

**Monthly Operating Report  
ACCRUAL BASIS**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484
<b>JUDGE:</b>	Jernigan

**UNITED STATES BANKRUPTCY COURT  
NORTHERN & EASTERN DISTRICTS OF TEXAS**

**REGION 6**

**MONTHLY OPERATING REPORT**

**MONTH ENDING:**     May       2019    
                                    MONTH                                    YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

**RESPONSIBLE PARTY:**

/s/ Karen Nicolaou Chief Restructuring Officer  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY TITLE

Karen Nicolaou 06/24/2019  
PRINTED NAME OF RESPONSIBLE PARTY DATE

**PREPARER:**

/s/ Karen Nicolaou Chief Restructuring Officer  
ORIGINAL SIGNATURE OF PREPARER TITLE

Karen Nicolaou 06/24/2019  
PRINTED NAME OF PREPARER DATE

**Monthly Operating Report**  
**ACCRUAL BASIS-1**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

COMPARATIVE BALANCE SHEET		SCHEDULE AMOUNT	May 31, 2019		
<b>ASSETS</b>					
1.	UNRESTRICTED CASH		\$65,855		
2.	RESTRICTED CASH				
3.	TOTAL CASH	\$106,096	\$65,855	\$0	\$0
4.	ACCOUNTS RECEIVABLE (NET)	\$116,561	\$13,497		
5.	INVENTORY	\$1,000	\$0		
6.	NOTES RECEIVABLE				
7.	PREPAID EXPENSES	\$8,563	\$6,414		
8.	OTHER (ATTACH LIST)				
9.	TOTAL CURRENT ASSETS	\$232,220	\$85,766	\$0	\$0
10.	PROPERTY, PLANT & EQUIPMENT	\$5,952,610	\$9,590,342		
11.	LESS: ACCUMULATED DEPRECIATION/DEPLETION		(\$3,618,087)		
12.	NET PROPERTY, PLANT & EQUIPMENT	\$5,952,610	\$5,972,255	\$0	\$0
13.	DUE FROM INSIDERS				
14.	OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	Undetermined			
15.	OTHER (ATTACH LIST)				
16.	<b>TOTAL ASSETS</b>	\$6,184,830	\$6,058,021	\$0	\$0
<b>POSTPETITION LIABILITIES</b>					
17.	ACCOUNTS PAYABLE		\$11,932		
18.	TAXES PAYABLE				
19.	NOTES PAYABLE				
20.	PROFESSIONAL FEES				
21.	SECURED DEBT				
22.	OTHER (ATTACH LIST)		\$111,951		
23.	<b>TOTAL POSTPETITION LIABILITIES</b>		\$123,883	\$0	\$0
<b>PREPETITION LIABILITIES (See Note B)</b>					
24.	SECURED DEBT	\$7,930,679	\$7,972,324		
25.	PRIORITY DEBT	\$11,898	\$265,110		
26.	UNSECURED DEBT	\$3,457,698	\$2,936,331		
27.	OTHER (ATTACH LIST)				
28.	<b>TOTAL PREPETITION LIABILITIES</b>	\$11,400,276	\$11,173,765	\$0	\$0
29.	<b>TOTAL LIABILITIES</b>	\$11,400,276	\$11,297,648	\$0	\$0
<b>EQUITY</b>					
30.	PREPETITION OWNERS' EQUITY		(\$5,155,758)		
31.	POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(\$83,869)		
32.	DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33.	<b>TOTAL EQUITY</b>		(\$5,239,627)	\$0	\$0
34.	<b>TOTAL LIABILITIES &amp; OWNERS' EQUITY</b>		\$6,058,021	\$0	\$0

