CRYSTAL VALLEY COOPERATIVE
Mankato, Minnesota

PERSONNEL AND ORGANIZATIONAL DATA
August 31, 2020

OFFICERS AND DIRECTORS

Name	Address	Term Expires	Position
Tim Lewer	New Richland, MN	2021	Chairman
Dean Sonnabend	Vernon Center, MN	2022	Vice-Chairman
Gene Meyer	Round Lake, MN	2021	Secretary
Bryon Christenson	LaSalle, MN	2021	Director
Tom Trahms	Janesville, MN	2022	Director
Scott Fisher	Trimont, MN	2022	Director
Dan Jones	Lake Crystal, MN	2023	Director
Dan Riley	Round Lake, MN	2023	Director
Judd Hendrycks	North Mankato, MN	2023	Director

Roger Kienholz – General Manager

ORGANIZATIONAL DATA

Date of Incorporation.. January 27, 1927

Under Laws of State of.. Minnesota

Fiscal Year Ends.. August 31

Main Office.. Mankato, Minnesota

NATURE OF BUSINESS

Nature of Business..................... Farmers Cooperative Purchasing and Marketing Association

Products Handled...................... Agronomy, Feed, Grain, Petroleum and Other Farm Supplies

GARDINER+COMPANY
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Crystal Valley Cooperative
Mankato, Minnesota

We have audited the accompanying consolidated financial statements of Crystal Valley Cooperative, Mankato, Minnesota, which comprise the consolidated balance sheets as of August 31, 2020 and 2019, and the related consolidated statements of savings, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Crystal Valley Cooperative, Mankato, Minnesota, as of August 31, 2020 and 2019, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

December 1, 2020

Gardiner + Company, P.C.

CRYSTAL VALLEY COOPERATIVE
Mankato, Minnesota

CONSOLIDATED BALANCE SHEETS
August 31, 2020 and 2019

ASSETS

	2020	2019
CURRENT ASSETS		
Cash	**$ 4,440,295**	$ 6,709,394
Marketable Securities	**0**	1,897
Receivables		
Trade – Net of Allowance for Doubtful Accounts of $250,000	**8,795,502**	15,545,941
Storage and Handling	**108,927**	58,880
Grain in Transit	**2,973,845**	666,495
Other	**891,440**	206,686
Margin Deposits	**3,154,623**	0
Inventories		
Grain	**14,178,105**	18,674,505
Agronomy	**16,396,224**	21,465,754
Feed	**2,051,410**	1,491,923
Petroleum	**767,385**	984,609
Propane	**349,896**	346,722
Miscellaneous	**2,867,347**	766,796
Prepaid Expenses	**277,534**	582,161
Prepaid Inventory	**7,257,549**	6,712,038
Total Current Assets	**64,510,082**	74,213,801
PROPERTY, PLANT AND EQUIPMENT		
Land and Land Improvements	**9,784,836**	9,218,887
Buildings and Equipment	**168,899,165**	154,009,846
	178,684,001	163,228,733
Accumulated Depreciation	**(97,327,320)**	(87,271,686)
Undepreciated Cost	**81,356,681**	75,957,047
Construction in Process	**3,030,710**	4,344,834
Net Property, Plant and Equipment	**84,387,391**	80,301,881
OTHER ASSETS		
Notes Receivable	**2,637,532**	0
Goodwill – Net of Amortization	**443,929**	0
Total Other Assets	**3,081,461**	0
INVESTMENTS		
Equity in Other Organizations	**24,875,441**	23,809,475
Other Investments	**1,261,693**	1,143,684
Total Investments	**26,137,134**	24,953,159
TOTAL ASSETS	**$178,116,068**	$179,468,841

The accompanying notes are an integral part of the consolidated financial statements.

CRYSTAL VALLEY COOPERATIVE
Mankato, Minnesota

CONSOLIDATED BALANCE SHEETS
August 31, 2020 and 2019

LIABILITIES AND MEMBERS' EQUITY

	2020	2019
CURRENT LIABILITIES		
Checks Written in Excess of Bank Balance	**$ 6,159,916**	$ 5,384,440
Current Maturities of Long–Term Debt	**2,572,963**	2,547,412
Current Maturities of Capital Leases	**471,338**	819,277
Member Investment Notes – Demand	**7,891,712**	8,102,155
Payables		
Trade	**6,190,151**	12,781,112
Customer Credit Balances	**4,768,370**	7,352,560
Unpaid Grain	**9,981,721**	9,718,583
Margin Accounts	**0**	2,403,349
Other	**533,627**	71,124
Accrued Expenses		
Interest	**128,741**	169,694
Property Taxes	**1,643,106**	1,535,472
Payroll	**2,331,933**	1,842,848
Other	**67,330**	102,997
Patronage Dividends Payable	**1,158,898**	0
Total Current Liabilities	**43,899,806**	52,831,023
LONG–TERM LIABILITIES – Net of Current Maturities		
Notes Payable	**23,891,659**	17,298,225
Capital Leases	**1,597,554**	2,068,892
Member Investment Notes	**6,483,643**	6,628,691
Total Long–Term Liabilities	**31,972,856**	25,995,808
DEFERRED INCOME TAXES	**1,325,100**	1,067,195
MEMBERS' EQUITY		
Revolving Fund	**28,078,397**	30,862,174
Patronage Payable in Equities	**1,738,348**	0
Equity Acquired in Merger	**11,806,377**	11,806,377
Unallocated General Reserve	**59,295,184**	56,906,264
Total Members' Equity	**100,918,306**	99,574,815
TOTAL LIABILITIES AND MEMBERS' EQUITY	**$178,116,068**	$179,468,841

The accompanying notes are an integral part of the consolidated financial statements.

CRYSTAL VALLEY COOPERATIVE
Mankato, Minnesota

CONSOLIDATED STATEMENTS OF SAVINGS
Years Ended August 31, 2020 and 2019

	2020	2019
Sales	**$310,849,964**	$294,949,613
Cost of Goods Sold	**271,874,401**	259,740,259
Gross Savings on Sales	**38,975,563**	35,209,354
Other Operating Revenue	**18,966,132**	17,370,635
Total Gross Revenue	**57,941,695**	52,579,989
Operating Expenses, Including Interest	**54,732,193**	52,314,248
Operating Savings	**3,209,502**	265,741
Patronage Dividend and Investment Income	**2,354,959**	2,468,790
Loss on Sale of Marketable Securities	**(134)**	0
Savings Before Income Taxes	**5,564,327**	2,734,531
Income Tax Expense (Benefit)		
Current	**20,295**	(121,476)
Deferred	**257,905**	210,676
Net Savings	**$ 5,286,127**	$ 2,645,331

DISTRIBUTION OF NET SAVINGS

	2020	2019
Patronage Dividends		
Cash – 40%	**$ 1,158,898**	$ 0
Deferred – 60%	**1,738,348**	0
	2,897,246	0
Retained Savings	**2,388,881**	2,645,331
Total	**$ 5,286,127**	$ 2,645,331

The accompanying notes are an integral part of the consolidated financial statements.

