

TO: ALA Executive Board

DATE: April 18, 2013

RE: Controller's Report

ACTION REQUESTED/INFORMATION REPORT:

Presented for information

CONTACT PERSON:

Joanne Lee, Controller, 312-280-4254

BACKGROUND:

The controller submits a quarterly information report to the Executive Board on the following:

Annual Audit Planning - FY 2013

Total ALA Financial Position

Cash Management

Deferred Revenue

Long-Term Debt (Chase)

Trade Accounts Receivable

Inventory

Intangible Assets and goodwill

Liquidity Ratio

Grant Overhead Rate

Annual Audit Planning - FY 2013

The Muller & Co will be conducting the second year audit of ALA. The planning meeting with Mueller staff and ALA staff to overview the FY13 audit is scheduled for May 29, 2013.

The Association's FY13 preliminary audit is scheduled for July 15th through July 22nd, 2013, and the field work is scheduled to commence on November 4th through November 22nd, 2013.

Total ALA Financial Position

	Feb 28, 2013	Feb 29, 2012	Change
Total Assets	78,420,947	71,610,841	6,810,106
Total Liabilities	48,620,674	42,698,504	5,922,170
Net Assets	29,800,273	28,912,337	887,936

The increase in total assets is due to the higher value of the Long-Term investments and purchase of intangible assets and goodwill. The increase in long-term debt is due to the acquisition of Neal Schuman Publishers.

	Feb 29, 2012	Feb 28, 2013	YTD Budget	Variance
Total Revenue	22,225,620	22,497,270	23,486,471	(989,201)
Total Expenses	23,623,488	23,303,298	26,374,992	3,071,694
Net Revenue	(1,397,868)	(806,028)	(2,888,521)	2,082,493

The variance in the General Fund revenue is due to lower books, Digital Reference and Graphics revenue. Division revenue is lower than budget due to lower books, subscription and registration revenue.

The expenses for both General Fund and Divisions are lower than budget.

Cash Management

	Feb 28, 2013	Feb 29, 2012	Change
Total Cash	\$3,511,427	\$5,682,425	(\$2,170,998)
Bond Fund (schedule 1)	\$13,927,154	\$7,820,982	\$6,106,172
Total Cash and S-T investment	\$17,438,581	\$13,503,407	\$3,935,174

The decrease in cash balance is due to lower revenue, lower deferred revenue due to two division conference in FY12, and one in FY13.

The increase in the bond fund is due to the repayment of \$5,500,000 in March, 2012.

In December, 2011, there was a draw out of the bond fund for \$7,500,000 to finance the Neal Shuman purchase.

Bond Fund Activities

Interest income since December, 1991	\$9,569,747	(schedule 1)
Net realized/unrealized gain since December, 1991	\$342,725	(schedule 2)
Year-to-date net realized/unrealized loss	(\$87,572)	(schedule 2)

Line of Credit

The Association maintains a \$2,500,000 line of credit with JP Morgan Chase.

The Association had a draw on April 5th, 2013 for \$1,000,000 to meet operating cash needs.

Deferred Revenue

	Feb 28, 2013	Feb 29, 2012	Change
Membership Dues	4,659,107	4,946,142	(287,035)
Subscriptions	2,948,802	2,872,280	76,522
Conferences	5,645,720	6,145,498	(499,778)
TOTAL	13,253,629	13,963,920	(710,291)

Membership deferred revenue at Feb 28, 2013 is lower than Feb 28, 2012 due to lower personal membership and timing of cash receipts. The decrease in deferred conference revenue is due to two division conferences in FY 12, and one division conference in FY13.

Long-Term Debts

The Association has obtained a term loan from JP Morgan CHASE in the amount of \$10,100,000 on July 2, 2012.

The loan is to support the acquisition of Neal-Schuman Publishers, Inc., to refinance the Washington D.C. office series 2006 Bonds, refinance a term loan related to a commercial condo office in Connecticut, to fund a swap termination payment, and to fund certain costs of issuance. Schedule of principal payment and amortization schedule is attached.

The first principal payment is due on July 1, 2013 in the amount of \$647,500. Interest payments are made monthly. From January, 2013 to June, 2013, \$100,000 is being set aside every month from the operating fund to meet the cash needs. The fund is invested in Blackrock Strategic fund. To date, we have set aside \$400,000 and has earned \$2,200. in interest income.

The \$10,100,000. has been allocated as follows:

	LOAN AMOUNT	%	Principal Payment	Interest payment Monthly
NEAL SCHUMAN	\$5,811,491	57.54%	\$372,568	\$17,515
DC	\$2,705,000	26.78%	\$173,415	\$8,152
CHOICE	\$1,583,509	15.68%	\$101,517	\$4,772
TOTAL LOAN	\$10,100,000	100.00%	\$647,500.00	\$30,440.00

Trade Accounts Receivable (Credit and Collections)

Trade Accounts Receivable(Sched 3)	Feb 28, 2013	Feb 29, 2012	Change
Current	\$1,218,040	\$1,398,572	(\$180,532)
30 days	\$400,643	\$139,669	\$260,974
60 days	\$93,163	\$26,383	\$66,780
90 days	\$28,670	\$19,728	\$8,942
120 days	\$35,122	(\$1,425)	\$36,547
150 days	(\$25,632)	(\$51,776)	\$26,144
Total	\$1,750,006	\$1,531,151	\$218,855

