100-basis-point move in interest rates affecting our floating and fixed rate financial instruments as of April 30, 2015, would have no material effect on pretax earnings.

We do from time to time, participate in a forward buy of certain commodities, primarily cheese and coffee. These are not accounted for as derivatives under the normal purchase and normal sale exclusions under the applicable guidance.

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ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA  
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

Casey's General Stores, Inc.:

We have audited the accompanying consolidated balance sheets of Casey's General Stores, Inc. and subsidiaries (the Company) as of April 30, 2015 and 2014, and the related consolidated statements of income, shareholders' equity, and cash flows for each of the years in the three-year period ended April 30, 2015. We also have audited the Company's internal control over financial reporting as of April 30, 2015, based on criteria established in Internal Control—Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting included in Item 9A (Controls and Procedures). Our responsibility is to express an opinion on these consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the consolidated financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Casey's General Stores, Inc. and subsidiaries as of April 30, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended April 30, 2015, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of April 30, 2015, based on criteria established in Internal Control—Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

/s/ KPMG LLP

Des Moines, Iowa

June 26, 2015

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## CASEY'S GENERAL STORES, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(In thousands, except share data)

	April 30, 2015	2014
Assets		
Current assets		
Cash and cash equivalents	\$48,541	\$121,641
Receivables	22,609	25,841
Inventories	197,331	204,833
Prepaid expenses	2,025	1,478
Deferred income taxes	15,531	23,292
Income taxes receivable	19,223	12,473
Total current assets	305,260	389,558
Property and equipment, at cost		
Land	549,239	490,005
Buildings and leasehold improvements	1,136,248	1,004,263
Machinery and equipment	1,503,079	1,330,697
Leasehold interest in property and equipment	16,044	16,278
	3,204,610	2,841,243
Less accumulated depreciation and amortization	1,185,246	1,062,278
Net property and equipment	2,019,364	1,778,965
Other assets, net of amortization	18,295	15,947
Goodwill	127,046	120,406
Total assets	\$2,469,965	\$2,304,876
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable to bank	\$—	\$—
Current maturities of long-term debt	15,398	553
Accounts payable	226,577	250,807
Accrued expenses		
Wages and related taxes	32,092	27,411
Property taxes	23,523	22,572
Insurance	31,389	28,429
Other	35,910	61,117
Total current liabilities	364,889	390,889
Long-term debt, net of current maturities	838,245	853,642
Deferred income taxes	354,973	318,023
Deferred compensation	17,645	16,558
Other long-term liabilities	18,984	22,500
Total liabilities	1,594,736	1,601,612
Commitments and contingencies		
Shareholders' equity		
Preferred stock, no par value, none issued	—	—
Common stock, no par value, 38,886,165 and 38,507,387 shares issued and outstanding at April 30, 2015 and 2014, respectively	56,274	33,878
Retained earnings	818,955	669,386
Total shareholders' equity	875,229	703,264
Total liabilities and shareholders' equity	\$2,469,965	\$2,304,876



See accompanying Notes to Consolidated Financial Statements.

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## CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)

	Years ended April 30,		
	2015	2014	2013
Total revenue	\$7,767,216	\$7,840,255	\$7,250,840
Cost of goods sold (exclusive of depreciation and amortization, shown separately below)	6,327,431	6,618,239	6,179,771
Gross profit	1,439,785	1,222,016	1,071,069
Operating expenses	960,424	857,297	760,365
Depreciation and amortization	156,111	131,160	111,823
Interest, net	41,225	39,915	35,265
Income before income taxes	282,025	193,644	163,616
Federal and state income taxes	101,397	66,824	59,802
Net income	\$180,628	\$126,820	\$103,814
Net income per common share			
Basic	\$4.66	\$3.30	\$2.71
Diluted	\$4.62	\$3.26	\$2.69

See accompanying Notes to Consolidated Financial Statements.

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## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(In thousands, except per share and share amounts)

	Shares Outstanding	Common stock	Retained earnings	Total
Balance at April 30, 2012	38,140,309	\$ 12,199	\$491,745	\$503,944
Net income	—	—	103,814	103,814
Dividends declared (66 cents per share)	—	—	(25,291 )	(25,291 )
Exercise of stock options	198,200	4,721	—	4,721
Tax benefits related to nonqualified stock options	—	1,929	—	1,929
Stock-based compensation	14,000	4,270	—	4,270
Balance at April 30, 2013	38,352,509	\$23,119	\$570,268	\$593,387
Net income	—	—	126,820	126,820
Dividends declared (72 cents per share)	—	—	(27,702 )	(27,702 )
Exercise of stock options	140,785	3,368	—	3,368
Tax benefits related to nonqualified stock options	—	1,791	—	1,791
Stock-based compensation	14,093	5,600	—	5,600
Balance at April 30, 2014	38,507,387	\$33,878	\$669,386	\$703,264
Net income	—	—	180,628	180,628
Dividends declared (80 cents per share)	—	—	(31,059 )	(31,059 )
Exercise of stock options	310,224	11,465	—	11,465
Tax benefits related to nonqualified stock options	—	3,624	—	3,624
Stock-based compensation	68,554	7,307	—	7,307
Balance at April 30, 2015	38,886,165	\$56,274	\$818,955	\$875,229
See accompanying Notes to Consolidated Financial Statements.				

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## CONSOLIDATED STATEMENTS OF CASH FLOWS (In thousands)

	Years ended April 30,		
	2015	2014	2013
Cash flows from operating activities			
Net income	\$180,628	\$126,820	\$103,814
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	156,111	131,160	111,823
Other amortization	319	297	195
Stock-based compensation	7,307	5,600	4,270
Loss on disposal of assets and impairment charges	2,370	2,846	4,788
Deferred income taxes	44,711	17,089	31,828
Excess tax benefits related to stock option exercises	(3,624)	) (1,791	) (1,929 )
Changes in assets and liabilities:			
Receivables	3,232	(4,941	) 800
Inventories	10,365	(13,696	) (16,222 )
Prepaid expenses	(547	) (82	) (98 )
Accounts payable	(33,290	) 17,894	21,748
Accrued expenses	(17,544	) 33,818	15,783
Income taxes receivable	(7,801	) (441	) 9,969
Other, net	(555	) (413	) (441 )
Net cash provided by operating activities	341,682	314,160	286,328
Cash flows from investing activities			
Purchase of property and equipment	(360,734	) (308,633	) (305,301 )
Payments for acquisitions of businesses, net of cash acquired	(41,157	) (31,584	) (29,527 )
Proceeds from sales of property and equipment	2,748	3,328	3,544
Net cash used in investing activities	(399,143	) (336,889	) (331,284 )
Cash flows from financing activities			
Proceeds from long-term debt	—	200,000	—
Repayments of long-term debt	(553	) (15,865	) (10,757 )
Net (repayments) borrowings of short-term debt	—	(59,100	) 59,100
Proceeds from exercise of stock options	11,465	3,368	4,721
Payments of cash dividends	(30,175	) (27,095	) (24,685 )
Excess tax benefits related to stock option exercises	3,624	1,791	1,929
Net cash (used in) provided by financing activities	(15,639	) 103,099	30,308
Net (decrease) increase in cash and cash equivalents	(73,100	) 80,370	(14,648 )
Cash and cash equivalents at beginning of year	121,641	41,271	55,919
Cash and cash equivalents at end of year	\$48,541	\$121,641	\$41,271

