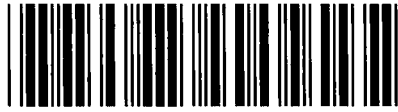


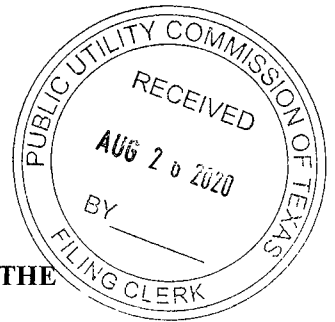


Control Number: 50197



Item Number: 24

Addendum StartPage: 0



**DOCKET NO. 50197**

**APPLICATION OF TIMBERCREST  
PARTNERS LLC FOR RATE CHANGE**

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§

**BEFORE THE  
PUBLIC UTILITY COMMISSION  
OF TEXAS**

**TIMBERCREST PARTNERS LLC RESPONSE TO COMMISSION STAFF'S FIRST  
REQUESTS FOR INFORMATION**

Timbercrest Partners LLC (Timbercrest) files this Response to Commission Staff's First Requests for Information (RFIS). Timbercrest stipulates that these RFIs may be treated as if filed under oath.

Respectfully submitted,

Shea & Associates, PLLC

By: /s/ Tammy Shea

Tammy Wavle-Shea  
State Bar No. 24008908  
400 N Sam Houston Pkwy E, Suite 413  
Houston, Texas 77060  
Telephone: (832) 542.7824  
Facsimile: (832) 565.8639  
Email: tshea@tshealaw.com

**ATTORNEYS FOR TIMBERCREST  
PARTNERS LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of this document will be served on all parties of record on August 26, 2020 in accordance with the Commission's Order in Docket 50664.

/s/ Tammy Shea

Tammy Shea

**Staff 1-1**

Please provide copies of the general ledgers for the years ending December 31, 2018 through December 31, 2019.

**Response:**

The requested general ledgers are voluminous and will be made available in the GDS Offices at 919 Congress, Suite 1110 in Austin Texas. The GLs reflect the entire Harmony Community operations of which the Timbercrest utility operation is a small portion. In addition, some portions of the GL are confidential and a protective order certification must be signed before review. Please make arrangements with Tammy Shea to review the GLs.

In lieu of the requested GL data, the Company has attached the Balance Sheets and Profit and Loss statements for the Test Year 2018 and calendar year 2019 in Excel format for review attached as Exhibits 1-1.

Prepared By: Chuck Loy  
Sponsored By: Chuck Loy

**Staff 1-2**

Please provide a copy of any and all contracts for contract labor during the test year and the year following and the test year.

**Response:**

There are no contracts for labor during or after the test year. Timbercrest does have an operator agreement.

Prepared By: Chuck Loy  
Sponsored By: Sharon Sask

**Staff 1-3**

Please provide copies of invoices and supporting documentation for the known and measurable changes included in Column E, Schedule I-1, page 4, bates page 39, of the application.

**Response:**

The only known and measurable made to the test year was to reflect the anticipated volumetric related costs associated with the addition of the new apartment complex customer. Thus, known and measurable adjustments were made to North Harris County Regional Water Authority charges, pumping charges and chemical costs. The table below summarize the 2019 or post test year actual costs and results in a reduction to the known and measurable costs of \$23,007. The invoices are attached as Exhibits 1-3a, 1-3b, and 1-3c1 and 2.

Month	North Harris County	Chemicals	Power		Total
			Water	Sewer	
Jan-19	\$12,303	\$852	\$781	\$1,255	
Feb-19	\$11,413	\$737	\$750	\$1,197	
Mar-19	\$11,674	\$1,493	\$777	\$1,285	
Apr-19	\$15,085	\$1,194	\$926	\$1,360	
May-19	\$14,123	\$521	\$783	\$1,281	
Jun-19	\$14,342	\$573	\$873	\$1,276	
Jul-19	\$18,258	\$716	\$954	\$1,355	
Aug-19	\$18,077	\$430	\$2,955	\$3,262	
Sep-19	\$20,433	\$269	\$1,559	\$1,664	
Oct-19	\$18,443	\$869	\$1,019	\$1,294	
Nov-19	\$16,591	\$110	\$920	\$1,298	
Dec-19	\$16,579	\$925	\$885	\$1,249	
Total Post Test Year	\$187,320	\$8,690	\$13,182	\$17,776	
As Proposed	\$204,607	\$8,125	\$16,149	\$21,094	
Adjustment to Request	<u>(\$17,287)</u>	<u>\$565</u>	<u>(\$2,967)</u>	<u>(\$3,318)</u>	<u>(\$23,007)</u>

Prepared By: Chuck Loy

Sponsored By: Chuck Loy

**Staff 1-4**

Please provide the general journal ledger entries made in the general ledgers to reflect the following known and measurable changes. Provide also provide a detailed explanation for the changes and any calculations used to determine the changes.

a) Materials	(\$33,988)
a) Regulatory (rate case) expense	\$8,000
b) Miscellaneous expense	(\$1,294)

**Response:**

The amounts cited above cannot be found as known and measurable changes in the Timbercrest rate application.

Prepared By: Chuck Loy

**Staff 1-5**

Please provide copies of income tax forms filed with the IRS for the test year which include the applicant's utility operations. Please include copies of federal forms W-2, W-3, and 1099, and 1096.

**Response:**

Please see attached Confidential Exhibit 1-5 which is the income tax filing for Timbercrest Partners. This document is confidential. Confidential W-2s were provided earlier in a response to the Notice of Deficiency earlier this year. The Company does not have W-3s or 1099s.

Prepared By: Chuck Loy  
Sponsored By: Sharon Sask

**Staff 1-6**

Please provide copies of all invoices for the 1% regulatory assessment fees paid to TCEQ during the test year. Please indicate the account name and number in which the regulatory assessment fee is recorded in the general ledger as an expense.

