



approximately \$625,000, FCE remains insolvent for grain buyer licensing purposes. Thus, our conclusion is that a need for the receivership continues as the Parties work to pay all creditors.

### **Financial Report**

	<b>August</b>	<b>September</b>	<b>October</b>	<b>November</b>	<b>December</b>	<b>January</b>
<b>Cash (Common Account)</b>	\$507,785	\$555,467	\$819,097	\$352,566	\$370,752	\$434,270
<b>Cash (Receiver Account)</b>			\$30,300	\$1,311	\$56,324	\$86,625
<b>Grain Inventory</b>	\$665,340	\$154,450	\$41,275	-	-	-
<b>Inventory</b>	\$503,000	\$490,630	\$360,202	\$409,267	\$466,361	\$443,301
<b>Receivables</b>	\$410,063	\$184,585	\$181,413	\$126,857	\$142,077	\$89,947
<b>Trucking Income</b>			\$19,420	\$15,878	\$5,175	\$23,498
<b>Investments</b>	\$1,344,694	\$1,344,694	\$1,344,694	\$1,344,694	\$1,344,694	\$1,223,819
<b>Fixed Assets less Depreciation</b>	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988
<b>General Payables</b>	\$929,979	\$442,920	\$428,138	\$128,208	\$304,546	93,789
<b>Grain Payable</b>	\$1,693,500	\$1,693,500	\$1,480,407	\$1,467,627	\$1,467,627	\$1,467,627
<b>Customer Prepays</b>	\$73,100	\$60,537	\$67,893	\$35,903	\$62,375	\$124,469 <sup>1</sup>
<b>Term Loans</b>	\$2,899,601	\$2,894,601	\$2,885,940	\$2,730,940	\$2,631,868	\$1,818,177 <sup>2</sup>

### **Status of Intermediate Assets**

Per an appraisal conducted last fall, FCE owned 64 pieces of equipment with a total value of \$1,105,500. To date, six pieces of equipment have been sold with a total sale price of \$76,800.

The values reflected in the tables below were from an equipment appraisal paid for by the Bank.

#### **Equipment Sold**

<b>Equipment</b>	<b>Appraised Value</b>	<b>Sale Price</b>
1990 Top Kick Fuel Truck	\$7,500.00	\$8,000.00
2014 Brandt Auger	\$26,000.00	\$24,200.00
2018 Brandt Auger	\$34,000.00	\$35,000.00
Wilmer 500 Spreader 15	\$3,000.00	\$3,200.00
Wilmer 500 Spreader 13	\$3,000.00	\$3,200.00
Horvick 500 Spreader 14	\$3,000.00	\$3,200.00

<sup>1</sup> Only \$110 of the prepaid amount is attributable to the elevator for scale fees. The vast majority of the total amount of prepaid fees is for prepaid fertilizer from the ranch supply store and prepaid fuel.

<sup>2</sup> The term loans now consist of one bank note, two bank interest notes, and the patron bin loans.

## Equipment Remaining

Equipment	Appraised Value
2008 Pete	\$55,000.00
2006 Pete	\$45,000.00
2008 F250 Pickup	\$10,000.00
2003 Kenworth Feed Truck	\$45,000.00
2017 Wilson Grain Trailer	\$35,000.00
2015 Wilson Grain Trailer	\$30,000.00
19** PJ Flatbed Trailer	\$6,000.00
2294 Case Tractor	\$6,000.00
Toyota Forklift 8F6U-25	\$22,500.00
Feterl 10"x72' Auger	\$1,750.00
Demco 365 Gravity Wagon	\$2,500.00
1998 Semi Van Trailer	\$5,000.00
Creep Feeders	\$49,500.00
1989 Freightliner	\$20,000.00
2003 Freightliner Fert Tender	\$25,000.00
1998 Freightliner Fert Tender	\$13,000.00
2001 C7500 Fuel Truck	\$15,000.00
2005 Chevy K2500HD	\$3,500.00
2005 ChevyFLATBED	\$7,000.00
2000 Chevy K3500	\$2,500.00
1986 IHC 20' Box	\$5,000.00
Tender Trailer 8'X35'	\$6,500.00
JD 4020	\$3,000.00
IHC 1586	\$6,000.00
IHC 806	\$3,750.00
JD644E Payloader	\$15,000.00
2013 Bobcat S590	\$30,000.00
2014 Bobcat S590	\$35,000.00
Pallet Forks Skidsteer	\$500.00
JD Sweeper Skidsteer	\$3,000.00
Toyota Forklift GFG25	\$15,000.00
Feterl 12"x122' Auger	\$10,000.00
Westfield 13"x41'	\$3,000.00
JD Gator	\$4,000.00
Hustlet Mower	\$5,500.00
Box Blade	\$3,000.00

