



Headwaters Fund Board (HWFB) Meeting Agenda
March 14, 2023 – 1:30pm
825 5th St, Eureka, CA 95501
Conference Room B

*Public Attendance also available through Zoom

The Headwaters Fund invests in projects through grants and loans with the goal of helping the citizens of Humboldt County achieve increased economic opportunity, prosperity, and quality of life.

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/82140208239>

Or One tap mobile :

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Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 669 900 9128 or +1 669 444 9171 or +1 346 248 7799 or +1 253 215 8782 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 301 715 8592 or +1 312 626 6799 or +1 386 347 5053

Webinar ID: 821 4020 8239

International numbers available: <https://us02web.zoom.us/j/82140208239>

1. Opening
 - a. Approval of minutes from November 29, 2022 - (Attachment 1)
 - b. Public comment on non-agenda items
 - c. Report out on meetings attended

2. HWFB to receive Redwood Region Economic Development Commission (RREDC) Quarterly Report for the second quarter of fiscal year 2022-23 from the RREDC Executive Director– (Attachment 2)
 - a. Discussion
 - b. Public Comment
 - c. Action

3. HWFB to recommend to the Board of Supervisors (BOS) that Arcata Economic Development Corporation (AEDC) be authorized to include Headwaters Fund participation in a loan to support the purchase of the Salyer Store under the “Extraordinary Project Criteria” – (Attachment 3)
 - a. Discussion
 - b. Public Comment
 - c. Action
4. HWFB to nominate and elect officers for the period of 4/1/23 through 3/31/24.
 - a. Discussion
 - b. Public Comment
 - c. Action
5. HWFB Staff to report out on County Counsel’s findings regarding administrative expenditure allowance.
 - a. Discussion
 - b. Public Comment
6. HWFB to discuss HWFB Ad Hoc Meeting on 3/1/23 in relation to work to improve program efficacy and revise program documents.
 - a. Discussion
 - b. Public Comment
7. HWFB to direct staff to engage with the county’s contracted consultant, CliftonLarsonAllen LLP (CLA) to perform a reconciliation of HWF fund balance in order to bring accounting current.
 - a. Discussion
 - b. Public Comment
 - c. Action
8. HWFB to discuss interest apportionments and Fiscal Year 2023-24 Budget recommendation to the BOS.
 - a. Discussion
 - b. Public Comment
 - c. Action
9. HWFB to discuss adopting a Code of Conduct at the recommendation of the Clerk of the Board – (Attachment 4)
 - a. Discussion
 - b. Public Comment
 - c. Action

10. Staff and Board updates

- a. Discussion
- b. Public Comment

11. Adjourn

Next Meeting: April 11, 2023

Agenda Staff Report

AGENDA ITEM 2

DISCUSSION

The HWFB will receive and discuss the fiscal year 2021-22 second quarterly report from the RREDC Executive Director. This report summarizes Revolving Loan Fund activities facilitated by RREDC on behalf of the HWFB.

Recommended Action: Approve RREDC Quarterly Report

AGENDA ITEM 3

DISCUSSION

Headwaters Fund Board to discuss authorization for a Revolving Loan Fund (RLF) loan to Salyer Store under extraordinary project criteria, due to its location outside of Humboldt County. Salyer Store is located in Trinity County, less than a mile east of the Humboldt County Border on the 299 past Willow Creek. Per the RLF Manual, Section 4(b) Eligible Organization, organizations eligible for loans may be located outside of the County if the Extraordinary Project Criteria in section 17 are met. Selection criteria for such extraordinary projects include;

1. The project must demonstrate a total economic benefit that significantly exceeds the economic benefit from using twice the amount of funds for the Revolving Loan Fund, CIF, or Grant Fund; whichever of the three Funds that would be appropriate and/or most impacted would be the standard against which to judge the Extraordinary Project. In other words, if the Extraordinary Project requests \$1 million, its total economic benefit must exceed using \$2 million for Revolving Loan Fund, CIF, or Grant Fund investments;
2. The calculation of total economic benefit should include measures such as County-wide direct and indirect job creation/retention, wealth generation, workforce development, and business development; and
3. No alternative sources of funding should be readily available.

Total Project Loan Request is \$640,000, of which \$320,000 is being requested from the Headwaters Fund RLF. While total economic benefit is difficult to calculate, Salyer Store is an asset and necessity to the community which includes Humboldt County residents and tourists, and residents of Trinity County who are intrinsically linked to the County's economy. With the closing of River Song Natural Foods in Willow Creek, community members currently only have one option for groceries, creating a gap in the economy and allowing monopolization of the

market. Additionally, AEDC has over \$1.7 million in idle capacity to lend out of HWF dollars, which if lent out would increase the ability of the fund to provide grants and loans within the community.

Please see Attachment 3 – Salyer Store Loan Proposal Memorandum for more information.

Recommended Action: Recommend approval of this loan to the BOS under the Extraordinary Project Criteria and authorize staff to execute the participation agreement contingent on BOS approval.

AGENDA ITEM 4

DISCUSSION

The HWFB manual requires that the Chair and Vice Chair be elected annually by a majority of HWFB members. In the past the HWFB has rotated members into these positions by appointing newer members who have yet to serve followed by members who have not served for the longest period. If this practice is continued, the next in line for Chair would be Michael Fields and Tammy Brown for Vice Chair.

Staff recommends that the new chair and vice chair be selected based upon additional capacity to work with staff and experience supporting program development due to the current needs of the HWFB.

Recommended Action: Appoint members to the position of Chair and Vice Chair for the period of 4/1/23-3/31/24

AGENDA ITEM 5

DISCUSSION

The HWFB staff have been working to resolve a question of whether or not administrative funding is available from the corpus of the fund outside of the EDA Setaside (Fund 3842) to support ongoing operational needs to support the fund. At this time, Counsel has provided the opinion that other than those funds set aside at the formation of the fund for general economic development funding, the corpus is unavailable for ongoing administrative expenses.

No Action

AGENDA ITEM 6

DISCUSSION

On 3/1/23 staff met with Jenna Catsos and Carl Hansen to discuss program needs and priorities related to revisions and updates desired to improve program efficacy. Staff will be scheduling another meeting to further flesh out priorities and establish a timeline for working with consultants to engage in this work. This item is intended to allow ad hoc members an opportunity to report out, full HWFB members a chance to provide guidance/questions and provide staff further guidance.

No Action

AGENDA ITEM 7

DISCUSSION

A full annual reconciliation of the Headwaters Funds has not been completed since FY 18-19 due to staff limitations during and after the COVID19 pandemic, multiple years of unclosed books, and multiple staff changes. As such staff are seeking authorization to make use of a portion of the American Rescue Plan Act of 2021 funds assigned to the HHWFB in fiscal year 2022-23 to engage with CLA to perform a reconciliation of the past years and make recommendations on process improvement to ensure proper adherence to accounting practices moving forwards.

Recommended Action: Authorize HWFB staff to engaging in contracting with CLA for reconciliation work related to the HWFB and direct staff to return with final agreement for ratification.

AGENDA ITEM 8

DISCUSSION

Due to the ongoing issues related to the administrative expenditure of the HWF and the pending close out of fiscal years 2020-21 and 2021-22, it is the recommendation of staff to limit the fiscal year budget to minimum operations around grant and loan programs until such time as finances can be brought current.

Recommended Actions: Direct staff to complete budget, limiting expenses to mini grants and loan support until such time as the finances are brought current.

AGENDA ITEM 9

DISCUSSION

In July of 2021 the BOS adopted a Code of Conduct and the Clerk of the Board has recommended that all boards and committees under the BOS adopt a similar code of conduct. Staff are recommending the language be drafted by the Chair and Vice chair and returned at a future meeting. Attached is the BOS Code of Conduct as an example (Attachment 4)

Recommended Actions: Authorize the Chair and Vice Chair to draft a code of conduct for the HWFB to review and adopt at a future meeting.

Email Public Comment: To submit public comment to the Humboldt County Headwaters Fund Board please email gohumco@co.humboldt.ca.us, provide your name and the agenda item number(s) on which you wish to comment. All public comment submitted after the agenda has been published will be included with the administrative record after the fact.

Zoom Public Comment: When it is time for public comment on the item you wish to speak on, the Humboldt County Headwaters Fund Board Chair will ask for public comment. You may virtually raise your hand using the raise hand function on Zoom and staff will unmute your

phone. Staff will then ask you to state your name and begin your comment. You will have 3 minutes to comment.

Phone Public Comment: You may call into the meeting by dialing +1 669 900 9128 and entering using meeting ID 821 4020 8239. When it is time for public comment on the item you wish to speak on, the Humboldt County Headwaters Fund Board Chair will ask for public comment. Staff will unmute phone lines and you may introduce yourself and express your desire to speak. Staff will then ask you to state your name and begin your comment. You will have 3 minutes to comment.

The County of Humboldt is committed to providing equal access to all county programs, services and activities through the provision of accommodations for individuals with disabilities as required under the Americans with Disabilities Act (ADA). With 72 hours prior notice, a request for reasonable accommodation or modification can be made. Please contact the CAO's office of Economic Development at 707-445-7745 or by email gohumco@co.humboldt.ca.us or the ADA Coordinator at 844-365-0352 or by email at ada@co.humboldt.ca.us



Headwaters Fund Board (HWFB) Meeting Minutes
November 29, 2022 – 1:30pm
825 5th St, Eureka, CA 95501
Conference Room B

*Public Attendance also available through Zoom

Board in Attendance: Jenna Catsos (Chair), Carl Hansen, Tammy Brown, Brian Papstein, Elizabeth Cameron, Walt Geist.

Staff in Attendance: Scott Adair, Ryan Heitz, Logan Ashworth

1. Opening
 - a. Modification to agenda: Introduction to new Board members
 - b. Approval of minutes from October 13, 2022 - (Attachment 1)
 - Minutes approved with board-suggested edits as moved by board member Brown and seconded by board member Cameron.
 - Motion passed unanimously with two abstentions.
 - c. Public comment on non-agenda items
 - No public comment was provided.
 - d. Report out on meetings attended
 - No board members reported on any meetings attended.
2. Headwaters Fund Board to receive AEDC Quarterly Report from Loan Officer (Attachment 2)
 - a. Discussion
 - Board member Geist entered the meeting at the beginning of the Loan Officer's report.
 - Board member Cameron moved to accept the AEDC Quarterly Report. Board member Hansen seconded the motion.
 - b. Public Comment
 - No public comment was provided.
 - c. Action
 - Motion passed unanimously.

3. Headwaters Fund Board to receive RREDC Quarterly Report from their Executive Director (Attachment 3)
 - a. Discussion
 - Board member Hansen moved to accept the RREDC Quarterly Report which was seconded by board member Brown.
 - b. Public Comment
 - No public comment was provided.
 - c. Action
 - Motion passed unanimously.