CRYSTAL VALLEY COOPERATIVE
Mankato, Minnesota

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY
Years Ended August 31, 2020 and 2019

	Total	Revolving Fund	Allocated Patronage Dividends	Equity Acquired in Merger	Unallocated General Reserve
Balance – August 31, 2018	$ 99,492,787	$32,845,617	$ 681,421	$11,806,377	$54,159,372
Stock Redeemed	(2,605,533)	(2,605,533)	0	0	0
Distribution of Patronage Dividends	0	681,421	(681,421)	0	0
Under Accrual of Prior Year					
Patronage Dividends	42,230	(59,331)	0	0	101,561
Current Period Savings	2,645,331	0	0	0	2,645,331
Balance – August 31, 2019	99,574,815	30,862,174	0	11,806,377	56,906,264
Stock Redeemed	(2,779,915)	(2,779,915)	0	0	0
Adjustments	(3,823)	(3,862)	0	0	39
Current Period Savings	5,286,127	0	0	0	5,286,127
Patronage Dividends					
Cash	(1,158,898)	0	0	0	(1,158,898)
Deferred	0	0	1,738,348	0	(1,738,348)
Balance – August 31, 2020	$100,918,306	$28,078,397	$1,738,348	$11,806,377	$59,295,184

The accompanying notes are an integral part of the consolidated financial statements.

CRYSTAL VALLEY COOPERATIVE
Mankato, Minnesota

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended August 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Savings	**$ 5,286,127**	$ 2,645,331
Adjustments to Reconcile Net Savings to Net Cash Provided by Operating Activities		
Depreciation and Amortization	**11,295,299**	11,094,587
Gain on Sale of Property, Plant and Equipment	**(425,623)**	(648,382)
Bad Debt Expense (Income)	**12,556**	(57,872)
Loss on Sale of Marketable Securities	**134**	0
Patronage Dividends Received as Equity	**(1,449,361)**	(1,174,393)
Loss from Investments	**14,241**	13,824
Deferred Income Taxes	**257,905**	210,676
Change in Assets and Liabilities		
(Increase) Decrease in Receivables	**1,058,200**	(2,516,901)
Increase in Margin Deposits	**(3,154,623)**	0
(Increase) Decrease in Inventories	**7,119,942**	(7,529,177)
(Increase) Decrease in Prepaid Expenses	**304,627**	(29,038)
(Increase) Decrease in Prepaid Inventory	**(545,511)**	7,140,380
Decrease in Payables	**(10,852,859)**	(4,319,041)
Increase (Decrease) in Accrued Expenses	**520,099**	(348,796)
Net Cash Provided by Operating Activities	**9,441,153**	4,481,198
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Property, Plant and Equipment	**509,499**	798,682
Additions to Property, Plant and Equipment	**(15,445,384)**	(12,783,747)
Other Investments Purchased	**(132,250)**	(125,000)
Other Investments Redeemed	**0**	2,489
Proceeds from Sale of Marketable Securities	**1,763**	0
Goodwill Purchased	**(463,230)**	0
Redemption of Equity in Other Organizations	**383,395**	289,097
Net Decrease in Notes Receivable Non–Current	**0**	2,961
Net Cash Used in Investing Activities	**(15,146,207)**	(11,815,518)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Checks Written in Excess of Bank Balance	**775,476**	259,392
Net Repayments Member Investment Notes	**(210,443)**	(3,016,148)
Additional Borrowings of Long–Term Debt	**8,281,938**	17,849,225
Retirement of Long–Term Debt	**(2,627,278)**	(2,892,443)
Stock Redeemed	**(2,779,915)**	(2,605,533)
Allocated Patronage Paid	**0**	(412,051)
Equity Adjustments	**(3,823)**	0
Net Cash Provided by Financing Activities	**3,435,955**	9,182,442

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

	2020	2019
Net Increase (Decrease) in Cash	**$(2,269,099)**	$1,848,122
Cash – Beginning of Year	**6,709,394**	4,861,272
Cash – End of Year	**$ 4,440,295**	$6,709,394

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash Paid (Received) During the Year for:		
Interest	**$ 2,138,147**	$2,112,200
Income Taxes	**(301,116)**	50,000

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES

Allocated Patronage Dividends	**$ 2,897,246**	$ 0

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements

Note 1: Organization and Nature of Business

The Company was organized in 1927 under Minnesota Law and is operating as a cooperative for the mutual benefit of its members. The Company reorganized under Chapter 308B of the Minnesota statues on January 29, 2014. Voting membership is limited to agricultural producers on a one share–one vote premise. Net savings on business transacted by members is allocated to them on the books of the Corporation or paid to them through patronage dividends.

Note 2: Summary of Significant Accounting Policies

The significant accounting practices and policies are summarized below.

RECENTLY ISSUED ACCOUNTING STANDARDS

In May 2014, the *Financial Accounting Standards Board* (FASB) issued *Accounting Standards Update* (ASU) No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). The amendments within this ASU, as well as within the additional clarifying ASUs issued by the FASB, provide a single comprehensive model to be used to determine the measurement of revenue and timing of recognition for revenue arising from contracts with customers. The core principle of the amendment guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods or services. The new standard requires a five-step model for the recognition of revenue including (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price to the performance obligations, and (5) recognizing revenue when (or as) an entity satisfies a performance obligation. For non-public business entities, the amendments in this update are effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. The Company has elected to apply this update using the modified retrospective method of adoption.

NATURE OF OPERATION AND CONCENTRATION OF CREDIT RISK

The Company operates a licensed public grain warehouse; provides grain marketing and related services, sells feed, petroleum and agronomy products and services in and around Blue Earth, Nicollet, Waseca, Watonwan, Steele, LeSueur, Jackson, Nobles and Martin counties in Minnesota. Approximately 43% of the Company's total gross revenue is generated by agronomy sales and related services. In the normal course of business, the Company provides credit to its patrons under standard terms without collateral.

