UNITED WISCONSIN GRAIN PRODUCERS, LLC

Friesland, Wisconsin

Financial Statements and Supplementary Information

December 31, 2013 and 2012

UNITED WISCONSIN GRAIN PRODUCERS, LLC

C O N T E N T S

BOULAY

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members
of United Wisconsin Grain Producers, LLC

We have audited the accompanying financial statements of United Wisconsin Grain Producers, LLC (the "Company"), which comprises the balance sheets as of December 31, 2013 and 2012, and the related statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Wisconsin Grain Producers, LLC as of December 31, 2013 and 2012, 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.

Boulay PLLP

Certified Public Accountants

Minneapolis, Minnesota
February 20, 2014

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UNITED WISCONSIN GRAIN PRODUCERS, LLC

Balance Sheets

ASSETS		**December 31, 2013**		**December 31, 2012**
Current Assets				
Cash	$	21,601,736	$	25,802,042
Restricted cash - commodity margin account		1,003,521		217,906
Commodity derivative instruments		819,450		1,021,525
Short-term investments		7,500,000		-
Accounts receivable, net of allowance for doubtful accounts of approximately $34,000 and $20,000, respectively		5,814,620		5,461,975
Prepaid expenses and other current assets		440,637		342,746
Inventory		4,387,707		4,526,047
Total current assets		41,567,671		37,372,241
Property, Plant, and Equipment, net		25,524,842		29,788,069
Total Assets	$	67,092,513	$	67,160,310
LIABILITIES AND MEMBERS' EQUITY				
Current Liabilities				
Accounts payable	$	4,857,255	$	3,269,675
Accrued liabilities		791,179		416,038
Commodity derivative instruments		278,481		270,600
Total current liabilities		5,926,915		3,956,313
Members' Equity, 28,346 multiple class units authorized, issued, and outstanding		61,165,598		63,203,997
Total Liabilities and Members' Equity	$	67,092,513	$	67,160,310

Notes to the Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Statements of Operations

	Year Ended December 31, 2013	Year Ended December 31, 2012
Revenues	$ 162,057,989	$ 161,461,224
Cost of Goods Sold	148,588,615	153,173,800
Gross Profit	13,469,374	8,287,424
Operating Expenses		
General and administrative	3,004,973	3,298,110
Impairment charge	-	887,141
Total operating expenses	3,004,973	4,185,251
Operating Income	10,464,401	4,102,173
Other Income (Expense)		
Interest income	78,274	54,129
Interest expense	(27,500)	(40,032)
Miscellaneous income	202,126	174,713
Total other income, net	252,900	188,810
Net Income	$ 10,717,301	$ 4,290,983
Weighted Average Units Outstanding - Basic and Diluted (Class A, B, C)	28,346	28,346
Net Income Per Unit - Basic and Diluted (Class A, B, C)	$ 378.09	$ 151.38
Distributions Per Unit (Class A, B, C)	$ 450.00	$ 614.00

Notes to the Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Statements of Changes in Members' Equity

Balance - December 31, 2011	$ 76,317,458
Net income for the year ended December 31, 2012	4,290,983
Member distributions	(17,404,444)
Balance - December 31, 2012	63,203,997
Net income for the year ended December 31, 2013	10,717,301
Member distributions	(12,755,700)
Balance - December 31, 2013	$ 61,165,598

Notes to Financial Statements are an integral part of this Statement.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Statements of Cash Flows

