

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA**

**Chapter 11 Case
Case No. 10-42136**

In Re:

Boeser, Inc.

Certification Per Rule 4001-2 Cash Collateral

DEBTOR.

TO: THE UNITED STATES TRUSTEE AND OTHER PARTIES IN INTEREST AS SPECIFIED IN LOCAL RULE 9013.3.

Certification Per Rule 4001-2 Cash Collateral

A. Secured Parties:

1. First Business Credit has a secured debt of \$807,000.00. The amount was \$927,000.00 on March 24, 2010. Approximately \$120,000.00 was credited against said debt. The debt is a line of credit with a maximum limit of \$3,500,000.00.

First Business Credit has a first priority lien on the debtor's accounts receivables and inventory. The accounts receivables are \$735,572.25 (after removing all questionable accounts.) The inventory is valued at \$2,036,530.01.

First Business Credit has a third mortgage position on the 2901 Fourth Street SE, Minneapolis Minnesota building where the debtor operates from and owns. The building has been appraised at \$3,300,000.00. There have been letters of intent for a greater value and part of the building will be taken for the Central Corridor Rail Line

2. Anchor Bank has a secured debt of \$1,194,000.00, \$63,868.00, and \$28,054.00 for a total debt of \$1,285,922.00.

Anchor Bank has a blank lien on all of the debtor's assets. It has a second lien position to FBC on the inventory and accounts receivables. It has a first lien on the machinery and equipment which is valued at \$4,404,530.31 and office equipment of \$50,000.00 and rolling stock of \$100,000.00.

Anchor Bank has a first mortgage position on the 2901 Fourth Street SE, Minneapolis Minnesota building.

EXHIBIT A

Anchor Bank is managing a Small Business Administration loan of \$878,000.00. The SBA has a second mortgage on the building and the machinery and equipment.

3. Wells Fargo Bank has a secured debt of \$112,000.00. They have a purchase money mortgage on a few pieces of equipment.

B. Description of Collateral on Date of Filing and End Date of Use

1. Accounts Receivables

The debtor has \$735,572.00 of collectable accounts receivables. There are no accounts receivables from non-paying customers.

The debtor believes the accounts receivables will start to grow as the industrial needs increase in the spring and summer each year. It is already starting to grow. The value will be the same or greater at the end of the time of the use of cash collateral.

2. Inventory.

There is \$2,036,530.01 in inventory. It consists of commercial and residential sheet metal products and components utilized in heating, ventilating and air conditioning.

With additional capital the inventory can grow. The amount of growth has been hampered by the lack of capital. The value will be the same or greater at the end of the time of the use of cash collateral.

C. The Debtor's Cash Flow Projections.

1. See attached Exhibits B and C.

D. The Immediate Use of Cash Collateral to Avoid Irreparable Harm

1. Debtor must have the use of these funds to make payroll for 24 employees critical to the company. Taxes are current and must stay current to avoid problems with the Internal Revenue Service and Union benefits must be paid to avoid penalties.

Verification

I, Larry Boeser, the President of Boeser, Inc., the debtor in this case, certifies that the information provided above to truthful and accurate and that the needs requested above are imperative and the denial of the use of these funds will cause immediate and irreparable harm to the debtor.

