

**Monthly Operating Report
ACCRUAL BASIS**

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

**UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS
REGION 6**

MONTHLY OPERATING REPORT

MONTH ENDING: June 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 08/02/2019
PRINTED NAME OF RESPONSIBLE PARTY DATE

PREPARER:

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

Karen Nicolaou 08/02/2019
PRINTED NAME OF PREPARER DATE

Monthly Operating Report
ACCRUAL BASIS-1

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

COMPARATIVE BALANCE SHEET		SCHEDULE AMOUNT	May 31, 2019	June 30, 2019	
ASSETS					
1.	UNRESTRICTED CASH		\$65,855	\$100,425	
2.	RESTRICTED CASH				
3.	TOTAL CASH	\$106,096	\$65,855	\$100,425	\$0
4.	ACCOUNTS RECEIVABLE (NET)	\$116,561	\$13,497	\$1,818	
5.	INVENTORY	\$1,000	\$0	\$0	
6.	NOTES RECEIVABLE				
7.	PREPAID EXPENSES	\$8,563	\$6,414	\$4,995	
8.	OTHER (ATTACH LIST)				
9.	TOTAL CURRENT ASSETS	\$232,220	\$85,766	\$107,237	\$0
10.	PROPERTY, PLANT & EQUIPMENT	\$5,952,610	\$9,590,342	\$9,590,342	
11.	LESS: ACCUMULATED DEPRECIATION/DEPLETION		(\$3,618,087)	(\$3,673,018)	
12.	NET PROPERTY, PLANT & EQUIPMENT	\$5,952,610	\$5,972,255	\$5,917,324	\$0
13.	DUE FROM INSIDERS				
14.	OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	Undetermined			
15.	OTHER (ATTACH LIST)				
16.	TOTAL ASSETS	\$6,184,830	\$6,058,021	\$6,024,561	\$0
POSTPETITION LIABILITIES					
17.	ACCOUNTS PAYABLE		\$11,932	\$53,139	
18.	TAXES PAYABLE				
19.	NOTES PAYABLE				
20.	PROFESSIONAL FEES				
21.	SECURED DEBT				
22.	OTHER (ATTACH LIST)		\$111,951	\$154,022	
23.	TOTAL POSTPETITION LIABILITIES		\$123,883	\$207,161	\$0
PREPETITION LIABILITIES (See Note B)					
24.	SECURED DEBT	\$7,930,679	\$7,972,324	\$7,972,324	
25.	PRIORITY DEBT	\$11,898	\$265,110	\$265,110	
26.	UNSECURED DEBT	\$3,457,698	\$2,936,331	\$2,921,950	
27.	OTHER (ATTACH LIST)				
28.	TOTAL PREPETITION LIABILITIES	\$11,400,276	\$11,173,765	\$11,159,385	\$0
29.	TOTAL LIABILITIES	\$11,400,276	\$11,297,648	\$11,366,545	\$0
EQUITY					
30.	PREPETITION OWNERS' EQUITY		(\$5,155,758)	(\$5,165,832)	
31.	POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(\$83,869)	(\$176,152)	
32.	DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33.	TOTAL EQUITY		(\$5,239,627)	(\$5,341,984)	\$0
34.	TOTAL LIABILITIES & OWNERS' EQUITY		\$6,058,021	\$6,024,561	\$0

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

May 31, 2019	June 30, 2019
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Property, Plant, and Equipment

Building	6,800,988	6,800,988
Reserves - Site Improvements	2,043	2,043
Land	2,054,000	2,054,000
Furniture, Fixtures & Equipment	733,310	733,310
Accumulated Depreciation	(3,618,087)	(3,673,018)
Total Property, Plants, and Equipment	\$ 5,972,255	\$ 5,917,324

Post-Petition Current Liabilities

Accrued Interest - Mortgage Loan	43,033	84,677
Accrued Management and Marketing Service Fees		11,800
Accrued Property/Real Estate Taxes	9,217	18,435
Accrued Payroll Liability	20,947	24,161
Deferred Revenue/Prepaid Rent	38,754	14,949
Total Other Post-Petition Liabilities	111,951	154,022

