

UNITED STATES BANKRUPTCY COURT

DISTRICT OF Delaware

In Re. Forrest Machining LLC

§
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§

Case No. 25-10294

Debtor(s)

Lead Case No. 25-10292

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 03/31/2025

Petition Date: 02/26/2025

Months Pending: 1

Industry Classification: 3 3 6 4

Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

183

Debtor's Full-Time Employees (as of date of order for relief):

183

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☒ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☒ Schedule of payments to professionals
- ☒ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Mark L. Desgrosseilliers

Signature of Responsible Party

05/28/2025

Date

Mark L. Desgrosseilliers

Printed Name of Responsible Party

Chipman Brown Cicero & Cole LLP

1313 N. Market Street, Suite 5400

Wilmington, DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore § 1320.4(a)(2) applies.



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Debtor's Name Forrest Machining LLC

Case No. 25-10294

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$4,224,267	
b. Total receipts (net of transfers between accounts)	\$11,275,190	\$15,112,460
c. Total disbursements (net of transfers between accounts)	\$6,038,796	\$6,039,250
d. Cash balance end of month (a+b-c)	\$9,460,661	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$6,038,796	\$6,039,250

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$2,283,396
b. Accounts receivable over 90 days outstanding (net of allowance)	\$77,516
c. Inventory (Book <input checked="" type="radio"/> Market <input type="radio"/> Other <input type="radio"/> (attach explanation))	\$17,373,080
d. Total current assets	\$28,522,801
e. Total assets	\$85,857,127
f. Postpetition payables (excluding taxes)	\$12,866,814
g. Postpetition payables past due (excluding taxes)	\$78,995
h. Postpetition taxes payable	\$80
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$12,866,893
k. Prepetition secured debt	\$91,953,636
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$32,943,610
n. Total liabilities (debt) (j+k+l+m)	\$137,764,140
o. Ending equity/net worth (e-n)	\$-51,907,012

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$4,624,507	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$4,384,564	
c. Gross profit (a-b)	\$239,942	
d. Selling expenses	\$0	
e. General and administrative expenses	\$368,093	
f. Other expenses	\$2,312,367	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$256,520	
i. Taxes (local, state, and federal)	\$80	
j. Reorganization items	\$0	
k. Profit (loss)	\$-2,697,117	\$-2,918,312

Debtor's Name Forrest Machining LLC

Case No. 25-10294

Part 5: Professional Fees and Expenses

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>		\$19,239	\$19,239	\$19,239	\$19,239
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Ropes & Gray LLP	Co-Counsel	\$0	\$0	\$0	\$0
ii	Chipman Brown Cicero & Cole	Co-Counsel	\$0	\$0	\$0	\$0
iii	Configure Partners	Financial Professional	\$0	\$0	\$0	\$0
iv	Berkeley Research Group	Financial Professional	\$0	\$0	\$0	\$0
v	Kurtzman Carson Consultants, L	Other	\$19,239	\$19,239	\$19,239	\$19,239
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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$43,521	\$43,521	\$43,521	\$43,521
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Hackler Flynn & Associates	Other	\$36,213	\$36,213	\$36,213	\$36,213
ii	Environmental Law Group LLP	Other	\$7,308	\$7,308	\$7,308	\$7,308
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c.	All professional fees and expenses (debtor & committees)			\$62,761	\$62,761	\$62,761	\$62,761

Part 6: Postpetition Taxes**Current Month****Cumulative**

a.	Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b.	Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c.	Postpetition employer payroll taxes accrued	\$370,887	\$370,887
d.	Postpetition employer payroll taxes paid	\$370,887	\$370,887
e.	Postpetition property taxes paid	\$0	\$0
f.	Postpetition other taxes accrued (local, state, and federal)	\$80	\$80
g.	Postpetition other taxes paid (local, state, and federal)	\$0	\$0

Part 7: Questionnaire - During this reporting period:

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☒ No ☐
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☒ No ☐
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☒ No ☐ N/A ☐
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☐ No ☒
- k. Has a disclosure statement been filed with the court? Yes ☐ No ☒
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

Debtor's Name Forrest Machining LLC

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Part 8: Individual Chapter 11 Debtors (Only)

- | | | | |
|----|-------------------------------------------------------------------|-------|-----|
| a. | Gross income (receipts) from salary and wages | _____ | \$0 |
| b. | Gross income (receipts) from self-employment | _____ | \$0 |
| c. | Gross income from all other sources | _____ | \$0 |
| d. | Total income in the reporting period (a+b+c) | _____ | \$0 |
| e. | Payroll deductions | _____ | \$0 |
| f. | Self-employment related expenses | _____ | \$0 |
| g. | Living expenses | _____ | \$0 |
| h. | All other expenses | _____ | \$0 |
| i. | Total expenses in the reporting period (e+f+g+h) | _____ | \$0 |
| j. | Difference between total income and total expenses (d-i) | _____ | \$0 |
| k. | List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

Privacy Act Statement

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: http://www.justice.gov/ust/eo/rules_regulations/index.htm. Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.

/s/ James Carroll

Signature of Responsible Party

Chief Restructuring Officer

Title

James Carroll

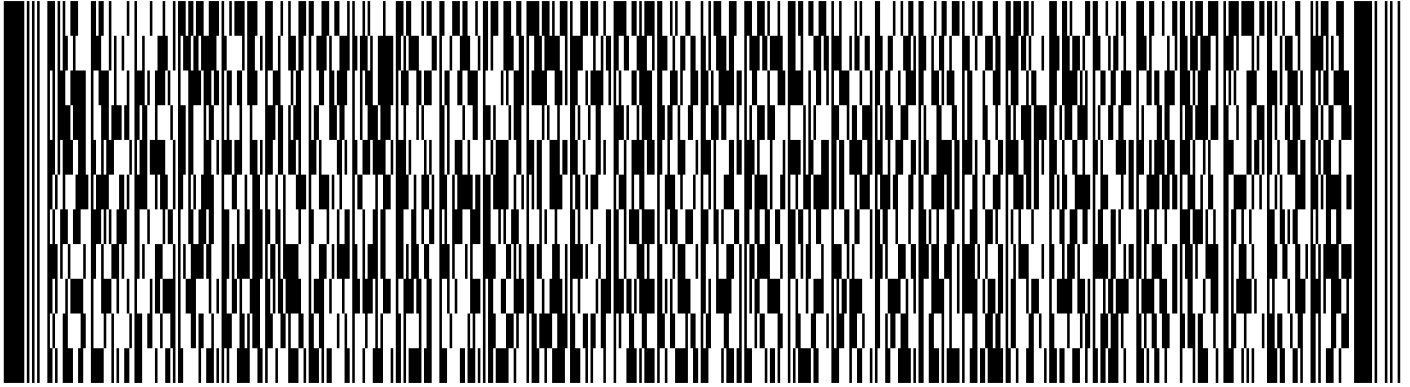
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05/28/2025