4. Headwaters Fund Board to receive Mini Grant request from Life Plan Humboldt for surveys required for development of a life plan community and make an award determination - (Attachment 4)
 - a. Discussion
 - Board member Hansen moved to accept Life Plan Humboldt's Mini Grant request for the amount of five thousand dollars (\$5,000) and authorize staff to enter an agreement pending County Counsel and Risk Management's review. The motion was seconded by Board member Papstein.
 - b. Public Comment
 - No public comment was provided.
 - c. Action
 - Motion passed unanimously.

5. Headwaters Fund Board to receive Mini Grant request from Redwood Coast Energy Authority to support trainings related to Electric Vehicle Chargers- (Attachment 5)
 - a. Discussion
 - Board member Hansen moved to accept the Redwood Coast Energy Authority's Mini Grant request for the amount of two thousand and five hundred (\$2,500) restricting the request to marketing, advertising, and the balance remaining for staff as well as authorizing staff to enter an agreement pending County Counsel and Risk Management's review. The motion was seconded by Board member Papstein.
 - b. Public Comment
 - Public comment was not provided.
 - c. Action
 - Motion passed unanimously.

6. Headwaters Fund Board to discuss and recommend reappointment of Michael Fields for a 3-year term
 - a. Discussion
 - Board member Cameron moved to recommend Michael Fields for a three-year term on the Headwaters Fund Board. The motion was

seconded by board member Hansen.

- b. Public Comment
 - No public comment was provided.
- c. Action
 - Motion passed unanimously.

7. Headwaters Fund Admin Item – (Attachment 6)

- a. Discussion
 - Board member Hansen moved to allow administrative expenses for FY19-20 to FY21-22 hitting the EDA Set Aside incurring a negative fund balance as well as working with County Staff and Lenders to modify Rotating Loan Fund reporting requirements. Hansen also directed staff to explore alternative public fund models and for Staff to facilitate a discussion regarding a consultant’s scope of work at the next (January) meeting. Board member Geis seconded the motion.
- b. Public Comment
 - No public comment was provided.
- c. Action
 - Motion passed unanimously.

8. Staff and Board updates

- a. Discussion
 - The Comprehensive Economic Development Strategy roadshow is complete with further data collection occurring in the new year.
 - Staff engaged with the Blue Lake Rancheria energy incubator as well as connecting Hoopa with the local Small Business Development Corporation to have their Community Development Financial Institute status established again.
- b. Public Comment
 - No public comment was provided.

9. Meeting adjourned 4:04 PM.

Next Meeting: January 10, 2023

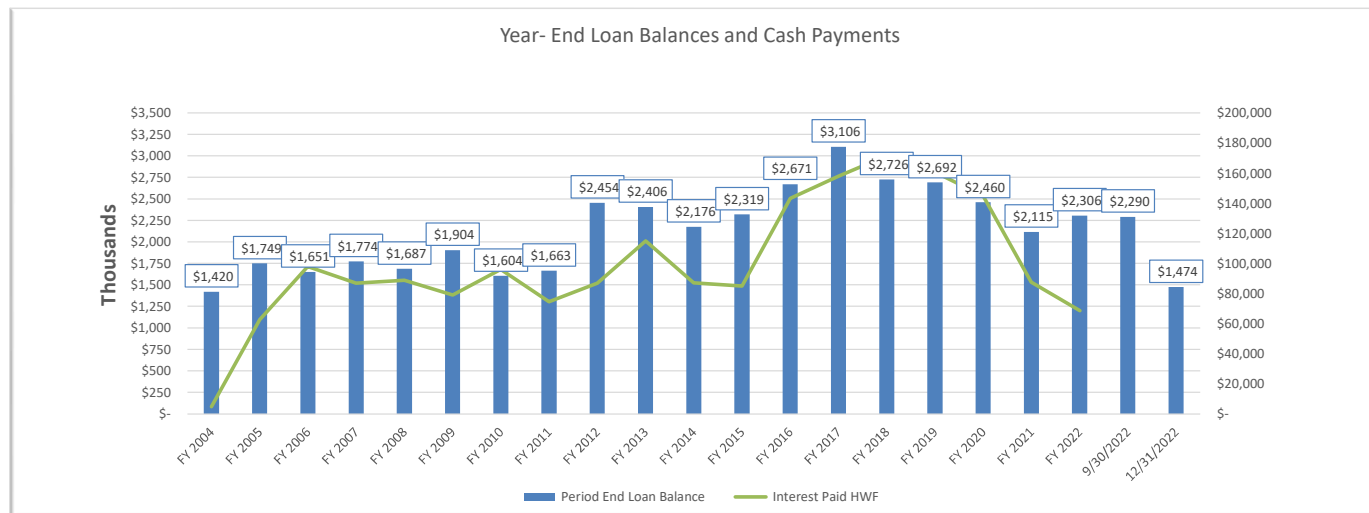
Period	Period End Loan Balance	Average Loan Balance*	Interest Paid HWF**	Cash Basis Yield***	Change in HWF Accrued Interest	Total HWF		Interest Capitalized This Period	Accrual Basis Yield	Loan Losses/Recovery this Period	Net Return Including Recoveries/Losses
						(Cash and Accrued)	Interest				
12/31/2022	1,474,247	1,882,325	22,961	4.88%	(8,751)	14,210	-	3.02%	-	3.02%	
9/30/2022	2,290,404	2,298,121	23,041	4.01%	3,930	26,970	-	4.69%	17,933	7.82%	
2021-2022****	2,305,838	2,377,378	68,590	2.89%	(1,591)	66,999	-	2.82%	7,854	3.15%	
2020-2021	2,448,918	2,454,512	87,560	3.57%	26,668	114,228	-	4.65%	8,592	5.00%	
2019-2020	2,460,106	2,575,819	144,609	5.61%	11,189	155,797	394	6.05%	(25,414)	5.08%	
2018-2019	2,691,531	2,708,601	160,645	5.93%	(1,577)	159,068	8,835	5.87%	7,859	6.49%	
2017-2018	2,725,671	2,915,692	171,525	5.88%	(1,467)	170,059	-	5.83%	7,623	6.09%	
2016-2017	3,105,712	2,888,199	157,554	5.46%	3,301	160,855	-	5.57%	4,179	5.71%	
2015-2016	2,670,685	2,494,823	143,092	5.74%	4,167	147,259	-	5.90%	36,273	7.36%	
2014-2015	2,318,961	2,247,540	84,915	3.78%	107	85,022	-	3.78%	(98,784)	-0.61%	
2013-2014	2,176,119	2,290,930	86,969	3.80%	(18,196)	68,773	-	3.00%	-	3.00%	
2012-2013	2,405,741	2,429,923	114,907	4.73%	7,989	122,896	4,904	5.06%	-	5.26%	
2011-2012	2,454,105	2,058,467	86,923	4.22%	1,849	88,772	2,016	4.31%	-	4.41%	
2010-2011	1,662,828	1,633,288	74,518	4.56%	8,282	82,800	-	5.07%	(18,096)	3.96%	
2009-2010	1,603,748	1,753,866	95,908	5.47%	(7,383)	88,525	-	5.05%	-	5.05%	
2008-2009	1,903,983	1,795,369	79,059	4.40%	231	79,290	21,106	4.42%	-	5.59%	
2007-2008	1,686,755	1,730,138	88,739	5.13%	6,297	95,036	-	5.49%	-	5.49%	
2006-2007	1,773,521	1,712,020	86,796	5.07%	6,109	92,905	312	5.43%	-	5.44%	
2005-2006	1,650,518	1,699,646	97,874	5.76%	(3,171)	94,703	1,215	5.57%	-	5.64%	
2004-2005	1,748,774	1,584,545	62,486	3.94%	3,350	65,836	9,523	4.15%	-	4.76%	
2003-2004	1,420,315	710,158	4,739	0.67%	2,715	7,454	13,299	1.05%	-	2.92%	
Totals			1,943,411				61,604		(51,981)		

*Average loan balance is calculated as the average of the beginning and ending balance of the period.

**Actual cash paid to HWF.

***Interest paid/average loan balance. Annualized for quarterly reports.

****Figures are unaudited and subject to revision.



Arcata Economic Development Corporation

Loan Officer Addendum: Salyer Store

Nick and Elizabeth Wilde are a great fit for this opportunity. They are a local family, invested in the community, bringing a perspective of positive contribution to the region. I grew up just up the hill in Salyer, and would walk to the Salyer Store often in the summertime, just for something to do. It has been there ever since I can remember and was always a staple for groceries, mail, and even video rentals long ago. Everyone stops there before going to the river, for sandwiches and soda or beer. Tourists traveling have little other choice but to stop here, it is the last store for quite some time. I've known many people that have rented the studios behind the store, my little sister being one of them. There are not many options for a studio or one bedroom rental in the area.

Jim and Grannie are well known due to their longevity at the Salyer Store. It is not surprising that they are ready to retire, and it is understandable that they would seek out new owners that will take care of the legacy they have created. The store, and the studios, are an important part of Salyer and the surrounding areas. I personally feel that Nick and Betsy are an excellent choice. It will be a family operated endeavor, as it always has been, and they will breathe new life into the space.

Thank you for your consideration.

Hannah Joy



Arcata Economic Development Corporation
Loan Proposal Memorandum

Date: February 24, 2023

Loan Officer: Hannah Joy

BORROWER(S):

BORROWER: Nick Wilde and Elizabeth Wilde
BUSINESS NAME: Salyer Store
BORROWER TYPE: Sole Proprietorship
BUSINESS ADDRESS: 50 Salyer Ln. Salyer, CA 95563
MAILING ADDRESS: 550 Salyer Loop Road, Salyer, CA 95563
TAX ID NUMBER: 560-93-3504
CONTACT INFORMATION: (707) 613-7518

LOAN REQUEST:

<i>Project Amount:</i>	<i>Loan Amount:</i>	<i>Term:</i>	<i>Rate:</i>	<i>Pymt Amt:</i>	<i>Pymt Start Date:</i>	<i>Maturity Date:</i>
\$890,000	\$640,000	25 yrs	7.00%	\$4523.39	TBD	TBD
LOAN PURPOSE:	Purchase of Salyer Store property, working capital, inventory, renovation costs					
LOAN FUND:	AEDC + Headwaters					
LOAN GRADE:	Acceptable - 22					
NAICS CODE:	445110 & 452990 – General Stores					
EXCEPTIONS TO POLICY	None					
EXISTING DEBT TO AEDC:	None					
NATURE OF BUSINESS:	General Merchandise Store					
PRINCIPAL (S):	Nick Wilde and Elizabeth Wilde					
GUARANTORS:	n/a	<i>Amount: \$</i>				

LOAN ORIGATION FEES:	TBD	\$9,600	n/a
	<i>Other</i>	<i>All other loan funds: 1.50% of loan amount</i>	<i>SBA 504: 1.50% of loan amount</i>
CREDIT ELSEWHERE:	<i>Brief description of why applicant is unable to obtain conventional financing.</i>		
	The borrower is unable to secure conventional financing due to the lack of prior business ownership experience. Additionally, repayment is based on projections.		
EMPLOYMENT:			
<i>Current FTE Employees</i>	<i>New Jobs Created/Retained</i>	<i>Over What Period</i>	
5	5	Immediately	
PRIMARY SOURCE OF REPAYMENT:			
	Business Cash Flow		
SECONDARY SOURCE OF REPAYMENT:			
	Liquidation of collateral/Collection from borrower		
COLLATERAL SUMMARY:	<i>Give details in collateral section</i>		
	1st Deed of Trust on subject property at 50 Salyer Lane, Salyer CA 95563, UCC Financing Statement on business assets, 1st Deed of Trust on personal property located at 550 Salyer Loop Rd.		
STRENGTHS:	WEAKNESSES:		
<ul style="list-style-type: none"> ▪ Existing business with longevity, positive cash flow, and established clientele. ▪ Business is an asset and necessity to the community ▪ Diversified revenue sources: store + lease to post office + rental units ▪ Both principals have excellent personal credit ▪ Outside sources of income to cover personal expenses and obligations ▪ Sufficiently collateralized with real estate 	<ul style="list-style-type: none"> ▪ New ownership of existing business, repayment is based partially on projections. ▪ Principals do not have prior business ownership experience. 		