**Response:**

See attached Exhibit 1-6. These expenses are recorded in Account 6090 Fees and Permits.

Prepared By: Chuck Loy

Sponsored By: Chuck Loy



**Staff 1-7**

Please provide copies of invoices for property taxes.

**Response:**

See Exhibits 1-7a and 1-7b attached.

Prepared By: Chuck Loy  
Sponsored By: Sharon Sask

**Staff 1-8**

Please provide the names of affiliated interests as defined by Texas Water Code §13.002(2), if any.

Response: Please see response to Order No. 1

Prepared By: Tammy Shea  
Sponsored By: Sharon Sask

**Staff 1-9**

Please provide copies of the organizational chart to include the parent and affiliated companies.

**Response:**

See Response to Order No. 1

Prepared By: Tammy Shea

Sponsored By: Sharon Sask

**Staff 1-10**

In reference to Timbercrest's employee labor of \$14,347 and office supplies of \$23,076 for the test year, as requested in the application of schedule I-1, please provided the following:

- a) Name of the person or employee paid for:
  - 1) Employee labor
  - 2) Office Salaries
- b) Total amount paid in the test year for each employee;
- c) Specific duties / job description of the employees;
- d) Amount of time spent daily or weekly of each employee for Timbercrest;
- e) If the person or employee works for Timbercrest and an affiliated company, provide number of hours work daily or weekly for Timbercrest and the affiliated company.

**Response: a & b**

<b>5010 Salaries Benefits &amp; Incentive</b>	<b>\$68,095</b>
Steve Lopez	\$12,000
Connie Holcomb	\$8,695
Heather Lopez	\$22,800
Irais Sanchez	\$11,980
Misc Office Help	\$12,620
Total	\$68,095
Allocation Percentage	<b>28.69%</b>
Allocation to Utility Operation	\$19,533
<b>5020 Maintenance Wages</b>	<b>\$50,016</b>
Salvador Cervantes Jr	\$23,800
Salvador Cervantes Sr	\$16,102
Ricky Gonzales	\$6,540
Misc wage reimbursements	\$3,574
Total	\$50,016
Allocation Percentage	<b>28.69%</b>
Allocation to Utility Operation	\$14,347
<b>501070 Salaries - Bonus</b>	<b>\$12,350</b>
Heather Lopez	\$9,800
Irais Sanchez	\$75
Salvador Cervantes Jr	\$175
Salvador Cervantes Sr	\$300
Misc	\$2,000
Total	\$12,350
Allocation Percentage	<b>28.69%</b>
Allocation to Utility Operation	\$3,543
Total Salaries Allocated to Utility Operation	<b>\$37,423</b>

**c) Specific duties of employees -**

Steve & Heather Lopez - Shared property management duties, oversee maintenance of utility operation, and financial management

Connie Holocomb , Irais Sanchez - General office duties, assist with clerical work related to utility operation, pay bills, etc.

Salvador Cervantes Jr. and Sr. and Ricky Gonzales - Water and Sewer Line repairs, painting, general carpentry, etc.

d) The allocations assume 11 hours per week per employee related to utilities operations

e) Not applicable.

Prepared By:

Chuck Loy

**Staff 1-11**

In reference to Other Plant Maintenance requested in the application \$24,713 for the test year, please provide the following:

- a) Names of companies who provided maintenance services to Timbercrest;
- b) Copies of work orders;
- c) Copies of invoices;
- d) Copies of general ledger pages for Other Plant Maintenance, if not already provided in the general ledger for the test year.

**Response:**

- a) See Company response to c) and d) below
- b) Not applicable
- c) & d) The table below breaks down the various amounts reflected in the \$24,713 requested for other plant maintenance. Exhibit 1-11 provides the detail for the costs presented in the table below.

Accounts	GL Amount	Alloc	Amount Alloc to Utility
50310 Repairs & Maint - Building	\$1,745	28.69%	\$501
50320 Repairs & Maint - General	\$2,559	28.69%	\$734
50330 Repairs & Maint - Grounds	\$19,955	28.69%	\$5,724
50350 Repairs & Maint - Roads	\$117	28.69%	\$34
50360 Repairs & Maint - Utility Line	\$908	100.00%	\$908
6240 Waste Management	\$57,160	28.69%	\$16,397
6241 Waste Management Roll Off	\$1,453	28.69%	\$417
Total Other Plant Maintenance in Application			<u>\$24,714</u>

# Balance Sheet

Property: Timbercrest Village  
As of 12/31/19 (accrual basis)

## ASSETS

Bank Account	
100 Cash:	
1000 Petty Cash	750.00
1001 Pass-thru Account	9,146.06
10170 Timbercrest Checking	-20,771.78
10171 Timbercrest Saving	2,939.95
10101 Wells Fargo Overnight Sweep	657,613.23
1002 Consolidated Balances (D&H)	4,476,567.57
100 Total Cash:	5,126,245.03
Tota Bank Account	5,126,245.03
Accounts Receivable	
120 Tenant Receivables:	
12010 Tenant Receivable	1,022.41
120 Total Tenant Receivables:	1,022.41
125 Other Receivables:	
1200 Receivable Net	829.87
1241 Commercial Tenant Receivables (D & H)	27,434.01
125 Total Other Receivables	28,263.88
Tota Accounts Receivable	29,286.29
Other Current Asset	
130 Prepaid Expenses:	
1440 Prepaid Insurance	25,858.81
1445 Other Prepaid Expenses	2,097.70
1446 Prepaid Expenses/Deposits (D&H)	4,560.25
130 Total Prepaid Expenses:	32,516.76
140 Reserves & Deposits:	
1400 Property Tax Escrow	139,991.34
1410 Insurance Escrow	41,614.82
1420 Reserve Escrow	92,819.16
1451 Vendor Deposits	2,900.00
1460 Escrow (D&H)	1,601,254.00
140 Total Reserves & Deposits:	1,878,579.32
155 Investments:	
1599 Investment in Augusta Woods, LP	957,294.90
155 Total Investments:	957,294.90
160 Other Current Assets:	
1239 Supplies Sourcing Receivable	341.98
9090 Suspense	717.10
160 Total Other Current Assets:	1,059.08
Tota Other Current Asset	2,869,450.06
Fixed Asset	
171 Land	
1710 Land	1,553,600.22
1715 Land - Elmfield Holdings Undeveloped	84,062.05
1716 Land - Augusta	15,000.00
171 Total Land:	1,652,662.27
172 Buildings	
1720 Buildings	6,932,430.92
172 Total Buildings:	6,932,430.92
173 Improvements:	