	Year Ended December 31, 2013	Year Ended December 31, 2012
Cash Flows from Operating Activities		
Net income	$ 10,717,301	$ 4,290,983
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,292,692	7,194,764
Provision for losses on accounts receivable	13,750	-
Change in fair value of commodity derivative instruments	6,262,771	4,584,243
Impairment charge	-	887,141
Changes in operating assets and liabilities:		
Restricted cash - commodity margin account	(785,615)	(18,820)
Commodity derivative instruments	(6,052,815)	(4,573,755)
Accounts receivable	(366,395)	250,817
Inventory	138,340	1,461,883
Prepaid expenses and other current assets	(97,891)	(40,338)
Accounts payable	1,587,580	29,890
Accrued liabilities	375,141	(556,965)
Net cash provided by operating activities	19,084,859	13,509,843
Cash Flows from Investing Activities		
Capital expenditures	(3,029,465)	(360,591)
Payments for short-term investments	(7,500,000)	-
Net cash used in investing activities	(10,529,465)	(360,591)
Cash Flows from Financing Activities		
Payment of member distribution	(12,755,700)	(17,404,444)
Net cash used in financing activities	(12,755,700)	(17,404,444)
Net Decrease in Cash	(4,200,306)	(4,255,192)
Cash – Beginning of Period	25,802,042	30,057,234
Cash – End of Period	$ 21,601,736	$ 25,802,042
Supplemental Cash Flow Information		
Cash paid for:		
Interest	$ 27,500	$ 40,032

Notes to the Financial Statements are an integral part of this Statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

United Wisconsin Grain Producers LLC, (the "Company") is a Wisconsin limited liability company currently operating a 60 million gallon per year ethanol plant located near the town of Friesland in the township of Randolph, Wisconsin. The Company is currently producing fuel-grade ethanol, distillers grains, and crude corn oil and sells these products domestically.

Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The Company uses estimates and assumptions in accounting for the following significant matters, among others: allowances for doubtful accounts, useful lives of property, plant, and equipment, the assumptions used in the impairment analysis of long-lived assets, the valuation of commodity derivatives, inventory costing, the valuation of inventory purchase commitments, and legal contingencies. Actual results may differ from previously estimated amounts, and such differences may be material to our financial statements. The Company periodically reviews estimates and assumptions, and the effects of revisions are reflected in the period in which the revision is made.

Revenue Recognition

Revenues from the production of ethanol and the related products are recorded when the customer has taken title and has assumed the risks and rewards of ownership, prices are fixed or determinable and collectability is reasonably assured. Title is generally assumed by the buyer at the end of the Company's shipping point. Shipping costs incurred by the Company in the sale of ethanol and ethanol related products (distillers grains and crude corn oil) are included in cost of goods sold. The Company believes there are no ethanol sales during any given month which should be considered contingent and recorded as deferred revenue.

Cash

The Company maintains its accounts primarily at one financial institution. At times throughout the year, the Company's cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. The Company does not believe it is exposed to any significant credit risk on its cash balances.

Restricted Cash

The Company has restricted cash balances relating to margin requirements with the Company's commodity derivative broker based on open commodity contracts (discussed in Note 6).

Short-Term Investments

Certificates of deposit with original maturities over three months are classified as short-term investments. At December 31, 2013, interest rates on the Company's certificates of deposits ranged from 0.35% to 1.05% and had original maturities ranging from six months to three years. Any penalties for early withdrawal would not have a material effect on the financial statements.

Accounts Receivable

Accounts receivable are recorded at their estimated net realizable value, net of an allowance for doubtful accounts. The allowance for doubtful accounts is established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on historical experience and current economic conditions. The Company extends credit to customers for sales of ethanol, distillers grains, and corn oil in the normal course of business. Credit is extended based on an on-going evaluation of a customer's financial conditions and generally no collateral is required. Accounts receivable are ordinarily due in 10 business days. If payment is not received on a timely basis in accordance with the Company's credit terms it is considered past due. Invoices that remain unpaid after 30 days may bear interest at 18% and are considered delinquent if past due over 120 days. Delinquent receivables are written off based on credit evaluation and specific circumstances of the customer. At December 31, 2013 and 2012, the Company established an allowance for doubtful accounts of approximately $34,000 and $20,000, respectively.

Inventory
Inventory is stated at the lower of weighted average cost or market. Market is based on current replacement values except that it does not exceed net realizable values and it is not less than net realizable values reduced by allowances from normal profit margin. Inventory consists of raw materials, work in process, finished goods, and spare parts. Corn is the primary raw material. Finished goods consist of ethanol, distillers grains, and corn oil.

Property, Plant, and Equipment
Property, plant, and equipment are stated at cost. Depreciation is computed over estimated useful lives by use of the straight-line method.

