This is the credit availability report. The residence is displayed with a 50% borrowing base that available $250,000.
The second item is inventory which is bearing amounts throughout forecast with the borrowing base of 50%. The collateral varies each month due to the fluctuation and inventory.
The next item is accounts receivable which shows varying amounts throughout forecast reduced by 60% of the in eligible amounts. Of the Remaining balance 70% is used as collateral for the credit line.

Based on the information let's look at January see what it tells us. The available collateral is $627,074. THe forecasted credit line is $1,143,480. The credit that is available to us is not the million dollar maximum because the collateral will not sustain that amount therefore the credit available to us is 627,074 subtract that amount from the forecast amount and we will be overusing our credit line by $ 516,406. The mqximum credit line is not large enough to cover the forecasted requirement. Based on the separate mission the company has two problems one insufficient credit line to insufficient collateral to sustain its forecasted requirements.