1760 Leasehold Improvements	7,196,534.03
1761 Utility Plants in Service	1,845,582.31
17610 Leasehold Improvements Elmfield Hldgs - underdev	451,553.00
17611 Leasehold Improvements: Augusta Equities	5,528,236.97
173 Total Improvements:	15,021,906.31
174 Mobile Homes.	
1780 Mobile Home	1,125,774.77
1790 Mobile Homes - bucket #2	7,633.22
174 Total Mobile Homes:	1,133,407.99
175 Other Fixed Assets:	
1730 Computers	4,769.39
1740 Furniture & Fixtures	7,152.67
1750 Equipment	203,340.46
1770 Vehicles	8,885.50
175 Total Other Fixed Assets:	224,148.02
179 Accumulated Depreciation (Fixed Assets):	
1725 Accum Amort - Buildings	-547,660.74
1735 Accum.Amort - Computers	-3,988.69
1745 Accum.Amort-Furniture&Fixtures	-7,153.00
1755 Accum Amort - Equipment	-188,278.00
1765 Accum.Amort - Leasehold Improv	-8,078,099.00
1775 Accum.Amort - Vehicles	-8,886.00
1785 Accum.Amort. - Mobile Home	-370,673.78
1786 Accumulated Amortization - Deferred Commission	-305,010.00
179 Total Accumulated Depreciation (Fixed Assets):	-9,509,749.21
Tota Fixed Asset	15,454,806.30
Other Asset	
180 Other Assets:	
1800 Financing Cost	65,000.00
1810 Start Up Costs	4,418.00
1820 Refinancing Cost	7,069,090.64
18115 Survey Costs	16,318.69
18120 Legal Fees	78,950.00
18130 Title Costs	55,750.00
18145 Commissions	74,236.00
18150 Deferred Retail Commissions	1,102,837.24
18160 Deferred Lease Costs	105,065.66
180 Total Other Assets:	8,571,666.23
185 Intercompany Receivables:	
15001 Interco transfer to Payables	9,382,155.15
15010 Due to (from) Atascocita	-37.04
15027 Due to (from) Augusta Equities	62,457.63
15070 Due to (from) Beaver Creek	-1,053.23
15110 Due to (from) CIC Arizona	-57.13
15120 Due to (from) CIC Equity	827.16
15150 Due to (from) CIC Oregon	-1,028.71
15180 Due to (from) Coleman Holdings	1,863.44
15185 Due to (from) Country Terrace	54.99
15212 Due to (from) Carefree Park Estates	-340.65
15215 Due to/from Dequindre Estates MHC LLC	-14.30
15230 Due to (from) Eastgate CIC	-1,133.98
15251 Due to (from) Eldora Pharr	4,994.57
15253 Due to (from) Elmfield Holdings LLC	40,641.02
15255 Due to (from) Gaslite	18,526.53
15257 Due to (from) Glenwood NEO	4.50
15285 Due to (from) Holiday CIC	-1,465.98
15290 Due to (from) Highland Estates	282.67
15303 Due to (from) Indian Creek	50.45
15320 Due to (from) Kirkwood Estates	344.99
15340 Due to (from) Little Brook	218.19
15350 Due to (from) MC Equities	9,644.86



15390 Due to (from) Magnolia	15.70
15410 Due to (from) Oakhurst	-263.56
15480 Due to (from) Pinewood	4,098,057.13
15510 Due to (from) Pine Meadows LP	-176.68
15560 Due to (from) River Ridge	-37.10
15565 Due to (from) Riverview Crossing	-52.60
15570 Due to (from) Santa Grande	-122.01
15592 Due to (from) Squaw Creek	-27.87
15594 Due to (from) Sublimity	-935.04
15606 Due to (from) Tower CIC	-46.04
15607 Due to (from) The Lakes	75.58
15608 Due to (from) Verona	-85.95
15609 Due to (from) Indian Trail North	232.32
15615 Due to (from) Tyson Farm	62.75
15670 Due to (from) MCE Investor Holdings LP	7,761.18
15680 Due to (from) Golden Estates	20.16
15690 Due to (from) South View Estates	296.28
15695 Due to (from) Haven at Augusta Woods LP	266,853.42
15520 Due to (from) Pine River Ridge	52,510.46
15475 Due to (from) Picacho Vista	-257.85
15287 Due to (from) Harmony Penn Portfolio	133,653.85
15286 Due to (from) Village of North Oak	302.38
15252 Due to (from) Spring RE Ventures LLC	-399.98
15511 Due to (from) Pine Meadows MHC	195.95
15480 A - D&H Due to (from) Pinewood	-4,100,040.58
15691 Due to (from) South View Waterloo	-262.69
185 Total Intercompany Receivables:	9,974,264.34
189 Accumulated Depreciation (Other Assets):	
1805 Accum. Amort - Financing Cost	-127,307.00
1825 Accum. Amort - Refinance Cost	-588,053.00
189 Total Accumulated Depreciation (Other Assets):	-715,360.00
Tota Other Asset	17,830,570.57
<b>TOTAL ASSETS</b>	<b>41,310,358.25</b>