Asset Description	Years
Land improvements	5-20 years
Buildings	10-39 years
Plant and process equipment	5-15 years
Office equipment	5-10 years

Maintenance and repairs are expensed as incurred; major improvements and betterments are capitalized. Construction in progress expenditures will be depreciated using the straight-line method over their estimated useful lives once the assets are placed into service.

Long-Lived Assets
Long-lived assets, such as property, plant, and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset to be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques that may include, but not limited to, discounted cash flow models, quoted market values and third-party independent appraisals, as considered necessary.

Derivative Instruments
From time to time the Company enters into derivative transactions to hedge its exposures to commodity price fluctuations. The Company is required to record these derivatives in the balance sheet at fair value.

In order for a derivative to qualify as a hedge, specific criteria must be met and appropriate documentation maintained. Gains and losses from derivatives that do not qualify as hedges, or are undesignated, must be recognized immediately in earnings. If the derivative does qualify as a hedge, depending on the nature of the hedge, changes in the fair value of the derivative will be either offset against the change in fair value of the hedged assets, liabilities, or firm commitments through earnings or recognized in other comprehensive income until the hedged item is recognized in earnings. Changes in the fair value of undesignated derivatives are recorded in revenue or cost of goods sold based on the commodity being hedged.

Additionally, the Company is required to evaluate its contracts to determine whether the contracts are derivatives. Certain contracts that literally meet the definition of a derivative may be exempted as “normal purchases or normal sales.” Normal purchases and normal sales are contracts that provide for the purchase or sale of something other than a financial instrument or derivative instrument that will be delivered in quantities expected to be used or sold over a reasonable period in the normal course of business. Certain corn and distillers grains contracts that meet the requirements of normal purchases or sales are documented as normal and exempted from the accounting and reporting requirements and therefore, are not marked to market in the financial statements.

Fair Value of Financial Instruments

The Company's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adhere to the Financial Accounting Standards Board (FASB) 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 measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.

- Level 3 inputs are unobservable inputs for the asset or liability.

The carrying value of cash, restricted cash, short-term investments, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the short maturity of these instruments. The Company obtains fair value measurements from an independent pricing service for corn and ethanol contracts. The fair value measurements consider observable data that may include dealer quotes and live trading levels from the Chicago Board of Trade and New York Mercantile Exchange markets.

Except for those assets and liabilities which are required by authoritative accounting guidance to be recorded at fair value on our balance sheets, the Company has elected not to record any other assets or liabilities at fair value. No events occurred during the year ended December 31, 2013 or 2012 that required adjustment to the recognized balances of assets or liabilities, which are recorded at fair value on a nonrecurring basis.

Income Taxes

The Company is treated as a partnership for federal and state income tax purposes, and generally does not incur income taxes. Instead its earnings and losses are included in the income tax returns of its members. Therefore, no provision or liability for federal or state income taxes has been included in these financial statements. The Company had no uncertain tax positions as of December 31, 2013 or 2012. For years before fiscal 2011, the Company is no longer subject to U.S. Federal or state income tax examinations.

Environmental Liabilities

The Company's operations are subject to environmental laws and regulations adopted by various governmental authorities in the jurisdiction in which it operates. These laws require the Company to investigate and remediate the effects of the release or disposal of materials at its locations. Accordingly, the Company has adopted policies, practices and procedures in the areas of pollution control, occupational health and the production, handling, storage and use of hazardous materials to prevent material environmental or other damage, and to limit the financial liability which could result from such events. Environmental liabilities are recorded when the Company's liability is probable and the costs can be reasonably estimated. In 2013, the company was assessed an environmental penalty of approximately $164,000 which is included in operating expenses within the statements of operations for the year ended December 31, 2013 and accrued liabilities on the balance sheet at December 31, 2013. No liability or expense was recorded as of or for the year ended December 31, 2012.

Net Income per Unit

Basic net income per unit is computed by dividing net income by the weighted average number of members' units outstanding during the period. Diluted net income per unit is computed by dividing net income by the weighted average number of members' units and members' unit equivalents outstanding during the period. There were no member unit equivalents outstanding during the periods presented; accordingly, for all periods presented, the Company's basic and diluted net income per unit are the same.