Inventory

Inventory Levels (Sched 4)	Feb 28, 2013	Feb 29, 2012	Change
ALA Editions	\$860,485	\$859,145	\$1,340
Neal Schuman	\$694,107	\$0	\$694,107
Graphics	\$543,255	\$536,482	\$6,773
TOTAL	\$2,097,847	\$1,395,627	\$702,220

Inventory Reserve Levels (sched 5)	Feb 28, 2013	Feb 29, 2012	Change
ALA Editions	\$245,436	\$265,450	(\$20,014)
Neal Schuman	\$168,782	\$0	\$168,782
Graphics	\$131,730	\$133,389	(\$1,659)
TOTAL	\$545,948	\$398,839	\$147,109

Intangible Assets and Goodwill (schedule 6)

Intangible Assets	\$4,250,000
Amortization at Feb.28, 2013	(\$669,758)
Net Intangible Assets	\$3,580,242
Goodwill (incl Workforce)	\$2,326,567
Total Net Intangible Assets and Goodwill	\$5,906,809

The analysis of an impairment of goodwill and intangible assets is to be performed annually,

Liquidity Ratio (schedule 7)

In conjunction with Chase long-term debt arrangements, the Association is required to maintain certain financial ratios.

At February 28, 2013	Ratio	Required
Debt Service coverage Ratio	-0.13	1.1:1.0
Cash to Debt Ratio	3.12	1.1:1.0

In the event the Cash to Debt Ratio is greater than 1.1 to 1.0 but less than 1.50 to 1.0 as of the end of any two consecutive semi-annual accounting periods, the quarterly financial statements should be furnished to JP Morgan Chase within 60 days after the close of each quarter. A Compliance Certificate to JP Morgan is required evidencing a Cash to Debt Ratio of at least 1.50 to 1.0.

Grant Overhead Rate

The Association received its indirect cost negotiation agreement from the U.S. Department of the Interior National Business Center on July 23, 2012. The rate was negotiated for the NEH. The rate of 18.57% will be effective for the period Sept 1, 2010 through August 31, 2013.

NEUBERGER BERMAN ACCOUNTS
AS OF AUGUST 31, XXXX

SCHEDULE 1

YEAR	MARKET VALUE	INTEREST INCOME	YIELD	
1991	\$1,493,202	\$5,529	6.60%	
1992	\$2,107,981	\$91,630	6.82%	
1993	\$4,717,417	\$174,093	5.93%	
1994	\$4,726,074	\$264,791	4.94%	
1995	\$5,784,008	\$319,958	6.57%	
1996	\$5,990,229	\$374,246	6.53%	
1997	\$6,377,031	\$400,808	6.25%	
1998	\$6,855,814	\$418,743	6.30%	
1999	\$7,005,423	\$422,880	6.11%	
2000	\$7,324,250	\$422,114	6.12%	
2001	\$9,794,308	\$521,609	5.90%	
2002	\$10,399,702	\$579,012	5.09%	
2003	\$11,037,007	\$474,382	3.81%	
2004	\$11,248,222	\$444,196	4.19%	
2005	\$11,429,831	\$485,123	4.26%	
2006	\$11,685,678	\$477,319	4.68%	
2007	\$12,238,592	\$570,448	4.17%	
2008	\$14,801,391	\$578,827	4.54%	
2009	\$15,260,990	\$759,392	4.10%	
2010	\$15,642,158	\$689,946	3.66%	
2011	\$15,108,118	\$564,091	3.48%	
2012	\$13,824,947	\$361,805	2.75%	
28-Feb-13	\$13,927,154	\$168,805	2.52%	
		9,569,747	5.01%	AVG

HISTORY OF DEPOSITS TO THE NEUBERGER BERMAN

DATE	AMOUNT	# OF MONTHS
12/15/1991	\$1,500,000	258
02/15/1992	\$500,000	256
02/15/1993	\$1,000,000	244
05/15/1993	\$1,000,000	241
06/15/1993	\$500,000	240
06/15/1995	\$750,000	216
03/21/2001	\$400,000	145
03/29/2001	\$400,000	145
04/20/2001	\$555,400	144
08/18/2008	\$2,000,000	55
05/29/2009	(\$900,000)	46
09/22/2009	(\$500,000)	42
08/09/2011	(\$1,000,000)	19
12/23/2011	(\$7,500,000)	14
07/06/2012	\$5,500,000	8
02/08/2013	\$200,000	1
	\$4,405,400	

AMERICAN LIBRARY ASSOCIATION
 NEUBERGER BERMAN BOND FUND
 STATEMENT OF UNREALIZED/REALIZED GAINS AND LOSSES
 FOR THE TWELVE MONTHS ENDING AUGUST 31, 2013

