



Consolidated Financial Statements
August 31, 2011 and 2010

Glacial Lakes Corn Processors

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Independent Auditor's Report

The Board of Directors
Glacial Lakes Corn Processors
Watertown, South Dakota

We have audited the accompanying consolidated balance sheets of Glacial Lakes Corn Processors (the Cooperative) as of August 31, 2011 and 2010, and the related consolidated statements of operations, stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Cooperative's management. Our responsibility is to express an opinion on these 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cooperative's internal control over financial reporting. Accordingly, we do not express such an opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Glacial Lakes Corn Processors as of August 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Minneapolis, Minnesota
November 18, 2011

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	<u>2011</u>	<u>2010</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 13,961,874	\$ 42,677,405
Restricted cash	-	8,320
Receivables	27,481,166	18,908,608
Derivative financial instruments	1,203,913	-
Inventories	26,858,758	15,818,303
Margin deposits	14,119,514	2,000,236
Prepaid expenses	1,841,681	1,738,549
Total current assets	<u>85,466,906</u>	<u>81,151,421</u>
Investments in unconsolidated affiliates	11,509,301	10,844,328
Debt issuance costs, net of accumulated amortization of \$2,033,231 and \$1,470,399 in 2011 and 2010, respectively	594,495	1,157,327
Other assets	77,500	15,000
Income tax receivable	2,109,574	-
Property and equipment, net	<u>173,045,746</u>	<u>196,794,964</u>
Total Assets	<u>\$ 272,803,522</u>	<u>\$ 289,963,040</u>

See Notes to Consolidated Financial Statements

Glacial Lakes Corn Processors
Consolidated Balance Sheets
August 31, 2011 and 2010

	2011	2010
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of long-term debt	\$ 19,478,734	\$ 17,707,979
Current maturities of interest rate swaps	553,380	490,159
Derivative financial instruments	7,954,878	950,801
Accounts payable	8,863,459	9,054,482
Prepaid unit retain payable	-	11,133,189
Accrued expenses	4,453,457	5,100,328
Total current liabilities	41,303,908	44,436,938
Long-Term Liabilities		
Long-term debt, less current maturities	88,447,647	116,624,370
Interest rate swaps, less current maturities	5,100,761	8,662,580
Deferred income taxes	2,840,100	2,040,700
Other	1,278,818	886,920
Total long-term liabilities	97,667,326	128,214,570
Total Liabilities	138,971,234	172,651,508
Stockholders' Equity		
Preferred stock, \$1.00 par value; authorized 1,000,000 shares; no shares issued and outstanding	-	-
Common stock: \$0.00056 par value; authorized 500,000,000 shares 185,899,152 and 185,714,152 shares issued, and 185,298,152 and 185,714,152 shares outstanding, in 2011 and 2010, respectively	103,267	103,164
Additional paid-in capital	113,605,011	113,503,584
Treasury stock, at cost	(159,023)	-
Certificates of interest	1,262,166	1,262,166
Unallocated capital reserve	12,766,463	(3,811,786)
Allocated capital reserve	6,254,404	6,254,404
Total Stockholders' Equity	133,832,288	117,311,532
Total Liabilities and Stockholders' Equity	\$ 272,803,522	\$ 289,963,040

Glacial Lakes Corn Processors
Consolidated Statements of Operations
Years Ended August 31, 2011 and 2010

	2011	2010
Revenue		
Product sales	\$ 592,178,585	\$ 391,812,720
Service revenue	435,174	121,513
Government incentive revenue	416,667	674,010
Total revenue	593,030,426	392,608,243
Costs of Goods Sold	564,848,584	341,099,529
Gross Profit	28,181,842	51,508,714
General and Administrative Expenses	6,680,087	6,733,461
Operating Income	21,501,755	44,775,253
Other Income (Expense)		
Interest expense	(6,042,809)	(10,855,126)
Interest income	171,323	94,712
Equity in earnings of unconsolidated affiliates	2,022,473	1,285,679
Other income (expense), net	(274,623)	37,443
Total other income (expense)	(4,123,636)	(9,437,292)
Income Before Income Taxes	17,378,119	35,337,961
Income Tax Expense	(799,870)	(473,494)
Net Income	\$ 16,578,249	\$ 34,864,467
Distribution of Net Income		
Unallocated capital reserve	\$ 16,578,249	\$ 34,864,467
Net Income	\$ 16,578,249	\$ 34,864,467
Earnings per Common Share		
Basic	\$ 0.089	\$ 0.188
Diluted	0.089	0.188

Glacial Lakes Corn Processors
Consolidated Statements of Stockholders' Equity
Years Ended August 31, 2011 and 2010

	Common Stock	Additional Paid-In Capital	Treasury Stock	Certificates of Interest	Unallocated Capital Reserve	Allocated Capital Reserve	Total
Balance, August 31, 2009	\$ 103,075	\$ 113,182,575	\$ -	\$ 12,395,355	\$ (55,376,037)	\$ 22,954,188	\$ 93,259,156
Net income	-	-	-	-	34,864,467	-	34,864,467
Prepaid unit retain capital call payable	-	-	-	(11,133,189)	-	-	(11,133,189)
Allocation of a portion of 2009 patronage loss	-	-	-	-	16,699,784	(16,699,784)	-
Stock-based compensation, including 190,000 shares issued	105	329,693	-	-	-	-	329,798
Stock repurchased under stock plan for tax withholding, 29,000 shares	(16)	(8,684)	-	-	-	-	(8,700)
Balance, August 31, 2010	103,164	113,503,584	-	1,262,166	(3,811,786)	6,254,404	117,311,532
Net income	-	-	-	-	16,578,249	-	16,578,249
Stock-based compensation, including 205,000 shares issued	114	107,816	-	-	-	-	107,930
Stock repurchased under stock plan for tax withholding, 20,000 shares	(11)	(6,389)	-	-	-	-	(6,400)
Stock repurchased under agreement 601,000 shares	-	-	(159,023)	-	-	-	(159,023)
Balance, August 31, 2011	<u>\$ 103,267</u>	<u>\$ 113,605,011</u>	<u>\$ (159,023)</u>	<u>\$ 1,262,166</u>	<u>\$ 12,766,463</u>	<u>\$ 6,254,404</u>	<u>\$ 133,832,288</u>

	<u>2011</u>	<u>2010</u>
Operating Activities		
Net income	\$ 16,578,249	\$ 34,864,467
Adjustments to reconcile net income to net cash from (used for) operating activities		
Depreciation and amortization	28,355,623	27,878,648
Deferred income taxes	799,400	438,274
Loss on disposal of assets	843,649	-
Change in fair value of interest rate swaps	(3,498,598)	(413,547)
Equity in earnings of unconsolidated affiliates	(2,022,473)	(1,285,679)
Stock-based compensation	107,930	329,797
Changes in assets and liabilities		
Receivables	(8,572,558)	(4,190,588)
Inventories	(11,040,455)	(6,042,993)
Margin deposits	(12,119,278)	(2,000,236)
Prepaid expenses	(103,132)	(431,509)
Other assets	(62,500)	-
Income tax receivable	(2,109,574)	-
Derivative financial instruments	5,800,164	950,801
Accounts payable	(445,602)	1,767,293
Accrued expenses and other	(254,973)	237,049
Accrued loss on forward purchase contracts	-	(1,220,000)
Net Cash from Operating Activities	<u>12,255,872</u>	<u>50,881,777</u>
Investing Activities		
Purchases of property and equipment	(4,632,643)	(5,953,297)
Decrease in restricted cash	8,320	3,553,209
Distributions from unconsolidated affiliates	<u>1,357,500</u>	<u>678,750</u>
Net Cash used for Investing Activities	<u>(3,266,823)</u>	<u>(1,721,338)</u>

See Notes to Consolidated Financial Statements

Glacial Lakes Corn Processors
Consolidated Statements of Cash Flows
Years Ended August 31, 2011 and 2010

	2011	2010
Financing Activities		
Payments on revolving lines of credit	\$ -	\$ (7,120,000)
Proceeds from long-term debt	-	2,430,000
Payments on long-term debt	(26,405,968)	(28,967,442)
Debt issuance cost paid	-	(258,772)
Payment of prepaid unit retain payable	(11,133,189)	-
Stock repurchased	(165,423)	(8,700)
Net Cash used for Financing Activities	(37,704,580)	(33,924,914)
Net Change in Cash and Cash Equivalents	(28,715,531)	15,235,525
Cash and Cash Equivalents, Beginning of Year	42,677,405	27,441,880
Cash and Cash Equivalents, End of Year	\$ 13,961,874	\$ 42,677,405
Supplemental Disclosure of Cash Flow Information		
Cash payments for		
Interest	\$ 6,597,028	\$ 10,865,549
Income taxes	2,576,453	35,000
Supplemental Schedule of Non Cash		
Investing Activities		
Accounts payable incurred for property and equipment	578,981	324,402
Supplemental Schedule of Non Cash		
Financing Activities		
Prepaid unit retain capital call repayment declared	-	11,133,189

Note 1 - Nature of Business and Significant Accounting Policies

Nature of Business

Glacial Lakes Corn Processors (GLCP), a cooperative located near Watertown, South Dakota, was organized in May 2001 to build and operate ethanol plants in South Dakota for commercial sales. Wholly-owned subsidiaries of GLCP are Glacial Lakes Energy, LLC (GLE), Aberdeen Energy, LLC (AE), and Missouri Valley Energy, LLC (MVE). GLE owns and operates a 100 million gallon per year ethanol plant near Watertown, South Dakota. AE owns and operates a 100 million gallon per year ethanol plant near Aberdeen, South Dakota.

