

## Employees

**OFFICE**  
 MARILYN BRODBECK  
 JAYME HANSEN  
 BRYCE HASENOHR  
 DARLENE MILLER  
 LINDA SCHUMACHER  
 MATT SHEEHAN  
 KENT TAYLOR

**MILL**  
 BRUCE BRUMMER  
 JIM DOUGHERTY  
 NEIL DOVER  
 CRYSTAL DRUEKE  
 TONY DUNBAR  
 JOHN FERNANDEZ  
 DEREK FERNAU  
 TERRY FOXWORTHY  
 JAVIER GARCIA  
 LOGAN GRUPE  
 DERRIK GRUPE  
 LUKE HITCHCOCK  
 JOSEPH KRONHOFMAN  
 SHAD LEWIS  
 DAYNA LUCHT  
 ROBERT MAXWELL  
 JOHN MCINTOSH  
 TREY OSBURN  
 JACOB PARSON  
 MONTIE PIRNIE  
 NICOLE PORTER  
 CURTIS REED  
 MADONNA SHAFER  
 ROCKY SHEEHAN  
 KURT STENKA  
 BEN TROXEL  
 HENRY WHITED  
 BILL WORDEN

**REFINED FUELS**  
 MARK GRACEY  
 ADAM QUINN  
 BILL SEE  
 HARLAN SIMONSON

**AGRONOMY**  
 ROGER ALLEN  
 ROBBIE ASHCRAFT  
 HENRY BORYSENKO  
 MICHAEL CLARK  
 KELSEY DAILEY  
 BILL FRANKLIN  
 ROSE FRANKLIN  
 SCOTT FUELBERTH  
 MICAH GRAFF  
 LANE JOHNSON  
 ALLAN LEAR  
 JUSTIN NELSON  
 JARRED PORTER  
 CHRISTOPHER SEASE  
 GERALD WATTS

**AINSWORTH MR TIRE**  
 CHUCK IRWIN  
 DAVE KACKMEISTER  
 TRAVIS MAGARY  
 DALE MAPES  
 RICHARD MASTERS  
 DENNIS MCBRIDE  
 DUSTIN PRIVETT

**AMPRIDE**  
 BETTY BRADLEY  
 KIMLY CROSS  
 PEGGY GRAHAM  
 MARY LOU HUGHES  
 LINDA JOHNSON  
 GRACE PORTER  
 PAT PREBLE  
 SHERRI TURNER

**SPRINGVIEW**  
 DONNA JONES  
 ED KIRSCH  
 GEORGE MIZNER  
 RICHARD STEDMAN

**PROPANE**  
 DAVID DODSON  
 JOE MASHBURN  
 MATT MOODY  
 DAVID WALTON

**VALENTINE FEED**  
 TOBY FERNAU  
 SAM KRZYZANOWSKI  
 KENNY PARKHURST

**VALENTINE MR TIRE**  
 TOBY ATCHISON  
 JON BICE  
 MIKE BRINDA  
 GARY GALLINO  
 KIM PARKHURST  
 DAVID RINEHART  
 KELLY STENKA

## 2016 Patronage Refunds Per Unit

(Weighted Averages)

|                 |                    |
|-----------------|--------------------|
| Oil .....       | \$0.243 Per Gallon |
| Gas .....       | \$0.048 Per Gallon |
| Diesel.....     | \$0.04 Per Gallon  |
| Propane.....    | \$0.022 Per Gallon |
| Tires.....      | \$4.25 Per Tire    |
| Fertilizer..... | \$7.91 Per Ton     |
| Feed.....       | \$5.61 Per Ton     |
| Seed.....       | \$2.77 Per Unit    |



## Board of Directors

|                       |                    |
|-----------------------|--------------------|
| DJ Hladky .....       | Chairman           |
| Frank Beel.....       | Vice Chairman      |
| Mark Sedlacek .....   | Secretary          |
| Julie Rau Ruther..... | Director           |
| Jake Graff.....       | Director           |
| Randal Rathe .....    | Director           |
| Keith Cosgrove.....   | Associate Director |
| Ryan Richey .....     | Associate Director |

# 2016 Annual Report



- Ainsworth
- Bassett
- Springview
- Valentine

## Assets

Years ended August 31, 2016 and 2015

|   | 2016              | 2015              |
|---|-------------------|-------------------|
| <b>Current Assets:</b>                    |                   |                   |
| Cash and cash equivalents                 | 1,177,795         | 1,074,050         |
| Marketable securities                     | 471,376           | 336,831           |
| Receivables                               |                   |                   |
| Trade accounts                            | 2,841,968         | 3,098,411         |
| Allowance for doubtful accounts           | -127,500          | -127,500          |
| Hedge accounts                            | 55,491            | 25,313            |
| Income Tax Receivable                     | 368,861           | 0                 |
| Deferred income taxes                     | 196,493           | 185,439           |
| Other                                     | 2,281             | 3,220             |
| Advances on inventory                     | 21,360            | 934,396           |
| Inventories                               |                   |                   |
| Grain                                     | 53,934            | 41,936            |
| Merchandise                               | 4,122,125         | 4,628,077         |
| Prepaid expenses                          | 200,446           | 198,090           |
| <b>Total Current Assets</b>               | <b>9,384,630</b>  | <b>10,398,262</b> |
| <b>Investments:</b>                       |                   |                   |
| Other cooperatives                        | 6,254,473         | 6,014,201         |
| <b>Total Investments</b>                  | <b>6,254,473</b>  | <b>6,014,201</b>  |
| <b>Property, Plant, and Equipment:</b>    |                   |                   |
| Land                                      | 282,021           | 279,541           |
| Buildings                                 | 7,293,079         | 6,298,808         |
| Equipment                                 | 17,932,330        | 16,551,383        |
| Construction in progress                  | 14,697,537        | 501,953           |
| <b>Total Property, Plant, &amp; Equip</b> | <b>40,204,967</b> | <b>23,631,685</b> |
| Accumulated depreciation                  | -15,348,112       | -13,974,170       |
| <b>Net Property, Plant, &amp; Equip</b>   | <b>24,856,855</b> | <b>9,657,515</b>  |
| <b>Other Assets:</b>                      |                   |                   |
| Intangible assets                         | 61,000            | 61,000            |
| Accumulated amortization                  | -23,383           | -11,183           |
| <b>Total Other Assets</b>                 | <b>37,617</b>     | <b>49,817</b>     |
| <b>Total Assets</b>                       | <b>40,533,575</b> | <b>26,119,796</b> |

