

# Taglich Brothers, Inc.

## The Standard of Excellence in the Microcap Market

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## Research Report -- Update

### AeroCentury Corp.

**Rating: Buy**

Howard Halpern

**ACY - \$4.90- (AMEX)**

April 3, 2001

	FYE 12/98	FYE 12/99	FYE 12/00**	FYE 12/01*
Revenues (millions)	\$3.8	\$7.4	\$12.1	<b>\$11.4</b>
Earnings per share (diluted)	\$0.74	\$0.90	\$1.08	<b>\$0.94</b>
52week range	\$8.00 – \$4.38		Fiscal year ends:	December
Shares outstanding	1.61million		Revenue/shares (TTM)	\$7.85
Trading float	1.20 million		Price/Sales (TTM)	0.62X
Institutional ownership	8%		Price/Sales (2001)*	0.66X
Book value/share <small>a/o December 31, 2000</small>	\$10.68		Price/Earnings (TTM)	4.5X
Price/Book	0.46x		Price/Earnings (2001)*	5.2X

\* Taglich Brothers Estimates \*\* Includes write-down of two aircrafts to market value

*AeroCentury Corp., is engaged in the business of ownership, management, leasing and acquisition of aircraft, focused on used commercial turboprop aircraft equipment for lease to domestic and foreign regional air carriers. Web-site address is: [www.aerocentury.com](http://www.aerocentury.com)*

#### **Key investment considerations:**

- *We are lowering AeroCentury from a Strong Buy rating to a Buy, however we are maintaining our 12-month price target of \$10.50.*
- *AeroCentury reported its full year results for 2000 with revenues increasing by 64% to \$12.1 million and net income increasing by 18.9% to \$1.67 million or \$1.08 per share. Unusual and non-recurring events occurred in the fourth quarter that caused net income and earnings per share to fall short Taglich Brothers' estimates of \$2 million and \$1.32 per share, respectively. The events were a write-down of two aircraft to market value, an additional maintenance expense for the early return of two aircraft in connection with a bankruptcy, and reorganization of lease customers.*
- *Three aircraft are being returned to the Company and an additional six others have lease terms, which have expired or will expire prior to October 15, 2001. These circumstances are expected to limit the Company's ability to increase its asset base and grow its earnings during 2001. Therefore, we have reduced our estimates for the 2001, and believe revenues will decline to \$11.4 million and earnings per share will decline to of \$0.94.*
- *Although we have reduced our revenue and earnings expectation, AeroCentury continues to remain undervalued on a P/E, Price/Sales, and Price/Book basis. Currently, the Company's peers (see page four) are trading at 11.2X their trailing twelve months (TTM) earnings, while AeroCentury is trading at only 5.2X our earnings per share estimate for 2001.*

\* Please view our disclaimer located at the end of the text portion of this report.

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### ***Recent Financials***

AeroCentury reported its full year results for 2000, with revenues of \$12.1 million, an increase of 64% over year ago results. The Company reported net income of \$1.67 million or \$1.08 per share, versus net income of \$1.41 million or \$0.90 per share in the prior year.

The Company reported fourth quarter revenues of \$3.74 million, an increase of 51% over year ago results, and net income of \$0.224 million or \$0.14 per share, versus \$2.48 million or \$0.20 per share in the year ago quarter.

In relation to our estimates, total revenue was slightly higher than our \$12.05 million and \$3.68 million estimates for the full year and quarter, respectively. Net income and earnings per share were lower than our \$2.04 million or \$1.32 per share and \$0.59 million or \$0.38 per share estimates for the full year and quarter, respectively.

The following negatively impacted bottom line results for the quarter and full year:

- \$0.48 million for estimated additional maintenance expense for the early return of two aircraft in connection with the bankruptcy of one lessee and the quasi-reorganization of another;
- \$0.45 million write-down of two aircraft to reflect management's assessment of reduced market value.

At the end of 2000, cash and cash equivalents increased to \$3.18 million versus \$1.25 million in 1999. During 2000, the Company signed an agreement with a new agent for a revolving line of credit totaling \$50 million. This credit facility will expire on June 28, 2003. As long as management is able to keep its assets on lease and interest rates remain stable, cash flow should be sufficient to cover management fees, professional fees, and interest expense, and provide excess cash flow that can be used to acquire additional assets.

### ***Recent Events***

In the first quarter of fiscal 2001, AeroCentury and the lessee of two of its DHC-6 aircraft agreed to the terms pertaining to the early termination of the leases. The lessee is required to pay all rent and reserves through the return date. The aircraft will be returned no later than April 15, 2001. Recently, AeroCentury and a regional airline signed a term sheet for a thirty-six month lease of both these DHC-6 aircraft. During the beginning of March 2001, the Company received two \$60,000 security deposits. The security deposits are refundable only if the airline rejects the condition of either or both aircraft. The aircraft will be delivered no later than April 30, 2001.

After March 31, 2001, the Company will have available for sale or re-lease, its two DHC-7 aircraft. Also, the company will be seeking re-lease opportunities for its Shorts SD-360 aircraft, which was returned during the fourth quarter of 2000 due to the reorganization of a British regional airline.

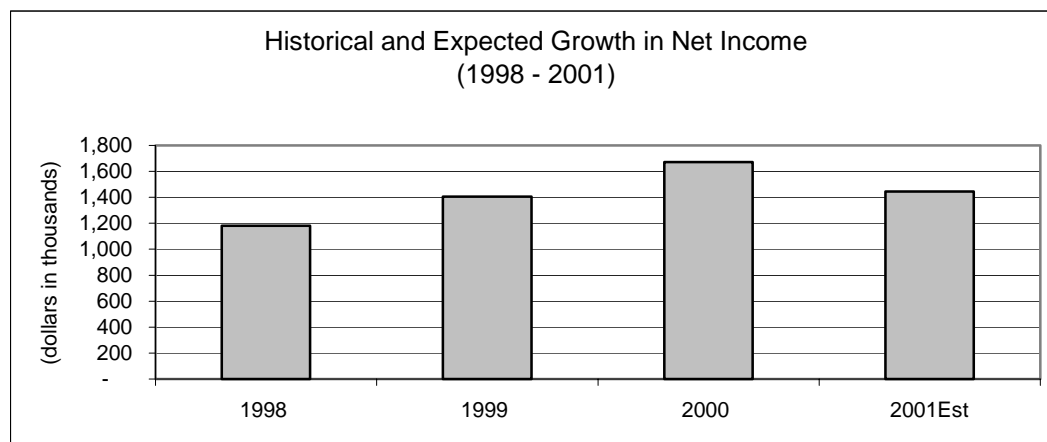
On March 12, 2001, the Company announced the appointment of John Myers as Senior Vice President. He will be responsible for the negotiation and administration of aircraft leases, and the supervision of aircraft operations and maintenance activities. From 1991 to 2000, Mr. Myers was Vice President of Raytheon Aircraft Credit Corporation where he was responsible for the management of a \$1.3 billion commuter airline portfolio, customer financing transactions, credit risk analysis, and structuring/negotiating aircraft financing transactions.

### ***Projections***

We are lowering our 2001 revenue forecast to \$11.3 million (including gains on asset sales), from \$14.7 million. Also, we are lowering our 2001 net income estimate to \$1.4 million or \$0.94 per share, from \$2.3 million or \$1.52 per share. The reduction in our revenue and earnings forecast is based the operating environment the Company faces in 2001. The tougher operating environment for 2001 relates to aircraft either being returned before the lease is complete or having the term of the lease expire. Six aircraft leases are due to expire prior to October 15, 2001. This has caused a reduction in the collateral base that precludes the Company from utilizing the \$22 million of unused credit on its existing facility, unless the collateral base is increased. Management will be focusing its efforts on

remarketing opportunities during the first two quarters of 2001. This is likely to solve the credit line limitations and allow for the purchase of additional assets later in the year.

We believe that due to the Company's focus on its remarketing effort, it is likely that both lease revenues and earnings for its first quarter of 2001 will be lower than for the same period last year. Also, it is likely that total lease revenues for the year in total will be lower than in 2000. Therefore, we have lowered our expectation for 2001, but believe results while lower than 2000 will still exceed 1999 and generate cash earnings of approximately \$2.75 per share (net income plus depreciation, divided by average number of shares).



Source: Company financials; Taglich Brothers estimates

## Conclusions

We are lowering our rating from a Strong Buy to a Buy, however our 12-month price target of \$10.50 remains unchanged. At current price levels, we still believe that AeroCentury is undervalued, especially in comparison to its peers. Currently, the Company's peer group (see chart on next page) is trading at 11.2X TTM earnings. AeroCentury is trading at 4.3X TTM earnings and 5.2X our expected earnings for 2001. Our price target is based upon:

- The belief that the Company should be trading at or near book value; and
- Our 2001 earnings estimate of \$0.94 per share applied to the 11.2X TTM earnings of the Company's peer group.

In the comparative valuation table (on the next page), only Airlease Ltd. (Symbol: FLY) is currently trading above book value, which is likely due to its practice of paying quarterly cash dividend. It is our belief that if AeroCentury's stock price remains at its current level management will have to pursue one of two courses of action.

1. Take the company private at book value; or
2. Begin paying dividends. We believe that this would likely result in share values increasing toward book value.

We believe that at current price levels, investor downside risk is limited due to the intrinsic value of AeroCentury's assets. We expect that the Company will be able to resume its growth strategy towards the end of 2001. While this will increase interest exposure and expenses in 2002, over the longer-term, the Company will be able to pass those costs on to its customers. The charts below highlight AeroCentury's profitability performance in comparison to the Rental & Leasing Industry as well as a relative value comparison to a selected peer group.

### Profitability Comparison

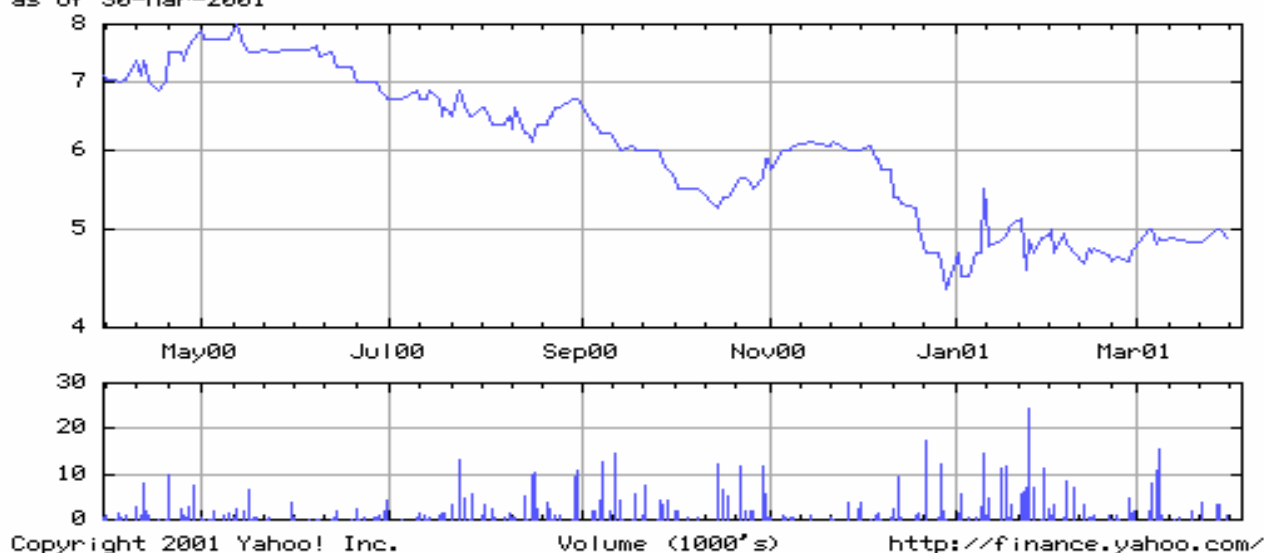
	ACY	Rental & Leasing Industry
Operating Margin	20.8%	10.6%
Net Profit Margin	13.8%	4.9%
Return on Assets	2.6%	2.3%
Return on Equity	9.7%	10.3%

**Comparative Valuation Summary**

Company Name	Symbol	Current Price	Shrs Out (M)	Market Cap. (Mil)	P/E (TTM)	Price / Sales (TTM)	Book Value / Share	Price / Book (TTM)
Airlease Ltd.	FLY	11.52	4.62	53.22	13.3	8.2	11.3	1.02
Continental Information Systems	CISC	0.91	5.92	5.39	NMF	1.2	2.1	0.43
International Aircraft Investors	IAIS	4.13	3.84	15.84	11.3	0.4	9.8	0.42
Willis Lease Finance Corp.	*WLFC	8.75	7.41	64.84	9.1	0.8	10.2	0.86
Peer Group Average					11.2	2.7	8.3	0.7
AeroCentury Inc.	ACY	4.90	1.54	7.5	4.3	0.62	10.68	0.5

\* WLFC sold a 15% stake to SAIRGroup for \$15 per share or 1.5x Book Value

AeroCentury Corp  
as of 30-Mar-2001



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Volume (1000's)

<http://finance.yahoo.com/>

(Chart courtesy of Yahoo)

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AeroCentury Inc.  
Consolidated Balance Sheets  
(in thousands)

	December 1997 Full Year	December 1998 Full Year	December 1999 Full Year	December 2000 Full Year
<b>ASSETS</b>				
Current assets:				
Cash & Equivalents	\$ 8	\$ 1,852	\$ 1,252	\$ 3,184
Deposits	-	1,584	5,419	6,864
Accounts Receivable	-	166	308	571
Note receivable	-	-	-	118
Prepaid Expense & Other	5	147	359	617
<b>Total current assets</b>	<b>13</b>	<b>3,749</b>	<b>7,338</b>	<b>11,353</b>
Deferred Tax Asset	88	-	-	-
Aircraft & engines, net of depreciation	-	22,813	55,854	60,111
<b>Total assets</b>	<b>\$ 101</b>	<b>\$ 26,562</b>	<b>\$ 63,192</b>	<b>\$ 71,465</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
Current liabilities:				
Accounts Payable and accrued expenses	208	249	907	1,885
Notes Payable and accrued interest	157	6,440	37,095	41,221
Maintenance deposits and accrued costs	-	1,661	4,390	6,310
Security deposits	-	479	1,785	1,814
Prepaid rent	-	60	296	355
Income Taxes Payable	1	-	-	-
<b>Total current liabilities</b>	<b>366</b>	<b>8,890</b>	<b>44,473</b>	<b>51,585</b>
Long-Term debt-net of current	-	-	-	-
Deferred Income Taxes	-	3,160	3,228	2,716
<b>Total Liabilities</b>	<b>366</b>	<b>12,050</b>	<b>47,700</b>	<b>54,301</b>
<b>Stockholders' equity:</b>				
Common stock, par value \$0.01; authorized 10,000,000 shares; issued and outstanding 150,000 at December 31, 1997 and 1,606,557 at December 31, 1998, 1999 and 2000				
	0	2	2	2
Paid-in capital	150	13,821	13,821	13,821
Retained earnings	-	767	2,173	3,844
Accumulated deficit	(414)	-	-	-
Treasury Stock, at cost, 9,200 shares in 1998, 63,300 shares in 1999, March, June, September 2000				
	-	(78)	(504)	(504)
<b>Total stockholders' equity</b>	<b>(264)</b>	<b>14,512</b>	<b>15,491</b>	<b>17,163</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 101</b>	<b>\$ 26,562</b>	<b>\$ 63,192</b>	<b>\$ 71,464</b>
SHARES OUT	150	1,607	1,607	1,607

AeroCentury Inc.  
Annual Income Statement  
For the Years Ended December 31,  
(in thousands)

	<u>FY1997</u>	<u>FY1998</u>	<u>FY1999</u>	<u>FY2000*</u>	<u>FY2001E</u>
<b>Revenues:</b>					
Rent Income	\$ 3,198	\$ 3,494	\$ 7,129	\$ 10,880	\$ <b>10,265</b>
Gain(loss) on disposal of assets	-	228	98	747	<b>350</b>
Other Income	<u>114</u>	<u>55</u>	<u>153</u>	<u>481</u>	<u><b>780</b></u>
<b>Total Revenues</b>	<b>3,312</b>	<b>3,778</b>	<b>7,380</b>	<b>12,108</b>	<b>11,395</b>
<b>Expenses:</b>					
Management Fees	97	596	1,149	1,725	<b>1,645</b>
Depreciation	626	714	1,700	2,674	<b>2,860</b>
Interest	-	84	1,534	3,471	<b>4,235</b>
SG&A	444	339	582	494	<b>500</b>
Maintenance	742	-	374	763	-
Provision for impairment in value of aircraft	<u>-</u>	<u>-</u>	<u>-</u>	<u>463</u>	<u>-</u>
<b>Total Expenses</b>	<b>1,908</b>	<b>1,733</b>	<b>5,339</b>	<b>9,590</b>	<b>9,240</b>
<b>Operating Income</b>	<u>1,404</u>	<u>2,045</u>	<u>2,041</u>	<u>2,517</u>	<u><b>2,155</b></u>
<i>Operating Margin</i>	42.38%	54.12%	27.66%	20.79%	18.91%
Taxes(Benefit)	<u>(87)</u>	<u>854</u>	<u>636</u>	<u>846</u>	<u><b>710</b></u>
<i>Tax Rate</i>	-6.19%	41.79%	31.14%	33.61%	32.95%
<b>Net Income</b>	<u>\$ 1,490</u>	<u>\$ 1,190</u>	<u>\$ 1,405</u>	<u>\$ 1,671</u>	<u><b>\$ 1,445</b></u>
<b>EPS-fully diluted</b>	<u>\$ -</u>	<u>\$ 0.74</u>	<u>\$ 0.90</u>	<u>\$ 1.08</u>	<u><b>\$ 0.94</b></u>
Avg Shares Out-fully diluted	<u>-</u>	<u>1,607</u>	<u>1,564</u>	<u>1,543</u>	<u><b>1,543</b></u>
<b>Margin Analysis</b>					
Gross Profit	3,215	3,181	6,231	10,383	<b>9,750</b>
GPM	97.1%	84.2%	84.4%	85.8%	<b>85.6%</b>
NI/Rev	45.0%	31.5%	19.0%	13.8%	<b>12.7%</b>
NI/Rent Income	46.6%	34.1%	19.7%	15.4%	<b>14.1%</b>
Total Exp/Rev	57.6%	45.9%	72.3%	79.2%	<b>81.1%</b>
<b>As Per Cent of Rent Income</b>					
<b>Expenses:</b>					
Management Fees	3.02%	17.07%	16.12%	15.86%	<b>16.03%</b>
Depreciation	19.57%	20.43%	23.85%	24.58%	<b>27.86%</b>
Interest	0.00%	2.39%	21.52%	31.91%	<b>41.26%</b>
SG&A	13.87%	9.70%	8.16%	4.54%	<b>4.87%</b>
<b>Total Expenses</b>	<b>59.67%</b>	<b>49.59%</b>	<b>74.90%</b>	<b>88.15%</b>	<b>90.01%</b>
<b>Percent Change Year/Year</b>					
Rent Income		9.26%	104.01%	52.62%	<b>-5.65%</b>
Operating Income		45.67%	-0.17%	23.34%	<b>-14.40%</b>
Net Income		-20.15%	18.09%	18.92%	<b>-13.54%</b>

\* Includes a write-down of two aircraft to market value

AeroCentury Inc.  
Quarterly Income Statement  
For the Year Ended December 31, 2000  
(in thousands)

	<u>(3/00)Q1A</u>	<u>(6/00)Q2A</u>	<u>(9/00)Q3A</u>	<u>(12/00)Q4*</u>	<u>FY2000</u>
Revenues:					
Rent Income	\$ 2,604	\$ 2,613	\$ 2,849	\$ 2,814	\$ 10,880
Gain(loss) on disposal of assets	-	-	-	747	747
Other Income	<u>74</u>	<u>109</u>	<u>121</u>	<u>177</u>	<u>481</u>
<b>Total Revenues</b>	<b>2,678</b>	<b>2,722</b>	<b>2,970</b>	<b>3,738</b>	<b>12,108</b>
Expenses:					
Management Fees	416	411	436	463	1,725
Depreciation	641	641	679	712	2,674
Interest	745	752	892	1,083	3,471
SG&A	154	160	113	67	494
Maintenance	-	-	110	653	763
Provision for impairment in value of aircraft	<u>-</u>	<u>-</u>	<u>-</u>	<u>463</u>	<u>463</u>
<b>Total Expenses</b>	<b>1,956</b>	<b>1,964</b>	<b>2,230</b>	<b>3,440</b>	<b>9,590</b>
<b>Operating Income</b>	<u>722</u>	<u>758</u>	<u>740</u>	<u>298</u>	<u>2,517</u>
<i>Operating Margin</i>	26.96%	27.86%	24.90%	7.96%	20.79%
Taxes(Benefit)	<u>264</u>	<u>258</u>	<u>251</u>	<u>73</u>	<u>846</u>
<i>Tax Rate</i>	36.58%	33.98%	33.97%	24.56%	33.61%
<b>Net Income</b>	<u>\$ 458</u>	<u>\$ 501</u>	<u>\$ 488</u>	<u>\$ 224</u>	<u>\$ 1,671</u>
<b>EPS-fully diluted</b>	<u>\$ 0.30</u>	<u>\$ 0.32</u>	<u>\$ 0.32</u>	<u>\$ 0.14</u>	<u>\$ 1.08</u>
Avg Shares Out-fully diluted	<u>1,543</u>	<u>1,543</u>	<u>1,543</u>	<u>1,543</u>	<u>1,543</u>
Margin Analysis					
Gross Profit	2,263	2,311	2,534	3,275	10,383
GPM	84.5%	84.9%	85.3%	87.6%	85.8%
NI/Rev	17.1%	18.4%	16.4%	6.0%	13.8%
NI/Rent Income	17.6%	19.2%	17.1%	7.9%	15.4%
Total Exp/Rev	73.0%	72.1%	75.1%	92.0%	79.2%
As Per Cent of Rent Income					
Expenses:					
Management Fees	15.96%	15.73%	15.30%	16.25%	15.86%
Depreciation	24.62%	24.54%	23.85%	24.00%	24.58%
Interest	28.61%	28.77%	31.31%	38.47%	31.91%
SG&A	5.93%	6.12%	3.95%	2.39%	4.54%
<b>Total Expenses</b>	<b>75.12%</b>	<b>75.16%</b>	<b>78.28%</b>	<b>122.24%</b>	<b>88.15%</b>
Percent Change Year/Year					
Rent Income	86.63%	81.44%	51.98%	16.36%	52.62%
Operating Income	32.04%	26.62%	34.02%	-13.39%	23.34%
Net Income	34.54%	26.15%	34.28%	-26.61%	18.92%

\* Includes a write-down of two aircraft to market value

AeroCentury Inc.  
Quarterly Income Statement  
For the Year Ended December 31, 2001  
(in thousands)

	<u>(3/01)Q1E</u>	<u>(6/01)Q2E</u>	<u>(9/01)Q3E</u>	<u>(12/01)Q4E</u>	<b><u>FY2001E</u></b>
<b>Revenues:</b>					
Rent Income	\$ 2,300	\$ 2,385	\$ 2,740	\$ 2,840	\$ 10,265
Gain(loss) on disposal of assets	-	-	175	175	350
Other Income	<u>180</u>	<u>190</u>	<u>200</u>	<u>210</u>	<u>780</u>
<b>Total Revenues</b>	<b>2,480</b>	<b>2,575</b>	<b>3,115</b>	<b>3,225</b>	<b>11,395</b>
<b>Expenses:</b>					
Management Fees	375	380	425	465	1,645
Depreciation	715	715	715	715	2,860
Interest	1,035	1,050	1,050	1,100	4,235
SG&A	125	135	125	115	500
Maintenance	-	-	-	-	-
Provision for impairment in value of aircraft	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenses</b>	<b>2,250</b>	<b>2,280</b>	<b>2,315</b>	<b>2,395</b>	<b>9,240</b>
<b>Operating Income</b>	<u>230</u>	<u>295</u>	<u>800</u>	<u>830</u>	<u>2,155</u>
<i>Operating Margin</i>	9.27%	11.46%	25.68%	25.74%	18.91%
Taxes(Benefit)	<u>65</u>	<u>85</u>	<u>270</u>	<u>290</u>	<u>710</u>
<i>Tax Rate</i>	28.26%	28.81%	33.75%	34.94%	32.95%
<b>Net Income</b>	<u>\$ 165</u>	<u>\$ 210</u>	<u>\$ 530</u>	<u>\$ 540</u>	<u>\$ 1,445</u>
<b>EPS-fully diluted</b>	<u>\$ 0.11</u>	<u>\$ 0.14</u>	<u>\$ 0.34</u>	<u>\$ 0.35</u>	<u>\$ 0.94</u>
Avg Shares Out-fully diluted	<u>1,543</u>	<u>1,543</u>	<u>1,543</u>	<u>1,543</u>	<u>1,543</u>
<b>Margin Analysis</b>					
Gross Profit	2,105	2,195	2,690	2,760	9,750
GPM	84.9%	85.2%	86.4%	85.6%	85.6%
NI/Rev	6.7%	8.2%	17.0%	16.7%	12.7%
NI/Rent Income	7.2%	8.8%	19.3%	19.0%	14.1%
Total Exp/Rev	90.7%	88.5%	74.3%	74.3%	81.1%
<b>As Per Cent of Rent Income</b>					
<b>Expenses:</b>					
Management Fees	16.25%	16.25%	16.25%	16.25%	16.03%
Depreciation	24.79%	24.73%	24.65%	24.43%	27.86%
Interest	45.00%	44.03%	38.32%	38.73%	41.26%
SG&A	5.43%	5.66%	4.56%	4.05%	4.87%
<b>Total Expenses</b>	<b>97.83%</b>	<b>95.60%</b>	<b>84.49%</b>	<b>84.33%</b>	<b>90.01%</b>
<b>Percent Change Year/Year</b>					
Rent Income	-11.68%	-8.71%	-3.83%	0.91%	-5.65%
Operating Income	-68.14%	-61.10%	8.17%	178.96%	-14.40%
Net Income	-63.96%	-58.06%	8.53%	141.61%	-13.54%



AeroCentury Inc.  
Cash Flow Statement  
For the Year Ended December 31  
(in thousands)

	<u>FY1997A</u>	<u>FY1998A</u>	<u>FY1999A</u>	<u>FY2000</u>
<i>Cash Flows from Operating Activities</i>				
Net Income	\$ 1,490	\$ 1,182	\$ 1,405	\$ 1,671
Depreciation & Amortization	648	714	1,700	2,674
Other (Provisions)	-	-	-	463
Gain(Loss) on Investment	-	(228)	(98)	(747)
	<u>2,138</u>	<u>1,667</u>	<u>3,007</u>	<u>4,061</u>
<i>Changes In:</i>				
Deposits	(379)	(679)	(3,835)	(1,444)
Receivables	6	(138)	(142)	(381)
Prepaid Expense & Other	(5)	(142)	(212)	(258)
Deferred Taxes	(88)	760	68	(687)
Accounts Payable & Accrued Expenses	260	(254)	658	1,154
Prepaid Rent	199	(175)	235	60
Security Deposits	-	336	1,306	29
Maintenance Deposits & Accrued Costs	<u>1,197</u>	<u>(62)</u>	<u>2,728</u>	<u>1,921</u>
Net Changes in Working Capital	<u>1,190</u>	<u>(353)</u>	<u>806</u>	<u>393</u>
<b>Net cash Provided by Operations</b>	<u><b>3,328</b></u>	<u><b>1,315</b></u>	<u><b>3,813</b></u>	<u><b>4,454</b></u>
<i>Cash Flows from Investing Activities</i>				
Proceeds from Disposal of Assets	-	684	98	5,097
Purchase of Aircraft	-	(7,845)	(25,680)	(11,744)
Payments Received on Capital Leases	<u>750</u>	<u>150</u>	<u>-</u>	<u>-</u>
<b>Net cash used in Investing</b>	<u><b>750</b></u>	<u><b>(7,010)</b></u>	<u><b>(25,582)</b></u>	<u><b>(6,647)</b></u>
<i>Cash Flows from Financing Activities</i>				
Issuance of Common Stock	150	-	-	-
Issuance of Secured Note	-	867	-	-
Repayment of Secured Note	-	(867)	-	(5,604)
Issuance of Notes Payable	-	6,400	21,409	9,885
Accrued Interest on Notes Payable	-	40	185	(155)
Purchase of Treasury Stock	-	(78)	(426)	-
Limited Partner Distributions	(3,187)	(49)	-	-
<b>Net cash provided by Financing</b>	<u><b>(3,037)</b></u>	<u><b>6,313</b></u>	<u><b>21,168</b></u>	<u><b>4,126</b></u>
Net change in Cash	1,041	617	(600)	1,933
Cash Beginning of Period	<u>194</u>	<u>1,235</u>	<u>1,852</u>	<u>1,252</u>
Cash End of Period	<u><b>\$ 1,235</b></u>	<u><b>\$ 1,852</b></u>	<u><b>\$ 1,252</b></u>	<u><b>\$ 3,185</b></u>