The Company maintains cash balances with local and national financial institutions, which may at times exceed the coverage of U.S. Federal Deposit Insurance Company (FDIC). The coverage is up to $250,000 for accounts at these institutions. At August 31, 2020 and 2019, cash balances exceeded FDIC coverage by $1,273,804 and $4,566,469, respectively.

The Company historically prepays or makes deposits on undelivered inventories. Concentration of credit risk with respect to inventory advances, are primarily with a few major suppliers of agricultural inputs. The Company purchases a large amount of its farm supply inventory from Land O'Lakes and CHS, Inc.

***Note 2: Summary of Significant Accounting Policies* (Continued)**

PRINCIPLES OF CONSOLIDATION AND BASIS OF PRESENTATION

The consolidated financial statements include the accounts of Crystal Valley Cooperative and its wholly owned subsidiary, CV-FCA Cooperative. In consolidation all significant intercompany accounts and transactions have been eliminated from the consolidated financial statements.

RECEIVABLES, NET

Receivables are shown on the consolidated balance sheet net of the allowance for doubtful accounts for book purposes. The amount of the allowance is based on historical bad debt experience and a current evaluation of the aging and collectibility of receivables. For tax purposes, uncollectible amounts are charged against current operations and no allowance for doubtful accounts is maintained.

Because of uncertainties inherent in the estimation process, management's estimate of credit losses inherent in the accounts receivable and the related allowance may change in the near term.

Trade receivables with credit balances have been included in the customer credit balances payable as a current liability.

GRAIN IN TRANSIT

In accordance with industry practice on contracts, subject to final grade and weight determination at the destination point, the Company consistently records a sale at the time grain is shipped.

HEDGING

The Company generally follows a policy of hedging its grain transactions to protect gains and minimize losses due to market fluctuations. Gains and losses from these hedge transactions are reflected in the margins of the respective commodity.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The Fair Value Measurements and Disclosures Topic of the FASB *Accounting Standards Codification* (ASC) defines fair value as the price that would be received to sell an asset or paid to transfer a liability between market participants in the principal market or in the most advantageous market when no principal market exists. Market participants are assumed to be independent, knowledgeable, able and willing to transact an exchange and not under duress. Nonperformance or credit risk is considered when determining the fair value of liabilities. Considerable judgment may be required in interpreting market data used to develop the estimates of fair value. Accordingly, estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized in a current or future market exchange.

Note 2: Summary of Significant Accounting Policies ***(Continued)***

INVENTORIES

Grain inventories are valued at market and are adjusted to reflect significant net gains and/or losses on open contracts. Non–grain inventories are valued at the lower of cost (first–in, first–out) or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal and transportation.

PROPERTY, PLANT AND EQUIPMENT

Land and depreciable assets are valued at cost. For book purposes, depreciation is calculated using the straight–line method with an equal amount being expensed each year over the estimated lives of the individual assets ranging between three and fifty years. When fixed assets are sold or retired, any resulting gain or loss is reflected in current operations. For tax purposes, depreciation is calculated in accordance with an acceptable tax method.

Maintenance and repairs are expensed as incurred. Expenditures for new facilities and those which increase the useful lives of the buildings and equipment are capitalized.

Depreciation expense in the amount of $11,275,998 and $11,094,587 has been charged against operations for the years ended August 31, 2020 and 2019, respectively.

EQUITY IN OTHER ORGANIZATIONS/PATRONAGE DIVIDEND INCOME

Equities in other organizations are recorded at cost, plus unredeemed patronage dividends received in the form of capital stock and other equities. Cooperative stocks are not transferable, thereby precluding any market value, but they may be used as collateral in securing loans. Patronage dividends received are recognized as income and any impairment of equities is not recognized by the Company until formal notification is received or when there has been permanent impairment of the carrying volume of the investment. Redemption of these equities is at the discretion of the various organizations.

MEMBERS' EQUITY

The Company is organized without capital stock on a membership basis. A membership in the Company may be issued to agriculture producers who reside in the territory served by the Company who patronize the Company by doing not less than $10,000 in business annually, and who have been approved by the Board of Directors.

Each member is entitled and restricted to only one vote in the affairs of the Company.

DISTRIBUTION OF NET SAVINGS

Net savings is allocated to patrons on a patronage basis, based on taxable income and in accordance with the articles and bylaws of the Company.

Note 2: Summary of Significant Accounting Policies ***(Continued)***

DISTRIBUTION OF NET SAVINGS (CONTINUED)

Patronage refunds to members of the cooperative may take the form of either qualified or nonqualified written notices of allocation. The terms qualified and nonqualified refer to the tax aspect of a refund. For a patronage refund to be qualified as an income tax deduction for the Company at least 20% of the refund must be paid in cash. A nonqualified refund then, is a refund where less than 20% of the refund is paid to the member in cash and does not qualify as a tax deduction for the Company.

Unallocated savings, after provision for income taxes, is accounted for as an addition to general reserve.

USE OF ESTIMATES

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

REVENUE RECOGNITION

The Company provides a wide variety of products and services, from production of agricultural inputs such as crop nutrients, fuels, livestock feeds and other farm supplies, to grain marketing, storage and drying services, agronomy spreading and spraying, transportation, and other agricultural related services. Sales are recorded upon transfer of title, which could occur at the time commodities are shipped or upon receipt by the customer, depending on the terms of the transaction. Service revenues are recorded once such services have been rendered. A large portion of the Company's revenues are attributable to forward commodity sales contracts, which are considered to be physically settled derivatives under ASC 815, *Derivatives and Hedging* (Topic 815). Revenues arising from derivative contracts accounted for under ASC 815 are specifically outside the scope of ASC Topic 606 and therefore not subject to the provisions of the new revenue recognition guidance. As such, the impact of adoption of the new revenue guidance has only been assessed for revenue from contracts that are not accounted for as derivative arrangements.

INCOME TAXES

The Company, as a non–exempt cooperative, is taxed on non–patronage earnings and any patronage earnings not paid or allocated to patrons.