## LIABILITIES & EQUITY

### Liabilities

Accounts Payable	
200 Accounts payable and accrued liabilities:	
2000 Accounts Payable	32,154.95
2001 Accrued Payables	-979,022.23
2006 Accounts Payable - Elmfield	1,014,524.91
2095 Accrued Mortgage Interest Payable	84,255.72
2008 Accounts Payable - Augusta	1,152.63
200 Total Accounts payable and accrued liabilities:	153,065.98
Tota Accounts Payable	153,065.98
Other Current Liability	
210 Security Deposits:	
2060 Security Deposits	-12,894.21
2061 Commercial Tenant Security Deposits (D & H)	148,162.93
210 Total Security Deposits:	135,268.72
220 Deferred Revenue:	
2050 Prepaid Rents	42,601.45
2150 Deferred Revenue	100.00
2051 Commercial Prepaid Rent (D&H)	10,170.67
220 Total Deferred Revenue:	52,872.12
230 Property Tax Payable:	
2009 Property Tax Payable	122,272.95
230 Total Property Tax Payable:	122,272.95
Tota Other Current Liability	310,413.79

Long Term Liability		
270 Mortgage Payable.		
2810 Long Term Mortgage Payable		22,051,000.00
270 Total Mortgage Payable.		22,051,000 00
275 Intercompany Payable:		
25002 Interco Payables		9,382,155.15
275 Total Intercompany Payable:		9,382,155 15
Tota Long Term Liability		31,433,155.15
<b>Total Liabilities</b>		<b>31,896,634.92</b>
<b>Equity</b>		
330 Current Distributions:		
33157 CIC Equities Corp. of America - Dist.		-180,000 00
33260 MC Equities - Dist		-90,000.00
330 Total Current Distributions:		-270,000.00
340 Other Equity:		
3410 Timbercrest LP - draws (advances)		7,937,801.43
340 Total Other Equity:		7,937,801.43
360 Retained Earnings		
3600 Retained Earnings		2,492,025 47
360 Total Retained Earnings:		2,492,025.47
3500 Net Income		-746,103.57
<b>Total Equity</b>		<b>9,413,723 33</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>41,310,358.25</b>

# Profit & Loss

Property: Timbercrest Village  
01/01/19 - 12/31/19 (accrual basis)

## INCOME

400 Rental Income:	
4006 Account Adjustment	-66.53
4010 MH Rental Income	1,783,377.18
4015 RV Income	120,204.74
4025 Commercial Tenant Income	893,842.92
40110 Employee Rent Concessions	-13,500.00
400 Total Rental Income:	2,783,858.31
410 Expense Recoveries:	
4050 Expense Recoveries	246.00
40510 Water Income	80,319.70
40520 Sewer Income	62,410.50
40560 Property Tax Income	42,704.64
40570 Insurance Income	7,485.00
40580 Misc Income	28,730.73
40640 Trash Income	150.00
410 Total Expense Recoveries	222,046.57
420 Other Income:	
4030 Late Fees Income	18,836.49
40120 Security Deposit Forfeit	385.00
40620 NSF Income	295.00
40625 Application Fee	1,629.00
40635 Maintenance & Inspection Fees	24,930.00
40650 Clubhouse Rental Income	950.00
40660 Vending Machine Income	348.75
40700 Other Income	2,404.06
420 Total Other Income:	49,778.30

## TOTAL

**INCOME 3,055,683.18**

## EXPENSE

510 Salaries:	
5010 Salaries Benefits & Incentive	66,828.00
5020 Maintenance Wages	49,150.50
501005 Salaries - Fed/State Deduct	3,041.58
501040 Salaries - WCB	52.72
501060 Salaries - Admin Fee	786.48
501070 Salaries - Bonus	13,000.00
502005 Mtce - Fed/State Deduct	3,101.31
502040 Mtce - WCB	574.33
502060 Mtce - Admin Fee	941.00
510 Total Salaries:	137,475.92
520 Offsite Management:	
9030 Management Fees - Offsite	195,600.00
520 Total Offsite Management:	195,600.00
530 Repairs and Maintenance:	
50310 Repairs & Maint - Building	546.99
50320 Repairs & Maint - General	2,011.13
50330 Repairs & Maint - Grounds	76,326.98
50335 Repairs & Maint Trees	575.00
50360 Repairs & Maint - Utility Line	973.32
50370 R & M - Misc Labour Concession	400.00
50380 Repairs & Maint - Pool	839.14
530 Total Repairs and Maintenance:	81,672.56
540 Waste Management:	
6240 Waste Management	62,669.72
540 Total Waste Management:	62,669.72

<b>550 Water &amp; Sewer:</b>		
52020 Utilities - Water		<b>189,688.66</b>
<b>550 Total Water &amp; Sewer:</b>		<b>189,688.66</b>