Principles of Consolidation

The financial statements include the accounts of GLCP and its wholly-owned subsidiaries (collectively, the Cooperative). All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount 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 expense during the reporting period. Actual results could differ from those estimates. Estimates significant to the financial statements include stock-based compensation, accrual for damage to leased railcars, the allowance for doubtful accounts, derivative financial instruments, deferred income taxes, and useful lives of property and equipment.

Revenue Recognition

Revenue from product sales is recorded when the product is loaded and title transfers to the customer. Product sales are recorded net of outbound shipping costs and commissions. Service revenue is recognized as earned. Government incentive revenue is recognized in accordance with the terms of the program.

Expense Classification

Cost of goods sold primarily includes raw materials, payroll for plant employees and general plant overhead charges. General and administrative expenses consist primarily of payroll for management and administrative employees and fees paid to service providers for legal, accounting and consulting services.

Shipping and Commission Costs

Shipping costs for product sales are generally paid by the Cooperative's marketers. Shipping and commissions costs paid to the marketers are presented on a net basis in product sales on the consolidated statements of operations. Shipping costs were \$58,019,252 and \$54,265,948 and commission costs were \$5,437,633 and \$3,818,613 for the years ended August 31, 2011 and 2010, respectively.

Concentrations of Credit Risk

The Cooperative performs periodic credit evaluations of its customers and generally does not require collateral. The Cooperative's operations may vary with the volatility of the markets for inputs (including corn, natural gas, chemicals and denaturant) and for the finished products (ethanol and distiller's grains).

Cash and Cash Equivalents

The Cooperative considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Cooperative maintains its cash and cash equivalents in bank deposit accounts which periodically exceeded federally insured limits. At August 31, 2011, cash was deposited primarily in three financial institutions. The Cooperative has not experienced any losses in such accounts. The Cooperative believes it is not exposed to any significant credit risk on cash and cash equivalents.

Restricted Cash

Restricted cash, which may periodically exceed federally insured limits, represents loan proceeds not used for construction costs and/or deposits into debt service reserve accounts.

Receivables

Receivables are carried at original invoice amount less an allowance made for doubtful accounts. Management determines the allowance for doubtful accounts by identifying troubled accounts and using historical experience applied to an aging of receivables. Receivables are written-off when deemed uncollectible. Recoveries of receivables previously written-off are recognized when received.

Inventories

All inventories, except for distiller's grains and spare parts, are stated at the lower of cost or market on the first-in, first-out method. Spare parts inventory is stated at the lower of cost or market on the weighted-average cost method. Distiller's grains are stated at net realizable value, which approximates historical cost.

Derivative Financial Instruments

The Cooperative enters into forward purchase and sales contracts for corn, natural gas, denaturant and distiller's grain, which meet the definition of a derivative under accounting standards but qualify for the normal purchase, normal sale exception to fair value accounting. These contracts provide for the purchase or sale of commodities in quantities that are expected to be used or sold over a reasonable period of time in the normal course of operations. These contracts are not marked to market in the financial statements. In circumstances where management estimates that cash contract values from purchased corn cannot be recovered through the sale of ethanol, a loss is recorded on the contract. Such losses are included in cost of goods sold.

Exchange-traded futures contracts are marked to market as derivative financial instruments on the consolidated balance sheets. Changes in fair value are included in product sales or cost of goods sold on the consolidated statements of operations consistent with the commodity being hedged.

Interest Rate Swap Agreements

Fair value of the Cooperative's interest rate swap agreements are recognized as either an asset or liability in the consolidated balance sheets, with changes in fair value reported in interest expense in the consolidated statements of operations.

Investments in Unconsolidated Affiliates

The Cooperative accounts for its investments in Granite Falls Energy, LLC (GFE) and Redfield Energy, LLC (RE) using the equity method of accounting under which the Cooperative's respective share of the net income of the unconsolidated affiliates is recognized as equity in earnings of unconsolidated affiliates on the consolidated statements of operations and the net income, less any distributions received, is added to (subtracted from) the investment accounts.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed by the straight-line method over the estimated useful lives as follows:

Land improvements	15 - 20 years
Buildings	20 - 30 years
Railroad equipment and rolling stock	5 - 20 years
Machinery and equipment	7 - 30 years
Office equipment	3 - 7 years

Construction in progress is depreciated when construction is complete and the property and equipment is placed into service. Repairs and maintenance costs are expensed as incurred and significant improvements are capitalized.

Long-Lived Assets

The Cooperative reviews long-lived assets used in operations for impairment when events and circumstances indicate that the assets might be impaired and the undiscounted cash flows estimated to be generated by those assets are less than the carrying amounts of those assets. In such cases, an impairment loss is recognized for the excess of the carrying value of the asset over its fair value.

Debt Issuance Costs

Debt issuance costs are amortized over the term of the related debt instrument by a method that approximates the effective interest method.

Stock-Based Compensation

Costs of employee share-based payments are measured at fair value on the award's grant date and recognized in the financial statements over the requisite service period on a straight-line basis.

Income Taxes

The Cooperative is a non-exempt cooperative association subject to federal income tax on non-patronage income and patronage income not allocated to members. The Cooperative is permitted to deduct the portion of patronage income allocated to the members in the form of cash dividends and qualified written notice of allocations from taxable income. The Cooperative allocates its patronage income on the tax basis. Deferred income taxes are recorded on the consolidated balance sheets for basis differences related to non-patronage income from the Cooperative's investments in unconsolidated affiliates. The deferred tax liability represents the future tax return consequences of those differences. The Cooperative uses accelerated depreciation methods for income tax purposes, which causes taxable income to be different than net income for financial reporting purposes. Taxable income is also different than net income on the consolidated statements of operations for differences related to derivative financial instruments, interest rate swaps, stock-based compensation and certain recorded losses. No deferred income taxes are recognized on these differences.

The Cooperative recognizes interest and penalties related to unrecognized tax benefits in its provision for income taxes. During the years ended August 31, 2011 and 2010, there were no amounts recognized for interest or penalties related to unrecognized tax benefits.

Earnings per Common Share (EPS)

Basic EPS is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that would occur, using the treasury stock method, if securities or other obligations to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that shared in the Cooperative's earnings, unless such effects are antidilutive.

Fair Value

The carrying amounts for cash and cash equivalents, receivables, accounts payable, and accrued expenses approximate fair value. Fair values for derivative financial instruments are determined based on quoted market prices. Fair values of interest rate swap agreements are obtained from the counterparty, who computes the values based upon nominal and current interest rates and interest yield curves. Derivative financial instruments and interest rate swap agreements are recorded at fair value on the accompanying consolidated balance sheets. The Cooperative does not consider it practicable to estimate the fair value of its revolving lines of credit, long-term debt or subordinated note payable due to the unique nature of the obligations.

Advertising Costs

Advertising and promotion costs are expensed when incurred and totaled \$42,332 and \$64,557 for the years ending August 31, 2011 and 2010, respectively.

Note 2 - Receivables

The following table summarizes receivables as of August 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Trade	\$ 26,352,322	\$ 18,124,024
Government programs	-	166,667
Other	1,157,078	822,940
	<u>27,509,400</u>	<u>19,113,631</u>
Less allowance for doubtful accounts	28,234	205,023
	<u>\$ 27,481,166</u>	<u>\$ 18,908,608</u>

Note 3 - Inventories

The following table summarizes inventories as of August 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Grain	\$ 12,830,351	\$ 8,272,858
Ethanol and distiller's grains		
Finished goods	5,226,876	2,356,195
In process	6,033,964	3,016,091
Chemicals and ingredients	1,092,588	705,797
Spare parts	1,674,979	1,467,362
	<u>\$ 26,858,758</u>	<u>\$ 15,818,303</u>

Note 4 - Property and Equipment

The following table summarizes property and equipment as of August 31, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Land and land improvements	\$ 9,164,524	\$ 9,072,549
Buildings	30,093,052	29,918,517
Railroad equipment and rolling stock	11,697,221	11,458,867
Machinery and equipment	241,977,770	239,746,255
Office equipment	919,436	886,498
Construction in progress	3,180,087	2,189,378
	<u>297,032,090</u>	<u>293,272,064</u>
Less accumulated depreciation	123,986,344	96,477,100
	<u>\$ 173,045,746</u>	<u>\$ 196,794,964</u>

Depreciation expense for the years ended August 31, 2011 and 2010 was \$27,792,791 and \$27,340,097, respectively.