Notes to Consolidated Financial Statements (Continued)

Note 2: Summary of Significant Accounting Policies ***(Continued)***

INCOME TAXES (CONTINUED)

The Company evaluates uncertain tax benefits arising from tax positions taken or expected to be taken based upon the likelihood of being sustained upon examination by applicable tax authorities. If the Company determines that a tax position is more likely than not of being sustained, it recognizes the largest amount of the arising benefit that is greater than 50% likely of being realized upon settlement in the consolidated financial statements. Any tax positions taken or expected to be taken that do not pass the more likely than not test, the Company establishes reserves offsetting the benefits related to such positions. Interest and penalties, if any, are included in the current period provision for income taxes in the Company's consolidated statements of savings and are included as a current liability in the consolidated balance sheets.

DEFERRED INCOME TAXES

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The principal temporary differences are due to the use of different financial reporting and income tax methods for depreciation, bad debts, inventory capitalization, grain quality and compensated absences. Deferred tax assets and liabilities may be reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion of the deferred tax assets or liabilities will not be realized.

SALES TAXES

Various entities impose a sales tax on specific categories of the Company's sales. The Company collects the sales tax from patrons and remits the entire amount to the respective taxing authorities. The Company excludes the tax collected and remitted from sales and the cost of sales, respectively.

LEASES

Leases which meet certain criteria are classified as capital leases, and assets and liabilities are recorded at amounts equal to the fair value of the leased properties at the beginning of the respective lease terms. Such assets are amortized evenly over the related lease terms of their economic lives. Leases which do not meet such criteria are classified as operating leases and related rentals are charged to expense as incurred.

ADVERTISING EXPENSES

The Company's advertising expenses are charged against income during the year in which they are incurred. Total advertising costs charged to expense for the years ended August 31, 2020 and 2019 was $103,049 and $150,377, respectively.

Note 2: Summary of Significant Accounting Policies *(Continued)*

DERIVATIVE FINANCIAL INSTRUMENTS

The Company has only limited involvement with derivative instruments and does not use them for trading purposes. They are used to manage well–defined commodity price risks. The Company may use futures, forward, option and swap contracts to reduce the volatility of grain. These contracts permit final settlement by delivery of the specified commodity. These contracts are not designated as hedges as defined by the Derivative and Hedging Topic of the FASB ASC. These contracts are marked to market each month and the unrealized gains or losses are recognized in earnings.

OFF–BALANCE SHEET RISK – COMMODITY CONTRACTS

Realized and unrealized gains and losses from future sales and purchase contracts and commitments (grain and farm supply commodities) are included in gross savings. There is a possibility that future changes in market prices may make these contract and commitments more or less valuable, thereby subjecting them to market risk. Risk arises from changes in the value of these contracts and commitments and the potential inability of counterparties to perform under the terms of the contracts. There are numerous factors which may significantly influence the value of these contracts and commitments including market volatility.

Note 3: Related Party Transactions

The Company, organized on a cooperative basis, conducts a substantial portion of their operations with the members (owners) of the Company and has ownership interests in various regional cooperatives from whom they purchase products for resale or sell products to.

The Company sells to and purchases grain from the board of directors and certain employees. The aggregate of these transactions is not significant to the consolidated financial statements.

The Company had trade receivables due from directors and employees of $309,957 and $640,246 as of August 31, 2020 and 2019, respectively. The Company had customer credit balances from directors and employees of $299,648 and $489,065 as of August 31, 2020 and 2019, respectively. The Company had long-term notes receivables due from directors of $2,637,532 and $0 as of August 31, 2020 and 2019, respectively.

Note 4: Marketable Securities

Periodically, CHS, Inc. issues marketable securities in exchange for their non-marketable preferred stock. The Company has elected to show these securities at cost. The unrecognized market gain or loss on these securities at August 31, 2019 is not significant to the consolidated financial statements.

Note 4: Marketable Securities (Continued)

Realized gains and losses on the sale of marketable securities are based on original cost and are included in earnings. The Company sold 66 shares of CHS stock for $1,763 with the Company realizing a loss of $134 on the sale of the securities for the year ended August 31, 2020.

Note 5: Construction in Process

Construction in process is stated at cost. No provision for depreciation is made on construction in process until the relevant assets are completed and put into service. Construction in process at August 31, 2020 consists of the following:

	Estimated Completion Date	Costs To Date	Estimated Completed Costs	Total Estimated Costs
Mill Expansion – Vernon Center	12-21-2020	$2,695,810	$2,334,020	$5,029,830
Schofield Property – Trimont	10-15-2020	10,000	448,803	458,803
(2) 2020 Freightliners – Madelia	10-30-2020	5,000	248,000	253,000
Truck Scale System/Grain Probe – Vernon Center	11-30-2020	182,826	105,424	288,250
Energy Truck Storage Building – Jackson	11-30-2020	109,954	20,046	130,000
Bottom-loading Upgrade at Bulk Fuel Plants	03-31-2020	27,120	222,880	250,000
		$3,030,710	$3,379,173	$6,409,883

Construction in process at August 31, 2019 was completed during the year ended August 31, 2020. The projects and total cost of completion are as follows:

	Total Completion Cost
Fertilizer Tower and Office – Janesville	$ 3,922,186
GSI Feed Corn Hopper Bin – Janesville	101,161
Roof Project – Janesville	43,275
15,000 Gallon Fat Tank – Vernon Center	119,886
Automated Scale System – Jackson	62,046
Bunker Walls and Roof – Hope	4,592,509
Main Office Building – Mankato	3,772,737
	$12,613,800

Note 6: Goodwill

The Company recorded goodwill of $463,230 from the acquisition of Pipeline Food’s assets in Hope, MN on April 3, 2020. The Company recognized amortization of $19,301 for the year ended August 31, 2020, which also represents the accumulated amortization for goodwill.

Note 7: Investments

At August 31, 2020 and 2019 the Company had equity in other organizations as follows:

	2020	2019
Equity in Other Organizations		
CHS, Inc.	$17,695,528	$16,742,632
Land O'Lakes	4,175,486	4,099,865
CoBank, ACB	2,579,116	2,491,507
Ag Processing, Inc.	208,044	234,027
Others	217,267	241,444
	$24,875,441	$23,809,475

At August 31, 2020 and 2019, the Company had investments in other companies as follows:

	Ownership Percentage	2020	2019
Other Investments			
Pillar Insurance Limited		$ 426,994	$ 426,994
FCA Grain Condo 1, LLC	44%	243,443	250,434
AgQuest Financial Services	<1%	50,000	50,000
Minnesota Soybean Processors, LLC	<1%	29,943	29,943
Heron Lake Bioenergy, LLC	<1%	11,313	11,313
40 Square Cooperative Solutions		250,000	250,000
CommoditAg, LLC		250,000	125,000
		$1,261,693	$1,143,684

Investments in Pillar Insurance Limited, 40 Square Cooperative Solutions, Heron Lake Bioenergy, LLC, Minnesota Soybean Processors, LLC, CommoditAg, LLC and AgQuest Financial Services are being accounted for using the cost method. FCA Grain Condo 1, LLC is being accounted for using the equity method.

Note 8: Financing Arrangements

Financing arrangements as of August 31, 2020 and 2019 were as follows:

Lender	Interest Rate	Balance 2020	Balance 2019	Repayment Basis
CoBank, ACB Term T01A Variable	2.66%*	$13,580,659	$9,849,225	Quarterly commitment reductions of $425,000 starting on 11-20-19 through 02-20-24. Balance due on 05-20-24.
Term T02 Fixed	4.27%	249,000	1,257,000	(15) quarterly payments of $252,000 starting 02-20-17 through 08-20-20. Final unpaid balance due on 11-20-20.

Note 8: Financing Arrangements ***(Continued)***

Lender	Interest Rate	Balance 2020	Balance 2019	Repayment Basis
CoBank, ACB (Continued)				(18) quarterly payments of
Term T05				$200,000 starting 11-20-19.
Variable	2.66%*	$ 7,200,000	$ 8,000,000	Balance due on 05-20-24.
				Monthly payments of
Pioneer Bank				principal and interest
Paycheck Protection				starting 09-10-21. Balance
Program (PPP) Loan	1.00%	3,911,000	0	due 04-10-25.
Patron Fixed Term				Principal and accrued
3 Year Notes	3.00%	1,987,164	1,743,115	interest due on maturity.
				Principal and accrued
5 Year Notes	3.75%	6,020,442	5,624,988	interest due on maturity.
		32,948,265	26,474,328	
Less: Current Maturities		2,572,963	2,547,412	
Long–Term Debt		$30,375,302	$23,926,916	

* – Denotes continuously variable interest rate

Seasonal borrowings in effect at August 31, 2020 and 2019 are as follows:

Lender	Interest Rate	Balance 2020	Balance 2019	Repayment Basis
CoBank, ACB				
Seasonal				
Variable	2.16%*	$0	$0	Due 03-01-21.

* – Denotes continuously variable interest rate

Loan Commitments in effect at August 31, 2020 and 2019 were as follows:

	2020	2019
Operating Seasonal	$50,000,000	$50,000,000
Term		
T01A	15,300,000	17,000,000
T02	249,000	1,257,000
T05	7,200,000	8,000,000
PPP Loan	3,911,000	0

***Note 8: Financing Arrangements* (Continued)**

Patron demand notes at August 31, 2020 and 2019 were $7,891,712 and $8,102,155, respectively and accrue interest at a rate of 2.00%. These notes are due upon demand.

The patron fixed term and demand notes are unsecured.

The CoBank, ACB notes are secured by a first mortgage lien on all real property owned by the Company and a security agreement covering all personal property, including inventory and accounts receivable arising from the sale thereof, subject only to first mortgages and security agreements for other contracts. The Company also has $2,579,116 and $2,491,507 of equity in the bank at August 31, 2020 and 2019, respectively, which is held as additional collateral.

Restrictive covenants on the CoBank, ACB loan agreements provide, among other things, (1) maintaining minimum working capital during the year and at year end, (2) restrictions on incurring additional indebtedness, (3) maintaining a minimum amount of contingent liabilities, (4) maintaining a minimum net worth and other covenants as determined by the bank.

The PPP Loan with Pioneer Bank was issued under the Small Business Administration's Paycheck Protection Program. The loan may be forgiven if certain criteria are met.

Aggregate annual maturities of the long–term debt outstanding at August 31, 2020 are as follows:

Maturity Date Year Ending August 31	
2021	$ 2,572,963
2022	5,543,740
2023	4,503,372
2024	15,576,066
2025	4,752,124
	$32,948,265

Interest expense charged to operations at August 31, 2020 and 2019 was $2,075,912 and $2,156,434, respectively.

Note 9: Capital Leases

The Company leases certain equipment under agreements that classify as capital leases. The cost of the equipment under capital lease is included in buildings and equipment and is amortized over the estimated useful life of the asset, in accordance with the policy described in Note 2. Amortization of the assets under capital lease is included in depreciation expense.

***Note 9: Capital Leases** (Continued)*

Information regarding capital leases as of August 31, 2020 and 2019 is as follows:

Lessor	Interest Rate	Balance 2020	Balance 2019
Farm Credit Leasing Minneapolis, Minnesota			
Jackson Fertilizer Plant Equipment (Monthly payments of $14,003 with additional final payment of $244,912 due 01-01-23).	3.03%	$ 593,258	$ 740,888
Jackson Bin Project (2013) (Monthly payments of $9,450 with additional final payment of $119,502 due 08-01-20).	3.57%	0	208,635
2014 AGCO Rogator 1300 (Monthly payments of $4,119 with additional final payment of $138,618 due 02-01-20).	3.23%	0	153,135
(3) 2015 Chevrolet Silverado's (Monthly payments of $1,523 with additional final payment of $14,429 due 05-01-20).	3.46%	0	24,640
(2) 2016 Wilson Hopper Trailers (Monthly payments of $1,286 with an additional final payment of $12,164 due 06-01-20).	3.52%	0	22,004
Jackson Grain Dryer (Monthly payments of $16,576 with an additional final payment of $270,850 due on 11-01-25).	4.20%	1,127,133	1,275,307
2016 Walinga Feed Trailer (Monthly payments of $1,486 with an additional final payment of $25,635 due on 05-01-23).	4.06%	66,675	81,474
2015 Freightliner Feed Truck (Monthly payments of $1,499 with an additional final payment of $14,104 due on 06-01-21).	3.69%	25,551	42,266
2015 Feed Truck Wet Kit (Monthly payments of $151 an additional final payment of $1,959 due on 06-01-21).	3.70%	3,098	4,762
2017 Freightliner Propane Truck (Monthly payments of $2,903 with an additional final payment of $38,598 due on 09-01-21).	3.40%	68,705	100,613

***Note 9: Capital Leases** (Continued)*

Lessor	Interest Rate	Balance 2020	Balance 2019
Farm Credit Leasing Minneapolis, Minnesota 2015 Terragator 9300 (Monthly payments of $4,829 with an additional final payment of $133,000 due on 10-01-21).	3.77%	$ 184,472	$ 234,445
		2,068,892	2,888,169
Less: Amount Due Within One Year		471,338	819,277
Long–Term Portion		$1,597,554	$2,068,892

The following property is held under capital lease at August 31, 2020 and 2019:

	2020	2019
Equipment	$ 3,802,211	$ 5,068,683
Less: Accumulated Depreciation	(1,556,734)	(1,361,031)
	$2,245,477	$ 3,707,652

Amortization expense on this leased property totaled $444,781 and $544,512 for the years ended August 31, 2020 and 2019, respectively, and is included in depreciation expense.