Subsequent Events
The Company has evaluated subsequent events through February 20, 2014, the date the financial statements were available to be issued.

2. RISKS AND UNCERTAINTIES

The Company has certain risks and uncertainties that it experiences during volatile market conditions. These volatilities can have a severe impact on operations. The Company's revenues are derived from the sale and distribution of ethanol and distillers grains to customers primarily located in the United States. Corn for the production process is supplied to our plant primarily from local agricultural producers and from purchases on the open market. Ethanol sales average approximately 80% of total revenues and corn costs average approximately 83% of cost of goods sold.

The Company's operating and financial performance is largely driven by the prices at which it sells ethanol and the net expense of corn. The price of ethanol is influenced by factors such as supply and demand, the weather, government policies and programs, and unleaded gasoline prices and the petroleum markets as a whole. Excess ethanol supply in the market, in particular, puts downward pressure on the price of ethanol. The cost of corn is generally impacted by factors such as supply and demand, the weather, government policies and programs, and the Company's risk management program used to protect against the price volatility of these commodities.

3. CONCENTRATIONS

The Company has identified certain concentrations that are present in their business operations. In the year ending December 31, 2013, 93% of the Company's revenue from ethanol sales is derived from three customers. Sales to those customers accounted for approximately 58% of the Company's total revenues, net of derivative activity, during 2013. During 2012, the Company had ethanol sales to two customers which accounted for 48% of total revenues, net of derivative activity, Accordingly, 73% and 53% of the Company's receivables are due from those same three customers at December 31, 2013 and 2012, respectively.

4. INVENTORY

Inventory consists of the following:

	December 31, 2013	December 31, 2012
Raw materials	$ 2,069,409	$ 1,402,814
Spare parts	787,369	755,639
Work in process	442,325	694,198
Finished goods	1,088,604	1,673,396
Total	$ 4,387,707	$ 4,526,047

The Company performs a lower of cost or market analysis on inventory to determine if the market values of certain inventories are less than their carrying value, which is attributable primarily to decreases in market prices of corn and ethanol. Based on the lower of cost or market analysis, the Company did not record a lower of cost or market charge on inventories for the years ended December 31, 2013 and 2012.

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment consists of the following at:

	December 31, 2013	December 31, 2012
Land and land improvements	$ 6,238,764	$ 6,238,764
Office equipment	889,228	650,483
Buildings	2,690,178	2,690,178
Plant and process equipment	67,856,377	66,631,780
Construction in process	1,605,747	36,489
Total property, plant and equipment	**79,280,294**	**76,247,694**
Less: accumulated depreciation	53,755,452	46,459,625
Net property, plant and equipment	**$ 25,524,842**	**$ 29,788,069**

During the year ended December 31, 2012, the Company recorded an impairment charge of approximately $887,000 within the statement of operations related to costs initially capitalized on an expansion project that was placed on hold indefinitely based on the expected use of the capitalized costs upon possible reinstatement of the project. There was no impairment required during the year ended December 31, 2013.

6. DERIVATIVE INSTRUMENTS

The Company from time-to-time enters into ethanol and corn derivative instruments, which are required to be recorded as either assets or liabilities at fair value in the balance sheet. Derivatives qualify for treatment as hedges when there is a high correlation between the change in fair value of the derivative instrument and the related change in value of the underlying hedged item and when the Company formally documents, designates, and assesses the effectiveness of transactions that receive hedge accounting initially and on an on-going basis. The Company must designate the hedging instruments based upon the exposure being hedged as a fair value hedge or a cash flow hedge. While the Company does not typically designate the derivative instruments that it enters into as hedging instruments because of the administrative costs associated with the related accounting, the Company believes that the derivative instruments represent an economic hedge. The Company does not enter into financial instruments for trading or speculative purposes.

