

**Monthly Operating Report Instructions
For Non-Small Business Debtors
Reporting on an Accrual Basis**

The contents of a monthly report for non-small business debtors reporting on an accrual accounting basis should be comprised of the following appropriate documents:

Business Debtor, Accrual Basis Accounting

- Financial Background Information
- Income Statement
- Cash Reconciliation Report
- Balance Sheet
- Cash Disbursements Summary Report
- Schedule AR (Accounts Receivable)
- Schedule AP (Accounts Payable)
- IRS Form 6123 Verification of Federal Tax Deposit
- Copies of Bank Statements(Not included in these guidelines)

All debtors must file with the Court not later than the 20th day of each month a written financial report for the entire preceding calendar month. This report must be filed in electronic format and must conform to the format prescribed by these guidelines. Debtors should provide their reports to their attorneys early enough to allow for filing in electronic format by the 20th day of the month. Failure to file these reports with the Court in a timely manner may result in dismissal of the case or conversion of the case to chapter 7. *See* 11 U.S.C. § 1112(b)(4)(F, H).

If the debtor files a bankruptcy petition more than ten days prior to the end of any calendar month, a monthly report must be filed for that portion of the calendar month no later than the 20th day of the following month. A debtor who files ten days or less prior to the end of a calendar month must include these days in the report for the following month. A debtor should not file a monthly report which covers a period exceeding 41 days.

Qualifying small business debtors must use the Official Form B25 C monthly report, a copy of which is provided at the U.S. Bankruptcy Court's website at <http://www.uscourts.gov/bkforms/index.html>. Individual debtors and non-small business debtors who generally report their financial activity on a cash basis should also use the Official Form B25 C.

Monthly Operating Report Definitions The Income Statement

(A) **Total Sales/Income** - This should be income from operations only and should not include items such as sales of equipment or property (unless the debtor is in the business of selling equipment or property).

(B) **Total Cost of Sales** - Any business which produces, buys or sells goods to generate income must complete this section of the Income Statement. Cost of sales refers to the costs a business incurs in obtaining or producing items for sale. Depending on the nature of your business, it may require placing values on raw materials, work in process, and finished goods such as in a manufacturing facility. For merchants, it may consist of only the cost of merchandise held for sale. You must place beginning and ending values on your inventories to obtain this amount. To arrive at the cost of goods available for sale during the period, you should take the cost of inventory at the beginning of the period and add the cost of goods manufactured, purchased or processed during the period (purchase price plus freight costs). From this figure, subtract the value of the inventory at the end of the period to arrive at the cost of sales.

(C) **Gross Profit** - Gross profit is the result of deducting cost of goods sold from total sales/income.

(D) **Total Operating Expenses** - Various types of operating expenses will be incurred in your business. The list of expenses is not all inclusive, therefore extra space is provided to report all operating expenses incurred in your line of business.

The Taxes (Payroll) line item refers to the employer's share of FICA and Federal and State unemployment taxes required, but does not include amounts the employer is required to withhold for the employee's share. The employee share of payroll taxes should be included in the Salaries (Gross) figure. The Salaries items are **Gross Salary**.

(E) **Profit/Loss from Operations** - This is the Total Operating Expenses deducted from the Gross Profit.

(F) **Total Other Income/(Expense) & Extraordinary Items** - Other Income (Expenses) are items such as interest income and expenses. Extraordinary Items are items such as the sale of a piece of property at a profit (Extraordinary Income) or at a loss (Extraordinary Loss).

(G) **Income Before Taxes** - The result of adding or deducting the Total Other Income/Expense & Extraordinary Items from the Profit/Loss from Operations.

(H) **Income Taxes** - Enter here the Federal and State Income Tax Expense (or Credit) as a result of this period's Operations.

(I) **Net Income (Loss)** - The result of deducting (or adding) the income tax from the Income Before Taxes.

UNITED STATE BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In Re: _____) Chapter 11
) Case Number _____
) _____
_____ Debtor(s))

MONTHLY OPERATING REPORT
Calendar Month _____ to _____

FINANCIAL BACKGROUND INFORMATION

1. **NAISC CODE:** _____ **NATURE OF BUSINESS:** _____

2. **PREPARER:** State the name, address, telephone number and position of the person(s) who actually compiled the information contained in this report.

3. **NUMBER OF EMPLOYEES** paid during this period: _____

4. Have there been any **CHANGES IN THE NATURE OF YOUR BUSINESS** since the last reporting period? Yes ___ No ___. If yes, explain below:

5. Are all **BUSINESS LICENSES** current? Yes ___ No ___ Not Applicable ___

6. **PRE-PETITION ACCOUNTS RECEIVABLE:**

Beginning Balance	\$	0

Collected this Period		_____

Ending Balance		_____

7. **POST-PETITION ACCOUNTS RECEIVABLE:**

0-30 Days: \$ _____ 31-60 Days: \$ _____ Over 60 Days: \$ _____

If there are any post-petition Accounts Receivable over 60 days, provide schedule AR giving a listing of such accounts and explain the delinquencies.