SCHEDULE 2

MONTH	NEUBERGER #1		NEUBERGER #2		M/L - PPG		NET
	UNREALIZED	REALIZED	UNREALIZED	REALIZED	UNREALIZED	REALIZED	
09/30/2012	(3497.00)	0.00	53761.00	(53873.00)	949.00	0.00	(2,660)
10/31/2012	(2104.00)	(11507.00)	25328.00	113.00	(11778.00)	4736.00	4,788
11/30/2012	(1697.00)	670.00	(4870.00)	4538.00	(12349.00)	5052.00	(8,656)
12/31/2012	(12,823)	2,520	(23,849)	5,169	(10,834)	0	(39,817)
01/31/2013	(11,845)	0	(28,228)	(676)	(31,746)	5,171	(67,324)
02/28/2013	5,865	335	12,123	(1,437)	9,627	(416)	26,097
03/31/2013							0
04/30/2013							0
05/31/2013							0
06/30/2013							0
07/31/2013							0
08/31/2013							0
TOTAL - FY13	(26,101)	(7,982)	34,265	(46,166)	(56,131)	14,543	(87,572)
FY 1993	58,654	12,277	0	0	0	0	70,931
FY 1994	(156,399)	(69,198)	0	0	0	0	(225,597)
FY 1995	93,596	(22,622)	4,226	(105)	0	0	75,095
FY 1996	(66,905)	(1,983)	(22,489)	3,738	0	0	(87,639)
FY 1997	26,857	24,234	22,728	(6,023)	0	0	67,796
FY 1998	66,645	2,908	29,601	6,348	0	0	105,502
FY 1999	(92,624)	(34,831)	(60,828)	7,844	(56,811)	(17,950)	(255,200)
FY 2000	56,095	(48,716)	36,945	(30,200)	31,671	(34,284)	11,511
FY 2001	125,591	39,538	51,791	22,697	34,830	24,279	298,726
FY 2002	(39,265)	17,957	73,991	14,918	(3,901)	14,517	78,217
FY 2003	(76,357)	2,002	(112,917)	87,065	(53,834)	34,883	(119,158)
FY 2004	(47,062)	(44,618)	(10,436)	(22,627)	(15,989)	2,356	(138,376)
FY 2005	12,975	(94,536)	(58,538)	(31,551)	(18,621)	(26,748)	(217,019)
FY 2006	43,418	(70,473)	18,414	(61,209)	(30,270)	(32,026)	(132,146)
FY 2007	34,262	(1,670)	36,894	(14,040)	38,930	(2,681)	91,695
FY 2008	(22,135)	30,685	(27,305)	41,559	36,856	29,713	89,373
FY 2009	74,398	2,372	191,239	(89,612)	203,298	355	382,050
FY 2010	50,457	(1,242)	146,792	(2,911)	92,065	29,923	315,084
FY 2011	(28,259)	5,161	(56,709)	65,376	(13,306)	24,704	(3,033)
FY 2012	37,222	(58,869)	(56,519)	85,789	(27,010)	41,872	22,485
TOTAL	\$125,063	(\$319,606)	\$241,145	\$30,890	\$161,777	\$103,456	\$342,725

**AMERICAN LIBRARY ASSOCIATION
AGING OF TRADE ACCOUNTS RECEIVABLE**

SCHEDULE 3

FISCAL YEAR 2013	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL
SEPTEMBER 2012	\$1,855,593	\$279,993	\$58,586	\$93,706	(\$4,837)	(\$125,915)	\$2,157,126
OCTOBER 2012	\$1,403,298	\$476,768	\$90,124	(\$2,082)	\$21,008	(\$110,422)	\$1,878,694
NOVEMBER 2012	\$1,026,297	\$308,362	\$242,693	\$44,011	(\$3,312)	(\$101,191)	\$1,516,860
DECEMBER 2012	\$984,200	\$305,695	\$142,331	\$63,647	\$24,731	(\$54,082)	\$1,466,522
JANUARY 2013	\$1,472,194	\$169,992	\$111,394	\$61,063	\$13,133	(\$42,411)	\$1,785,365
FEBRUARY 2013	\$1,218,040	\$400,643	\$93,163	\$28,670	\$35,122	(\$25,632)	\$1,750,006
MARCH 2013							\$0
APRIL 2013							\$0
MAY 2013							\$0
JUNE 2013							\$0
JULY 2013							\$0
AUGUST 2013							\$0
TOTAL - FY 2013	\$7,959,622	\$1,941,453	738,291	289,015	85,845	(459,653)	10,554,573
FY 2013 AVERAGE	\$1,326,604	\$323,576	\$123,049	\$48,169	\$14,308	(\$76,609)	\$1,759,096
%	75.41%	18.39%	6.99%	2.74%	0.81%	-4.36%	100.00%
FISCAL YEAR 2012	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS	150 DAYS	TOTAL
SEPTEMBER 2011	\$1,436,651	\$223,333	\$11,630	\$46,852	\$5,147	(\$54,173)	\$1,669,440
OCTOBER 2011	\$1,053,634	\$414,962	\$127,966	(\$7,132)	\$22,688	(\$49,480)	\$1,562,638
NOVEMBER 2011	\$1,014,906	\$271,857	\$126,763	\$20,722	(\$12,645)	(\$38,654)	\$1,382,949
DECEMBER 2011	\$1,060,207	\$307,772	\$62,142	\$32,221	\$14,569	(\$51,932)	\$1,424,979
JANUARY 2012	\$1,263,558	\$161,512	\$76,040	\$13,946	\$19,991	(\$41,781)	\$1,493,266
FEBRUARY 2012	\$1,398,572	\$139,669	\$26,383	\$19,728	(\$1,425)	(\$51,776)	\$1,531,151
MARCH 2012	\$1,130,859	\$533,789	\$58,478	\$11,290	\$1,998	(\$27,743)	\$1,708,671
APRIL 2012	\$1,121,724	\$208,313	\$96,164	\$29,552	\$4,332	(\$22,456)	\$1,437,629
MAY 2012	\$1,498,511	\$228,531	(\$22,835)	\$20,069	\$14,435	(\$16,493)	\$1,722,218
JUNE 2012	\$1,488,266	\$226,048	\$98,847	(\$30,083)	(\$70,274)	\$685	\$1,713,489
JULY 2012	\$1,215,748	\$383,600	\$108,057	(\$43,271)	(\$79,776)	(\$23,975)	\$1,560,383
AUGUST 2012	\$1,147,582	\$323,688	\$365,141	\$135,738	\$3,831	(\$139,911)	\$1,842,069
TOTAL - FY 2012	\$14,830,218	\$3,423,074	1,134,776	249,632	(77,129)	(511,689)	\$19,048,882
FY 2012 AVERAGE	\$1,235,852	\$285,256	\$94,565	\$20,803	(\$6,427)	(\$42,641)	\$1,587,407
%	77.85%	17.97%	5.96%	1.31%	-0.40%	-2.69%	100.00%

