

MARLBOROUGH SCHOOL
Cash Flow: Actual 2011 to 2013, Projected 2014 to 2018

For fiscal years ending June 30

| | Actual 2011 | Actual 2012 | Actual 2013 | Budget 2014 | Projected 2015 | Projected 2016 | Projected 2017 | Projected 2018 |
|-----------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Enrollment¹</i> | 531 | 543 | 536 | 544 | 530 | 530 | 530 | 530 |
| REVENUES | | | | | | | | |
| Tuition & Fees | \$ 16,131,461 | \$ 17,278,767 | \$ 17,642,353 | \$ 18,227,750 | \$ 18,956,860 | \$ 19,715,134 | \$ 20,503,740 | \$ 21,323,889 |
| Net Auxiliary Services | 172,510 | 451,791 | 413,402 | 329,800 | 339,694 | 349,885 | 360,381 | 371,193 |
| Annual Giving | 2,352,024 | 2,525,497 | 2,687,425 | 2,430,000 | 2,466,450 | 2,503,447 | 2,540,998 | 2,579,113 |
| Interest Income | 56,033 | 86,321 | 61,634 | 92,000 | 94,760 | 97,603 | 100,531 | 103,547 |
| Net Non-Operating Income (Loss) | 95,425 | 14,990 | 73,070 | 83,400 | 85,902 | 88,479 | 91,133 | 93,867 |
| Endowment Transfer | 1,643,830 | 1,446,787 | 1,551,889 | 2,179,805 | 2,224,360 | 2,270,411 | 2,307,960 | 2,339,866 |
| Total Revenues | 20,451,283 | 21,804,153 | 22,429,773 | 23,342,755 | 24,168,026 | 25,024,959 | 25,904,744 | 26,811,476 |
| EXPENSES | | | | | | | | |
| Salaries & Benefits | (12,758,643) | (13,351,278) | (13,663,332) | (14,193,192) | (14,618,988) | (15,057,557) | (15,509,284) | (15,974,563) |
| Education | (845,748) | (875,142) | (939,413) | (1,036,029) | (1,056,750) | (1,077,885) | (1,099,442) | (1,121,431) |
| General & Administrative | (1,479,602) | (1,529,177) | (1,506,361) | (1,719,396) | (1,770,978) | (1,824,107) | (1,878,830) | (1,935,195) |
| Facilities | (1,674,086) | (1,724,026) | (1,501,698) | (1,775,125) | (1,828,379) | (1,883,230) | (1,939,727) | (1,997,919) |
| Development | (405,491) | (449,243) | (517,228) | (472,000) | (486,160) | (500,745) | (515,767) | (531,240) |
| Financial Aid | (2,180,235) | (2,252,652) | (2,288,276) | (2,438,100) | (2,535,624) | (2,637,049) | (2,742,531) | (2,852,232) |
| Total Expenses | (19,343,805) | (20,181,518) | (20,416,308) | (21,633,842) | (22,296,878) | (22,980,573) | (23,685,582) | (24,412,580) |
| Net Revenues Available for Debt Service | 1,107,478 | 1,622,635 | 2,013,465 | 1,708,913 | 1,871,148 | 2,044,386 | 2,219,162 | 2,398,896 |
| Series 2008 Bond Debt Service ² | (259,300) | (280,500) | (199,200) | (81,270) | - | - | - | - |
| Series 2013 Principal ³ | - | - | - | - | - | - | - | - |
| Series 2013 Interest ⁴ | - | - | - | (172,500) | (345,000) | (645,000) | (885,000) | (665,225) |
| Total Net Debt Service | (259,300) | (280,500) | (199,200) | (253,770) | (345,000) | (645,000) | (885,000) | (665,225) |
| Transfer from Capital Campaign to Pay Off Bonds | - | (3,191,300) | (1,000,000) | - | - | - | (7,325,818) | (2,821,901) |
| Total Debt Payments (Required + Optional) | (259,300) | (3,471,800) | (1,199,200) | (253,770) | (345,000) | (645,000) | (8,210,818) | (3,487,126) |
| Bonds Outstanding (at end of FY) | 15,027,400 | 11,836,100 | 10,836,048 | 11,500,000 | 21,500,000 | 29,500,000 | 22,174,182 | 19,352,281 |
| Debt Service Coverage (from Operations) | 4.27x | 5.78x | 10.11x | 6.73x | 5.42x | 3.17x | 2.51x | 3.61x |