**In Re: Cinco Ranch Memory Care, LLC, debtor**  
**Case # 19-31484**  
**Support for MOR-1 Balance Sheet**

**May 31, 2019**

**Property, Plant, and Equipment**

Building	6,800,988
Reserves - Site Improvements	2,043
Land	2,054,000
Furniture, Fixtures & Equipment	733,310
Accumulated Depreciation	(3,618,087)
<b>Total Property, Plants, and Equipment</b>	<b><u>\$ 5,972,255</u></b>

**Post-Petition Current Liabilities**

Accrued Interest - Mortgage Loan - Post	43,033
Accrued Property/Real Estate Taxes	9,217
Accrued Payroll Liability	20,947
Deferred Revenue/Prepaid Rent	38,754
<b>Total Other Post-Petition Liabilities</b>	<b><u>111,951</u></b>

**Monthly Operating Report**  
**ACCRUAL BASIS-2**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

INCOME STATEMENT	May, 2019	MONTH	MONTH	MONTH
<b>REVENUES</b>				
1. GROSS REVENUES	\$183,985			
2. LESS: RETURNS & DISCOUNTS	\$29,876			
3. NET REVENUE	\$154,109	\$0	\$0	\$0
<b>COST OF GOODS SOLD</b>				
4. MATERIAL				
5. DIRECT LABOR	\$99,492			
6. DIRECT OVERHEAD	\$12,820			
7. TOTAL COST OF GOODS SOLD	\$112,311	\$0	\$0	\$0
8. GROSS PROFIT	\$41,798	\$0	\$0	\$0
<b>OPERATING EXPENSES</b>				
9. OFFICER / INSIDER COMPENSATION [a]	\$10,277			
10. SELLING & MARKETING	\$926			
11. GENERAL & ADMINISTRATIVE	\$9,083			
12. RENT & LEASE				
13. OTHER (ATTACH LIST)	7,417			
14. TOTAL OPERATING EXPENSES	\$27,703	\$0	\$0	\$0
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$14,095	\$0	\$0	\$0
<b>OTHER INCOME &amp; EXPENSES</b>				
16. NON-OPERATING INCOME (ATTACH LIST)				
17. NON-OPERATING EXPENSE (ATTACH LIST)				
18. INTEREST EXPENSE	\$43,033			
19. DEPRECIATION / DEPLETION	\$54,931			
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				
22. NET OTHER INCOME & EXPENSES	\$ 97,963.91	\$0	\$0	\$0
<b>REORGANIZATION EXPENSES</b>				
23. PROFESSIONAL FEES				
24. U.S. TRUSTEE FEES				
25. OTHER (ATTACH LIST)				
26. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$0	\$0
27. INCOME TAX				
28. NET PROFIT (LOSS)	(\$83,869)	\$0	\$0	\$0

[a] Includes management fees payable to TLG Family Management. Payments to The LaSalle Group Inc are not included in this line item as these are pass-through expenses for payroll and benefits

**In Re: Cinco Ranch Memory Care, LLC, debtor**  
**Case # 19-31484**  
**Support for MOR-2 Income Statement**

**May, 2019**

**Other Operating Expenses**

Accrued Property Taxes	\$ 9,217.32
Property Owners Association Dues	\$ 429.21
Bad Debt Expense	\$ 770.54
Referral Fees	\$ (3,000.00)

