

STATE OF SOUTH DAKOTA)
:SS
COUNTY OF BON HOMME)

IN CIRCUIT COURT
FIRST JUDICIAL CIRCUIT

**IN THE MATTER OF
FARMERS COOPERATIVE
ELEVATOR, AVON, SOUTH
DAKOTA**

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04CIV21-037

**FEBRUARY 2022
MONTHLY UPDATE**

Cody Chambliss, Receiver for Farmers Cooperative Elevator (FCE), hereby files this Monthly Update, as required by the Court's Order Appointing Receiver. The Order requires a monthly summary of assets, liabilities, accounts receivable, accounts payable, a listing of payments made in the ordinary course of business, a listing of creditors, and plan of action.

Financial Report

	August	September	October	November	December	January	February
Cash (Common Account)	\$507,785	\$555,467	\$819,097	\$352,566	\$370,752	\$434,270	\$207,578
Cash (Receiver Account)			\$30,300	\$1,311	\$56,324	\$86,625	\$76,077
Grain Inventory	\$665,340	\$154,450	\$41,275	-	-	-	-
Inventory	\$503,000	\$490,630	\$360,202	\$409,267	\$466,361	\$443,301	\$305,551
Receivables	\$410,063	\$184,585	\$181,413	\$126,857	\$142,077	\$89,947	\$87,840
Trucking Income			\$19,420	\$15,878	\$5,175	\$23,498	\$23,655
Investments	\$1,344,694	\$1,344,694	\$1,344,694	\$1,344,694	\$1,344,694	\$1,223,819	\$1,223,819
Fixed Assets less Depreciation	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988	\$1,669,988
General Payables	\$929,979	\$442,920	\$428,138	\$128,208	\$304,546	\$93,789	\$140,024
Grain Payable	\$1,693,500	\$1,693,500	\$1,480,407	\$1,467,627	\$1,467,627	\$1,467,627	\$1,244,836
Customer Prepays	\$73,100	\$60,537	\$67,893	\$35,903	\$62,375	\$124,469 ¹	\$137,108
Term Loans	\$2,899,601	\$2,894,601	\$2,885,940	\$2,730,940	\$2,631,868	\$1,818,177 ²	\$1,683,192

Avon Community Bank

There have been no notable developments in this area in the month of January. \$129,985 from the sale of a sprayer was applied to the amount owed to the Bank.

Payments to Producers

¹ 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.

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

Pursuant to a stipulation which and Order dated January 5, 2022, initial payments were made to producers in the month of January. A total of \$222,791.45 was paid to producers. \$139,542 of that amount was paid from FCE's account at the Bank in Avon, and the remainder was paid out of the Receiver Account.

Accounts Receivable

As reflected in the Financial Report table, the accounts receivable decreased from the original amount of \$410,063 to \$87,840. Only eleven percent of that amount is over ninety days old.

Payments made in Ordinary Course of Business

In the month of January, FCE made \$154,052 of payments in the ordinary course of business. This does not include the payments made to producers, which were authorized by this Court, as those payments are not considered in the ordinary course of business. Rather, those payments are addresses separately above.

The following are payments over \$500 that were made by FCE in the month of January.

Payment made to:	Amount
Payroll	\$26,096
Interest to Patron Loans	\$8,925
SD State Treasurer*	\$1,413
Insurance*	\$6,809
NAPA^	\$510
Tires^	\$536
Fuel^	\$90,268

Golden West*	\$650
Final Payment on Spreader^	\$33,095
Bank*	\$134,985

*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 Major Creditors

Creditor	Amount owed
Community Bank of Avon	\$559,593
Patrons of FCE	\$1,260,000
Producers	\$1,244,836

Plan of Action

On January 31, this Court approved the sale of the grain elevator and assets. The plan to sell has since been approved by FCE’s Board. A patron meeting was held on February 3 to inform the public. The current lessee of FCE, Pride Grain, will be purchasing the elevator, agronomy business, and bulk fuel business. FCE will survive as a cooperative, operating the fuel (other than the bulk supply) and feed stores. The sale price will be sufficient to pay all creditors.

At this time, it is Receiver’s plan to work with FCE to finalize the sale and pay creditors, namely patron loans, producers, and bank notes. The goal is to complete the sale in early March 2022.

In addition, Receiver continues to work to collect receivables that had previously been written off and to follow up on outstanding small claims judgments in favor of FCE. This effort includes continuing to pursue FCE’s claim of over \$200,000 in a Chapter 12 Bankruptcy proceeding.

Dated this 8 day of February 2022.



Cody Chambliss, Receiver
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