



Eleventh Annual Report 2017



2017 Annual Report

Officers and Board Members

Steve Knoebel, Class B	Chairman
Duane Hinchley, Class B	Vice Chairman
Anthony Schadt, Class B	Secretary
David A. Cramer	Treasurer
Howard Bohl, Class A	Board Member
Christopher Seitz, Class A	Board Member
Bob Weiland, Class C	Board Member
Jim Shelton, Class C	Board Member

Personnel

David A. Cramer	President and Chief Executive Officer
Damian E. Girten	Chief Financial Officer
Chad Campbell	Chief Operating Officer

Other Information

Date formed	May 2005
Fiscal year end	Dec. 31
Annual meeting date	Set by board of managers
This year's annual meeting date	March 19, 2018

INDEPENDENT AUDITORS' REPORT

Board of Managers
United Ethanol LLC and Subsidiary
Milton, Wisconsin

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of United Ethanol LLC and Subsidiary, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of operations, member equities, and cash flows for the years then ended, and the related notes to consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting practices 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.

Auditors' 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 of 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 auditors' judgment, including the 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United Ethanol LLC and Subsidiary as of December 31, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Middleton, Wisconsin
January 29, 2018

UNITED ETHANOL LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 17,533	\$ 334,301
Short-Term Investments	3,408,639	11,263,479
Accounts Receivable - Trade	2,831,873	2,525,996
Inventories	3,628,167	3,509,113
Prepaid Expenses	288,282	256,214
Total Current Assets	<u>10,174,494</u>	<u>17,889,103</u>
INVESTMENTS AND OTHER ASSETS		
Investments	2,827,530	2,558,417
PROPERTY AND EQUIPMENT		
Less: Accumulated Depreciation	83,229,853	82,224,169
Net Property and Equipment	<u>(54,584,983)</u>	<u>(48,669,222)</u>
	<u>28,644,870</u>	<u>33,554,947</u>
Total Assets	<u><u>\$ 41,646,894</u></u>	<u><u>\$ 54,002,467</u></u>
LIABILITIES AND MEMBER EQUITIES		
CURRENT LIABILITIES		
Current Portion of Long-Term Debt	\$ -	\$ 243,795
Deferred Interest	-	5,070
Checks Issued in Excess of Bank Balance	132,780	84,464
Accounts Payable	1,931,513	2,810,861
Accrued Expenses	269,149	354,388
Taxes Payable	203,005	224,784
Total Current Liabilities	<u>2,536,447</u>	<u>3,723,362</u>
MEMBER EQUITIES		
Class A Units	14,150,000	14,150,000
Class B Units	7,000,000	7,000,000
Class C Units	10,295,000	10,295,000
Accumulated Capital	7,665,447	18,834,105
Total Member Equities	<u>39,110,447</u>	<u>50,279,105</u>
Total Liabilities and Member Equities	<u><u>\$ 41,646,894</u></u>	<u><u>\$ 54,002,467</u></u>

UNITED ETHANOL LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
NET SALES	\$ 92,405,257	\$ 92,871,986
COST OF GOODS SOLD	<u>86,387,005</u>	<u>82,789,178</u>
GROSS PROFIT	6,018,252	10,082,808
GENERAL AND ADMINISTRATIVE EXPENSES	(929,243)	(978,307)
OTHER OPERATING INCOME (EXPENSE)	<u>30,676</u>	<u>(549,023)</u>
INCOME FROM OPERATIONS	5,119,685	8,555,478
OTHER INCOME (EXPENSE)		
Other Income	5,070	20,867
Patronage, Dividend, and Interest Income	717,528	699,234
Interest Expense	<u>(10,941)</u>	<u>(30,079)</u>
NET INCOME	<u><u>\$ 5,831,342</u></u>	<u><u>\$ 9,245,500</u></u>

UNITED ETHANOL LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF MEMBER EQUITIES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>Class A Units</u>	<u>Class B Units</u>	<u>Class C Units</u>	<u>Accumulated Capital</u>
BALANCE - JANUARY 1, 2016	\$ 14,150,000	\$ 7,000,000	\$ 10,295,000	\$ 19,601,730
2016 Net Income	-	-	-	9,245,500
Unit Buyback	-	-	-	(13,125)
Member Distributions	-	-	-	<u>(10,000,000)</u>
BALANCE - DECEMBER 31, 2016	14,150,000	7,000,000	10,295,000	18,834,105
2017 Net Income	-	-	-	5,831,342
Member Distributions	-	-	-	<u>(17,000,000)</u>
BALANCE - DECEMBER 31, 2017	<u>\$ 14,150,000</u>	<u>\$ 7,000,000</u>	<u>\$ 10,295,000</u>	<u>\$ 7,665,447</u>

