

DEBTOR: The Falls at Clovis, LLC

**MONTHLY OPERATING REPORT
CHAPTER 11**

CASE NUMBER: 18-28140

**Form 2-A
COVER SHEET**

For Period Ending: 12/31/2018

Accounting Method: Accrual Basis Cash Basis

THIS REPORT IS DUE 14 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:


Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input type="checkbox"/> [1]	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<input type="checkbox"/> [1]	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 1/16/19

Print Name: Michael E. Thompson

Signature: 

Title: CHAPTER 11 Trustee, The Falls Event Center LLC

[1] No bank account had been established as of 12/31/2018. The Trustee plans to open an account if a need arises. The Debtor is simply a holding company and is operated by The Falls Event Center LLC. The Debtor's operating activity is captured there.

**Form 2-C
 COMPARATIVE BALANCE SHEET**

For Period Ended: 12/31/2018

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ -	\$ -
Accounts Receivable (from Form 2-E)		
Receivable from Officers, Employees, Affiliates		
Inventory		
Other Current Assets :(List) _____		
Total Current Assets	\$ -	\$ -
Fixed Assets:		
Land and Buildings	\$ 1,432,678.00	\$ 1,432,678.00
Equipment, Furniture and Fixtures		
Total Fixed Assets	1,432,678.00	1,432,678.00
Less: Accumulated Depreciation	(-)	(-)
Net Fixed Assets	\$ 1,432,678.00	\$ 1,432,678.00
Other Assets (List): _____		
TOTAL ASSETS	\$ 1,432,678.00	\$ 1,432,678.00
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$	\$
Post-petition Accrued Professional Fees (from Form 2-E)	204.50	
Post-petition Taxes Payable (from Form 2-E)		
Post-petition Notes Payable		
Other Post-petition Payable(List): _____		
Total Post Petition Liabilities	\$ 204.50	\$
Pre Petition Liabilities:		
Secured Debt	800,000.00	800,000.00
Priority Debt	66,096.00	66,096.00
Unsecured Debt		
Total Pre Petition Liabilities	\$ 866,096.00	\$ 866,096.00
TOTAL LIABILITIES	\$ 866,300.50	\$ 866,096.00
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 566,582.00	\$ 566,582.00
Retained Earnings - Prepetition		
Retained Earnings - Post-petition	(204.50)	-
TOTAL OWNERS' EQUITY	\$ 566,377.50	\$ 566,582.00
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 1,432,678.00	\$ 1,432,678.00

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

DEBTOR: The Falls at Clovis, LLC

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Form 2-D
PROFIT AND LOSS STATEMENT
For Period 12/01/2018 **to** 12/31/2018

	Current <u>Month</u>	Accumulated <u>Total (1)</u>
Gross Operating Revenue	\$ -	\$ -
Less: Discounts, Returns and Allowances	(-)	(-)
Net Operating Revenue	\$ -	\$ -
Cost of Goods Sold	-	-
Gross Profit	\$ -	\$ -
Operating Expenses		
Officer Compensation	\$ -	\$ -
Selling, General and Administrative	-	-
Rents and Leases	-	-
Depreciation, Depletion and Amortization	-	-
Other (list): _____	-	-
_____	-	-
Total Operating Expenses	\$ -	\$ -
Operating Income (Loss)	\$ -	\$ -
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	-	-
Interest Expense	-	-
Other Non-Operating Income	-	-
Net Non-Operating Income or (Expenses)	\$ -	\$ -
Reorganization Expenses		
Legal and Professional Fees	\$ 110.00	\$ 204.50
Other Reorganization Expense	-	-
Total Reorganization Expenses	\$ 110.00	\$ 204.50
Net Income (Loss) Before Income Taxes	\$ (110.00)	\$ (204.50)
Federal and State Income Tax Expense (Benefit)	-	-
NET INCOME (LOSS)	\$ (110.00)	\$ (204.50)

(1) Accumulated Totals include all revenue and expenses since the petition date.

(2) Accrued interest from the Debtor's secured debt is included on The Falls Event Center, LLC (BK Case No. 18-25116), operating report. While The Falls Event Center is not obligated on the debt, it is expected that The Falls Event Center will make the eventual payments. It is the practice of the Debtor that The Falls Events Center collects all revenues and pays all expenses.