560 Water & Sewer Maintenance:	
50810 Sanitation - Chemicals	8,307.76
50820 Sanitation - Lab Fees	7,325.80
50830 Sanitation - Operators	22,697.87
50840 Sanitation - Other	14,425.98
50890 Sanitation - Adjustment	-62,510.21
560 Total Water & Sewer Maintenance:	-9,752.80
570 Electricity & Gas	
52040 Utilities - Electricity	81,048.76
570 Total Electricity & Gas:	81,048.76
580 Insurance:	
6105 Insurance - Umbrella	5,903.51
6110 Insurance - General	41,753.12
6120 Insurance - Auto	2,815.75
6125 Insurance - Bond coverage	1,233.39
580 Total Insurance	51,705.77
590 Advertising:	
60230 Advertising - Marketing Incent	649.85
60240 Advertising - Miscellaneous	30.33
60250 Advertising - Tenant Relations	1,125.96
590 Total Advertising:	1,806.14
600 Legal and Accounting:	
6010 Accounting Expense	17,305.00
6011 Legal expense	71,747.20
600 Total Legal and Accounting:	89,052.20
610 Bank Charges and interest	
6080 Bank Charges	9,633.34
610 Total Bank Charges and interest:	9,633.34
620 Auto Expenses:	
60710 Auto - Gas	846.02
60720 Auto - Repairs & Maintenance	1,796.88
620 Total Auto Expenses:	2,642.90
630 Travel and Entertainment:	
6230 Travel	3,717.44
6235 Meal & Entertainment	570.42
630 Total Travel and Entertainment:	4,287.86
640 Telephone:	
6219 Cell Phone	600.00
6220 Telephone	1,866.62
640 Total Telephone:	2,466.62
650 Office and Miscellaneous:	
9040 Consulting Fee	117,779.57
61510 Office - Cable & Internet	1,096.82
61520 Office - Copier & Fax	183.09
61530 Office - Courier & Postage	449.41
61535 Credit Checks	1,006.19
61540 Office - Miscellaneous	2,080.28
61550 Office - Stationary	88.93
650 Total Office and Miscellaneous:	122,684.29
660 Property Taxes:	
6210 Property Taxes - General	110,811.30
6212 Property Taxes - Elmfield Holdings Inc.	128,123.51
660 Total Property Taxes:	238,934.81
670 Fees and Permits:	
6015 Annual Filing Fees	3,062.39
6090 Fees & Permits	5,163.97
670 Total Fees and Permits:	8,226.36
690 Bad Debt:	
9000 Bad Debts	10.00
690 Total Bad Debt:	10.00

**TOTAL**

**EXPENSE**

**1,269,853.11**

<b>NOI</b>	<b>1,785,830.07</b>
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**NON OPERATING INCOME**

810 Mobile Home Income	
40690 Interest Income	7,542.78
4070 Lease Income	158,071.76
4230 Gain / Loss on Sale	16,304.54
5300 Home Payment - Investors	-14,840.00
810 Total Mobile Home Income	167,079.08
820 Investment Income:	
4081 Pass-through Income	-847,226.00
820 Total Investment Income	-847,226.00
830 Other Non-Operating Income:	
42305 Gain on sale of land	297,537.03
40750 Water & Sewer Non-Operating Income	79,078.27
830 Total Other Non-Operating Income:	376,615.30

**TOTAL**

<b>NON OPERATING INCOME</b>	<b>-303,531.62</b>
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**NON OPERATING EXPENSE**

910 Federal & State Taxes:	
6205 State Tax Expense	6,838.69
910 Total Federal & State Taxes:	6,838.69
915 Mobile Home Expenses:	
6100 Insurance - Mobile Homes	13,906.77
6200 Property Taxes - Mobile Homes	38,206.65
915 Total Mobile Home Expenses:	52,113.42
920 Mortgage Interest:	
9010 Interest - Loan / Mortgage	652,684.84
920 Total Mortgage Interest	652,684.84
940 Depreciation & Amortization:	
6050 Amortization Expenses	1,333,778.00
940 Total Depreciation & Amortization	1,333,778.00
950 Other Non-Operating Expenses:	
9016 Financing Fees	49,873.00
9045 Consulting Fee (development and other)	19,000.00
9064 Legal Exp. (Non-Op)	1,500.00
9065 Accounting Exp. (D&H, VD)	12,567.22
9082 Gain (Loss) on sale of Capital Assets	15,633.12
9098 Forgiveness of Debt	-31.40
9043 Water & Sanitation (non-resident)	62,510.21
9097 Augusta Expenses (D&H)	21,934.92
950 Total Other Non-Operating Expenses:	182,987.07

**TOTAL**

<b>NON OPERATING EXPENSE</b>	<b>2,228,402.02</b>
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<b>NET INCOME</b>	<b>-746,103.57</b>
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**NET INCOME SUMMARY**

Income	3,055,683.18
Expense	-1,269,853.11
Net Operating Income	1,785,830.07
Non Operating Income	-303,531.62
Non Operating Expense	-2,228,402.02
<b>NET INCOME</b>	<b>-746,103.57</b>

Month	North Harris County	Chemicals	Power		Total
			Water	Sewer	
Jan-19	\$12,303	\$852	\$781	\$1,255	
Feb-19	\$11,413	\$737	\$750	\$1,197	
Mar-19	\$11,674	\$1,493	\$777	\$1,285	
Apr-19	\$15,085	\$1,194	\$926	\$1,360	
May-19	\$14,123	\$521	\$783	\$1,281	
Jun-19	\$14,342	\$573	\$873	\$1,276	
Jul-19	\$18,258	\$716	\$954	\$1,355	
Aug-19	\$18,077	\$430	\$2,955	\$3,262	
Sep-19	\$20,433	\$269	\$1,559	\$1,664	
Oct-19	\$18,443	\$869	\$1,019	\$1,294	
Nov-19	\$16,591	\$110	\$920	\$1,298	
Dec-19	\$16,579	\$925	\$885	\$1,249	
Total Post Test Year	\$187,320	\$8,690	\$13,182	\$17,776	
As Proposed	\$204,607	\$8,125	\$16,149	\$21,094	
Adjusted to Request	<b>(\$17,287)</b>	<b>\$565</b>	<b>(\$2,967)</b>	<b>(\$3,318)</b>	<b>(\$23,007)</b>

<b>5010 Salaries Benefits &amp; Incentive</b>	<b>\$68,095</b>	
Steve Lopez	\$12,000	
Connie Holcomb	\$8,695	
Heather Lopez	\$22,800	
Irais Sanchez	\$11,980	
Misc Office Help	\$12,620	
Total	\$68,095	
Allocation Percentage	<b>28.69%</b>	
Allocation to Utility Operation	\$19,533	

<b>5020 Maintenance Wages</b>	<b>\$50,016</b>	
Salvador Cervantes Jr	\$23,800	
Salvador Cervantes Sr	\$16,102	
Ricky Gonzales	\$6,540	
Misc wage reimbursements	\$3,574	
Total	\$50,016	
Allocation Percentage	<b>28.69%</b>	
Allocation to Utility Operation	\$14,347	