## SUPPLEMENTAL DISCLOSURES OF CASH FLOWS INFORMATION

Cash paid during the year for interest, net of amount capitalized	\$41,382	\$36,923	\$35,226
Cash paid for income taxes, net	64,367	50,031	17,973
Noncash investing and financing activities			
Purchased property and equipment in accounts payable	9,060	5,056	4,020
Property and equipment acquired through notes payable and capitalized lease obligations	—	1,169	981

See accompanying Notes to Consolidated Financial Statements.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in thousands, except share and per share amounts)

## 1. SIGNIFICANT ACCOUNTING POLICIES

Operations Casey's General Stores, Inc. and its subsidiaries (the Company/Casey's) operate 1,878 convenience stores in 14 Midwest states. The stores are located primarily in smaller communities, many with populations of less than 5,000. Retail sales in 2015 by category are as follows: 66% fuel, 24% grocery & other merchandise, and 10% prepared food & fountain. The Company's products are readily available, and the Company is not dependent on a single supplier or only a few suppliers.

Principles of consolidation The consolidated financial statements include the financial statements of Casey's General Stores, Inc. and its wholly owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of estimates The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect 1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and 2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash equivalents We consider all highly liquid investments with a maturity at purchase of three months or less to be cash equivalents. Included in cash equivalents are money market funds and credit card, debit card and electronic benefits transfer transactions that process within three days.

Inventories Inventories, which consist of merchandise and fuel, are stated at the lower of cost or market. For fuel, cost is determined through the use of the first-in, first-out (FIFO) method. For merchandise inventories, cost is determined through the use of the last-in, first-out (LIFO) method for financial and income tax reporting applied to inventory values determined primarily by our FIFO accounting system for warehouse inventories.

The excess of current cost over the stated LIFO value was \$53,428 and \$48,777 at April 30, 2015 and 2014, respectively. There were no material LIFO liquidations during the periods presented. Below is a summary of the inventory values at April 30, 2015 and 2014:

	Fiscal 2015	Fiscal 2014
Fuel	\$69,056	\$95,004
Merchandise	128,275	109,829
Total inventory	\$197,331	\$204,833

Vendor allowances include rebates and other funds received from vendors to promote their products. The Company often receives such allowances on the basis of quantitative contract terms that vary by product and vendor or directly on the basis of purchases made. Vendor rebates in the form of rack display allowances (RDAs) are funds that we receive from various vendors for allocating certain shelf space to carry their specific products or to introduce new products in our stores for a particular period of time. The RDAs are treated as a reduction in cost of goods sold and are recognized ratably over the period covered by the applicable rebate agreement. These funds do not represent reimbursements of specific, incremental, identifiable costs incurred by us in selling the vendor's products. Vendor rebates in the form of billbacks are treated as a reduction in cost of goods sold and are recognized at the time the product is sold. Reimbursements of an operating expense (e.g., advertising) are recorded as reductions of the related expense.

Renewable Identification Numbers (RINs) are recorded as a reduction in cost of goods sold in the period when the Company commits to a price and agrees to sell all of the RINs earned during a specified period. The Company includes in cost of goods sold the costs incurred to acquire fuel and merchandise, including excise taxes, less vendor allowances and rebates and RINs.

Goodwill Goodwill and intangible assets with indefinite lives are tested for impairment at least annually. The Company assesses impairment annually at year-end using a market based approach to establish fair value. All of the goodwill assigned to the individual stores is aggregated into a single reporting unit due to the similar economic characteristics of the stores. As of April 30, 2015, there was \$127,046 of goodwill and management's analysis of recoverability completed as of the fiscal year-end yielded no evidence of impairment.



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Depreciation and amortization Depreciation of property and equipment and amortization of capital lease assets are computed principally by the straight-line method over the following estimated useful lives:

Buildings	25-40 years
Machinery and equipment	5-30 years
Leasehold interest in property and equipment	Lesser of term of lease or life of asset
Leasehold improvements	Lesser of term of lease or life of asset
The Company monitors stores and will accelerate depreciation if the expected life of the asset is reduced due to the operation of the store or the Company's plans.	

**Store closings and asset impairment** The Company writes down property and equipment of stores it is closing to estimated net realizable value at the time management commits to a plan to close such stores and begins active marketing of the stores. The Company bases the estimated net realizable value of property and equipment on its experience in utilizing and/or disposing of similar assets and on estimates provided by its own and/or third-party real estate experts.

The Company monitors closed and underperforming stores for an indication that the carrying amount of assets may not be recoverable. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the assets, an impairment loss is recognized to the extent carrying value of the assets exceeds their estimated fair value. Fair value is based on management's estimate of the price that would be received to sell an asset in an orderly transaction between market participants. The estimate is derived from offers, actual sale or disposition of assets subsequent to year-end, and other indications of fair value, which are considered Level 3 inputs. In determining whether an asset is impaired, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets, which for the Company is generally on a store-by-store basis. The Company incurred impairment charges of \$1,785 in fiscal 2015, \$2,542 in fiscal 2014, and \$3,680 in fiscal 2013. Impairment charges are a component of operating expenses.

**Excise taxes** Excise taxes approximating \$715,000, \$646,000, and \$596,000 on retail fuel sales are included in total revenue and cost of goods sold for fiscal 2015, 2014, and 2013, respectively.

**Income taxes** The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company calculates its current and deferred tax provision based on estimates and assumptions that could differ from actual results reflected in income tax returns filed in subsequent years. Adjustments based on filed returns are recorded when identified.

**Revenue recognition** The Company recognizes retail sales of fuel, grocery & other merchandise, prepared food & fountain, and commissions on lottery, prepaid phone cards, and video rentals at the time of the sale to the customer. Sales taxes collected from customers and remitted to the government are recorded on a net basis in the consolidated financial statements.

**Net income per common share** Basic earnings per share have been computed by dividing net income by the weighted average shares outstanding during each of the years. The calculation of diluted earnings per share treats stock options and restricted stock units outstanding as potential common shares to the extent they are dilutive.

**Asset retirement obligations** The Company recognizes the estimated future cost to remove underground storage tanks over the estimated useful life of the storage tank. The Company records a discounted liability for the fair value of an asset retirement obligation with a corresponding increase to the carrying value of the related long-lived asset at the time an underground storage tank is installed. The Company amortizes the amount added to other assets and recognizes accretion expense in connection with the discounted liability over the remaining life of the tank. The estimates of the anticipated future costs for removal of an underground storage tank are based on our prior experience



with removal. Because these estimates are subjective and are currently based on historical costs with adjustments for estimated future changes in the associated costs, we expect the dollar amount of these obligations to change as more information is obtained.

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There were no material changes in our asset retirement obligation estimates during fiscal 2015. The recorded asset for asset retirement obligations was \$9,234 and \$8,391 at April 30, 2015 and 2014, respectively, and is recorded in other assets, net of amortization. The discounted liability was \$14,014 and \$12,854 at April 30, 2015 and 2014, respectively, and is recorded in other long-term liabilities.

