

OFFICE OF THE U.S. TRUSTEE - REGION 18
SEATTLE, WASHINGTON

UST-2
3/23/90

MONTHLY REPORTING REQUIREMENTS
CORPORATIONS AND PARTNERSHIPS

INSTRUCTION PAGE

Every Chapter 11 Debtor in Possession or Trustee must file Monthly Operating Reports. The reports are due within fifteen (15) days following the end of the month (or portion of month). All reports must comply with the following instructions unless waived in writing by the Office of the U.S. Trustee:

1. **Accounting Records**. Close the books and records as of the day prior to filing the petition. Then on the date of filing, reopen the general ledger accounts. If you are a small company with a single entry accounting system, note the balances in the accounting records as of that date. It is essential that both periods be separated for purposes of determining preferences for liens, administrative expenses, etc. Accordingly, all balance sheet and operating accounts of the debtor must be separated between prepetition and postpetition accounts. The current liabilities in the old general ledger must be reclassified as non-current liabilities in the new general ledger.

Federal income tax returns will continue to be prepared using the fiscal year already established with the IRS. For other payments (including withholding) to federal and local taxing authorities, you must file two reports; the first one for the period up to the date of filing, and the second for the period from the date of filing to the end of the quarter. Do not pay the amount due for the period prior to the date of filing. However, you must pay all postpetition taxes. Failure to pay postpetition taxes could result in dismissal or conversion of your case. You should identify yourself as the "Debtor in Possession" on the postpetition returns.

2. **Monthly Reporting Requirements Cover Sheet** (Exhibit UST-3 enclosed). Complete the form including the certification. The certification must be signed by an owner, officer of the corporation, or general partner.
3. **Income Statement** (Exhibit UST-4 enclosed). Prepare the statement on either an accrual or cash basis. While the accrual basis is preferred, either method is acceptable depending on the method of accounting used by the company. Also, the debtor should identify any major nonrecurring expenditures.

You should prepare the statement on a comparative basis, month to month. Photo copy the prior month's statement and add the current month's activities.

4. **Comparative Balance Sheet** (Exhibit UST-5 enclosed). Prepare a statement similar to the exhibit enclosed. Please note that prepetition obligations (payables) must be classified separately from postpetition obligations. In this regard, the prepetition current liabilities must be reclassified as non-current, as noted in paragraph 1 above. The debtor must disclose the method of valuation of inventory and other assets.

You should prepare the statement on a comparative basis, month to month. Photo copy the prior month's statement and add the current month's activities.

5. **Statement of Cash Receipts and Disbursements** (Exhibit UST-6 enclosed). Include all receipts and disbursements whether or not from operations for each of the bank accounts (general, tax and any other established). Include disbursements such as mortgage payments, installment payments, etc. Include cash

receipts from all sources to include borrowings from financial institutions, sale of assets, etc. Identify any transactions which occurred outside the normal course of business. Include both cash and non-cash receipts and disbursements (e.g. bartering transactions).

Cash receipts must identify the date funds were received and the source of the funds. Disbursements must list each check, date, payee, purpose of disbursement or expense category and the amount.

Debtors must also submit a copy of the bank statement for each bank account.

In lieu of preparing a separate report, debtors may choose to submit either copies of check registers, cash receipt and disbursement journals or, computerized reports as long as complete cash receipt and disbursement information is provided.

6. **Statement of Aged Receivables** (Exhibit UST-7 enclosed). List all receivables both pre and postpetition. Classify amounts outstanding by the number of days past due. Debtors must provide details on any receivable due from any related party in an attachment to this statement.
7. **Statement of Aged Payables** (Exhibit UST-8 enclosed). Include amounts incurred postpetition only. Debtors may combine all payables less than 30 days past due and show on one line.
8. **Statement of Operations, Taxes, Insurance and Personnel** (Exhibit UST-9 enclosed). All questions must be answered.
9. **Other documents or reports**. The debtor may be requested to prepare other financial reports as determined necessary in the circumstances.

If debtors use their own accounting formats the information submitted must be similar in content to the information in the enclosed exhibits.

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MONTHLY REPORTING REQUIREMENTS
CORPORATIONS AND PARTNERSHIPS

All Chapter 11 debtors (other than individuals) must serve the U.S. Trustee with the documents and reports identified below no later than the 15th day of the month following the end of the month covered by the report.

