

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF GEORGIA
ALBANY DIVISION

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

DEBTOR'S STANDARD MONTHLY OPERATING REPORT (BUSINESS)

FOR THE PERIOD
FROM May 1 and ending May 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/ J. Michael Levengood
J. Michael Levengood
MCKENNA LONG & ALDRIDGE LLP

Debtor's Address
and Phone Number:

Attorney's Address
and Phone Number:

4433 Lewis B Collins Road

303 Peachtree Street, Suite 5300

Pelham, GA 31779

Atlanta, Georgia 30308

229-522-2822 (phone)

404-527-4000 (phone)

229-522-2824 (fax)

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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/>

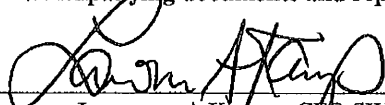
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING May 1, 2011 AND ENDING May 31, 2011**

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

	<u>CURRENT MONTH</u>	<u>CUMULATIVE PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	<u>4,230,956</u> (a)	<u>2,147,489</u> (b)
2. RECEIPTS:		
A. Cash Sales	<u>16,766</u>	<u>73,060</u>
Minus: Cash Refunds	<u>(-)</u>	
Net Cash Sales	<u>16,766</u>	<u>73,060</u>
B. Accounts Receivable	<u>33,656,567</u>	<u>106,780,460</u>
C. Other Receipts (See MOR-3)	<u>77,144</u>	<u>8,884,238</u>
(If you receive rental income, you must attach a rent roll.)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	<u>33,750,477</u>	<u>115,737,758</u>
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	<u>37,981,433</u>	<u>117,885,247</u>
5. DISBURSEMENTS		
A. Advertising		
B. Bank Charges	<u>(10)</u>	<u>(1,018)</u>
C. Contract Labor	<u>(18,967)</u>	<u>(33,560)</u>
D. Fixed Asset Payments (not incl. in "N")		
E. Insurance	<u>(26,453)</u>	<u>(249,002)</u>
F. Inventory Payments (See Attach. 2)	<u>(28,480,640)</u>	<u>(96,621,905)</u>
G. Leases	<u>(25,323)</u>	<u>(392,009)</u>
H. Manufacturing Supplies	<u>(1,300,797)</u>	<u>(5,080,207)</u>
I. Office Supplies	<u>(6,919)</u>	<u>(12,854)</u>
J. Payroll - Net (See Attachment 4B)	<u>(377,965)</u>	<u>(1,298,749)</u>
K. Professional Fees (Accounting & Legal)	<u>(129,361)</u>	<u>(895,459)</u>
L. Rent		
M. Repairs & Maintenance	<u>(292,617)</u>	<u>(812,054)</u>
N. Secured Creditor Payments (See Attach. 2)	<u>(102,356)</u>	<u>(249,672)</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>(2,505)</u>	<u>(8,852)</u>
S. Travel & Entertainment	<u>(2,550)</u>	<u>(10,477)</u>
Y. U.S. Trustee Quarterly Fees	<u>(0)</u>	<u>(30,000)</u>
U. Utilities	<u>(1,739,475)</u>	<u>(5,635,055)</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>(32,505,938)</u>	<u>(112,409,752)</u>
7. ENDING BALANCE (Line 4 Minus Line 6)	<u>5,475,495</u> (c)	<u>5,475,495</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 June, 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	4,418
One Earth Energy	31,250	31,250
Erail Commerce LLC	41,476	41,476
TOTAL OTHER RECEIPTS	\$77,144	\$8,884,238

"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	\$ 14,131
Committee	35,051
Debtor	80,179