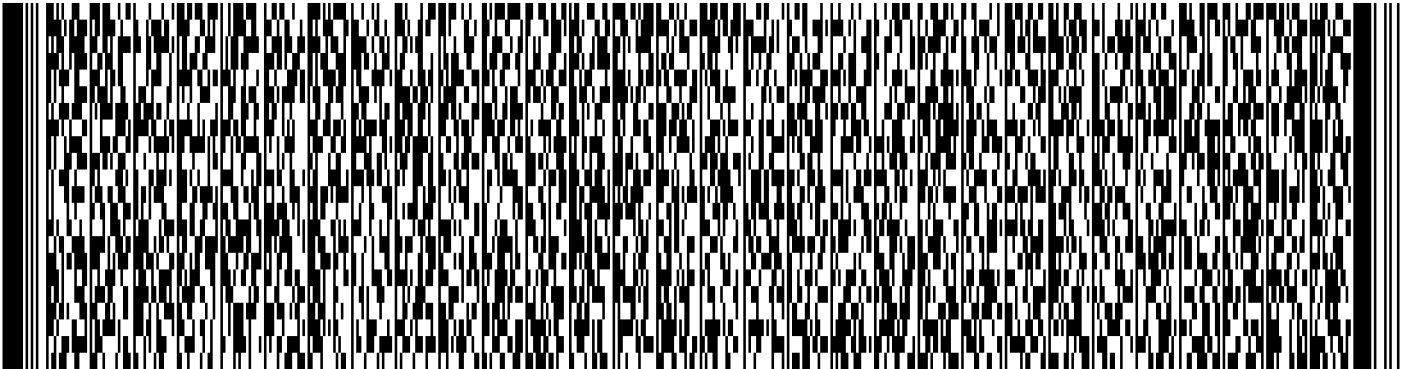
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Debtor's Name Forrest Machining LLC

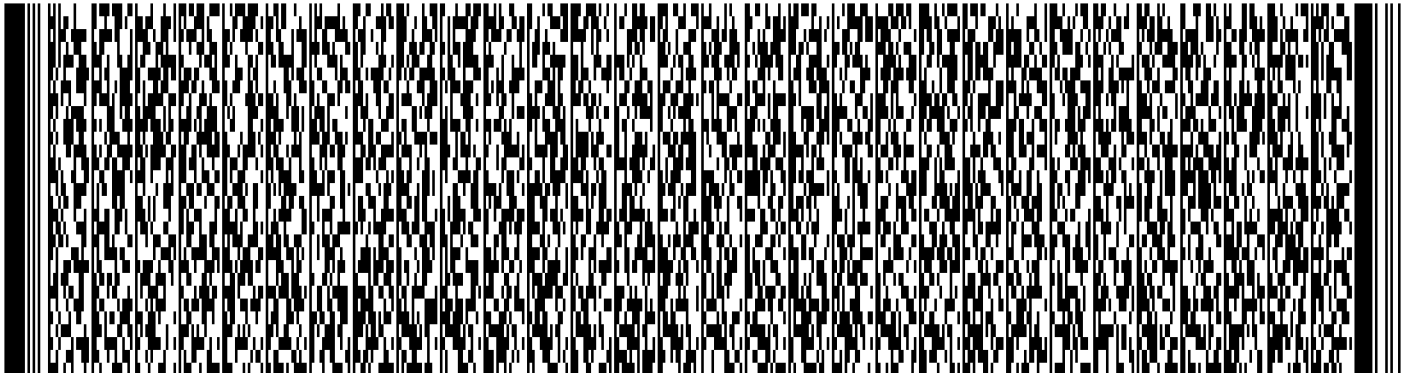
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