Dated: March 26, 2010

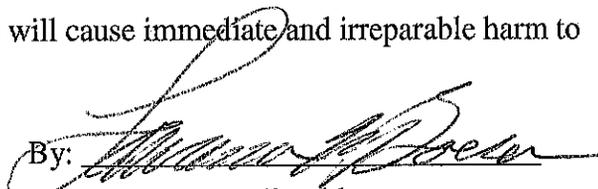
By: 
Larry Boeser, President

EXHIBIT A

FORECASTED STATEMENT OF CASH FLOW
60 DAY PLAN

	MONTH OF <u>APRIL 2010</u>	MONTH OF <u>MAY 2010</u>
CASH BALANCE - BEGINNING	0	<u>-12,639</u>
CASH RECEIPTS:		
ACCOUNTS RECEIVABLE COLLECTIONS	397,500	409,654
LINE OF CREDIT ADVANCES		
BANK LOAN PROCEEDS		
TOTAL CASH RECEIPTS	<u>397,500</u>	<u>409,654</u>
CASH DISBURSEMENTS:		
RAW MATERIALS AND PURCHASED PRODUCT	170,000	191,378
OTHER PRODUCTION COSTS	33,497	33,497
SALARIES AND PAYROLL TAXES	77,698	77,698
OPERATING EXPENSES	57,513	60,000
SALES AND USE TAX	26,147	28,000
INCOME TAXES		
PURCHASE OF FIXED ASSETS		
LINE OF CREDIT PAYDOWN		
LOAN PRINCIPAL PAYMENTS	<u>45,284</u>	<u>45,284</u>

EXHIBIT B

TOTAL CASH DISBURSEMENTS	<u>410,139</u>	<u>435,857</u>
NET INCREASE (DECREASE) IN CASH	<u>-12,639</u>	<u>-26,203</u>
CASH BALANCE - ENDING	<u>-12,639</u>	<u>-38,842</u>

DATA USED

	<u>ESTIMATE</u> <u>March 31, 2010</u>	<u>ESTIMATE</u> <u>April 30, 2010</u>	<u>ESTIMATE</u> <u>May 31, 2010</u>
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SALES 3/31	366,000		
ACCOUNTS RECEIVABLE 2/28	823,025		
ACCOUNTS RECEIVABLE 3/31 EST.	850,000		
INVENTORY 1/31	1,964,719		
INVENTORY 2/28	1,962,822		
ACCOUNTS PAYABLE 2/28	619,193		
ACCOUNTS PAYABLE 3/31	712,250		
COS-RAW MATERIALS AND FINISHED PRODUCTS 3/31	193,875		
INVENTORY 3/31	1,925,000		
SALES EST. 4/30		400,000	
COS-RAW MATERIALS AND FINISHED PRODUCTS 4/30		195,000	
ACCOUNTS RECEIVABLE 4/30		870,441	
ACCOUNTS PAYABLE 4/30		712,250	
INVENTORY 4/30 EST		1,900,000	
SALES 5/31			420,000
ACCOUNTS PAYABLE 5/31			703,000
INVENTORY 5/31			1,875,000
COS-RAW MATERIALS AND FINISHED PRODUCTS 5/31			207,128