Monthly Operating Report
ACCRUAL BASIS-2

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

INCOME STATEMENT	May, 2019	June, 2019	MONTH	MONTH
REVENUES				
1. GROSS REVENUES	\$183,985	\$181,227		
2. LESS: RETURNS & DISCOUNTS	\$29,876	\$23,034		
3. NET REVENUE	\$154,109	\$158,193	\$0	\$0
COST OF GOODS SOLD				
4. MATERIAL				
5. DIRECT LABOR	\$99,492	\$97,019		
6. DIRECT OVERHEAD	\$12,820	\$25,581		
7. TOTAL COST OF GOODS SOLD	\$112,311	\$122,600	\$0	\$0
8. GROSS PROFIT	\$41,798	\$35,594	\$0	\$0
OPERATING EXPENSES				
9. OFFICER / INSIDER COMPENSATION [a]	\$10,277	\$10,886		
10. SELLING & MARKETING	\$926	\$1,600		
11. GENERAL & ADMINISTRATIVE	\$9,083	\$8,807		
12. RENT & LEASE				
13. OTHER (ATTACH LIST)	7,417	\$ 10,008		
14. TOTAL OPERATING EXPENSES	\$27,703	\$31,301	\$0	\$0
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$14,095	\$4,293	\$0	\$0
OTHER INCOME & EXPENSES				
16. NON-OPERATING INCOME (ATTACH LIST)				
17. NON-OPERATING EXPENSE (ATTACH LIST)				
18. INTEREST EXPENSE	\$43,033	\$41,644		
19. DEPRECIATION / DEPLETION	\$54,931	\$54,931		
20. AMORTIZATION				
21. OTHER (ATTACH LIST)				
22. NET OTHER INCOME & EXPENSES	\$ 97,963.91	\$96,576	\$0	\$0
REORGANIZATION EXPENSES				
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)	(\$92,283)	\$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	June, 2019	
Other Operating Expenses			
Accrued Property Taxes	\$ 9,217.32	\$ 9,217.32	
Property Owners Association Dues	\$ 429.21	\$ -	
Bad Debt Expense	\$ 770.54	\$ 790.97	
Referral Fees	\$ (3,000.00)		
Total Other Operating Expenses	\$ 7,417.07	\$ 10,008.29	

Monthly Operating Report
ACCRUAL BASIS-3

CASE NAME:	In Re: Cinco Ranch Memory Care, LLC, debito
CASE NUMBER:	19-31484

CASH RECEIPTS AND DISBURSEMENTS	May-19	June, 2019		QUARTER
1. CASH - BEGINNING OF MONTH	\$31,559	\$65,855	\$100,425	
RECEIPTS FROM OPERATIONS				
2. CASH SALES				\$0
COLLECTION OF ACCOUNTS RECEIVABLE				
3. PREPETITION				\$0
4. POSTPETITION				\$0
5. TOTAL OPERATING RECEIPTS	\$143,826	\$147,002	\$0	\$290,828
NON-OPERATING RECEIPTS				
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	\$147,002	\$0	\$290,828
11. TOTAL CASH AVAILABLE	\$175,385	\$212,857		
OPERATING DISBURSEMENTS				
12. NET PAYROLL	\$92,976	\$93,396		\$186,372
13. PAYROLL TAXES PAID				\$0
14. SALES, USE & OTHER TAXES PAID				\$0
15. SECURED / RENTAL / LEASES				\$0
16. UTILITIES	\$1,498	\$0		\$1,498
17. INSURANCE	\$7,343	\$0		\$7,343
18. INVENTORY PURCHASES				\$0
19. VEHICLE EXPENSES				\$0
20. TRAVEL				\$0
21. ENTERTAINMENT				\$0
22. REPAIRS & MAINTENANCE	\$1,368	\$869		\$2,238
23. SUPPLIES		\$316		\$316
24. ADVERTISING				\$0
25. OTHER (ATTACH LIST)	\$4,460	\$15,236		\$19,695
26. TOTAL OPERATING DISBURSEMENTS	\$107,645	\$109,817	\$0	\$217,462
REORGANIZATION EXPENSES				
27. PROFESSIONAL FEES				\$0
28. U.S. TRUSTEE FEES				\$0
29. OTHER (ATTACH LIST)	\$1,885	\$2,615		\$4,500
30. TOTAL REORGANIZATION EXPENSES	\$1,885	\$2,615	\$0	\$4,500
31. TOTAL DISBURSEMENTS	\$109,530	\$112,432	\$0	\$221,962
32. NET CASH FLOW	\$34,295	\$34,570	\$0	\$68,865
33. CASH - END OF MONTH	\$65,855	\$100,425		

