

# EXHIBIT “C”

PENDING COURT’S RULING  
ON MOTION TO FILE  
UNDER SEAL

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
Greenwood, Mississippi

**Combined Financial Statements**  
Years Ended June 30, 2020 and 2019

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Express Grain Terminals, LLC and Affiliates  
Greenwood, Mississippi

### **Report on the Financial Statements**

We have audited the accompanying combined financial statements of Express Grain Terminals, LLC and Affiliates (the "Companies") which comprise the combined balance sheets as of June 30, 2020 and 2019, and the related combined 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 combined 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 combined 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 combined 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 audits to obtain reasonable assurance about whether the combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of the Companies as of June 30, 2020 and 2019, and the results of their operations and their cash flows for the year ended June 30, 2020, in accordance with accounting principles generally accepted in the United States of America.

**OtherMatter**

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined financial statements as a whole.

*HORNE LLP*

Ridgeland, Mississippi  
February 3rd, 2021

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
Combined Balance Sheets  
June 30, 2020 and 2019

	2020	2019
<b>ASSETS</b>		
Current assets		
Cash	\$ 3,865	\$ 641,737
Accounts receivable	3,836,719	2,032,387
Inventories	11,152,795	16,820,642
Prepaid expenses	542,094	1,141,353
Biodiesel tax credit receivable	1,541,352	-
Forward contracts	1,082,155	3,394,322
Margin assets	5,802,226	4,885,976
Total current assets	23,961,206	28,916,417
Notes receivable	18,904,582	18,904,582
Property and equipment, net	72,045,339	62,284,298
Restricted cash	516,955	561,455
Total assets	\$ 115,428,082	\$ 110,666,752
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 2,409,611	\$ 1,548,940
Current maturities of long-term debt	25,390,844	3,035,488
Forward contracts	-	-
Borrowings on line-of-credit	24,662,990	20,416,820
Unpriced grain purchases	2,035,695	234,016
Deferred revenue	2,412,781	2,173,002
Accrued expenses	597,705	576,562
Total current liabilities	57,509,626	27,984,828
Note payable, related party	5,568,680	3,485,965
Long-term debt, less current maturities	27,366,202	52,370,301
Total liabilities	90,444,507	83,791,094
Members' equity	24,983,574	26,875,658
Total liabilities and members' equity	\$ 115,428,082	\$ 110,666,752

See accompanying notes to combined financial statements.

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
Combined Statement of Operations  
Years Ended June 30, 2020 and 2019

	2020	2019
Net sales	\$ 113,243,623	\$ 141,471,072
Cost of goods sold	92,136,896	122,126,779
Gross margin	21,106,727	19,344,293
Operating expenses		
Depreciation & amortization expense	7,406,430	3,993,901
Other operating expenses	13,537,451	9,468,469
Total operating expenses	20,943,881	13,462,370
Operating income (loss)	162,846	5,881,923
Other income (expense)		
Other income	207,006	231,109
Interest expense	(2,261,936)	(3,870,455)
Total other expense	(2,054,930)	(3,639,346)
Net income (loss)	\$ (1,892,084)	\$ 2,242,577

See accompanying notes to combined financial statements.

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
Combined Statement of Members' Equity  
Years Ended June 30, 2020 and 2019

	<b>Members' Equity</b>
Balance, July 1, 2018	\$ 24,133,082
Net income	2,242,577
Contributions	<u>500,000</u>
Balance, June 30, 2019	26,875,658
Net loss	<u>(1,892,084)</u>
Balance, June 30, 2020	<u><u>\$ 24,983,574</u></u>

See accompanying notes to combined financial statements.



