

CENTRAL PRAIRIE CO-OP  
Sterling, Kansas

OFFICERS AND DIRECTORS  
February 29, 2016

Orville Miller Tony Heitschmidt Mark Engelland Jack Farney Todd Oden Clark Schmidt Matt Splitter Marc Stickney Brett Engelland	Hutchinson, Kansas Bushton, Kansas Sterling, Kansas Sterling, Kansas Sterling, Kansas Sterling, Kansas Lyons, Kansas Raymond, Kansas Nickerson, Kansas	President Vice-President Secretary-Treasurer Director Director Director Director Director Director
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Term Expires 2016	Term Expires 2017	Term Expires 2018
Jack Farney Tony Heitschmidt Todd Oden	Orville Miller Clark Schmidt Matt Splitter	Brett Engelland Mark Engelland Marc Stickney

Joe Schauf	Sterling, Kansas	General Manager
Organized		1911
State Warehouse License		/
Licensed Storage Capacity - Bushels		11,900,000

CENTRAL PRAIRIE CO-OP  
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BALANCE SHEETS  
February 29, 2016 and February 28, 2015

ASSETS		
	2016	2015
<b>CURRENT ASSETS</b>		
Cash	\$ 462,299.08	\$ 665,004.99
Investment securities available-for-sale	821,070.00	781,927.76
Accounts receivable - trade	3,181,610.40	2,946,744.18
Allowance for doubtful accounts	(70,000.00)	(70,000.00)
Accounts receivable - related party	3,022,311.09	1,689,891.20
Other receivables	419,212.64	360,611.11
Commodity deposits	2,971,016.83	1,796,780.30
Inventories	8,748,153.33	8,942,707.17
<b>TOTAL CURRENT ASSETS</b>	<b>19,555,673.37</b>	<b>17,113,666.71</b>
<b>INVESTMENTS</b>		
Corporate stock	7,215,908.39	6,668,993.78
Limited liability companies	5,422,192.13	5,306,593.97
Other	387,646.99	373,549.39
<b>TOTAL INVESTMENTS</b>	<b>13,025,747.51</b>	<b>12,349,137.14</b>
<b>PROPERTY, PLANT, AND EQUIPMENT</b>		
Cost	47,496,975.62	46,142,859.01
Accumulated depreciation	(31,327,025.88)	(29,597,043.31)
<b>NET PROPERTY, PLANT, AND EQUIPMENT</b>	<b>16,169,949.74</b>	<b>16,545,815.70</b>
<b>TOTAL ASSETS</b>	<b>\$ 48,751,370.62</b>	<b>\$ 46,008,619.55</b>
LIABILITIES AND MEMBERS' EQUITY		
<b>CURRENT LIABILITIES</b>		
Accounts, taxes, and expenses payable	\$ 3,996,424.31	\$ 2,820,796.11
Collections received in advance	2,440,747.77	2,945,547.03
Current maturities of notes payable	9,699,180.03	6,898,153.66
Current maturities of capital lease obligations	53,771.06	73,640.15
Patronage dividends payable	264,017.65	513,553.32
Deferred income taxes payable	36,641.90	20,985.00
Income taxes payable	307,731.20	318,872.67
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,798,513.92</b>	<b>13,591,547.94</b>
<b>LONG-TERM LIABILITIES, excluding current maturities</b>		
Notes payable	4,916,387.73	5,546,473.01
Capital lease obligations	101,253.19	155,024.25
Deferred income taxes payable	154,674.59	183,328.44
Other	1,579.64	19,932.92
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>5,173,895.15</b>	<b>5,904,758.62</b>
<b>MEMBERS' EQUITY</b>		
Common stock	786,600.00	579,500.00
Participating stock	93,300.00	71,825.00
Stock credits	5,278,447.04	5,668,101.62
Deferred patronage dividends	5,616,477.33	5,197,875.48
Acquisition equity	3,948,051.57	3,948,051.57
Retained earnings	11,001,122.77	11,015,481.82
Accumulated other comprehensive income	54,962.84	31,477.50
<b>TOTAL MEMBERS' EQUITY</b>	<b>26,778,961.55</b>	<b>26,512,312.99</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 48,751,370.62</b>	<b>\$ 46,008,619.55</b>

See accompanying notes.

CENTRAL PRAIRIE CO-OP  
Sterling, Kansas

STATEMENTS OF OPERATIONS  
For Years Ended February 29, 2016 and February 28, 2015

	<u>2016</u>	<u>2015</u>
<b>SALES</b>		
Grain sales at cost	\$ 51,241,907.20	\$ 56,850,671.85
Grain purchases	(51,241,907.20)	(56,850,671.85)
Supply	<u>48,506,195.57</u>	<u>53,334,447.84</u>
<b>TOTAL SALES</b>	<b>48,506,195.57</b>	<b>53,334,447.84</b>
<b>COST OF SALES</b>	<u>(42,897,515.70)</u>	<u>(46,807,054.84)</u>
<b>GROSS MARGINS ON SALES</b>	<u>5,608,679.87</u>	<u>6,527,393.00</u>
<b>OTHER OPERATING INCOME</b>		
Related party income		
Storage	1,399,291.72	1,098,857.92
Handling and adjustments	1,517,027.95	1,189,887.71
Earnings	2,398,095.00	2,366,018.00
Grinding and mixing	230,822.26	188,896.65
Services	268,074.48	253,646.39
Trucking income	218,652.20	198,583.32
Fertilizer application and rental	1,857,936.23	1,788,756.34
Finance charges and interest	99,760.58	58,449.09
Miscellaneous	<u>311,361.51</u>	<u>153,559.84</u>
<b>TOTAL OTHER OPERATING INCOME</b>	<u>8,301,021.93</u>	<u>7,296,655.26</u>
<b>GROSS INCOME FROM LOCAL OPERATIONS</b>	<u>13,909,701.80</u>	<u>13,824,048.26</u>
<b>OPERATING EXPENSES</b>		
Personnel costs	6,665,467.48	6,136,427.17
Fixed expenses	3,978,057.45	3,404,476.14
Other operating expenses	<u>3,732,711.72</u>	<u>3,791,317.04</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>14,376,236.65</u>	<u>13,332,220.35</u>
<b>EARNINGS (LOSS) FROM LOCAL OPERATIONS</b>	<u>(466,534.85)</u>	<u>491,827.91</u>
<b>OTHER EARNINGS</b>		
Patronage dividends	1,250,673.06	1,178,693.76
Investment income	85,784.31	101,000.03
Dividends on stock	<u>57,070.85</u>	<u>43,520.30</u>
<b>TOTAL OTHER EARNINGS</b>	<u>1,393,528.22</u>	<u>1,323,214.09</u>
<b>EARNINGS BEFORE INCOME TAXES</b>	926,993.37	1,815,042.00
<b>INCOME TAXES</b>	<u>(277,844.68)</u>	<u>(501,950.24)</u>
<b>NET EARNINGS</b>	649,148.69	1,313,091.76
<b>OTHER COMPREHENSIVE INCOME</b>		
Unrealized holding gains	<u>23,485.34</u>	<u>24,587.28</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>\$ 672,634.03</u>	<u>\$ 1,337,679.04</u>
<b>DISTRIBUTION OF COMPREHENSIVE INCOME</b>		
Patronage dividends	\$ 660,044.13	\$ 1,283,883.29
Retained earnings (loss)	(10,895.44)	29,208.47
Accumulated other comprehensive income	<u>23,485.34</u>	<u>24,587.28</u>
<b>TOTAL</b>	<u>\$ 672,634.03</u>	<u>\$ 1,337,679.04</u>

See accompanying notes.