Note 5 - Debt Issuance Costs

Amortization of debt issuance costs was \$562,832, and \$538,551 during the years ended August 31, 2011 and 2010, respectively. Future amortization of debt issuance costs is as follows:

Years Ended August 31,	
2012	\$ 562,832
2013	31,663
	\$ 594,495

Note 6 - Revolving Line of Credit, Long-Term Debt and Subordinated Note Payable

Revolving Line of Credit

Under the loan agreement with a group of lenders administered by First National Bank of Omaha (the Bank), GLE and AE each have a revolving line of credit. GLE and AE each have \$-0- outstanding on the revolving line of credit with the Bank as of August 31, 2011, and 2010. Each revolving line of credit matures on January 31, 2012. The revolving lines of credit bear an interest rate at 3.50% above the 3-month LIBOR (4.50% floor rate at August 31, 2011) and 6.50% above the 1-month LIBOR (7% floor rate at August 31, 2010). Amounts available under the revolving lines of credit were \$8,000,000 and \$4,367,661 each, respectively, as of August 31, 2011 and August 31, 2010, subject to a borrowing base, calculated as a percentage of eligible receivables and certain inventory categories (less related payables). Amounts borrowed under the revolving line of credit are secured by substantially all assets of the Cooperative, GLE, and AE.

On September 29, 2009, the Cooperative, GLE, and AE signed the Fourth Amendment to the loan agreement that extended the maturity date on the revolving lines of credit to October 17, 2009, continued the suspension of availability under the revolving lines of credit and increased the interest rate to 6.50% above the 3 month LIBOR (with a floor of 7.00%). On December 15, 2009, the Cooperative, GLE, and AE signed the Sixth Amendment to the loan agreement approving the extension of the revolving lines of credit to July 17, 2010 with the maximum amount available of \$3,560,000 each for GLE and AE. The Sixth Amendment also stated that the unused fee on the revolving lines of credit would go to 0.50% from .0375% and hedging account balances would be removed from the borrowing base calculation. On August 11, 2010, the Cooperative, GLE, and AE signed the Seventh Amendment to the loan agreement raising the amounts available on the revolving lines of credit to \$4,367,661 each for GLE and AE and approving the extension of the revolving lines of credit to July 15, 2011.

On June 1, 2011, the Cooperative, GLE and AE signed the Eighth Amendment to the loan agreement raising the amounts available on the revolving lines of credit to \$8,000,000 each for GLE and AE, extending the maturity date on the revolving lines of credit to January 31, 2012, and decreasing the interest rate on the revolving lines of credit to 3.50% above the 3-month LIBOR (with a floor of 4.50%). In connection with the Eighth Amendment, the Cooperative paid an incremental commitment fee of \$7,265 to the Bank.

Long Term Debt

The following table summarizes long-term debt as of August 31, 2011 and 2010:

	2011	2010
GLE		
Variable notes	\$ 19,953,298	\$ 28,791,845
Swap note	24,391,624	26,959,165
	44,344,922	55,751,010
AE		
Variable notes	32,261,285	40,643,745
Swap note	29,627,860	32,338,062
Equipment loan, due in monthly installments of \$9,750 including interest at 4.25%, matured April 2011, collateralized by related equipment	-	76,899
Economic development loan, due in monthly installments of \$22,929 including interest at 5.0%, matures October 2014 collateralized by ethanol producer incentive payments	804,198	1,032,906
Economic development loan, due in monthly installments of \$21,835 including interest at 3.0%, matures March 2015 collateralized by ethanol producer incentive payments	888,116	1,119,719
	63,581,459	75,211,331
GLE and AE, jointly and severally Subordinated note payable	-	3,370,008
	107,926,381	134,332,349
Less current maturities	19,478,734	17,707,979
	\$ 88,447,647	\$ 116,624,370

Upon successful completion of the projects, the construction loans were converted into variable-rate term loans with a 5-year maturity (March 31, 2013 for GLE and January 20, 2014 for AE). The term loans consist of a swap note and a variable note. For GLE at conversion in March 2008, the variable note had a balance of \$48,000,000 and the swap note had a balance of \$32,000,000. For AE at conversion in January 2009, the variable note had a maximum balance of \$54,000,000 and the swap note had a balance of \$36,000,000. Under the variable notes, fixed quarterly payments of \$1,791,816 and \$2,015,792 are due for GLE and AE, respectively, with amounts allocated to accrued interest first and then to principal reduction. Under the swap notes, variable quarterly principal payments (based on ten-year amortization) plus accrued interest are due. Amounts borrowed under the loans credit are secured by substantially all assets of the Cooperative, GLE, and AE.

The variable notes bear an interest rate of 3.50% above the 3-month LIBOR with a floor of 4.50% (4.50% at August 31, 2011) and the swap notes bear an interest rate of 3.05% to 3.25% above the 3-month LIBOR (3.30% to 3.50% at August 31, 2011). The variable notes bear an interest rate of 6.50% above the 3-month LIBOR with a floor of 7.00% (7.00% at August 31, 2010) and the swap notes bear an interest rate of 3.05% to 3.25% above the 3-month LIBOR (3.59% to 3.79% at August 31, 2010).

In connection with the conversion of the GLE and AE construction loans to term loans in March 2008 and January 2009, respectively, GLE and AE borrowed up to the full \$80,000,000 and \$90,000,000 available, respectively, and deposited the excess amounts into escrow accounts held by the Bank.

On October 30, 2009, the Cooperative, GLE and AE signed the Fifth Amendment to the loan agreement with the Bank which consented to the indebtedness to be incurred related to the corn dryer and related grain handling equipment for the AE plant of \$2,430,000.

On December 15, 2009, the Cooperative, GLE and AE signed the Sixth Amendment to the loan agreement with the Bank approving (a) new swap notes to match the nominal amounts of the interest rate swaps entered into during June 2008 and (b) a new long-term revolver (LTR) note of \$3,000,000 each for GLE and AE. The remaining balances on the new variable notes and the balances on the LTR notes will have the interest rate increased to 3-month LIBOR plus 6.50% (with a floor of 7.00%). The fixed quarterly payments required under the old variable notes will be allocated to (a) principal and interest due under the new swap notes, (b) accrued interest on the new variable notes and the LTR notes and (c) principal reduction on the new variable notes and the LTR notes. As of August 31, 2011 and 2010, there were no amounts outstanding under the LTR notes.

On June 1, 2011, the Cooperative, GLE and AE signed the Eighth Amendment to the loan agreement with the Bank which consented to the expenditure of up to \$3,000,000 for improvements to the grain handling system for GLE and consented to the repurchase of 601,000 shares of stock.

On July 8, 2011, the Cooperative, GLE and AE signed the Ninth Amendment to the loan agreement decreasing the interest rate on variable rate notes to 3.50% above the 3-month LIBOR (with a floor of 4.50%).

Covenants and Requirements of Loan Agreement

The loan agreement (as amended) and related documents contain (i) a number of covenants restricting excess cash and cash distributions to shareholders, (ii) other requirements such as sufficient property and liability insurance coverage, minimum working capital levels, and minimum tangible net worth and (iii) maintenance of certain financial ratios including a historical fixed charges coverage ratio and a total debt-to-tangible net worth ratio. The loan agreement requires additional principal payments under the variable notes be made quarterly by GLE and/or AE based on 25% of their “excess cash flow,” as defined in the loan agreement.

The loan agreement required GLE and AE each to fund a debt service reserve account to be a source for payment of principal and interest in case either entity is not able to make its scheduled quarterly payments. The amounts to be funded into the debt service reserve accounts were originally at \$3,000,000 for GLE and \$3,300,000 for AE. Under the Third Amendment to the loan agreement signed on December 3, 2008, approximately \$3,000,000 received from full funding the construction loan prior to the conversion into the term loans was deposited into the debt service reserve account of GLE and is included in restricted cash in the consolidated balance sheet. In the Sixth Amendment to the loan agreement signed on December 15, 2009, GLE and AE paid down on the outstanding balance of the LTR notes with the respective debt service accounts. Once the LTR notes are paid in full, GLE and AE may borrow on the LTR notes to make its scheduled quarterly payment to the other notes.

Under the loan agreement, GLE and AE are allowed to make minimum tax distributions (up to 40% of financial-basis income) to GLCP so that they can be passed on to shareholders to pay income taxes on patronage income allocated to them. In order to pay additional distributions to shareholders, GLE and AE are required to (a) fully fund the respective debt service reserve accounts (pay down the LTR notes to \$0 with the Sixth Amendment to the loan agreement), (b) pay down the term loans to the “targeted balance” (based on seven-year loan amortization) and (c) show compliance with financial covenants after the proposed distribution.