**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
Combined Statement of Cash Flows  
Year Ended June 30, 2020

	2020	2019
Cash flows from operating activities		
Net income (loss)	\$ (1,892,084)	\$ 2,242,577
Adjustments to reconcile net income (loss) to net cash provided by operating activities		
Depreciation and amortization	7,406,430	3,993,901
Changes in operating assets and liabilities:		
Margin asset	(916,250)	(2,007,430)
Accounts receivable	(1,804,332)	2,899,643
Inventories	5,667,847	1,503,390
Biodiesel tax credit receivable	(1,541,352)	-
Grain payable	1,801,679	(56,632)
Forward contracts	2,312,167	(1,334,188)
Prepaid expenses	599,259	(799,765)
Accounts payable and accrued expenses	881,814	628,748
Deferred revenue	239,779	(1,228,834)
Net cash provided by operating activities	12,754,957	5,900,354
Cash flows from investing activities		
Purchases of property and equipment	(17,167,471)	(9,014,004)
Net cash used in investing activities	(17,167,471)	(9,014,004)
Cash flows from financing activities		
Net decrease in borrowings on line-of-credit	4,246,170	(1,143,771)
Proceeds from long-term borrowings	497,199	-
Proceeds from related-party borrowings	2,132,715	3,435,965
Principal payment on long-term borrowings	(3,053,442)	(262,021)
Payment of debt issuance costs Members' contributions	(92,500)	-
	-	500,000
Net cash provided by (used in) financing activities	3,730,142	2,530,173
Increase (decrease) in cash and restricted cash	(682,372)	(583,477)
Cash and restricted cash at beginning of year	1,203,192	1,225,214
Cash and restricted cash at end of year	\$ 520,820	\$ 641,737
Noncash investing and financing activities		
Notes payable for equipment	\$ 245,604	\$ 42,850
Supplemental disclosures of cash flow information		
Cash paid for interest	\$ 2,474,753	\$ 3,764,529

See accompanying notes to combined financial statements.

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

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**Note 1. Nature of Business and Significant Accounting Policies**

Description of Business and Principles of Combination

Express Grain Terminals, LLC, ("EGT"), a limited liability company, is a registered grain storage facility with its primary operations in Greenwood and Sidon, Mississippi. EGT specializes in buying and selling soybeans, soybean oil, wheat and feed. EGT mills soybeans at its Greenwood facility. The products produced from the milling process include soybean oil, soybean meal and soybean hulls. In addition, the Greenwood facility produces biodiesel utilizing soybean oil from the milling process.

The accompanying combined financial statements include the accounts of EGT, as well as the accounts of Express Biodiesel, LLC ("Express Biodiesel"), Express Processing, LLC ("EGT Processing") and its 95 percent owned subsidiary, EGT Leverage Lender, LLC ("Leverage Lender") (collectively, the "Companies"). EGT Processing and Leverage Lender were formed in 2015 and Express Biodiesel was formed in 2018 in connection with EGT's New Markets Tax Credit ("NMTC") Financing as more fully described in Note 7. EGT and these entities share similar ownership. All significant intercompany balances and transactions have been eliminated in combination.

Plan of Operation

EGT continues to invest in its Greenwood facility. After a brief period of operation, the biodiesel facility was idled to make process improvements and was placed back into operation in December 2019, but not operating at full capacity. The Companies utilized certain assets of their biodiesel plant in Greenwood as collateral for the long-term financing. The Companies' ability to meet their future commitments is significantly dependent upon the profitability of their Greenwood operations and ability to renew and extend its Credit Facility.

The combined financial statements have been prepared on a going concern basis of accounting, which contemplates continuity of operations, realization of assets, and satisfaction of liabilities and commitments in the normal course of business. The combined financial statements do not reflect any adjustments that might result from the outcome of the uncertainties as discussed above.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Companies' management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Specifically, the Companies' management utilizes certain techniques that require significant judgment and estimates to verify quantities on hand of its commodities inventory. Actual results could differ from those estimates.

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

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**Note 1. Continued**

**Cash and Cash Equivalents**

The Companies consider all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

**Accounts Receivable**

Accounts receivable are stated at estimated net realizable value. Management determines the allowance for doubtful accounts based on a variety of factors, including the length of time the receivables are past due, significant one-time events and historical experience. Accounts older than 30 days are generally considered past due. No interest accrues on past due accounts. Management has not recorded an allowance for doubtful accounts at June 30, 2020 or 2019.

**Inventories**

Inventories consist primarily of agricultural commodity inventories, such as wheat, soybeans, soybean oil, soybean meal, soybean hulls and biofuel that are readily convertible to cash because of their commodity characteristics, widely available markets and pricing mechanisms. All of EGT's agricultural commodity inventories are valued at net realizable value. The agricultural commodity inventories are freely traded, have quoted market prices, may be sold without significant further processing and have predictable and insignificant disposal costs. Changes in market values are recognized in earnings as a component of cost of sales. This accounting policy is in accordance with the guidelines described in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 905, *Agriculture*.