Grain Vac	\$12,500.00
1000 Water Tender	\$2,500.00
1000 Water Tender	\$2,500.00
1250 Water Tender	\$3,500.00
Miller Sprayer	\$160,000.00
Nitro 26' Toolbar	\$15,000.00
2013 Rogator	\$150,000.00
Wilmer 500 Spreader 10	\$3,000.00
Wilmer 500 Spreader 12	\$3,000.00
Wilmer 500 Spreader 11	\$3,000.00
Wilmer 500 Spreader 9	\$3,000.00
Wilmer Super 500	\$13,500.00
Wilmer Super 800	\$15,000.00
Wilmer Super 800	\$15,000.00
Wilmer Super 600	\$14,000.00
Wilmer Super 600	\$14,000.00
Wilmer 800 Spreader	\$15,000.00
Ag Systems 600 Stainless	\$15,000.00
Ag Systems 600 Stainless	\$16,000.00
Ag Systems 8000 Knife	\$3,500.00
Ag Systems 300 Knife	\$2,500.00

**Avon Community Bank**

When the Receivership was established, the amount due to Community Bank of Avon (the Bank or Community Bank) on November 15, 2021, was approximately \$1,100,000. The Bank worked with FCE and Receiver to postpone that deadline and reach an agreement. Via the agreement, the Bank collected \$352,000 and applied it to the principal and agreed to forgo any further demand of payment until the sale of the facility.

Receiver thanks the Bank for working in good faith over the last month to be flexible and understanding. The additional time negotiated with the Bank will allow for the time needed to sell the facility and equipment for the best price.

Also in December, a grain auger was sold for \$24,200 at auction. The bank had a lien on the auger, so that money went toward the debt owed to the bank.

### **Accounts Receivable**

As reflected in the Financial Report table, the accounts receivable decreased from the original amount of \$410,063 to \$89,947.

Receiver made progress on collecting one of the larger accounts receivable for which FCE had obtained a judgment in Small Claims Court in 2018. The judgment amount was \$11,732.22. Prior to the receivership, FCE had written this debt off as uncollectable. Over the past several months, Receiver took many steps to locate the individual who was believed to be residing in Minnesota and to collect on the active judgment. In December, Receiver was able to negotiate with the debtor's bank to have the bank contact the debtor and arrange payment in full. The amount will be reflected in the account balance shown in next month's report, because the check was deposited in January.

### **Other Notable Developments**

While the Receivership does not extend to the agronomy or feed store businesses, as it is limited to the grain elevator business, Receiver offers informal assistance where able to benefit all entities. Receiver assisted by negotiating with the Bank to allow FCE to keep some of the proceeds from the sale to pay producers and other creditors of FCE. If the feed store is sold, the Bank, which has a lien on the property, has agreed to take the first \$250,000 and allow FCE to keep the remainder, which we estimate will be between \$200,000 and \$250,000.

The Bank, in order to meet internal deadlines, exercised its right offset term loans past due with monies from FCE's savings account. However, as a showing of good faith, the Bank did not take the entire amount and has agreed not to do any future offsets until the sale of FCE's facilities, unless sale of machinery and equipment occurs. The amount was \$150,000 and paid off one note and dedicated the remaining to another note.

**Payments made in Ordinary Course of Business**

In the month of October, FCE made \$387,464 of payments in the ordinary course of business. The majority of that amount was for fuel and fertilizer, not attributable to the grain business. The payment detailed below did not go through Receiver, rather the payments were made by FCE and the details later provided to Receiver for this Report.

The following are payments were made by FCE in the month of December.

<b>Payment made to:</b>	<b>Amount</b>
Payroll	\$15,212
Accounting*	\$2,146
NorthWestern Energy*	\$10,162
Insurance*	\$22,342
Fertilizer^	\$164,585
Fuel^	\$134,364
Lumber*	\$8,850
Bank*	\$179,200

\*Not all of this amount is attributable to grain

^None of this amount is attributable to grain and is simply provided for informational purposes

**List of Creditors**

<b>Creditor</b>	<b>Amount owed</b>
Community Bank of Avon	\$692,201
Patrons of FCE	\$1,260,000
Producer under contract for payment	Receiver now understands this amount to be zero or close to zero.
Producers	\$1,467,627


### Plan of Action

The lease of the elevator facilities continues to generate income for FCE. At this time, the plan is to continue to sell off the equipment that FCE is no longer using and to pursue the sale of the elevator after the lease period ends in March of 2022. FCE has begun negotiating for the sale of the elevator and potentially for the sale of other facilities.

Receiver is currently researching all tax implications of the sale of the facility so that we will be prepared for any large incidental expenses and can maximize our protections against that happening.

This Court authorized first payments to producers, as well as payment of a term loan. Those payments will be reflected in upcoming reports. In addition, in the near future, Receiver anticipates the bond funds becoming available to the Public Utilities Commission and being paid out to the one producer with grain sales eligible for bond coverage.

Dated this 11 day of January 2022.



Cody Chambliss, Receiver  
South Dakota Public Utilities Commission  
500 East Capitol Avenue  
Pierre, SD 57501  
[Kristen.edwards@state.sd.us](mailto:Kristen.edwards@state.sd.us)