

Monthly Operating Report
CASH BASIS

CASE NAME:	Color Star Growers of Colorado, Inc.
CASE NUMBER:	13-42959
JUDGE:	Brenda T. Rhoades

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS

REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: July 2014
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 (CASH BASIS-1 THROUGH CASH BASIS-6) 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:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Brad Walker
PRINTED NAME OF RESPONSIBLE PARTY

Chief Restructuring Officer

TITLE

8/20/14
DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER

Lars B. Parkin
PRINTED NAME OF PREPARER

Consultant

TITLE

DATE

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RESPONSIBLE PARTY:

_____ ORIGINAL SIGNATURE OF RESPONSIBLE PARTY	Chief Restructuring Officer _____ TITLE
Brad Walker _____ PRINTED NAME OF RESPONSIBLE PARTY	_____ DATE

PREPARER:

 _____ ORIGINAL SIGNATURE OF PREPARER	Consultant _____ TITLE
Lars B. Parkin _____ PRINTED NAME OF PREPARER	8/20/14 _____ DATE

**Monthly Operating Report
CASH BASIS-1**

CASE NAME:	Color Star Growers of Colorado, Inc.
CASE NUMBER:	13-42959

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH
	April	May	June	July
1. CASH - BEGINNING OF MONTH	\$ 1,252,419.61	\$ 1,078,966.72	\$ 2,156,403.94	\$2,323,257.73
RECEIPTS				
2. CASH SALES				
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$ 45.13	\$ 25,197.97	\$ 10,520.30	\$ 359,732.00
4. LOANS AND ADVANCES				
5. SALE OF ASSETS				
6. LEASE & RENTAL INCOME				
7. WAGES				
8. OTHER (ATTACH LIST)	\$ 3,663.23	\$ 1,124,510.68	\$ 195,731.99	\$ 34,624.99
9. TOTAL RECEIPTS	\$ 3,708.36	\$ 1,149,708.65	\$ 206,252.29	\$ 394,356.99
DISBURSEMENTS				
10. NET PAYROLL	\$ 18,575.02	\$ 99.20	\$ 342.00	\$ 819.00
11. PAYROLL TAXES PAID				
12. SALES,USE & OTHER TAXES PAID				
13. INVENTORY PURCHASES				
14. MORTGAGE PAYMENTS				
15. OTHER SECURED NOTE PAYMENTS				
16. RENTAL & LEASE PAYMENTS				
17. UTILITIES				
18. INSURANCE	\$ 26,676.85	\$ 33,346.74	\$ 34,624.99	
19. VEHICLE EXPENSES				
20. TRAVEL				
21. ENTERTAINMENT				
22. REPAIRS & MAINTENANCE				
23. SUPPLIES				
24. ADVERTISING				
25. HOUSEHOLD EXPENSES				
26. CHARITABLE CONTRIBUTIONS				
27. GIFTS				
28. OTHER (ATTACH LIST)	\$ 1,759.38	\$ 928.18	\$ 2,131.95	\$ 750.93
29. TOTAL ORDINARY DISBURSEMENTS	\$ 47,011.25	\$ 34,374.12	\$ 37,098.94	\$ 1,569.93
REORGANIZATION EXPENSES				
30. PROFESSIONAL FEES	\$ 123,650.00	\$ -	\$ -	\$ -
31. U.S. TRUSTEE FEES	\$ 6,500.00	\$ 21,953.17	\$ -	\$ -
32. OTHER (ATTACH LIST)	\$ -	\$ 15,944.14	\$ 2,299.56	\$ -
33. TOTAL REORGANIZATION EXPENSES	\$ 130,150.00	\$ 37,897.31	\$ 2,299.56	\$ -
34. TOTAL DISBURSEMENTS	\$ 177,161.25	\$ 72,271.43	\$ 39,398.50	\$ 1,569.93
35. NET CASH FLOW	\$ (173,452.89)	\$ 1,077,437.22	\$ 166,853.79	\$ 392,787.06
36. CASH - END OF MONTH	\$ 1,078,966.72	\$ 2,156,403.94	\$ 2,323,257.73	\$2,716,044.79

Color Star Growers of Colorado, Inc.
13-42959

Other Ordinary Course Receipts List - July

Receipt Category	Amount
Insurance Reimbursement	\$ 34,624.99
TOTAL:	\$ 34,624.99

Other Ordinary Course Disbursements List - July

Disbursement Category	Amount
Bank Fees	\$ 750.93
TOTAL:	\$ 750.93

Monthly Operating Report
CASH BASIS-1A

2014

CASE NAME:	Color Star Growers of Colorado, Inc.
CASE NUMBER:	13-42959

CASH DISBURSEMENTS DETAIL

MONTH: July

CASH DISBURSEMENTS				
	DATE	PAYEE	PURPOSE	AMOUNT
	07/08/14	Paula Plunkard	Payroll & Benefits	\$ 451.37
	07/08/14	Lisa Hineman	Payroll & Benefits	\$ 306.38
	07/08/14	Susan R. Schlo	Payroll & Benefits	\$ 60.90
	07/09/14	Regions Bank	Bank Fees	\$ 750.93
	TOTAL CASH DISBURSEMENTS			\$ 1,569.58