In order to reduce the risk caused by market fluctuations, the Company occasionally hedges its anticipated corn purchases and ethanol sales by entering into options and futures contracts. These contracts are used with the intention to fix the purchase price of anticipated requirements of corn in the Company's ethanol production activities and the related sales price of ethanol. The fair value of these contracts is based on quoted prices in active exchange-traded or over-the-counter markets. Although the Company believes its commodity derivative positions are economic hedges, none have been formally designated as a hedge for accounting purposes and derivative positions are recorded on the balance sheet at their fair market value, with changes in fair value recognized in current period earnings or losses. Gains and losses from ethanol related derivative instruments, including unrealized changes in the fair value of these positions, are included in the results of operations and are classified as a component of revenue. Gains and losses from corn derivative instruments, including unrealized changes in the fair value of these positions, are included in the results of operations and are classified as a component of costs of goods sold. The Company records withdrawals and payments against the trade equity of derivative instruments as a reduction or increase in the value of the derivative instruments.

As of December 31, 2013, the total notional amount of the Company's outstanding ethanol derivative instruments was approximately 3.57 million gallons that were entered into to hedge forecasted ethanol sales through February 2014. As of December 31, 2013, the total notional amount of the Company's outstanding corn derivative instruments was approximately 3.3 million bushels that were entered into to hedge forecasted corn purchases through December 2015. As of December 31, 2012, the total notional amount of the Company's outstanding ethanol derivative instruments was approximately 7.5 million gallons that were entered into to hedge forecasted ethanol sales through March 2013. As of December 31, 2012, the total notional amount of the Company's outstanding corn derivative instruments was approximately 540,000 bushels that were entered into to hedge forecasted corn purchases through July 2013. There may be offsetting positions that are not shown on a net basis that could lower the notional amount of positions outstanding as disclosed above.

The following tables provide details regarding the Company's derivative instruments at December 31, 2013, none of which are designated as hedging instruments:

	Balance Sheet Location	Assets	Liabilities
Ethanol Contracts	Commodity derivative instruments	$ 819,450	$ -
Corn Contracts	Commodity derivative instruments	-	(278,481)
Totals		$ 819,450	$ (278,481)

In addition, as of December 31, 2013, the Company maintained $1,003,521 of restricted cash related to margin requirements for the Company's commodity derivative instrument positions.

The following tables provide details regarding the Company's derivative instruments at December 31, 2012, none of which are designated as hedging instruments:

	Balance Sheet Location	Assets	Liabilities
Ethanol Contracts	Commodity derivative instruments	$ 1,021,525	$ -
Corn Contracts	Commodity derivative instruments	-	(270,600)
Totals		$ 1,021,525	$ (270,600)

The following tables provide details regarding the gains and (losses) from Company's commodity derivative instruments in statements of operations, none of which are designated as hedging instruments:

	Statement of Operations Location	Year Ended December 31, 2013	Year Ended December 31, 2012
Ethanol Contracts	Revenue	$ (7,654,059)	$ 752,163
Corn Contracts	Cost of goods sold	1,391,288	(5,336,406)
Total Loss, net		$ (6,262,771)	$ (4,584,243)

7. FAIR VALUE MEASUREMENTS

The Company obtains fair value measurements from an independent pricing service for ethanol and corn contracts. The fair value measurements consider observable data that may include dealer quotes and live trading levels from the Chicago Board of Trade ("CBOT") and New York Mercantile Exchange markets.

The following table provides information on those derivative instruments measured at fair value on a recurring basis at December 31, 2013:

	Carrying Amount in Balance Sheet December 31, 2013	Fair Value December 31, 2013	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Financial Assets: Commodity Derivative Instruments - Ethanol	$ 819,450	$ 819,450	$ 819,450	$ -	$ -
Financial Liabilities: Commodity Derivative Instruments - Corn	$ (278,481)	$ (278,481)	$ (278,481)	$ -	$ -

The following table provides information on those commodity derivative instruments measured at fair value on a recurring basis at December 31, 2012:

	Carrying Amount in Balance Sheet December 31, 2012	Fair Value December 31, 2012	Fair Value Measurement Using		
			Level 1	Level 2	Level 3
Financial Assets: Commodity Derivative Instruments - Ethanol	$ 1,021,525	$ 1,021,525	$ 1,021,525	$ -	$ -
Financial Liabilities: Commodity Derivative Instruments - Corn	$ (270,600)	$ (270,600)	$ (270,600)	$ -	$ -