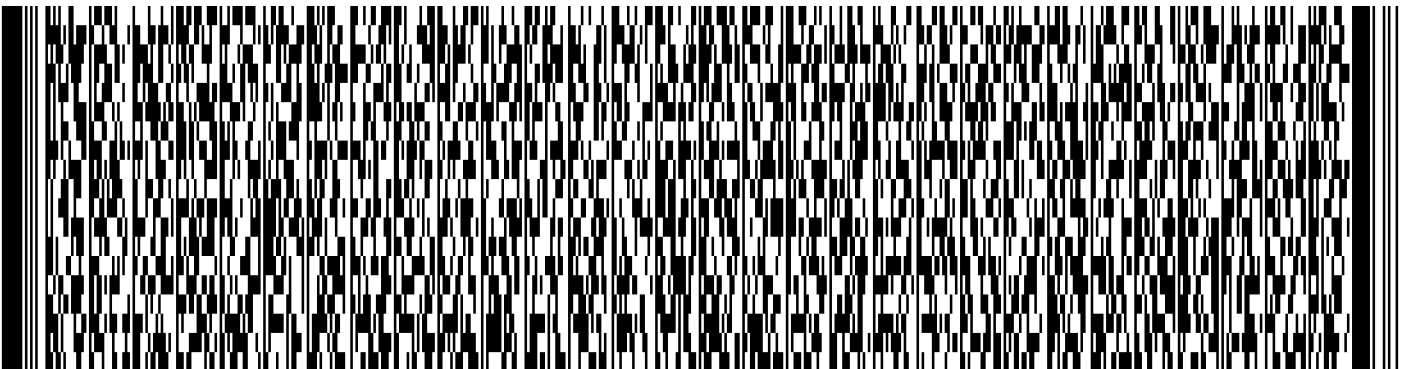
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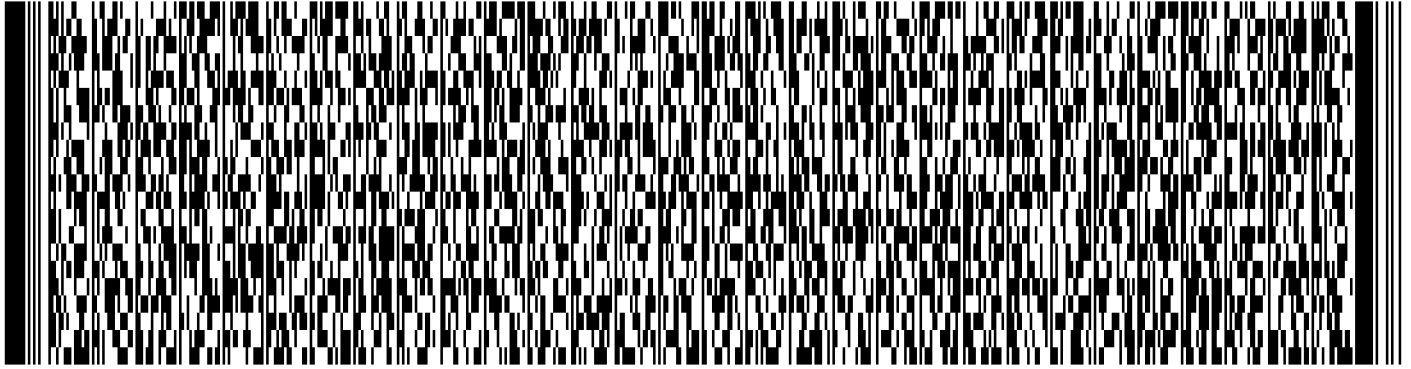
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Debtor's Name Forrest Machining LLC

