STAFF SUMMARY AND RECOMMENDATION West County Health Centers, Inc. ("West County")

Amendment to Resolution Number HII-159

February 24, 2005

APPROVED HELP II LOAN AMOUNT: \$193,000

PURPOSE OF AMENDMENT: West County requests an extension of three months to close its HELP II loan due to delays in the permit review process beyond its control. The County of Sonoma has raised issues regarding parking and the size of sidewalks. The County is currently reviewing a survey and revised plan completed this month by West County.

West County also requests an increased loan amount of \$212,000, which will bring their total HELP II loan balance to the maximum allowable amount of \$400,000. In February 2004, West County was eligible for a maximum loan of \$193,000 since their loan balance on their 1998 HELP II loan was \$207,000 at that time. West County has paid an additional \$19,000 in principal in the last twelve months, resulting in current balance of \$188,000 and a maximum eligible loan amount of \$212,000.

Staff recommends approval of this amendment based on the sufficiency of collateral, adequacy of projected debt service coverage (including this new loan).

BACKGROUND: The Authority approved a \$193,000 HELP II loan for West County to construct a centralized support services facility and to convert vacated space to provide medical, counseling, and educational services. This loan will be collateralized by the new facility, with an estimated as-improved property value of \$650,000. The Authority's resolution expires one year after the approval date of February 27, 2004.

The Authority also approved the release of a \$100,000 security in that had been held in connection with its 1998 HELP II loan, contingent upon recording a lien in that amount for the property to be held as collateral for this new HELP II loan.

FINANCIAL UPDATE: The projected financial picture of West County is substantially the same as described in the staff report presented to the Authority in February 2004.

Proforma debt service coverage (for the increased amount of \$212,000), based on audited 2003 figures, is adequate at 2.12x. The total debt level will remain low, with a proforma debt to unrestricted net asset ratio of 0.18x.

Unaudited financial statements for 2004 indicate that West County continues to be profitable, highly liquid, and maintains a low level of debt.

The estimated as-improved value of the facility is \$650,000. The total loan to value (for the combined HELP II total of \$400,000) is approximately 62%.

See Page 3 and 4 for financial statements.

Below is an updated Sources/Uses of funds:

Estimated Sources of Funds:		Estimated Uses of Funds:	
HELP II Loan	\$212,000	Construction	\$637,000
Equity Contribution	188,000	Remodeling	20,000
Grant Funds	275,000	Equipment	89,000
Other loan	75,000	Financing Costs	34,000
Total Sources	\$750,000	Total Uses	\$750,000

RECOMMENDATION:

Staff recommends the Authority approve an amendment to HII-159, to extend the Resolution's expiration to May 27, 2005 and to increase the loan to an amount not to exceed \$212,000 All other conditions of HII-159 remain in place.

West County Health Centers, Inc. Statement of Activities (Unrestricted)

		For the Year Ended December 31,				
	2004	2003	2002	2001		
	(unaudited)					
Revenues:						
Patient fees, net	\$ 2,509,367	\$ 2,199,105	\$ 2,326,789	\$ 2,076,717		
Cost Settlements	35,855	36,222	136,068	219,837		
Contributions	31,151	17,353	16,318	55,202		
Investment income	11,989	9,880	30,030	26,902		
Other	13,565	8,930	20,233	41,644		
Net assets released from restrictions	1,843,730	2,139,489	1,951,198	1,217,246		
Total Revenue	4,445,657	4,410,979	4,480,636	3,637,548		
Expenses:						
Salaries and benefits - Health care	2,861,476	2,677,133	2,333,095	1,762,663		
Salaries and benefits - General & administrative	583,152	597,002	529,331	486,079		
Medical supplies	122,803	197,218	125,125	93,265		
Depreciation	142,846	142,025	102,003	96,977		
Insurance	69,875	67,292	65,989	43,610		
Repairs and maintenance	30,306	39,648	62,337	81,931		
Utilities	25,832	47,228	38,678	32,751		
Interest expense	16,215	16,491	18,046	18,550		
Outside/contracted services	248,860	207,864	145,197	211,997		
Bad debt expense	24,000	151,347	29,654	29,214		
Other	226,313	230,956	172,205	196,815		
Total Expenses	4,351,678	4,374,204	3,621,660	3,053,852		
Change in Unrestricted Net Assets	93,979	36,775	858,976	583,696		
Unrestricted Net Assets at Beginning of Year	3,543,576	3,506,801	2,647,825	2,034,915		
Unrestricted Net Assets at End of Year	\$ 3,637,555	\$ 3,543,576	\$ 3,506,801	\$ 2,618,611		

