

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF GEORGIA
ALBANY DIVISION

IN RE:	CASE NUMBER
Southwest Georgia Ethanol, LLC <i>dba</i> Southwest Georgia Ethanol, LLC, a FUEL Company	11-10145-JDW
DEBTOR.	JUDGE J.D. Walker
	CHAPTER 11

DEBTOR'S STANDARD MONTHLY OPERATING REPORT (BUSINESS)

FOR THE PERIOD
FROM July 1 and ending July 31, 2011

Comes now the above-named debtor and files its Monthly Operating Reports in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

/s/ Bryan E. Bates
Bryan E. Bates
MCKENNA LONG & ALDRIDGE LLP

Debtor's Address
and Phone Number:

4433 Lewis B Collins Road
Pelham, GA 31779
229-522-2822 (phone)
229-522-2824 (fax)

Attorney's Address
and Phone Number:

303 Peachtree Street, Suite 5300
Atlanta, Georgia 30308
404-527-4000 (phone)
404-527-4198 (fax)

Note: The original Monthly Operating Report is to be filed with the court and a copy simultaneously provided to the United States Trustee Office. Monthly Operating Reports must be filed by the 20th day of the following month.

For assistance in preparing the Monthly Operating Report, refer to the following resources on the United States Trustee Program Website, http://www.usdoj.gov/ust/r21/reg_info.htm

- 1) Instructions for Preparations of Debtor's Chapter 11 Monthly Operating Report
- 2) Initial Filing Requirements
- 3) Frequently Asked Questions (FAQs) <http://www.usdoj.gov/ust/>

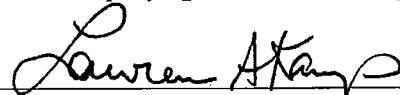
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING July 1, 2011 AND ENDING July 31, 2011

Name of Debtor: Southwest Georgia Ethanol, LLC Case Number 11-10145-JDW
 Date of Petition: February 1, 2011

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	<u>4,403,775</u> (a)	<u>2,147,489</u> (b)
2. RECEIPTS:		
A. Cash Sales	<u>27,811</u>	<u>127,142</u>
Minus: Cash Refunds	<u>(-)</u>	
Net Cash Sales	<u>27,811</u>	<u>127,142</u>
B. Accounts Receivable	<u>26,621,257</u>	<u>160,923,310</u>
C. Other Receipts (See MOR-3)	<u>33,250</u>	<u>8,960,568</u>
(If you receive rental income, you must attach a rent roll.)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	<u>26,682,318</u>	<u>170,011,020</u>
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	<u>31,086,093</u>	<u>172,158,509</u>
5. DISBURSEMENTS		
A. Advertising		
B. Bank Charges	<u>(0)</u>	<u>(3,382)</u>
C. Contract Labor	<u>(20,062)</u>	<u>(74,871)</u>
D. Fixed Asset Payments (not incl. in "N")		
E. Insurance	<u>(30,214)</u>	<u>(305,431)</u>
F. Inventory Payments (See Attach. 2)	<u>(21,832,472)</u>	<u>(141,784,074)</u>
G. Leases	<u>(163,556)</u>	<u>(570,257)</u>
H. Manufacturing Supplies	<u>(1,054,120)</u>	<u>(7,632,924)</u>
I. Office Supplies	<u>(1,896)</u>	<u>(19,962)</u>
J. Payroll - Net (See Attachment 4B)	<u>(377,965)</u>	<u>(2,053,499)</u>
K. Professional Fees (Accounting & Legal)	<u>(367,862)</u>	<u>(2,315,700)</u>
L. Rent		
M. Repairs & Maintenance	<u>(168,613)</u>	<u>(1,292,090)</u>
N. Secured Creditor Payments (See Attach. 2)	<u>(185,322)</u>	<u>(623,713)</u>
O. Taxes Paid - Payroll (See Attachment 4C)		
P. Taxes Paid - Sales & Use (See Attachment 4C)		
Q. Taxes Paid - Other (See Attachment 4C)		
R. Telephone - Computer Service	<u>(2,213)</u>	<u>(13,717)</u>
S. Travel & Entertainment	<u>(3,918)</u>	<u>(23,715)</u>
Y. U.S. Trustee Quarterly Fees	<u>(30,000)</u>	<u>(60,000)</u>
U. Utilities	<u>(1,756,832)</u>	<u>(9,215,247)</u>
V. Vehicle Expenses		
W. Other Operating Expenses (See MOR-3)		<u>(1,078,879)</u>
6. TOTAL DISBURSEMENTS (Sum of 5A thru W)	<u>(25,995,045)</u>	<u>(167,067,461)</u>
7. ENDING BALANCE (Line 4 Minus Line 6)	<u>5,091,048</u> (c)	<u>5,091,048</u> (c)

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief.

This 20th day of August 20, 2011.



Lawrence A Kamp - CFO SWGE

- (a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.
- (b) This figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
- (c) These two amounts will always be the same if form is completed correctly.