PROPOSED FINANCING:

Total Project Cost: \$890,000
Less Borrowers Cash Injection: \$250,000
Total Loan Request: \$640,000

Business/Property Cost: \$800,000
Property: \$600,000
Business: \$200,000
Renovations: \$40,000
Working Capital: \$50,000

AEDC: \$320,000
Headwaters: \$320,000
Equity Injection: \$250,000, on standby

HISTORY OF BORROWER:

History / Changes in business Structure / Affiliates / Management

The Salyer Store is a general/grocery store located in Trinity County at 50 Salyer Lane in the small town of Salyer, six miles east of Willow Creek. The current owners, Jim and Grannie, have owned the business for over 20 years and are well known in the community. They would like to retire and pass their legacy to a community minded family to operate the store, as opposed to an out-of-town investor. The small convenience store offers soft drinks, alcoholic beverages, cigarettes and a wide selection of grocery items. The store sits on a 5.52-acre piece of property which includes a 3-bedroom house that is currently occupied by the owners, as well as three one-bedroom rentals. Located in the same building as the store is a rental space currently occupied by the Salyer US Post Office. The current owners have been managing the business from the year 2000 and have created a hub for the community. They offer made-to-order sandwiches and “Grannie’s” famous freshly baked cookies from the small deli. They also offer deli meats, produce, and other essentials for the local community. The store sells a wide selection of prepackaged drinks and foods, consistent with the selection of a small convenience store. Beer and cigarettes are a major portion of the current revenue. Most products are delivered from distributors such as Humboldt Beer Distributors and Producers Dairy with other small lot items purchased through weekly supply runs to the coast with a business cargo van. The present clientele consists of approximately 500 local residents, the occupants of the US Forest Service barracks, as well as traffic on the Hwy 299 which approaches a million passersby annually.

The loan request is for the purchase of the Salyer Store property, which includes the Salyer Store itself, the rental space in the same building – currently leased to the Salyer Post Office – and 4 buildings behind the store – 3 one-bedroom units and 1 three-bedroom unit. The applicants are Nick and Elizabeth Wilde, a family team. They are requesting \$640,000, with a borrower injection of \$250,000 for a total project cost of \$890,000. Loan funds would be used for the purchase of the property (\$600,000), and building renovations (\$40,000). Borrower injection will be used for the purchase of the business (\$200,000, which includes \$70,000 in inventory, \$50,000 in FFE, and \$80,000 in Goodwill), and \$50,000 in working capital. 1st Deed Trust on both the subject property and the borrower’s residence provides sufficient collateral coverage to mitigate AEDC risk, along with outside sources of income.

General Stor



Post Office Lease Space

Nick and Elizabeth Wilde intend to purchase the Salyer Property as a sole proprietorship and occupy the three-bedroom house directly behind the store. Elizabeth (Betsy) will continue her job as a teacher at the Burnt Ranch School, and Nick will continue working part time as Program Coordinator at DreamQuest in Willow Creek. Nick will replace the current manager and operate the store, retaining the rest of the staff. They'd like the transition to be smooth, and do not plan on making any changes that would be too disruptive for the current clientele.

The three rental studios behind the store are of older construction. Two of the three have been updated within the last 15 years. The \$40,000 of renovation funding would be used to continue the updates on the two cabins. A contractor's estimate has been prepared for these renovations. The third cabin is in need of more extensive repair. Nick and Betsy plan to hold off on that repair, and potentially refinance in a few years to complete that task. The current owners have not raised the rents of \$550 a month in over 20 years, which is far below the market value of one-bedroom rentals in that area. Nick and Elizabeth would require the current tenants to either vacate or sign a new rental agreement listing the rent at \$750 per unit. These units would be quickly filled after any vacancy due to an acute shortage of housing in the area.

Subject property is 5.52 acres (teal). Property is directly across the street from the river (red).



The general store building also houses space that is currently leased to the Post Office. There are 1.5 years left on the contract before renegotiation of the \$627 per month rental agreement. This would allow for either increased income from rent or the expansion of the store and deli facilities. The post office currently serves approximately four to five hundred residents and is a source of foot traffic for the store as well as adding to the community hub atmosphere. Based on market values of real estate over the last 7 years when the contract was signed, they anticipate being able to renegotiate the rental agreement up to no less than \$850 per month. All indications are that the post office will want to renegotiate their contract to that rate. With the 2 one-bedroom rentals and the post office at the projected rents, this would provide stable residual income of \$28,200 per year (\$2,350 per month). As Nick and Betsy plan to relocate into the 3-bedroom house behind the store, they would be able to rent their current residence, which they own outright. A conservative estimate for that rental would bring in an additional \$1200 per month. While not factored into the business loan projections, this personal passive income can buffer any personal needs that arise during the startup phase, and as such will be considered in a Global Cash Flow analysis.

One of the immediate goals for maximizing return from the store is to implement an electronic point of sale system (POS). This would allow tracking of inventory to minimize certain redundant or low sale volume products and phase them out while trialing new high-quality groceries, such as organics, without alienating the current clientele. In addition, the POS system would minimize waste from theft or spoilage and facilitate removal of coolers/freezers which are not currently owned by the business. This would reduce energy costs and open the floor plan to allow for more seating and a greater selection of local products.

The Salyer store is situated in a unique position along the busy 299 corridor with virtually no immediate competitors. Towards the east there are no commercial businesses for 29 miles until Del Loma, where there is a

campground which serves summer tourists and runs a small convenience store. Six miles towards the west is the town of Willow Creek which previously has been the home of the natural food store River Song Natural Goods, a small Ray’s grocery store, and two adjacent gas stations. Very recently, River Song has closed permanently, leaving a gap for the Salyer Store to fill. Ray’s Food Place is now the main competitor for the Salyer Store.

The present business owners have indicated they noticed a jump in sales from local customers when the Covid pandemic hit. As the local population began returning to “normal” activities they did not see a correlating drop in sales. Anecdotally, they think many people realized they liked not having to travel farther for the same products. The recent spike in gas prices, which show no indication of subsiding to former levels, will only increase this hyper-local trend. In addition to the dedicated local clientele, there is huge opportunity in the seasonal flow of traffic on the Trinity River Highway. This highway has become the main east-to-west corridor between the Interstate 5 freeway and the 101 and sees close to a million travelers annually. 2022 did show a drop in revenue and it was attributed to a traffic stop that was exactly in front of the store for quite a long time.

The Salyer Store currently has no online presence. Increasing advertising will greatly increase visits from the tourist population. Through development of a website and tools like Google analytics and social media there will be more people stopping on their way through. In addition, signs and/or billboards could be placed within a few miles in either direction to increase the percentage of people stopping. With an extremely conservative estimate of 1% more through traffic stopping, spending an average of \$15 per visit, total sales may be increased by \$150,000 per year or over 10% increase in sales.

The current store manager is the daughter of the current owners and would be leaving with the sale of the business; all management duties would be taken over by new owner, Nick Wilde. The current owners have indicated they would need time to purchase and move to their next home on completion of the sale. They have also said they would be willing to coach and/or supervise the new owners during the transition of ownership. Nick and Elizabeth will ask for a minimum of three months on site and hands on coaching in addition to another six months of consulting after completion of the sale. There are four other part time employees (30 hours a week or less) which keep the store and deli running. Quality employees are notoriously difficult to find, however Nick has a breadth of experience in the workforce development field. With over 7 years running the Title I StepUp Program at Dream Quest, Nick is uniquely positioned to tap into the local work force and understand what motivates individuals to remain loyal and reliable to their employer. Nick intends to utilize the same program to offer employment opportunities to local disadvantaged youth at the store and on the grounds.

The store and rentals are a huge asset to the Salyer community and must remain in the hands of local people with the benefit of the community at the forefront of their minds. The Salyer Store is one of the few businesses in the area which can tap into tourist dollars and retain that economic stimulus in the community through jobs, purchasing of local goods, and providing nourishing food in a food desert.

Sources and uses of funds are as follows:

<u>Sources:</u>		<u>%</u>	<u>Uses:</u>	<u>Inventory</u>	<u>Wking Cap</u>	<u>Business</u>	<u>Bldg Improvements</u>	<u>Real Estate</u>
AEDC	320,000.00	36.0%				-	20,000.00	300,000.00
Headwaters	320,000.00	36.0%		-		-	20,000.00	300,000.00
<u>Borrower</u>	<u>250,000.00</u>	<u>28.1%</u>		<u>70,000.00</u>	<u>50,000</u>	<u>130,000.00</u>	<u>-</u>	<u>-</u>
Total Sources:	890,000.00	100.0%	Total Uses:	70,000.00	50,000.00	130,000.00	40,000.00	600,000.00

Borrower Injection/Capital Contribution: Nick’s father has pledged \$250,000 as an equity injection on standby with deferred payments for 3 years, followed by a 17-year term at 0%. Equity injection private note is considered as part of the borrower injection due to the fact that the standby term is over 2 years (no payments).

Interest will NOT be accruing during this time. This injection equals 28.1% of the total project amount of \$890,000. Nick and Betsy also have \$40,000 in personal savings as a cushion.

Management Succession: Nick and Elizabeth would co-own the property and can step in for each other when necessary.