West County Health Centers, Inc. Statement of Financial Position

		As of December 31						
Current Assets: Cash and cash equivalents S		2004			2003	2002		2001
Current Assets		J)	Jnaudited)					
Current Assets	ASSETS							
Patient accounts receivable, net 494,365 587,114 540,979 296,526 Estimated settlements receivable 105,260 105,260 284,828 244,249 Grants Receivable - Federal 111,478 127,750 221,172 33,868 Grants Receivable - other 214,795 216,869 262,875 196,500 Prepaid assets 111,1489 75,491 66,597 41,253 Total Current Assets 2,475,484 2,453,085 2,353,118 1,841,945 Depreciable assets, net 1,966,639 2,102,228 2,125,792 1,598,142 Land 216,123 216,123 216,123 216,123 216,123 Other assets 140,735 155,657 139,714 120,088 Construction in progress 107,006 58,531 - 20,856 TOTAL ASSETS \$2,201 \$52,200 \$61,782 3,797,104 Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471								
Estimated settlements receivable 105,200 105,200 284,828 244,249 Grants Receivable - Federal 141,478 177,470 221,172 33,868 Grants Receivable - other 214,795 216,809 22,875 196,500 Prepaid assets 111,1489 75,491 66,597 41,235 Total Current Assets 2,475,484 2,433,085 2,233,118 1,841,945 Depreciable assets, net 1,966,639 2,102,228 2,125,792 1,598,142 Land 216,123 216,123 216,123 216,123 Other assets 107,006 58,35 1,39,14 210,008 Construction in progress 107,006 58,35 1,39,14 210,008 TOTAL ASSETS 4,905,987 3,805,33 3,49,10 3,379,14 Contract Assets Accounts payable 2,22,216 5,52,200 6,1782 3,57,40 Note payable 2,323,11 3,63,255 1,52,50 1,52,50 1,52,50 Color, Ferrical Liabilities 2,98,38 </td <td>Cash and cash equivalents</td> <td>\$</td> <td>1,408,097</td> <td>\$</td> <td>1,290,881</td> <td>\$ 976,667</td> <td>\$</td> <td>1,029,549</td>	Cash and cash equivalents	\$	1,408,097	\$	1,290,881	\$ 976,667	\$	1,029,549
Grants Receivable - Federal Grants Receivable - other 141,478 177,470 221,172 33,868 Grants Receivable - other 214,795 216,869 262,875 196,500 Prepaid assets 111,489 75,491 66.597 41,253 Total Current Assets 2,475,484 2,453,085 2,353,118 1,841,945 Depreciable assets, net 1,966,639 2,102,228 2,125,792 1,598,142 Land 216,123 216,123 216,123 216,123 216,123 Other assets 140,735 155,767 139,714 120,108 Construction in progress 107,006 38,531 - 20,856 TOTAL ASSETS 2 4,905,987 4,985,734 \$4,834,747 3,797,174 LIABILITIES AND NET ASSETS Current Liabilities 2 2,216 \$52,200 \$61,782 \$37,740 Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 53,047 50,471	Patient accounts receivable, net		494,365		587,114	540,979		296,526
Grants Receivable - other 214,795 216,869 262,875 196,500 Prepaid assets 111,489 75,491 66,597 41,253 Total Current Assets 2,475,484 2,453,085 2,353,118 1,841,945 Depreciable assets, net 1,966,639 2,102,228 2,125,792 1,598,142 Land 216,123 216,123 216,123 216,123 Other assets 140,735 155,767 139,714 120,108 Construction in progress 107,006 58,531 - 20,856 TOTAL ASSETS 4,905,987 4,985,734 4,834,747 3,797,104 LABILITIES AND NET ASSETS Current Liabilities Accounts payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 3298,383 338,060 376,179 412,804 <t< td=""><td>Estimated settlements receivable</td><td></td><td>105,260</td><td></td><td>105,260</td><td>284,828</td><td></td><td>244,249</td></t<>	Estimated settlements receivable		105,260		105,260	284,828		244,249
Prepaid assets 111,489 75,491 66,597 41,235 Total Current Assets 2,475,484 2,453,085 2,353,118 1,841,945 Depreciable assets, net 1,966,639 2,102,228 2,125,792 1,598,142 Land 216,123 218,136 218,136 218,136 218,136 218,136 218,136 218,136 218,137 218,136 218,137 218,137 218,137 218,137 218,137	Grants Receivable - Federal		141,478		177,470	221,172		33,868
Depreciable assets, net	Grants Receivable - other		214,795		216,869	262,875		196,500
Depreciable assets, net	Prepaid assets		111,489		75,491	66,597		41,253
Land Other assets Other assets Other assets Other assets 140,735 216,123 155,767 139,714 120,108 140,735 155,767 139,714 120,108 120,006 158,531 1 - 20,856 170 170,006 158,531 1 - 20,856 170 170 170 180,857 14985,734 14,834,747 170 170 170 170 170 170 170 170 170 17	Total Current Assets		2,475,484		2,453,085	 2,353,118		1,841,945
Other assets 140,735 155,767 139,714 120,108 Construction in progress 107,006 38,531 — 20,856 TOTAL ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 LIABILITIES AND NET ASSETS Current Liabilities: Accounts payable \$ 22,216 \$ 52,200 \$ 61,782 \$ 37,740 Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities: 298,383 338,060 376,179 412,804 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775	Depreciable assets, net		1,966,639		2,102,228	2,125,792		1,598,142
Construction in progress TOTAL ASSETS 107,006 58,531 - 20,856 TOTAL ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 LABILITIES AND NET ASSETS Current Liabilities: \$ 22,216 \$ 52,200 \$ 61,782 \$ 37,740 Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 3,637,555 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 Tot	Land		216,123		216,123	216,123		216,123