At various times during 2009, GLE and AE were not in compliance with the following covenants: minimum tangible net worth (GLE and AE), the historical fixed charges coverage ratio (GLE and AE), the total debt-to-tangible net worth ratio (GLE) and minimum working capital (AE). On December 15, 2009, the Cooperative, GLE and AE signed the Sixth Amendment to the loan agreement with the Bank approving the following items related to covenants: (a) waive financial covenant violations during the fiscal year ended August 31, 2009 and through October 31, 2009, (b) modify the covenants for minimum working capital levels, minimum tangible net worth, historical fixed charges coverage ratio and historical debt to tangible net worth ratio during the fiscal year ending August 31, 2010, (c) return to previous financial covenants for periods after September 1, 2010, and (d) require lender approval for any distributions above those required for the allocation of taxable patronage income to shareholders while there is a balance outstanding on the LTR notes and the “targeted balances” are not met. In consideration for the Sixth Amendment to the loan agreement, the Cooperative paid an administrative fee of \$240,548 (0.15% of the current commitment). The Cooperative, GLE, and AE were in compliance with all applicable covenants as of August 31, 2011 and August 31, 2010.

Future Principal Payments

Maturities of long-term debt as of August 31, 2011 are estimated as follows (based on compliance with the modified financial covenants in the Sixth Amendment to the loan agreement):

<u>Years Ended August 31,</u>	<u>GLE</u>	<u>AE</u>	<u>Total</u>
2012	\$ 9,244,787	\$ 10,233,947	\$ 19,478,734
2013	35,100,135	10,769,312	45,869,447
2014	-	42,382,510	42,382,510
2015	-	195,690	195,690
	<u>\$ 44,344,922</u>	<u>\$ 63,581,459</u>	<u>\$ 107,926,381</u>

Standby Letters of Credit

Under the loan agreements, the Bank agreed to provide a facility for standby letters of credit. As of August 31, 2011 and 2010, AE has outstanding standby letters of credit of \$3,300,000 and GLE has no standby letters of credit.

Subordinated Note Payable

As a result of the Cooperative liquidating all of its commodities futures and options positions in October 2008, the Cooperative had an unfilled margin call totaling \$3,370,008. In December 2008, the Cooperative, GLE and AE entered into a subordinated note agreement with its broker for the amount of unfilled margin call. The note was subordinated to the indebtedness owed by the Cooperative, GLE and AE under the loan agreement with the Bank.

The note bore interest at an annual rate of 8.00% with scheduled monthly interest payments subject to the terms of the related subordination agreement. At August 31, 2010 and 2009, the balance outstanding on the subordinated note was \$3,370,008. The subordinated note had a stated maturity date of December 2, 2009. However, under the terms of the subordinated note, unless all amounts owing under the loan agreement with the Bank has been indefeasibly paid in full, no principal payment, whether as a prepayment or upon the stated maturity date, would be due under the subordinated note unless and until the Bank and all of the other senior lenders each consent to any such principal payment.

In December 2010, the Cooperative received consent from the Bank and all of the other senior lenders to make a principal payment of \$561,166 on the subordinated note. In July 2011, the Cooperative received consent from the Bank and all of the other senior lenders to make another principal payment of \$561,166 on the subordinated note. In July 2011, the broker agreed to settle the remaining amounts owed (\$2,247,676 principal plus \$45,196 of accrued interest) for the payment of \$2,000,000. The Cooperative received consent from the Bank and all of the other senior lenders to make the \$2,000,000 payment to the broker. The Cooperative recorded a gain of \$292,872 (included in other income) from the settlement of the subordinated note, less \$25,000 in fees paid to the Banks and other senior lenders.

Note 7 - Derivatives

Interest Rate Swap Agreements

The Cooperative has entered into various interest rate swap agreements with the Bank. The swap agreements were entered into to reduce the volatility of interest rates under the variable notes and the swap notes. As of August 31, 2011 and 2010, the Cooperative has entered into the following interest rate swap agreements:

	Maturity Date	Original Notional Amount	Cooperative Pays	Cooperative Receives	Fair Value	
					2011	2010
GLE						
Swap 1	6/2011	\$ 5,553,140	7.400%	3 month LIBOR + 3.0%	\$ -	\$ (217,849)
Swap 2	6/2012	\$ 6,540,918	7.600%	3 month LIBOR + 3.0%	(245,947)	(490,513)
Swap 3	3/2013	\$ 5,025,490	7.690%	3 month LIBOR + 3.0%	(316,764)	(480,923)
Swap 4	3/2013	\$ 26,959,165	7.950%	3 month LIBOR + 2.8%	(1,876,609)	(2,877,890)
AE						
Swap 1	6/2011	\$ 6,941,427	7.400%	3 month LIBOR + 3.0%	-	(272,310)
Swap 2	6/2012	\$ 8,175,771	7.600%	3 month LIBOR + 3.0%	(307,433)	(613,141)
Swap 3	6/2013	\$ 6,282,346	7.710%	3 month LIBOR + 3.0%	(446,013)	(639,925)
Swap 4	6/2013	\$ 31,022,718	7.985%	3 month LIBOR + 2.8%	(2,461,375)	(3,560,188)
Total					\$ (5,654,141)	\$ (9,152,739)

The notional amounts on these swap agreements reduce on a quarterly basis in proportion to the scheduled principal reduction under the notes for the respective time periods. The swap agreements require settlement payments to be made or received quarterly.

Financial Instruments

The Cooperative has entered into short-term exchange-traded contracts as a means of managing exposure to changes in commodity prices. As of August 31, 2011 and 2010, the Cooperative has entered into the following derivative financial instruments:

	Notional	Notional Quantity	Fair Value	
			2011	2010
GLE				
Exchange-traded corn contracts	Bushels - short / (long)	5,220,000	\$ (4,063,788)	\$ (563,288)
AE				
Exchange-traded corn contracts	Bushels - short / (long)	(1,970,000)	1,203,913	(387,513)
Exchange-traded ethanol contracts	Gallons - short / (long)	15,624,000	(3,891,090)	-
Total			<u>\$ (6,750,965)</u>	<u>\$ (950,801)</u>

The following table summarizes the derivative transactions reflected in the Cooperative's consolidated balance sheets and consolidated statements of operations for the years ended August 31, 2011 and 2010:

	2011	2010
Classification with Consolidated Balance Sheets		
Current Asset		
Fair value of derivative financial instruments	\$ 1,203,913	\$ -
Short-term Liability		
Fair value of interest rate swap agreements	(553,380)	(490,159)
Fair value of derivative financial instruments	(7,954,878)	(950,801)
Long-term Liability		
Fair value of interest rate swap agreements	(5,100,761)	(8,662,580)
Loss Recognized in Consolidated Statements of Operations		
Cost of Goods Sold		
Derivative financial instruments	(2,434,555)	(1,154,491)
Interest Expense		
Interest rate swaps	(692,236)	(4,237,036)

Note 8 - Fair Value Measurements

Accounting standards establish a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Cooperative has the ability to access.
- Level 2 - Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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.

Assets and liabilities measured at fair value on a recurring basis at August 31, 2011 and 2010, respectively, are as follows:

	2011	2010
Assets		
Derivative financial instruments	\$ 1,203,913	\$ -
Liabilities		
Derivative financial instruments	(7,954,878)	(950,801)
Interest rate swap agreements	(5,654,141)	(9,152,739)

The following table summarizes by level, within the fair value hierarchy, the Cooperative's assets and (liabilities) that are measured at fair value on a recurring basis at August 31, 2011 and 2010:

	Level 1	Level 2	Level 3	Total
August 31, 2011				
Derivative financial instruments	\$ 1,203,913	\$ -	\$ -	\$ 1,203,913
Derivative financial instruments	(7,954,878)	-	-	(7,954,878)
Interest rate swap agreements	-	(5,654,141)	-	(5,654,141)
August 31, 2010				
Derivative financial instruments	\$ (950,801)	\$ -	\$ -	\$ (950,801)
Interest rate swap agreements	-	(9,152,739)	-	(9,152,739)

The derivative financial instruments consist of commodity contracts which are valued based on quoted market prices. The fair value of the interest rate swaps are based upon estimates of the related LIBOR swap rates during the term of the swap agreements.

Note 9 - Leases

The Cooperative leases 383 hopper and 620 tanker cars under operating lease agreements. Generally, the Cooperative is required to pay executory costs such as maintenance and insurance.

Base and contingent rent expense on the rail cars (based on the dates the cars were put into service) for the years ended August 31, 2011 and 2010 totaled \$5,241,195 and \$4,952,688, respectively. During the years ended August 31, 2011 and 2010 the Cooperative sub-leased certain of the hopper cars from other ethanol plants and tanker cars from its marketer on a short-term basis and recorded \$448,043 and \$59,806, respectively, as an increase to rent expense.

The Cooperative is responsible for repairs and maintenance on the rail cars, as well as damages that are assessed at the end of the lease term. Accruals recorded for estimated damages as of August 31, 2011 and 2010 were \$1,672,421 and \$1,192,420 respectively. The portions of these accruals classified as long-term were \$1,278,818 and \$886,920, as of August 31, 2011 and 2010, respectively.