Economic Conditions/Community: The Salyer Store is a community hub, especially during fire season. The volunteer fire department is across the bridge, and there is a forest service ranger station and a small church right nearby. The present clientele consists of approximately 500 local residents, the occupants of the US Forest Service barracks, as well as traffic on the Hwy 299 which approaches a million passersby annually. The store is directly across from the Trinity River, with parking available across the bridge for tourists to access a nice river beach spot.

Site Visit: AEDC will conduct an annual site visit as per policy. Initial site visit was performed by AEDC staff.

How did the borrower come to AEDC?: Direct inquiry

COLLATERAL DETAIL:

Collateral will be as follows:

1st Deed of Trust on subject property at 50 Salyer Lane, Salyer CA 95563

Signed Purchase Agreement cost of real estate is \$600,000. Limited appraisal is currently underway by Matt Nilsen. This valuation will be an “as is” estimate, not including improvements to be completed by the new owners.

Subject property is situated on 5.52 acres in Trinity County along Highway 299, zoned Unclassified. PGE provides electricity, there is no Municipal Service Provider for Water or Sewer. There are forest service water rights associated with the property, and three drilled wells. There is a 40k watt generator as a back up for emergencies. Property includes the store building, a three-bedroom house with a pool, a shed, and three 1-bedroom cabins. All buildings have a decent external appearance, see attached exhibit.

UCC Financing Statement on business assets

Signed Purchase Agreement is for \$200,000.

Inventory valued at \$70,000,

FFE valued \$50,000 - distribution van and coolers

1st Deed of Trust on personal property located at 550 Salyer Loop Rd

BPO has been submitted, and property has been valued at \$239,000.

Collateral Analysis

<u>Collateral</u>	<u>Value by Applicant</u>	<u>Liquidation %</u>	<u>AEDC Liquidated Value</u>
Machinery/Equipment	20,000	50%	10,000
Accounts Receivable/Inventory	70,000	20%	14,000
Total Business Assets	90,000		24,000
Commercial Real Estate	600,000	80%	480,000
Improvements	40,000	80%	32,000
Residential Real Estate	239,000	90%	215,100
Vehicle(s) Kelly Blue Book	30,000	100%	30,000
Total Collateral	959,000		781,100
Total AEDC Loan Amount	690,000		690,000
Total LTV	71.9%		88.3%

Community Advantage Program Eligibility or Non-Eligibility: This loan is not eligible for the CA Program as it is over the maximum allowable amount.

BUSINESS FINANCIAL REVIEW:

Equity / Leverage / Liquidity / Activity / Profitability

Source of Information

The following financial information was spread (see attached business Financial Analysis) and reviewed below:

- Business Tax Returns ending in years 2019, 2020, and 2021
- Profit and Loss statement for 2022
- Projected Income Statements for first two years of operations

Revenue, Expenses & Profitability

- Revenue will stem from sales at the subject property location as well as rental unit revenue and the Post Office lease. Nick and Elizabeth will continue operations as customers have grown accustomed to, while making shifts like adding a POS system to minimize losses and track popular products. Historical financials show steady revenue, with a surprising *increase* during Covid. The current owner reportedly has not increased the retail cost of any goods even though inflation has increased the cost of wholesale purchase. This can be corrected gradually to increase revenue. The new owners project an increase of \$94,000 in the first year of new operations compared to 2022, which is an increase of \$13,000 compared to 2021. 2022 was a particularly difficult year for the Salyer Store because there was long term road construction taking place directly in front of the building, which severely limited traffic to and from the store. Nick and Betsy will also be increasing the rental rates in the studio units, which will increase revenue.

- Costs of Goods Sold projections are reasonable based on historical financial data. COGS have averaged approximately 71.09% of overall revenue as per data from 2019-2022 tax returns. The projections allocate for 71% of overall revenue.
- Operating expenses include insurance, advertising, office expense, professional expense, auto expense, repairs/maintenance, supplies, taxes/licenses, and utilities, among others. Fixed expenses are projected to remain the same. Nick will be taking over the manager's role immediately, which will decrease payroll significantly, reducing expenses. They also plan to eliminate several unnecessary coolers in the building, which will decrease utilities.

Assets

- Assets of the business include Inventory (valued at \$70,000), Goodwill (valued at \$80,000), Furniture/Fixtures/Equipment (valued at \$50,000), real estate land, and improvements.
- Working capital is expected to be positive due to the positive cash flow of the business. The principals have additional personal resources in the event the business is in need for additional working capital to support operations.

Liabilities & Net Worth

- Liabilities will include the proposed AEDC notes for the real estate and business purchase as well as subordinated debt to family members for borrower injection.
- Net worth is estimated to be positive due to the projected net profitability of the business.

CASH FLOW ANALYSIS:

Address all sources & uses of funds as fully as possible

A detailed cash flow analysis is shown below. The interim statement is from January through December 2022. Although the business will be operated as a sole proprietorship, Owner's Draw has been shown here as \$60,000. Nick's exact salary has not been determined, but there is adequate cash flow to allocate \$60,000 per year and still have an acceptable DCR. Projection Year X includes the standby equity loan payment, for reference purposes only. The equity loan of \$250,000 has a 17-year term after a 3 year standby, at 0%.

Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Interim</u> <i>12/31/2022</i>	<u>Proj Yr 1</u>	<u>Proj Yr X</u> <i>incl. equity payment</i>
Net Profit	68.9	124.6	106.5	76.1	171.0	171.0
Depreciation/Interest	<u>28.6</u>	<u>35.0</u>	<u>6.0</u>	<u>4.5</u>	<u>-</u>	<u>-</u>
Total Available Cash Flow	97.5	159.6	112.5	80.6	171.0	171.0
Less Draws/Distributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60.0</u>	<u>60.0</u>
Net Available Cash Flow	97.5	159.6	112.5	80.6	111.0	111.0
Debt Service Requirements	<u>54.3</u>	<u>54.3</u>	<u>54.3</u>	<u>54.3</u>	<u>54.3</u>	<u>79.0</u>
Margin	43.2	105.3	58.2	26.3	56.7	32.0
Debt Coverage Ratio	1.80	2.94	2.07	1.48	2.04	1.41

Existing and proposed debt service requirements are as follows. Total does not include equity loan payment.

Creditor	Monthly Pymt	Outstanding Bal	Terms
AEDC	2,261.69	320,000.00	25 year fixed @ 7%
Headwaters	2,261.69	320,000.00	25 year fixed @ 7%
Equity loan		250,000.00	Standby for 3 years
Totals:	4,523.38	890,000.00	
Annually:	54,280.56		

Global Cash Flow:

Below is a global cash flow analysis from all sources, both personal and the proposed business. Projected Year 2 includes the personal equity injection loan payment to family – for reference.

Year	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022 est</u>	<u>Proj Yr 1</u>	<u>Proj Yr 2</u>
						<i>inc equity payment</i>
Nick and Elizabeth Wilde - CF	47	46.1	45.3	45.3	45.3	45.3
Salyer Store - CF	49.7	98.9	106.5	76.1	171.0	171.0
Net Available Cash Flow	96.7	145.0	151.8	121.4	216.3	216.3
Debt Service - Personal	12.0	12.0	12.0	12.0	12.0	12.0
Debt Service - Business Projected	54.3	54.3	54.3	54.3	54.3	75.5
Margin	30.4	90.7	97.5	67.1	162.0	140.8
Debt Coverage Ratio	1.46	2.19	2.29	1.83	3.26	2.47

CREDIT HISTORY:

Both borrowers have excellent credit. Personal credit history for Nick Wilde dated 7/27/2022 indicates a total of 5 accounts, of which 4 are paid in full or have zero balance, and 1 account has an outstanding balance of \$112 dollars. All accounts have been handled as agreed. FICO score is 809.

Personal credit history for Elizabeth Wilde dated 7/29/2022 indicates a total of 6 accounts, of which 4 are paid in full or have zero balance, and 1 account has an outstanding balance of \$35 dollars. One charge account shows one 30 days late payment. All accounts have been handled as agreed. FICO score is 766.

PERSONAL FINANCIAL REVIEW:

Assets / Liabilities / Net Worth / Surplus Cash Flow

Elizabeth will retain her wage income as a teacher at Burnt Ranch School. Nick will take a small salary and operate as replacement for the current manager of the Store, as well as remain available for part time consulting with his current employment at DreamQuest. Their personal expenses do not include a mortgage or auto payment, as their home and car are both paid off. As they plan to relocate to the 3-bedroom house behind the store, they will be able to rent their current home at a projected amount of 1200 per month, 14,400 per year.

Summary of Personal Financial Information

Borrower or Guarantor:	Nick and Elizabeth Wilde	
Financial Statement Dated:	2/6/2022	
Statement Net Worth	\$	304.0
Total Assets:	\$	304.0
Total Liabilities:	\$	-
Projected Annual Cash Flow:	\$	226.1
Estimated Annual Debt Service:	\$	12.0
Surplus Cash Flow after Debt Service:	\$	214.1
Debt Coverage Ratio		18.84

POLICY & ELIGIBILITY CHECKLIST:

If any of the answers to the questions below are yes, then an exception to policy exists or the loan is ineligible under that loan program.

USDA Funds	Yes	No	N/A
Is the amount/portion of the USDA loan over \$250,000?			x
Is the amount/portion of the USDA loan over 75% of the total project?			x
Are the funds for a golf course, race track, gambling, or ag business?			x
If the loan is a line of credit, is the term over 2 years?			x
Is the business located within a city that has a population of >50,000?			x
SBA Microloan Funds			
Is the amount/portion of the Microloan over \$50,000?			x
Is the term of the loan over 6 years?			x
Are any of the Microloan funds used for refinancing?			x
Are any of the Microloan funds used for real estate?			x
Are any of the Microloan funds used for a line of credit?			x
Is the business a non-profit organization?			x
AEDC RLF Funds			
Is the amount/portion of the AEDC loan >8% of the total loan portfolio?			
All Loan Funds			
If the total loan amount is \$100,000 or more, then it must be secured by real estate; does the discounted equity cover less than 50% of the loan?		x	

Is the loan unsecured, partially unsecured, collateralized solely with business assets, or is not fully collateralized with real estate equity? If yes, then the loan amount and/or the unsecured portion of the loan must be enrolled in the Portfolio Insurance Program (Cal-Cap), subject to borrower eligibility.				x
Is the loan considered ineligible under Cal-Cap guidelines?				x
Is the Credit Risk Rating less than 14?			x	
Is the total amount of the loan >8% of the total loan portfolio?				
AEDC loan portfolio as of the date of the loan request?	\$			
Maximum loan amount at 8% of portfolio:	\$			

CONDITIONS:

- 1) Annual business and personal financial information, due within 120 days of each fiscal year end.
- 2) Quarterly interim business financial statements for the first 12 months of the term of the loan (or longer if deemed necessary by staff), due within 30 days of each quarter end.
- 3) Evidence of business liability and hazard insurance, with AEDC listed as loss payee.
- 4) Real property hazard insurance for BOTH collateral properties with AEDC listed as mortgagee.
- 5) Evidence of worker's compensation insurance.
- 6) Copy of business license and fictitious business name statement, if applicable.
- 7) Monthly principal and interest installments are to be made via ACH.
- 8) Approval of all necessary lender participation.
- 9) Limited appraisal result confirming 'as is' real estate property value of 50 Salyer Lane at not less than \$550,000
- 10) Standby Agreement on \$250,000 equity injection note to allow for no payments for 3 years.