Note payable - current patricted net of current maturities 298,383 338,060 376,179 412,804 127,220 127	Other assets		140,735		155,767	139,714		120,108
Current Liabilities	Construction in progress		107,006		58,531	 		20,856
Current Liabilities: Accounts payable \$ 22,216 \$ 52,200 \$ 61,782 \$ 37,740 Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: 1 127,220 127,220 127,220 127,220 127,220 127,220 127,220 127,220 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,220 127,204 127,204 127,204 <td>TOTAL ASSETS</td> <td>\$</td> <td>4,905,987</td> <td>\$</td> <td>4,985,734</td> <td>\$ 4,834,747</td> <td>\$</td> <td>3,797,174</td>	TOTAL ASSETS	\$	4,905,987	\$	4,985,734	\$ 4,834,747	\$	3,797,174
Accounts payable \$ 22,216 \$ 52,200 61,782 \$ 37,740 Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: 10,000,725 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS 4,905,987 4,985,734 4,834,747 3,797,174 Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Note payable - current 39,678 38,119 36,625 35,193 Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS 4,905,987 4,985,734 4,834,747 3,797,174 Friancial Ratios: Proforma (a) FYE December 2003 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margi								
Deferred revenue 586,729 664,214 530,471 383,633 Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS 4,905,987 4,985,734 4,834,747 3,797,174 Fye December 2003 Debt Service Coverage (x) 2.12 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	± •	\$		\$		\$	\$	
Accrued expenses 194,206 222,345 195,669 152,759 Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$4,905,987 \$4,985,734 \$4,834,747 \$3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	* *							
Total Current Liabilities 842,829 976,878 824,547 609,325 Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%								
Long-Term Liabilities: 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$4,905,987 \$4,985,734 \$4,834,747 \$3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	-							
Long term debt, net of current maturities 298,383 338,060 376,179 412,804 TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) EYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	Total Current Liabilities		842,829		976,878	 824,547		609,325
TOTAL LIABILITIES 1,141,212 1,314,938 1,200,726 1,022,129 Net Assets: Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	Long-Term Liabilities:							
Net Assets: Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) FYE December 2003 FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 0.17 Margin (%) 0.83% 19.17% 16.85%	Long term debt, net of current maturities		298,383		338,060	 376,179	_	412,804
Unrestricted Net Assets 3,637,555 3,543,576 3,506,801 2,647,825 Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	TOTAL LIABILITIES		1,141,212		1,314,938	1,200,726		1,022,129
Temporarily Restricted Net Assets 127,220 127,220 127,220 127,220 TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	Net Assets:							
TOTAL NET ASSETS 3,764,775 3,670,796 3,634,021 2,775,045 TOTAL LIABILITIES AND NET ASSETS \$ 4,905,987 \$ 4,985,734 \$ 4,834,747 \$ 3,797,174 Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	Unrestricted Net Assets		3,637,555		3,543,576	3,506,801		2,647,825
Financial Ratios: Proforma (a) FYE December 2003 Service Coverage (x) 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	Temporarily Restricted Net Assets		127,220		127,220	 127,220		127,220
Financial Ratios: Proforma (a) FYE December 2003 Debt Service Coverage (x) Debt/Unrestricted Net Assets (x) Margin (%) Proforma (a) FYE December 2003 0.11 0.12 0.17 0.83% 19.17% 16.85%	TOTAL NET ASSETS		3,764,775		3,670,796	3,634,021		2,775,045
Proforma (a) FYE December 2003 Debt Service Coverage (x) Debt/Unrestricted Net Assets (x) Margin (%) Proforma (a) FYE December 2003 2.12 (b) 3.23 18.39 13.91 0.17 0.11 0.12 0.17 16.85%	TOTAL LIABILITIES AND NET ASSETS	\$	4,905,987	\$	4,985,734	\$ 4,834,747	\$	3,797,174
FYE December 2003 Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%	Financial Ratios:							
Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%		P	roforma ^(a)					
Debt Service Coverage (x) 2.12 (b) 3.23 18.39 13.91 Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 0.12 0.17 Margin (%) 0.83% 19.17% 16.85%		FYE I	December 2003					
Debt/Unrestricted Net Assets (x) 0.18 (b) 0.11 (0.12) 0.17 Margin (%) 0.83% 19.17% 16.85%	Debt Service Coverage (x)				3.23	18.39		13.91
Margin (%) 0.83% 19.17% 16.85%	- · · ·							
	• • • • • • • • • • • • • • • • • • • •							
	Current Ratio (x)				2.51	2.85		3.02

⁽a) Recalculates December 2003 audited results to include the impact of this proposed HELP II loan and other loan of \$75,000.

⁽b) Using 2004 unaudited results, DSC would be 3.04x and Debt/Unrestricted Net Assets would be 0.17x.