**Total Other Operating Expenses**

**\$ 7,417.07**

**Monthly Operating Report**  
**ACCRUAL BASIS-3**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

<b>CASH RECEIPTS AND DISBURSEMENTS</b>	<b>May-19</b>	<b>Jun-19</b>		<b>QUARTER</b>
1. CASH - BEGINNING OF MONTH	\$31,559	\$65,855	\$0	
<b>RECEIPTS FROM OPERATIONS</b>				
2. CASH SALES				\$0
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. PREPETITION				\$0
4. POSTPETITION				\$0
5. TOTAL OPERATING RECEIPTS	\$143,826	\$0	\$0	\$143,826
<b>NON-OPERATING RECEIPTS</b>				
6. LOANS & ADVANCES (ATTACH LIST)				\$0
7. SALE OF ASSETS				\$0
8. OTHER (ATTACH LIST)				\$0
9. TOTAL NON-OPERATING RECEIPTS	\$0	\$0	\$0	\$0
10. TOTAL RECEIPTS	\$143,826	\$0	\$0	\$143,826
11. TOTAL CASH AVAILABLE	\$175,385			
<b>OPERATING DISBURSEMENTS</b>				
12. NET PAYROLL	\$92,976			\$92,976
13. PAYROLL TAXES PAID				\$0
14. SALES, USE & OTHER TAXES PAID				\$0
15. SECURED / RENTAL / LEASES				\$0
16. UTILITIES	\$1,498			\$1,498
17. INSURANCE	\$7,343			\$7,343
18. INVENTORY PURCHASES				\$0
19. VEHICLE EXPENSES				\$0
20. TRAVEL				\$0
21. ENTERTAINMENT				\$0
22. REPAIRS & MAINTENANCE	\$1,368			\$1,368
23. SUPPLIES				\$0
24. ADVERTISING				\$0
25. OTHER (ATTACH LIST)	\$4,460			\$4,460
26. TOTAL OPERATING DISBURSEMENTS	\$107,645	\$0	\$0	\$107,645
<b>REORGANIZATION EXPENSES</b>				
27. PROFESSIONAL FEES				\$0
28. U.S. TRUSTEE FEES				\$0
29. OTHER (ATTACH LIST)	\$1,885			\$1,885
30. TOTAL REORGANIZATION EXPENSES	\$1,885	\$0	\$0	\$1,885
31. TOTAL DISBURSEMENTS	\$109,530	\$0	\$0	\$109,530
32. NET CASH FLOW	\$34,295	\$0	\$0	\$34,295
33. CASH - END OF MONTH	\$65,855			

**In Re: Cinco Ranch Memory Care, LLC, debtor**  
**Case # 19-31484**  
**Support for MOR-3 Cash Flow Statement**

<b>May, 2019</b>
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**Other Operating Disbursements**

Bank Analysis Fees	\$	37
Community Activities	\$	276
Reimbursable Employee Expense	\$	423
Copier Expenses/Supplies	\$	505
Management Fees	\$	2,180
Credit Card Fees	\$	1,038
<b>Other Operating Disbursements</b>	<b>\$</b>	<b><u>4,460</u></b>

**Other Reorganization Disbursements**

Utilities Adequate Protection Deposit	\$	1,885.00
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**Monthly Operating Report  
ACCRUAL BASIS-4**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	May 31, 2019	MONTH	MONTH
1. 0-30		\$10,905		
2. 31-60		\$689		
3. 61-90		\$1,976		
4. 91+		\$11,520		
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$25,091	\$0	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE		\$11,594		
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$13,497	\$0	\$0

AGING OF POSTPETITION TAXES AND PAYABLES					MONTH: <u>May 2019</u>
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL					\$0
2. STATE					\$0
3. LOCAL					\$0
4. OTHER (ATTACH LIST)					\$0
5. TOTAL TAXES PAYABLE	\$0	\$0	\$0	\$0	\$0
6. ACCOUNTS PAYABLE	\$11,932				\$11,932

STATUS OF POSTPETITION TAXES (See Note A)					MONTH: <u>May 2019</u>
FEDERAL	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING				\$0	
2. FICA-EMPLOYEE				\$0	
3. FICA-EMPLOYER				\$0	
4. UNEMPLOYMENT				\$0	
5. INCOME				\$0	
6. OTHER (ATTACH LIST)				\$0	
7. TOTAL FEDERAL TAXES	\$0	\$0	\$0	\$0	
<b>STATE AND LOCAL</b>					
8. WITHHOLDING				\$0	
9. SALES				\$0	
10. EXCISE				\$0	
11. UNEMPLOYMENT				\$0	
12. REAL PROPERTY		\$9,217	\$0	\$9,217	
13. PERSONAL PROPERTY				\$0	
14. OTHER (ATTACH LIST)				\$0	
15. TOTAL STATE & LOCAL	\$0	\$9,217	\$0	\$9,217	
16. TOTAL TAXES	\$0	\$9,217	\$0	\$9,217	

Notes

(A) Payroll is processed by the co-debtor The LaSalle Group, Inc. Payroll tax information is recorded on the MOR for The LaSalle Group, Inc.