8. **POST-PETITION ACCOUNTS PAYABLE:**

0-30 Days: \$ _____ 31-60 Days: \$ _____ Over 60 Days: \$ _____

If there are any post-petition Accounts Payable over 30 days, provide Schedule AP giving a listing of such accounts and explain the delinquencies.

9. **TAXES.** Are all taxes being paid to the proper taxing authorities when due? Yes ___ No ___. On the attached IRS Form 6123 report all tax deposits made with any financial institution for federal employment taxes. Be sure the form is complete and signed by an authorized employee of the receiving institution or taxing authority. Attach to this report a completed Form 6123 for each deposit made during the reporting period. Also attach copies of the monthly sales tax report, payroll tax report and unemployment tax report with evidence of payment of both federal and state taxes.

10. **ESCROW ACCOUNTS.** Are you utilizing your tax account only for deposits and payment of payroll and sales taxes? Yes___ No ___. If no, explain: _____

11. Are all **BOOKS AND RECORDS** of the debtor(s) being maintained monthly and are all current? Yes ___ No ___ Explain: _____

12. **INSURANCE EXPIRATION STATEMENT.** Policy expiration dates are:

Auto & Truck _____ Liability _____
 Fire _____ Workers Comp. _____

13. **ACTIONS OF DEBTOR.** During the last month, did the debtor:
 (A) Fail to defend or not oppose any action seeking to dispossess the debtor from control or custody of any asset of the estate? Yes ___ No ___ Explain: _____

(B) Maintain such stock, inventory, raw materials, insurance, employees and other resources as are necessary to preserve and maintain the going- concern value of the assets of the debtor?
 Yes ___ No ___ Explain: _____

14. **TRANSFER OR SALE OF PROPERTY.** Did the debtor or any person with control over any _____ of the debtor's assets transfer, convey or abandon any of the debtor's assets to another party during the period of this report other than as set forth herein (including sales by creditors)?
 Yes ___ No ___ Explain: _____

15. **PAYMENTS TO SECURED CREDITORS** during reporting period:
 (Attach additional sheets, if necessary.)

Creditor	Frequency of Payments per Contract (mo.,qtr)	Amount of Each Payment	Next Payment Due	Post-Petition Payments Not Made Number & Amount

16. **PAYMENTS TO PROFESSIONALS** (Attorneys, Accountants, Real Estate Agents, Auctioneers, Appraisers, etc., during reporting period:
 (Attach additional sheets, if necessary.)

Professional	Service	Amount
		\$ 0

17. **QUARTERLY U.S. TRUSTEE FEES** paid during reporting period:
 \$ _____

18. **VERIFICATION:** I declare under penalty of perjury that the information contained in this monthly operating report (including attached schedules) is true and correct to the best of my knowledge, information and belief.

Dated: _____

DEBTOR-IN-POSSESSION

Name/Title: _____

By: _____

Address: _____

Phone: _____

UNITED STATE BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In Re:) Chapter 11
)
) Case Number _____

Debtor(s)

MONTHLY OPERATING REPORT
INCOME STATEMENT
(Business Debtor, Accrual Basis)
Calendar Month _____ to _____
(All figures refer to post-petition transactions)

This Month Year to Date

(A) Total Sales/Income (A)

Cost of Sales

Beginning Inventory

Purchases of Inventory

Less Ending Inventory

Direct Labor (Gross Salaries)

Purchased Services

(B) Total Cost of Sales (B)

(C) Gross Profit (C=A-B)

Operating Expenses

Officer Salaries (Gross)

Other Employee Salaries (Gross)

Taxes (Payroll: Employer's Share)

Employee Benefits (Insurance, Pension Plan, etc.
Employer's Share)

Advertising

Bad Debts

Depreciation and Amortization

Entertainment

Insurance (Real Estate)

Insurance (Other)

Interest (Mortgage, Loans, etc.)

Leases (other than Rent)

Outside Services & Contractors Commissions

Professional Fees (Attorney, Accountant)

Rent and leases

This Month

Year to Date

Repairs & Maintenance

Supplies

Taxes (Real Property)

Taxes (Other)

Telephone

Travel

Utilities

U.S. Trustee Quarterly Fee

Other Operating Expenses

Freight

Auto and Truck Expenses

General and Administrative Expenses

(D) Total Operating Expenses (D)

(E) Profit/Loss from operations (E=C-D)

Other Income (Expenses)

Interest Income

Interest Expense

Other Income-Discounts

Extraordinary Items - In (Out)

(F) Total Other Income/Expense &
Extraordinary Items (F)

(G) Income Before Taxes (G=E+F)

(H) Income Tax Expense (H)

(I) Net Income (Loss) (I=G-H)

NOTE: Accrual basis reporters must attach **Cash Reconciliation Reports** or a standard Statement of Sources and Uses of Cash to this report.