## Liabilities and Members Equity

Years ended August 31, 2016 and 2015

|   | 2016              | 2015              |
|---|-------------------|-------------------|
| <b>Current Liabilities:</b>                 |                   |                   |
| Outstanding check Liability                 | 104.022           | 24,548            |
| Notes Payable                               |                   |                   |
| CHS Capital                                 | 984,708           | 300,600           |
| Member loan certificates                    | 2,800,374         | 2,947,687         |
| Capital Lease                               |                   |                   |
| AGCO Finance LLC                            | 32,200            | 0                 |
| Other Payables                              |                   |                   |
| Trade accounts                              | 1,031,643         | 1,339,959         |
| Patron credit balances                      | 625,482           | 701,503           |
| Accrues expenses                            | 595,471           | 478,073           |
| Income Taxes                                | 0                 | 191,475           |
| Cash patronage                              | 614,900           | 830,000           |
| <b>Total Current Liabilities</b>            | <b>6,789,800</b>  | <b>6,813,846</b>  |
| <b>Long Term Liabilities:</b>               |                   |                   |
| Notes Payable                               |                   |                   |
| CHS Capital                                 | 13,695,992        | 787,250           |
| Capital Lease                               |                   |                   |
| AGCO Finance LLC                            | 272,456           | 0                 |
| Deferred income taxes                       | 1,193             | 5,688             |
| <b>Total Long Term Liabilities</b>          | <b>13,969,641</b> | <b>792,938</b>    |
| <b>Members Equity:</b>                      |                   |                   |
| Capital Stock                               | 6,315             | 7,495             |
| Certificates of participation               | 15,475            | 15,300            |
| Members equity credits                      | 10,030,723        | 10,057,963        |
| Restricted retained savings                 | 15,340            | -9,725            |
| Retained Savings                            | 9,706,280         | 8,441,980         |
| <b>Total Members Equity</b>                 | <b>19,774,134</b> | <b>18,513,012</b> |
| <b>Total Liabilities and Members Equity</b> | <b>40,533,575</b> | <b>26,119,796</b> |

## Statement of Operations

Years ended August 31, 2016 and 2015

|  | 2016              | 2015              |
|--|-------------------|-------------------|
| Grain marketed                                 | 814,700           | 897,792           |
| Cost of grain marketed                         | 779,602           | 849,562           |
| <b>Gross margins on grain marketed</b>         | <b>35,097</b>     | <b>48,230</b>     |
| Merchandise sales                              | 43,928,476        | 51,724,705        |
| Cost of merchandise sold                       | 34,688,264        | 42,466,249        |
| <b>Gross margins on merchandise sold</b>       | <b>9,240,211</b>  | <b>9,258,455</b>  |
| <b>Total gross margins</b>                     | <b>9,275,309</b>  | <b>9,306,685</b>  |
| Other operating revenue                        | 2,922,547         | 2,835,916         |
| <b>Total operating revenue</b>                 | <b>12,197,855</b> | <b>12,142,602</b> |
| General operating expenses                     | -10,316,090       | -9,518,466        |
| Interest expense                               | -175,681          | -108,856          |
| Local savings (Loss)                           | 1,706,084         | 2,515,281         |
| <b>Other Income:</b>                           |                   |                   |
| Patronage refunds from other co-ops            | 986,715           | 1,089,371         |
| Gain on sales of marketable securities         | -5,574            | -1,680            |
| Stock dividends                                | 22,052            | 23,466            |
| Savings before income taxes                    | 2,709,277         | 3,626,438         |
| Income Tax Expense                             | 496,179           | 541,000           |
| <b>Net savings before comprehensive income</b> | <b>2,213,097</b>  | <b>3,085,438</b>  |
| Comprehensive income (net of tax)              | 18,660            | -6,209            |
| <b>Net savings</b>                             | <b>2,231,757</b>  | <b>3,079,229</b>  |
| <b>Distribution of Net Savings</b>             |                   |                   |
| Cash patronage refunds payable                 | 614,900           | 830,000           |
| Members equity credits                         | 331,100           | 830,000           |
| <b>Total patronage refunds</b>                 | <b>946,000</b>    | <b>1,660,000</b>  |
| Retained savings—comprehensive income          | 18,660            | -6,209            |
| Retained savings                               | 1,267,098         | 1,425,438         |
| <b>Net Savings</b>                             | <b>2,231,758</b>  | <b>3,079,229</b>  |