**AMERICAN LIBRARY ASSOCIATION
HISTORICAL INVENTORY LEVELS
AS OF AUGUST 31, XXXX**

SCHEDULE 4

YEAR	GRAPHICS	% CHANGE	ALA EDITIONS	% CHANGE	NEAL SCHUMAN	% CHANGE	TOTAL ALA EDITIONS	% CHANGE
1989	544,608		697,828				1,242,436	
1990	757,983	39.18%	718,588	2.97%			1,476,571	18.84%
1991	661,005	-12.79%	769,198	7.04%			1,430,203	-3.14%
1992	686,760	3.90%	711,549	-7.49%			1,398,309	-2.23%
1993	715,912	4.24%	696,409	-2.13%			1,412,321	1.00%
1994	729,317	1.87%	635,325	-8.77%			1,364,642	-3.38%
1995	809,352	10.97%	604,194	-4.90%			1,413,546	3.58%
1996	790,814	-2.29%	1,092,104	80.75%			1,882,918	33.21%
1997	729,902	-7.70%	963,897	-11.74%			1,693,799	-10.04%
1998	569,061	-22.04%	1,094,600	13.56%			1,663,661	-1.78%
1999	463,294	-18.59%	956,806	-12.59%			1,420,100	-14.64%
2000	573,551	23.80%	991,841	3.66%			1,565,392	10.23%
2001	557,678	-2.77%	849,889	-14.31%			1,407,567	-10.08%
2002	534,669	-4.13%	728,283	-14.31%			1,262,952	-10.27%
2003	498,778	-6.71%	794,103	9.04%			1,292,881	2.37%
2004	571,892	14.66%	835,846	5.26%			1,407,738	8.88%
2005	622,796	8.90%	718,072	-14.09%			1,340,868	-4.75%
2006	664,832	6.75%	699,378	-2.60%			1,364,210	1.74%
2007	692,621	4.18%	726,314	3.85%			1,418,935	4.01%
2008	616,266	-11.02%	619,219	-14.75%			1,235,485	-12.93%
2009	739,434	19.99%	716,785	15.76%			1,456,219	17.87%
2010	641,745	-13.21%	798,104	11.34%			1,439,849	-1.12%
2011	581,257	-9.43%	840,551	5.32%			1,421,808	-1.25%
2012	541,212	-6.89%	865,274	2.94%	671,444		2,077,930	46.15%
02/28/2013	543,255	0.38%	860,485	-0.55%	694,107	3.38%	2,097,847	0.96%

AMERICAN LIBRARY ASSOCIATION
HISTORICAL INVENTORY RESERVE LEVELS
SCHEDULE 5
AS OF AUGUST 31, XXXX

YEAR	GRAPHICS	% CHANGE	ALA EDITIONS	% CHANGE	NEAL SCHUMAN	% CHANGE	TOTAL ALA EDITIONS	% CHANGE	% OF TOTAL INVENTORY
1989	181,200		253,172				434,372		34.96%
1990	181,200	0.00%	186,009	-26.53%			367,209	-15.46%	24.87%
1991	133,866	-26.12%	135,898	-26.94%			269,764	-26.54%	18.86%
1992	125,082	-6.56%	117,891	-13.25%			242,973	-9.93%	17.38%
1993	137,328	9.79%	92,309	-21.70%			229,637	-5.49%	16.26%
1994	76,767	-44.10%	110,047	19.22%			186,814	-18.65%	13.69%
1995	103,033	34.22%	100,011	-9.12%			203,044	8.69%	14.36%
1996	121,319	17.75%	116,322	16.31%			237,641	17.04%	12.62%
1997	225,403	85.79%	173,195	48.89%			398,598	67.73%	23.53%
1998	109,080	-51.61%	287,228	65.84%			396,308	-0.57%	23.82%
1999	151,508	38.90%	333,862	16.24%			485,370	22.47%	34.18%
2000	130,652	-13.77%	301,402	-9.72%			432,054	-10.98%	27.60%
2001	77,539	-40.65%	217,774	-27.75%			295,313	-31.65%	20.98%
2002	50,870	-34.39%	236,096	8.41%			286,966	-2.83%	22.72%
2003	75,094	47.62%	280,851	18.96%			355,945	24.04%	27.53%
2004	75,390	0.39%	295,668	5.28%			371,058	4.25%	26.36%
2005	116,109	54.01%	268,718	-9.11%			384,827	3.71%	28.70%
2006	159,162	37.08%	295,589	10.00%			454,751	18.17%	33.33%
2007	137,698	-13.49%	276,886	-6.33%			414,584	-8.83%	29.22%
2008	109,602	-20.40%	326,062	17.76%			435,664	5.08%	35.26%
2009	201,328	83.69%	285,829	-12.34%			487,157	11.82%	33.45%
2010	158,100	-21.47%	255,851	-10.49%			413,951	-15.03%	28.75%
2011	137,652	-12.93%	264,782	3.49%			402,434	-2.78%	28.30%
2012	131,733	-4.30%	245,450	-7.30%	140,000		517,183	28.51%	24.89%
02/28/2013	131,730	-0.0023%	245,436	-0.01%	168,782	20.56%	545,948	5.56%	26.66%