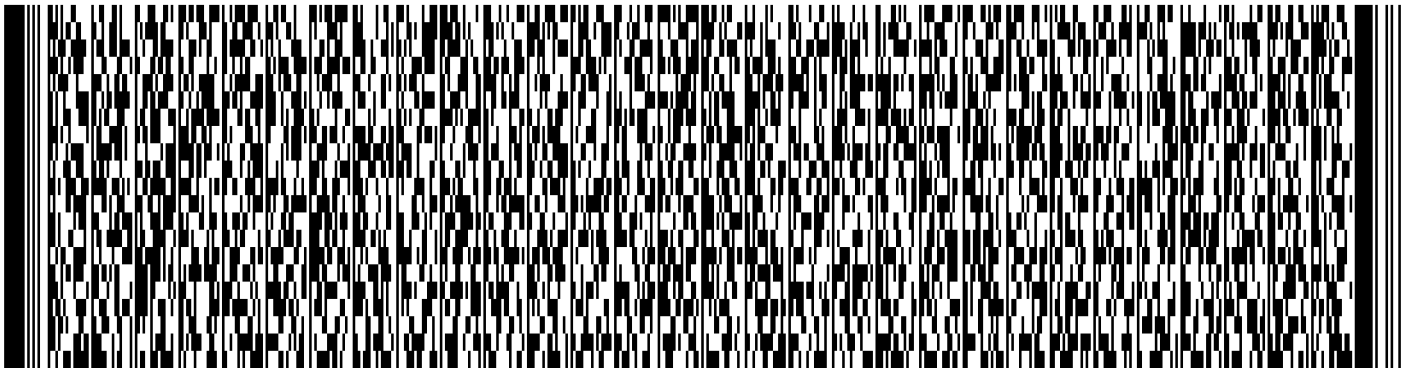
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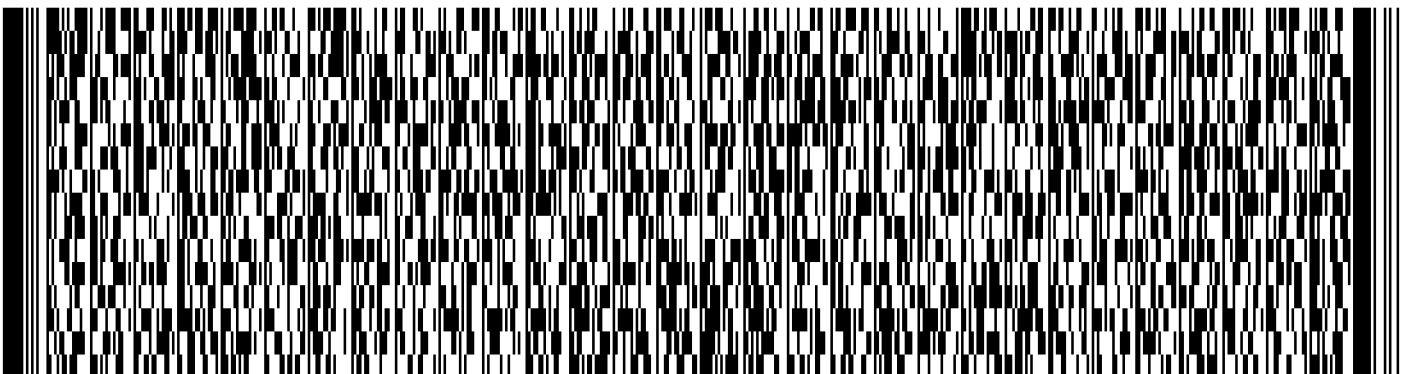
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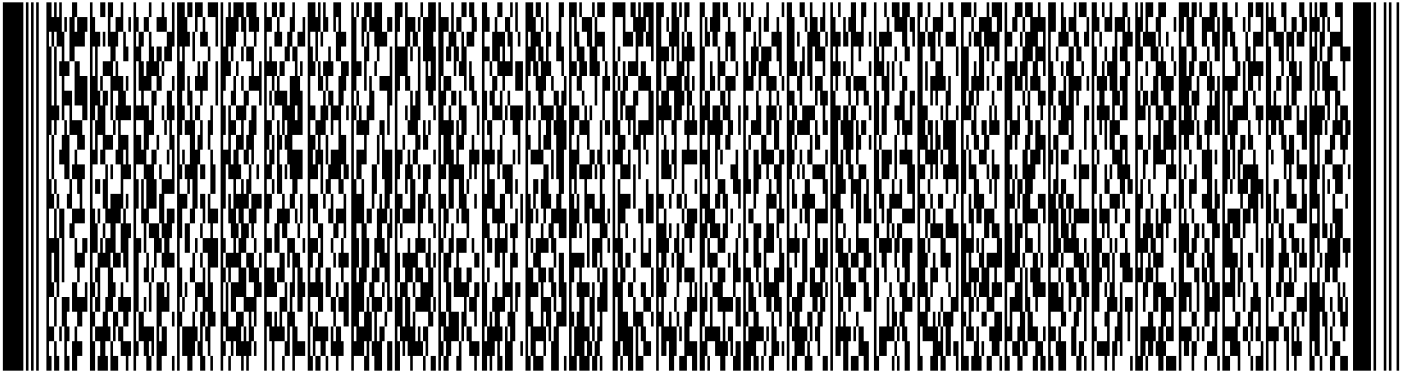
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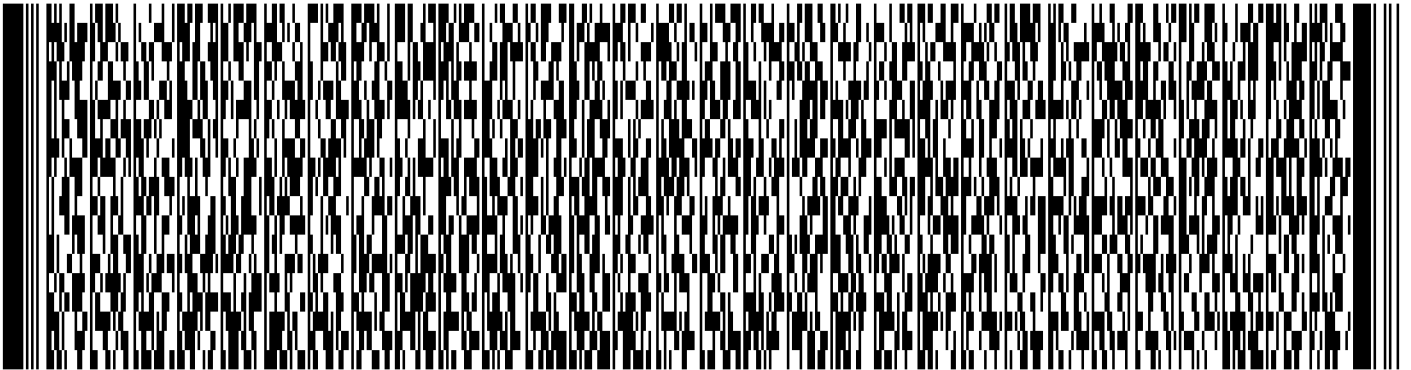
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Debtor's Name Forrest Machining LLC