UNITED ETHANOL LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	\$ 5,831,342	\$ 9,245,500
Adjustments to Reconcile Net Income to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	6,044,279	6,101,198
Noncash Patronage Refunds Received	(305,259)	(325,734)
Loss on Disposal of Property and Equipment	11,382	693,678
Change in Assets and Liabilities:		
Accounts Receivable	(305,877)	(427,077)
Inventories	(119,054)	(312,848)
Prepaid Expenses	(32,068)	(32,190)
Accounts Payable	(873,540)	16,778
Accrued Expenses	(85,239)	87,510
Taxes Payable	(21,779)	1,031
Net Cash Provided by Operating Activities	10,144,187	15,047,846
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of Property and Equipment	(1,251,392)	(1,266,875)
Proceeds from Disposal of Property and Equipment	100,000	-
Proceeds (Purchase) from (of) Investments	7,890,986	(2,693,093)
Net Cash Provided (Used) by Investing Activities	6,739,594	(3,959,968)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(248,865)	(1,009,923)
Member Distributions	(17,000,000)	(10,000,000)
Purchase of Equity Units	-	(13,125)
Decrease in Checks Issued in Excess of Bank Balance	48,316	(73,779)
Net Cash Used by Financing Activities	(17,200,549)	(11,096,827)
NET DECREASE IN CASH	(316,768)	(8,949)
Cash - Beginning of Year	334,301	343,250
CASH - END OF YEAR	<u>\$ 17,533</u>	<u>\$ 334,301</u>
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	<u>\$ 6,060</u>	<u>\$ 9,061</u>

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United Ethanol LLC and Subsidiary (the Company) is a Wisconsin company that manufactures ethanol, distillers grain, corn oil, and carbon dioxide at a plant in Milton, Wisconsin. The plant has a production capacity of approximately 52,000,000 gallons of ethanol annually.

UE Exports, Inc. (UE Exports) is a wholly owned subsidiary of United Ethanol LLC. UE Exports is an IC-DISC entity which was formed on June 1, 2015. The purpose of this entity is to sell, exchange, or otherwise dispose of ethanol or related by-products manufactured or produced in the United States by other persons for direct use, consumption, or disposition outside of the United States and to perform services related or ancillary to any such sale, exchange, or disposition.

Principles of Consolidation

The consolidated financial statements include the accounts of United Ethanol LLC and its wholly owned subsidiary, UE Exports (together known as the Company). Significant intercompany accounts and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in accordance with auditing standards generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results will differ from those estimates.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations which generally require payment within 30 days from the invoice date. The Company does not accrue interest on past due accounts.

Account balances with invoices over 90 days old are considered delinquent. Payments of accounts receivable are applied to the specific invoices identified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's creditworthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Company could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

**UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable (Continued)

As of December 31, 2017 and 2016, there were no accounts outstanding greater than 90 days and management believes all accounts are collectible. As a result, no allowance for uncollectible accounts has been recorded.

Inventories

Inventory is stated at the lower of cost or market, with cost determined on a first-in, first-out (FIFO) basis. Cost of work in process and finished goods includes labor and an allocation of indirect manufacturing costs.

Property and Equipment

Property and equipment are stated at cost. Major expenditures for property and equipment and those that substantially increase useful lives are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method. Lives used for calculating depreciation are as follows:

Land Improvements	15 Years
Plant Buildings, Machinery, and Equipment	12 - 39 Years
Office Equipment	3 - 7 Years
Vehicles	5 Years

Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Investments

Investments are principally in other cooperatives. They are recorded at original cost, plus the face value of equities received as patronage refunds. The face value of equities redeemed by other cooperatives is deducted from the investment balance. The investments are not transferable. No cash is received until such time as redeemed at the discretion of the other cooperatives. Patronage refunds and redemptions are recorded in the year received.

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Company recognizes revenues from product sales when the products are shipped or delivered and the title and risk of loss pass to the customer. Provisions for any rebates, sales incentives, promotions, and product returns and discounts to customers are accounted for as reductions in revenues in the same period revenues are recorded.

Shipping Costs

Substantially all costs of shipping products to customers are netted in sales.

Advertising

The Company expenses advertising costs as incurred.