SCHEDULE 6

**Amortization schedule
Intangible Assets and Goodwill**

	Fair Value 12/23/2011	Useful Life (Years)	FY 2012	At 02/28/13	FY 2013 (03/19/08/13)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	TOTAL
Intangible Assets															
Non-Compete Agreement	\$74,000	4	9,250	9,250	9,250	18,500	18,500	9,250							74,000
Trademarks & Brands Extension	\$1,094,000	10	84,200	84,200	84,200	168,400	168,400	168,400	168,400	168,400	168,400	168,400	168,400	84,200	1,684,000
Backlist	\$516,000	3	86,000	86,000	86,000	172,000	86,000								516,000
Distribution Relationship	\$631,000	7	45,071	45,071	45,072	90,143	90,143	90,143	90,143	90,143	45,071				631,001
Co-Publishing Relationship	\$898,000	7	71,286	71,286	71,285	142,571	142,571	142,571	142,571	142,571	71,286				997,959
Online & Catalog	\$150,000	3	25,000	25,000	25,000	50,000	25,000								150,000
Customer Relationship	\$197,000	7	14,071	14,071	14,072	28,143	28,143	28,143	28,143	28,143	14,071				197,000
Total Intangible Assets			334,879	334,879	334,879	669,757	558,757	436,507	429,257	429,257	288,828	198,400	198,400	84,200	4,250,000
Cumulative amortization			334,879	669,758	1,004,637	1,674,384	2,233,151	2,671,658	3,100,915	3,530,172	3,829,000	3,997,400	4,185,800	4,250,000	
Net Intangible Assets	\$4,250,000		3,915,121	3,580,242	3,245,363	2,575,606	2,016,849	1,578,342	1,149,085	719,828	421,000	252,600	84,200	(0)	
Goodwill	\$2,328,567	Indefinite	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567	\$2,328,567
Total Net Intangible Assets and Goodwill	\$6,578,567		\$6,243,688	\$5,908,808	\$5,573,930	\$4,904,173	\$4,345,418	\$3,906,909	\$3,475,652	\$3,046,995	\$2,747,067	\$2,576,107	\$2,410,767	\$2,328,567	\$2,328,567

SCHEDULE 7

	February 28, 2013	February 28, 2012	March 31, 2013	March 31, 2012	PRO FORMA 06/31/2013
DEBT SERVICE COVERAGE RATIO					
CHANGE IN UNRESTRICTED NET ASSETS	(\$869,223)	(\$1,514,521)	(\$1,147,319)	\$937,291	(\$1,075,245)
POST-RETIREMENT BENEFITS	\$0	\$0	\$0	\$0	\$0
DEPRECIATION	\$971,696	\$794,616	\$1,135,840	\$933,414	\$1,982,065
AMORTIZATION	\$682,599	\$324,219	\$796,365	\$502,308	\$1,382,444
INTEREST EXPENSE	\$205,378	\$58,538	\$240,158	\$69,415	\$332,160
LETTER OF CREDIT FEE	\$0	\$10,687	\$0	\$10,687	\$0
REALIZED/UNREALIZED GAINS/LOSSES	(\$1,112,744)	(\$846,493)	(\$1,772,979)	(\$1,068,440)	(\$99,046)
TOTAL CASH FLOW (A)	(\$122,294)	(\$1,172,954)	(\$747,935)	\$1,384,675	\$2,522,378
CURRENT PORTION -LONG TERM DEBT	\$647,500	\$221,499	\$647,500	\$184,582	\$647,500
CURRENT PORTION -CAPITAL LEASE	\$125,073	\$168,365	\$107,071	\$140,304	\$229,938
INTEREST EXPENSE	\$205,378	\$58,538	\$240,158	\$69,415	\$332,160
LETTER OF CREDIT FEE	\$0	\$10,687	\$0	\$10,687	\$0
TOTAL CURRENT LONG TERM DEBT (B)	\$977,951	\$459,089	\$994,729	\$404,988	\$1,209,598
DEBT SERVICE COVERAGE (A/B)	(0.13)	(2.55)	(0.75)	3.42	2.09
DEBT BENCHMARK	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0
CASH TO DEBT RATIO					
CASH AND EQUIVALENT	\$3,511,427	\$5,682,425	\$1,956,210	\$3,674,022	\$3,000,000
SHORT-TERM INVESTMENT	\$13,961,580	\$7,820,982	\$13,976,501	\$7,782,513	\$14,000,000
LONG-TERM INVESTMENT	\$33,825,255	\$32,102,667	\$34,549,530	\$32,432,311	\$34,000,000
TOTAL CASH AND INVESTMENTS	\$51,298,262	\$45,606,074	\$50,482,241	\$43,888,846	\$51,000,000
TEMPORARILY RESTRICTED NET ASSETS	\$4,068,511	\$4,706,797	\$4,115,812	\$4,726,978	\$4,100,000
PERMANENTLY RESTRICTED NET ASSETS	\$514,700	\$514,700	\$514,700	\$514,700	\$514,700
DEFERRED REVENUE	\$13,253,629	\$13,963,920	\$14,723,982	\$11,749,768	\$10,000,000
NET ASSETS AND DEFERRED REVENUE	\$17,836,840	\$19,185,417	\$19,354,494	\$16,991,446	\$14,614,700
UNRESTRICTED CASH AND INVESTMENT(A)	\$33,461,422	\$26,420,657	\$31,127,747	\$26,897,400	\$36,385,300
CURRENT PORTION OF LONG-TERM DEBT	\$647,500	\$221,499	\$647,500	\$184,582	\$647,500
NON-CURR PORTION OF LONG-TERM DEBT	\$9,452,500	\$4,331,717	\$9,452,500	\$4,331,717	\$8,805,000
CURRENT PORTION OF CAPITAL LEASE	\$125,073	\$168,365	\$107,071	\$140,304	\$229,938
NON-CURR PORTION OF CAPITAL LEASE	\$485,209	\$540,660	\$485,209	\$540,660	\$255,271
TOTAL INDEBTEDNESS(B)	\$10,710,282	\$5,262,241	\$10,692,280	\$5,197,263	\$9,937,709
CASH TO DEBT RATIO (A/B)	3.12	5.02	2.91	5.18	3.66
CASH TO DEBT BENCHMARK	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0