**Self-insurance** The Company is primarily self-insured for employee healthcare, workers' compensation, general liability, and automobile claims. The self-insurance claim liability for workers' compensation, general liability, and automobile claims is determined actuarially at each year end based on claims filed and an estimate of claims incurred but not yet reported. Actuarial projections of the losses are employed due to the high degree of variability in the liability estimates. Some factors affecting the uncertainty of claims include the development time frame, settlement patterns, litigation and adjudication direction, and medical treatment and cost trends. The liability is not discounted. The balance of our self-insurance reserves were \$31,389 and \$28,429 for the years ended April 30, 2015 and 2014, respectively.

**Environmental remediation liabilities** The Company accrues for environmental remediation liabilities when it is probable a liability has been incurred and the amount of loss can be reasonably estimated.

**Derivative instruments** There were no options or futures contracts as of or during the years ended April 30, 2015, 2014, or 2013. However, we do from time to time, participate in a forward buy of certain commodities, primarily cheese and coffee. These are not accounted for as derivatives under the normal purchase and normal sale exclusions under the applicable guidance.

**Stock-based compensation** Stock-based compensation is recorded based upon the fair value of the award on the grant date. The cost of the award is recognized ratably in the statement of income over the vesting period of the award.

**Segment reporting** As of April 30, 2015, we operated 1,878 stores in 14 states. Our stores offer a broad selection of merchandise, fuel and other products and services designed to appeal to the convenience needs of our customers. We manage the business on the basis of one operating segment and therefore, have only one reportable segment. Our stores sell similar products and services, use similar processes to sell those products and services, and sell their products and services to similar classes of customers. We make specific disclosures concerning the three broad merchandise categories of fuel, grocery & other merchandise, and prepared food & fountain because it makes it easier for us to discuss trends and operational initiatives within our business and industry. Although we can separate gross margins within these categories (and further sub-categories), the operating expenses associated with operating a store that sells these products are not separable by these three categories.

**Recent accounting pronouncements** In April 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-8, Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity, to clarify the definition of discontinued operations, limiting it to disposals of components that represent a strategic shift that has or will have a major effect on operations and financial results. Examples of a strategic shift include disposals of a major geographic area, a major line of business, or a major equity method investment. The standard was effective prospectively for disposals that occur within annual periods beginning on or after December 15, 2014, and interim periods within those annual periods. It was adopted by the Company on May 1, 2015. It did not have a material impact on our consolidated financial statements.

In May 2014, the FASB issued ASU No. 2014-9, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The new standard is effective for the Company on May 1, 2017. Early application is not permitted. The standard permits the use of either the retrospective or cumulative effect transition method. The Company is evaluating the effect that ASU 2014-9 will have on its consolidated financial statements and related disclosures. The Company has not yet selected a transition method nor has it determined the effect of the standard on its ongoing financial reporting. In April 2015, the FASB proposed to defer the effective date of this guidance by one year, with early adoption permitted on the original effective date.

## 2. ACQUISITIONS

During the year ended April 30, 2015, the Company acquired 36 stores through a variety of single store and multi-store transactions with several unrelated third parties. Of the 36 stores acquired, 32 were re-opened as a Casey's

store during the 2015 fiscal year, three were closed permanently and one will be opened during the 2016 fiscal year. The acquisitions meet the criteria to be considered business combinations. The stores were valued using a discounted cash flow model on a location by location basis. The acquisitions were recorded in the financial statements by allocating the purchase price to the assets acquired,

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including intangible assets and liabilities assumed, based on their estimated fair values at the acquisition date. The excess of the cost of the acquisition over the net amounts assigned to the fair value of the assets acquired and the liabilities assumed is recorded as goodwill. All of the goodwill associated with these transactions will be deductible for income tax purposes over 15 years.

Allocation of the purchase price for the transactions in aggregate is as follows (in thousands):

Assets acquired:	
Inventories	\$2,863
Property and equipment	31,740
Total assets	34,603
Liabilities assumed:	
Accrued expenses	86
Total liabilities	86
Net tangible assets acquired	34,517
Goodwill	6,640
Total consideration paid	\$41,157

The following unaudited pro forma information presents a summary of our consolidated results of operations as if the transactions referenced above occurred at the beginning of the first fiscal year of the periods presented (amounts in thousands, except per share data):

	Years Ended April 30,	
	2015	2014
Total revenue	\$7,794,626	\$7,948,786
Net income	\$181,100	\$128,265
Net income per common share		
Basic	\$4.67	\$3.34
Diluted	\$4.63	\$3.30

### 3. FAIR VALUE OF FINANCIAL INSTRUMENTS AND LONG-TERM DEBT

A summary of the fair value of the Company's financial instruments follows.

Cash and cash equivalents, receivables, and accounts payable The carrying amount approximates fair value due to the short maturity of these instruments or the recent purchase of the instruments at current rates of interest.

Long-term debt The fair value of the Company's long-term debt and capital lease obligations is estimated based on the current rates offered to the Company for debt of the same or similar issues. The fair value of the Company's long-term debt and capital lease obligations was approximately \$887,000 and \$841,000, respectively, at April 30, 2015 and 2014.

The Company's long-term debt at carrying amount by issuance is as follows:

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	As of April 30,	
	2015	2014
Capitalized lease obligations discounted at 5.22% to 7.09% due in various monthly installments through 2048 (Note 7)	\$9,643	\$10,195
5.72% Senior notes due in 14 installments beginning September 30, 2012 and ending March 30, 2020	75,000	75,000
5.22% Senior notes due August 9, 2020	569,000	569,000
3.67% Senior notes (Series A) due in 7 installments beginning June 17, 2022, and ending June 15, 2028	150,000	150,000
3.75% Senior notes (Series B) due in 7 installments beginning December 17, 2022 and ending December 18, 2028	50,000	50,000
	853,643	854,195
Less current maturities	15,398	553
	\$838,245	\$853,642

At April 30, 2015, the Company had a bank line of credit arrangement consisting of two Promissory Notes, in the principal amount of \$50,000 each (together, the “Notes”). The Notes evidenced a revolving line of credit in the aggregate principal amount of \$100,000 and bear interest at variable rates subject to change from time to time based on changes in an independent index referred to in the Notes as the Federal Funds Offered Rate (the “Index”). On December 17, 2013, the Company cancelled a \$25,000 Promissory Note that was part of its line of credit. The interest rate to be applied to the unpaid principal balance of the first Note was at a rate of 0.750% over the Index. The interest rate applicable to the second note is 1.000% over the Index. There was a \$0 balance owed on the Notes at both April 30, 2015 and April 30, 2014. The line of credit is due upon demand.

Interest expense is net of interest income of \$158, \$214, and \$211 for the years ended April 30, 2015, 2014, and 2013, respectively. Interest expense is also net of interest capitalized of \$1,209, \$1,177, and \$894 during the years ended April 30, 2015, 2014, and 2013, respectively.

The agreements relating to the above long-term debt contain certain operating and financial covenants. At April 30, 2015, the Company was in compliance with all such financial covenants. Listed below are the aggregate maturities of long-term debt, including capitalized lease obligations, for the 5 years commencing May 1, 2015 and thereafter:

Years ended April 30,	Capital Leases	Senior Notes	Total
2016	\$398	\$15,000	\$15,398
2017	375	15,000	15,375
2018	396	15,000	15,396
2019	417	15,000	15,417
2020	441	15,000	15,441
Thereafter	7,616	769,000	776,616
	\$9,643	\$844,000	\$853,643

#### 4. PREFERRED AND COMMON STOCK

**Preferred stock** The Company has 1,000,000 authorized shares of preferred stock of which 250,000 shares have been designated as Series A Serial Preferred Stock. No shares have been issued.

**Common stock** The Company currently has 120,000,000 authorized shares of common stock.

**Stock option plans** The 2009 Stock Incentive Plan (the “Plan”), was approved by the Board of Directors in June 2009 and approved by the shareholders in September 2009. The Plan replaced the 2000 Option Plan and the Non-employee Director Stock Plan (together, the “Prior Plans”). There are 3,894,908 shares available for grant at April 30, 2015 under the Plan. Awards made under the Plan may take the form of stock options, restricted stock or restricted stock units.

Each share issued pursuant to a stock option will reduce the shares available for grant by one, and each share issued pursuant to an award of restricted stock or restricted stock units will reduce the shares available for grant by two.

Restricted stock is transferred to the employee or non-employee immediately upon grant, whereas restricted stock

units have a vesting period that must expire before the stock is

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transferred. We account for stock-based compensation by estimating the fair value of stock options granted under the Plan using market price of a share of our common stock on the date of grant. We recognize this fair value as an operating expense in our consolidated statements of income over the requisite service period using the straight-line method. Additional information regarding the Plan is provided in the Company's 2009 Proxy Statement. At April 30, 2015, stock options for 401,800 shares (which expire between 2015 and 2021) were outstanding. All stock option shares issued are previously unissued authorized shares.

On June 10, 2011, restricted stock units with respect to a total of 9,198 shares were granted to certain employees under the annual incentive compensation program. The fair value of the Company's shares on the date of grant was \$40.49. These awards vested on May 1, 2014 and compensation expense was recognized ratably over the vesting period. This award was granted at no cost to the employee.

On June 23, 2011, stock options totaling 441,000 shares were granted to certain officers and key employees. Also on the same date, restricted stock units totaling 15,000 shares were granted to the CEO. The fair value of the Company's shares on the date of grant was \$44.39. These awards vested on June 23, 2014 and compensation expense was recognized ratably over the vesting period. These awards were granted at no cost to the employees.

On September 16, 2011, restricted stock units with respect to a total of 14,000 shares were granted to the non-employee members of the Board. The fair value of the Company's shares on the date of grant was \$47.59. This award was also granted at no cost to the non-employee members of the Board. This award vested on May 1, 2012 and compensation expense was recognized ratably over the vesting period.

On June 8, 2012, restricted stock units with respect to a total of 32,998 shares were granted to certain employees under the annual incentive compensation program. The fair value of the Company's shares on the date of grant was \$59.48. These awards vested on May 1, 2015 and compensation expense was recognized ratably over the vesting period. This award was granted at no cost to the grantee.

On September 14, 2012, restricted stock units with respect to a total of 14,000 shares were granted to the non-employee members of the Board. The fair value of the Company's shares on the date of grant was \$58.93. This award was granted at no cost to the non-employee members of the Board. This award vested on May 1, 2013 and compensation expense was recognized ratably over the vesting period.

On June 7, 2013 and June 19, 2013 restricted stock units with respect to a total of 77,650 shares were granted to certain officers and key employees. The fair value of the Company's shares was \$62.26 on June 7, 2013 (76,150 shares) and \$60.47 on June 19, 2013 (1,500 shares). These awards were granted at no cost to the grantee. These awards will vest on June 7, 2016 and compensation expense is currently being recognized ratably over the vesting period.

On September 13, 2013, restricted stock units totaling 14,000 shares were granted to the non-employee members of the Board. The fair value of the Company's shares on the date of grant was \$71.02. This award was granted at no cost to the non-employee members of the Board. This award vested on May 1, 2014 and compensation expense was recognized ratably over the vesting period.

On June 6, 2014, restricted stock units with respect to a total of 91,000 shares were granted to certain officers and key employees. The fair value of these awards was \$6,584. These awards will vest on June 6, 2017. Also on that same date, restricted stock totaling 30,538 shares were granted to certain officers and key employees. The award was due to the financial performance of the Company based upon the 2014 annual incentive performance goals. The award vested immediately upon grant and the fair value was \$2,209 at the time of the grant. Both awards were granted at no cost to the employees.

On September 19, 2014, restricted stock totaling 13,955 shares were granted to the non-employee members of the Board. This award was granted at no cost to the non-employee members of the Board. The award vested immediately upon grant and the fair value was \$990 at the time of the grant.

Information concerning the issuance of stock options under the Plan and Prior Plans is presented in the following table:





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	Number of option shares	Weighted average option exercise price
Outstanding at April 30, 2012	1,053,509	\$32.59
Granted	—	—
Exercised	(198,200	) 23.82
Forfeited	(500	) 14.08
Outstanding at April 30, 2013	854,809	\$34.64
Granted	—	—
Exercised	(140,785	) 23.93
Forfeited	(2,000	) 44.39
Outstanding at April 30, 2014	712,024	\$36.73
Granted	—	—
Exercised	(310,224	) 36.96
Forfeited	—	—
Outstanding at April 30, 2015	401,800	\$36.55

At April 30, 2015, all outstanding options had an aggregate intrinsic value of \$18,334 and a weighted average remaining contractual life of 5.13 years. All options are vested as of April 30, 2015. The aggregate intrinsic value for the total of all options exercised during the year ended April 30, 2015 was \$13,382, and there were 441,000 shares that vested during the year ended April 30, 2015.

At April 30, 2015, the range of exercise prices for outstanding options was \$20.68 – \$44.39 and the weighted average remaining contractual life of outstanding options was 5.13 years. The number of shares and weighted average remaining contractual life of the options by range of applicable exercise prices at April 30, 2015 were as follows:

Range of exercise prices	Number of shares	Weighted average exercise price	Weighted average remaining contractual life (years)
20.68-24.11	7,000	22.62	1.2
25.26-26.92	159,600	25.61	3.8
44.39	235,200	44.39	6.2
	401,800		

Information concerning the issuance of restricted stock units under the Plan is presented in the following table:

Unvested at April 30, 2012	38,198
Granted	46,998
Vested	(14,000
Forfeited	—
Unvested at April 30, 2013	71,196
Granted	91,650
Vested	(14,150
Forfeited	(150
Unvested at April 30, 2014	148,546
Granted	91,000
Vested	(38,198
Forfeited	(7,418
Unvested at April 30, 2015	193,930

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Total compensation costs recorded for the years ended April 30, 2015, 2014 and 2013 were \$7,307, \$5,600, and \$4,270, respectively, for the stock options, restricted stock, and restricted stock unit awards. As of April 30, 2015, there was \$5,714 of total unrecognized compensation costs related to the Plan and Prior Plans for costs related to restricted stock units which are expected to be recognized ratably through fiscal 2018.

**5. NET INCOME PER COMMON SHARE**

Computations for basic and diluted earnings per common share are presented below:

	Years ended April 30,		
	2015	2014	2013
Basic			
Net income	\$180,628	\$126,820	\$103,814
Weighted average shares outstanding-basic	38,743,227	38,457,680	38,297,083
Basic earnings per common share	\$4.66	\$3.30	\$2.71
Diluted			
Net income	\$180,628	\$126,820	\$103,814
Weighted-average shares outstanding-basic	38,743,227	38,457,680	38,297,083
Plus effect of stock options and restricted stock units	360,606	410,726	322,993
Weighted-average shares outstanding-diluted	39,103,833	38,868,406	38,620,076
Diluted earnings per common share	\$4.62	\$3.26	\$2.69

There were no options considered antidilutive; therefore, all options were included in the computation of dilutive earnings per share for fiscal 2015, 2014, and fiscal 2013, respectively.

**6. INCOME TAXES**

Income tax expense attributable to earnings consisted of the following components:

	Years ended April 30,		
	2015	2014	2013
Current tax expense			
Federal	\$49,593	\$44,078	\$23,519
State	7,093	5,657	4,455
	56,686	49,735	27,974
Deferred tax expense	44,711	17,089	31,828
Total income tax expense	\$101,397	\$66,824	\$59,802

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets and deferred tax liabilities were as follows:

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	As of April 30,	
	2015	2014
Deferred tax assets		
Accrued liabilities and reserves	\$8,593	\$16,830
Property and equipment depreciation	12,846	11,788
Workers compensation	9,536	8,501
Deferred compensation	6,653	6,272
Equity compensation	3,767	3,598
State net operating losses & tax credits	626	2,757
Other	1,787	3,265
Total gross deferred tax assets	43,808	53,011
Less valuation allowance	228	—
Total net deferred tax assets	43,580	53,011
Deferred tax liabilities		
Property and equipment depreciation	(363,965)	(332,095)
Goodwill	(18,319)	(14,989)
Other	(738)	(658)
Total gross deferred tax liabilities	(383,022)	(347,742)
Net deferred tax liability	\$(339,442)	\$(294,731)

At April 30, 2015, the Company had net operating loss carryforwards for state income tax purposes of approximately \$69,594, which are available to offset future state taxable income. These net operating loss carryforwards expire during the years 2019 through 2034. In addition, the Company had state alternative minimum tax credit carryforwards of approximately \$156, which are available to reduce future state regular income taxes over an indefinite period. There was a valuation allowance of \$228 and \$0 for state net operating loss deferred tax assets as of April 30, 2015 and 2014. The change in the valuation allowance was \$228 and \$0 for the years ending April 30, 2015 and 2014, respectively. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected taxable income, and tax planning strategies in making this assessment.

Total reported tax expense applicable to the Company's continuing operations varies from the tax that would have resulted from applying the statutory U.S. federal income tax rates to income before income taxes. Out of period adjustments of \$2,760 were recorded in fiscal 2014.

	Years ended April 30,					
	2015		2014		2013	
Income taxes at the statutory rates	35.0	%	35.0	%	35.0	%
Federal tax credits	(1.7)	)%	(2.1)	)%	(1.8)	)%
State income taxes, net of federal tax benefit	3.1	%	3.2	%	2.4	%
Out of period adjustments	—	%	(1.4)	)%	—	%
Other	(0.4)	)%	(0.2)	)%	1.0	%
	36.0	%	34.5	%	36.6	%

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company had a total of \$8,043 and \$9,244 in gross unrecognized tax benefits at April 30, 2015 and 2014, respectively which is recorded in other long-term liabilities in the consolidated balance sheet. Of this amount, \$5,264 represents the amount of unrecognized tax benefits that, if recognized, would impact our effective tax rate. Unrecognized tax benefits decreased (\$1,201) during the twelve months ended April 30, 2015, due primarily to the

expiration of certain statute of limitations exceeding the increase associated with income tax filing positions for the current year.

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A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2015	2014
Beginning balance	\$9,244	\$8,938
Additions based on tax positions related to current year	1,186	1,229
Additions for tax positions of prior years	13	415
Reductions for tax positions of prior years	—	—
Reductions due to lapse of applicable statute of limitations	(2,400)	(1,338)
Settlements	—	—
Ending balance	\$8,043	\$9,244

The total net amount of accrued interest and penalties for such unrecognized tax benefits was \$152 and \$402 at April 30, 2015 and 2014, respectively, and is included in other long-term liabilities. Net interest and penalties included in income tax expense for the twelve month period ended April 30, 2015 was a decrease in tax expense of \$250 and an increase of \$116 for the year ended April 30, 2014.

A number of years may elapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the expiration of the statute of limitations, examinations or other unforeseen circumstances. The State of Illinois is examining tax years 2011 and 2012. Additionally, the IRS is currently examining tax year 2012. The Company has no other ongoing federal or state income tax examinations. The Company does not have any outstanding litigation related to tax matters.

At this time, the Company's best estimate of the reasonably possible change in the amount of the gross unrecognized tax benefits is a decrease of \$2,891 during the next twelve months mainly due to the expiration of certain statute of limitations. The federal statute of limitations remains open for the years 2011 and forward. Tax years 2010 and forward are subject to audit by state tax authorities depending on open statute of limitations waivers and the tax code of each state.

On May 1, 2014, the Company adopted the Financial Accounting Standards Board Accounting Standards Update ("ASU") No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists. The pronouncement requires unrecognized tax benefits to be offset on the balance sheet by any same-jurisdiction net operating loss or tax credit carryforward that would be used to settle the position with a tax authority. The adoption of ASU 2013-11 did not have a material impact on the Company's consolidated financial statements.

## 7. LEASES

The Company leases certain property and equipment used in its operations. Generally, the leases are for primary terms of from five to twenty years with options either to renew for additional periods or to purchase the premises and call for payment of property taxes, insurance, and maintenance by the lessee.

The following is an analysis of the leased property under capital leases by major classes:

	Asset balances at April 30,	
	2015	2014
Real estate	\$13,480	\$13,668
Equipment	2,564	2,610
	16,044	16,278
Less accumulated amortization	5,666	5,202
	\$10,378	\$11,076

Future minimum payments under the capital leases and noncancelable operating leases with initial or remaining terms of one year or more consisted of the following at April 30, 2015:



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Years ended April 30,	Capital leases	Operating leases
2016	\$904	\$910
2017	868	827
2018	870	814
2019	876	553
2020	967	246
Thereafter	11,992	87
Total minimum lease payments	16,477	\$3,437
Less amount representing interest	6,834	
Present value of net minimum lease payments	\$9,643	

The total rent expense under operating leases was \$1,961 in 2015, \$1,424 in 2014, and \$1,773 in 2013.

**8. BENEFIT PLANS**

**401(k) plan** The Company provides employees with a defined contribution 401(k) plan. The 401(k) plan covers all employees who meet minimum age and service requirements. The Company contributions consist of matching amounts and are allocated based on employee contributions. Contributions to the 401(k) plan were \$5,852, \$5,348, and \$4,949 for the years ended April 30, 2015, 2014, and 2013, respectively.

On April 30, 2015 and 2014, 1,453,251 and 1,488,510 shares of common stock, respectively, were held by the trustee of the 401(k) plan in trust for distribution to eligible participants upon death, disability, retirement, or termination of employment. Shares held by the 401(k) plan are treated as outstanding in the computation of net income per common share.

**Supplemental executive retirement plan** The Company has a nonqualified supplemental executive retirement plan (SERP) for two of its executive officers, one of whom retired April 30, 2003 and the other on April 30, 2008. The SERP provides for the Company to pay annual retirement benefits, up to 50% of base compensation until death of the officer. If death occurs within twenty years of retirement, the benefits become payable to the officer's spouse (at a reduced level) until the spouse's death or twenty years from the date of the officer's retirement, whichever comes first. The Company has accrued the deferred compensation over the term of employment. The amounts accrued at April 30, 2015 and 2014, respectively, were \$5,626 and \$5,925. The discount rates used were 4% and 4.4%, respectively, at April 30, 2015 and 2014. The amount expensed in fiscal 2015 was \$326 and the Company expects to pay \$625 per year for each of the next five years. Expense incurred in fiscal 2014 and fiscal 2013 was \$93 and \$471, respectively.

**Other postemployment benefits** The Company also has deferred compensation agreements with three other individuals, one current and two former employees. The amounts accrued at April 30, 2015 and 2014 were \$3,960 and \$3,950, respectively. The Company expects to pay \$167, \$497, \$497, \$447 and \$422 the next five years under the agreements. The expense incurred in fiscal 2015, 2014 and 2013 was \$219, \$156, and \$438 respectively.

**9. COMMITMENTS**

The Company has entered into an employment agreement with its chief executive officer. The agreement provides that the officer will receive aggregate base compensation of not less than \$660 per year exclusive of bonuses. The agreement also provides for certain payments in the case of death or disability of the officer. The Company also has entered into employment agreements with fifteen other key employees, providing for certain payments in the event of termination following a change of control of the Company.

**10. CONTINGENCIES**

**Environmental compliance** The United States Environmental Protection Agency and several states have adopted laws and regulations relating to underground storage tanks used for petroleum products. Several states in which the Company does business have trust fund programs with provisions for sharing or reimbursing corrective action or remediation costs.

Management currently believes that substantially all capital expenditures for electronic monitoring, cathodic protection, and overfill/spill protection to comply with existing regulations have been completed. The Company has an accrued liability at April 30, 2015 and 2014 of approximately \$388 and \$300, respectively, for estimated expenses related to anticipated corrective





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actions or remediation efforts, including relevant legal and consulting costs. Management believes the Company has no material joint and several environmental liability with other parties. Additional regulations or amendments to the existing regulations could result in future revisions to such estimated expenditures.

**Legal matters** As previously reported, the Company was named as a defendant in four lawsuits (“hot fuel” cases) brought in the federal courts in Kansas and Missouri against a variety of fuel retailers, which were consolidated in the U.S. District Court for the District of Kansas in Kansas City, Kansas as part of the multidistrict “Motor Fuel Temperature Sales Practices Litigation”. On November 20, 2012, the Court preliminarily approved the previously-reported settlement involving the Company, which when approved in final form by the Court following notice to the Class would result in the settlement and dismissal of all claims against Casey’s in the multidistrict litigation. The preliminarily approved settlement includes, but is not limited to, a commitment on the part of the Company to “sticker” certain information on its fuel pumps and make a monetary payment (which is not considered to be material in amount) to the plaintiff class. The process of notice to the class began in February 2015 with notice being published in various media outlets including selected radio stations and newspapers. Objections and exclusions to the proposed settlement must be submitted electronically or postmarked by March 23, 2015. The Fairness Hearing to consider whether the settlements are fair, reasonable and adequate was held on June 9, 2015.

In addition, the Company was named as a defendant in a purported class action recently filed in federal court in Missouri on behalf of all individuals on whom Casey’s obtained a consumer report for employment purposes in the last two years. Plaintiff alleges Casey’s violated the Fair Credit Reporting Act (FCRA)’s stand-alone disclosure requirement. Casey’s has obtained approximately 3,900 consumer reports in the last year. The FCRA provides for statutory damages of \$100 to \$1,000 for each willful violation, as well as punitive damages and attorneys’ fees. The Company does not believe it is liable to the plaintiff and intends to contest the matter vigorously.

From time to time we may be involved in other legal and administrative proceedings or investigations arising from the conduct of our business operations, including contractual disputes; employment or personnel matters; personal injury and property damage claims; and claims by federal, state, and local regulatory authorities relating to the sale of products pursuant to licenses and permits issued by those authorities. Claims for compensatory or exemplary damages in those actions may be substantial. While the outcome of such litigation, proceedings, investigations, or claims is never certain, it is our opinion, after taking into consideration legal counsel’s assessment and the availability of insurance proceeds and other collateral sources to cover potential losses, that the ultimate disposition of such matters currently pending or threatened, individually or cumulatively, will not have a material adverse effect on our consolidated financial position and results of operation.

**Other** At April 30, 2015, the Company was partially self-insured for workers’ compensation claims in all fourteen states of its marketing territory and was also partially self-insured for general liability and auto liability under an agreement that provides for annual stop-loss limits equal to or exceeding approximately \$1,000. To facilitate this agreement, letters of credit approximating \$19,155 and \$15,000, respectively, were issued and outstanding at April 30, 2015 and 2014, on the insurance company’s behalf. The Company also has investments of approximately \$223 in escrow as required by one state for partial self-insurance of workers’ compensation claims. Additionally, the Company is self-insured for its portion of employee medical expenses. At April 30, 2015 and 2014, the Company had \$31,389 and \$28,429, respectively, in accrued expenses for estimated claims relating to self-insurance, the majority of which has been actuarially determined.

### 11. SUBSEQUENT EVENTS

Events that have occurred subsequent to April 30, 2015 have been evaluated for disclosure through the filing date of this Annual Report on Form 10-K with the Securities and Exchange Commission.