<b>501070 Salaries - Bonus</b>	<b>\$12,350</b>	
Heather Lopez	\$9,800	
Irais Sanchez	\$75	
Salvador Cervantes Jr	\$175	
Salvador Cervantes Sr	\$300	
Misc	\$2,000	
Total	\$12,350	
Allocation Percentage	<b>28.69%</b>	
Allocation to Utility Operation	\$3,543	

Total Salaries Allocated to Utility Operation	<b><u>\$37,423</u></b>
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In 5010 \$12,500 comes from a prescribed consolidation entry relating t

In 5020 there is a bonus reclass or so, recorded for a home sale of -250;

And in the last: the 2000 comes again from a prescribed entry relating t

Accounts	GL Amount	Alloc	Amount Alloc to Utility
50310 Repairs & Maint - Building	\$1,745	28.69%	\$501
50320 Repairs & Maint - General	\$2,559	28.69%	\$734
50330 Repairs & Maint - Grounds	\$19,955	28.69%	\$5,724
50350 Repairs & Maint - Roads	\$117	28.69%	\$34
50360 Repairs & Maint - Utility Line	\$908	100.00%	\$908
6240 Waste Management	\$57,160	28.69%	\$16,397
6241 Waste Management Roll Off	\$1,453	28.69%	\$417
Total Other Plant Maintenance in Application			<u><u>\$24,714</u></u>

o the commercial entity, the remainder comes from some office help (according to the comment(s) in the GL (b)  
again a 90 commercial wages adjustment; and some wages/re imbursement for 'pool monitoring' of 2373  
o the commercial entity.

γ Sharon)

# Profit & Loss

Property: Timbercrest Village  
01/01/18 - 12/31/18 (accrual basis)

## INCOME

400 Rental Income:	
4006 Account Adjustment	-765.93
4010 MH Rental Income	1,468,490.48
4015 RV Income	121,366.20
4025 Commercial Tenant Income	75,023.40
40110 Employee Rent Concessions	-9,209.00
400 Total Rental Income.	1,654,905.15
410 Expense Recoveries:	
4050 Expense Recoveries	272.00
40510 Water Income	78,059.50
40520 Sewer Income	61,439.00
40540 Electricity Income	1,850.16
40560 Property Tax Income	45,862.00
40570 Insurance Income	9,130.00
40580 Misc Income	1,652.50
40640 Trash Income	100.00
410 Total Expense Recoveries.	198,365.16
420 Other Income:	
4030 Late Fees Income	15,679.00
40120 Security Deposit Forfeit	200.00
40610 Lawn Mowing Income	295.00
40620 NSF Income	320.00
40625 Application Fee	1,050.00
40635 Maintenance & Inspection Fees	27,180.00
40650 Clubhouse Rental Income	2,400.00
40660 Vending Machine Income	450.93
40700 Other Income	104,038.75
420 Total Other Income:	151,613.68

## TOTAL

INCOME	2,004,883.99
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## EXPENSE

510 Salaries	
5010 Salaries Benefits & Incentive	68,095.00
5020 Maintenance Wages	50,016.20
501005 Salaries - Fed/State Deduct	4,485.34
501040 Salaries - WCB	71.35
501045 Salaries - Benefits	49.80
501060 Salaries - Admin Fee	1,390.00
501070 Salaries - Bonus	12,350.00
502005 Mtce - Fed/State Deduct	4,673.15
502040 Mtce - WCB	879.53
502045 Mtce - Benefits	75.28
502060 Mtce - Admin Fee	1,425.43
502070 Mtce - Bonus	100.00
510 Total Salaries:	143,611.08
520 Offsite Management:	
9030 Management Fees - Offsite	195,600.00
520 Total Offsite Management:	195,600.00
530 Repairs and Maintenance:	
50310 Repairs & Maint - Building	1,744.76
50320 Repairs & Maint - General	2,559.27
50330 Repairs & Maint - Grounds	19,955.33
50335 Repairs & Maint Trees	6,482.74
50350 Repairs & Maint - Roads	117.00
50360 Repairs & Maint - Utility Line	907.81
50380 Repairs & Maint - Pool	2,031.01

50390 R&M - Security	5.41
530 Total Repairs and Maintenance:	33,803.33
540 Waste Management:	
6240 Waste Management	57,159.87

6241 Waste Management Roll Off	1,452.80
540 Total Waste Management:	58,612.67
550 Water & Sewer:	
52020 Utilities - Water	144,585.18
52030 Utilities - Sewer	116.60
550 Total Water & Sewer:	144,701.78
560 Water & Sewer Maintenance:	
50810 Sanitation - Chemicals	6,662.65
50820 Sanitation - Lab Fees	6,655.13
50830 Sanitation - Operators	17,880.00
50840 Sanitation - Other	25,172.44
50890 Sanitation - Adjustment	-40,193.82
560 Total Water & Sewer Maintenance:	16,176.40
570 Electricity & Gas:	
52040 Utilities - Electricity	81,213.09
570 Total Electricity & Gas:	81,213.09
580 Insurance:	
6105 Insurance - Umbrella	7,705.29
6110 Insurance - General	45,344.69
6120 Insurance - Auto	1,902.60
6125 Insurance - Bond coverage	1,100.04
580 Total Insurance:	56,052.62
590 Advertising:	
60230 Advertising - Marketing Incent	4,291.00
60240 Advertising - Miscellaneous	105.89
60250 Advertising - Tenant Relations	1,512.42
590 Total Advertising:	5,909.31
600 Legal and Accounting:	
6010 Accounting Expense	15,285.00
6011 Legal expense	4,843.95
600 Total Legal and Accounting:	20,128.95
610 Bank Charges and interest:	
6080 Bank Charges	10,103.33
610 Total Bank Charges and interest:	10,103.33
620 Auto Expenses:	
6070 Auto	147.54
60710 Auto - Gas	1,446.66
60720 Auto - Repairs & Maintenance	1,626.99
620 Total Auto Expenses:	3,221.19
630 Travel and Entertainment:	
6230 Travel	562.68
6235 Meal & Entertainment	151.63
630 Total Travel and Entertainment:	714.31
640 Telephone:	
6219 Cell Phone	600.00
6220 Telephone	1,757.16
640 Total Telephone:	2,357.16
650 Office and Miscellaneous:	
9040 Consulting Fee	12,340.50
61510 Office - Cable & Internet	1,006.59
61515 Office - Security	110.00
61520 Office - Copier & Fax	688.55
61530 Office - Courier & Postage	877.15
61535 Credit Checks	818.24
61540 Office - Miscellaneous	1,501.69
61550 Office - Stationary	180.86
650 Total Office and Miscellaneous:	17,523.58
660 Property Taxes:	
6210 Property Taxes - General	95,986.93
6214 Property Taxes - Adjustment	-4,261.77
660 Total Property Taxes:	91,725.16
670 Fees and Permits:	