8. BANK FINANCING

Revolving Line of Credit

The Company has a Revolving and Term Credit Agreement with a bank for a revolving line of credit with a maximum availability of $10,000,000. The interest rate on amounts the Company borrows under the line of credit is a variable rate equal to 0.5% over the highest US Prime Rate as published in the Wall Street Journal "Money Table" which was 3.75% at December 31, 2013 compared to 4.25% at December 31, 2012. The interest rate adjusts as and when the index rate changes. Interest is due monthly on this revolving credit facility. No prepayment fees exist on the revolving credit facility; however, the Company is required to pay a commitment fee equal to .25% per year of the average daily unused portion of the line of credit. The maturity date of the line of credit is April 1, 2014. At December 31, 2013 and December 31, 2012, the Company had no borrowings on the revolving line of credit.

Borrowing under our revolving line of credit is secured by substantially all of the assets of the Company. The revolving credit facility is subject to restrictive covenants including, but not limited to, requiring minimum financial ratios and limitations on capital expenditures, investments and distributions. As of the years ended December 31, 2013 and December 31, 2012, the Company was in compliance with these covenants.

9. OPERATING LEASE OBLIGATIONS

The Company signed a ten-year lease agreement in August 2004 with a leasing company for eighty-five covered hopper rail cars at $460 per month per rail car. The Company entered into two, five-year rental agreements in June 2010 for two wheel loaders at approximately $2,276 per month per wheel loader. Lease expense for operating leases was approximately $524,000 for both the years ending December 31, 2013 and 2012.

At December 31, 2013 the Company had the following minimum commitments for payment of operating leases:

2014	$	523,832
2015		452,864
Total	$	976,696

10. MEMBERS' EQUITY

Membership Units

The Company currently has three classes of membership units. There are 17,461 Class A units issued and outstanding, 6,867 Class B units issued and outstanding and 4,018 Class C units issued and outstanding. The voting rights of Class A units do not have any voting restrictions. The voting rights of Class B units are restricted to the election of directors and dissolution of the Company. The voting rights of Class C members are restricted to voting only on dissolution. Income, losses and distributions are allocated to all members based upon their respective percentage units held regardless of the unit classification. The total units issued and outstanding were 28,346 at both December 31, 2013 and December 31, 2012. The Company is authorized to issue an aggregate of 28,346 units subject to certain transfer restrictions as specified in the operating agreement and pursuant to applicable tax and securities laws.

Membership Distributions

In January 2012, the Board of Directors declared a cash distribution of $614 per membership unit for all classes for a total distribution of $17,404,444 to its unit holders of record on January 12, 2012. The distribution was paid to members on January 30, 2012.

In January 2013, the Board of Directors declared a cash distribution of $250 per membership unit for all classes for a total distribution of $7,086,500 to its unit holders of record on January 17, 2013. The distribution was paid to members on January 30, 2013.

In July 2013, the Board of Directors declared a cash distribution of $200 per membership unit for all classes for a total distribution of $5,669,200 to its unit holders of record on July 12, 2013. The distribution was paid to members on July 26, 2013.

In January 2014, the Board of Directors declared a cash distribution of $350 per membership unit for all classes for a total distribution of $9,921,100 to its unit holders of record on January 10, 2014. The distribution was paid to members in January 2014.

11. RELATED PARTY TRANSACTIONS

The Company incurred approximately $88,800 and $103,700 in director fees and related expenses for the years ended December 31, 2013 and 2012, respectively.

In 2013, the Company purchased approximately $4,033,000 of corn from directors and employees of the Company of which approximately $49,500 is included in accounts payable at December 31, 2013. In 2012, the Company purchased approximately $5,432,000 of corn from directors and employees of the Company of which approximately $16,000 is included in accounts payable at December 31, 2012. Related-party corn purchases were consummated on terms equivalent to those that prevail in arm's length transactions.