Income Taxes

The Company is organized as a limited liability company under state law and has elected to be taxed under sections of federal and state income tax law as a partnership. As a result of this election, no income taxes are paid by the Company. Instead, the members separately pay tax on their pro rata shares of the Company's income, deductions, losses, and credits.

Subsequent Events

Management evaluated subsequent events through January 29, 2018, the date the consolidated financial statements were available to be issued. Events or transactions occurring after December 31, 2017, but prior to January 29, 2018 that provided additional evidence about conditions that existed at December 31, 2017, have been recognized in the consolidated financial statements for the year ended December 31, 2017.

NOTE 2 INVENTORIES

Inventories consist of the following at December 31:

	2017	2016
Raw Materials	\$ 317,784	\$ 427,224
Work in Process	282,300	406,900
Finished Goods	1,404,472	1,250,227
Spare Parts	1,623,611	1,424,762
Total Inventories	<u>\$ 3,628,167</u>	<u>\$ 3,509,113</u>

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 3 PROPERTY AND EQUIPMENT

The Company's investment in property and equipment is recorded in the consolidated balance sheets at cost. The principal elements of the total shown in the consolidated balance sheets are as follows at December 31:

	2017	2016
Land and Land Improvements	\$ 3,794,357	\$ 3,794,357
Buildings, Machinery, and Equipment	77,999,827	77,346,395
Office Equipment	66,521	66,521
Vehicles	788,708	770,459
Construction in Progress	580,440	246,437
Total Property and Equipment	<u>\$ 83,229,853</u>	<u>\$ 82,224,169</u>

Depreciation expense was \$6,044,279 and \$6,101,198 for 2017 and 2016, respectively.

NOTE 4 LONG-TERM DEBT

Long-term debt consists of the following at December 31:

<u>Description</u>	2017	2016
Note payable to CoBank	\$ -	\$ -
Note payable to Wisconsin Department of Transportation	-	144,996
Note payable to Wisconsin Department of Transportation	-	98,799
Total	-	243,795
Less: Current Portion	-	(243,795)
Long-Term Portion	<u>\$ -</u>	<u>\$ -</u>

Long-term borrowings from CoBank are secured by substantially all of the Company's assets, except those identified as securing other elements of debt. The loan agreement with the bank requires the Company to maintain certain working capital and net worth levels.

NOTE 5 CONCENTRATIONS OF CREDIT RISK

The Company maintains cash at various financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specific limits. Balances in excess of FDIC limits are uninsured. Total cash held by the financial institutions was \$15,033 and \$331,301 at December 31, 2017 and 2016, respectively.

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 6 RELATED PARTY TRANSACTIONS

United Cooperative, as 33.19% owner, serves as the managing member of the Company and provides administrative services to the Company. Administrative services are reimbursed at cost plus 5%. Administrative services consist of reimbursements of various office expenses and employee salaries, wages, and benefits. The Company has a contract to purchase all of its corn from United Cooperative. The Company also pays management fees to United Cooperative for management services provided.

Transactions between the entities are as follows for the year ending December 31:

	2017	2016
Accounts Receivable from	\$ 382,916	\$ 109,062
Accounts Payable to	693,945	1,837,864
Sales to	4,969,097	4,241,158
Purchases from	61,608,622	60,743,648
Reimbursed Wages for Leased Employees	2,604,379	2,626,271
Management Fee	288,540	288,540

United Cooperative leases all of the Company's grain storage space for a one-year term ending January 2014 with automatically renewing one-year terms for \$1 per year plus stock carrying costs.

At December 31, 2017 and 2016, the Company owned shares of United Cooperative's preferred stock included as short-term investments in the consolidated balance sheets. The stock is dividend bearing, redeemable at the discretion of United Cooperative, is uninsured, and not specifically pledged as collateral.

NOTE 7 COMMITMENTS AND CONTINGENCIES

The Company has an ethanol purchase and marketing agreement with one vendor to sell 100% of the production of ethanol from the facility. The agreement expires in January 2018. The agreement is automatically renewable in March for a one-year term, unless notice of termination is provided by one of the parties.

The Company has an exclusive marketing agreement that appoints one vendor to be the exclusive marketer of the dried distillers grain with soluble, wet distillers grains, and condensed corn distillers soluble produced at the facility. The term of the agreement is from June 2017 through June 2018. The agreement is automatically renewable in June for a one-year term, unless notice of termination is provided by one of the parties.