**Margin Assets**

EGT has margin deposits with a commodity brokerage firm used to acquire futures and option contracts to manage the price volatility risk of its commodity inventories and unpriced grain purchases. These contracts are recorded at market value.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation is provided on the straight-line method based on the following estimated useful lives: buildings - 39 years, equipment - 3 to 7 years, grain systems - 7 to 39 years, rail systems - 7 to 15 years and land improvements - 7 to 15 years. Major renewals or betterments that extend the useful lives of assets are capitalized. Repairs and maintenance costs are expensed as incurred.

Upon the retirement or sale of property and equipment, its cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is reflected in the operations of the current period.

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

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**Note 1. Continued**

Asset Impairments

The Companies periodically evaluate whether current facts or circumstances indicate that the carrying value of its depreciable assets to be held and used may not be recoverable. If such circumstances are determined to exist, an estimate of undiscounted future cash flows produced by the long-lived asset or the appropriate grouping of assets is compared to the carrying value to determine whether impairment exists. If an asset is determined to be impaired, the loss is measured based on the difference between the asset's fair value and its carrying value.

Notes Receivable

The notes receivable relate to Leverage Lender's receivable from a non-related entity entered into in connection with the New Markets Tax Credit financing transactions, as more fully described in Note 7. The notes bear interest at 1.08 to 1.54 percent and are carried at net realizable value. The note, maturing November 19, 2035, requires quarterly, interest only payments through March 2023 with the principal and unpaid interest due November 19, 2035. The note, maturing May 10, 2036, requires quarterly, interest only payments through May 2025 with quarterly principal and interest payments commencing September 10, 2025 through May 10, 2036.

Derivative Instruments and Hedging Activities

All of EGT's derivatives are designated as non-hedge derivatives. The futures and options contracts used by EGT are discussed in Note 6. EGT, as part of its trading activity, use futures and option contracts offered through regulated commodity exchanges. EGT is exposed to risk of loss in the market value of inventories and its unpriced grain purchases. To reduce that risk, EGT generally takes opposite and offsetting positions using futures contracts or options.

Debt Issuance Costs

Debt issuance costs represent costs to acquire debt associated with the NMTC financing, which is more fully described in Note 7, and are amortized using the straight-line method, which approximates the effective interest method, over the expected term of the related debt. Such costs are treated as a reduction of the debt proceeds.

Unpriced Grain Purchases

EGT transacts with certain of its suppliers for commodities for which a purchase price is not determined when EGT takes possession of the related commodities. Under these arrangements, suppliers determine the date for which the pricing will be determined. EGT and its suppliers utilize regulated commodity exchanges to determine pricing. Accordingly, the liability for unpriced grain purchases is recorded at its estimated fair value or estimated price to settle the obligation at June 30, 2020 and 2019.

**EXPRESS GRAIN TERMINALS, LLC  
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June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

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**Note 1. Continued**

Revenue Recognition

Sales of agricultural commodities are recognized when persuasive evidence of an arrangement exists, the price is determinable, the product has been delivered, title to the product and risk of loss transfer to the customer, which is dependent on the agreed upon sales terms with the customer and when collection of the sales price is reasonably assured. Sales terms provide for passage of title either at the time and point of shipment or at the time and point of delivery of the product being sold. Shipping and handling costs are included in cost of sales.

Deferred revenues relate to customers who prepay for products that are shipped to them over time. Revenue is recognized on these sales once title and risk of loss is transferred to the customer.

Income Taxes

Taxable income or loss of the Companies is reported on the tax returns of the members. Accordingly, no provision or liability for income taxes has been included in the financial statement of the Companies.

Fair Value Measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosure*, ("ASC 820") establishes a three-level hierarchy for fair value measurements. The hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The classification of fair value within the hierarchy is based upon the lowest level of input that is significant to the measurement. For Level 1, the valuation is based upon quoted prices for identical assets or liabilities in an active market. For Level 2, the valuation is based upon quoted prices for similar assets and liabilities in active markets or other inputs that are observable, either directly or indirectly, for substantially the full term of the financial instrument. For Level 3, the valuation is based upon other unobservable inputs that are significant to the fair value measurement.