HISTORY FY13

SCHEDULE 8

DEBT SERVICE COVERAGE RATIO	Feb 28, 2013	Nov 30, 2012	31-Aug-12 Audited
	CHANGE IN UNRESTRICTED NET ASSETS	(\$869,223)	(\$1,574,511)
POST RETIREMENT BENEFITS	\$0	\$0	\$341,853
DEPRECIATION	\$971,696	\$481,225	\$1,643,990
AMORTIZATION	\$682,599	\$366,280	\$1,286,146
INTEREST EXPENSE	\$205,378	\$99,331	\$235,523
LETTER OF CREDIT FEE	\$0	\$0	\$17,711
REALIZED/UNREALIZED GAINS/LOSSES	(\$1,112,744)	(\$133,916)	(\$1,062,154)
TOTAL CASH FLOW (A)	(\$122,294)	(\$761,591)	\$3,052,624
CURRENT PORTION -LONG TERM DEBT	\$647,500	\$647,500	\$647,500
CURRENT PORTION -CAPITAL LEASE	\$125,073	\$178,205	\$223,816
INTEREST EXPENSE	\$205,378	\$99,331	\$235,523
LETTER OF CREDIT FEE	\$0	\$0	\$17,711
TOTAL CURRENT LONG TERM DEBT (B)	\$977,951	\$925,036	\$1,124,550
	(0.13)	(0.82)	2.71
	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0
CASH TO DEBT RATIO		Nov 30, 2012	31-Aug-12 audited
CASH AND EQUIVALENT	\$3,511,427	\$2,427,734	\$2,672,539
SHORT-TERM INVESTMENT	\$13,961,580	\$13,592,310	\$13,828,329
LONG-TERM INVESTMENT	\$33,825,255	\$32,466,629	\$32,560,816
TOTAL CASH AND INVESTMENTS	\$51,298,262	\$48,486,673	\$49,061,684
TEMPORARILY RESTRICTED NET ASSETS	\$4,068,511	\$4,021,087	\$5,048,836
PERMANENTLY RESTRICTED NET ASSETS	\$514,700	\$514,700	\$514,700
DEFERRED REVENUE	\$13,253,629	\$11,382,329	\$9,077,417
NET ASSETS AND DEFERRED REVENUE	\$17,836,840	\$15,918,116	\$14,640,953
UNRESTRICTED CASH AND INVESTMENT(A)	\$33,461,422	\$32,568,557	\$34,420,731
CURRENT PORTION OF LONG-TERM DEBT	\$647,500	\$647,500	\$647,500
NON-CURR PORTION OF LONG-TERM DEBT	\$9,452,500	\$9,452,500	\$9,452,500
CURRENT PORTION OF CAPITAL LEASE	\$125,073	\$178,205	\$223,816
NON-CURR PORTION OF CAPITAL LEASE	\$485,209	\$485,209	\$485,209
TOTAL INDEBTEDNESS(B)	\$10,710,282	\$10,763,414	\$10,809,025
CASH TO DEBT RATIO (A/B)	3.12	3.03	3.18
CASH TO DEBT BENCHMARK	1.1 TO 1.0	1.1 TO 1.0	1.1 TO 1.0

Yearly Amortization Date

Annual Rate

3.50%

Outstanding Principal	Principal Payment	Interest Payment	Total Payment	Ending Principal
\$10,100,000.00	\$0.00	\$353,500.00	\$353,500.00	\$10,100,000.00
\$10,100,000.00	\$647,500.00	\$353,500.00	\$1,001,000.00	\$9,452,500.00
\$9,452,500.00	\$647,500.00	\$330,837.50	\$978,337.50	\$8,805,000.00
\$8,805,000.00	\$647,500.00	\$308,175.00	\$955,675.00	\$8,157,500.00
\$8,157,500.00	\$1,147,500.00	\$285,512.50	\$1,433,012.50	\$7,010,000.00
\$7,010,000.00	\$1,147,500.00	\$245,350.00	\$1,392,850.00	\$5,862,500.00
\$5,862,500.00	\$1,147,500.00	\$205,187.50	\$1,352,687.50	\$4,715,000.00