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company has also entered into a throughput service agreement for natural gas with one vendor. The agreement is automatically renewable in August 2018 for a one-year term, unless notification of termination is provided by one of the parties. Under this agreement, the Company is contingently liable for the capital expenditures that will be incurred by the vendor in order to provide service to the Company.

Prior to 2011 the Company expended \$1,300,000 for an anaerobic digester project. During 2011, the Company put this project on hold pending further improvements in the economic model of the project. In 2016, the Company determined that it was more likely than not that the project would not be economically viable and removed this project from construction in process. The unamortized cost of the project was written off and is an element of "other operating income (expense)" on the consolidated statement of operations.

The Company has entered into a corn supply agreement with United Cooperative for the purchase of all of the Company's corn requirements for ethanol production. The term of the agreement shall be for a period of five years, commencing in April 2012 with automatic one-year renewal terms.

During 2013, the Company sold the production equipment, building, and storage tanks used in the manufacturing of liquefied carbon dioxide. The Company then entered into an agreement with the buyer to sell them the carbon dioxide gas from the facility to be further processed into liquid carbon dioxide. The agreement expires in March 2023. The agreement is automatically renewable for two additional five-year periods thereafter, unless notice of termination is provided by one of the parties.

The Company has committed to the purchase of equipment for approximately \$2,600,000.

In the ordinary course of conducting business, the Company becomes involved in various legal proceedings, claims, and litigation. While such items have an element of uncertainty, the Company believes that any outcome will not have a material adverse effect on the financial condition of the Company.

The commodity markets that directly affect the Company, including the corn, ethanol, and oil markets, have been volatile during 2017 and 2016. These markets and their interrelationships directly affect the supply and demand for the products produced by the Company and the Company's operating results. The impact of these markets on future operations, if any, cannot be determined.

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 7 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company is at risk for price fluctuations on any contracted quantities not directly offset by inventory or forward fixed price purchase/sales contracts with suppliers/customers and is also exposed to loss in the event of nonperformance by counterparties to the contracts. The Company has contracted to purchase and sell various inventory items for later delivery at specified prices as follows:

- Sales contracts for 15,408,772 gallons of ethanol
- Purchase contracts for 2,034,507 bushels of corn
- Sales contracts for 27,025 tons of dried distillers grain
- Sales contracts for 2,496,000 pounds of corn oil
- Purchase contracts for 443,250 mmbtus of natural gas

The Company's operations are subject to environmental laws and regulations adopted by various governmental authorities in the jurisdiction in which it operates. These laws require the Company to investigate and remediate the effects of the release or disposal of materials at its locations. Accordingly, the Company has adopted policies, practices, and procedures in the areas of pollution control, occupational health, and the production, handling, storage, and use of hazardous materials to prevent material environmental or other damage, and to limit the financial liability which could result from such events. Environmental liabilities are recorded when the liability is probable and the costs can be reasonably estimated.

NOTE 8 MEMBER EQUITIES

The Company has authorized 3,000,000 units of Class A and Class C equity. Class A and Class C are identical with respect to voting rights. At December 31, 2017 and 2016, 1,421,725 of Class A units and 960,875 of Class C units were issued and outstanding. The majority of Class A unit holders are members, holders of debt, preferred stock, or patronage equity of United Cooperative.

The Company has also issued 930,000 units of Class B equity. Class B units are owned by United Cooperative and carry the same voting rights as the Class A and Class C units.

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying value of financial instruments classified as current assets and current liabilities, such as cash, receivables, accounts payable, and short-term notes and other obligations approximate fair value due to the short-term maturity of these instruments.

UNITED ETHANOL LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 9 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The carrying value of long-term borrowings approximates fair value as the interest rates re-price frequently and the interest rates the cooperative could obtain on similar debt instruments approximate the interest rates of current debt obligations.

The Company's investments in 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.

NOTE 10 INCOME TAXES

The Company files income tax returns in the U.S. federal jurisdiction and one state. The Company is a pass-through entity for income tax purposes whereby any income tax liabilities or benefits are attributable to the Company's owners.