6015 Annual Filing Fees	4,065.00
6090 Fees & Permits	11,412.12
670 Total Fees and Permits:	15,477.12
690 Bad Debt:	
9000 Bad Debts	329.00
690 Total Bad Debt:	329.00
790 CORP Expense:	
799310 CORP Office & Miscellaneous	17.87
790 Total CORP Expense:	17.87
<b>TOTAL</b>	
<b>EXPENSE</b>	<b>897,277.95</b>
<b>NOI</b>	<b>1,107,606.04</b>
<b>NON OPERATING INCOME</b>	
810 Mobile Home Income:	
40690 Interest Income	849.88
4070 Lease Income	173,036.33
4230 Gain / Loss on Sale	-1,362.26
5300 Home Payment - Investors	-25,123.76
40720 Downpayment	7,000.00
810 Total Mobile Home Income:	154,400.19
830 Other Non-Operating Income	
40750 Water & Sewer Non-Operating Income	58,043.10
830 Total Other Non-Operating Income	58,043.10
<b>TOTAL</b>	
<b>NON OPERATING INCOME</b>	<b>212,443.29</b>
<b>NON OPERATING EXPENSE</b>	
910 Federal & State Taxes	
6205 State Tax Expense	11,673.27
910 Total Federal & State Taxes:	11,673.27
915 Mobile Home Expenses:	
6100 Insurance - Mobile Homes	10,908.31
6200 Property Taxes - Mobile Homes	24,696.37
50340 Repairs & Maint - Mobile Homes	3,458.42
915 Total Mobile Home Expenses:	39,063.10
920 Mortgage Interest:	
9010 Interest - Loan / Mortgage	504,452.95
920 Total Mortgage Interest:	504,452.95
940 Depreciation & Amortization:	
6050 Amortization Expenses	685,458.00
940 Total Depreciation & Amortization:	685,458.00
950 Other Non-Operating Expenses	
9016 Financing Fees	304,236.00
9045 Consulting Fee for Development	17,899.25
9064 Legal Exp (Non-Op)	16.44
9065 Accounting Exp. (D&H, VD)	10,914.25
9082 Gain (Loss) on sale of Capital Assets	53,132.90
9090 Suspense	-17,282.90
9098 Forgiveness of Debt	435,060.04
9043 Water & Sanitation (non-resident)	40,193.82
950 Total Other Non-Operating Expenses:	844,169.80
<b>TOTAL</b>	
<b>NON OPERATING EXPENSE</b>	<b>2,084,817.12</b>
<b>NET INCOME</b>	<b>-764,767.79</b>



# Balance Sheet

Property: Timbercrest Village  
As of 12/31/18 (accrual basis)

## ASSETS

Bank Account	
100 Cash:	
1000 Petty Cash	750.00
1001 Passthrough Account	1,270,389.33
10170 Timbercrest Checking	638,744.51
10171 Timbercrest Saving	345.79
100 Total Cash	1,910,229.63
Tota Bank Account	1,910,229.63
Accounts Receivable	
120 Tenant Receivables:	
12010 Tenant Receivable	2,235.94
120 Total Tenant Receivables:	2,235.94
125 Other Receivables:	
1230 Receivables	7,696.94
125 Total Other Receivables:	7,696.94
Tota Accounts Receivable	9,932.88
Other Current Asset	
130 Prepaid Expenses	
1440 Prepaid Insurance	46,252.77
1445 Other Prepaid Expenses	2,097.68
130 Total Prepaid Expenses:	48,350.45
140 Reserves & Deposits:	
1400 Property Tax Escrow	31,686.55
1410 Insurance Escrow	840.29
1420 Reserve Escrow	92,764.38
1450 Utilities Deposits	400.00
140 Total Reserves & Deposits:	125,691.22
155 Investments	
1599 Investment in Augusta Woods, LP	439,240.82
155 Total Investments:	439,240.82
160 Other Current Assets:	
1239 Supplies Sourcing Receivable	11,637.49
160 Total Other Current Assets:	11,637.49
Tota Other Current Asset	624,919.98
Fixed Asset	
171 Land	
1710 Land	1,729,690.01
1715 Land - Elmfield Holdings Undeveloped	-4,900,411.48
171 Total Land:	-3,170,721.47
172 Buildings:	
1720 Buildings	1,030,698.19
172 Total Buildings:	1,030,698.19
173 Improvements:	
1760 Leasehold Improvements	9,008,946.06
17610 Leasehold Improvements: Elmfield Hldgs - underdev	8,123,210.18
17611 Leasehold Improvements: Augusta Equities	5,082,863.00
173 Total Improvements:	22,215,019.24
174 Mobile Homes:	
1780 Mobile Home	1,141,184.23