MONTHLY SCHEDULE OF RECEIPTS AND DISBURSEMENTS (cont'd)

Detail of Other Receipts and Other Disbursements

OTHER RECEIPTS:

Describe Each Item of Other Receipt and List Amount of Receipt. Write totals on Page MOR-2, Line 2C.

<u>Description</u>	<u>Current Month</u>	<u>Cumulative Petition to Date</u>
WestLB DIP Loan		\$8,700,000
McKenna Long & Aldridge		50,000
Morgan Keegan		50,000
Chata Biosystems, Inc.		2,747
Schnitzer Southeast		4,180
United States Treasury		107
Sheraton West Des Moines		60
Central States		4,418
One Earth Energy	6,250	75,000
Erail Commerce LLC	27,000	74,056
TOTAL OTHER RECEIPTS	\$33,250	\$8,960,568

“Other Receipts” includes Loans from Insiders and other sources (i.e. Officer/Owner, related parties directors, related corporations, etc.). Please describe below:

<u>Loan Amount</u>	<u>Source of Funds</u>	<u>Purpose</u>	<u>Repayment Schedule</u>

OTHER DISBURSEMENTS:

Describe Each Item of Other Disbursement and List Amount of Disbursement. Write totals on Page MOR-2, Line 5W.

<u>Description</u>	<u>Current Month</u>	<u>Cumulative Petition to Date</u>
City of Camilla (Natural Gas Deposit)		\$728,879
Georgia Power		\$350,000
TOTAL OTHER DISBURSEMENTS	\$	\$1,078,879

NOTE: Attach a current Balance Sheet and Income (Profit & Loss) Statement.

Line 5K, MOR-2, Payments to Professionals: Bank Group Professionals	\$170,923
Committee	15,134
Debtor	181,805

Southwest Georgia Ethanol
Rolling Balance Sheets 2011
 For the Ten Months Ending July 31, 2011

	07/31/11	06/30/11	05/31/11	04/30/11	03/31/11	02/28/11	01/31/11	12/31/10	11/30/10	10/31/10
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD	YTD
ASSETS										
Cash & Equivalents	\$6,614,187	\$5,927,724	\$6,895,020	\$5,652,879	\$4,742,163	\$4,296,885	\$425,861	(\$185,961)	\$2,503,314	\$1,284,391
Accounts Receivable	8,944,743	7,757,597	5,401,815	8,880,181	6,844,329	8,984,457	6,176,739	6,511,757	8,798,362	8,535,626
Inventory	16,869,929	10,988,251	14,239,989	12,304,115	15,700,496	11,970,695	12,229,994	9,856,789	11,025,368	9,075,962
Other Current Assets	105,199	117,385	133,237	149,089	164,941	180,793	196,645	157,497	173,349	172,131
Fixed Assets, net	140,531,135	141,082,359	141,800,044	142,526,581	143,253,121	143,980,636	144,708,475	145,420,442	146,145,383	146,869,296
Intangibles & Other Assets	(425,501)	(425,501)	(375,501)	(325,501)	(275,501)	(225,501)	(410,071)	(420,968)	3,057,451	3,033,086
Intercompany (DITDF)	(546,585)	(546,585)	(546,585)	(546,585)	(375,528)	(484,528)	(234,527)	(291,742)	(301,145)	(172,831)
Total Assets	\$172,093,107	\$164,901,230	\$167,548,019	\$168,640,759	\$170,054,021	\$168,703,436	\$163,093,116	\$161,047,814	\$171,402,083	\$168,797,661
LIABILITIES & EQUITY										
LIABILITIES										
Accounts Payable	\$7,358,058	\$6,940,374	\$6,877,690	\$7,069,324	\$7,961,986	\$7,581,670	\$6,913,175	\$3,454,642	\$3,254,643	\$1,757,155
Accrued Expenses	10,886,069	6,197,945	6,628,739	6,290,157	5,455,460	6,845,509	4,960,143	5,449,994	10,519,391	8,943,941
Other Current Liabilities	21,099,991	21,099,991	21,099,991	21,099,991	21,099,991	21,099,991	21,099,991	21,099,991	20,034,129	20,034,129
Long Term Debt	112,826,583	112,867,018	112,806,860	112,864,168	112,897,778	108,637,401	103,670,624	103,889,781	103,947,214	104,214,514
Deferred Revenue										
Total Liabilities	\$152,170,701	\$147,105,328	\$147,413,281	\$147,323,640	\$147,415,215	\$144,164,571	\$136,643,932	\$133,894,408	\$137,755,378	\$135,361,161
EQUITY										
Capital	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827	\$69,611,827
Retained Earnings	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)	(36,975,872)
YTD P&L	(12,713,549)	(14,840,053)	(12,501,216)	(11,318,835)	(9,997,148)	(8,097,090)	(6,186,771)	(5,482,549)	1,010,750	800,545
Total Equity	\$19,922,406	\$17,795,902	\$20,134,739	\$21,317,119	\$22,638,807	\$24,538,865	\$26,449,184	\$27,153,405	\$33,646,705	\$33,436,500
Total Liabilities & Equity	\$172,093,107	\$164,901,230	\$167,548,019	\$168,640,759	\$170,054,021	\$168,703,436	\$163,093,116	\$161,047,814	\$171,402,083	\$168,797,661