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**Form 2-E
SUPPORTING SCHEDULES**

For Period: 12/01/18 to 12/31/18

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal	\$ 0	\$ 0	\$ 0			\$ 0
State	0	0	0			0
FICA Tax Withheld	0	0	0			0
Employer's FICA Tax	0	0	0			0
Unemployment Tax						
Federal	0	0	0			0
State	0	0	0			0
Sales, Use & Excise Taxes	0	0	0			0
Property Taxes	0		0			-
Accrued Income Tax:						
Federal	0	0	0			0
State	0	0	0			0
Other: _____	0	0	0			0
TOTALS	\$ <u>0</u>	\$ <u>-</u>	\$ <u>0</u>			\$ <u>-</u>

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	n/a			
General Liability	n/a			
Property (Fire, Theft)				
Vehicle	n/a			
Other (list):	n/a			

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**Form 2-E
SUPPORTING SCHEDULES**

For Period: 12/01/18 to 12/31/18

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
	\$ 0.00	\$ 0.00
Under 30 days	0.00	0.00
30 to 60 days	0.00	0.00
61 to 90 days	0.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
	<u>0.00</u>	
Total Post Petition	<u>0.00</u>	
Pre Petition Amounts		
Total Accounts Receivable	\$ <u>0.00</u>	
Less: Bad Debt Reserve	\$ <u>0.00</u>	
Net Accounts Receivable (to Form 2-C)	<u>0.00</u>	
	Total Post Petition Accounts Payable	\$ <u>0.00</u>

* Attach a detail listing of accounts receivable and post-petition accounts payable

TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ -	-	-		-
Unsecured Creditors Committee Fees	-	-	-		-
Debtor's Counsel	-	110.00	-		204.50
Accountant to Debtor	-	-	-		-
Total	<u>\$ -</u>	<u>\$ 110.00</u>	<u>\$ -</u>		<u>\$ 204.50</u>

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
_____	_____	_____	\$ 0
_____	_____	_____	0
_____	_____	_____	0

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

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**Form 2-F
QUARTERLY FEE SUMMARY ***
For the Month Ended: 12/31/2018

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	_____	\$ _____			
February	_____				
March	_____				
TOTAL 1st Quarter	\$	<u>_____ - _____</u>	\$ _____	_____	_____
April	_____	\$ _____			
May	_____				
June	_____				
TOTAL 2nd Quarter	\$	<u>_____ - _____</u>	\$ _____	_____	_____
July	<u>2018</u>	\$ -			
August	<u>2018</u>				
September	<u>2018</u>	-			
TOTAL 3rd Quarter	\$	<u>_____ 0.00 _____</u>	\$ _____	_____	_____
October	<u>2018</u>	\$ -			
November	<u>2018</u>	0			
December	<u>2018</u>	0			
TOTAL 4th Quarter	\$	<u>_____ 0.00 _____</u>	\$ _____ 325	_____ 2788	_____ 1/15/2019

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	< of 1% or \$250K
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	< of 1% or \$250K
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	< of 1% or \$250K
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999	< of 1% or \$250K
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	< of 1% or \$250K
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	< of 1% or \$250K

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

(1) The US Trustee fee will be paid by the parent entity, The Falls Event Center BK Case No. 18-25116.

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**Form 2-G
NARRATIVE**

For the Period Ending: 12/31/2018

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

The Debtor filed its chapter 11 voluntary bankruptcy petition on October 31, 2018. This report provides information on the operations of the Debtor for the period December 1, 2018 through December 31, 2018.

The Debtor is a holding company holding property operated by The Falls Events Center LLC, (See Case 18-25116). All revenues and expenses are reported by The Falls Events Center, LLC.

On November 27, 2018, the Court entered an Order appointing Michael F. Thomson as Chapter 11 Trustee. The Trustee and his accountants and financial advisors are in the process of analyzing and investigating the Debtor's assets and liability balances. Therefore, future monthly operating reports may be revised to reflect such examination and assets and liabilities may change significantly and materially. Amounts reported in this report and in the future may change based on this ongoing analysis. For example, the book value of the real estate reported by the Debtor may be overstated. We are in the process of obtaining valuations or appraisals of the properties.

Asset and liability balances may be over or under stated and are subject to material modification. The financial statements may change as information becomes available. The Trustee may dispute the nature and amount of the assets and liabilities presented in these financial statements.

As new information and evidence becomes available, the balance sheet will be updated to reflect the correct amounts of assets and liabilities. That liabilities and assets may be omitted, listed and/or adjusted on the Debtor's balance sheet does not necessarily reflect the final opinion as to the eventual treatment of the assets and liabilities in a plan of reorganization or otherwise.