1790 Mobile Homes - bucket #2	7,633.22
174 Total Mobile Homes:	1,148,817.45
175 Other Fixed Assets.	
1730 Computers	4,033.30
1740 Furniture & Fixtures	5,283.74
1750 Equipment	189,534.88
1770 Vehicles	8,885.50
175 Total Other Fixed Assets:	207,737.42
179 Accumulated Depreciation (Fixed Assets):	
1725 Accum.Amort - Buildings	-312,995.74
1735 Accum.Amort - Computers	-3,951.69
1745 Accum Amort-Furniture&Fixtures	-2,298.00
1755 Accum.Amort - Equipment	-172,965.00
1765 Accum Amort - Leasehold Improv	-7,050,151.00
1785 Accum Amort. - Mobile Home	-345,097.78
179 Total Accumulated Depreciation (Fixed Assets):	-7,887,459.21
Tota Fixed Asset	13,544,091.62
Other Asset	
180 Other Assets	
1810 Start Up Costs	4,418.00
1820 Refinancing Cost	1,008,429.22
18120 Legal Fees	950.00
18415 Long-term Receivables - Elmfield Dev't	347,150.56
18150 Deferred Retail Commissions	359,421.63
18160 Deferred Lease Costs	95,624.82
180 Total Other Assets:	1,815,994.23
185 Intercompany Receivables.	
15001 Interco transfer to Payables	5,464,259.15
15010 Due to (from) Atascocita	55.93
15027 Due to (from) Augusta Equities	17,105.64
15070 Due to (from) Beaver Creek	53.18
15110 Due to (from) CIC Arizona	-18.52
15120 Due to (from) CIC Equity	4,109.50
15160 Due to (from) CIC of America	5,456,757.16
15180 Due to (from) Coleman Holdings	1,797.10
15185 Due to (from) Country Terrace	85.50
15210 Due to (from) Carefree Valley	500.41
15212 Due to (from) Carefree Park Estates	4,731.53
15215 Due to/from Dequindre Estates MHC LLC	81.22
15230 Due to (from) Eastgate CIC	610.32
15251 Due to (from) Eldora Pharr	22,345.66
15253 Due to (from) Elmfield Holdings LLC	726,020.45
15255 Due to (from) Gaslite	23,833.78
15280 Due to (from) Holiday	422.75
15285 Due to (from) Holiday CIC	273.41
15303 Due to (from) Indian Creek	558.14
15320 Due to (from) Kirkwood Estates	1.44
15350 Due to (from) MC Equities	63,354.87
15390 Due to (from) Magnolia	-15.70
15480 Due to (from) Pinewood	-4,086,402.99
15510 Due to (from) Pine Meadows	170.24
15560 Due to (from) River Ridge	-233.30
15565 Due to (from) Riverview Crossing	68.70
15592 Due to (from) Squaw Creek	642.08
15606 Due to (from) Tower CIC	3,047.61
15607 Due to (from) The Lakes	46.40
15609 Due to (from) Indian Trail North	81.24
15615 Due to (from) Tyson Farm	25.85
15670 Due to (from) MCE Investor Holdings LP	8,086.24
15680 Due to (from) Golden Estates	85.21
15690 Due to (from) South View Estates	1,744.21
15695 Due to (from) Haven at Augusta Woods LP	238,591.00

15520 Due to (from) Pine River Ridge	1,818.25
15287 Due to (from) Harmony Penn Portfolio	1,733.08
185 Total Intercompany Receivables:	7,956,426.74
189 Accumulated Depreciation (Other Assets)	
1805 Accum. Amort - Financing Cost	-127,307.00
1825 Accum. Amort - Refinance Cost	-538,430.00
189 Total Accumulated Depreciation (Other Assets):	-665,737.00
Tota Other Asset	9,106,683.97
<b>TOTAL ASSETS</b>	<b>25,195,858.08</b>

## LIABILITIES & EQUITY

### Liabilities

#### Accounts Payable

##### 200 Accounts payable and accrued liabilities:

2000 Accounts Payable	83,364.35
2001 Accrued Payables	988,520.79
2006 Accounts Payable - Elmfield	23,120.85
2095 Accrued Mortgage Interest Payable	41,658.08
200 Total Accounts payable and accrued liabilities:	1,136,664.07

#### Tota Accounts Payable

1,136,664.07

#### Other Current Liability

##### 210 Security Deposits.

2060 Security Deposits	142,289.85
210 Total Security Deposits	142,289.85

##### 220 Deferred Revenue:

2050 Prepaid Rents	105,574.77
2150 Deferred Revenue	200.00
220 Total Deferred Revenue:	105,774.77

##### 230 Property Tax Payable:

2009 Property Tax Payable	18,490.64
230 Total Property Tax Payable:	18,490.64

##### 240 Other Current Liabilities:

2151 Accrued Franchise Taxes	5,686.98
240 Total Other Current Liabilities:	5,686.98

#### Tota Other Current Liability

272,242.24

#### Long Term Liability

##### 270 Mortgage Payable

2810 Long Term Mortgage Payable	10,630,000.00
270 Total Mortgage Payable.	10,630,000.00

##### 275 Intercompany Payable:

25002 Interco Payables	10,930,739.40
275 Total Intercompany Payable	10,930,739.40

#### Tota Long Term Liability

21,560,739.40

### Total Liabilities

22,969,645.71

### Equity

##### 330 Current Distributions:

33157 CIC Equities Corp. of America - Dist.	-180,000.00
33260 MC Equities - Dist	-90,000.00
330 Total Current Distributions	-270,000.00

##### 340 Other Equity.

3410 Timbercrest LP - draws (advances)	5,700,392.47
340 Total Other Equity:	5,700,392.47

##### 360 Retained Earnings:

3600 Retained Earnings	-2,439,412.31
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	360 Total Retained Earnings:	-2,439,412.31
	3500 Net Income	-764,767.79
	<b>Total Equity</b>	<b>2,226,212.37</b>
<b>TOTAL</b>	<b>LIABILITIES &amp; EQUITY</b>	<b>25,195,858.08</b>