Information regarding gross annual payments outstanding as of August 31, 2020 is as follows:

2021	$ 542,530
2022	517,780
2023	492,135
2024	198,907
2025	198,907
2026 & Later	287,425
Total Future Minimum Lease Payments	2,237,684
Less: Amount Representing Interest	168,792
Present Value of Future Minimum Lease Payments	$2,068,892

Note 10: Unpaid Grain

Unpaid grain at August 31, 2020 and 2019 consisted of price later contracts, deferred payments contracts and priced not paid grain. Price later contracts represent grain on which title has passed to the Company with the price to be fixed at a later date. Deferred payment contracts represent grain on which title has passed to the company and payment is deferred to a later date. Unpaid grain also includes minimum price, enhanced minimum price, and extended grain pricing contracts, of which title has transferred, minimum/advance payments have been made to seller with final price yet to be determined, based on a later pricing of a future position. These contracts are valued at the current bid net of any adjustment for unrealized gains or losses in relation to the corresponding future or option position. The contracts are summarized as follows:

Note 10: Unpaid Grain ***(Continued)***

	2020		2019	
	Bushels	Amount	Bushels	Amount
Price Later Contracts				
Corn	308,107	$ 971,140	99,420	$ 348,098
Soybeans	66,958	594,128	17,077	132,637
		1,565,268		480,735
Deferred Payment Contracts				
Corn	355,722	1,657,832	286,720	1,830,605
Soybeans	50,978	709,994	66,789	1,292,053
		2,367,826		3,122,658
Priced Not Paid Contracts				
Corn	1,543,833	4,886,235	1,407,164	5,511,833
Soybeans	141,901	1,206,267	168,137	1,389,065
		6,092,502		6,900,898
Less: Advances		43,875		785,708
		$9,981,721		$9,718,583

Note 11: Retirement Plan

The Company has a 401(k) retirement plan that covers substantially all full–time employees. Employer payments to the plan are equal to 100% of each participant's contribution to a maximum of 5% of each participant's regular compensation. Pension costs are funded as they are accrued. Employer contributions at August 31, 2020 and 2019 were $633,410 and $612,546, respectively.

Note 12: Members' Equity

Revolving Fund

The patrons' revolving fund account was established for the purpose of acquiring non–stock capital. The Company maintains a record of the holders of credits and the amount allocated to each holder. The principal source of additions to the patrons' equity are the capital contributions by each member of a portion of his share of the patrons' net margins. Patrons' equity credits may be retired at anytime at the discretion of the Board of Directors. During the years ended August 31, 2020 and 2019, $2,779,915 and $2,605,533, respectively, were retired. The Company holds a first lien on each patrons' equity credit for any indebtedness of the holder to the Company.

General Reserve

Total net margins less the patrons' net margins, as defined in the articles and bylaws of the Company, are designated as the Company's net margins. These margins are taxable to the Company and consist of patronage–sourced margins not allocated, as well as all non–patronage–sourced net margins.

Note 13: Income Taxes

Components of the provision for income tax expense (benefit) for the years ended August 31, 2020 and 2019 was as follows:

	2020	2019
Federal Income Tax	$ 790	$ 0
State Income Tax	10,210	0
Over (Under) Accrual of Prior Years	9,960	(121,459)
Prior Years Amended Returns	(665)	(17)
	$ 20,295	$(121,476)
Deferred Tax Expense	$257,905	$ 210,676

Total income tax expense for the years ended August 31, 2020 and 2019, was less than the normal amount computed by applying the U.S. federal income tax rate to savings before income taxes primarily because of allocated patronage dividends, the surtax exemption, permanent timing differences, and temporary timing differences creating deferred income taxes.

The Company has excluded allocated patronage dividends from its taxable income for the year ended August 31, 2020, as provided under Section 1382 of the Internal Revenue Code. In order to utilize this exclusion, at least 20% of the patronage dividends amounting to $579,449, must be paid in cash by May 15, 2021. The Company has elected to pay 40% in cash, which amounted to $1,158,898 for the year ended August 31, 2020.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred taxes are classified as current or non-current, depending on the classification of the assets and liabilities to which they relate. Deferred taxes arising from timing differences that are not related to an asset or liability as current or non-current depending on the periods in which the timing differences are expected to reverse.

Amounts for deferred tax assets and liabilities at August 31, 2020 and 2019 are as follows:

	2020	2019
Non-Current Deferred Tax Assets (Liabilities)		
Allowance for Doubtful Accounts	$ 30,000	$ 30,000
Compensated Absences	142,925	126,485
Inventory Capitalization	57,392	68,465
Depreciation – Book/Tax Difference	(1,532,849)	(1,517,661)
Capital Leases	248,267	346,580
Non-Qualified Patronage Dividends	(271,298)	(121,064)
Goodwill	463	0
	$(1,325,100)	$(1,067,195)

***Note 13: Income Taxes* (Continued)**

The Company recognizes any uncertain tax benefits if such benefits are a result of a tax position that is more likely than not sustainable upon examination by Federal or State tax authorities. When an uncertain benefit is determined to be more likely than not sustained, the Company values the position, for consolidated financial statements purposes, of the largest amount of the tax benefit that is more than 50% likely of being realized upon resolution of the benefit. For any tax positions taken that do not meet the more likely than not criteria, the Company establishes a tax reserve for 100% of the position taken.

As of August 31, 2020, no significant amounts of unrecognized tax benefits existed nor does the Company anticipate any significant changes in unrecognized tax benefits to occur within the next year, other than tax settlements.

The Company has a net operating loss of $1,738,141 acquired from the merger of FCA. The net operating loss is set to expire by August 31, 2036.

The Company files tax returns with the Internal Revenue Service, the State of Minnesota and the State of Iowa.

Note 14: Operating Leases

The Company has various cancelable and noncancelable operating leases and rental agreements on property and various types of equipment.

The following is a schedule of approximate minimum rental payments required under the operating leases that have initial or remaining non–cancelable lease terms in excess of one year as of August 31, 2020.

Maturity Date Year Ending August 31	
2021	$374,931
2022	224,477
2023	62,023
	$661,431

Rent and lease expense for the years ended August 31, 2020 and 2019 amounted to $682,834 and $800,372, respectively.

Note 15: Fair Value Measurements

The Company determines the fair value of certain inventories of agricultural commodities, derivative contracts, and marketable securities based on the fair value definition and hierarchy levels as established below:

Level 1 — Values are based on unadjusted quoted prices in active markets for identical assets or liabilities. These assets or liabilities include commodity derivative contracts on the Chicago Board of Trade.

Level 2 — Values are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or liabilities exchanged in inactive markets.

Level 3 — Values are based on unobservable inputs reflecting management's own assumptions and best estimates that market participants would use in pricing the asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying value of the Company's other assets and liabilities, consisting principally of trade receivables, accounts payable, lines of credit and other obligations, approximates fair value due to the short–term maturity of these instruments. The carrying value of long–term borrowings approximates fair value as the interest the Company could obtain on similar debt instruments approximate the interest rates of current debt obligations. The Company's investments in other cooperatives are stated at cost. There is no established market for these investments, and it is not otherwise practical to determine the fair value of investments in cooperatives.

The following table sets forth the level, within the fair value hierarchy, the Company's assets and liabilities at fair value as of August 31, 2020 and 2019:

	Fair Values as of August 31, 2020			
	Level 1	Level 2	Level 3	Total
Assets				
Grain Inventories	$ 0	$14,247,045	$0	$14,247,045
Forward Grain Contracts	0	1,015,886	0	1,015,886
	$ 0	$15,262,931	$0	$15,262,931
Liabilities				
Future Grain Contracts	$1,084,826	$ 0	$0	$ 1,084,826

***Note 15: Fair Value Measurements* (Continued)**

	Fair Values as of August 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Grain Inventories	$ 0	$16,615,232	$0	$16,615,232
Futures Grain Contracts	5,012,738	0	0	5,012,738
	$5,012,738	$16,615,232	$0	$21,627,970
Liabilities				
Forward Grain Contracts	$ 0	$ 2,953,465	$0	$ 2,953,465

Grain inventories are measured at fair value based on exchange quoted prices adjusted for differences in local markets, and as such are categorized as Level 2. Commodity derivative futures contracts are measured at fair value based on quoted prices on active exchanges and as such are categorized as Level 1. Commodity derivative forward contracts are measured at fair value based on exchange quoted prices and/or recent market bids, adjusted for location specific inputs and as such are categorized as Level 2. The Company had no Level 3 measurements as of August 31, 2020 and 2019.

Note 16: Derivative Instruments

The Company's purpose for entering into derivatives and its overall risk management strategies are discussed in Note 2.

The fair value of derivatives is located in inventories on the consolidated balance sheets. The fair value of commodity derivatives (future contracts and options) is as follows at August 31:

	2020	2019
Derivative Assets/(Liabilities)		
Commodity Futures Contracts	$(1,084,826)	$5,012,738

Gains and losses on commodity derivatives are located in Gross Savings on Sales on the Consolidated Statements of Savings. Net gains on futures contracts for the years ended August 31, 2020 and 2019, were $3,852,518 and $2,620,573, respectively.

Note 17: Commitments and Contingencies

a) The Company is contingently liable for any weight or grade deficiencies that may occur at time of delivery on 859,789 bushels of grain in storage under warehouse receipts or awaiting disposition at August 31, 2020.

Daily Position Record (DPR)	Corn	Soybeans	Oats
Open Storage	428,644	147,973	0
Warehouse Receipts	12,000	1,197	0
Grain Bank	268,589	0	1,386
Storage Obligation	709,233	149,170	1,386
Company Owned – Unpaid	1,758,377	683,289	0
Company Owned – Paid	1,248,869	50,978	2,846
Total Company Owned	3,007,246	734,267	2,846
Total Obligations Per DPR	3,716,479	883,437	4,232

b) The Company is a guarantor of loan obligations held by AgQuest Financial Services, Inc. The loan guarantee pool which is not to exceed $2,000,000, is given to induce AgQuest to make loans to the Company's patrons to promote production of agriculture in the trade area. Actual guarantees at August 31, 2020 was $588,140.

c) The Company is subject to various federal and state regulations regarding the care, delivery and containment of products which the Company handles and has handled. The Company is contingently liable for any associated costs which could arise from the handling, delivery and containment of these products.

d) The Company is a member of a group of other agricultural cooperatives in the Access Insurance Association Workers Compensation Self Insurance Group. The Company pays an annual premium to the plan to cover administrative, group co–insurance and reinsurance costs. Assessments are possible for each member depending on their incurred losses for the calendar plan year if the Company's losses exceed 50% of their premium with a maximum assessment not to exceed their annual premium. The assessment, if applicable, is payable in two equal installments the following year. The Company's annual premium for 2020 and 2019 was $347,990 and $317,702, respectively.

Note 18: Subsequent Event

The extent the operational and financial impact of the COVID-19 pandemic may have on the Company has yet to be determined and is dependent on its duration and spread, any related operational restrictions, and the overall economy. The Company is unable to accurately predict how COVID-19 will affect the results of its operation as the severity and the duration of the pandemic are uncertain.

On August 17, 2020, the Company entered into an asset purchase agreement to purchase the agronomy business of Shell Rock Ag, Inc. in Hayward, Minnesota. The purchase price of the real estate, fixed assets and inventories was $4.2 million. The closing date of the transaction occurred on September 3, 2020.

***Note 18: Subsequent Event* (Continued)**

In late-November, the board of directors and management made the decision to build a new feed mill in Trimont, MN. The new mill will have production capacity in excess of 500,000 tons per year. The estimated cost of the project is $20 million.

The Company has considered the effect, if any, that events occurring after the consolidated balance sheet date and up to December 1, 2020 have on the consolidated financial statements as presented. This date coincides with the date the consolidated financial statements were available to be issued.