Southwest Georgia Ethanol

Profit and Loss Statement

For the Ten Months Ending July 31, 2011

	07/31/10			07/31/10		
	Month	Month	Month	YTD	YTD	YTD
	2011	2010	2009	2011	2010	2009
Revenue:						
-Ethanol	\$22,562,426	\$12,628,700	\$11,417,451	\$210,460,149	\$139,776,074	\$109,306,942
-DDG	5,302,318	2,948,915	2,466,458	48,962,837	26,500,829	24,532,450
-WDG	376,334	85,597	30,006	4,179,606	1,392,260	299,599
-CO2	128,610	26,392		1,151,680	26,392	
-Drying Income	129,262	40,443	184,240	137,323	44,889	184,240
-Other Income					8,573	
-Subleased Rail Cars	33,250			46,207	293,750	
- Write Offs/Returns & Allowances						(844)
Total Revenue	\$28,532,199	\$15,730,047	\$14,098,155	\$264,937,801	\$168,042,767	\$134,322,386
COS:						
-Corn	\$19,676,687	\$12,515,147	\$10,584,326	\$212,327,202	\$116,691,167	\$106,793,233
-Chemicals & Additives	742,523	613,255	306,902	7,271,301	4,892,644	4,750,166
-Natural Gas	1,496,728	1,519,030	1,151,425	13,184,531	13,894,795	14,086,574
-Denaturant	548,196	250,366	265,392	4,412,325	3,077,573	2,273,345
-Electricity	409,015	350,094	687,277	3,420,522	2,590,451	2,883,867
-Transportation	540,694	291,340	378,015	3,451,299	3,345,622	2,670,473
-Direct Labor	247,877	235,053	4,246	2,263,771	2,234,507	39,816
-Overhead	2,102	32	11,215	9,034	69,855	105,069
-Sales Commissions	119,331	91,005	95,187	958,952	1,167,366	610,673
Total COS	\$23,783,153	\$15,865,322	\$13,483,985	\$247,298,937	\$147,963,980	\$134,213,215
Gross Margin	\$4,749,046	(\$135,275)	\$614,170	\$17,638,864	\$20,078,787	\$109,111
Controllable Expenses:						
Salaries & Benefits	\$154,067	\$158,563	\$361,408	\$1,718,673	\$1,817,174	\$3,672,978
Supplies	\$49,410	\$34,284	\$12,691	\$405,352	\$354,232	\$150,536
Gas & Oil	\$3,091	\$3,249	\$3,060	\$42,853	\$42,020	\$19,102
Travel & Entertainment	\$11,305	\$1,537	\$2,032	\$86,057	\$70,673	\$56,710
Communications	\$19,574	\$18,485	\$17,668	\$186,286	\$182,333	\$206,228
Professional Fees	\$452,816	\$76,330	\$202,342	\$3,724,592	\$1,408,803	\$2,113,027
Repairs & Maintenance	\$184,060	\$10,813	\$70,935	\$1,790,236	\$1,177,952	\$965,170
Other	\$203,442	\$162,599	\$114,984	\$2,559,821	\$2,348,140	\$615,924
Total Controllable Expenses	\$1,077,766	\$465,859	\$785,120	\$10,513,869	\$7,401,326	\$7,799,676
Net Margin	\$3,671,280	(\$601,134)	(\$170,950)	\$7,124,994	\$12,677,461	(\$7,690,504)
Other Income and Expense						
(Gain)/Loss on Disposal of Fixed Assets					\$5,815	
Other Expenses					(3,767)	12
Lease Expenses						6,962
Other Income	(\$27,284)	(\$21,078)	(\$62,185)	\$131,349	(1,488,981)	(68,727)
Total Other Income and Expense	(\$27,284)	(\$21,078)	(\$62,185)	\$131,349	(\$1,486,933)	(\$61,753)
EBITDA	\$3,698,564	(\$580,057)	(\$108,765)	\$6,993,645	\$14,164,395	(\$7,628,751)
Interest Expense (net of Interest Income)	\$845,832	\$722,066	\$723,651	\$12,420,345	\$7,229,234	\$8,768,833
Depreciation	726,228	728,311	672,251	7,286,849	7,282,641	6,722,508
Amortization						2,305,137
Total ITDA	\$1,572,060	\$1,450,377	\$1,395,902	\$19,707,194	\$14,511,875	\$17,796,478
Net Income (Loss)	\$2,126,504	(\$2,030,433)	(\$1,504,667)	(\$12,713,549)	(\$347,480)	(\$25,425,229)