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PART 1
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Debtor name:	Forrest Machining LLC
Case number:	25-10294
Line Item	Current Period
CASH BEGINNING OF MONTH	4,224,267
RECEIPTS	
Cash Receipts	3,835,190
DIP Receipts	7,440,000
Other Receipts	-
TOTAL RECEIPTS	11,275,190
DISBURSEMENTS	
Payroll & Employee Benefits	1,744,394
Interest Payments - DIP Financing	-
Restructuring & Bankruptcy Professional Fees	19,239
Critical Vendor Payments	2,166,836
Other Disbursements	2,108,326
TOTAL DISBURSEMENTS	6,038,796
NET CASH FLOW	
(RECEIPTS LESS DISBURSEMENTS)	5,236,394
CASH - END OF MONTH	9,460,661

PART 2
BALANCE SHEET (UNAUDITED)

Debtor name:	Forrest Machining LLC
Case number:	25-10294
Line Item	Current Period
ASSETS	
Cash	7,538,303
Accounts Receivable, net	2,283,396
Inventory, net	16,393,651
Critical Spares	979,430
Prepaid Expenses and Other Current Assets	1,328,021
TOTAL CURRENT ASSETS	28,522,801
PP&E, net	52,919,636
Intangible Assets, net	4,243,344
Other Assets	171,346
TOTAL ASSETS	85,857,127
LIABILITIES AND EQUITY	
Accounts Payable	4,042,390
Current Portion Long Term Debt	31,977,316
Current Portion Long Term Debt - DIP	10,575,000
Interest Payable	5,884,120
Capital Lease Liabilities - Short Term	1,403,825
Other Current Liabilities	7,287,982
TOTAL CURRENT LIABILITIES	61,170,633
Line of Credit	12,500,000
Capital Lease Liabilities - Long Term	36,095,472
Bank Loan Liabilities - Long Term	4,092,904
Other Long-term liabilities	23,905,131
TOTAL LIABILITIES	137,764,140
TOTAL EQUITY	(51,907,012)
TOTAL LIABILITIES & EQUITY	85,857,127