Debtor Name: _____

Case Number: _____ **For the month of:** _____

| <u>Required Documents</u> | <u>Document Attached</u> | <u>Previously Submitted</u> | <u>Explanation Attached</u> |
|---|--------------------------|-----------------------------|-----------------------------|
| 1. Income Statement (profit and loss statement). | () | () | () |
| 2. Comparative Balance Sheet. | () | () | () |
| 3. Statement of Cash Receipts and Disbursements. | () | () | () |
| 4. Statement of Aged Receivables. | () | () | () |
| 5. Statement of Aged Payables. | () | () | () |
| 6. Statement of Operations, Taxes, Insurance and Personnel. | () | () | () |
| 7. Other documents/reports as required by the U.S. Trustee: _____ _____ | () | () | () |

The undersigned certifies under penalty of perjury (28 U.S.C. § 1746) that the information contained in this and accompanying reports is complete, true and correct to the best of my knowledge, information and belief.

By: _____

Dated: _____, 19__

Title of Debtor Representative

**OFFICE OF THE U.S. TRUSTEE - REGION 18
SEATTLE, WASHINGTON**

UST-4
3/23/90

INCOME STATEMENT

Debtor Name: _____

For the Period: _____

Case Number: _____

Basis of Accounting: _____

| | <u>MONTH</u> | <u>MONTH</u> | <u>MONTH</u> | <u>MONTH</u> | <u>MONTH</u> |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
| BUSINESS OPERATIONS: | _____ | _____ | _____ | _____ | _____ |
| Gross Sales | _____ | _____ | _____ | _____ | _____ |
| Less: Returns and Allowances | _____ | _____ | _____ | _____ | _____ |
| Net Sales | _____ | _____ | _____ | _____ | _____ |
| Cost of Sales: (1) | _____ | _____ | _____ | _____ | _____ |
| Beginning Inventory | _____ | _____ | _____ | _____ | _____ |
| Add: Purchases | _____ | _____ | _____ | _____ | _____ |
| Less: Ending Inventory | _____ | _____ | _____ | _____ | _____ |
| Cost of Goods Sold (2) | _____ | _____ | _____ | _____ | _____ |
| Other Operating Expenses: | _____ | _____ | _____ | _____ | _____ |
| Officers' Salaries | _____ | _____ | _____ | _____ | _____ |
| Direct Labor/Salaries | _____ | _____ | _____ | _____ | _____ |
| Benefits/Payroll Taxes | _____ | _____ | _____ | _____ | _____ |
| Supplies | _____ | _____ | _____ | _____ | _____ |
| Insurance | _____ | _____ | _____ | _____ | _____ |
| Rent | _____ | _____ | _____ | _____ | _____ |
| General & Administrative | _____ | _____ | _____ | _____ | _____ |
| Net Operating Profit (Loss) | _____ | _____ | _____ | _____ | _____ |

OFFICE OF THE U.S. TRUSTEE - REGION 18
SEATTLE, WASHINGTON
INCOME STATEMENT

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3/23/90

Debtor Name: _____

For the Period: _____

Case Number: _____

| | <u>MONTH</u> | <u>MONTH</u> | <u>MONTH</u> | <u>MONTH</u> | <u>MONTH</u> |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Add: Other Income (3) | _____ | _____ | _____ | _____ | _____ |
| Less: Other Expenses | _____ | _____ | _____ | _____ | _____ |
| Interest Expense | _____ | _____ | _____ | _____ | _____ |
| Other (4) | _____ | _____ | _____ | _____ | _____ |
| Total Other Expenses | _____ | _____ | _____ | _____ | _____ |
| Gain/Loss Sale of Assets | _____ | _____ | _____ | _____ | _____ |
| Profit (Loss) Before Taxes | _____ | _____ | _____ | _____ | _____ |
| Income Taxes | _____ | _____ | _____ | _____ | _____ |
| Net Profit (Loss) | ===== | ===== | ===== | ===== | ===== |

1. If perpetual inventory records are not maintained, use of the prior period gross profit percentage is acceptable but must be disclosed.
2. Separately identify, in a footnote, the amount of depreciation included in the cost of goods sold.
3. Identify the source if the amount is \$500 or more.
4. Provide details on "other expenses" over \$500.