BANK ACCOUNT DISBURSEMENTS				
CK#	DATE	PAYEE	PURPOSE	AMOUNT
	TOTAL BANK ACCOUNT DISBURSEMENTS			\$ -

TOTAL DISBURSEMENTS FOR THE MONTH	\$ 1,569.58
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Monthly Operating Report
CASH BASIS-2

CASE NAME:	Color Star Growers of Colorado, Inc.
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BANK RECONCILIATIONS	Acct #1	Acct #2	Acct #3	Acct #4	Acct #5	
A. BANK:	Regions Bank	Bank of CO	First National	Community Bank	Prosperity Bank	TOTAL
B. ACCOUNT NUMBER:	2987	9603	0834	8026	9026	
C. PURPOSE (TYPE):	DIP Acct	Aux Acct	Aux Acct	Aux Acct	Aux Acct	
1. BALANCE PER BANK STATEMENT	\$2,715,005.83	\$ -	\$ -	\$ -	\$ -	\$ 2,715,005.83
2. ADD: TOTAL DEPOSITS NOT CREDITED						\$ -
3. SUBTRACT: OUTSTANDING CHECKS	\$ -					\$ -
4. OTHER RECONCILING ITEMS *						\$ 1,038.96
5. MONTH END BALANCE PER BOOKS	\$ 2,715,005.83					\$ 2,716,044.79
6. NUMBER OF LAST CHECK WRITTEN						

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

CASH			
12. CURRENCY ON HAND			\$ -
13. TOTAL CASH - END OF MONTH			\$ 2,716,044.79

* Pending reconciliation during August report.

Monthly Operating Report
CASH BASIS-3

CASE NAME:	Color Star Growers of Colorado, Inc.
CASE NUMBER:	13-42959

ASSETS OF THE ESTATE				
SCHEDULE "A" REAL PROPERTY	SCHEDULE AMOUNT	MONTH		
		May	June	July
1.				
2.				
3.				
4. OTHER (ATTACH LIST)	\$ 33,100,000.00	\$ -	\$ -	\$ -
5. TOTAL REAL PROPERTY ASSETS	\$ 33,100,000.00	\$ -	\$ -	\$ -
SCHEDULE "B" PERSONAL PROPERTY				
1. CASH ON HAND	\$ 28.04	\$ 28.04	\$ 28.04	\$ 28.04
2. CHECKING, SAVINGS, ETC.	\$ 410,250.09	\$ 2,156,403.94	\$ 2,323,257.73	\$ 2,716,044.79
3. SECURITY DEPOSITS	\$ 703,838.00	\$ 703,838.00	\$ 703,838.00	\$ 703,838.00
4. HOUSEHOLD GOODS				
5. BOOKS, PICTURES, ART				
6. WEARING APPAREL				
7. FURS AND JEWELRY				
8. FIREARMS & SPORTS EQUIPMENT				
9. INSURANCE POLICIES	\$ 50,499.00	\$ 50,499.00	\$ 50,499.00	\$ 50,499.00
10. ANNUITIES				
11. EDUCATION				
12. RETIREMENT & PROFIT SHARING				
13. STOCKS				
14. PARTNERSHIPS & JOINT VENTURES				
15. GOVERNMENT & CORPORATE BONDS				
16. ACCOUNTS RECEIVABLE	\$ 5,184,439.33	\$ 644,854.54	\$ 634,334.24	\$ 274,602.24
17. ALIMONY				
18. OTHER LIQUIDATED DEBTS				
19. EQUITABLE INTERESTS				
20. CONTINGENT INTERESTS				
21. OTHER CLAIMS				
22. PATENTS & COPYRIGHTS				
23. LICENSES & FRANCHISES				
24. CUSTOMER LISTS				
25. AUTOS, TRUCKS & OTHER VEHICLES				
26. BOATS & MOTORS				
27. AIRCRAFT				
28. OFFICE EQUIPMENT				
29. MACHINERY, FIXTURES & EQUIPMENT				
30. INVENTORY	\$ 6,952,313.00	UNKNOWN	UNKNOWN	UNKNOWN
31. ANIMALS				
32. CROPS				
33. FARMING EQUIPMENT				
34. FARM SUPPLIES				
35. OTHER (ATTACH LIST)				
36. TOTAL PERSONAL PROPERTY ASSETS	\$ 13,301,367.46	\$ 2,514,361.37	\$ 3,711,957.01	\$ 3,745,012.07
37. TOTAL ASSETS	\$ 46,401,367.46	\$ 2,514,361.37	\$ 3,711,957.01	\$ 3,745,012.07

Color Star Growers of Colorado, Inc.
13-42959

Real Property Schedule List

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR MORTGAGE	AMOUNT OF SECURED CLAIM OR MORTGAGE
4122 Cowling Road Sanger, TX 76266	Legal Jointly owned by Color Star, LLC	\$8,000,000.00 *	\$8,000,000.00
11610 County Road 14 1/2 Fort Lupton, CO 80621	Legal	\$5,100,000.00 *	\$5,100,000.00
1180 PR 2906 Giddings, TX 78942	Legal	\$3,500,000.00 *	\$3,500,000.00
14095 North Peyton Highway Peyton, CO 80831	Legal	\$16,500,000.00 *	\$16,500,000.00
TOTAL:		\$33,100,000.00	\$33,100,000.00