Minimum lease payments in the future years are as follows:

Years Ended August 31,	
2012	\$ 5,171,141
2013	3,917,646
2014	3,243,107
2015	2,820,180
2016	1,667,453
Thereafter	570,438
	\$ 17,389,965

Note 10 - Related Party Transactions and Concentrations

Corn Marketing and Purchases

GLE has a corn marketing agreement with the Cooperative. The Board of Directors of the Cooperative voted to have its members deliver 84,384,200 and 74,285,600 bushels of corn (0.45 and 0.40 per share), for the years ended August 31, 2012 and 2011, respectively, on an open delivery system. For those bushels not delivered by the members of the Cooperative, GLE obtains those bushels through a corn pool operated by GLE and charges a pool fee of \$0.01 per bushel.

For the years ended August 31, 2011 and 2010 the Cooperative purchased corn from its members (including committed bushels described above) as follows:

	Bushels	Dollars
2011		
Individuals	10,629,979	\$ 76,804,808
Elevators	47,560,992	247,556,939
	58,190,971	\$ 324,361,747
2010		
Individuals	13,043,207	\$ 41,317,725
Elevators	39,720,036	125,896,950
	52,763,243	\$ 167,214,675

Included in the amounts paid to the members of the Cooperative for the purchase of corn for the years ended August 31, 2011 and 2010, the Cooperative paid \$833,185 and \$981,211, respectively, as freight allowance on committed bushels and \$145,483 and \$37,035, respectively, as additional price to those members who purchased over 50,000 shares of stock at the time the Cooperative was organized (called "Commercial Level Investors").

Distiller's Grain Sales

For the years ended August 31, 2011 and 2010, the Cooperative sold distiller's grain to members of the Cooperative as follows:

	Tons	Dollars
2011		
Dry distiller's grain	15,727	\$ 2,527,271
Wet distiller's grain	88,558	6,267,142
	104,285	\$ 8,794,413
2010		
Dry distiller's grain	11,045	\$ 1,101,466
Wet distiller's grain	80,400	3,519,813
	91,445	\$ 4,621,279

Receivables and Payables

As of August 31, 2011 and 2010, amounts receivable from or due to members of the Cooperative were as follows:

	2011	2010
Receivables for distiller's grains	\$ 821,525	\$ 351,837
Receivables for net pool fees	741,508	600,000
Payables for corn and freight allowances	5,592,915	4,076,281
Prepaid unit retain payable	-	11,133,189

Major Customers

During the years ended August 31, 2011 and 2010, the Cooperative had major customers from which the product sales and receivables were as follows:

	Product Sales Years Ended August 31,		Accounts Receivable August 31,	
	2011	2010	2011	2010
Eco Energy	\$ 48,290,780	\$ 140,092,468	\$ 9,312,554	\$ -
Noble	247,337,218	28,132,148	9,887,213	4,984,381
Murex	205,308,021	31,015,360	27,597	9,891,666

Note 11 - Defined Contribution Plan

The Cooperative has established a 401(k) plan for its employees. Eligible employees are able to contribute amounts (subject to IRS limits) and the Cooperative will match 50% of the employee's contribution, up to a maximum of 3% of the employees' salary. The amounts contributed by the Cooperative are subject to a 5-year vesting schedule. Forfeitures of unvested amounts are returned to the Cooperative. During the years ended August 31, 2011 and 2010, the Cooperative contributed (net of forfeitures) \$97,613 and \$107,105, respectively, to the 401(k) plan.

Note 12 - Commitments and Contingencies

Environmental

Substantially all of the Cooperative's facilities are subject to federal, state, and local regulations relating to the discharge of materials into the environment. Compliance with these provisions has not had, nor does management expect to have, any material effect upon operations. Management believes that the current practices and procedures for the control and disposition of such byproducts will substantially comply with the applicable federal and state requirements.

Other Litigation and Claims

Aventine Claims

On January 8, 2009, the Cooperative entered into Termination Agreements with their ethanol marketer, Aventine, to terminate the marketing agreements with GLE and AE and all rights and obligations of the parties under the marketing agreements, effective January 16, 2009, other than the ethanol payment and pricing provisions of the marketing agreements, which survived the termination with respect to ethanol sold to Aventine and shipped prior to the effective termination date. Under the Termination Agreements, as of August 31, 2011 and August 31, 2010, the Cooperative has recorded a combined net receivable of \$965,876 (related to unpaid true-up payments on sales of ethanol to Aventine from January 2009) and a combined net payable of \$1,184,188 (related to unpaid termination fees and other charges). Management believes that the payment of the unpaid termination fees may be subject to various defenses, including rights of offset and recoupment for the unpaid true-up payments.

The Termination Agreements also provided that Aventine would sublease to the Cooperative, and the Cooperative would accept, such subleases from Aventine, certain railcars listed on exhibits to the Termination Agreements totaling approximately 673 tanker cars, on the same terms and conditions as Aventine's master railcar leases with various railcar companies for the railcars. On April 7, 2009, Aventine filed for relief under Chapter 11 of the United States Bankruptcy Code. On May 5, 2009, the United States Bankruptcy Court granted Aventine's motion to reject and entered an Order rejecting certain contracts including the master railcar leases between Aventine and various railcar companies of the tanker cars that the Cooperative has subleased from Aventine under the Termination Agreements, effective as of April 7, 2009. Following the rejection of the master railcar leases, the Cooperative leased a number of the railcars it had previously subleased from Aventine from the various railcar companies. At August 31, 2011, we are aware of several claims brought by Aventine against ethanol companies who had terminated their marketing agreements with Aventine, claiming in part that the ethanol companies breached their obligations under the termination agreements. No such breach of contract claim has been brought against the Cooperative. If Aventine or the trustee asserts any claims against the Cooperative under the Termination Agreements, management will defend vigorously against such claims or actions. An estimate of the amount of any such potential claims cannot be made.

IRS Examination

In April, 2008, the IRS began an examination of the Cooperative's consolidated Federal income tax returns for the years ended August 31, 2005 and 2006. The IRS initially issued an examination report dated June 30, 2009 that proposed to disallow 39% of the patronage dividend deduction for fiscal year 2005 and 14% of the patronage dividend deduction for fiscal year 2006. The Cooperative protested the proposed adjustments in their entirety and requested the matter be sent to the IRS Appeals Office by protest dated July 24, 2009. The IRS issued a revised examination report on September 16, 2009 with a different rationale for disallowance, but with no change in the proposed adjustment amounts. The Cooperative protested the revised examination report in its entirety on October 15, 2009, and the case was forwarded to the IRS Appeals Office. The Cooperative and the IRS reached a final closing agreement on August 4, 2011, wherein the Cooperative paid the tax on the disallowed percentages of their divided deduction as noted above: \$603,495 for fiscal year 2005 and \$1,506,079 for fiscal year 2006, totaling \$2,109,574, plus interest in the amount of \$539,701 during fiscal year 2011.

The Cooperative filed a claim for refund on May 12, 2011, applying Net Operating Losses (NOL's) from fiscal years 2008 and 2009 to the amended income per the IRS final closing agreement for fiscal years 2005 and 2006. The amounts of the refunds applied for are equal to the remittance paid in the closing agreement noted above, without considering an interest adjustment.

Employment Claims

In October 2008, the Cooperative was served a summons and complaint by the Cooperative's former chief executive officer. The complaint alleged breach of his employment agreement and sought unspecified damages, including but not limited to the terms of the employment agreement. The complaint was submitted to the Cooperative's insurance carrier for employment practices liability coverage and the insurance carrier has paid for the defense costs in this matter. The Cooperative entered into mediation with the former chief executive officer on October 26, 2010. On November 12, 2010, a settlement agreement was reached. The Cooperative recorded the liability and expense associated with the settlement agreement as of August 31, 2010.

Ethanol Marketing

The Cooperative currently has marketing agreements with two national marketers; one to sell its production of ethanol from GLE, and the other to sell its production of ethanol from AE. The Cooperative will pay a commission based on the net selling price. The contract for GLE is for a three-year period (executed June 18, 2010, extended June 18, 2011, and expiring on June 30, 2013) and the contract for AE is for a one-year period (executed on June 7, 2011 and expiring on June 30, 2012) and will automatically review for successive one-year periods unless either party gives three-months notice to terminate at the end of the annual term.

Distiller's Grain Marketing

The Cooperative has an agreement with a national distiller's grain marketer to sell its production of distiller's grain to the marketer and pay a commission based on the net selling price. This agreement shall remain in effect until terminated by either party by providing the other party not less than 90 days written notice of its election to terminate the agreement. The agreement allows the Cooperative to sell distiller's grain shipped by truck while the national marketer sells distiller's grain shipped by railcars.

In addition to the agreement referenced above, AE also has an agreement with a local feed manufacturing and marketing company to promote and market its production of distiller's grain and syrup and pay a fixed commission. The agreement shall remain in effect until August 31, 2012 or until terminated by either party providing the other party not less than 180 days written notice of its election to terminate the agreement.

Natural Gas Supply

The Cooperative currently has natural gas supply agreements in place with two national suppliers for its production requirements. The contract for GLE is for a two-year period and expires on June 30, 2012. The contract for AE is for a two-year period and expires on August 31, 2013.