### 12. QUARTERLY FINANCIAL DATA (Dollars in thousands, except per share amounts) (Unaudited)

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	Year ended April 30, 2015				
	Q1	Q2	Q3	Q4	Year Total
Total revenue					
Fuel	\$1,607,126	1,470,768	1,056,458	1,010,033	5,144,385
Grocery & other merchandise	478,586	466,934	412,711	436,591	1,794,822
Prepared food & fountain	194,610	201,196	190,393	194,688	780,887
Other	10,864	11,313	12,399	12,546	47,122
	\$2,291,186	2,150,211	1,671,961	1,653,858	7,767,216
Gross profit*					
Fuel	\$87,872	89,637	98,418	75,228	351,155
Grocery & other merchandise	155,683	151,025	128,572	140,230	575,510
Prepared food & fountain	116,511	119,322	111,672	118,551	466,056
Other	10,848	11,298	12,384	12,534	47,064
	\$370,914	371,282	351,046	346,543	1,439,785
Net income	\$50,097	49,869	39,319	41,343	180,628
Income per common share					
Basic	1.30	1.29	1.01	1.06	4.66
Diluted	1.28	1.28	1.01	1.05	4.62
	Year ended April 30, 2014				
	Q1	Q2	Q3	Q4	Year Total
Total revenue					
Fuel	\$1,514,874	1,416,980	1,255,774	1,366,952	5,554,580
Grocery & other merchandise	423,585	416,552	364,846	378,251	1,583,234
Prepared food & fountain	166,248	171,751	158,200	162,977	659,176
Other	10,042	10,602	11,235	11,386	43,265
	\$2,114,749	2,015,885	1,790,055	1,919,566	7,840,255
Gross profit*					
Fuel	\$91,227	67,816	55,892	52,937	267,872
Grocery & other merchandise	138,412	134,708	113,429	121,387	507,936
Prepared food & fountain	102,754	106,171	96,147	97,924	402,996
Other	10,028	10,590	11,222	11,372	43,212
	\$342,421	319,285	276,690	283,620	1,222,016
Net income	\$53,795	39,430	12,663	20,932	126,820
Income per common share					
Basic	1.40	1.03	0.33	0.54	3.30
Diluted	1.39	1.01	0.33	0.54	3.26

\* Gross profit is given before charge for depreciation and amortization and credit card fees.

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ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

As previously disclosed, management became aware during the second quarter of fiscal 2015 that an immaterial understatement of federal excise tax liability occurred during fiscal years 2012, 2013 and 2014 and the first quarter of fiscal 2015. A control deficiency was identified with regards to the review and approval of quarterly federal excise tax returns by management with the requisite skill and knowledge, and recognition of the corresponding liability and expense. The internal controls in place during this time were not responsive to changes in circumstances. While the control deficiency did not result in a material misstatement to the Company's consolidated financial statements for any period through and including the fiscal year ended April 30, 2014, or the unaudited condensed consolidated financial statements for the first fiscal quarter of fiscal year 2015, it did represent a material weakness as of April 30, 2014, since there existed a reasonable possibility that a material misstatement of the Company's annual or interim financial statements would not be prevented or detected on a timely basis. The correction of these immaterial errors was recognized in revisions to our consolidated financial statements for the fiscal year ended April 30, 2014, filed on Form 10-K/A (Amendment No. 1) for the fiscal year ended April 30, 2014, and the unaudited condensed consolidated financial statements filed on Form 10-Q/A (Amendment No. 1) for the fiscal quarter ended July 31, 2014.

As of the end of the period covered by this report, an evaluation was performed under the supervision and with the participation of the Company's Chief Executive Officer and Chief Financial Officer of the effectiveness of the Company's disclosure controls and procedures. On the basis of that evaluation, the CEO and CFO have concluded that the Company's disclosure controls and procedures were effective as of April 30, 2015.

For purposes of Rule 13a-15(e), the term disclosure controls and procedures means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Act (15 U.S.C. 78a et seq.) is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control over Financial Reporting.

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of April 30, 2015. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control - Integrated Framework (1992). On the basis of the prescribed criteria, management concluded that the Company's internal control over financial reporting was effective as of April 30, 2015.

KPMG LLP, as the Company's independent registered public accounting firm, has issued a report on its assessment of the effectiveness of the Company's internal control over financial reporting. This report appears on page 27.

(c) Changes in Internal Control over Financial Reporting.

As described above, during the second quarter of fiscal 2015, management concluded that there was a material weakness in internal control over financial reporting, and began actively planning for and implementing a remediation plan to address the material weakness. As of April 30, 2015, management had completed the remediation efforts as described in the Quarterly Reports on Form 10-Q for the fiscal quarters ended October 31, 2014 and January 31, 2015. In connection with the

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remediation, management (with the assistance of professional advisors) reviewed and made certain enhancements to our internal control over financial reporting to improve such controls and increase their efficiency, and expects to undertake additional enhancements during fiscal 2016. No other changes were made in the Company's internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(d) Other.

The Company does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all fraud and material errors. An internal control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations on all internal control systems, our internal control system can provide only reasonable assurance of achieving its objectives and no evaluation of controls can provide absolute assurance that all control issues and occurrences of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of internal control is also based in part upon certain assumptions about the likelihood of future events, and can provide only reasonable, not absolute, assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in circumstances, or the degree of compliance with the policies and procedures may deteriorate.

ITEM 9B. OTHER INFORMATION

Not applicable.

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PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

Those portions of the Company's definitive Proxy Statement appearing under the captions "Election of Directors," "Governance of the Company," "Section 16(a) Beneficial Ownership Reporting Compliance," and "Executive Officers and Their Compensation" as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2015 and used in connection with the Company's 2015 Annual Meeting of Shareholders are hereby incorporated by reference.

The Company has adopted a Financial Code of Ethics applicable to its Chief Executive Officer and other senior financial officers. In addition, the Company has adopted a general code of business conduct (known as the Code of Business Conduct and Ethics) for its directors, officers, and all employees. The Financial Code of Ethics, the Code of Business Conduct and Ethics, and other Company governance materials are available under the Corporate Governance link of the Company Web site at [www.caseys.com](http://www.caseys.com). The Company intends to disclose on this Web site any amendments to or waivers from the Financial Code of Ethics or the Code of Business Conduct and Ethics that are required to be disclosed pursuant to SEC rules. To date, there have been no waivers of the Financial Code of Ethics or the Code of Business Conduct and Ethics. Shareholders may obtain copies of any of these corporate governance documents free of charge by downloading from the Web site or by writing to the Corporate Secretary at the address on the cover of this Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

That portion of the Company's definitive Proxy Statement appearing under the caption "Executive Officers and Their Compensation" as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2015 and used in connection with the Company's 2015 Annual Meeting of Shareholders is hereby incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Those portions of the Company's definitive Proxy Statement appearing under the captions "Shares Outstanding," "Voting Procedures," and "Beneficial Ownership of Shares of Common Stock by Directors and Executive Officers" as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2015 and used in connection with the Company's 2015 Annual Meeting of Shareholders are hereby incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

That portion of the Company's definitive Proxy Statement appearing under the captions "Certain Relationships and Related Transactions" and "Governance of the Company" as filed with the Commission pursuant to Regulation 14A within 120 days after April 30, 2015 and used in connection with the Company's 2015 Annual Meeting of Shareholders is hereby incorporated by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

That portion of the Company's definitive Proxy Statement appearing under the caption "Independent Auditor Fees" as filed with the Commission within 120 days after April 30, 2015 and used in connection with the Company's 2015 Annual Meeting of Shareholders is hereby incorporated by reference.

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PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as a part of this report on Form 10-K:

(1) The following financial statements are included herewith:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets, April 30, 2015 and 2014

Consolidated Statements of Income, Three Years Ended April 30, 2015

Consolidated Statements of Shareholders' Equity, Three Years Ended April 30, 2015

Consolidated Statements of Cash Flows, Three Years Ended April 30, 2015

Notes to Consolidated Financial Statements

(2) No schedules are included because the required information is inapplicable or is presented in the consolidated financial statements or related notes thereto.