The Company had accounts receivable from members that totaled approximately $312,000 and $187,000 at December 31, 2013 and 2012, respectively.

12. EMPLOYEE BENEFIT PLANS

The Company has adopted a 401(k) plan which provides retirement savings options for all eligible employees. Employees meeting certain eligibility requirements can participate in the plan. The Company makes a matching contribution based on the participants' eligible wages. The Company made matching contributions of approximately $74,000 and $76,000 during the years ended December 31, 2013 and 2012, respectively. The employer matching portion has the following vesting schedule: 33% after one year of employment, 67% after two years of employment, and 100% after three years of employment. The non-vested balance that is forfeited by a terminated employee may be used to offset administrative expenses of the plan or future matching contributions by the Company.

The Company has a profit sharing employee benefit plan for all eligible employees. The plan allows for a percentage of the Company's earnings in excess of a pre-determined amount to be divided between eligible employees and payment to be made six months after it is earned to eligible employees still employed with the Company at the time of payment. The Company recorded an expense related to this plan of approximately $61,300 and $10,000 in the years ended December 31, 2013 and 2012, respectively. Approximately $61,300 and $0 is included in accrued liabilities as of December 31, 2013 and 2012, respectively.

13. COMMITMENTS AND CONTINGENCIES

Ethanol Contracts

At December 31, 2013, the Company had forward futures contracts (swaps) to sell 3.57 million gallons of ethanol for various delivery periods from January 2014 through February 2014. The prices on these contracts range from $1.75 to $2.215 per gallon.

At December 31, 2013, the Company had forward ethanol sales contracts totaling 11.25 million gallons for various delivery periods from January 2014 to December 2014. The prices on these contracts have a basis level established by the Oil Price Information Service ("OPIS") Chicago ethanol market between -$0.025 and -$0.05.

Distillers Grains Contracts

At December 31, 2013, the Company had forward dry distillers grains sales contracts totaling 42,442 tons for various delivery periods from January 2014 to September 2014 with a price range of $170 to $225 per ton. At December 31, 2013, the Company had forward modified wet distillers grains sales contracts totaling 16,669 tons for various delivery periods from January 2014 to June 2014 with a price range of $68 to $100 per ton.

Corn Oil Contracts

At December 31, 2013, the Company had forward corn oil sales contracts totaling 2.2 million pounds for various delivery periods from January 2014 to March 2014 with an average price of $0.30 per pound.

Corn, Natural Gas, and Denaturant Contracts

At December 31, 2013, the Company had forward corn purchase contracts with grain producers and dealers totaling 9.1 million bushels for various delivery periods from March 2014 to December 2015. The prices on these contracts range from $4.00 to $6.55 per bushel or have a basis level established by the CBOT futures between $-0.38 and $0.12

At December 31, 2013, the Company had forward contracts to purchase approximately 2.36 million British thermal units (MMBTU) of natural gas during the months of January 2014 through December 2014 at an average price of approximately $3.55 per MMBTU.

At December 31, 2013, the Company had forward contracts to purchase approximately 297,000 gallons of denaturant during the months of January through March 2014 at the arithmetic average of the OPIS Conway In-Well Natural Gasoline daily high and low prices for the full calendar month of date of loading plus $0.265 per net gallon.

Plant Expansion

On June 18, 2010, the Company approved $20.4 million for a feed refining project contingent on financing 80% of the project. In 2013, the Company decided to complete the previously approved feed refining project in segments, analyzing results and redefining the next phase upon completion of each segment. At this time the first phase, Selective Grind Technology (SGT), a $2 million system was approved. At December 31, 2013 the project was approximately 95% complete and the Company had spent $1.6 million. The Company subsequently began operating the SGT system on January 21, 2014.

14. LEGAL PROCEEDINGS

From time to time in the ordinary course of business, the Company may be named as a defendant in legal proceedings related to various issues, including without limitation, workers' compensation claims, tort claims, or contractual disputes.