The derivative instruments held by EGT, include forward purchase and sales contracts and futures and option contracts which are recorded at fair value. The fair value of futures contracts is determined using the commodity exchange quoted prices (Level 1 inputs). The estimated fair value of forward contracts is determined using the commodity exchange quoted prices, adjusted as appropriate for differences in the local market (Level 1 inputs). Agricultural commodity inventories are stated at market value (net realizable value). Agricultural commodity inventories reported at fair value are valued based on commodity exchange quotations or market transactions with appropriate adjustments for differences in local markets where EGT's inventories are located (Level 2).

**EXPRESS GRAIN TERMINALS, LLC  
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June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 1. Continued**

The following table presents information about the assets and liabilities recorded at fair value at June 30, 2020:

<b>Fair Value Measurements at June 30, 2020</b>				
	<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Agricultural commodity inventories	\$ -	\$ 11,152,795	\$ -	\$ 11,152,795
Margin assets	5,802,226	-	-	5,802,226
Forward contracts	1,082,155	-	-	1,082,155
Unpriced grain purchases	-	(2,035,695)	-	(2,035,695)
<b>Total</b>	<b>\$ 6,884,381</b>	<b>\$ 9,117,100</b>	<b>\$ -</b>	<b>\$ 16,001,480</b>

The following table presents information about the assets and liabilities recorded at fair value at June 30, 2019:

<b>Fair Value Measurements at June 30, 2019</b>				
	<b>Quoted Prices In Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Agricultural commodity inventories	\$ -	\$ 16,820,642	\$ -	\$ 16,820,642
Margin assets	4,885,976	-	-	4,885,976
Forward contracts	3,394,322	-	-	3,394,322
Unpriced grain purchases	-	(234,016)	-	(234,016)
<b>Total</b>	<b>\$ 8,280,789</b>	<b>\$ 16,586,626</b>	<b>\$ -</b>	<b>\$ 24,866,924</b>

The majority of the Companies' non-financial instruments, which include property and equipment, are not required to be carried at fair value on a recurring basis but are subject to fair value adjustments only in certain circumstances. If certain triggering events occur such that a non-financial instrument is required to be evaluated for impairment, any resulting asset impairment would require that the non-financial instrument be recorded at the lower of historical cost or its fair value.

**Recent Accounting Pronouncements**

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which clarifies the principles for recognizing revenue. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services

**EXPRESS GRAIN TERMINALS, LLC  
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June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 1. Continued**

to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Companies were required to adopt ASU 2014-09 as of July 1, 2019, fiscal year 2020. In June 2020, the FASB issued ASU 2020-05, *Effective Dates for Certain Entities*, which provides entities that had yet to issue financial statements reflecting the adoption of ASU 2014-09 to defer the required adoption of ASU 2014-09 for one year. As a result of the Companies' adoption of ASU 2020-05, the Companies will be required to adopt ASU 2014-09 for their 2021 annual financial statements. The Companies are currently evaluating the impact of ASU 2014-09 on the Companies' financial condition, results of operations and cash flows

In August 2017, the FASB issued ASU 2017-12, *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which expands and refines hedge accounting for both financial and non-financial risk components, aligns the recognition and presentation of the effects of hedging instruments and hedge items in the financial statements, and includes certain targeted improvements to ease the application of current guidance related to the assessment of hedge effectiveness. ASU 2017-12 is effective for the Companies for fiscal years beginning after December 15, 2019. Early adoption is permitted. The Companies have not yet evaluated the impact of this standard on its financial statements and related disclosures.

In April 2016, the FASB issued ASU 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash (a consensus of the Emerging Issues Task Force)*, which states amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning and end of year total amounts shown on the statement of cash flows. ASU 2016-18 is effective for the Companies for the fiscal year beginning July 1, 2019 and for all years presented on the financial statements. The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the combined balance sheet that sums to the total of the same such amounts shown on the combined statement of cash flows.