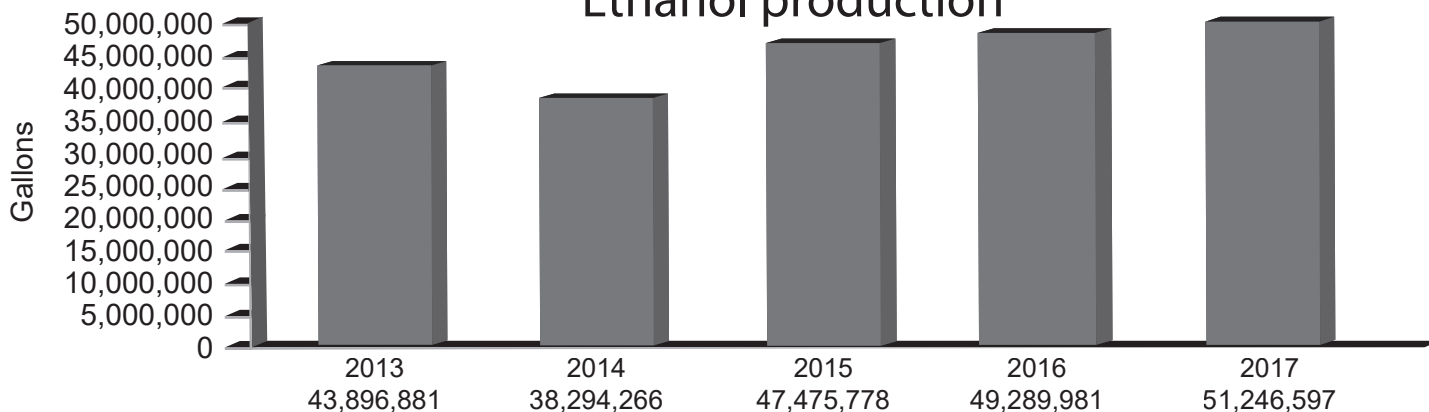
UNITED ETHANOL LLC AND SUBSIDIARY
CONSOLIDATED WORKING CAPITAL ANALYSIS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(SEE INDEPENDENT AUDITORS' REPORT)

	<u>2017</u>	<u>2016</u>
WORKING CAPITAL PROVIDED FROM		
Net Income	\$ 5,831,342	\$ 9,245,500
Adjustments for Elements of Net Income Not Affecting Working Capital:		
Depreciation and Amortization	6,044,279	6,101,198
Loss on Disposal of Property and Equipment	11,382	693,678
Proceeds from Disposal of Property and Equipment	100,000	-
Noncash Portion of Patronage Refunds Received	<u>(305,259)</u>	<u>(325,734)</u>
Working Capital Provided from Operations	11,681,744	15,714,642
Proceeds from the Redemption of Investments	<u>36,146</u>	<u>36,187</u>
Total Working Capital Provided	11,717,890	15,750,829
WORKING CAPITAL USED FOR		
Acquisition of Property and Equipment	1,245,584	1,108,852
Member Distributions	17,000,000	10,000,000
Purchase of Equity Units	-	13,125
Reduction of Long-Term Debt	<u>-</u>	<u>427,155</u>
Total Working Capital Used	18,245,584	11,549,132
NET INCREASE (DECREASE) IN WORKING CAPITAL	(6,527,694)	4,201,697
Beginning Working Capital	<u>14,165,741</u>	<u>9,964,044</u>
ENDING WORKING CAPITAL	<u><u>\$ 7,638,047</u></u>	<u><u>\$ 14,165,741</u></u>