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Departmental Income Stmt

Consolidated SWGE
 For the Eight Months Ending May 31, 2011

	Actual		Difference	Actual		Difference
	Budget			Budget		
	Month			YTD		
	05/31/11		05/31/11			
			\$			\$
Volume Summary						
<i>Ground Corn</i>	2,954,636	2,716,000	(238,636)	23,159,932	21,787,000	(1,372,932)
<i>Ethanol Production</i>	8,346,758	7,917,000	429,758	64,759,602	63,333,000	1,426,602
<i>Yield</i>	2.82	2.91		2.80	2.91	
<i>Ethanol Gallons Sold</i>	8,923,651	7,917,000	1,006,651	64,491,747	63,333,000	1,158,747
<i>DDG Tons Sold</i>	25,584	22,000	3,584	194,058	180,000	14,058
<i>WDG Tons Sold</i>	5,769	6,000	(231)	48,616	45,000	3,616
<i>CO2 Tons Sold</i>	10,308	8,308	2,000	67,017	66,462	555
Revenue:						
-Ethanol	\$24,136,191	\$15,548,000	\$8,588,191	\$163,647,164	\$124,511,000	\$39,136,164
-DDG	\$5,935,270	\$3,501,000	\$2,434,270	\$37,867,806	\$28,111,000	\$9,756,806
-WDG	\$416,409	\$251,000	\$165,409	\$3,412,283	\$2,654,000	\$758,283
-CO2	\$134,000	\$108,000	\$26,000	\$871,214	\$864,000	\$7,214
-Drying Income			\$0	\$8,060		\$8,060
Total Revenue	\$30,621,870	\$19,408,000	\$11,213,870	\$205,806,527	\$156,140,000	\$49,666,527
COS:						
-Corn	\$25,526,930	\$14,602,000	(\$10,924,930)	\$166,688,710	\$111,476,000	(\$55,212,710)
-Chemicals & Additives	\$770,289	\$534,000	(\$236,289)	\$5,625,687	\$4,272,200	(\$1,353,487)
-Natural Gas	\$1,399,645	\$1,333,000	(\$66,645)	\$10,359,492	\$10,454,000	\$94,508
-Denaturant	\$603,196	\$314,000	(\$289,196)	\$3,413,795	\$2,631,000	(\$782,795)
-Electricity	\$348,743	\$266,000	(\$82,743)	\$2,635,798	\$2,069,000	(\$566,798)
-Transportation	\$328,948	\$307,500	(\$21,448)	\$2,496,950	\$2,733,600	\$236,650
-Direct Labor	\$225,467	\$194,345	(\$31,122)	\$1,794,292	\$1,770,856	(\$23,436)
-Overhead	\$1,620	\$4,500	\$2,880	\$5,672	\$40,500	\$34,828
-Sales Commissions	\$114,965	\$100,000	(\$14,965)	\$685,739	\$800,000	\$114,261
Total COS	\$29,319,802	\$17,655,345	(\$11,664,457)	\$193,706,134	\$136,247,156	(\$57,458,978)
Gross Margin	\$1,302,068	\$1,752,655	(\$450,587)	\$12,100,393	\$19,892,844	(\$7,792,451)
Controllable Expenses:						
Salaries & Benefits	\$150,974	\$186,420	\$35,446	\$1,328,815	\$1,960,885	\$632,070
Supplies	\$22,125	\$47,200	\$25,075	\$283,142	\$377,600	\$94,458
Gas & Oil	\$3,133	\$4,300	\$1,167	\$32,764	\$34,400	\$1,636
Travel & Entertainment	\$1,960	\$10,950	\$8,990	\$57,999	\$82,200	\$24,201
Communications	\$17,895	\$18,400	\$505	\$148,570	\$147,200	(\$1,370)
Professional Fees*	\$419,831	\$50,500	(\$369,331)	\$2,279,180	\$622,000	(\$1,657,180)
Repairs & Maintenance	\$73,351	\$134,225	\$60,874	\$1,484,728	\$1,475,800	(\$8,928)
Other	\$264,452	\$277,700	\$13,248	\$2,110,737	\$2,061,900	(\$48,837)
Total Controllable Expenses	\$953,720	\$729,695	(\$224,025)	\$7,725,935	\$6,761,985	(\$963,950)
Net Margin	\$348,347	\$1,022,960	(\$674,613)	\$4,374,458	\$13,130,858	(\$8,756,400)
Other Income and Expense						
Other Income	(\$2,015)	(\$0)	\$2,015	\$301,336	\$0	(\$301,336)
Total Other Income and Expense	(\$2,015)	(\$0)	\$2,015	\$301,336	\$0	\$301,336
EBITDA	\$350,362	\$1,022,960	(\$672,598)	\$4,073,122	\$13,130,858	(\$8,455,064)
Interest Expense (net of Interest Income)**	\$806,207	\$744,500	(\$61,707)	\$10,740,048	\$5,956,000	(\$4,784,048)
Depreciation	\$726,536	\$731,953	\$5,416	\$5,834,290	\$5,855,620	\$21,330
Total ITDA	\$1,532,743	\$1,476,453	(\$56,291)	\$16,574,338	\$11,811,620	(\$4,762,718)
Net Income (Loss)	(\$1,182,381)	(\$453,492)	(\$728,888)	(\$12,501,216)	\$1,319,238	(\$13,217,782)

*Restructuring Expenses 378,845

\$2,051,851

** Writeoff of Derivative in YTD Actual

Southwest Georgia Ethanol

Balance Sheet

For the Eight Months Ending May 31, 2011

	05/31/11	04/30/11	03/31/11	02/28/11
	YTD	YTD	YTD	YTD
ASSETS				
Cash & Equivalents	\$6,895,019.87	\$5,652,878.83	\$4,742,162.72	\$4,296,884.68
Accounts Receivable	5,401,814.71	8,880,181.03	6,844,328.87	8,984,456.57
Inventory	14,239,989.06	12,304,115.13	15,700,496.07	11,970,694.57
Other Current Assets	133,237.40	149,089.40	164,941.40	180,793.40
Fixed Assets, net	141,800,044.38	142,526,580.61	143,253,121.37	143,980,635.90
Intangibles & Other Assets	(375,500.96)	(325,500.96)	(275,500.96)	(225,500.96)
Intercompany (DTDF)	(546,585.05)	(546,585.05)	(375,528.05)	(484,528.05)
Total Assets	167,548,019.41	168,640,758.99	170,054,021.42	168,703,436.11
LIABILITIES & EQUITY				
LIABILITIES				
Accounts Payable	6,877,690.25	7,069,324.44	7,961,985.82	7,581,670.25
Accrued Expenses	6,628,739.31	6,290,156.63	5,455,459.69	6,845,508.94
Other Current Liabilities	21,099,991.00	21,099,991.00	21,099,991.00	21,099,991.00
Long Term Debt	112,806,860.11	112,864,167.57	112,897,778.01	108,637,401.23
Total Liabilities	147,413,280.67	147,323,639.64	147,415,214.52	144,164,571.42
EQUITY				
Capital	69,611,826.68	69,611,826.68	69,611,826.68	69,611,826.68
Retained Earnings	(36,975,871.94)	(36,975,871.94)	(36,975,871.94)	(36,975,871.94)
YTD P&L	(12,501,216.00)	(11,318,835.39)	(9,997,147.84)	(8,097,090.05)
Total Equity	20,134,738.74	21,317,119.35	22,638,806.90	24,538,864.69
Total Liabilities & Equity	167,548,019.41	168,640,758.99	170,054,021.42	168,703,436.11