	June 30,	
	2020	2019
Cash and cash equivalents	\$ 3,865	\$ 641,737
Restricted cash	516,955	561,455
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 520,820	\$ 1,203,192

**EXPRESS GRAIN TERMINALS, LLC  
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June 30, 2020 and 2019**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 2. Property and Equipment**

Property and equipment consisted of the following at June 30, 2020 and 2019:

	2020	2019
Land and improvements	\$ 1,125,007	\$ 1,125,007
Buildings	1,379,640	716,863
Equipment, bins and grain systems	31,168,261	30,619,937
Oil mill facility	45,387,496	30,142,458
Biodiesel facility	17,615,576	14,194,218
Construction in progress	-	2,710,026
Total property and equipment	96,675,980	79,508,509
Less accumulated depreciation and amortization	24,630,641	17,224,211
Property and equipment, net	\$ 72,045,339	62,284,298

The Companies capitalized \$-0- and \$193,347 of interest in connection with the construction in progress in 2020 and 2019, respectively.

**Note 3. Inventories**

Inventories at June 30, 2020 and 2019 were as follows:

	2020	2019
Soybeans	\$ 887,570	\$ 9,325,047
Soybean oil	3,448,870	2,091,689
Soybean meal	4,354,425	2,484,639
Soybean hulls	103,740	525,720
Corn	354,467	2,069,700
Wheat	51,587	53,155
Feed	-	216,692
Biodiesel	402,038	-
RINs	1,505,098	-
Other	45,000	54,000
	\$ 11,152,795	\$ 16,820,642

**Note 4. Credit Facility and Long-term Debt**

EGT has a Credit Facility that provides for a maximum of \$35,000,000 in available borrowings at June 30, 2020 and 2019. Effective December 17, 2020, the Credit Facility was renewed to, among other things, increase the revolving line-of-credit limit to \$40,000,000 and increase the term loan to \$35,000,000 for the purpose of increasing working capital. The new maturity date for the line is October 31, 2021 and the term loan is December 17th 2023. However, the revolving line-of-credit may be canceled at any time, at the sole discretion of the lender. Borrowings bear interest at variable rates based on LIBOR plus the applicable margin (4.42 percent at June 30, 2020 and 4.25 percent as of December 17, 2020). Substantially all assets of EGT collateralize borrowings under the Credit Facility. At June 30, 2020, outstanding borrowings under the Revolving Loan were \$24,662,990.



**EXPRESS GRAIN TERMINALS, LLC  
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June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 4. Continued**

The following is a summary of long-term debt at June 30, 2020 and 2019:

	2020	2019
<b>JOHN DEERE FINANCIAL</b>		
Payable in monthly, interest-free payments through July 2020 \$	117,885	\$ 344,644
<b>CAT FINANCIAL</b>		
Payable in monthly, interest free payments through December 2022	149,889	-
<b>CHASE AUTO</b>		
Payable in monthly, interest free payments through November 2024	23,620	-
<b>STATE BANK NOTE</b>		
Payable in monthly, interest free payments through April 2026	31,823	-
<b>RUSTIC VENTURES, LLC NOTE A</b>		
Payable in quarterly, interest-only payments through March 2023 with the principal and unpaid interest due November 2035	3,941,006	3,941,006
<b>RUSTIC VENTURES, LLC NOTE B</b>		
Payable in quarterly, interest-only payments through March 2023 with the principal and unpaid interest due November 2035	1,938,994	1,938,994
<b>AMCREF CDE FUND 34, LLC NOTE A</b>		
Payable in quarterly, interest-only payments through March 2023 with the principal and unpaid interest due November 2035	5,441,776	5,441,776
<b>AMCREF CDE FUND 34, LLC NOTE B</b>		
Payable in quarterly, interest-only payments through March 2023 with the principal and unpaid interest due November 2035	2,605,224	2,605,224
<b>AMCREF CDE FUND 34, LLC NOTE C</b>		
Payable in quarterly, interest-only payments through March 2023 with the principal and unpaid interest due November 2035	1,153,000	1,153,000
<b>EGT STATE FUND, LLC</b>		
Payable in quarterly, interest-only payments through March 2023 with the principal and unpaid interest due November 2035	1,153,000	1,153,000

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**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 4. Continued**