Forward Purchase and Sales Contracts

As of August 31, 2011, the Cooperative has entered into forward purchase contracts for the following:

	<u>Quantity</u>	<u>Average Price</u>	<u>Delivery Date</u>
Purchase of Corn (in bushels):			
Unpriced and basis contracts	14,198,009		By 3/31/2012
Priced contracts	7,538,814	\$ 6.82	By 2/29/2012
Total (primarily from members)	<u>21,736,823</u>		

As of August 31, 2011, the Cooperative has entered into forward sales contracts for the following:

	<u>Quantity</u>	<u>Average Price</u>	<u>Delivery Date</u>
Sale of Ethanol (in gallons):			
Index contracts	81,778,000		By 3/31/2012
Priced contracts	1,015,000	\$ 2.67	By 9/30/2011
Total	<u>82,793,000</u>		
Sale of Dry Distiller's Grains (in tons):			
Index contracts	1,350		By 12/31/2011
Priced contracts	78,263	\$ 171.26	By 12/31/2011
Total	<u>79,613</u>		
Sale of Modified Wet Distiller's Grains (in tons):			
Index contracts	300		By 6/30/2012
Priced contracts	52,410	\$ 86.48	By 6/30/2012
Total	<u>52,710</u>		
Sale of Corn Syrup (in tons):			
Index contracts	-		By 6/30/2012
Priced contracts	4,064	\$ 24.24	By 6/30/2012
Total	<u>4,064</u>		

Note 13 - Investments in Unconsolidated Affiliates

The Cooperative had the following investments in other renewable fuel businesses at August 31, 2011 and 2010, respectively:

	2011	2010
Granite Falls Energy, LLC	\$ 8,190,890	\$ 7,801,215
Redfield Energy, LLC	3,318,411	3,043,113
	\$ 11,509,301	\$ 10,844,328

Investment in Granite Falls Energy, LLC

At August 31, 2011 and 2010, the Cooperative owned 4,525 units (14.76%) of GFE. GFE operates a 50 million gallon fuel ethanol plant near Granite Falls, Minnesota.

As of August 31, 2011 and 2010, the Cooperative's recorded investment in Granite Falls exceeded its ownership interest percentage in the equity of the affiliate by \$141,262 and \$175,165, respectively. The excess arose from the purchase of units in the affiliate at amounts greater than the book value of the affiliate, primarily related to accumulated deficits of the affiliate prior to beginning production. The excess is being amortized over a ten year period.

For the years ended August 31, 2011 and 2010, the Cooperative recognized equity in net income of the affiliate of \$1,747,175 and \$823,994 and received cash distributions of \$1,357,500 and \$678,750, respectively.

The Cooperative's equity in the net income of Granite Falls Energy, LLC is based upon estimated earnings of the affiliate as of August 31 of each year. Summary financial information for Granite Falls Energy, LLC as of July 31, 2011 and October 31, 2010 (its fiscal year) and for the nine months ended July 31, 2011 and years ended October 31, 2010 and 2009 is as follows:

Condensed Balance Sheets

	July 31, 2011 (Unaudited)	October 31, 2010
Current Assets	\$ 23,264,009	\$ 23,429,993
Property and Equipment, Net	36,618,976	36,327,497
Other Assets, Net	8,169	10,050
Total assets	\$ 59,891,154	\$ 59,767,540
Current Liabilities	\$ 5,231,438	\$ 3,733,360
Long-Term Debt	125,046	171,298
Members' Equity	54,534,670	55,862,882
Total liabilities and members' equity	\$ 59,891,154	\$ 59,767,540

Condensed Statements of Operations

	Nine Months Ended July 31, 2011 <u>(Unaudited)</u>	Year Ended October 31, 2010 <u></u>	Year Ended October 31, 2009 <u></u>
Revenues	\$ 110,669,020	\$ 95,289,452	\$ 91,282,031
Cost of Goods Sold	<u>(101,362,371)</u>	<u>(85,146,261)</u>	<u>(87,464,936)</u>
Gross profit	9,306,649	10,143,191	3,817,095
Operating Expenses	(1,534,827)	(1,957,742)	(2,045,615)
Other Income (Expense), Net	103,239	187,567	(603,149)
Interest Expense	<u>(6,473)</u>	<u>(10,704)</u>	<u>(82,151)</u>
Net Income	<u>\$ 7,868,588</u>	<u>\$ 8,362,312</u>	<u>\$ 1,086,180</u>
Weighted Average Units Outstanding	30,656	30,781	30,781
Net Income per Unit	\$ 257	\$ 273	\$ 35

Investment in Redfield Energy, LLC

At August 31, 2011 and 2010, the Cooperative owned 1,660,526 units (8.13%) of Redfield Energy, LLC (“RE”). RE operates a 50 million gallon fuel ethanol plant near Redfield, South Dakota.

Included in the total units of RE owned by the Cooperative are 1,010,526 units received as part of the consulting and management agreement, representing 5% of the outstanding units after the close of the offering in February 2006. These units receive a pro rata allocation of the ongoing earnings and distributions of RE, however, under the terms of RE’s operating agreement, no amount was initially credited to the Cooperative’s capital account at RE for these units, effectively reducing the Cooperative’s equity in the net assets of RE from what would otherwise be expected. However, these units have a distribution preference of up to \$2,021,052 in any gain recognized by RE upon liquidation as long as other members receive a minimum liquidating distribution of \$2.00 per unit.

As of August 31, 2011 and 2010, the Cooperative’s recorded investment in RE was less than its estimated underlying equity in the net assets of the affiliate by \$104,281 and \$122,684, respectively. The difference is being amortized into earnings over a ten year period.

For the years ended August 31, 2011 and 2010 the Cooperative recognized equity in net income of RE of \$275,298 and \$461,685 and received \$-0- of cash distributions.

In June 2011, RE entered into a joint venture agreement with Gevo Development, LLC (Gevo) to retrofit RE’s existing ethanol plant into an isobutanol plant. Gevo will provide the technology and capital necessary to retrofit the existing ethanol plant and, in exchange, will receive an equity interest in RE (subject to the terms and conditions in the joint venture agreement). Gevo will be the exclusive marketer once the commercial production of isobutanol begins. The impact on the Cooperative’s interest in RE as a result of the joint venture agreement with Gevo is unknown at this time.

The Cooperative's equity in the net income of RE is based upon estimated earnings of the affiliate as of August 31 of each year. Summary financial information for RE as of August 31, 2011 and 2010 and for the years August 31, 2011 and 2010 is as follows:

Condensed Balance Sheets

	<u>2011</u> <u>(Unaudited)</u>	<u>2010</u> <u>(Audited)</u>
Current Assets	\$ 19,344,032	\$ 19,879,763
Property and Equipment, Net	44,809,123	51,332,970
Other Assets, Net	247,712	279,618
	<u>64,400,867</u>	<u>71,492,351</u>
Total assets	<u>\$ 64,400,867</u>	<u>\$ 71,492,351</u>
Current Liabilities	\$ 6,099,788	\$ 5,067,304
Long-Term Debt	12,710,607	24,444,194
Members' Equity	45,590,472	41,980,853
	<u>64,400,867</u>	<u>71,492,351</u>
Total liabilities and members' equity	<u>\$ 64,400,867</u>	<u>\$ 71,492,351</u>

Condensed Statements of Operations

	<u>2011</u> <u>(Unaudited)</u>	<u>2010</u> <u>(Audited)</u>
Revenues	\$ 164,638,225	\$ 108,928,143
Cost of Goods Sold	<u>(157,241,002)</u>	<u>(99,689,673)</u>
Gross profit	7,397,223	9,238,470
Operating Expenses	(2,057,685)	(2,162,648)
Other Income (Expense), Net	675,110	614,263
Interest Expense	<u>(1,862,829)</u>	<u>(2,342,022)</u>
Net Income	<u>\$ 4,151,819</u>	<u>\$ 5,348,063</u>

Note 14 - Income Taxes

The provision for income taxes charged to income for the years ended August 31, 2011 and 2010 consists of the following:

	2011	2010
Current expense (benefit)		
Current expense	\$ 470	\$ 34,623
IRS settlement	2,109,574	-
Net operating loss carryback	(2,109,574)	-
Total current expense	\$ 470	\$ 34,623
Deferred expense	799,400	438,871
Total income tax expense	\$ 799,870	\$ 473,494

As discussed in footnote 12, the Cooperative reached a settlement with the IRS related to the 2005 and 2006 tax returns. The table presented above reflects this settlement and the subsequent carryback of net operating losses.

Deferred taxes are comprised of basis differences related to non-patronage earnings from the Cooperative's investments in GFE and RE. Since the Cooperative allocates its patronage earnings on the tax basis of accounting, deferred income taxes have not been recognized on the temporary differences associated with its patronage earnings. The most significant differences between book and tax earnings are depreciation and recognition of gains and losses associated with derivative financial instruments.