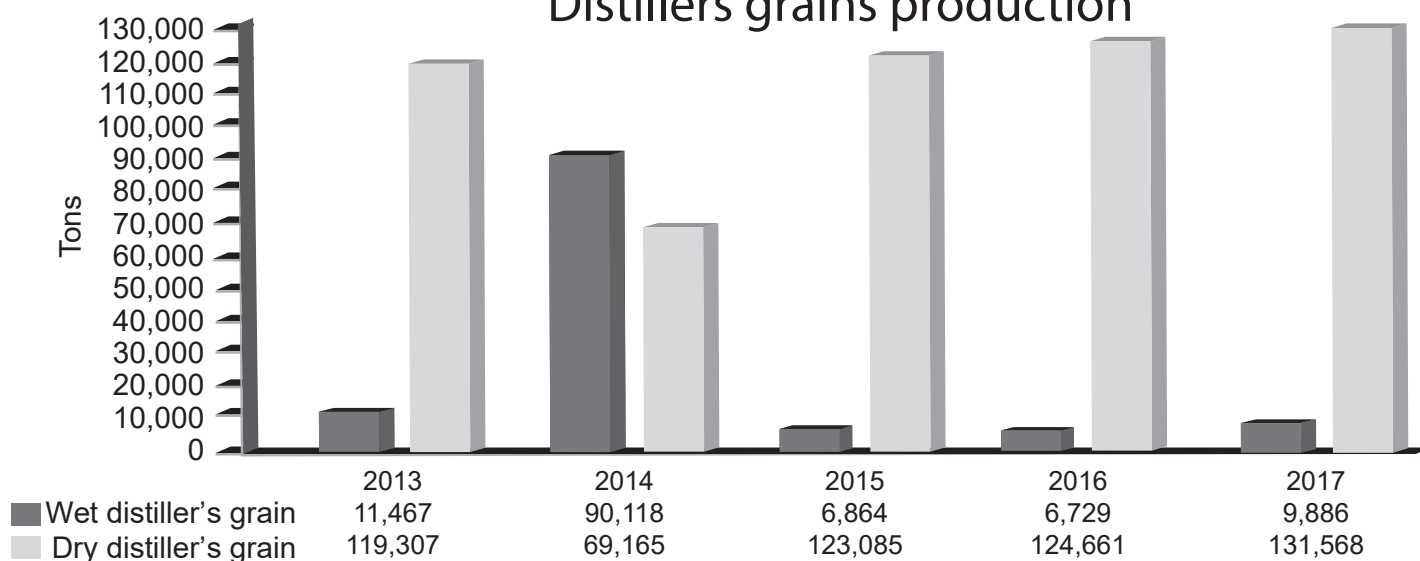
Illustration



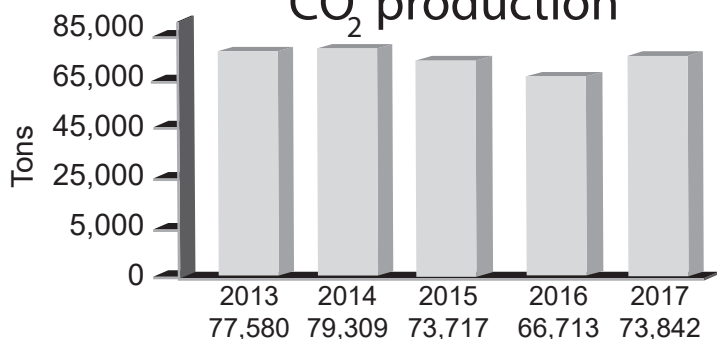
Ethanol production



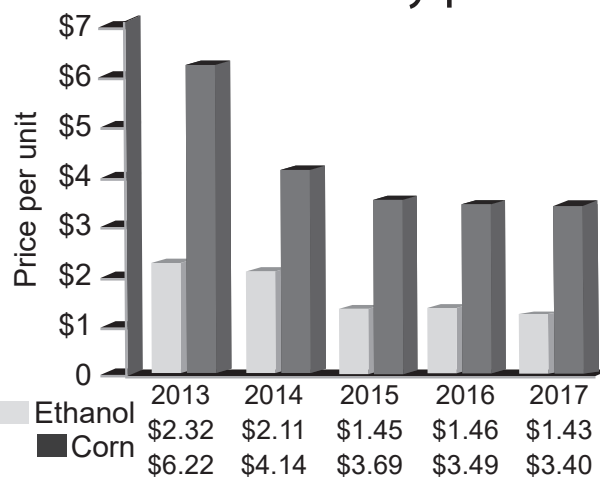
Distillers grains production



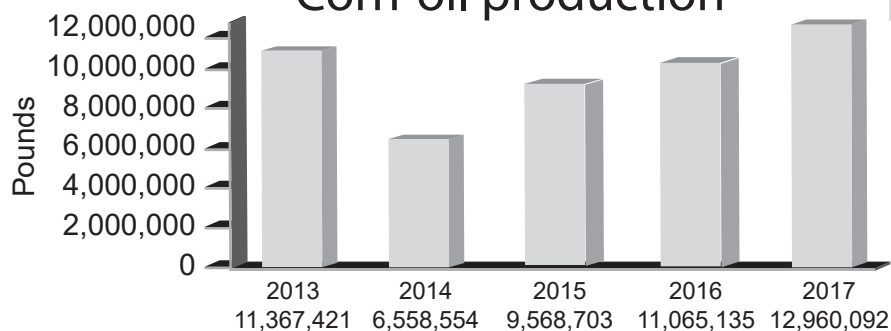
CO₂ production



Commodity prices



Corn-oil production





Notes ...

[illegible]



Notes ...

This image shows a single page of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page, typical of notebook or legal stationery. There are no margins, text, or other markings on the page.



Notes ...

[illegible]



1250 Chicago St.
Milton, WI 53563
608-868-5900
www.unitedethanol.com