	2020	2019
<b>AMCREF FUND 47, LLC LOAN A</b>		
Payable in quarterly, interest-only payments through May 2025 with principal and unpaid interest due upon maturity May 2038	\$ 3,662,000	\$ 3,662,000
<b>AMCREF FUND 47, LLC LOAN B</b>		
Payable in quarterly, interest-only payments through March 2025 with principal and interest due quarterly from June 2025 through May 2038	1,338,000	1,338,000
<b>MUNISTRATEGIES SUB-CDE#26, LLC LOAN A</b>		
Payable in quarterly, interest-only payments through May 2025 with principal and unpaid interest due upon maturity May 2038	4,706,800	4,706,800
<b>MUNISTRATEGIES SUB-CDE#26, LLC LOAN B</b>		
Payable in quarterly, interest-only payments through March 2025 with principal and interest due quarterly from June 2025 through May 2038	1,764,560	1,764,560
<b>MUNISTRATEGIES SUB-CDE#26, LLC LOAN C</b>		
Payable in quarterly, interest-only payments through March 2025 with principal and unpaid interest due upon maturity May 2025	458,640	458,640
<b>UMB TERM LOAN</b>		
Payable in quarterly, principal and interest payments of \$700,000 beginning July 1, 2019 through November 2020 with remaining principal and accrued and unpaid interest due November 2020	25,200,000	28,000,000
Debt issuance costs	(929,171)	(1,101,855)
Total long-term debt	52,757,046	55,405,789
Less current maturities	25,390,844	3,035,488
Long-term debt less current maturities	\$ 27,366,202	\$ 52,370,301

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**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 4. Continued**

Aggregate annual maturities of notes payable outstanding at June 30, 2020, are as follows:

Year Ending June 30,	Amount
2021	25,390,844
2022	73,765
2023	37,485
2024	10,632
2025	5,485
Thereafter	28,168,006
Total, excluding debt issuance costs	53,686,217
Total debt issuance costs	(929,171)
Total long-term debt	\$ 52,757,046

**Note 5. Derivatives**

EGT enters into forward purchase and sales contracts ("forward contracts") for the purchase and sale of agricultural commodity inventories. Forward contracts are recorded at fair value. Changes in the fair value of these contracts are recognized in earnings as margin gains and losses. As of June 30, 2020 and 2019, the fair value of forward contracts was \$1,082,155 and \$3,394,322, respectively. To reduce price risk fluctuations, EGT also follows a policy of using exchange-traded futures contracts to minimize its net position of merchandisable agricultural commodity inventories and forward cash purchase and sales contracts. Changes in the fair value of these investments are recognized in sales as margin gains or losses. As of June 30, 2020 and 2019, EGT's fair value of margin assets was \$5,802,226 and \$4,885,976, respectively. During 2020 and 2019, EGT recognized losses of \$2,312,167 and gains of \$1,334,188, respectively, on forward contracts. During 2020 and 2019, EGT recognized gains of \$916,250 and \$2,007,430, respectively, on margin assets. These amounts are included in cost of goods sold in the statements of operations.

Unrealized gains (losses) related to EGT's open positions on exchange traded futures contracts totaled \$(370,190) and \$(538,977) at June 30, 2020 and 2019, respectively. Management did not meet the designation and documentation requirements to account for these transactions as hedge derivatives. Accordingly, the unrealized gains are recognized in cost of goods sold in the accompanying statements of operations.

EGT considers commodities on hand less unpriced grain purchases, priced forward purchases and sales contracts, and futures contracts when evaluating its net long or short position. EGT utilizes a standard conversion to convert soybeans to soybean oil and meal and biodiesel to soybean oil. The following table summarizes the Companies net long (short) position by commodity at June 30, 2020:

Corn (bushels)	5,654
Soybean meal (tons)	65
Soybean oil (pounds)	(36,423)

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES**  
June 30, 2020 and 2019

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 6. New Markets Tax Credit Financing**

During 2015, EGT and EGT Processing executed a NMTC transaction. EGT received proceeds to be used for the purchase of specific equipment, as permitted by the NMTC program. EGT and EGT Processing also received below market interest rate loans of \$15,080,000 and \$1,153,000, bearing interest at 1.5 percent, and maturing in 2035, respectively. In addition, EGT recorded notes receivable for \$10,535,782 bearing interest at 1.5 percent, maturing in 2035. In order to comply with the NMTC program, the notes payable and notes receivable are required to be outstanding during a seven year, interest only compliance period. If certain conditions are met, EGT and EGT Processing will be able to settle the net of all the notes payable and notes receivable for a discounted amount after the compliance period.