Patent Infringement

A Complaint for Patent Infringement was filed against the Company and certain other parties on May 3, 2010 by GS CleanTech Corporation. The suit will be heard at Federal Court in Indianapolis, Indiana. The complaint seeks an award of damages representing a portion of the revenue the Company generated while allegedly infringing on its patent related to a method of corn oil production. The Company has acquired opinions from its legal counsel attesting to their beliefs that none of the claims of the patent are valid. The Company has continued to produce corn oil at the plant and management expects that the matter will be resolved prior to the end of the 2013 calendar year. The Company is unable to determine at this time if the suit will have a material adverse effect on the Company.

BOULAY

INDEPENDENT AUDITOR'S REPORT ON
SUPPLEMENTARY INFORMATION

Board of Directors
United Wisconsin Grain Producers, LLC
Friesland, Wisconsin

We have audited the financial statements of United Wisconsin Grain Producers, LLC as of and for the years ended December 31, 2013 and 2012, and our report thereon dated February 20, 2014, which expressed an unqualified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

We certify that the information noted in this supplementary information is consistent with the information derived from the audited financial statements of United Wisconsin Grain Producers and contains all information required under Wisconsin State Statute 126.13 for the year ended December 31, 2013.

Boulay PLLP

Certified Public Accountants

Minneapolis, Minnesota
February 20, 2014

Boulay 7500 Flying Cloud Drive Suite 800 Minneapolis, MN 55344 (t) 952.893.9320 (f) 952.835.7296 BoulayGroup.com

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Supplementary Information

December 31, 2013

Current Ratio

Current assets, net of excluded assets of $312,381	$ 41,255,290
Current liabilities	$ 5,926,915
Current Ratio	**6.96**

Debt to Equity Ratio

Total liabilities	$ 5,926,915
Total equity	$ 61,165,598
Debt to Equity Ratio	**0.10**

Note: The Company has excluded assets (as defined in Chapter 126.13(7) of the Wisconsin Statutes) totaling $312,381, which consists of accounts receivables from members, on its balance sheet at December 31, 2013.

Accounts receivable:	
Less than one month	$ 5,590,854
One month to six months	214,783
Six months to one year	43,015
One year and greater	-
Total accounts receivable, gross	5,848,652
Less: Allowance for doubtful accounts	(34,032)
Total accounts receivable, net	$ 5,814,620

Notes receivable:

None

The Company had unpaid obligations to grain producers and producers agents of $3,050,672 as of December 31, 2013.

See Independent Auditor's Report on Supplementary Information.

UNITED WISCONSIN GRAIN PRODUCERS, LLC

Supplementary Information

December 31, 2013

Dollar Amount Paid for (and Bushels of) Producer Grain
Procured in Wisconsin and Deferred Payment during the
FISCAL YEAR ENDED December 31, 2013

GRAIN DEALER: United Wisconsin Grain Producers, LLC

		Total Amount Paid	Deferred Payment	Total Bushels Paid For	
January	2013	$ 4,828,568.96	$2,094,610.49	758,091.18	bus.
February	2013	$ 2,717,109.30	$ 40,665.96	436,462.83	bus.
March	2013	$ 4,481,632.59	$ 11,399.25	639,332.70	bus.
April	2013	$ 3,108,085.17	$ 76,588.41	443,926.08	bus.
May	2013	$ 1,993,959.58	$ -	284,928.19	bus.
June	2013	$ 1,420,125.48	$ 91,544.44	197,411.44	bus.
July	2013	$ 3,894,241.47	$ 31,843.01	552,288.64	bus.
August	2013	$ 2,780,842.68	$ 23,386.93	416,551.41	bus.
September	2013	$ 3,357,056.99	$ -	539,308.93	bus.
October	2013	$ 4,625,317.84	$ -	821,835.29	bus.
November	2013	$ 2,752,136.10	$ -	503,318.35	bus.
December	2013	$ 2,583,993.74	$ -	490,522.25	bus.
Totals for Fiscal Year:		$38,543,069.90	$2,370,038.49	6,083,977.29	bus.

We certify that the information noted in this attachment is consistent with the information derived from the audited financial statements of United Wisconsin Grain Producers and contains all information required under Wisconsin State Statute 126.13 for the year ended December 31, 2013.

See Independent Auditor’s Report on Supplementary Information.