| Debt Service Coverage (including Capital Campaign) | 4.27 | 13.39x | 38.01x | 16.39x | 13.86x | 8.32x | 6.23x | 7.85x |
| Available Cash Flow After Debt Service | 848,178 | 1,342,135 | 1,814,265 | 1,455,143 | 1,526,148 | 1,399,386 | 1,334,162 | 1,733,670 |
| Plant Renewal & Replacement | (638,451) | (608,964) | (381,102) | (700,000) | (735,000) | (771,750) | (810,338) | (850,854) |
| Technology Replacement Fund | (247,754) | (242,719) | (280,102) | (300,000) | (315,000) | (330,750) | (347,288) | (364,652) |
| Ending Annual Cash Surplus/(Deficit) | (38,027) | 490,452 | 1,153,061 | 455,143 | 476,148 | 296,886 | 176,537 | 518,164 |
| Endowment Balance | | | | | | | | |
| Beginning Endowment | 38,267,400 | 40,807,800 | 37,411,100 | 43,596,100 | 44,487,204 | 45,408,224 | 46,159,192 | 46,797,321 |
| Excess Operating Cash Flow after DS | - | - | - | 455,143 | 476,148 | 296,886 | 176,537 | 518,164 |
| Endowment Earnings/ Loss | - | - | 6,809,900 | 2,615,766 | 2,669,232 | 2,724,493 | 2,769,552 | 2,807,839 |
| Endowment Transfer | (1,643,830) | (1,446,787) | (624,900) | (2,179,805) | (2,224,360) | (2,270,411) | (2,307,960) | (2,339,866) |
| Ending Endowment Balance | 40,807,800 | 37,411,100 | 43,596,100 | 44,487,204 | 45,408,224 | 46,159,192 | 46,797,321 | 47,783,458 |
| Project & Capital Campaign Balance | | | | | | | | |
| Beginning Project & Capital Campaign Balance | - | - | 2,134,210 | 6,349,214 | 7,798,865 | 609,766 | 4,033,667 | - |
| Current Pledge Commitments - Cash ⁵ | - | 2,134,210 | 5,557,287 | 889,000 | 850,250 | 763,250 | 731,500 | 261,250 |
| Future Pledge Commitments - Cash ⁵ | - | - | - | 1,560,651 | 2,060,651 | 2,560,651 | 2,560,651 | 2,560,651 |
| Bond Proceeds Available for Project | - | - | - | - | 10,000,000 | 8,000,000 | - | - |
| Project Expenditures | - | - | (1,342,283) | (1,000,000) | (20,100,000) | (7,900,000) | - | - |
| Paydown of Debt from Capital Campaign Pledge Receipts | - | - | - | - | - | - | (7,325,818) | (2,821,901) |
| Ending Project & Capital Campaign Balance | - | 2,134,210 | 6,349,214 | 7,798,865 | 609,766 | 4,033,667 | - | - |

Footnotes

¹ Enrollment numbers shown from 2011 thru 2014 are actual enrollment figures however the School always budgets for 530

² The School plans to refinance the Series 2008 Bonds with proceeds of the Series 2013 Bond issuance

³ Assumes 10 years interest only followed by 20-year amortization for \$16.5 million (Referred to as "Series A" in term sheet) and 5 years interest only followed by 10-year amortization for \$13 million (Referred to as "Series B" in term sheet).

⁴ Interest calculated off of total outstanding debt ("long-term" + "bridge financing")

⁵ The School expects to raise \$24 million towards the Arden Project which is expected to cost a total of \$29 million. To date the School has raised more than \$11 million in cash and pledges and aims to have \$19 million raised in cash and pledges by June 2014. The School has two bequests totalling \$150k which have been included in "Future Pledge Commitments" given the uncertainty of the timing for receipt of those funds.