(3) The following exhibits are filed as a part of this report:

Exhibit Number	Description of Exhibits
3.1	Restatement of the Restated and Amended Articles of Incorporation (incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended October 31, 1996) and Articles of Amendment thereto (incorporated by reference from the Current Report on Form 8-K filed April 16, 2010, as amended by the Current Report on Form 8-K/A filed April 19, 2010 and the Current Report on Form 8-K filed May 20, 2011)
3.2(a)	Second Amended and Restated By-laws (incorporated by reference from the Current Report on Form 8-K filed June 16, 2009) and Amendments thereto (incorporated by reference from the Current Reports on Form 8-K filed May 20, 2011, August 2, 2011 and the Current Report on Form 8-K filed June 22, 2012)
4.8	Note Purchase Agreement dated as of September 29, 2006 among the Company and the purchasers of \$100,000,000 in principal amount of 5.72% Senior Notes, Series A and Series B (incorporated by reference from the Current Report on Form 8-K filed September 29, 2006)
4.9	Note Purchase Agreement dated as of August 9, 2010 among the Company and the purchasers of the 5.22% Senior Notes (incorporated by reference from the Current Report on Form 8-K filed August 10, 2010)
4.10	Note Purchase Agreement dated as of June 17, 2013 among the Company and the purchasers of the 3.67% Series A Notes and 3.75% Series B Notes (incorporated by reference from the Current Reports on Form 8-K filed June 18, 2013 and December 18, 2013)
10.21(a)*	Amended and Restated Employment Agreement with Donald F. Lamberti (incorporated by reference from the Current Report on Form 8-K filed November 10, 1997) and First Amendment thereto (incorporated by reference from the Current Report on Form 8-K filed April 2, 1998)
10.22(a)*	Amended and Restated Employment Agreement with Ronald M. Lamb (incorporated by reference from the Current Report on Form 8-K filed November 10, 1997), First Amendment thereto (incorporated by reference from the Current Report on Form 8-K filed April 2, 1998) and Second Amendment thereto

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(incorporated by reference from the Current Report on Form 8-K filed July 17, 2006)

- 10.27\* Non-Employee Directors' Stock Option Plan (incorporated by reference from the Quarterly Report on Form 10-Q for the fiscal quarter ended July 31, 1994) and related form of Grant Agreement (incorporated by reference from the Current Report on Form 8-K filed May 3, 2005)
- 10.28(b) Promissory Notes delivered to UMB Bank, n.a. and related Negative Pledge Agreement dated May 23, 2011 (incorporated by reference from the Current Reports on Form 8-K filed May 23, 2011, February 12, 2013 and June 18, 2013)
- 10.29(a)\* Form of "change of control" Employment Agreement (incorporated by reference from the Current Report on Form 8-K filed June 2, 2010)
- 10.30\* Non-Qualified Supplemental Executive Retirement Plan (incorporated by reference from the Current Report on Form 8-K filed November 10, 1997) and Amendment thereto (incorporated by reference from the Current Report on Form 8-K filed July 17, 2006)



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10.31*	Non-Qualified Supplemental Executive Retirement Plan Trust Agreement with UMB Bank, n.a. (incorporated by reference from the Current Report on Form 8-K filed November 10, 1997)
10.32*	Severance Agreement with Douglas K. Shull (incorporated by reference from the Current Report on Form 8-K filed July 28, 1998)
10.33*	Casey's General Stores, Inc. 2000 Stock Option Plan (incorporated by reference from the Annual Report on Form 10-K405 for the fiscal year ended April 30, 2001) and related form of Grant Agreement (incorporated by reference from the Current Report on Form 8-K filed July 6, 2005)
10.34*	Casey's General Stores 401(k) Plan (incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 2003)
10.35*	Trustar Directed Trust Agreement (incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 2003)
10.38*	Executive Nonqualified Excess Plan Document and related Adoption Agreement dated July 12, 2006 (incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 2007)
10.39*	Employment Agreement with Robert J. Myers (incorporated by reference from the Current Report on Form 8-K filed April 21, 2010 and Amendment to Employment Agreement (incorporated by reference from the Current Report on Form 8-K filed December 19, 2012))
10.40*	Severance Agreement with John G. Harmon (incorporated by reference from the Current Report on Form 8-K filed January 17, 2008)
10.41*	Casey's General Stores, Inc. 2009 Stock Incentive Plan (incorporated by reference from the Current Report on Form 8-K filed September 23, 2009) and related forms of Restricted Stock Units Agreement (Non-employee Directors) (incorporated by reference from the Annual Report on Form 10-K for the fiscal year ended April 30, 2010) and Restricted Stock Units Agreement (Officers and Other Employees), Restricted Stock Units Agreement (Chief Executive Officer) and Stock Option Grant (incorporated by reference from the Current Report on Form 8-K filed June 27, 2011)
21	Subsidiaries of Casey's General Stores, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certificate of Robert J. Myers under Section 302 of Sarbanes-Oxley Act of 2002
31.2	Certificate of William J. Walljasper under Section 302 of Sarbanes-Oxley Act of 2002
32.1	Certificate of Robert J. Myers under Section 906 of Sarbanes-Oxley Act of 2002
32.2	Certificate of William J. Walljasper under Section 906 of Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

\* Indicates management contract or compensatory plan or arrangement.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CASEY'S GENERAL STORES, INC.  
(Registrant)

Date: June 26, 2015

By /s/ Robert J. Myers  
Robert J. Myers, Chairman and  
Chief Executive Officer  
(Principal Executive Officer and Director)

Date: June 26, 2015

By /s/ William J. Walljasper  
William J. Walljasper  
Senior Vice President and Chief Financial  
Officer  
(Authorized Officer and Principal Financial and  
Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: June 26, 2015

By /s/ Robert J. Myers  
Robert J. Myers  
Chairman and Chief Executive Officer, Director

Date: June 26, 2015

By /s/ William J. Walljasper  
William J. Walljasper  
Senior Vice President and Chief Financial  
Officer

Date: June 26, 2015

By /s/ Kenneth H. Haynie  
Kenneth H. Haynie  
Director

Date: June 26, 2015

By /s/ Johnny Danos  
Johnny Danos  
Director

Date: June 26, 2015

By /s/ Diane C. Bridgewater  
Diane C. Bridgewater  
Director

Date: June 26, 2015

By /s/ Jeffrey M. Lamberti  
Jeffrey M. Lamberti  
Director

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Date: June 26, 2015

By /s/ Richard Wilkey  
Richard Wilkey  
Director

Date: June 26, 2015

By /s/ H. Lynn Horak  
H. Lynn Horak  
Director

Date: June 26, 2015

By /s/ William C. Kimball  
William C Kimball  
Director

Date: June 26, 2015

By /s/ Larree M. Renda  
Larree M. Renda  
Director

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EXHIBIT INDEX

The following exhibits are filed herewith:

Exhibit No. Description

21	Subsidiaries of Casey's General Stores, Inc.
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of Robert J. Myers under Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of William J. Walljasper under Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certificate of Robert J. Myers under Section 906 of Sarbanes-Oxley Act of 2002
32.2	Certificate of William J. Walljasper under Section 906 of Sarbanes-Oxley Act of 2002
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101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document