Deferred tax assets and liabilities as of August 31, 2011 and 2010 are as follows:

	2011	2010
Deferred tax asset		
Small ethanol producer tax credit carryforward	\$ -	\$ 430,877
Deferred tax liability		
Investment in GFE and RE	(2,840,100)	(2,471,577)
Net deferred tax liability	\$ (2,840,100)	\$ (2,040,700)

As of August 31, 2011, the Cooperative has the following net patronage loss carryforward for income tax purposes:

Patronage earnings for year ended August 31, 2011	\$ 6,130,935
Patronage earnings for year ended August 31, 2010	17,228,136
Patronage loss for the year ended August 31, 2009	(88,772,735)
Allocation of a portion of the patronage loss for the year ended August 31, 2009 to members	16,699,784
Patronage loss for the year ended August 31, 2008	(32,785,532)
Allocation of patronage earnings to members in excess of patronage earnings for year ended August 31, 2007	(28,059)
Carryback against patronage earnings for year ended August 31, 2006	4,429,644
Carryback against patronage earnings for year ended August 31, 2005	<u>1,774,984</u>
Net patronage loss carryforward	<u>\$ (75,322,843)</u>

Patronage losses for tax purposes can be carried forward for 20 years to be used to offset patronage income in future years.

The Cooperative files income tax returns in the U.S. federal jurisdiction and in the state of Minnesota. The Cooperative is no longer subject to U.S federal and state examination by tax authorities for years ending on or before August 31, 2007. See Note 12 related to the IRS examination for the years ended August 31, 2005 and 2006.

Note 15 - Stock-Based Compensation

Stock Incentive Plan

On November 21, 2006, the Cooperative's Board approved the 2007 Employee Stock Incentive Plan ("Stock Plan") to attract and retain employees, directors, and service providers of the Cooperative by aligning financial interests of these individuals with the members of the Cooperative.

The aggregate number of shares that may be issued under the Stock Plan is 3,500,000. The awards under the Stock Plan (defined as "Stock Incentives") can be in the form of stock options, restricted stock awards, restricted stock units, stock appreciation rights, performance stock, performance units or other awards as determined by Board of the Cooperative. Under the Stock Plan (a) no more than 3,500,000 shares may be used for stock options, (b) no more than 500,000 shares may be used for stock incentives for directors and (c) no more than 1,750,000 shares may be used for stock incentives other than stock options or stock appreciation rights.

The Cooperative granted a total of 360,000 shares of stock and 1,842,500 restricted stock units to management during the year ended August 31, 2007. No new grants were issued in subsequent years. Each stock unit entitles the holder to one share of stock issuable when the stock unit vests. The restricted stock units generally vest over five years as long as the employees are employed by the Cooperative, with the vesting date being September 1 of each year. The fair value of the stock and restricted stock units at the date of grant was estimated based upon recent stock transactions between unrelated entities. The Cooperative generally uses newly issued shares to satisfy share awards.

The Cooperative applied an annual estimated forfeiture rate of 22% when calculating the number of shares expected to vest, based upon the Cooperative's historical experience, for the awards to participants.

The total stock-based compensation expense recognized by the Cooperative under the Stock Plan during the fiscal years ending August 31, 2011 and 2010 was \$107,930, and \$329,798, respectively.

Stock unit activity for the year ended August 31, 2011 is as follows:

	<u>Number of Stock Units</u>	<u>Weighted Average Exercise Price per Share</u>	<u>Weighted Average Remaining Contractual Term (in Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding on August 31, 2010	220,000	\$ -		
Granted	-			
Exercised	(165,000)			
Forfeited and expired	-			
Outstanding on August 31, 2011	<u>55,000</u>	<u>\$ -</u>	<u>0.35</u>	<u>\$ 19,250</u>
Vested or expected to vest at August 31, 2012	<u>55,000</u>	<u>\$ -</u>	<u>0.35</u>	<u>\$ 19,250</u>

The weighted-average grant-date fair value of units granted during the year ended August 31, 2007 was \$1.84 per unit. The total intrinsic value of options exercised during the year ended August 31, 2011 was \$57,500. As of August 31, 2011, there was \$19,250 of unrecognized compensation expense related to these nonvested stock units. This amount is expected to be recognized as compensation expense over a weighted average period of 0.35 years.

The Cooperative also maintains a stock compensation plan under which shares are awarded at the discretion of the Board of Directors. Under this discretionary plan, there are no vesting requirements. During 2011, 40,000 shares were awarded under the plan.

Note 16 - Stockholders' Equity

General

The Cooperative is an agricultural association whereby members must meet established membership criteria, hold a minimum of 2,500 shares of common stock, pay the required membership fee and enter into a uniform delivery and marketing agreement.

The common stock of the Cooperative is the membership stock of the Cooperative and entitles each member to one vote in the affairs of the Cooperative regardless of the number of common shares owned. No ordinary dividends can be paid on the common stock. According to the articles of incorporation, the Cooperative may issue preferred stock. Preferred stock of the Cooperative is non-voting with allowable dividends paid on preferred stock not to exceed 8% annually of the par value of the preferred stock. Any such dividends on the preferred stock are not cumulative.

Liquidation or Dissolution

In the event of a liquidation or dissolution of the Cooperative, net assets remaining after the liabilities of the Cooperative are settled will be distributed first to the holders of preferred stock up to an amount equal to the consideration given, second to the holders of the common stock, and any nonvoting certificate of interest into which the common stock was converted, up to an amount equal to the consideration given plus, in the case of holders of certain shares of common stock, a Share Revaluation Preference, third to the members holding patron equities in the order from oldest to most recent and finally to the existing members on the basis of their past patronage, fourth to patrons in accordance with their credited interest in capital reserves, and any remaining assets in proportion to patrons in proportion to their patronage since the most recent issuance of capital stock in which a Share Revaluation Preference was created. The purpose of the Share Revaluation Preference is to equalize the liquidating distribution entitlements associated with outstanding shares with those associated with newly issued shares, notwithstanding that they were issued at different times and at different prices. This will equalize the entitlements of the pre-2006 shares with the newly issued shares. However, the tax treatment on liquidation will be considerably different because the Share Revaluation Preference on the pre-2006 shares will be taxed as patronage dividends to the holders of those shares, to the extent the Cooperative recognizes gain on sale of assets and such gain constitutes patronage sourced gain, and assuming that the Cooperative remains taxable as a cooperative. The newly issued shares, on the other hand, will have their tax basis to offset against their distribution.

Earnings per Share

A reconciliation of net income from continuing operations and common stock share amounts used in the calculation of basic and diluted earnings per share (EPS) for the years ended August 31 are as follows:

	<u>Net Income</u>	<u>Weighted Average Shares Outstanding</u>	<u>Per Share Amount</u>
2011			
Basic EPS	\$ 16,578,249	185,860,631	\$ 0.089
Effects of dilutive securities			
Exercise of stock units	-	-	-
	<u>\$ 16,578,249</u>	<u>185,860,631</u>	<u>\$ 0.089</u>
2010			
Basic EPS	\$ 34,864,467	185,687,319	\$ 0.188
Effects of dilutive securities			
Exercise of stock units	-	-	-
	<u>\$ 34,864,467</u>	<u>185,687,319</u>	<u>\$ 0.188</u>

Stock options for 55,000 and 220,000 shares for 2011 and 2010, respectively, were not included in the calculation of diluted EPS because their effects would be anti-dilutive.

Prepaid Non-Qualified Unit Retain

In October 2008, the Cooperative approved and authorized an additional direct capital investment into Glacial Lakes Corn Processors from a retain on a per unit basis equal to \$0.06 per share of common stock to be paid to Glacial Lakes Corn Processors from its members. The Cooperative designated the unit retain as a non-qualified per unit retain, and established the non-qualified per unit retain as a prepaid unit retain, due and payable immediately. The unit retain ranks in priority ahead of fiscal year 2006 allocated capital reserve, but behind common stock and related additional paid in capital.

On January 28, 2009, the Cooperative terminated the membership relating to 2,807,500 shares on which the unit retain was not paid. These shares were converted to nonvoting certificates of interest at the \$1,262,166 face amount equal to the value of the consideration for which the common stock had originally been issued. The nonvoting certificates of interest are non-transferable. The Cooperative has no obligation to redeem such nonvoting certificates of interest and the members' right and obligation to deliver corn under the delivery agreement was terminated. Further, the nonvoting certificates of interest do not participate in future dividends from GLCP.

On August 31, 2010, the Cooperative declared and accrued distributions of \$11,133,189 to repay the prepaid non-qualified unit retain. These distributions were paid during fiscal year 2011.

Note 17 - Subsequent Events

The Cooperative held segregated customer accounts with MF Global Inc. for clearing and settling of commodity transactions through their broker, the Linn Group. On October 31, 2011, MF Global Holdings Ltd, the parent of MF Global Inc., filed a petition for Chapter 11 Bankruptcy, at which time the Chicago Mercantile Exchange (CME Group) suspended MF Global Inc. as a clearing member. That same day, the Securities Investor Protection Corporation applied for the appointment of a trustee under the Securities Investors Protection Act (SIPA Trustee). James Giddens was appointed by the District Court for the Southern District of New York. The SIPA Trustee continues to manage the liquidation of MF Global, Inc.