During 2018, EGT and Express Biodiesel executed a NMTC transaction. EGT received proceeds to be used for the purchase of specific equipment, as permitted by the NMTC program. EGT and Express Biodiesel also received below market interest rate loans of \$5,000,000 and \$6,930,000, bearing interest from 1.02 to 1.54 percent and maturing in 2038. In addition, EGT recorded notes receivable for \$8,368,800 bearing interest at 1.08 percent, maturing in 2036. In order to comply with the NMTC program, the notes payable and notes receivable are required to be outstanding during a seven year, interest only compliance period. If certain conditions are met, EGT and Express Biodiesel will be able to settle the net of all the notes payable and notes receivable for a discounted amount after the compliance period. In connection with the NMTC transaction, EGT assigned assets in construction in progress of \$18,194,241 to Express Biodiesel, as of June 30, 2018. The assets transferred represent assets critical to the biodiesel operations and were placed in service in March of 2019.

Incremental costs to maintain the transaction structure during the compliance period are expensed as incurred.

Following is a summary of the assets at June 30, 2020 and 2019 resulting from the NMTC transactions:

	2020	2019
Cash (included in restricted cash)	\$ 369,455	\$ 561,455
Notes receivable from Twain Investment Fund 139, LLC	10,535,782	10,535,782
Notes receivable from Express Biodiesel Greenwood Investment Fund, LLC	8,368,800	8,638,800
Total	<u>\$ 19,274,037</u>	<u>\$ 19,736,037</u>

**EXPRESS GRAIN TERMINALS, LLC  
AND AFFILIATES  
June 30, 2020 and 2019**

**NOTES TO COMBINED FINANCIAL STATEMENTS**

**Note 7. Related Party Transactions**

EGT purchased \$0 and \$0 of inventories, in the normal course of business, from its owners during the year of June 30, 2020 and 2019, respectively. EGT had no payables to owners for inventory purchases at June 30, 2020 or 2019.

The Companies had an outstanding balance due to an owner at June 30, 2020 and 2019 of \$5,568,680 and \$3,485,965, respectively. The note payable with the related party has no stated interest rate or maturity date. The amounts are not expected to be repaid within the next twelve months and do not bear any interest.

**Note 8. Concentration of Credit Risk**

The Companies generally maintain cash on deposit at banks in excess of federally insured amounts. The amount of uninsured bank balances at risk as of June 30, 2020 totaled approximately \$520,820. The Companies have not experienced any losses in such accounts.

**Note 9. Commitments**

EGT, from time to time, enters into transactions with a third party to sell soybeans at a specific price and, simultaneously, enter into an agreement to purchase the same quantity of soybeans at a future date. The terms of the future purchase of soybeans by EGT from the third party do not include a fixed price and, therefore, no obligation has been recognized by EGT at June 30, 2020. Sales recognized by EGT under these arrangements totaled approximately \$52,392,972 for the year ended June 30, 2020.

**Note 10. Subsequent Events**

Subsequent to the balance sheet date, EGT and Leverage Lender executed a NMTC transaction. EGT received proceeds to be used for the purchase of specific equipment, as permitted by the NMTC program. EGT and Leverage Lender also received below market interest rate loans of \$8,637,200, \$8,133,133 and \$5,000,000, bearing interest rates of 1.21 percent, maturing in July 2050. In addition, Leverage Lender recorded notes receivable for \$4,850,695 and \$12,721,945. In order to comply with the NMTC program, the notes payable and notes receivable are required to be outstanding during a seven year, interest only compliance period. If certain conditions are met, EGT and Leverage Lender will be able to settle the net of all the notes payable and notes receivable for a discounted amount after the compliance period.

The Companies have evaluated subsequent events through February 3rd, 2020, the date these financial statements were available to be issued.