Reviewed and Evaluated:			
Signatures below indicate that this loan has been duly reviewed and evaluated according to loan policies and conditions			
Kelli Sterling Loan Manager	Date	Ross Welch Executive Director	Date

Approvals:

By: _____ Approved/Declined/Abstained Date: _____
Patrick Cleary, Loan Committee Member

By: _____ Approved/Declined/Abstained Date: _____
Melissa Enriquez, Loan Committee Member

By: _____ Approved/Declined/Abstained Date: _____
Peter Jermyn, Board Member

By: _____ Approved/Declined/Abstained Date: _____
Laurie Mark, Loan Committee Member

By: _____ Approved/Declined/Abstained Date: _____
Mandy Marquez, Board Member

By: _____ Approved/Declined/Abstained Date: _____
Ryan Heitz, Loan Committee Member

By: _____ Approved/Declined/Abstained Date: _____
Tina Susmilch, Loan Committee Chair & Board Member

By: _____ Approved/Declined/Abstained Date: _____
Janet DePace, Board Member

By: _____ Approved/Declined/Abstained Date: _____
Larry Oetker, Board Member

AEDC Credit Approval/Risk Rating Matrix

Applicant Name: Nick and Elizabeth Wilde

Db: Salyer Store

1. Capacity: Capacity to repay is the most critical of the five factors. Assign 1 point for each of the following topics:

- 1.00 Current economic climate of business type is strong and the Business Plan demonstrates business strength.
- 1.00 Length of repayment time is feasible for business.
- 1.00 Contingency sources for repayment or additional source of income.
- 1.00 Payments are current on existing credit accounts.
- 1.00 Cash Flows demonstrate business strength and meet industry standard.
- 5.00 Debt Service Coverage: Assign a point value that reflects Debt Service Coverage.

Debt Service Coverage = $\frac{\text{Net Income} + \text{Depreciation and/or Amortization Expense}}{\text{Current Portion of Long Term Debt}}$
(Calculated on year 2 of cash flow projections for start-up businesses)

- 5 points Debt Service Coverage of 1.75:1.0+
- 4 points Debt Service Coverage of 1.25:1 to 1.74:1
- 3 points Debt Service Coverage of 1.00:1 to 1.24:1
- 2 points Debt Service Coverage of 0.90:1 to 0.99:1
- 1 point Projections are unrealistic, or no historical repayment ability

*Debt service coverage ratio measures the ability of a firm to service principal repayments and is an indicator of additional debt capacity. The ratio is a valid measure of the ability to service long-term debt.

10.00 **Score for Capacity Section (10 points maximum)**

2. Capital: Money personally invested in the business. Assign a point value that most accurately reflects the capital investment.

Debt to Equity = Total Liability/Total Equity

- 4 points Debt to Worth ratio is no more than 2.50:1
- 3 points Debt to Worth ratio is between 2.51:1 and 3.50:1
- 2 points Debt to Worth ratio is between 3.51:1 and 4.50:1
- 1 point Debt to Worth ratio is between 4.51:1 and 5.50:1

*The ratio shows what is owed in relationship to the owner's equity in the company. The higher the ratio, the more risk of failure for the business and for the ability of the creditor to collect the loan.

0.00 **Score for Capital Section (4 points maximum)**

3. Collateral: Assets that are pledged as a form of security on the loan. Assign a point value that most accurately reflects the collateral pledged, on a discounted basis.

- 3 points Loan to value equals 75% or better
- 2 points Loan to value equals 75% to 90%
- 1 point Loan to value equals 91% to 100%
- 0 points Loan to value is greater than 100%

*Note: Personal Guaranty in all cases is already assumed

2.00 Score for Collateral Section (3 points maximum)

4. Conditions: Is the loan to be used for working capital, additional equipment or inventory? Economic climate of industry is considered. Assign a point value that most accurately reflects conditions.

- 3 points Economic climate is strong and/or usage is equipment/fixed asset
- 2 points Economic climate is satisfactory and/or usage is inventory.
- 1 point Economic climate is weak and/or usage is working capital.

3.00 Score for Conditions Section (3 points maximum)

5. Character: A subjective impression as to whether a client is sufficiently trustworthy to repay the loan. Assign 1 point for each character measure met.

Responsibility Measures:

- 0.00** Has significant related work experience/transferable skills. (resume)
- 1.00** Located at current home or business address for more than 2 years.
- 0.00** Business start-up process completed.
- 1.00** Sets personal and business goals: meets objectives.

Integrity Measures:

- 1.00** No public records (bankruptcy, lien, judgments, criminal activity, outstanding violations of any type filed with the City's Licensing Department).
- 1.00** Strong and positive business & personal references.
- 1.00** When faced with questions about business plan, responds with information in a timely and thorough manner.

2.00 **Credit History:** Assign a point value that most reflects credit history.

- 3 - Excellent: no derogatory; explanation maybe required based on past history of account
- 2 - Good: most accounts paid within 30 days; some past dues; ;bank records show no overdrafts within the last 6 months with valid explanation needed.
- 1 - Fair: past dues and/or has established payment agreement(s) with all creditors with valid explanation needed.
- 0 - Poor: unexplained bankruptcy dismissed; unexplained dismissed judgments/liens that have been satisfied; many charge offs.

*Beacon/FICO scores range from 200-900 points. An average person scores between 500-700 points. A score of 700 is considered an excellent score.

7.00 Score for Character Section (10 points maximum)

Total Loan Package Score:

Base Interest Rate: 8.250%

Formulas:

<u>10.00</u>	Capacity Score (10)	0.1250%
<u>0.00</u>	Capital Score (4)	0.5000%
<u>2.00</u>	Collateral Score (3)	0.2500%
<u>3.00</u>	Conditions Score (3)	0.1250%
<u>7.00</u>	Character Score (10)	0.2500%
<u>22.00</u>	Total Score (30)	Recommended Rate: 9.500%

10=0.125%,<=9=0.25%,<=6=0.50%
4=0.0625%,3=0.125%,2=0.25%,1=0.375%,0=0.50%
3=0.125%,2=0.25%,1=0.375%,0=0.50%
3=0.125%,2=0.25%,1=0.50%
10=0.125%,<=9=0.25%,<=6=0.50%

The maximum score a client could achieve is 30.

- 0-13 **Doubtful - Unacceptable - Not approved**
- 14 **Substandard - Unacceptable - Not approved**
- 15-20 **Watch - Possible approval with contingencies/conditions**
- 21-25 **Acceptable**
- 26-30 **Above Average**

Comments:

Prepared By: _____
Hannah Joy

Date: February 8, 2023

Reviewed/Approved By: _____

Date: _____

Salyer Store
Nick Wilde
50 Salyer Lane
Salyer, CA 95563

Business Financial Analysis

File Name:	0
Officer:	0
Analyst:	0
Version #:	1

ASSETS	CPA Comp 365 12/31/19	CPA Comp 366 12/31/20	CPA Comp 365 12/31/21	Interim 365 12/31/22	R M A	Projections 365 12/31/23	Projections 365 12/30/24
CURRENT ASSETS:	%	%	%	%		%	%
Cash	\$ -	\$ -	\$ -	\$ -	0.0	\$ 136.0	\$ 222.5
Marketable Securities	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Accounts Receivable	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Less Allow for Doubtful Accts (-)	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Net Accounts Receivable	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Inventory	\$ -	\$ -	\$ -	\$ -	0.0	\$ 70.0	\$ 70.0
	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Other Current Assets	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
TOTAL CURRENT ASSETS	\$ -	\$ -	\$ -	\$ -	0.0	\$ 206.0	\$ 292.5
FIXED ASSETS:							
Land	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Buildings	\$ -	\$ -	\$ -	\$ -	0.0	\$ 640.0	\$ 640.0
Furniture/Fixtures	\$ -	\$ -	\$ -	\$ -	0.0	\$ 20.0	\$ 20.0
Equipment	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Vehicles	\$ -	\$ -	\$ -	\$ -	0.0	\$ 30.0	\$ 30.0
Rent	\$ -	\$ -	\$ -	\$ -	0.0	\$ 690.0	\$ 690.0
Accum Depreciation (-)	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
TOTAL FIXED ASSETS	\$ -	\$ -	\$ -	\$ -	0.0	\$ 690.0	\$ 690.0
INTANGIBLE ASSETS:							
Goodwill	\$ -	\$ -	\$ -	\$ -	0.0	\$ 80.0	\$ 80.0
Loan Fees	\$ -	\$ -	\$ -	\$ -	0.0	\$ 10.0	\$ 10.0
Accum Amort (-)	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
TOTAL INTANG ASSETS	\$ -	\$ -	\$ -	\$ -	0.0	\$ 90.0	\$ 90.0
OTHER ASSETS:							
Prepays	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
Stockholder/Owner N/R	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
TOTAL OTHER ASSETS	\$ -	\$ -	\$ -	\$ -	0.0	\$ -	\$ -
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	100.0	\$ 986.0	\$ 1,072.5

Salyer Store	LIABILITIES & NET WORTH								R M A	Projections			
	12/31/19		12/31/20		12/31/21		12/31/22			12/31/23		12/30/24	
		%		%		%		%		%		%	
Salyer, CA 95563													
Overdraft	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Accounts Payable	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	0.0	\$ -	0.0	\$ -	0.0
Accrued Expenses	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Bank Line of Credit	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ 0.0	0.0	\$ 0.0	0.0
CPLTD	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	0.0	\$ -	0.0	\$ -	0.0
Stockholder A/P	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Other Current Liabs.	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
TOTAL CURRENT DEBT	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	0.0	\$ 0.0	0.0	\$ 0.0	0.0
LONG-TERM LIABILITIES:													
Long Term Debt **	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
AEDC	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ 640.0	64.9	\$ 630.5	58.8
Investor	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ 250.0	25.4	\$ 250.0	23.3
L/T Stockholder N/P	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
SUBTOTAL LONG TERM DEBT	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ 890.0	90.3	\$ 880.5	82.1
Less C P included above (-)	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
NET LONG-TERM DEBT	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	0.0	\$ 890.0	90.3	\$ 880.5	82.1
OTHER LIABILITIES:													
	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
TOTAL OTHER LIABILITIES	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Rent	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	100.0	\$ 890.0	90.3	\$ 880.5	82.1
DEBT SUB TO H/B	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
EQUITY													
Common Stock/Capital	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Paid in Capital	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Ret. Earnings/Ptr. Capital	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ 96.0	9.7	\$ 192.0	17.9
Other	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
Treasury Stock	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ -	0.0	\$ -	0.0
TOTAL NET WORTH	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	0.0	\$ 96.0	9.7	\$ 192.0	17.9
TOTAL DEBT & NET WORTH	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0		\$ 986.0	100.0	\$ 1,072.5	100.0
PROOF	\$0.0		\$0.0		\$0.0		\$0.0			\$0.0		\$0.0	



Salyer Store	Income Statement								Version #:	1	R M A	Comp Year		4		
	365		366		365		365					365			365	
	12/31/19	%	12/31/20	%	12/31/21	%	12/31/22	%				12/31/23	%		12/30/24	%
Salyer, CA 95563	\$ 884.6	100.0	\$ 1,142.9	100.0	\$ 1,186.4	100.0	\$ 1,105.7	100.0			\$ 1,199.0	100.0	\$ 1,199.0	100.0		
	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
											0.0		0.0			
											0.0		0.0			
		0.0		0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Returns/Discounts (-)	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Net Sales	\$ 884.6	100.0	\$ 1,142.9	100.0	\$ 1,186.4	100.0	\$ 1,105.7	100.0	100.0		\$ 1,199.0	100.0	\$ 1,199.0	100.0		
Beginning Inventory	\$ 57.8	6.5	\$ 58.4	5.1	\$ 63.1	5.3	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Depreciation	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Other Overhead	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Purchases	\$ 632.1	71.5	\$ 805.8	70.5	\$ 849.3	71.6	\$ 796.0	72.0			\$ 851.3	71.0	\$ 851.3	71.0		
Ending Inventory (-)	\$ (58.4)	-6.6	\$ (63.1)	-5.5	\$ (71.0)	-6.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Cost of Goods Sold	\$ 631.5	71.4	\$ 801.1	70.1	\$ 841.4	70.9	\$ 796.0	72.0	100.0		\$ 851.3	71.0	\$ 851.3	71.0		
GROSS PROFIT	\$ 253.1	28.6	\$ 341.8	29.9	\$ 345.0	29.1	\$ 309.7	28.0	0.0		\$ 347.7	29.0	\$ 347.7	29.0		
OPERATING EXPENSES:																
Officers/Owner's Salary	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0	0.0		\$ -	0.0	\$ -	0.0		
Salaries/Benefits	\$ 90.3	10.2	\$ 111.1	9.7	\$ 153.2	12.9	\$ 146.5	13.2			\$ 119.9	10.0	\$ 119.9	10.0		
Depreciation/Amort.	\$ 11.4	1.3	\$ 15.7	1.4	\$ 6.0	0.5	\$ 4.5	0.4			\$ -	0.0	\$ -	0.0		
Insurance	\$ 19.7	2.2	\$ 16.6	1.5	\$ 20.3	1.7	\$ 22.4	2.0			\$ 21.0	1.8	\$ 21.0	1.8		
Advertising	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ 2.0	0.2	\$ 2.0	0.2		
Office Expense	\$ 8.6	1.0	\$ 13.2	1.2	\$ 15.6	1.3	\$ 2.6	0.2			\$ 8.0	0.7	\$ 8.0	0.7		
Professional/Legal	\$ 2.2	0.2	\$ 2.2	0.2	\$ 1.8	0.2	\$ -	0.0			\$ 1.2	0.1	\$ 1.2	0.1		
Auto Expenses	\$ 4.0	0.5	\$ 3.6	0.3	\$ 4.7	0.4	\$ -	0.0			\$ 4.0	0.3	\$ 4.0	0.3		
Repairs/Maintenance	\$ 20.0	2.3	\$ 19.7	1.7	\$ 11.9	1.0	\$ 8.0	0.7			\$ -	0.0	\$ -	0.0		
Rent	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Supplies	\$ 1.3	0.1	\$ 1.5	0.1	\$ -	0.0	\$ -	0.0			\$ 1.4	0.1	\$ 1.4	0.1		
Taxes/Licenses	\$ 11.8	1.3	\$ 15.5	1.4	\$ 6.1	0.5	\$ 8.1	0.7			\$ 6.0	0.5	\$ 6.0	0.5		
Telephone/Utilities	\$ 22.2	2.5	\$ 26.6	2.3	\$ 32.8	2.8	\$ 38.9	3.5			\$ 32.0	2.7	\$ 32.0	2.7		
All Other Expenses	\$ 1.1	0.1	\$ 1.1	0.1	\$ (0.0)	0.0	\$ 16.6	1.5			\$ -	0.0	\$ -	0.0		
TOTAL OPER. EXPENSES	\$ 192.6	21.8	\$ 226.7	19.8	\$ 252.3	21.3	\$ 247.5	22.4	0.0		\$ 195.5	16.3	\$ 195.5	16.3		
OPERATING PROFIT	\$ 60.5	6.8	\$ 115.1	10.1	\$ 92.7	7.8	\$ 62.2	5.6	0.0		\$ 152.2	12.7	\$ 152.2	12.7		
OTHER INCOME / EXPENSE:																
Interest Income	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0								
Interest Expense (-)	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
Extraordinary Gain (loss)		0.0		0.0		0.0		0.0								
Rental Income	\$ 8.4	0.9	\$ 9.5	0.8	\$ 13.9	1.2		0.0			\$ 18.8		\$ 18.8			
		0.0		0.0		0.0		0.0								
Other Income/Expense	\$ -	0.0	\$ -	0.0	\$ -	0.0	\$ -	0.0			\$ -	0.0	\$ -	0.0		
TOTAL OTHER INCOME	\$ 8.4	0.9	\$ 9.5	0.8	\$ 13.9	1.2	\$ -	0.0	0.0		\$ 18.8	1.6	\$ 18.8	1.6		
N/P BEFORE TAXES	\$ 68.9	7.8	\$ 124.6	10.9	\$ 106.5	9.0	\$ 62.2	5.6	0.0		\$ 171.0	14.3	\$ 171.0	14.3		
Inc. Taxes (% of NPBT)	\$ (6.0)	8.7	\$ (13.6)	10.9	\$ (12.3)	11.6	\$ -	0.0			\$ (15.0)	8.8	\$ (15.0)	8.8		
N/P AFTER TAXES	\$ 62.9	7.1	\$ 111.0	9.7	\$ 94.2	7.9	\$ 62.2	5.6			\$ 156.0	13.0	\$ 156.0	13.0		
DRAW OR DIVIDENDS	\$ (44.3)	70.5	\$ (88.2)	79.5	\$ (87.1)	92.4	\$ -	0.0			\$ (60.0)	38.5	\$ (60.0)	38.5		

RECONCILIATION OF RETAINED EARNINGS					R	Projections		
Salyer Store	0	365 12/31/19	366 12/31/20	365 12/31/21	365 12/31/22	M A	365 12/31/23	365 12/30/24
Begin Retained Earnings	xxxxxx	\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$96.0
+/- N/P After Tax	62.9	111.0	94.2	62.2	156.0		156.0	156.0
- Dividends or W/D	(44.3)	(88.2)	(87.1)	-	(60.0)		(60.0)	(60.0)
RETAINED EARNINGS S/B	xxxxxx	\$22.7	\$7.1	\$62.2	\$96.0		\$96.0	\$192.0
Prior Period & Other Adj *	xxxxxx	\$0.0	\$0.0	\$0.0				
Ending Retained Earnings	-	-	-	-	96.0		192.0	
difference	xxxxxx	\$22.7	\$7.1	\$62.2	\$0.0		\$0.0	\$0.0
Common Stock / Capital	-	-	-	-	-		-	-
Capital Surplus	-	-	-	-	-		-	-
Other	-	-	-	-	-		-	-
Treasury Stock	-	-	-	-	-		-	-
Balance Sheet N/W Should Be	xxxxxx	\$0.0	\$0.0	\$0.0	\$96.0		\$192.0	\$192.0
Balance Sheet Net Worth Is	\$0.0	\$0.0	\$0.0	\$0.0	\$96.0		\$192.0	\$192.0
proof		\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0
Subtotal Additional Equity		\$0.0	\$0.0	\$0.0	\$0.0		\$0.0	\$0.0

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Salyer Store	RATIO ANALYSIS										Version No.:	1
	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/30/24						
PROFITABILITY												
Gross Profit Margin	28.6 %	29.9 %	29.1 %	28.0 %	0.0	29.0 %	29.0 %					
Net Profit Before tax	\$68.9	\$124.6	\$106.5	\$62.2		\$171.0	\$171.0					
Net Profit After Tax	\$62.9	\$111.0	\$94.2	\$62.2		\$156.0	\$156.0					
Return on Assets ROA	- %	- %	- %	- %		15.8 %	14.5 %					
Return on Investment ROI	- %	- %	- %	- %		162.5 %	81.3 %					
EBIT	\$68.9	\$124.6	\$106.5	\$62.2		\$171.0	\$171.0					
ACTIVITY / TURNOVER												
Accts Receivable/Net Sales	-	-	-	-	0	-	-					
Inventory/Total COGS	- D	- D	- D	- D	0	30 D	30 D					
Accts Payable/Total COGS	- A	- A	- A	- A	0	- A	- A					
Accruals/Net Sales	- Y	- Y	- Y	- Y		- Y	- Y					
OPERATING CYCLE	- S	- S	- S	- S		30 S	30 S					
Accts Payable/Purchases	0	0	0	0								
LEVERAGE												
Debt to Worth Ratio	- :1	- :1	- :1	- :1	0.0	9.27 :1	4.59 :1					
Debt to Assets	- :1	- :1	- :1	- :1		0.90 :1	0.82 :1					
Debt to (N/W+Sub. Debt)	- :1	- :1	- :1	- :1		9.27 :1	4.59 :1					
Debt to TANGIBLE N/ W	- :1	- :1	- :1	- :1		148.73 :1	8.63 :1					
LIQUIDITY												
Current Ratio	- :1	- :1	- :1	- :1	0.00	12,875.00 :1	18,281.25 :1					
Acid Test	- :1	- :1	- :1	- :1	0.00	8,500.00 :1	13,906.25 :1					
Working Capital	\$0.0	\$0.0	\$0.0	\$0.0		\$206.0	\$292.5					
EBIT / Interest	- X	- X	- X	- X	0.0	- X	- X					
SALES RATIOS												
Sales Growth (period is 365d)	N/A %	29.2 %	3.8 %	(6.8) %		8.4 %	- %					
Sales Growth (< 365 d)	N/A %	N/A %	N/A %	N/A %		%	%					
Sales to Working Capital	#DIV/0! X	#DIV/0! X	#DIV/0! X	#DIV/0! X	0.0	5.8 X	4.1 X					
Sales to Net Fixed Assets	#DIV/0! X	#DIV/0! X	#DIV/0! X	#DIV/0! X	0.0	1.7 X	1.7 X					
Sales to Assets	#DIV/0! X	#DIV/0! X	#DIV/0! X	#DIV/0! X	0.0	1.2 X	1.1 X					

EXECUTIVE SUMMARY OF FINANCIAL DATA

0

Period of Comparison for Projections:	12/31/22	Version #:	1	Projections		R	
Salyer Store	365	366	365	365	365	365	M
[Dollar Amounts in Thousands]	12/31/19	12/31/20	12/31/21	12/31/22	12/31/23	12/30/24	A

P R O F I T A B I L I T Y

NET SALES	\$884.6	\$1,142.9	\$1,186.4	\$1,105.7	\$1,199.0	\$1,199.0	
Net Sales Annualized	\$884.6	\$1,139.7	\$1,186.4	\$1,105.7	\$1,199.0	\$1,199.0	
Sales Growth		28.8%	3.8%	-6.8%	0.0%	0.0%	
Gross Profit Margin	28.6%	29.9%	29.1%	28.0%	100.0%	100.0%	0%
SG&A Expense (% of sales)	20.5%	18.5%	20.8%	22.0%	0.0%	0.0%	0%
Operating Cushion	8.1%	11.4%	8.3%	6.0%	100.0%	100.0%	0%
Net Profit Before Tax	\$68.9	\$124.6	\$106.5	\$62.2	\$171.0	\$171.0	0%

C A S H F L O W

CASH FLOW NORMAL OPERATIONS	\$130.8	\$98.6	\$66.6	\$82.2	\$152.2
Non Operational Sources/Uses	(\$15.7)	(\$6.0)	(\$4.5)	\$110.0	(\$9.5)
Management & Misc. Sources/Uses	(\$78.8)	(\$73.2)	\$0.0	(\$41.2)	(\$41.2)
CASH FLOW TO D/S	\$36.3	\$19.4	\$62.2	\$151.0	\$101.5
Debt Service	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
NET CASH FLOW	\$36.3	\$19.4	\$62.2	\$151.0	\$101.5

B A L A N C E S H E E T

Total Assets	\$0.0	\$0.0	\$0.0	\$0.0	\$986.0	\$1,072.5
Total Liabilities	\$0.0	\$0.0	\$0.0	\$0.0	\$890.0	\$880.5
Net Worth	\$0.0	\$0.0	\$0.0	\$0.0	\$96.0	\$192.0
Intangibles	\$0.0	\$0.0	\$0.0	\$0.0	\$90.0	\$90.0
Tangible Net Worth	\$0.0	\$0.0	\$0.0	\$0.0	\$6.0	\$102.0

L I Q U I D I T Y

Current Assets	\$0.0	\$0.0	\$0.0	\$0.0	\$206.0	\$292.5
Current Liabilities	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Working Capital	\$0.0	\$0.0	\$0.0	\$0.0	\$206.0	\$292.5

R A T I O S

Current Ratio	-	-	-	-	12,875.0	18,281.3	0.00
Quick Ratio	-	-	-	-	8,500.0	13,906.3	0.00
Debt to Tangible N/W Ratio	-	-	-	-	148.7	8.6	0.00
Return on Assets (ROA)	0.0%	0.0%	0.0%	0.0%	15.8%	14.5%	
Return on Invest. (ROI)	0.0%	0.0%	0.0%	0.0%	162.5%	81.3%	
Sales to Working Capital	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	5.8	4.1	
Sales to Fixed Assets	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.7	1.7	
Sales to Total Assets	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	1.2	1.1	

T U R N O V E R I N D A Y S

A/R to Net Sales	-	-	-	-	-	-	0
Inventory to Total COGS	-	-	-	-	30	30	0
A/P to Total COGS	-	-	-	-	-	-	0

Salyer Store

CASH FLOW STATEMENT

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12/31/19 12/31/20 12/31/21 12/31/22 12/31/23 12/30/24

Net Sales		\$884.6	1,142.9	1,186.4	1,105.7	1,199.0	1,199.0
(Increase) Decrease in A/R			-	-	-	-	-
Cash Collections		N/A	\$ 1,142.9	\$ 1,186.4	\$ 1,105.7	\$ 1,199.0	\$ 1,199.0
Cost Of Goods Sold	(see detail)		(801.1)	(841.4)	(796.0)	(851.3)	(851.3)
(Increase) Decrease in Inventory			-	-	-	(70.0)	-
Increase (Decrease) in Payables			-	-	-	-	-
Cash Purchases		N/A	\$ (801.1)	\$ (841.4)	\$ (796.0)	\$ (921.3)	\$ (851.3)
Operating Expenses (Less Non-cash & Officer Salary)			(211.0)	(246.4)	(243.0)	(195.5)	(195.5)
Cash Flow- Primary Operations	SUB-TOTAL		\$ 130.8	\$ 98.6	\$ 66.6	\$ 82.2	\$ 152.2
Changes in Current Assets & Liabilities							
(Incr.) Decrease in Current Assets	(see detail)		-	-	-	-	-
Incr. (Decrease) in Current Liabilities	(see detail)		-	-	-	-	-
Cash Flow- Normal Operations	SUB-TOTAL		\$ 130.8	\$ 98.6	\$ 66.6	\$ 82.2	\$ 152.2
Changes in Capital Assets							
Fixed Asset (Purchases) Sales [gross]			-	-	-	(690.0)	-
Adjustment to Acc.Depr.			(15.7)	(6.0)	(4.5)	-	-
Net of changes in Fixed Assets			\$ (15.7)	\$ (6.0)	\$ (4.5)	\$ (690.0)	\$ -
Intangible and Other Assets							
(Incr.) Decrease in Intang. Assets			-	-	-	(90.0)	-
(Incr.) Decrease in Other Assets	(see detail)		-	-	-	-	-
Other Non-Operating Funds			-	-	-	\$ (90.0)	\$ -
Changes in Term Funding							
LT Stockholder Loans			-	-	-	-	-
Additional Equity			-	-	-	-	-
Long Term Debt Financing			-	-	-	890.0	(9.5)
AEDC			-	-	-	-	-
Investor			-	-	-	-	-
Debt Subordinated to H/B			-	-	-	-	-
Add back C P included above (-)	0.0		-	-	-	-	-
CHANGES IN TERM FUNDING			\$ -	\$ -	\$ -	\$ 890.0	\$ (9.5)
CHANGES IN OTHER LIABILITIES	(see detail)		\$ -	\$ -	\$ -	\$ -	\$ -
NET NON-OPER. FUNDS FLOW	SUB-TOTAL		\$ (15.7)	\$ (6.0)	\$ (4.5)	\$ 110.0	\$ (9.5)
Other Income (less Interest Expense)			9.5	13.9	-	18.8	18.8
Adjustments to Retained Earnings			-	-	-	-	-
AVAILABLE FUNDS	SUB-TOTAL		\$ 124.6	\$ 106.5	\$ 62.2	\$ 211.0	\$ 161.5
MANAGEMENT'S USE OF FUNDS							
Officers Salaries			-	-	-	-	-
Cash Dividends or Draw			(88.2)	(87.1)	-	(60.0)	(60.0)
Officer/Empl/Stkholdr Receivables			-	-	-	-	-
Stkholdr/Owner Loans or A/P			-	-	-	-	-
COST OF MANAGEMENT			\$ (88.2)	\$ (87.1)	\$ -	\$ (60.0)	\$ (60.0)
FUNDS AVAIL. FOR DEBT SERVICE	SUB-TOTAL		\$ 36.3	\$ 19.4	\$ 62.2	\$ 151.0	\$ 101.5
Interest Expense			\$ -	\$ -	\$ -	\$ -	\$ -
CPLTD			-	-	-	-	-
FUNDS FLOW TO CASH ACCOUNT	SUB-TOTAL		\$ 36.3	\$ 19.4	\$ 62.2	\$ 151.0	\$ 101.5
Bank Credit Line Activity			\$ -	\$ -	\$ -	\$ 0.0	\$ (0.0)
Provision for Income Taxes			(13.6)	(12.3)	-	(15.0)	(15.0)
+BEGINNING CASH BALANCES			-	-	-	-	136.0
Cash Should Be			\$ 22.7	\$ 7.1	\$ 62.2	\$ 136.0	\$ 222.5
ENDING CASH BALANCES		\$ -	\$ -	\$ -	\$ -	\$ 136.0	\$ 222.5
IBUSINESS Rev. 12-26-96 Excel Ver 7.0	proof		(\$22.7)	(\$7.1)	(\$62.2)	\$0.0	\$0.0

Nick and Elizabeth Wilde

PERSONAL FINANCIAL SUMMARY

550 Salyer Loop Rd
Salyer CA 95563

Balance Sheet

LOAN OFFICER: Hannah Joy

ANALYST: 0

FINANCIAL STATEMENT DATE: 2/8/2023

ASSETS				LIABILITIES				
[balances in thousands]	STATEMENT AMOUNT	ADJUSTED AMOUNT	% adj	[monthly pmts in dollars]	MONTHLY PMTS	STATEMENT AMOUNT	ADJUSTED AMOUNT	% adj
Liquid Assets				Short-Term Debt				
Cash in bank	10.0	10.0	100	Revolving		0.0	0.0	0
Cash in other banks	30.0	30.0	100	Notes Payable	0	0.0	0.0	0
Marketable Securities	0.0	0.0	0	Accrued Expenses	0	0.0	0.0	0
Cash Value Life Insurance	0.0	0.0	0	Taxes Payable	0	0.0	0.0	0
Other Liquid Assets	0.0	0.0	0	Other S/T Debt	0	0.0	0.0	0
TOTAL LIQUID ASSETS	40.0	40.0	100	TOTAL S-T DEBT		0.0	0.0	0
Real Estate				Real Estate Loans				
Residence	239.0	215.1	90	Home Mortgage/Rent	0	0.0	0.0	0
Rental property		0.0	0	Secondary Loans	0	0.0	0.0	0
Vacant Land	0.0	0.0	0		0	0.0	0.0	0
TOTAL REAL ESTATE	239.0	215.1	90	TOTAL R/E LOANS		0.0	0.0	0
Net R/E Adjustment	(23.9)			Real Estate Leverage		0%		0%
Other Assets				Term Debt/Other Liabilities				
Vehicles / RV / Boat	25.0	12.5	50	Living expenses - monthly	1,000	0.0	0.0	0
Personal Property	0.0	0.0	0		0	0.0	0.0	0
Livestock	0.0	0.0	0		0	0.0	0.0	0
Inventory	0.0	0.0	0		0	0.0	0.0	0
Equipment	0.0	0.0	0		0	0.0	0.0	0
Unlisted Securities	0.0	0.0	0		0	0.0	0.0	0
Notes Receivable	0.0	0.0	0		0	0.0	0.0	0
IRA's/Vested Pension	0.0	0.0	0		0	0.0	0.0	0
Partnerships/S Corps	0.0	0.0	0		0	0.0	0.0	0
Misc. Other Assets	0.0	0.0	0		0	0.0	0.0	0
N/W Business Owned	0.0	0.0	0		0	0.0	0.0	0
		0.0	0		0	0.0	0.0	0
		0.0	0	Subject Loan Request				0.0
TOTAL OTHER ASSETS	25.0	12.5	50	TOTAL OTHER LIABS		0.0	0.0	0
TOTAL ASSETS	304.0	267.6	88	TOTAL LIABILITIES		0.0	0.0	0
Total Liabilities / Net Worth	0.00	0.00		NET WORTH		304.0	267.6	88
				TOTAL LIABS & N/W		304.0	267.6	88
Total adjustments to assets: (\$36)				Total adjustments to liabilities: 0.0				
CONTINGENT LIABILITIES				Total monthly payments \$1,000				
	Gross Amt.	Curr Amt.	Net Amt.	Cash Flow Calculation from Page Two				
Revolving (from TRW)	0.0	0.0	0.0	Pro forma Cash Flow After Tax			226.1	
Other	0.0	0.0	0.0	Annual Debt Service			12.0	
Other	0.0	0.0	0.0	Surplus Cash Flow			214.1	
Total Contingent (not incl. in total liabilities)			0.0					

PERSONAL FINANCIAL SUMMARY

Income and Cash Flow Spread for:

Nick and Elizabeth Wilde

INCOME (In Thousands)	12/31/2019		12/31/2020		12/31/2021		2023 [estimated]	
	Tax returns	%	Tax returns	%	Tax returns	%		%
Salary & Wages	\$47.0		\$46.1		\$47.7		\$47.7	
Interest Income								
Dividend Income								
Taxable Refunds								
Business Income								
Revenues	\$0.0	0	\$0.0	0	\$0.0	0	\$1,199.0	100
(Schedule C)								
Expenses	\$0.0	0	\$0.0	0	\$0.0	0	\$1,046.0	87
Net Income	\$0.0	0	\$0.0	0	\$0.0	0	\$153.0	13
Capital Gain/Loss								
Other Gain								
IRA/Pension Distribution								
Rental Income								
Gross Rents	\$0.0	0	\$0.0	0	\$0.0	0	\$33.2	100
(Schedule E)								
Expenses	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0
Unallowed Loss	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0
Net Income	\$0.0	0	\$0.0	0	\$0.0	0	\$33.2	100
Partnerships/S Corps								
Farm Income								
Revenues	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0
(Schedule F)								
Expenses	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0
Net Income	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0
Other Income/Loss								
Other Income/Loss								
TOTAL INCOME (1040)	\$47.0		\$46.1		\$47.7		\$233.9	
Depreciation - Business/Farm	\$0.0		\$0.0		\$0.0		\$6.0	
Interest - Business/Farm	\$0.0		\$0.0		\$0.0		\$1.2	
Depreciation - Rental Property								
Interest - Rental Property								
Partnership/S Corp Inc (-)/Line 20 above)	\$0.0		\$0.0		\$0.0		\$0.0	
Partnership/S Corp Int/Div Inc (-)								
Partnership/S Corp Draw/Contributions (+/-)								
Unallowed Losses	\$0.0		\$0.0		\$0.0		\$0.0	
Tax-Exempt								
Adj. To Capital Gains								
Other Adjustments								
CASH FLOW BEFORE TAX	\$47.0		\$46.1		\$47.7		\$241.1	
Federal Taxes	\$0.0	0	\$0.0	0	\$2.3	5	\$15.0	6
(% of total inc.)								
State Taxes	\$0.0	0	\$0.0	0	\$0.0	0	\$0.0	0
(% of total inc.)								
FICA (7.65% salary)		0		0		0		0
(% of total inc.)								
CASH FLOW AFTER TAX	\$47.0		\$46.1		\$45.3		\$226.1	
Total Monthly Loan Payments:	\$1,000		Annual Debt Service (in thousands):		\$12.0			
Total Annual Debt Service (in dollars):	\$12,000		Surplus Personal Cash Flow:		\$214.1			

COMMENTS











































COUNTY OF HUMBOLDT



BOARD OF SUPERVISORS CODE OF CONDUCT AND ETHICS RULES OF THE BOARD OF SUPERVISORS

Adopted on July 20, 2021

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BOARD OF SUPERVISORS CODE OF CONDUCT AND ETHICS

First Adopted July 2021

A. Intent and Purpose. To assure public confidence in the integrity of local government and its effective and fair operation, this Code of Conduct and Ethics provides a framework for day-to-day actions and decision-making by Board members and represents a commitment to uphold a standard of integrity beyond that required by law. The citizens and businesses of Humboldt County are entitled to a fair, ethical and accountable local government which has earned the public's full confidence for integrity, and to ensure the effective functioning of democratic government, the Board of Supervisors requires that:

1. Public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of government;
2. Public officials be independent, impartial and fair in their judgment and actions;
3. Public office be used for the public good, not for personal gain; and
4. Public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility, both as between Board member and between the Board of Supervisors and other peers, staff and the public.

B. Principles and Standards. The principles and standards of ethical conduct for the County of Humboldt's Board of Supervisors are hereby established as set forth below.

1. **Act in the Public Interest.** Recognizing that stewardship of the public interest must be their primary concern, Board members will work for the common good of the people of the County and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before the Board of Supervisors.
2. **Comply with the Law.** Board members shall comply with the laws of the nation, the State of California and the County of Humboldt in the performance of their public duties.
3. **Board Member Conduct.** The professional and personal conduct of Board members must be above reproach and by the law must avoid even the appearance of impropriety, which is critically important for maintaining a positive and productive image of county governance. While it is understood that Board members enjoy First Amendment rights, they should practice civility and decorum in discussions and debate, and refrain from abusive conduct, personal charges, unsubstantiated allegations, disclosure of confidential information, or verbal attacks upon the character or motives of other members of the Board of Supervisors, boards, commissions, staff or the public which has the effect of disrupting the County's business and bringing the County's government into disrepute.

4. **Respect for Process.** Board members shall perform their duties in accordance with the processes and rules of order established by the Board governing the deliberation of public policy issues, meaningful involvement of the public and implementation of policy decisions of the Board by County staff.
5. **Decisions Based on Merit.** Board members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. Board members are free to apply personal ideology to their deliberations but shall not allow personal feeling about a matter before the Board to affect their judgment.
6. **Conflict of Interest.** In order to assure their independence and impartiality in the County's best interest, Board members shall not use their official positions to influence decisions in which they have a conflict of interest of any nature. All Board members shall use their best efforts to refrain from creating even the appearance of impropriety in their actions and decisions. No Board member shall engage in any business, transaction or activity, or have a financial interest, which is in conflict with the proper discharge of official duties, which would tend to impair independence of judgment or action in the performance of official duties, which creates the appearance of such conflict, or which otherwise violates applicable County policies or state or federal law. In order to protect against conflicts of interest, or the appearance thereof, the County expects all Board members to comply with state-mandated gift reporting requirements and any related County policies. Any Board member who has questions about laws or County policies related to conflicts of interest should direct these to the County Counsel.
7. **Confidential Information.** Board members shall respect the confidentiality of information concerning the property, personnel or affairs of the County. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their political, personal, financial or other private interests.
8. **Use of Public Resources.** Board members shall not use public resources, such as County staff time, equipment, supplies or facilities, for private gain or personal purposes.
9. **Advocacy.** Board members shall represent the official policies or positions of the entire Board of Supervisors, to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, Board members shall explicitly state they do not represent the opinion of the entire Board.
10. **Positive Work Place Environment.** Board members shall support the maintenance of a positive and constructive work place environment for County employees, private citizens and businesses dealing with the County. Board members shall recognize their role in individual dealings with County employees.

There are many rules and regulations, both federal and state, which deal with the way in which employees are treated, and untoward conduct by a Board member may expose the County to substantial risk. While a Board member is not, strictly speaking, a “superior” or “supervisor” of a County employee, courts and juries have widely viewed them as being bound to the restrictions which apply to such roles. Accordingly, Board members should always address County employees, whether in public or in private, with courtesy and respect. Any concerns which a Board member may have regarding the performance of a County employee should only be raised in private with the County Administrative Officer. Negative or critical comments by Board members about a County employee in public serves to lessen public trust and respect for, and confidence in, County government. It may also constitute actionable conduct, exposing the County to financial or legal risks. Board members have no legal right or authority to act as the superior, employer or supervisor of any County employee, although the Board of Supervisors acting as a body has this authority over the County Administrative Officer, County Counsel and appointed Department Heads.

11. **Policy Role of Board members.** Board members shall respect and adhere to the Board – County Administrative Officer structure of the County of Humboldt government. In this structure, the Board of Supervisors determines the policies of the County with the advice, information and analysis provided by the public, boards and commissions and County staff. Board members shall not interfere with the administrative functions of the County or the professional and legal duties of County staff, nor shall they impair the ability of staff to implement Board-policy decisions.

C. Code and Ethics Violations.

If County officials or staff become aware of any improper behavior by a Board member, they are encouraged to formally report such behavior in writing to the County Administrative Officer and Director of Human Resources. Any such report or complaint will be reviewed by a committee consisting of the County Administrative Officer, Director of Human Resources, and County Counsel (Committee). This Committee will determine, by a two-thirds vote, if the complaint is appropriate for informal resolution or if it should be examined through an impartial third-party investigation. Should such an investigation be necessary, the Director of Human Resources is authorized to retain an investigator. Should the complainant be dissatisfied with the Committee’s determination, the complainant can request, through written notification to the Committee, that the complainant wishes to appeal the determination and request the complaint to be evaluated by the Foreman of the Grand Jury. The Foreman of the Grand Jury will recommend either informal resolution or an examination through an impartial third-party investigation. The complainant will be notified in writing when the matter has been resolved and of the general actions taken in response to the complaint.

A sustained violation of this Code of Conduct and Ethics by a Board member will be agendaized for open session consideration, which will include notifying the Board member subject to the allegation(s) of the allegation(s) and providing the Board member an opportunity to present information.

Following completion of the investigation process resulting in sustained allegations against a Board member, Board action is limited to public censure, and such action shall require the affirmative vote of at least two-thirds of the Board members present and voting.

EXAMPLE

D. Relations to Other Policies.

These standards shall not be construed as an exhaustive code of conduct and ethics for members of the Board of Supervisors, and the County may supplement these standards by such additional policies and provisions as it deems appropriate, including but not limited to those set forth in Board policies, personnel rules, or employment contracts. Such other policies shall, to the extent possible, be interpreted consistently with the core values expressed herein.

EXAMPLE