Monthly Amortization Date

Outstanding Principal	Principal Payment	Interest Payment	Total Payment	Ending Principal
\$10,100,000.00	\$0.00	\$30,440.28	\$30,440.28	\$10,100,000.00
\$10,100,000.00	\$0.00	\$29,458.33	\$29,458.33	\$10,100,000.00
\$10,100,000.00	\$0.00	\$30,440.28	\$30,440.28	\$10,100,000.00
\$10,100,000.00	\$0.00	\$29,458.33	\$29,458.33	\$10,100,000.00
\$10,100,000.00	\$0.00	\$30,440.28	\$30,440.28	\$10,100,000.00
\$10,100,000.00	\$0.00	\$27,494.44	\$27,494.44	\$10,100,000.00
\$10,100,000.00	\$0.00	\$30,440.28	\$30,440.28	\$10,100,000.00
\$10,100,000.00	\$0.00	\$29,458.33	\$29,458.33	\$10,100,000.00
\$10,100,000.00	\$0.00	\$30,440.28	\$30,440.28	\$10,100,000.00
\$10,100,000.00	\$0.00	\$29,458.33	\$29,458.33	\$10,100,000.00
\$10,100,000.00	\$647,500.00	\$30,440.28	\$677,940.28	\$9,452,500.00
\$9,452,500.00	\$0.00	\$28,488.78	\$28,488.78	\$9,452,500.00
\$9,452,500.00	\$0.00	\$27,569.79	\$27,569.79	\$9,452,500.00
\$9,452,500.00	\$0.00	\$28,488.78	\$28,488.78	\$9,452,500.00
\$9,452,500.00	\$0.00	\$27,569.79	\$27,569.79	\$9,452,500.00
\$9,452,500.00	\$0.00	\$28,488.78	\$28,488.78	\$9,452,500.00
\$9,452,500.00	\$0.00	\$28,488.78	\$28,488.78	\$9,452,500.00
\$9,452,500.00	\$0.00	\$25,731.81	\$25,731.81	\$9,452,500.00
\$9,452,500.00	\$0.00	\$28,488.78	\$28,488.78	\$9,452,500.00
\$9,452,500.00	\$0.00	\$27,569.79	\$27,569.79	\$9,452,500.00
\$9,452,500.00	\$0.00	\$28,488.78	\$28,488.78	\$9,452,500.00
\$9,452,500.00	\$0.00	\$27,569.79	\$27,569.79	\$9,452,500.00
\$9,452,500.00	\$647,500.00	\$28,488.78	\$675,988.78	\$8,805,000.00
\$8,805,000.00	\$0.00	\$26,537.29	\$26,537.29	\$8,805,000.00
\$8,805,000.00	\$0.00	\$25,681.25	\$25,681.25	\$8,805,000.00
\$8,805,000.00	\$0.00	\$26,537.29	\$26,537.29	\$8,805,000.00
\$8,805,000.00	\$0.00	\$25,681.25	\$25,681.25	\$8,805,000.00
\$8,805,000.00	\$0.00	\$26,537.29	\$26,537.29	\$8,805,000.00
\$8,805,000.00	\$0.00	\$26,537.29	\$26,537.29	\$8,805,000.00
\$8,805,000.00	\$0.00	\$23,969.17	\$23,969.17	\$8,805,000.00
\$8,805,000.00	\$0.00	\$26,537.29	\$26,537.29	\$8,805,000.00
\$8,805,000.00	\$0.00	\$25,681.25	\$25,681.25	\$8,805,000.00