Ten Year Financial Highlights

OPERATING STATEMENT

	2020	2019	2018	2017
Sales	**$310,849,964**	$294,949,613	$336,148,030	$258,800,000
Cost of Goods Sold	**271,874,401**	259,740,259	298,248,764	228,424,150
Gross Margin	**38,975,563**	35,209,354	37,899,266	30,375,850
Percent of Sales	**12.54%**	11.93%	11.27%	11.74%
Operating Revenue	**18,966,132**	17,370,635	19,299,351	15,524,589
Total Gross Revenue	**57,941,695**	52,579,989	57,198,617	45,900,439
Operating Expenses	**54,732,193**	52,314,248	53,791,992	42,876,555
Operating Savings (Local Net)	**3,209,502**	265,741	3,406,625	3,023,884
Percent of Sales	**1.03%**	.09%	1.01%	1.17%
Patronage Dividend Income	**2,354,959**	2,468,790	709,703	1,586,982
Gain (Loss) on Sale of Marketable Securities	**134**	0	0	(47)
Savings Before Income Taxes	**5,564,327**	2,734,531	4,116,328	4,610,819
Income Taxes	**278,200**	89,200	439,782	308,012
Net Savings	**$5,286,127**	$2,645,331	$3,676,546	$4,302,807

DISTRIBUTION OF NET SAVINGS

Patronage Dividends				
Cash – 40%	**$1,158,898**	0	$454,281	$384,895
Deferred – 60%	**1,738,348**	0	681,421	577,342
Total Dividends	**2,897,246**	0	1,135,702	962,237
Retained Savings	**2,388,881**	2,645,331	2,540,844	3,340,570
Total	**$5,286,127**	$2,645,331	$3,676,546	$4,302,807

Ten Year Financial Highlights

OPERATING STATEMENT

2016	2015	2014	2013	2012	2011
$255,862,563	$233,692,387	$270,197,343	$373,321,493	$345,478,281	$305,851,530
226,668,114	205,804,496	242,639,579	343,897,981	318,287,412	280,653,476
29,194,449	27,887,891	27,557,764	29,423,512	27,190,869	25,198,054
11.41%	11.93%	10.20%	7.88%	7.87%	8.24%
12,952,545	12,702,659	12,686,486	11,579,276	10,687,931	10,861,271
42,146,994	40,590,550	40,244,250	41,002,788	37,878,800	36,059,325
38,390,643	35,156,183	33,307,503	32,998,412	31,937,530	31,339,433
3,756,351	5,434,367	6,936,747	8,004,376	5,941,270	4,719,892
1.47%	2.33%	2.57%	2.14%	1.72%	1.54%
2,126,466	2,100,129	2,134,632	3,417,379	3,638,112	2,015,070
(24,511)	0	0	0	0	69,774
5,858,306	7,534,496	9,071,379	11,421,755	9,579,382	6,804,736
444,509	499,727	(46,771)	732,904	841,277	374,565
$5,413,797	$7,034,769	$9,118,150	$10,688,851	$8,738,105	$6,430,171

DISTRIBUTION OF NET SAVINGS

$556,940	$1,124,461	$1,785,138	$2,128,727	$1,636,484	$1,491,850
835,411	1,686,691	2,677,707	3,193,091	2,454,727	2,237,776
1,392,351	2,811,152	4,462,845	5,321,818	4,091,211	3,729,626
4,021,446	4,223,617	4,655,305	5,367,033	4,646,894	2,700,545
$5,413,797	$7,034,769	$9,118,150	$10,688,851	$8,738,105	$6,430,171

Ten Year Financial Highlights

BALANCE SHEET

	2020	2019	2018	2017
ASSETS				
Current Assets	**$64,510,082**	$74,213,801	$69,577,981	$74,051,850
Property, Plant & Equipment	**84,387,391**	80,301,881	78,763,021	80,936,120
Other Assets	**3,081,461**	0	2,961	17,036
Investments/ Equity in other Organizations	**26,137,134**	24,953,159	23,959,176	23,872,173
TOTAL ASSETS	**$178,116,068**	$179,468,841	$172,303,139	$178,877,179
Current Liabilities	**43,899,806**	52,831,023	61,191,829	67,356,039
Long Term Debt	**31,972,856**	25,995,808	10,557,094	11,907,948
Deferred Income Tax	**1,325,100**	1,067,195	1,061,429	802,123
Total Members' Equity	**100,918,306**	99,574,815	99,492,787	98,811,069
TOTAL LIABILITIES & MEMBERS' EQUITY	**$178,116,068**	$179,468,841	$172,303,139	$178,877,179
Working Capital	**$20,610,276**	$21,382,778	$8,386,152	$6,695,811

FIXED ASSETS

	2020	2019	2018	2017
Fixed Asset Expenditures	**15,445,384**	$12,783,747	$9,007,964	$11,948,414

EQUITY REVOLVEMENT

	2020	2019	2018	2017
Equity Revolvement	**2,779,915**	$2,605,533	$2,566,194	$2,561,150

Ten Year Financial Highlights

BALANCE SHEET

2016	2015	2014	2013	2012	2011
$56,569,755	$64,944,402	$78,775,412	$73,774,906	$113,171,766	$124,848,816
59,367,787	61,704,249	63,486,970	42,073,891	36,110,553	39,992,648
0	0	0	0	0	0
14,425,588	13,938,756	13,604,276	14,133,644	15,140,285	16,341,846
$130,363,130	$140,587,407	$155,866,658	$129,982,441	$164,422,604	$181,183,310
45,681,941	50,990,290	53,774,986	57,432,967	91,879,377	109,974,162
11,053,637	18,212,231	34,021,342	9,388,085	15,490,000	18,432,623
369,835	255,883	182,359	169,172	182,228	226,871
73,257,717	71,129,003	67,887,971	62,992,217	56,870,999	52,549,654
$130,363,130	$140,587,407	$155,866,658	$129,982,441	$164,422,604	$181,183,310
$10,887,814	$13,954,112	$25,000,426	$16,341,939	$21,292,389	$14,874,654

FIXED ASSETS

2016	2015	2014	2013	2012	2011
$5,106,552	$4,734,239	$26,790,356	$11,615,116	$1,666,954	$13,214,947

EQUITY REVOLVEMENT

2016	2015	2014	2013	2012	2011
$2,675,798	$2,635,256	$2,466,620	$2,448,549	$2,835,084	$2,473,873

Crystal Valley