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

	May, 2019	June, 2019
Other Operating Disbursements		
Bank Analysis Fees	\$ 37	\$ 40
Community Activities	\$ 276	\$ 526
Reimbursable Employee Expense	\$ 423	\$ 112
Copier Expenses/Supplies	\$ 505	\$ -
Management Fees	\$ 2,180	\$ 9,945
Credit Card Fees	\$ 1,038	\$ 1,113
A/R Transfer of Resident Credit		\$ 3,500
Other Operating Disbursements	\$ 4,460	\$ 15,236
Other Reorganization Disbursements		
Utilities Adequate Protection Deposit	\$ 1,885.00	\$ 2,615

Monthly Operating Report
ACCRUAL BASIS-4

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

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	May 31, 2019	June 30, 2019	
1. 0-30		\$10,905	\$5,186	
2. 31-60		\$689	\$4,905	
3. 61-90		\$1,976	\$689	
4. 91+		\$11,520	\$13,497	
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$25,091	\$24,277	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE		\$11,594	\$22,459	
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$13,497	\$1,818	\$0

AGING OF POSTPETITION TAXES AND PAYABLES					MONTH:	June 2019
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	\$42,380	\$10,759			\$53,139	

STATUS OF POSTPETITION TAXES (See Note A)					MONTH:	June 2019
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		
STATE AND LOCAL						
8. WITHHOLDING				\$0		
9. SALES				\$0		
10. EXCISE				\$0		
11. UNEMPLOYMENT				\$0		
12. REAL PROPERTY	\$9,217	\$9,217	\$0	\$18,435		
13. PERSONAL PROPERTY				\$0		
14. OTHER (ATTACH LIST)				\$0		
15. TOTAL STATE & LOCAL	\$9,217	\$9,217	\$0	\$18,435		
16. TOTAL TAXES	\$9,217	\$9,217	\$0	\$18,435		

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
ACCURAL BASIS-5

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

MONTH: June 2019

BANK RECONCILIATIONS		Account #1	Account #2	Account #3	
A. BANK:	Green Bank				TOTAL
B. ACCOUNT NUMBER:	X6744				
C. PURPOSE (TYPE):	Operating				
1. BALANCE PER BANK STATEMENT		\$103,038			\$103,038
2. ADD: TOTAL DEPOSITS NOT CREDITED		\$0			\$0
3. SUBTRACT: OUTSTANDING CHECKS		\$3,313			\$3,313
4. OTHER RECONCILING ITEMS					\$0
5. MONTH END BALANCE PER BOOKS		\$99,725	\$0	\$0	\$99,725
6. NUMBER OF LAST CHECK WRITTEN		3698			

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

CASH	
12. CURRENCY ON HAND	\$700
13. TOTAL CASH - END OF MONTH	\$100,425

**Monthly Operating Report
ACCRUAL BASIS-6**

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

MONTH: June 2019

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
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	\$93,396	\$190,759
2. TLG Family Management, LLC	Accounting and Management Fees	\$9,945	\$12,125
3. West Houston Memory Care	Transfer of Resident Credit	\$3,500	\$3,500
4.			
5.			
6.	TOTAL PAYMENTS TO INSIDERS	\$106,841	\$206,384

PROFESSIONALS					
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.	TOTAL PAYMENTS TO PROFESSIONALS		\$0	\$0	\$0

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. TXU Energy - Adequate Protection Payment - Utilities	\$2,615	\$2,615	\$0
2.			
3.			
4.			
5.			
6. TOTAL	\$2,615	\$2,615	\$0

Monthly Operating Report
ACCRUAL BASIS-7

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

MONTH: June 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.

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
Commercial General Liability	Underwrites at Lloyds of London (Willis)	06/30/19 - 06/30/2020	\$11,920 Down Payment then \$5,536.91 per month
Automobile	National Liability & Fire Ins. Co.	06/30/19 - 06/30/2020	\$11,920 Down Payment then \$5,536.91 per month
Excess Liability	Underwrites at Lloyds of London (Willis)	06/30/19 - 06/30/2020	\$11,920 Down Payment then \$5,536.91 per month
Property	Lockton Companies (Broker)	06/30/19 - 06/30/2020	\$11,920 Down Payment then \$5,536.91 per month
Directors & Officers	HCC Specialty Ins Co	06/30/2019 - 09/30/19	\$11,920 Down Payment then \$5,536.91 per month
Commercial Crime	Travelers Casualty and Surety Company of America	06/30/2019 - 09/30/19	\$11,920 Down Payment then \$5,536.91 per month

Note: All insurance premiums are allocated from LaSalle Group, Inc. Allocation is \$11,920 down payment; a first payment of \$1,346; and \$5,537 monthly thereafter.