At the time of the bankruptcy declaration, the Cooperative had open trading positions with total account equity of \$2,462,152. The SIPA Trustee sought authority from the bankruptcy court to transfer all open positions and seventy-five (75%) of the maintenance margin requirement for those positions from MF Global, Inc. to other futures commission merchants or clearinghouses. As of the November 4th market close, our positions were transferred from MF Global, Inc. to Rosenthal Collins Group. The amount of transfer to Rosenthal Collins Group was frozen from withdrawal by the CME Group. At the time of transfer, our account equity with MF Global, Inc. was \$2,175,191. The amount transferred to Rosenthal Collins Group was \$1,441,491. The amount remaining in the SIPA liquidation under the control of the SIPA Trustee is \$733,700. The estimate of the possible range of loss on the amount remaining in the SIPA liquidation is \$0 - \$733,700. At this time, the Cooperative does not expect a material impact to the consolidated financial statements with respect to the foregoing bankruptcy.

Under the Bankruptcy Code, a debtor or trustee may, under certain circumstances, avoid and recover for the debtor certain payments made to creditors within 90 days prior to the filing of the bankruptcy petition. In the 90 days prior to the bankruptcy petition, the Cooperative remitted \$7.3 million to its segregated customer account with MF Global, Inc. and withdrew \$12.0 million. The Bankruptcy Code provides various defenses to such avoidance actions, including but not limited to payments that were made in the ordinary course of business. Also, withdrawals of funds from segregated customer accounts may not be subject to this avoidance.

The Cooperative has evaluated subsequent events through November 18, 2011, the date which the consolidated financial statements were available to be issued.



Supplementary Information
August 31, 2011 and 2010

Glacial Lakes Corn Processors

Independent Auditor's Report on Supplementary Information

The Board of Directors
Glacial Lakes Corn Processors
Watertown, South Dakota

We have audited the consolidated financial statements of Glacial Lakes Corn Processors as of and for the years ended August 31, 2011 and 2010 and have issued our report thereon dated November 18, 2011, which expressed an unqualified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 34 and 35 is presented for purposes of additional analysis of the consolidated financial statements, rather than to present financial position, results of operations, and cash flows of the individual companies, and it 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 consolidating information has been subjected to the auditing procedures applied in the audit 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 prepared the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information on pages 34 and 35 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Eide Bailly LLP

Minneapolis, Minnesota
November 18, 2011

Glacial Lakes Corn Processors
Consolidating Balance Sheet
Year Ended August 31, 2011

	Glacial Lakes Corn Processors	Glacial Lakes Energy, LLC	Aberdeen Energy, LLC	Missouri Valley Energy, LLC	Total	Eliminations	Consolidated
Assets							
Current Assets							
Cash and cash equivalents	\$ 462,093	\$ 6,538,500	\$ 6,961,281	\$ -	\$ 13,961,874	\$ -	\$ 13,961,874
Receivables	8,643	14,950,077	13,996,709	-	28,955,429	(1,474,263)	27,481,166
Derivative financial instruments	-	-	1,203,913	-	1,203,913	-	1,203,913
Inventories	-	14,734,974	12,123,784	-	26,858,758	-	26,858,758
Margin deposits	-	6,329,683	7,789,831	-	14,119,514	-	14,119,514
Prepaid expenses	-	1,063,430	778,251	-	1,841,681	-	1,841,681
Total current assets	<u>470,736</u>	<u>43,616,664</u>	<u>42,853,769</u>	<u>-</u>	<u>86,941,169</u>	<u>(1,474,263)</u>	<u>85,466,906</u>
Investments	134,103,506	11,509,301	-	-	145,612,807	(134,103,506)	11,509,301
Debt Issuance Costs, Net	-	269,140	325,355	-	594,495	-	594,495
Other Assets	-	77,500	-	-	77,500	-	77,500
Income tax receivable	2,109,574	-	-	-	2,109,574	-	2,109,574
Property and Equipment, Net	-	66,015,488	105,638,258	1,392,000	173,045,746	-	173,045,746
	<u>\$ 136,683,816</u>	<u>\$ 121,488,093</u>	<u>\$ 148,817,382</u>	<u>\$ 1,392,000</u>	<u>\$ 408,381,291</u>	<u>\$ (135,577,769)</u>	<u>\$ 272,803,522</u>
Liabilities and Stockholders' Equity							
Current Liabilities							
Current maturities of long-term debt	\$ -	\$ 9,244,786	\$ 10,233,948	\$ -	\$ 19,478,734	\$ -	\$ 19,478,734
Current maturities of interest rate swaps	-	245,947	307,433	-	553,380	-	553,380
Derivative financial instruments	-	4,063,788	3,891,090	-	7,954,878	-	7,954,878
Accounts payable	11,429	5,084,674	5,241,619	-	10,337,722	(1,474,263)	8,863,459
Accrued expenses	-	2,245,942	2,207,515	-	4,453,457	-	4,453,457
Total current liabilities	<u>11,429</u>	<u>20,885,137</u>	<u>21,881,605</u>	<u>-</u>	<u>42,778,171</u>	<u>(1,474,263)</u>	<u>41,303,908</u>
Long-Term Liabilities							
Long-term debt, less current maturities	-	35,100,136	53,347,511	-	88,447,647	-	88,447,647
Interest rate swaps, less current maturities	-	2,193,373	2,907,388	-	5,100,761	-	5,100,761
Deferred income taxes	2,840,100	-	-	-	2,840,100	-	2,840,100
Other	-	654,309	624,509	-	1,278,818	-	1,278,818
Total long-term liabilities	<u>2,840,100</u>	<u>37,947,818</u>	<u>56,879,408</u>	<u>-</u>	<u>97,667,326</u>	<u>-</u>	<u>97,667,326</u>
Total liabilities	<u>2,851,529</u>	<u>58,832,955</u>	<u>78,761,013</u>	<u>-</u>	<u>140,445,497</u>	<u>(1,474,263)</u>	<u>138,971,234</u>
Stockholders' Equity	<u>133,832,287</u>	<u>62,655,138</u>	<u>70,056,369</u>	<u>1,392,000</u>	<u>267,935,794</u>	<u>(134,103,506)</u>	<u>133,832,288</u>
	<u>\$ 136,683,816</u>	<u>\$ 121,488,093</u>	<u>\$ 148,817,382</u>	<u>\$ 1,392,000</u>	<u>\$ 408,381,291</u>	<u>\$ (135,577,769)</u>	<u>\$ 272,803,522</u>

Glacial Lakes Corn Processors
Consolidating Statement of Operations
Year Ended August 31, 2011

	Glacial Lakes Corn Processors	Glacial Lakes Energy, LLC	Aberdeen Energy, LLC	Missouri Valley Energy, LLC	Total	Eliminations	Consolidated
Revenue							
Product sales	\$ -	\$ 298,420,485	\$ 293,758,100	\$ -	\$ 592,178,585	\$ -	\$ 592,178,585
Service revenue	-	435,174	-	-	435,174	-	435,174
Government incentive revenue	-	416,667	-	-	416,667	-	416,667
Total revenue	<u>-</u>	<u>299,272,326</u>	<u>293,758,100</u>	<u>-</u>	<u>593,030,426</u>	<u>-</u>	<u>593,030,426</u>
Cost of Goods Sold	<u>-</u>	<u>281,927,681</u>	<u>282,920,903</u>	<u>-</u>	<u>564,848,584</u>	<u>-</u>	<u>564,848,584</u>
Gross Profit	-	17,344,645	10,837,197	-	28,181,842	-	28,181,842
General and Administrative Expenses	<u>539,998</u>	<u>3,048,764</u>	<u>3,091,325</u>	<u>-</u>	<u>6,680,087</u>	<u>-</u>	<u>6,680,087</u>
Operating Income (Loss)	<u>(539,998)</u>	<u>14,295,881</u>	<u>7,745,872</u>	<u>-</u>	<u>21,501,755</u>	<u>-</u>	<u>21,501,755</u>
Other Income (Expense)							
Interest expense	-	(2,471,217)	(3,571,592)	-	(6,042,809)	-	(6,042,809)
Interest income	4,137	87,374	79,812	-	171,323	-	171,323
Equity in earnings of unconsolidated affiliates	-	2,022,473	-	-	2,022,473	-	2,022,473
Equity in earnings of consolidated subsidiaries	17,904,950	-	-	-	17,904,950	(17,904,950)	-
Other income (expense), net	9,030	(98,816)	(184,837)	-	(274,623)	-	(274,623)
Total other income (expense)	<u>17,918,117</u>	<u>(460,186)</u>	<u>(3,676,617)</u>	<u>-</u>	<u>13,781,314</u>	<u>(17,904,950)</u>	<u>(4,123,636)</u>
Income Before Income Taxes	17,378,119	13,835,695	4,069,255	-	35,283,069	(17,904,950)	17,378,119
Income tax expense	<u>(799,870)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(799,870)</u>	<u>-</u>	<u>(799,870)</u>
Net Income	<u>\$ 16,578,249</u>	<u>\$ 13,835,695</u>	<u>\$ 4,069,255</u>	<u>\$ -</u>	<u>\$ 34,483,199</u>	<u>\$ (17,904,950)</u>	<u>\$ 16,578,249</u>