CASH RECONCILIATION REPORT
(Business Debtor, Accrual Basis)

Calendar Month Ending _____

**A copy of the bank statement(s) should be attached to this form.*

All
Accounts

(A) Beginning Cash Balance (A)

(B) Net Income, (line (I), Page 20)

Add expenses Not Requiring Cash:

Depreciation

(C) Sub-Total (C)

(D) Cash from Operations (D=B+C)

Other Sources (Uses) of Cash:

Sources (Uses)

Decrease (Incr) - Accounts Receivable

Decrease (Incr) - Inventory

Decrease (Incr) - Equipment

Decrease (Incr) - Furniture

Decrease (Incr) -

Increase (Decr) - Accounts Payable

Increase (Decr) - Accrued Interest

Increase (Decr) - Accrued P/R Taxes

Increase (Decr) - Accrued Prof. Fees

Increase (Decr) - Accrued Rent

Increase (Decr) - Accrued Salaries

Increase (Decr) - Accrued Sales Taxes

Increase (Decr) - Notes Payable - Banks (LOC)

Increase (Decr) - Other

Increase (Decr) - Accounts Payable-Pension

Increase (Decr) -

(Less) Unrecorded bank service charges

(E) Total Other Sources (Uses) of Cash (E)

(F) Ending Cash Balance (F=A+D+E)

(G) Balance per Bank Statement (G)

(H) Less Outstanding Checks (H)

(I) Add Deposits in Transit (I)

(J) Reconciled Bank Balance {J=(G-H)+I}

Ending Cash Balance (F) and Reconciled Bank Balance (J) should equal.

In Re: _____ Case Number _____

BALANCE SHEET

As of _____

Current Assets

Cash
Pre-Petition Accounts Receivable
Post-Petition Accounts Receivable
Receivable from Officers, Employees, Affiliates
Notes Receivable
Inventory
Other Current Assets:

Total Current Assets

Fixed Assets

Land
Buildings
Equipment, Furniture & Fixtures
Less Accumulated Depreciation
Total Fixed Assets

Other Assets

Prepaid Expenses
Cash Value Life Insurance
True Serve Corp Stock
Total Other Assets

Total Assets

Post-Petition Liabilities

Accounts Payable
Notes Payable - LOC
Rents and Leases Payable
Taxes Payable - Sales Tax
Accrued Interest
Pension Payable
Total Post-Petition Liabilities

Pre-Petition Liabilities

Priority Claims
Secured Debts
Unsecured Debt
Total Pre-Petition Liabilities

Owners Equity (Deficit)

Capital Stock or Owners Investment
Paid In Capital Surplus
Retained Earnings (Deficit)
Pre-Petition
Post-Petition (24,758)
Total Owners Equity

Total Liabilities and Owner's Equity

UNITED STATE BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA

In Re:) Chapter 11
)
) Case Number _____

Debtor(s))

Cash Disbursements Summary Report
Calendar Month Ending _____

Total Disbursements from Operating Account (See Note 1)
Total Disbursements from Payroll Account (See Note 2)
Total Disbursements from Tax Escrow Account (See Note 3)
Total Disbursements from any other Account (See Note 4)
Grand Total Disbursements from all Accounts

Note 1 --Include in this amount all checks written, wire transfers made from, or any other withdrawal from the general operating account. Exclude only transfers to the debtor-in-possession payroll account, the debtor in possession tax escrow account or other debtor in possession account where the disbursements will be listed on this report.

Note 2 --Include in this amount all checks written, wire transfers made from, or any other withdrawal from the payroll account. Exclude only transfers to the debtor-in-possession operating account, the debtor in possession tax escrow account or other debtor-in-possession account where the disbursements will be listed on this report.

Note 3 --Include in this amount all checks written, wire transfers made from, or any other withdrawal from the tax escrow account. Exclude only transfers to the debtor-in-possession operating account, the debtor in possession payroll account or other debtor in possession account where the disbursements will be listed on this report.

Note 4 -- Include in this amount any other disbursements made by the debtor including (but not limited to) cash paid from a petty cash fund or cash register, amounts paid from any other debtor in possession account, and amounts paid from the accounts of others on the debtors behalf (for example, disbursements made from a law firm's escrow account as a result of a sale of property.)

In Re: _____ Case Number _____

ACCOUNTS RECEIVABLE

As of _____

Creditor	Total Due	Date Incurred	Past Due (31-60 Days)	Past Due (Over 60 Days)
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In Re: _____ Case Number _____

ACCOUNTS PAYABLE

As of _____

Creditor	Total Due	Date Incurred	Past Due (31-60 Days)	Past Due (Over 60 Days)
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