**Monthly Operating Report**  
**ACCRUAL BASIS-5**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

**MONTH:** May 2019

<b>BANK RECONCILIATIONS</b>		Account #1	Account #2	Account #3	
<b>A. BANK:</b>	Green Bank				<b>TOTAL</b>
<b>B. ACCOUNT NUMBER:</b>	3300246744				
<b>C. PURPOSE (TYPE):</b>	Operating				
1. BALANCE PER BANK STATEMENT		\$67,222			\$67,222
2. ADD: TOTAL DEPOSITS NOT CREDITED		\$0			\$0
3. SUBTRACT: OUTSTANDING CHECKS		\$2,067			\$2,067
4. OTHER RECONCILING ITEMS					\$0
5. MONTH END BALANCE PER BOOKS		\$65,155	\$0	\$0	\$65,155
6. NUMBER OF LAST CHECK WRITTEN		3684			

<b>INVESTMENT ACCOUNTS</b>				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$0	\$0

<b>CASH</b>	
12. CURRENCY ON HAND	\$700
13. TOTAL CASH - END OF MONTH	\$65,855

**Monthly Operating Report  
ACCRUAL BASIS-6**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

MONTH: May 2019

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

<b>INSIDERS</b>			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. The LaSalle Group, Inc.	Reimbursable Payroll and Operating Expense for the benefit of Debtor	\$97,363	\$97,363
2. TLG Family Management, LLC	Accounting and Management Fees	\$2,180	\$2,180
3.			
4.			
5.			
6.	<b>TOTAL PAYMENTS TO INSIDERS</b>	<b>\$99,543</b>	<b>\$99,543</b>

<b>PROFESSIONALS</b>					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. Harney Partners, CRO/FA					
2. Crowe & Dunlevy, PC					
3. Donlin Recano & Company					
4.					
5.					
6.	<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Monthly Operating Report  
ACCRUAL BASIS-7**

<b>CASE NAME:</b>	In Re: Cinco Ranch Memory Care, LLC, debtor
<b>CASE NUMBER:</b>	19-31484

**MONTH:** May 2019

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

4. Pre-Petition payments include \$352.29 to Verizon Wirelss, \$797.68 to Cinco Mud #12, and \$504.90 to Copeco, Inc. Debtor is working to with these vendors to have the amounts applied to post-petition invoices.  
Westfield Bank FSA was paid \$4,841.17 for Insurance Premium Financing Agreement approved by the Court.

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

All Insurance and Employee Related Insurance Policies are written through The LaSalle Group, Inc.

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
General Liability/ Professional Liability/ Employee Benefits Liability (Multi State)	Columbia Casualty Company (CNA)	6/30/2018 -6/30/2019	\$4871.17 Monthly
Automobile	Transportation InsuranceCompany (CNA)	6/30/2018 -6/30/2019	\$4871.17 Monthly
Umbrella	Columbia Casualty Company (CNA)	6/30/2018 -6/30/2019	\$4871.17 Monthly
Property	AmRisc (Broker)	6/30/2018 -6/30/2019	\$4871.17 Monthly
Directors & Officers	HCC Specialty Ins Co	6/30/2018 -6/30/2019	\$4871.17 Monthly
Commercial Crime	Travelers Casualty and Surety Company of America	6/30/2018 -6/30/2019	\$4871.17 Monthly

*Note: Debtors are in the process of renewing insurance coverages and premium finance agreement, amount of monthly payments are subject to change.*