OFFICE OF THE U.S. TRUSTEE - REGION 18
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COMPARATIVE BALANCE SHEET

As of _____

Debtor Name: _____

Case Number: _____

| | <u>Date</u> | <u>Date</u> | <u>Date</u> |
|------------------------------------|-------------|-------------|-------------|
| <u>ASSETS</u> | _____ | _____ | _____ |
| Current Assets | | | |
| Cash | _____ | _____ | _____ |
| Inventory | _____ | _____ | _____ |
| Accounts Receivable (net) | _____ | _____ | _____ |
| Notes Receivable | _____ | _____ | _____ |
| Other (attach list) | _____ | _____ | _____ |
| Total Current Assets | _____ | _____ | _____ |
| Fixed Assets | | | |
| Property and Equipment | _____ | _____ | _____ |
| Accumulated Depreciation | _____ | _____ | _____ |
| Total Fixed Assets | _____ | _____ | _____ |
| Other Assets (attach list) | _____ | _____ | _____ |
| TOTAL ASSETS | ===== | ===== | ===== |
| <u>LIABILITIES</u> | | | |
| Postpetition Liabilities: | | | |
| Accounts Payable | _____ | _____ | _____ |
| Notes Payable | _____ | _____ | _____ |
| Rents and Leases Payable | _____ | _____ | _____ |
| Taxes Payable | _____ | _____ | _____ |
| Accrued Interest | _____ | _____ | _____ |
| Other: _____ | _____ | _____ | _____ |
| Total Postpetition Liabilities | _____ | _____ | _____ |
| Prepetition Liabilities | | | |
| Unsecured Debt | _____ | _____ | _____ |
| Notes Payable-Secured | _____ | _____ | _____ |
| Other Debt (priority claims) | _____ | _____ | _____ |
| Taxes | _____ | _____ | _____ |
| Wages | _____ | _____ | _____ |
| Deposits | _____ | _____ | _____ |
| Other: (Identify) _____ | _____ | _____ | _____ |
| Total Prepetition Liabilities | _____ | _____ | _____ |
| TOTAL LIABILITIES | _____ | _____ | _____ |

OWNER EQUITY (DEFICIT)

| | | | |
|-------------------|-------|-------|-------|
| PREFERRED STOCK | _____ | _____ | _____ |
| COMMON STOCK | _____ | _____ | _____ |
| PAID-IN CAPITAL | _____ | _____ | _____ |
| RETAINED EARNINGS | _____ | _____ | _____ |

PARTNERS' INVESTMENT (DEFICIT)

| | | | |
|-----------------------------------|-------|-------|-------|
| TOTAL OWNER EQUITY (NET WORTH) | _____ | _____ | _____ |
|-----------------------------------|-------|-------|-------|

TOTAL LIABILITIES AND

| | | | |
|--------------------------------------|-------|-------|-------|
| <u>OWNER EQUITY</u> | ===== | ===== | ===== |
|--------------------------------------|-------|-------|-------|

NOTES:

1. Explain significant events, including contingent liabilities and pending lawsuits, which may have a major effect on the financial condition of the debtor.
2. Value assets at lower of cost or market and identify which method is being used.
3. Explain the method of inventory valuation if other than the lower of cost or market.
4. Identify any changes in stock holdings of "insiders"* during the reporting period.

*Insider is defined in 11 USC § 101(30) as general partner, relative, officer, director, affiliate or person in control.

OFFICE OF THE U.S. TRUSTEE - REGION 18
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STATEMENT OF AGED RECEIVABLES

For the Month Ending: _____

Debtor Name: _____

Case Number: _____

| TOTAL DUE | CURRENT (0-30 DAYS) | PAST DUE (31-60 DAYS) | PAST DUE (61-90 DAYS) | PAST DUE (91 & OVER) | AMOUNT Considered Uncollectible |
|------------------|--------------------------------|----------------------------------|----------------------------------|-------------------------------------|--|
|------------------|--------------------------------|----------------------------------|----------------------------------|-------------------------------------|--|

PREPETITION

\$ \$ \$ \$ \$ \$

POSTPETITION

\$ \$ \$ \$ \$ \$

TOTALS

\$ \$ \$ \$ \$ \$

NOTES:

1. Please explain what actions have been taken to collect receivables more than 60 days past due.
2. Provide details on all receivables due from any related party in an attachment.

ACCOUNTS RECEIVABLE RECONCILIATION:

1. Opening Balance (total from prior report) _____
2. New Accounts this Month _____
3. Balance (add lines 1 and 2) _____
4. Amount Collected on Prior Accounts _____
5. Closing Balance (subtract line 4 from line 3) _____

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STATEMENT OF AGED PAYABLES

For the Month Ending: _____

Debtor Name: _____

Case Number: _____

| ACCOUNT NAME | DESCRIPTION | TOTAL DUE | CURRENT (0-30 DAYS) | PAST DUE (31-60 DAYS) | PAST DUE (61-90 DAYS) | PAST DUE (91 & OVER) |
|--------------|-------------|-----------|---------------------|-----------------------|-----------------------|----------------------|
|--------------|-------------|-----------|---------------------|-----------------------|-----------------------|----------------------|

You may combine all payables less than 30 days past due and show on one line.

TOTALS

Note: Please include only postpetition debts and explain why accounts over 30 days past due have not been paid.

ACCOUNTS PAYABLE RECONCILIATION:

1. Opening Balance (total from prior report) _____
2. Total New Indebtedness Incurred This Month _____
3. Balance (add lines 1 and 2) _____
4. Amount Paid on Prior Accounts Payable _____
5. Closing Balance (subtract line 4 from line 3) _____

OFFICE OF THE U.S. TRUSTEE - REGION 18
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STATEMENT OF OPERATIONS, TAXES, INSURANCE AND PERSONNEL

For the Month Ending: _____

Debtor Name: _____

Case Number: _____

1. What efforts have been made toward presentation of a plan to the creditors?

2. Has the Debtor in Possession, subsequent to the filing of the petition, made any payments on its prepetition unsecured debt, except as have been authorized by the Court?

_____ : Yes

_____ : No Identify amount, who was paid and date paid: _____

3. Provide a narrative report of significant events and events out of the ordinary course of business: (attach separate sheet if necessary)

4. List any payments during this period on debt that has been personally guaranteed by any principal, partner or officer of the business.

5. If assets have been sold in other than the ordinary course of business, please provide details as to the asset sold, date of sale, total sales price, deductions (i.e. commissions), and net amount received.

6. STATUS OF TAXES

| <u>FEDERAL TAXES</u> | <u>AMOUNT WITHHELD OR ACCRUED</u> | <u>AMOUNT PAID</u> | <u>DATE PAID</u> | <u>POSTPETITION TAXES PAST DUE</u> |
|----------------------------------|---------------------------------------|------------------------|----------------------|--|
| FICA | _____ | _____ | _____ | _____ |
| Withholding | _____ | _____ | _____ | _____ |
| Unemployment | _____ | _____ | _____ | _____ |
| Income | _____ | _____ | _____ | _____ |
| Other | _____ | _____ | _____ | _____ |
| <u>STATE TAXES</u> | | | | |
| Dept. of Labor and Industries | _____ | _____ | _____ | _____ |
| Income | _____ | _____ | _____ | _____ |
| Employment Sec. | _____ | _____ | _____ | _____ |
| Dept. of Revenue | _____ | _____ | _____ | _____ |
| B&O | _____ | _____ | _____ | _____ |
| Sales | _____ | _____ | _____ | _____ |
| Excise | _____ | _____ | _____ | _____ |
| <u>OTHER TAXES</u> | | | | |
| City Business/License | _____ | _____ | _____ | _____ |
| Personal Property | _____ | _____ | _____ | _____ |
| Real Property | _____ | _____ | _____ | _____ |
| Other (List) | _____ | _____ | _____ | _____ |

Explain reason for any past due postpetition taxes:

7. **SCHEDULE OF SALARY AND OTHER PAYMENTS TO PRINCIPALS / EXECUTIVES / INSIDERS***

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

*List accrued salaries whether or not paid and any draws of any kind or perks such as car etc. made to or for the benefit of any proprietor, owner, partner, shareholder, officer, director or insider.

8. **SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS**

| | <u>Appointment</u> <u>Date</u> <u>Due</u> | <u>Amount Paid</u> <u>This Month</u> | <u>Date of Court</u> <u>Approval</u> | <u>Aggregate</u> <u>Received</u> | <u>Estimated</u> <u>Balance</u> |
|---|---|---|---|-------------------------------------|------------------------------------|
| Debtor's Counsel | _____ | \$ _____ | _____ | \$ _____ | \$ _____ |
| Counsel For Unsecured Creditors' Committee | _____ | \$ _____ | _____ | \$ _____ | \$ _____ |
| Trustee's Counsel | _____ | \$ _____ | _____ | \$ _____ | \$ _____ |
| Accountant | _____ | \$ _____ | _____ | \$ _____ | \$ _____ |
| Other: _____ | _____ | \$ _____ | _____ | \$ _____ | \$ _____ |

Identify fees accrued but not paid: _____

9. Please explain any changes in insurance coverage that took place this month.

10. **PERSONNEL**

| | <u>Full Time</u> | <u>Part Time</u> |
|--|------------------|------------------|
| Total number of employees at beginning of period | _____ | _____ |
| Number hired during the period | _____ | _____ |
| Number terminated or resigned during period | _____ | _____ |
| Total number of employees on payroll at period end | _____ | _____ |
| Total payroll for the period \$ _____ | | |