* 2012 Appraised Value

Monthly Operating Report
CASH BASIS-4

CASE NAME:	Color Star Growers of Colorado, Inc.
CASE NUMBER:	13-42959

MONTH: July

LIABILITIES OF THE ESTATE		
PREPETITION LIABILITIES	SCHEDULE AMOUNT	PAYMENTS
1. SECURED	\$ 56,000,000.00	\$ -
2. PRIORITY	\$ 223,621.60	
3. UNSECURED	\$ 5,984,075.28	
4. OTHER (ATTACH LIST)		
5. TOTAL PREPETITION LIABILITIES	\$ 62,207,696.88	\$ -

POSTPETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES				
2. FICA/MEDICARE				
3. STATE TAXES				
4. REAL ESTATE TAXES**				
5. OTHER TAXES (ATTACH LIST)				
6. TOTAL TAXES		\$ -		\$ -
OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS)				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL ATTACH LIST)				
30. TOTAL OF LINES 7 - 29		\$ -		\$ -
31. TOTAL POSTPETITION LIABILITIES		\$ -		\$ -

** All 2013 and 2014 Real Property taxes paid pursuant Docket Nos. 95, 96, 98 & 132

Monthly Operating Report
CASH BASIS-4A

CASE NAME:	Color Star Growers of Colorado, Inc.
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MONTH: July

ACCOUNTS RECEIVABLE AGING	SCHEDULE	MONTH	MONTH	MONTH
	AMOUNT	April	May	June
1. 0 - 30	\$ 3,911,245.88	\$ -	\$ -	\$ -
2. 31 - 60	\$ 257,165.15	\$ -	\$ -	\$ -
3. 61 - 90	\$ 500,158.53	\$ -	\$ -	\$ -
4. 91 +	\$ 515,869.77	\$ 644,854.54	\$ 634,334.24	\$ 274,602.24
5. TOTAL ACCOUNTS RECEIVABLE	\$ 5,184,439.33	\$ 644,854.54	\$ 634,334.24	\$ 274,602.24
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$ 5,184,439.33	\$ 644,854.54	\$ 634,334.24	\$ 274,602.24

AGING OF POSTPETITION TAXES AND PAYABLES	0 - 30 DAYS	31-60 DAYS	90+ DAYS	Total
TAXES PAYABLE				
1. FEDERAL				\$ -
2. STATE				\$ -
3. LOCAL				\$ -
4. OTHER (ATTACH LIST)				\$ -
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	\$ -

6. ACCOUNTS PAYABLE				\$ -
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STATUS OF POSTPETITION TAXES	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
FEDERAL				
1. WITHHOLDING				\$ -
2. FICA-EMPLOYEE				\$ -
3. FICA-EMPLOYER				\$ -
4. UNEMPLOYMENT				\$ -
5. INCOME				\$ -
6. OTHER (ATTACH LIST)				\$ -
7. TOTAL FEDERAL TAXES	\$ -	\$ -	\$ -	\$ -
STATE AND LOCAL				\$ -
8. WITHHOLDING				\$ -
9. SALES				\$ -
10. EXCISE				\$ -
11. UNEMPLOYMENT				\$ -
12. REAL PROPERTY				\$ -
13. PERSONAL PROPERTY				\$ -
14. OTHER (ATTACH LIST)				\$ -
15. TOTAL STATE & LOCAL	\$ -	\$ -	\$ -	\$ -
16. TOTAL TAXES	\$ -	\$ -	\$ -	\$ -

**Monthly Operating Report
CASH BASIS-5**

CASE NAME:	Color Star Growers of Colorado, Inc.
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MONTH: July

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TTL PD TO DATE
1.			
2.			
3.			
4.			
5.			
TOTAL PAYMENTS TO INSIDERS		\$ -	\$ -

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TTL PAID TO DATE	TOTAL INCURRED & UNPAID
2.					
3.					
4.					
5.					
TOTAL PAYMENTS TO PROFESSIONALS		\$ -	\$ -	\$ -	\$ -

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POST-PETITION
1.			
2.			
3.			
4.			
5.			
6. TOTAL	\$ -	\$ -	\$ -

**Monthly Operating Report
CASH BASIS-6**

2014

CASE NAME:	Color Star Growers of Colorado, Inc.
CASE NUMBER:	13-42959

MONTH: July

QUESTIONNAIRE		
	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		No
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		No
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		No
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		No
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		No
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		No
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		No
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		No
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		No
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		No
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		No
12. ARE ANY WAGE PAYMENTS PAST DUE?		No

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?		No
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	Yes	
3. PLEASE ITEMIZE POLICIES BELOW		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

The Debtors have canceled all insurance policies related to Assets and Employment effective 1/15/14

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY