June 13, 2014

**NOTICE TO HOLDERS OF
IOWA HIGHER EDUCATION LOAN AUTHORITY, PRIVATE COLLEGE
FACILITY REVENUE AND REFUNDING BONDS
(IOWA WESLEYAN COLLEGE PROJECT) SERIES 2006**

CUSIP NOS.462460WM4, 462460WN2, 462460WQ5, 462460WS1, 462460WU6, 462460WW2, 462460WY8, 462460WZ5, and 46246XB7 [1]

NOTE: THIS NOTICE CONTAINS IMPORTANT INFORMATION. IF APPLICABLE, ALL DEPOSITORIES, CUSTODIANS, AND OTHER INTERMEDIARIES RECEIVING THIS NOTICE ARE REQUESTED TO EXPEDITE RE-TRANSMITTAL TO BENEFICIAL OWNERS OF THE BONDS REFERENCED ABOVE IN A TIMELY MANNER.

Wells Fargo Bank, National Association acts as trustee (the "Trustee") for the holders of the above-referenced Bonds (the "Bonds"), which were issued pursuant to an Indenture of Trust dated as of May 1, 2006 (the "Indenture") between the Trustee and Iowa Higher Education Loan Authority (the "Issuer"). Repayment of the Bonds is secured by, among other things, a pledge of certain payments to be made pursuant to that certain Loan Agreement dated as of May 1, 2006 (the "Loan Agreement") between the Issuer and Iowa Wesleyan College (the "College"). Except as otherwise defined herein, all capitalized terms shall have the meaning ascribed to them in the Loan Agreement.

Pursuant to Section 7.15(a) of the Loan Agreement, the College is required to maintain a Debt Service Coverage Ratio of at least 1.10 as of the last day of each Fiscal Year. For the Fiscal Year ending on May 31, 2013, the College failed to maintain the required Debt Service Coverage Ratio. As a result of such failure, the College pursuant to Section 7.15(c) retained an Independent Consultant who generated a report making recommendations as to the operation and administrative of the Facilities. If the College fails to maintain a Debt Service Coverage Ratio of at least 1.10 as of the last day of the Fiscal Year ending on May 31, 2014, an Event of Default will occur under the Loan Agreement.

While no Event of Default has occurred at this time, the College has informed the Trustee that it is likely that when the College's audited financials are prepared, it will not have achieved a Debt Service Coverage Ratio of at least 1.10 for the Fiscal Year ending on May 31, 2014 and therefore an Event of Default under the Loan Agreement will occur. The College would like to hold a conference call on **July 10, 2014 at 11:00 a.m. central time** with the Bondholders to discuss this potential Event of Default and possible means to resolve such Event of Default. Attached hereto is a report generated by the College's consultant that provides certain financial projections and proposes a resolution with respect to the potential Event of Default.

[1] No representation is made as to the correctness of these CUSIP numbers either as printed on the Bonds or as contained in this Notice.

To participate in the call, please contact Corbin B. Connell at (612) 667-4076 or corbin.b.connell@wellsfargo.com for dial in information no later than the end of day July 9, 2014.

The Trustee is delivering this notice and the consultant's report at the direction of the College and is not responsible for conducting the conference call or for any of the financial information that may be disclosed during such call or in the consultant's report, which information is provided solely by the College and its advisors.

The Trustee will endeavor to advise you as material developments occur that impact your interest under the Indenture and Bonds. Any Holder with further questions may direct them to the Trustee by mail addressed to the following:

Gil Hernandez
Wells Fargo Bank, N.A.
MAC N9311-161
625 Marquette Ave.
Minneapolis, MN 55479
Email: Gil.Hernandez@wellsfargo.com

Holders should not rely on the Trustee as their sole source of information. The Trustee makes no recommendations and gives no investment, accounting, financial, tax or legal advice concerning the Bonds. The Trustee may conclude that a specific response to particular inquiries from individual Holders is not consistent with equal and full dissemination of material information to all Holders.

WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee

INDEPENDENT CONSULTANT'S REPORT ON

Iowa Wesleyan
COLLEGE

COMPLIANCE WITH DEBT SERVICE COVERAGE RATIO
ADDENDUM #2

Longhouse
CAPITAL ADVISORS

JUNE 5, 2014

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Longhouse
CAPITAL ADVISORS

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June 5, 2014

Mark V. Birkholz
Account Manager -- Corporate Trust Services
Wells Fargo Bank, N.A.
MAC N9311-115
625 Marquette Avenue, 11th Floor
Minneapolis, MN 55479

Matthew D. Shinn
Market President - SEI
Two Rivers Bank
222 N. Main St
Burlington, IA 52601

Dear Mr. Birkholz and Mr. Shinn:

Please accept Longhouse Capital Advisors' Independent Consultant report entitled "Report on Iowa Wesleyan College's Compliance with Debt Service Coverage Ratio" dated June 5, 2014. This report is an addendum to our earlier reports dated January 15, 2013 and December 1, 2013.

The goals of this addendum are as follows:

- To report on the College's progress in returning to compliance with its Debt Service Coverage Ratio as of FYE 2014 (5/31/2014). While the College's audit is not yet finalized, Iowa Wesleyan College ("IWC" or the "College") believes that once the audit is completed it will be **out of compliance** with this covenant for the third year in a row;

- To recap the efforts the College undertook in FY 2014 to get back in compliance, including a major administrative and academic restructuring, and to discuss the impact these efforts will have, both in the short term and the long term;

- To outline the College's expected FY 2014 operating performance;

- To report on the College's 5-year "Recovery Plan" to return to compliance with its Debt Service Coverage Ratio, and analyze the risk factors associated with this plan; and

- To present the College's proposal to Bondholders for forbearance on its debt service coverage ratio during the term of the Recovery Plan.

As we have discussed by telephone, I think it makes sense to post this Report on EMMA at your earliest convenience, along with a request that bondholders contact Wells Fargo regarding a bondholder conference call to discuss the College's forbearance proposal.

Sincerely,

Michael Boisvert

Michael Boisvert, President
Longhouse Capital Advisors

REPORT ON IOWA WESLEYAN COLLEGE'S COMPLIANCE WITH DEBT SERVICE COVERAGE RATIO

Recap of FY 2012 and FY 2013 Covenant Failure and Past Reports

As described in our January and December 2013 reports, Iowa Wesleyan College has failed to meet its required Debt Service Coverage Ratio of 1.10X for FY 2012 and FY 2013. The reasons for these failures can be summarized as follows:

- Significant decreases in enrollment, both in the College's traditional age population and in its adult education and online or "Extended Learning" division. Headcount for the traditional age and ExL components from Fall 2010 through Fall 2013 are shown in the chart below:

Fall	Day Headcount	ExL / On-line Headcount	Total Headcount
2010	583	188	771
2011	585	137	722
2012	515	137	652
2013	461	138	599

- These enrollment reductions were caused by a number of factors, some specific to the campus, and others that were broader and impacted by changes in demographics and the national economy.

- College-specific factors were clearly identifiable in IWC's FY 2012 performance. The factors included a more selective admissions policy, turnover in admissions staff, a strategic shift from the NAIA to the NCAA III, and a change in athletic conferences which caused the resignations of some coaches and a delay in financial aid packaging that year. While headcount was dropping that year, students who did matriculate were relatively needier, driving up the College's financial aid costs.

- A number of the issues concerning admissions, financial aid and athletics infrastructure were addressed positively in FY 2013, and fundraising was ramped up considerably. However, larger national trends continued to buffet the College. Middle class families who had formed the backbone of past IWC classes continued to suffer the lingering effects of the Great Recession and sought out lower-cost public higher education options. As in 2012, the remaining day program enrollees qualified for larger and larger financial aid packages. At the same time, the College's ExL program, which had been expected to grow, remained flat, a victim of the modestly-improving job market nationally.

- While revenues were flagging, cost control efforts were also not successful. Indeed, salaries, benefits and general operations of the College were $832,000 higher in FY 2013 than in FY 2012. At the end of FY 2013, the College showed an unrestricted loss of ($2.885 mm), about $848,000 worse than in FY 2012. This is after the restatement of the financials.

As addressed in Longhouse's December 2013 report, in July 2013, the College hired a new President, Dr. Steven Titus. The Board's charge to Dr. Titus was to find combinations of cost reductions and revenue increases that would stabilize the College's operations and get it back into compliance with its bond covenants. Soon after his arrival at the College, Dr. Titus received information that Fall 2013 enrollment would be down at least another 50 students in headcount.

Under Dr. Titus' direction and with the approval of the Board, the College's budget was revised in October, 2013, reducing administrative expenses by an additional $1.3 mm on an annualized basis. However, even as this budget was being approved, the College understood that a larger and more comprehensive restructuring of its academic enterprise would be necessary if it were to return IWC to fiscal balance. Between October 2013 and April 2014, the College looked carefully at all of its academic programs, measuring the average number of students per class, the costs per major and the long-term demand for each program. In the Spring of 2014, the Board approved a more thoroughgoing restructuring which is the subject of the following section.

IWC's Actions since December 1, 2013: College Reorganization

In April of 2014, Dr. Titus announced a reorganization of IWC to ensure its long-term success. The reorganization included a further streamlining of administrative departments and the closure and/or reduction of 16 academic majors. Programs to be reduced or closed typically had low enrollment or low student demand. They included studio art, philosophy of religion, pre-law studies, sociology, history, forensic science, general studies / liberal studies, communication, mass communication and seven different secondary education teaching majors. Programs that were selected to be emphasized going forward include business administration, elementary and early childhood education, human services, physical education, exercise science and wellness, psychology, pre-med studies, biology, criminal justice and music.

The reorganization affects an estimated 22 faculty positions and 23 staff positions, about 35% of the College's full-time workforce. While some savings from administrative reductions can be realized in FY 2014, the Faculty handbook's requirement that faculty receive a one-year notice of a layoff means the bulk of the savings from faculty reductions will not begin until the semester beginning in January, 2015. Nonetheless, the 2015 unrestricted budget will show unrestricted expenses that are $3.25 million lower than those of FY 2013.

Expected FY 2014 Operating Results

In Appendix II, the College has provided a spreadsheet entitled "LT Budgets version 3." The "Statement of Activities Worksheet compares IWC's "Official" FY 2014 budget (column C, approved in October 2013) and its Projected FYE 2014 performance (Column E, estimated as of April 28, 2014).

Comparing the Official Budget against the Projected Final Budget shows that while costs are expected to be very close to the levels that were originally budgeted, revenues have deteriorated further during FY 2014. In particular:

- Day Student Tuition revenue came in $244,000 less than the original budget. This was due to the withdrawal of a large group of nursing students upon the College's loss of its National League of Nursing accreditation, leading to a much larger than normal rate of withdrawal.

- ExL (Adult Education and Online) revenue fell by even more, and was $495,000 less than originally projected. The College attributes this to overly optimistic projections, which initially called for 3% growth in this division, and then were later adjusted to anticipate an incremental $200,000 in revenue growth on top of that.

- Institutional Aid was up by $398,000 vs. the original budget.

- Unrestricted fundraising is expected to be at $875,000 toward its fiscal year goal of $1.0 mm.

Overall, the College is projecting an unrestricted loss of ($3,561,975) for FY 2014, about $676,000 worse than in FY 2013. The projected debt service coverage ratio for FY 2014 is (1.83X), down from (1.36X in FY 2013).

Five-Year Recovery Plan

In Appendix II, the College provides Assumptions and Projections supporting a 5-year Recovery Plan for the College. The projections show the College:

- Continuing to make all debt service payments, on time, in their entirety and without drawing on the Debt Service Reserve Fund, throughout the projection period;
- Returning to profitability in FY 2018; and
- Returning to compliance with its debt service coverage ratio in FY 2018.

Key assumptions of the plan include:

- A further drop in day headcount from 461 in 2014 to 365 in FY 2015. After that, enrollment begins to rise again, to 380, 412 and 495 in fiscal years, 2016, 2017 and 2018, respectively.
- The Day Student financial aid discount rate grows from a projected 46% in FY 2014 to 48% in FY 2018.

- Current ExL student revenues of $1.022 mm stay flat for FY 2015, then ramp up to $1.6 mm by FY 2018
- Day student tuition is flat for FY 2015, then grows at 5% per year thereafter
- Endowment income is 5% of the trailing 3-year average investable endowment assets
- Gift income grows from $1.0 mm to $1.25 mm in FY 2018
- The Residence Hall census grows significantly, from 237 in FY 2014 to 396 in FY 2018.
- Projected Unrestricted gains / (losses) and debt service coverage ratios are as follows:

Projected Operating Gains / (Losses) and Debt Service Coverage Ratios (FY 2014 – 2019)

Fiscal Year	Unrestricted Gain / (Loss)	Coverage Ratio
2014	($3,561,976)	(1.83X)
2015	($3,222,941)	(1.24X)
2016	($1,942,144)	(0.15X)
2017	($891,651)	0.83X
2018	$1,186,460	2.24X

Working Capital

To date, the College has not missed a payment on its long or short-term debt. However, in order to sustain itself during the cash flow losses of the first three years of the plan, the College recognized that it needed working capital financing. To get this financing it approached its primary bank, Two Rivers Bank, and asked it to:

- Renew its existing $1.5 mm line of credit, and

- Help it to find an additional $4.25 mm in working capital financing to help IWC continue to operate through the recovery period.

The renewal and working capital financing were closed in April of 2014. The additional $4.25 mm in financing was provided by Two Rivers Bank, Wayland State Bank, Wells Fargo, and though a loan program operated by the Southeast Iowa Regional Planning Commission (SEIRPC). The collateral provided to the banks and to the SEIRPC was separate from that pledged to bondholders, and the debt service for that debt during the projection period is expected to be between $245,000 and $250,000 per year. Terms of the $5.75 mm in working capital financing loans are summarized in the chart below.

Summary of Terms of Debt from IWC Working Capital Partners

Bank	Amount ($ mm)	Rate	Amortization
Two Rivers Bank	$2.50	4.50%	Interest-only thru 4/1/19
Wayland State	$0.25	2.50%	Interest-only thru 4/1/19
SEIRPC	$0.50	3.22%	Level debt service, P + I maturing 4/15/24
Wells Fargo	$2.50	2.50%	Interest-only thru 4/1/19
Total	$5.75		

The loans from Two Rivers and Wayland State Banks and the Southeast Iowa Regional Planning Commission are secured by 11 buildings which had not previously been pledged to the two bond series. These buildings are Nemitz Residential Suites, the IDOT Building, Trieschmann Science Hall, Hershey Hall, the P.E.O, Building, the Old Gymnasium Building, the Campus Library, the Chapel Building, the Sheaffer Residence Hall and McKibben Residence Hall. The Wells Fargo Loan is backed by securities in the College's endowment, the large majority of which is restricted.

In Appendix II, the College also projects its ability to maintain positive cash flow during the 5-year projection period (see "Cash Flows" worksheet). The projections show that with the incremental $4.25 mm in working capital received in April the College can maintain positive cash flow in each year, with one caveat: the College needs additional infusions of $1.4 mm of working capital in FY 2016 and $500,000 in FY 2017. The College has indicated that it has additional borrowing capacity against its endowment with Wells Fargo in an amount in excess of this $1.9 million requirement.

Risk Factors in the Five-Year Recovery Plan

The College's projections contain a number of risk factors. We list some of them below, along with some of the factors that the College sees as mitigants:

- **Ability to meet projected enrollment levels for day students**. The College believes its projections of day students are particularly conservative. For example, day students are projected to drop from 461 this year to 365 in Fall of 2014. Already, there are signs that this assumption will be well below the College's actual experience. For example, retention next year is projected to be at 50%. Based on this very low retention rate, IWC had assumed that 160 of its current students would return in this coming Fall. However, since that initial forecast, **256** returning students have indicated their intent to re-register next year – 160% of goal, representing Spring-to-Fall retention rate of 80%. This is a positive indicator.

- **Ability to meet projected enrollment levels for ExL:** The College is putting significant additional focus on its ExL and online efforts. Changes in IWC approach include:

    - Integrating ExL into the larger College community and improving accountability by having it report through the new Senior V.P. for Enrollment and Communications, Scott Briell. In the past, ExL operated outside of the College's larger enrollment management efforts.
    - Coordinating the programming efforts of ExL with the results of research IWC has commissioned on educational and economic needs in the region.
    - Ramping up offerings with 6 new online programs. Two of these programs, Business Administration and Human Services, will be in place for FY 2015 and the others in 2016 and after.
    - Broaden the number of states in which online programs can be offered. Recently, for example, the College received approval to begin offering online programs in the adjoining states of Illinois and Missouri for the first time.

    Despite these improvements in process, the College is conservatively assuming ExL revenues will be flat for FY 2015. They will then rise incrementally through the projection period, reaching 2012 levels again in FY 2018.

- **Ability to meet projected tuition discount rates**. The College believes that its assumed discount rates are conservative, as they will rise by 6% throughout the projection period.

- **Ability to maintain and improve annual unrestricted giving from $1.0 mm to $1.25 mm during the projection period.** The College's new President, Steven Titus, is a fundraising professional whose most recent post prior to IWC was as Senior Vice President for University Advancement at St. Mary's University in Minnesota. In this position, he led a department that brought in nearly $1 million every year in Annual Giving funds. During his tenure, he brought in major gifts in excess of $9.0 mm.

    Iowa Wesleyan has raised between $1.0 mm and $1.3 mm in annual unrestricted giving over the last 3 years and Dr. Titus believes that these amounts will continue to be achievable. Nonetheless, IWC is investing in its development infrastructure in FY 2015, hiring a new Director of Annual Giving and a Director of Development Operations. Once these hires are completed, the College will shift the focus of some of its senior fundraisers to concentrate more on developing the major gift and planned gift programs and securing major gifts.

- **Ability to grow its residence and dining hall utilization and revenues by nearly 50% over 4 years.** The projections show both dining hall and residence hall revenues and utilization growing by nearly 50% in 4 years. The College points to new policies and smarter use of existing space to buttress these assumptions. In particular:

- The College has changed its residence hall policy so that students must live on campus all four years, an increase over the 2 years that are currently required. The impact of this policy change will not be immediate. For example, in FY 2015, the College is projecting that residence hall revenues will drop by about $152,000, in concert with the projected overall drop in enrollment and the fact that certain upperclassmen who are living off campus will be grandfathered under the old residency rules. However, by FY 2016 residence hall revenues will be rising again, surpassing the FY 2014 totals.
- While dining hall revenues should improve with the residence hall census, the College has also negotiated an investment of $110,000 by its Food Service provider, Sodexho, to enlarge the dining hall square footage by 33%. The College is also increasing the number of hours that dining hall facilities are open from 4 hours to 14 hours. It is expected that both of these improvements will drive dining hall revenues higher.

College Forbearance Agreement Proposal

With the two-year grace period ended and its FY 2014 audit on track to be completed over the summer, IWC plans to seek a forbearance agreement from Series 2006 and 2011 bondholders which would allow it to maintain rising but still sub-1.10X debt service coverage ratios during fiscal years 2014 – 2017, IWC hopes to have this agreement in place in tandem with the issuance of its FY 2014 audit in September or October 2014.

A summary of the College's proposed forbearance terms are in Appendix I to this report. In general, the forbearance proposal provides recommended Debt Service Coverage Ratio levels from FY 2014 – FY 2018. These recommended levels track the projected debt service coverage ratios shown in each of the projected years of the Recovery Plan, but then subtract from those levels .50X so as to provide for any unexpected developments. Doing so does not delay the final date by which the College would be back in compliance: it is still FY 2018.

The proposal also assumes more intensive reporting of College financial information and demand statistics to bondholders, as well as additional required reporting from the Independent Consultant.

APPENDIX I

COLLEGE FORBEARANCE PROPOSAL

Debt Service Coverage Ratio: Approval of forbearance agreement allowing debt service coverage ratios lower than the required 1.10X level, as shown in the chart below:

Fiscal Year	Debt Service Coverage Ratio (No lower than)
2014	(2.33X)
2015	(1.74X)
2016	(0.65X)
2017	0.33X
2018	1.10X

Financial Reporting: Quarterly posting of internal statement of activities and balance sheet on MSRB website "EMMA," 45 days after quarter end

Reporting of Demand Statistics: Month-end posting of "running total" of current year applications, acceptances and deposits, in comparison to the same month of the prior year. Posting to be done within 15 days after end of month.

Independent Consultant: Continued reports of independent consultant, at least twice annually and more frequently upon request of bondholders.

APPENDIX II:

RECOVERY PLAN PROJECTIONS (FY 2014 – FY 2019)

- A Note on the Projections
  UNDER SEPARATE COVER:
- Statement of Activities (FY 2014 – 2019)
- Revenue and Expense Assumptions
- Detailed Monthly Cash Flows (June 2013 – July 2014)
- Annual Cash Flow (FY 2014 – FY 2019)
- Breakdown of Long-term Debt and Debt Service
- Projected Debt Service Coverage Ratios (FY 2014 – FY 2019)
- Projected Department of Education Ratios (FY 2014 – FY 2019)

IOWA WESLEYAN
CONFIDENTIAL INTERNAL FINANCIAL MODELING STRATEGIES

A	B	C 2013-2014 OFFICIAL	D 2013-2014 MAR ACT	E 2013-2014 PROJECTED	F 2014-2015	G 2015-2016	H 2016-2017	I 2017-2018	J 2018-2019
1	**REVENUES**	**15,970,868**	**12,055,607**	**16,408,154**	**10,071,349**	**11,612,097**	**13,050,829**	**15,818,740**	**17,881,176**
2	Day Tuition	10,945,125	10,587,451	10,701,997	8,473,382	9,262,683	10,544,833	13,302,614	15,124,669
3	Extended Learning Tuition	1,517,160	949,360	1,022,685	1,022,685	1,278,356	1,431,759	1,603,570	1,795,998
4	Fees	28,915	28,132	28,915	276,726	276,726	276,726	276,726	276,726
5	Less Institutional Aid	(4,575,062)	(4,973,363)	(4,973,363)	(3,798,427)	(4,427,236)	(5,030,169)	(6,409,659)	(7,275,887)
6	Net Tuition	7,916,138	6,591,580	6,780,234	5,974,366	6,390,529	7,223,149	8,773,251	9,921,507
7									
8	Gift Income								
9	Unrestricted	1,000,000	691,172	1,000,000	1,000,000	1,050,000	1,100,000	1,250,000	1,400,000
10	Temporarily Restricted Released	300,000	-		300,000	350,000	400,000	450,000	500,000
11	Endowment Income	455,562	60,000	455,562	455,562	494,318	528,920	565,945	584,860
12	CD Redemption		1,511,746	1,511,746					
13	RAN Proceeds		-	-					
14	Long-term Debt	3,500,000	500,000	3,950,000					
15	LOC Proceeds	300,000	300,000	300,000					
16	Dining Hall	1,154,204	1,159,184	1,159,184	1,156,836	1,734,304	2,030,778	2,635,083	3,081,609
17	Residence Halls	891,776	894,161	894,161	867,563	1,264,502	1,439,536	1,816,016	2,064,756
18	Bookstore	303,188	207,267	207,267	172,310	179,392	179,392	179,392	179,392
19	Other Revenue	150,000	140,497	150,000	144,712	149,053	149,053	149,053	149,053
20									
21	**EXPENDITURES**	**14,221,569**	**11,104,639**	**14,260,714**	**11,724,831**	**12,090,267**	**12,352,153**	**13,276,381**	**13,723,219**
22	Operational	2,672,879	2,006,226	2,672,879	2,672,879	2,856,065	2,941,747	3,030,000	3,120,900
23	Strategic Iniatives				100,000				
24	Outsourcing	1,589,076	1,362,350	1,589,076	1,696,918	1,756,310	1,817,780	1,817,780	1,817,780
25	RAN	1,500,000	1,000,000	1,500,000					
26	Two Rivers LOC								
27	Long-term Debt Service Principal	372,674	-	372,674	438,601	455,075	338,289	631,394	365,018 *
28	Endowment Debt Service				-				106,933
29	Utilities	655,761	477,376	655,761	646,100	710,710	781,781	859,959	945,955
30	Capital				50,000	200,000	200,000	200,000	200,000
31	Salaries								
32	Faculty	3,033,223	2,595,749	3,033,223	1,946,729	1,812,016	1,843,084	2,112,696	2,350,849
33	Staff	2,608,528	2,211,193	2,608,528	2,329,180	2,574,155	2,651,380	2,730,922	2,812,849
34	Dir of Dev Ops				70,000				
35	Dir of Annual Fund				50,000				
36	Football Assistant Coach				10,000				
37	Baseball Assistant Coach				10,000				
38	Soccer Coach				30,000				
39									
40	Workstudy	85,238	71,032	85,238	85,238	85,238	85,238	85,238	85,238
41	Benefits								
42	Health Insurance	752,296	647,831	752,295	592,836	608,123	623,138	671,546	715,924
43	FICA	423,128	197,926	423,128	333,441	342,039	350,484	377,711	402,671
44	Retirement	82,452	75,525	82,452	177,450	182,026	186,520	201,010	214,293
45	Professional Courtesy	421,855	439,048	461,000	461,000	484,050	508,253	533,666	560,349
46	Misc	24,459	20,383	24,459	24,459	24,459	24,459	24,459	24,459
47									
48	**REVENUES OVER/(UNDER) EXPENDITUI**	**1,749,299**	**950,968**	**2,147,440**	**(1,653,482)**	**(478,169)**	**698,675**	**2,542,359**	**4,157,957**
49									
50	Interest on Long-Term Debt	709,484	539,278	725,684	704,532	686,683	670,219	650,114	598,448
51	Depreciation	1,125,461	1,126,484	1,125,461	1,102,952	1,080,893	1,059,275	1,038,089	1,017,328
52									
53	**NET DIFFERENCE**	**(85,646)**	**(714,794)**	**296,295**	**(3,460,965)**	**(2,245,745)**	**(1,030,819)**	**854,155**	**2,542,182**
54									
55	**RECONCILE TO PROJECTED INCOME STATEMENT**								
56	Endowment Transfer in Budget	(455,562)							
57	Endowment Earnings	853,157							
58	CD Redemption			(1,500,000)					
59	Federal and State Grants	155,835		62,032	62,000	62,000	62,000	62,000	62,000
60	Expense items not in budget	(100,000)		(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
61	Debt Service Including Principal Retire	372,674		372,674	438,601	455,075	338,289	631,394	365,018
62	Annuities	57,023		57,023					
63	LT Debt	(3,500,000)		(4,250,000)					
64	RAN	1,500,000		1,500,000					
65	Capital				50,000	200,000	200,000	200,000	200,000
66	**Net Income per Income Statement**	**(1,202,519)**	**(714,794)**	**(3,561,976)**	**(3,010,365)**	**(1,628,671)**	**(530,530)**	**1,647,549**	**3,069,200**
67 *	Balloon Payment Excluded								

IOWA WESLEYAN
CONFIDENTIAL INTERNAL FINANCIAL MODELING STRATEGIES

	A	B	C	D	E	F	G	H	I	J	
			2013-2014 OFFICIAL	2013-2014 MAR ACT	2013-2014 PROJECTED	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	
68	**Revenue Assumptions**										68
69		Fall Day HC	461		461	365	380	412	495	536	69
70		Fall Residents	237		237	219	304	330	396	429	70
71		% tuition increase	5%		5%	0%	5%	5%	5%	5%	71
72		% board increase	8%		8%	8%	8%	8%	8%	8%	72
73		% room increase	5%		5%	5%	5%	5%	5%	5%	73
74		FT tuition rate	$ 25,530		$ 25,530	$ 25,530	$ 26,807	$ 28,147	$ 29,554	$ 31,032	74
75		PT tuition rate	$ 640		$ 640	$ 640	$ 672	$ 706	$ 741	$ 778	75
76		Extended Learning Rate	$ 420		$ 420	$ 420	$ 441	$ 463	$ 486	$ 511	76
77		Room (traditional housing	$ 3,300		$ 3,300	$ 3,465	$ 3,638	$ 3,820	$ 4,011	$ 4,212	77
78		Room (apartment housing)	$ 5,750		$ 5,750	$ 6,038	$ 6,339	$ 6,656	$ 6,989	$ 7,339	78
79		Board (19-meal plan)	$ 5,500		$ 5,500	$ 5,648	$ 6,100	$ 6,588	$ 7,115	$ 7,685	79
80		Board (15-meal plan)	$ 5,230		$ 5,230	$ 5,648	$ 6,100	$ 6,588	$ 7,115	$ 7,685	80
81		Board (10-meal plan)	$ 4,430		$ 4,430	$ 5,648	$ 6,100	$ 6,588	$ 7,115	$ 7,685	81
82											82
83	**Expenditure Assumptions**										83
84		Overall Discount Rate	38.5%		42.4%	40.0%	42.0%	42.0%	43.0%	43.0%	84
85		Day Discount Rate	41.8%		46.5%	44.8%	47.8%	47.7%	48.2%	48.1%	85
86		Outsourcing Increase	3.50%		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	86
87		Salary Increase	0%		0%	0.0%	3%	3%	3%	3%	87
88		Retirement Contribution	0%			5.0%	5%	5%	5%	5%	88
89		Utility Increase	10%		10%	10%	10%	10%	10%	10%	89
90		Health Insurance Increase	10%		10%	10%	10%	10%	10%	10%	90
91		Operational Increase	0%		0%	0.0%	3%	3%	3%	3%	91
92		Capital Expenditures				50,000	200,000	200,000	200,000	200,000	92
93		1% salary increase	61,473		61,473	47,868	49,102	50,315	54,223	57,807	93
94		Residential Student	17,711		17,711	18,015	19,003	20,049	21,154	22,323	94
95		Non-residential Student	11,990		11,999	11,999	12,599	13,229	13,890	14,585	95
96											96
97											97
98		DOE REVENUES			10,720,186	10,133,349	11,674,097	13,112,829	15,880,740	17,943,176	98
99		DOE EXPENSES			14,339,185	13,143,714	13,302,768	13,643,359	14,233,191	14,873,976	99
100											100
101		DOE RATIO			1.60	1.20	1.50	1.80	3.00	3.00	101
102		COVERAGE RATIO			-1.83	-1.05	0.12	1.19	2.60	4.86	102

CASH IN	2013 JUNE	2013 JULY	2013 AUGUST	2013 SEPTEMBER	2013 OCTOBER
Accounts Rec - Student	109,559.63	151,563.34	835,888.37	2,445,900	571,540.71
Accounts Rec - Misc	(24,700.50)	12,554.62	12,186.90	6,402.00	5,794.45
Gifts - Unresricted	35,523.08	13,426.08	33,883.69	9,842.57	89,978.28
Gifts - Temp Restricted	13,293.95	15,403.07	45,004.84		19,583.07
Gifts - Endowment	200.00	3,000.00	8,280.00		13,239.80
Agency Fund deposits	3,792.48	4,242.54	5,623.12	25,143.13	29,003.66
Other Income/Reimb	32,349.54	21,905.30	21,894.52	37,842.03	40,145.28
Trust distribution	-	23,557.00	-	-	8,586.18
Federal Perkins Loan Transfer	-	25,524.00	-	31,000.00	-
Endowment Draws	-	-	-	-	-
TB & T Draw		1,811,746.05			
LOAN DRAWS				-	-
TOTAL CASH IN	**170,018.18**	**2,082,922.00**	**962,761.44**	**2,556,129.27**	**777,871.43**

CASH OUT					
Accounts Payable	245,025.56	358,976.01	480,784.27	535,707.18	504,374.53
Sodexho	8,241.35	7,160.75	4,393.90	184,921.33	
National Mgmt	64,964.66	35,687.23	69,144.01	66,913.56	69,144.01
Utilities	35,870.08	29,613.56	34,063.38	38,670.11	55,383.11
Payroll	444,452.48	433,606.10	462,882.19	476,426.82	468,273.75
Medical Insurance	72,782.00	70,662.00	69,648.00		138,141.00
Agency Fund disbursements	978.36	-	-	5,200.85	
Endowment Transfers	120,424.28	-	-		
Loan Interest	27,958.88	24,452.78	26,664.27	162,597.46	25,387.78
SEIRP - Loan Principal					
TRB&T - Loan Principal	18,831.76	22,462.86	20,401.37	19,054.88	22,652.86
IHELA - Bond Principal				120,000.00	-
RAN - Bond Principal					
TOTAL CASH OUT	**(1,039,529.41)**	**(982,621.29)**	**(1,167,981.39)**	**(1,609,492.19)**	**(1,283,357.04)**
Beginning Cash	**1,313,961.44**	**444,450.21**	**1,544,750.92**	**1,339,530.97**	**2,286,168.05**
Ending Cash	**444,450.21**	**1,544,750.92**	**1,339,530.97**	**2,286,168.05**	**1,780,682.44**

CASH IN	2013 NOVEMBER	2013 DECEMBER	2014 JANUARY	2014 FEBRUARY	2014 MARCH
Accounts Rec - Student	367,073.17	550,716.53	1,136,641.55	1,421,625.47	701,224.86
Accounts Rec - Misc	6,067.00	12,346.90	6,037.00	12,346.90	9,179.45
Gifts - Unresricted	60,056.69	135,513.61	16,344.83	28,761.93	28,360.62
Gifts - Temp Restricted	12,410.00	32,460.00	42,818.07	12,744.00	20,850.00
Gifts - Endowment	600.00	66,174.12	1,700.00	125.00	45.00
Agency Fund deposits	9,846.90	54,517.65	(28,961.22)	13,167.31	6,770.38
Other Income/Reimb	80,631.51	10,913.04	47,798.20	51,448.34	19,142.49
Trust distribution	-	-	40,633.35	-	-
Federal Perkins Loan Transfer	-	20,250.00	-	-	45,250.00
Endowment Draws	-	-	-	-	60,000.00
TB & T Draw					
LOAN DRAWS	-	-	-	-	-
TOTAL CASH IN	**536,685.27**	**882,891.85**	**1,263,011.78**	**1,540,218.95**	**890,822.80**

CASH OUT	2013 NOVEMBER	2013 DECEMBER	2014 JANUARY	2014 FEBRUARY	2014 MARCH
Accounts Payable	396,282.51	273,773.37	369,690.62	323,078.27	355,051.34
Sodexho	87,874.63	42,011.32	81,714.20	84,171.59	77,186.54
National Mgmt	66,913.56	69,144.01	69,144.01	62,452.66	33,456.78
Utilities	45,453.29	59,229.55	56,166.26	74,106.14	57,869.09
Payroll	555,392.30	475,508.35	508,860.75	393,992.41	433,889.40
Medical Insurance		67,894.00	79,765.00	74,884.50	74,054.00
Agency Fund disbursements		-	1,100.00		-
Endowment Transfers	26,193.80		-		82,428.57
Loan Interest	27,615.77	27,358.24	27,475.48	28,101.51	175,498.72
SEIRP - Loan Principal					
TRB&T - Loan Principal	20,612.37	20,682.40	20,752.66	20,126.63	22,974.52
IHELA - Bond Principal	-	-	-	-	-
RAN - Bond Principal		-	-		500,000.00
TOTAL CASH OUT	**(1,226,338.23)**	**(1,035,601.24)**	**(1,214,668.98)**	**(1,060,913.71)**	**(1,812,408.96)**
Beginning Cash	**1,780,682.44**	**1,091,029.48**	**938,320.09**	**986,662.89**	**1,465,968.13**
Ending Cash	**1,091,029.48**	**938,320.09**	**986,662.89**	**1,465,968.13**	**544,381.97**

CASH IN	2014 APRIL	2014 MAY	2013-2014 TOTAL	{}	2014 JUNE	2014 JULY
Accounts Rec - Student	159,351.68	175,571.71	8,626,656.56	{}	109,559.63	151,563.34
Accounts Rec - Misc	9,505.45	26,292.12	94,012.29	{}	5,000.00	12,554.62
Gifts - Unresricted	40,180.80	92,720.84	584,593.02	{}	35,523.08	13,426.08
Gifts - Temp Restricted	21,495.00	41,126.00	277,188.00	{}	13,293.95	15,403.07
Gifts - Endowment	9,900.00	33,550.00	136,813.92	{}	200.00	3,000.00
Agency Fund deposits	2,982.00	1,296.92	127,424.87	{}	3,792.48	4,242.54
Other Income/Reimb	13,863.50	14,739.87	392,673.62	{}	32,349.54	21,905.30
Trust distribution	10,073.76	2,394.88	85,245.17	{}	-	23,557.00
Federal Perkins Loan Transfer	-	-	122,024.00	{}	-	25,524.00
Endowment Draws	395,562.00		455,562.00	{}	-	
TB & T Draw			1,811,746.05	{}		
LOAN DRAWS	1,486,111.39	2,761,025.54	4,247,136.93	{}		
TOTAL CASH IN	**2,149,025.58**	**3,148,717.88**	**16,961,076.43**	{}	**199,718.68**	**271,175.95**
				{}		
CASH OUT				{}		
Accounts Payable	423,184.10	262,824.07	4,528,751.83	{}	245,025.56	358,976.01
Sodexho	94,855.69	7,978.60	680,509.90	{}	8,241.35	7,160.75
National Mgmt	102,600.79	33,456.78	743,022.06	{}	64,964.66	35,687.23
Utilities	55,604.77	45,017.96	587,047.30	{}	35,870.08	29,613.56
Payroll	450,352.58	543,358.96	5,646,996.09	{}	444,452.48	433,606.10
Medical Insurance	74,054.00	70,589.00	792,473.50	{}	72,782.00	70,662.00
Agency Fund disbursements	-	-	7,279.21	{}	978.36	-
Endowment Transfers	-	43,245.00	272,291.65	{}	120,424.28	-
Loan Interest	50,228.40	52,185.79	655,525.08	{}	57,223.58	57,223.58
SEIRP - Loan Principal		3,539.40	3,539.40			
TRB&T - Loan Principal	22,353.21	21,734.89	252,640.41	{}	37,304.58	37,304.58
IHELA - Bond Principal	-	-	120,000.00	{}		
RAN - Bond Principal	500,000.00	500,000.00	1,500,000.00	{}		
TOTAL CASH OUT	**(1,773,233.54)**	**(1,583,930.45)**	**(15,790,076.43)**	{}	**(1,087,266.94)**	**(1,030,233.82)**
				{}		
Beginning Cash	**544,381.97**	**920,174.01**	**1,313,961.44**	{}	**2,484,961.44**	**1,597,413.18**
Ending Cash	**920,174.01**	**2,484,961.44**	**2,484,961.44**	{}	**1,597,413.18**	**838,355.32**

LT BUDGETS version 4.xlsx
PRELIMINARY AND CONFIDENTIAL PROJECTIONS
6/5/2014

	A	B	C	D	E	F	G	H	
1	**ASSETS**								1
2		2019	2018	2017	2016	2015	2014	2013	2
3	Cash	6,500,149	2,978,639	1,124,395	633,939	436,791	2,407,805	1,266,994	3
4	CD						-	1,500,000	4
5	Student Rec	222,598	189,305	256,532	259,473	261,193	200,000	169,084	5
6	Contributions Rec					-	-	10,000	6
7	Investments	15,669,670	14,863,477	14,062,060	13,248,023	12,424,727	11,585,409	10,687,814	7
8	Inventory and Prepaid Expenses	393,914	344,435	435,043	452,827	414,605	376,000	340,573	8
9	Perkins Loans Rec	493,437	434,428	513,787	517,374	448,436	545,209	501,389	9
10	Cash for Construction					-	-	114,483	10
11	Real Estate for Sale	172,881	172,881	172,881	172,881	172,881	172,881	172,881	11
12	Beneficial Interest in Trusts	3,928,264	3,928,264	3,928,264	3,928,264	3,928,264	3,928,264	3,928,264	12
13	Land, bldgs & eq	18,530,013	19,400,444	20,311,762	21,265,890	22,264,837	23,310,708	24,405,708	13
14	Collections	686,156	686,156	686,156	686,156	686,156	686,156	686,156	14
15	Unamortized loan org costs	234,225	210,311	262,160	210,045	207,593	251,123	264,121	15
16									16
17	**TOTAL ASSETS**	**46,831,307**	**43,208,340**	**41,753,041**	**41,374,871**	**41,245,482**	**43,463,555**	**44,047,467**	17
18									18
19	**LIABILITIES**								19
20									20
21	Acounts Payable	316,961	338,645	422,541	340,064	361,681	225,000	213,833	21
22	Accrued Expenses	986,351	1,040,983	1,040,750	876,754	906,418	1,040,000	1,013,204	22
23	Liability to Donors	248,213	220,090	272,718	234,582	248,898	252,420	260,570	23
24	Deferred Revenue	258,793	223,967	305,294	268,112	264,893	240,000	250,495	24
25	Advanced Tuition and Deposits	30,660	25,777	29,932	26,070	31,859	25,000	45,324	25
26	Notes Payable - short term						-	1,500,000	26
27	Bonds and Notes Payable	13,787,227	14,418,621	14,788,745	15,859,495	16,298,096	16,670,770	12,793,444	27
28	Refundable Advances	116,212	101,571	122,578	105,698	113,785	125,000	128,638	28
29									29
30	**TOTAL LIABILITIES**	**15,744,418**	**16,369,654**	**16,982,558**	**17,710,775**	**18,225,630**	**18,578,190**	**16,205,508**	30
31									31
32	**NET ASSETS**	**31,086,889**	**26,838,685**	**24,770,483**	**23,664,097**	**23,019,852**	**24,885,365**	**27,841,959**	32
33									33
34									34
35	Unrestricted	6,839,848	3,770,647	2,123,099	2,653,629	4,282,299	7,292,664	10,854,640	35
36	Temp Restr	8,942,106	7,913,102	7,642,449	6,655,532	4,532,617	3,537,765	3,062,843	36
37	Perm Restr	15,304,936	15,154,936	15,004,936	14,354,936	14,204,936	14,054,936	13,924,476	37
38		31,086,890	26,838,685	24,770,484	23,664,097	23,019,852	24,885,365	27,841,959	38
39									39
40	Net Income	3,069,200	1,647,549	(530,530)	(1,628,671)	(3,010,365)	(3,561,976)		40
41									41
42	LT Debt Principal	365,018	631,394	338,289	455,075	438,601	372,674	-	42
43	LT Debt Interest	598,448	650,114	670,219	686,683	704,532	725,684	539,278	43
44		963,466	1,281,508	1,008,508	1,141,758	1,143,133	1,098,358	539,278	44

CONFIDENTIAL
INTERNAL WORKING DOCUMENT

NOT FOR DISTRIBUTION

LONG-TERM DEBT

	2012-2013 AUDITED	2013-2014 OFFICIAL	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
PRINCIPAL							
2006		120,000	125,000	130,000	-	280,000	-
2011		252,674	262,968	273,041	284,806	296,412	308,486
Other		7,419	7,419	7,419	7,419	7,419	7,419
Two Rivers/Wayland		-	-	-	-	-	-
Wells Fargo		-	-	-	-	-	-
SEIRPC			43,214	44,615	46,064	47,563	49,113
		380,093	**438,601**	**455,075**	**338,289**	**631,394**	**365,018**
INTEREST							
2006		263,024	256,899	250,524	247,274	240,274	233,274
2011		256,318	246,024	235,951	224,186	212,580	200,506
Two Rivers/Wayland			123,750	123,750	123,750	123,750	103,125
Wells Fargo			62,500	62,500	62,500	62,500	52,083
SEIRPC			15,359	13,958	12,509	11,010	9,460
		519,342	**704,532**	**686,683**	**670,219**	**650,114**	**598,448**
P & I							
2006		383,024	381,899	380,524	247,274	520,274	233,274
2011		508,992	508,992	508,992	508,992	508,992	508,992
Other		7,419	7,419	7,419	7,419	7,419	7,419
Two Rivers/Wayland		-	123,750	123,750	123,750	123,750	103,125
Wells Fargo		-	62,500	62,500	62,500	62,500	52,083
SEIRPC		-	58,573	58,573	58,573	58,573	58,573
		899,435	**1,143,133**	**1,141,758**	**1,008,508**	**1,281,508**	**963,466**

IOWA WESLEYAN 2013-2014

Debt service coverage ratio: Debt service revenue available = Unrestricted net income + interest paid+depreciation -LOC interest
Debt service coverage ratio = Debt service revenue available/net debt service (Prin and Int rqrmt of the bonds)

A Debt Service Coverage Ratio of 1.1 is required as of the last day of the fiscal year (section 7.15 of loan agreement)

Net revenues	(3,561,976)
Interest expense	725,684.00
LOC interest	53,687.00
Depreciation	1,125,461.00
DS Revenue available	(1,657,144.08)
P & I requirement	904,316.07
Ratio	-1.83

P & I requirement

2006 bonds	383,024
2011 bonds	508,992
other	7,419
SEIRPC	4,881
	904,316

IOWA WESLEYAN 2014-2015

Debt service coverage ratio: Debt service revenue available = Unrestricted net income + interest paid+depreciation -LOC interest
Debt service coverage ratio = Debt service revenue available/net debt service (Prin and Int rqrmt of the bonds)

A Debt Service Coverage Ratio of 1.1 is required as of the last day of the fiscal year (section 7.15 of loan agreement)

Net revenues	(3,010,365)
Interest expense	704,532
LOC interest	-
Depreciation	1,102,952
DS Revenue available	(1,202,880.83)
P & I requirement	1,143,133
Ratio	-1.05

P & I requirement

2006	381,899
2011	508,992
Other	7,419
Two Rivers/Wayland	123,750
Wells Fargo	62,500
SEIRPC	58,573
	1,143,133

IOWA WESLEYAN 2015-2016

Debt service coverage ratio: Debt service revenue available = Unrestricted net income + interest paid+depreciation -LOC interest
Debt service coverage ratio = Debt service revenue available/net debt service (Prin and Int rqrmt of the bonds)

A Debt Service Coverage Ratio of 1.1 is required as of the last day of the fiscal year (section 7.15 of loan agreement)

Net revenues	(1,628,671)
Interest expense	686,683
LOC interest	-
Depreciation	1,080,893
DS Revenue available	138,905.17
P & I requirement	1,141,758
Ratio	0.12

P & I requirement

2006	380,524
2011	508,992
Other	7,419
Two Rivers/Wayland	123,750
Wells Fargo	62,500
SEIRPC	58,573

IOWA WESLEYAN 2016-2017

Debt service coverage ratio: Debt service revenue available = Unrestricted net income + interest paid+depreciation -LOC interest
Debt service coverage ratio = Debt service revenue available/net debt service (Prin and Int rqrmt of the bonds)

A Debt Service Coverage Ratio of 1.1 is required as of the last day of the fiscal year (section 7.15 of loan agreement)

Net revenues	(530,530)
Interest expense	670,219
LOC interest	-
Depreciation	1,059,275
DS Revenue available	1,198,964.04
P & I requirement	1,008,508
Ratio	1.19

P & I requirement

2006	247,274
2011	508,992
Other	7,419
Two Rivers/Wayland	123,750
Wells Fargo	62,500
SEIRPC	58,573
	1,008,508

IOWA WESLEYAN 2017-2018

Debt service coverage ratio: Debt service revenue available = Unrestricted net income + interest paid+depreciation -LOC interest
Debt service coverage ratio = Debt service revenue available/net debt service (Prin and Int rqrmt of the bonds)

A Debt Service Coverage Ratio of 1.1 is required as of the last day of the fiscal year (section 7.15 of loan agreement)

Net revenues	1,647,549
Interest expense	650,114
LOC interest	-
Depreciation	1,038,089
DS Revenue available	3,335,752.49
P & I requirement	1,281,508
Ratio	2.60

P & I requirement

2006	520,274
2011	508,992
Other	7,419
Two Rivers/Wayland	123,750
Wells Fargo	62,500
SEIRPC	58,573
	1,281,508

IOWA WESLEYAN 2018-2019

Debt service coverage ratio: Debt service revenue available = Unrestricted net income + interest paid+depreciation -LOC interest
Debt service coverage ratio = Debt service revenue available/net debt service (Prin and Int rqrmt of the bonds)

A Debt Service Coverage Ratio of 1.1 is required as of the last day of the fiscal year (section 7.15 of loan agreement)

Net revenues	3,069,200
Interest expense	598,448
LOC interest	-
Depreciation	1,017,328
DS Revenue available	4,684,975.31
P & I requirement	963,466
Ratio	4.86

P & I requirement

2006	233,274
2011	508,992
Other	7,419
Two Rivers/Wayland	103,125
Wells Fargo	52,083
SEIRPC	58,573

CASH FLOWS
LT BUDGETS version 4.xlsx
6/5/2014
CERTAIN ASSUMPTIONS
PRELIMINARY AND CONFIDENTIAL PROJECTIONS

	A	B	C	D	E	F	G	
1	**COMPONENTS**	**13-14**	**14-15**	**15-16**	**16-17**	**17-18**	**18-19**	1
2								2
3	Net (Loss) Income	(3,561,976)	(3,010,365)	(1,628,671)	(530,530)	1,647,549	3,069,200	3
4	Endow.Transfer	-	-	-	-	-	-	4
5	Endow. Income	-	-	-	-	-	-	5
6	Principal Repayment	(672,674)	(438,601)	(455,075)	(338,289)	(631,394)	(365,018)	6
7	Depreciation	1,125,461	1,102,952	1,080,893	1,059,275	1,038,089	1,017,328	7
8	RAN Repayment	(1,500,000)						8
9	Capital		(50,000)	(200,000)	(200,000)	(200,000)	(200,000)	9
10	Two Rivers Payback				-			10
11	Cash Flows	(4,609,189)	(2,396,014)	(1,202,853)	(9,544)	1,854,245	3,521,509	11
12	Extend Two Rivers				-			12
13	Adjusted Cash Flows	(4,609,189)	(2,396,014)	(1,202,853)	(9,544)	1,854,245	3,521,509	13
14								14
15								15
16	RECAP - -							16
17	Beginning Cash Balance Per							17
18	audit report - 6/1/13	2,766,994						18
19	New Debt	3,950,000						19
20	Two Rivers Final Draw	300,000						20
21	Net Outflow	(4,609,189)						21
22	Projected Balance -5/31/14	2,407,805						22
23	Net Outflow - FY2015	(2,396,014)						23
24	Add CSV Life Insurance	425,000						24
25	Projected Balance - 5/31/15	436,791						25
26	Additional Resources	1,400,000						26
27	Net Outflow - FY2016	(1,202,853)						27
28	Projected Balance - 5/31/16	633,939						28
29	Net Outflow -FY2017	(9,544)						29
30	Projected Balance - 5/31/17	624,395						30
31	Additional Resources	500,000						31
32	Extend Two Rivers	-						32
33	Adjusted Balance - 5/31/17	1,124,395						33
34	Net Inflows -FY2018	1,854,245						34
35	Projected Balance - 5/31/18	2,978,639						35
36	Net Inflows - FY2019	3,521,509						36
37	Projected Balance - 5/31/19	6,500,149						37

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6/5/2014

U.S. Department of Education Note

Scope: Review of Non-Profit Financial Statements in Accordance With 34 CFR 668 Subpart L

Institution:
OPE ID:
DUNS #:
Fiscal Year End:
Financial Analyst:
Review Date:

Purpose:

Source:

Analysis:

Accounts	Enter Amounts	Calculated Amounts	
Primary Reserve Ratio (Expendable Net Assets/Total Expenses):			Hint
Total Assets	$ 43,463,555		Hint
Total Liabilities	$ 18,578,190		
Net Assets		$ 24,885,365	
Intangibles	$ -		Hint
Unsecured Related Party Receivables			Hint
Net Fixed Assets	$ 23,310,708		
Permanently Restricted Net Assets	$ 14,054,936		
Annuity, Life Income & Term	$ 2,065,815		Hint
Long-Term Debt	$ 16,670,770	$ 16,670,770	Hint
Post-Retirement Liability	$ -		Hint
Expendable Net Assets		$ 2,124,676	
Total Expenses	$ 14,339,185	$ 14,339,185	Hint
Equity Ratio (Modified Net Assets/Modified Assets):			Hint
Modified Net Assets		$ 24,885,365	
Modified Assets		$ 43,463,555	
Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)			
Change in Unrestricted Net Assets		$ (3,561,976)	
Total Unrestricted Revenues	$ 10,720,186	$ 10,720,186	
If Composite Score < 1.5, HEA Program Funds:			

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.1482	1.4817	40%	0.5927
Equity:	0.5726	3.0000	40%	1.2000
Net Income:	-0.3323	-1.0000	20%	-0.2000
Composite Score				1.6

Conclusion:

Scale		
	Fail	-1 to .9
	Zone	1.0 to 1.4
	Pass	1.5 to 3.0

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Review Date:	

Purpose:

Source:

Accounts	Enter Amounts	Calculated Amounts	
Primary Reserve Ratio (Expendable Net Assets/Total Expenses):			Hint
Total Assets	$ 41,245,482		Hint
Total Liabilities	$ 18,225,630		
Net Assets		$ 23,019,852	
Intangibles	$ -		Hint
Unsecured Related Party Receivables			Hint
Net Fixed Assets	$ 22,264,837		
Permanently Restricted Net Assets	$ 14,204,936		
Annuity, Life Income & Term	$ 2,127,789		Hint
Long-Term Debt	$ 16,298,096	$ 16,298,096	Hint
Post-Retirement Liability	$ -		Hint
Expendable Net Assets		$ 720,386	
Total Expenses	$ 13,143,714	$ 13,143,714	Hint
Equity Ratio (Modified Net Assets/Modified Assets):			Hint
Modified Net Assets		$ 23,019,852	
Modified Assets		$ 41,245,482	
Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)			
Change in Unrestricted Net Assets		$ (3,010,365)	
Total Unrestricted Revenues	$ 10,133,349	$ 10,133,349	
If Composite Score < 1.5, HEA Program Funds:			

Analysis:

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.0548	0.5481	40%	0.2192
Equity:	0.5581	3.0000	40%	1.2000
Net Income:	-0.2971	-1.0000	20%	-0.2000
Composite Score				1.2

Conclusion:

Scale		
	Fail	-1 to .9
	Zone	1.0 to 1.4
	Pass	1.5 to 3.0

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Purpose:

Source:

Accounts	Enter Amounts	Calculated Amounts	
Primary Reserve Ratio (Expendable Net Assets/Total Expenses):			Hint
Total Assets	$ 41,374,871		Hint
Total Liabilities	$ 17,710,775		
Net Assets		$ 23,664,097	
Intangibles	$ -		Hint
Unsecured Related Party Receivables			Hint
Net Fixed Assets	$ 21,265,890		
Permanently Restricted Net Assets	$ 14,354,936		
Annuity, Life Income & Term	$ 2,191,623		Hint
Long-Term Debt	$ 15,859,495	$ 15,859,495	Hint
Post-Retirement Liability	$ -		Hint
Expendable Net Assets		$ 1,711,143	
Total Expenses	$ 13,302,768	$ 13,302,768	Hint
Equity Ratio (Modified Net Assets/Modified Assets):			Hint
Modified Net Assets		$ 23,664,097	
Modified Assets		$ 41,374,871	
Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)			
Change in Unrestricted Net Assets		$ (1,628,671)	
Total Unrestricted Revenues	$ 11,674,097	$ 11,674,097	
If Composite Score < 1.5, HEA Program Funds:			

Analysis:

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.1286	1.2863	40%	0.5145
Equity:	0.5719	3.0000	40%	1.2000
Net Income:	-0.1395	-1.0000	20%	-0.2000
Composite Score				**1.5**

Conclusion:

Scale		
	Fail	-1 to .9
	Zone	1.0 to 1.4
	Pass	1.5 to 3.0

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Source:

Accounts	Enter Amounts	Calculated Amounts	
Primary Reserve Ratio (Expendable Net Assets/Total Expenses):			Hint
Total Assets	$ 41,753,041		Hint
Total Liabilities	$ 16,982,558		
Net Assets		$ 24,770,483	
Intangibles	$ -		Hint
Unsecured Related Party Receivables			Hint
Net Fixed Assets	$ 20,311,762		
Permanently Restricted Net Assets	$ 15,004,936		
Annuity, Life Income & Term	$ 2,257,372		Hint
Long-Term Debt	$ 14,788,745	$ 14,788,745	Hint
Post-Retirement Liability	$ -		Hint
Expendable Net Assets		$ 1,985,158	
Total Expenses	$ 13,643,359	$ 13,643,359	Hint
Equity Ratio (Modified Net Assets/Modified Assets):			Hint
Modified Net Assets		$ 24,770,483	
Modified Assets		$ 41,753,041	
Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)			
Change in Unrestricted Net Assets		$ (530,530)	
Total Unrestricted Revenues	$ 13,112,829	$ 13,112,829	
If Composite Score < 1.5, HEA Program Funds:			

Analysis:

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.1455	1.4550	40%	0.5820
Equity:	0.5933	3.0000	40%	1.2000
Net Income:	-0.0405	-0.0115	20%	-0.0023
Composite Score				**1.8**

Conclusion:

Scale		
	Fail	-1 to .9
	Zone	1.0 to 1.4
	Pass	1.5 to 3.0

U.S. Department of Education

Note

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Purpose:

Source:

Accounts	Enter Amounts	Calculated Amounts	
Primary Reserve Ratio (Expendable Net Assets/Total Expenses):			Hint
Total Assets	$ 43,208,340		Hint
Total Liabilities	$ 16,369,654		
Net Assets		$ 26,838,685	
Intangibles	$ -		Hint
Unsecured Related Party Receivables			Hint
Net Fixed Assets	$ 19,400,444		
Permanently Restricted Net Assets	$ 15,154,936		
Annuity, Life Income & Term	$ 2,325,093		Hint
Long-Term Debt	$ 14,418,621	$ 14,418,621	Hint
Post-Retirement Liability	$ -		Hint
Expendable Net Assets		$ 4,376,833	
Total Expenses	$ 14,233,191	$ 14,233,191	Hint
Equity Ratio (Modified Net Assets/Modified Assets):			Hint
Modified Net Assets		$ 26,838,685	
Modified Assets		$ 43,208,340	
Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)			
Change in Unrestricted Net Assets		$ 1,647,549	
Total Unrestricted Revenues	$ 15,880,740	$ 15,880,740	
If Composite Score < 1.5, HEA Program Funds:			

Analysis:

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.3075	3.0000	40%	1.2000
Equity:	0.6211	3.0000	40%	1.2000
Net Income:	0.1037	3.0000	20%	0.6000

Composite Score 3.0

Conclusion:

Scale		
	Fail	-1 to .9
	Zone	1.0 to 1.4
	Pass	1.5 to 3.0

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Purpose:

Source:

Accounts	Enter Amounts	Calculated Amounts	
Primary Reserve Ratio (Expendable Net Assets/Total Expenses):			Hint
Total Assets	$ 46,831,307		Hint
Total Liabilities	$ 15,744,418		
Net Assets		$ 31,086,889	
Intangibles	$ -		Hint
Unsecured Related Party Receivables			Hint
Net Fixed Assets	$ 18,530,013		
Permanently Restricted Net Assets	$ 15,304,936		
Annuity, Life Income & Term	$ 2,394,846		Hint
Long-Term Debt	$ 13,787,227	$ 13,787,227	Hint
Post-Retirement Liability	$ -		Hint
Expendable Net Assets		$ 8,644,322	
Total Expenses	$ 14,873,976	$ 14,873,976	Hint
Equity Ratio (Modified Net Assets/Modified Assets):			Hint
Modified Net Assets		$ 31,086,889	
Modified Assets		$ 46,831,307	
Net Income Ratio (Change in Unrest. Net Assets/Unrest. Rev.)			
Change in Unrestricted Net Assets		$ 3,069,200	
Total Unrestricted Revenues	$ 17,943,176	$ 17,943,176	
If Composite Score < 1.5, HEA Program Funds:			

Analysis:

	Ratios	Strength Factors	Weights	Composite Scores
Primary Reserve:	0.5812	3.0000	40%	1.2000
Equity:	0.6638	3.0000	40%	1.2000
Net Income:	0.1711	3.0000	20%	0.6000
Composite Score				3.0

Conclusion:

Scale		
	Fail	-1 to .9
	Zone	1.0 to 1.4
	Pass	1.5 to 3.0