05/01/2015	31	0.086	\$8,805,000.00	\$0.00	\$26,537.29	\$26,537.29	\$8,805,000.00
06/01/2015	30	0.083	\$8,805,000.00	\$0.00	\$25,681.25	\$25,681.25	\$8,805,000.00
07/01/2015	31	0.086	\$8,805,000.00	\$647,500.00	\$26,537.29	\$674,037.29	\$8,157,500.00
08/01/2015	31	0.086	\$8,157,500.00	\$0.00	\$24,585.80	\$24,585.80	\$8,157,500.00
09/01/2015	30	0.083	\$8,157,500.00	\$0.00	\$23,792.71	\$23,792.71	\$8,157,500.00
10/01/2015	31	0.086	\$8,157,500.00	\$0.00	\$24,585.80	\$24,585.80	\$8,157,500.00
11/01/2015	30	0.083	\$8,157,500.00	\$0.00	\$23,792.71	\$23,792.71	\$8,157,500.00
12/01/2015	31	0.086	\$8,157,500.00	\$0.00	\$24,585.80	\$24,585.80	\$8,157,500.00
01/01/2016	31	0.086	\$8,157,500.00	\$0.00	\$22,999.62	\$22,999.62	\$8,157,500.00
02/01/2016	29	0.081	\$8,157,500.00	\$0.00	\$24,585.80	\$24,585.80	\$8,157,500.00
03/01/2016	31	0.086	\$8,157,500.00	\$0.00	\$23,792.71	\$23,792.71	\$8,157,500.00
04/01/2016	30	0.083	\$8,157,500.00	\$0.00	\$24,585.80	\$24,585.80	\$8,157,500.00
05/01/2016	31	0.086	\$8,157,500.00	\$0.00	\$23,792.71	\$23,792.71	\$8,157,500.00
06/01/2016	30	0.083	\$8,157,500.00	\$0.00	\$24,585.80	\$24,585.80	\$8,157,500.00
07/01/2016	31	0.086	\$8,157,500.00	\$1,147,500.00	\$24,585.80	\$1,172,085.80	\$7,010,000.00
08/01/2016	31	0.086	\$7,010,000.00	\$0.00	\$21,127.36	\$21,127.36	\$7,010,000.00
09/01/2016	30	0.083	\$7,010,000.00	\$0.00	\$20,445.83	\$20,445.83	\$7,010,000.00
10/01/2016	31	0.086	\$7,010,000.00	\$0.00	\$21,127.36	\$21,127.36	\$7,010,000.00
11/01/2016	30	0.083	\$7,010,000.00	\$0.00	\$20,445.83	\$20,445.83	\$7,010,000.00
12/01/2016	31	0.086	\$7,010,000.00	\$0.00	\$21,127.36	\$21,127.36	\$7,010,000.00
01/01/2017	31	0.086	\$7,010,000.00	\$0.00	\$19,082.78	\$19,082.78	\$7,010,000.00
02/01/2017	28	0.078	\$7,010,000.00	\$0.00	\$21,127.36	\$21,127.36	\$7,010,000.00
03/01/2017	31	0.086	\$7,010,000.00	\$0.00	\$20,445.83	\$20,445.83	\$7,010,000.00
04/01/2017	30	0.083	\$7,010,000.00	\$0.00	\$21,127.36	\$21,127.36	\$7,010,000.00
05/01/2017	31	0.086	\$7,010,000.00	\$0.00	\$20,445.83	\$20,445.83	\$7,010,000.00
06/01/2017	30	0.083	\$7,010,000.00	\$0.00	\$21,127.36	\$21,127.36	\$7,010,000.00
07/01/2017	31	0.086	\$7,010,000.00	\$1,147,500.00	\$21,127.36	\$1,168,627.36	\$5,862,500.00
08/01/2017	31	0.086	\$5,862,500.00	\$0.00	\$17,668.92	\$17,668.92	\$5,862,500.00
09/01/2017	30	0.083	\$5,862,500.00	\$0.00	\$17,098.96	\$17,098.96	\$5,862,500.00
10/01/2017	31	0.086	\$5,862,500.00	\$0.00	\$17,668.92	\$17,668.92	\$5,862,500.00
11/01/2017	30	0.083	\$5,862,500.00	\$0.00	\$17,098.96	\$17,098.96	\$5,862,500.00
12/01/2017	31	0.086	\$5,862,500.00	\$0.00	\$17,668.92	\$17,668.92	\$5,862,500.00
01/01/2018	31	0.086	\$5,862,500.00	\$0.00	\$15,959.03	\$15,959.03	\$5,862,500.00
02/01/2018	28	0.078	\$5,862,500.00	\$0.00	\$17,668.92	\$17,668.92	\$5,862,500.00
03/01/2018	31	0.086	\$5,862,500.00	\$0.00	\$17,098.96	\$17,098.96	\$5,862,500.00
04/01/2018	30	0.083	\$5,862,500.00	\$0.00	\$17,668.92	\$17,668.92	\$5,862,500.00
05/01/2018	31	0.086	\$5,862,500.00	\$0.00	\$17,098.96	\$17,098.96	\$5,862,500.00
06/01/2018	30	0.083	\$5,862,500.00	\$0.00	\$17,668.92	\$17,668.92	\$5,862,500.00
07/01/2018	31	0.086	\$5,862,500.00	\$0.00	\$17,098.96	\$17,098.96	\$5,862,500.00
08/01/2018	31	0.086	\$4,715,000.00	\$1,147,500.00	\$17,668.92	\$1,165,168.92	\$4,715,000.00
09/01/2018	30	0.083	\$4,715,000.00	\$0.00	\$14,210.49	\$14,210.49	\$4,715,000.00
10/01/2018	31	0.086	\$4,715,000.00	\$0.00	\$13,752.08	\$13,752.08	\$4,715,000.00
11/01/2018	30	0.083	\$4,715,000.00	\$0.00	\$14,210.49	\$14,210.49	\$4,715,000.00
12/01/2018	30	0.083	\$4,715,000.00	\$0.00	\$13,752.08	\$13,752.08	\$4,715,000.00
01/01/2019	31	0.086	\$4,715,000.00	\$0.00	\$14,210.49	\$14,210.49	\$4,715,000.00
02/01/2019	28	0.078	\$4,715,000.00	\$0.00	\$14,210.49	\$14,210.49	\$4,715,000.00
03/01/2019	31	0.086	\$4,715,000.00	\$0.00	\$12,835.28	\$12,835.28	\$4,715,000.00
					\$14,210.49	\$14,210.49	\$4,715,000.00

04/01/2019	30	0.083	\$4,715,000.00	\$0.00	\$13,752.08	\$13,752.08	\$4,715,000.00
05/01/2019	31	0.086	\$4,715,000.00	\$0.00	\$14,210.49	\$14,210.49	\$4,715,000.00
06/01/2019	30	0.083	\$4,715,000.00	\$0.00	\$13,752.08	\$13,752.08	\$4,715,000.00
07/01/2019			\$4,715,000.00				\$4,715,000.00