PART 3
STATEMENT OF OPERATIONS (UNAUDITED)

Debtor name:	Forrest Machining LLC
Case number:	25-10294
Line Item	Current Period
REVENUES	
Shipments Revenue	3,812,740
Other Revenue	811,767
TOTAL REVENUES	4,624,507
EXPENSES	
Cost of Goods Sold	(4,384,564)
Selling, General & Administrative	(368,093)
TOTAL EXPENSES	(4,752,657)
INCOME (LOSS) BEFORE OTHER INCOME (LOSS)	(128,150)
OTHER INCOME (LOSS)	
Interest Income (Expense)	(256,520)
Taxes	(80)
Other Income (Expense)	(2,312,367)
TOTAL OTHER INCOME (LOSS)	(2,568,966)
NET INCOME (LOSS)	(2,697,117)

SCHEDULE OF PROFESSIONAL FEE PAYMENTS

Debtor name:		Forrest Machining LLC	
Case number:		25-10294	
Name of Professional	Role	Date of Retention	Amount approved by Court
Kurtzman Carson Consultants, LLC	Claims Agent	2/26/2025	19,239
TOTAL PROFESSIONAL PAYMENTS			19,239

SCHEDULE OF ORDINARY COURSE PROFESSIONAL PAYMENTS

Debtor name:		Forrest Machining LLC
Case number:		25-10294
Vendor	Description of Services	March Payments
Hackler Flynn & Associates	Employment Legal Services	36,213
Environmental Law Group LLP	Environmental Legal Services	7,308
TOTAL OCP PAYMENTS		43,521

SCHEDULE OF PAYMENTS MADE TO INSIDERS

Debtor name:		Forrest Machining LLC		
Case number:		25-10294		
Name of Insider	Current Title	February Payments	March Payments	Cumulative Payments
Eric Ellis	President & CEO	-	49,200	49,200
Mcdermott & Bull	Executive search firm that placed CFO S. Finley into the position	-	37,125	37,125
Keith Shively	General Manager	-	20,600	20,600
LMC Consulting	Chairman of the Board of Directors Mike Zawalski's Firm	-	12,500	12,500
Steve Finley	CFO - independent contractor	-	2,598	2,598
TOTAL		-	122,023	122,023

BANK ACCOUNTS

Debtor name:				Forrest Machining LLC	
Case number:				25-10294	
Bank name	Account type	Account number (last four digits)	Period-end bank balance	Currency	
BMO Harris Bank N.A.	Corporate Checking	5755	7,308,987	USD	
Bank of America Corporation	Business Checking	3082	229,316	USD	
TOTAL BANK BALANCE			7,538,303	USD	

Debtor
Forrest Machining LLC

Case Number
25-10294

General Notes to the MOR:

On February 26, 2025 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On February 27, 2025, the court entered an order (Docket No. 50) authorizing joint administration and procedural consolidation of these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). On March 11, 2025, the United States Trustee for the District of Delaware (the “U.S. Trustee”) released a statement that an Official Committee of Unsecured Creditors (the “Creditors Committee”) has not been appointed (Docket No. 99).

The Debtors are filing their Monthly Operating Report solely for the purposes of complying with the monthly operating reporting requirements applicable in the Debtors' chapter 11 cases. The financial and supplemental information contained herein is presented on a preliminary and unaudited basis, remains subject to future adjustments and may not comply in all material respects with generally accepted accounting principles in the United States of America (“U.S. GAAP”) or International Financial Reporting Standards (“IFRS”). This Monthly Operating Report should not be relied on by any persons for information relating to future financial conditions, events, or performance of any of the Debtors or their affiliates.