**BOESER, INC.
PROJECTED MAJOR EXPENSES OTHER THAN TO VENDORS' PAYMENTS**

DESCRIPTION	AMOUNT	NATURE	DUE	REMARKS
PAYROLL NON ACH FROM 3/18	3,381.30	PAYROLL	3/18/10	WILL BOUNCE
INDIANA INSURANCE	8,205.54	COMPANY INSURANCE	3/22/10	WILL BOUNCE
MONTHLY SALES TAX	26,147.00	SALES AND USE TAX	3/22/10	REJECTED BY BANK
SALES TAX PER AUDIT	2,250.74	SALES AND USE TAX	3/23/10	REJECTED BY BANK
PAYROLL TAXES FOR 3/18	8,074.42	WITHHOLDING	3/24/10	WILL BOUNCE
PAYROLL FOR 3/25 NET	17,714.43	ACH AND NON ACH	3/25/10	
PAYROLL TAXES FOR 3/25	6,178.65	WITHHOLDING	3/31/10	
SHEET METAL INT'L LOCAL 10	1,300.00	UNION DUES	3/31/10	
PAYROLL FOR 4/1 NET EST.	19,366.97	ACH AND NON ACH	4/1/10	
ANCHOR BANK LOAN - SBA	18,886.00	SBA LOAN	4/1/10	
WELLS FARGO	4,820.02	EQUIPMENT LOANS	4/1/10	
SAGE ACCOUNTING SYSTEM	542.89	ACCOUNTING SYSTEM MAINTENANCE	4/1/10	
CATHOLIC AID LIFE INSURANCE	1,350.78	LIFE INSURANCE	4/5/10	
PAYROLL TAXES FOR 4/1 NET EST.	8,076.93	WITHHOLDING	4/7/10	
PAYROLL FOR 4/8 NET EST.	19,366.97	ACH AND NON ACH	4/8/10	
SHEET METAL TRUST FUND	26,500.00	BUILDING TRADE HEALTH INSURANCE	4/10/10	ESTIMATE
CATHOLIC AID	1,220.00	IRA COLLECTIONS	4/10/10	" "
SHEET METAL PENSION FUND	2,800.00	PRODUCTION WORKERS INSURANCE	4/10/10	" "
HEALTH PARTNERS	8,458.00	OFFICE HEALTH INSURANCE	4/10/10	
ANCHOR BANK LOAN - MORTGAGE	13,145.13	MORTGAGE	4/11/10	
ANCHOR BANK LOANS - EQUIPMENT	13,253.98	EQUIPMENT LOANS	4/11/10	
PAYROLL TAXES FOR 4/8 NET EST.	8,076.93	WITHHOLDING	4/14/10	

Balance Sheet

As of 03/31/2010

BOESER, INC. (BSR)

Assets

Current Assets

1004	BUSINESS ACCOUNT	\$	47,062.77
1005	PAYROLL ACCOUNT	\$	-17,227.47
1010	CITY DESK CASH BOX	\$	200.00
1017	PETTY CASH	\$	1,500.00
1051	ACCOUNTS RECEIVABLE	\$	780,232.76
1085	FINISHED PRODUCT INVENTORY	\$	952,672.98
1090	WORK IN PROCESS INVENTORY	\$	113,268.27
1102	RAW MATERIALS INVENTORY	\$	250,946.05
1105	WHOLESALE INVENTORY	\$	474,096.29
1108	SHIPPING SUPPLIES	\$	74,934.36
1134	PREPAID EXPENSES	\$	3,668.42
1138	RETURNED CHECKS	\$	4,564.40
1142	OVERPAYMENT/UNDERPAYMENT	\$	135.64

Total Current Assets:

\$ 2,686,054.47

Fixed Assets

1400	LAND	\$	175,000.00
1415	BUILDING	\$	1,370,617.46
1422	BUILDING DEPRECIATION	\$	-474,556.83
1504	EQUIPMENT	\$	4,410,389.14
1521	EQUIPMENT DEPRECIATION	\$	-3,710,415.77
1525	OFFICE AND COMPUTER EQUIPMENT	\$	243,862.10
1527	OFFICE AND COMPUTER EQUIPMENT DEPN	\$	-224,654.04
1538	VEHICLES	\$	227,400.78
1555	VEHICLE DEPRECIATION	\$	-194,664.83

Total Fixed Assets:

\$ 1,822,978.01

Other Assets

1700	ANCHOR BANK TERM LOAN COSTS	\$	77,635.67
1701	A/A TERM LOAN COSTS - ANCHOR BANK	\$	-62,375.06
1702	ANCHOR BANK LINE OF CREDIT LOAN COSTS	\$	14,406.00
1703	A/A LINE OF CREDIT LOAN COSTS - ANCHOR BANK	\$	-14,406.00
1704	FIRST BUSINESS LINE OF CREDIT LOAN COSTS	\$	45,269.69
1705	A/A FIRST BUSINESS LINE OF CREDIT	\$	-52,248.36
1804	LOAN FEES - BUILDING	\$	24,127.00
1805	A/A LOAN FEES - BUILDING	\$	-18,579.12
1810	INSURANCE CASH VALUE	\$	160,173.30

Total Other Assets:

\$ 174,003.12

Total Assets:

\$ 4,683,035.60

Liabilities

Current Liabilities

2006	I.R.A. CONTRIBUTIONS	\$	1,320.00
2009	NOTES PAYABLE - CATHOLIC AID	\$	95,000.00
2014	UNRELEASED CHECKS	\$	183,060.48
2033	ACCOUNTS PAYABLE	\$	338,334.41
2037	FIRST BUSINESS CC LINE OF CREDIT	\$	771,819.67
2050	PURCHASES CLEARING	\$	27,352.49
2067	ACCRUED INTEREST	\$	84,215.56
2069	ACCRUED REAL ESTATE TAXES	\$	13,891.09
2074	ACCRUED PAYROLL	\$	27,532.93
2080	PROD. UNION DUES	\$	473.00
2085	B.T. UNION DUES	\$	646.00
2108	SOCIAL SECURITY WITHHOLDING	\$	6,211.20
2110	MEDICARE WITHHOLDING	\$	1,452.70
2125	FEDERAL WITHHOLDING	\$	5,362.96
2142	STATE WITHHOLDING	\$	2,325.77
2160	FUTA TAXES PAYABLE	\$	1,384.57

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EXHIBIT D

BOESER, INC. (BSR)

Current Liabilities		(Continued)	
2193	STATE SALES TAX PAYABLE	\$	80,146.67
2210	MINNEAPOLIS SALES TAX PAYABLE	\$	3,658.17
2215	HENNEPIN COUNTY SALES AND USE TAX	\$	1,265.67
2220	TRANSIT IMPROVEMENT SALES AND USE TAX	\$	2,401.24
2235	ST. PAUL SALES TAX PAYABLE	\$	94.97
2237	ST. CLOUD SALES TAX PAYABLE	\$	5.47
2239	ROCHESTER SALES TAX PAYABLE	\$	2.41
2242	TENANT SECURITY DEPOSITS	\$	2,500.00
2280	CURRENT PORTION L.T. DEBT	\$	1,694,371.34
2305	FEDERAL CORPORATE INCOME TAX PAYABLE	\$	-13,641.07
2322	STATE CORPORATE INCOME TAX PAYABLE	\$	-6,406.32
2400	DEFERRED INCOME TAX PAYABLE	\$	17,718.00
2420	OVERPAYMENT/DOWN PAYMENT	\$	73,519.72
2430	SALES RETURNS CASH REFUNDS	\$	-41.82
	Total Current Liabilities:		\$ 3,415,977.28
Long-Term Liabilities			
2662	ANCHOR BANK TERM LOAN	\$	878,043.49
2674	NOTES PAYABLE - EQUIPMENT LOAN (ANCHOR BANK)	\$	63,868.08
2688	NOTES PAYABLE - ELBOW MACHINE #2 ANCHOR	\$	28,054.74
2694	ACCOUNT - L. BOESER	\$	-114,812.39
2698	MORTGAGE PAYABLE - ANCHOR BANK	\$	1,194,833.39
2722	NOTES PAYABLE - WELLS FARGO (TRUCKS)	\$	12,542.38
2723	NOTES PAYABLE - WELLS FARGO (SPIRAL)	\$	99,586.19
2724	NOTES PAYABLE - JP MORGAN (JETTA)	\$	13,626.60
2760	LESS CURRENT PORTION	\$	-1,694,371.34
	Total Long-Term Liabilities:		\$ 481,371.14
	Total Liabilities:		\$ 3,897,348.42
Equity			
3005	CAPITAL STOCK	\$	1,050.00
3010	ADD'L PAID IN CAPITAL	\$	143,950.00
3019	Retained Earnings-Current Year	\$	-148,039.72
3019	RETAINED EARNINGS	\$	788,726.90
	Total Equity:		\$ 785,687.18
	Total Liabilities & Equity:		\$ 4,683,035.60