The financial information has been derived from the books and records of the Debtors. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with U.S. GAAP or IFRS, and upon application of such procedures, the Debtors believe that the financial information could be subject to changes, which could be material. The information furnished in this report includes primarily normal recurring adjustments, but does not include all adjustments that would typically be made for financial statements prepared in accordance with U.S. GAAP or IFRS. The preparation of the Financial Statements and MOR required the Debtors to make commercially reasonable estimates and assumptions with respect to the reported amounts of assets and liabilities, the amount of contingent assets and contingent liabilities at month end, and the reported amounts of revenues and expenses during the applicable reporting periods. Actual results could differ from such estimates.

The Debtors reserve all rights to amend or supplement this Monthly Operating Report in all respects, as may be necessary or appropriate. Nothing contained in this Monthly Operating Report shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases.

Notes to MOR Part 1:

The Debtors operate two corporate checking accounts. Throughout the month, the Debtors collected on customer receipts and paid vendors in the ordinary course of business. In addition, the Debtors received proceeds from DIP financing in the amount of \$7,440,000, net of funding fees, provided by the DIP Lender CRG Financial LLC.

In the month of March, the Debtors deposited a total of \$1,922,359 into escrow accounts for professional fees, adequate assurance and utility deposits. In the original filing of the Forrest Machining LLC MOR [Docket No. 220], \$1,922,359 of professional fee escrow, adequate

assurance escrow and utility escrow deposits were included in total disbursements (line C). In this amended filing, the \$1,922,359 of professional fee escrow, adequate assurance escrow and utility escrow deposits have been excluded from total disbursements (line C). Disbursements to professionals are included in line C upon approval and payment thereof.

Due to this change, the end of month cash balance (line D) of \$9,460,661 includes the \$1,922,359 of total escrow account deposits. Excluding the escrow account disbursements, the Debtors' cash balance is \$7,538,303, as reported in the balance sheet and bank accounts supporting schedules.

Notes to MOR Part 2 & MOR Part 4:

The information contained in MOR Part 2 & MOR Part 4 is provided to fulfill the requirements of the Office of the United States Trustee. All information contained in MOR Part 2 & MOR Part 4 is unaudited and subject to future adjustment.

The Debtors' balance sheet reported \$7,538,303 of total cash at month end. This figure differs from the end of month cash balance (line D) of \$9,460,661 reported in part 1, which includes the \$1,922,359 of professional fee escrow, adequate assurance escrow and utility escrow account deposits.

Notes to MOR Part 5:

The Debtors made one payment to retained bankruptcy professionals in the amount of \$19,239 to Kurtzman Carson Consultants, LLC, which was included in the approved DIP financing budget provided in the Debtors' Final DIP financing order [Docket No. 149]. Pursuant to the Debtors' Final DIP financing order [Docket No. 149], budgeted fees and expenses for the Debtors' bankruptcy professionals have been placed into an escrow account. Fees and expenses of the Debtors' bankruptcy professionals will be reflected in MOR Part 5.a. and Part 5.c. upon approval and payment thereof.

Notes to MOR Part 6:

The Debtors have received approval to pay prepetition tax and fee obligations, including, without limitation, sales, use, franchise, property, and income taxes as well as other governmental taxes, fees, and assessment due in the normal course of business through certain First Day Motions. As such, the applicable taxes had been paid when due except for amounts that are in dispute, if any.

Notes to Bank Accounts Supporting Schedule:

The Debtors' two corporate checking accounts held \$7,538,303 of total cash at month end. This figure differs from the end of month cash balance (line D) of \$9,460,661 reported in part 1, which includes the \$1,922,359 of professional fee escrow, adequate assurance escrow and utility escrow account deposits.