ECTION 3: Example Financial Statement and Composite Score Calculation

BALANCE SHEET

Line		
	Current Assets	
1	Cash and cash equivalents	790,000
2	Accounts receivable, net	1,010,000
3	Prepaid expenses	150,000
4	Related party receivable	130,000
5	Related party receivable, secured	200,000
6	Student loans receivable, net	1,330,000
7	**Total Current Assets**	3,610,000
8	Property, plant and equipment, net	7,000,000
9	Lease right-of-use assets, net	2,500,000
10	Receivable from affiliate, net	1,000,000
11	Goodwill	80,000
12	Deposits	20,000
13	**Total Assets**	14,210,000
	Current Liabilities	
14	Accounts payable/Accrued expenses	850,000
15	Line of credit –short term CIP	100,000
16	Deferred revenue	650,000
17	Leases right-of-use assets liability	100,000
18	Line of credit – operating	100,000
19	Line of credit - for long term purposes	75,000
20	Note payable	300,000
21	**Total Current Liabilities**	2,175,000
22	Line of credit – operating	200,000
23	Line of credit - for long term purposes	500,000
24	Notes payable	5,000,000
25	Lease right-of-use asset liabilities	2,000,000
26	Other liabilities	1,000,000
27	Post-employment and pension liability	300,000
28	**Total Liabilities**	11,175,000
	Equity	
29	Common stock	500,000
30	Retained earnings	2,535,000
31	**Total Equity**	3,035,000
32	**Total Liabilities and Equity**	14,210,000

STATEMENT OF (LOSS) INCOME

Line		
	Revenue	
33	Tuition and fees, net	6,400,000
34	Clinic revenue	300,000
35	**Total Revenue**	6,700,000
	Operating Expenses	
36	Education expense	2,000,000
37	General expense	1,400,000
38	Occupancy expense	500,000
39	Depreciation and Amortization	350,000
40	**Total Operating Expenses**	4,250,000
41	**Operating Income (Loss)**	2,450,000
	Other Income (expense)	
42	Interest expense	(750,000)
43	Interest income	20,000
44	Loss on impairment of assets	(400,000)
45	Loss on disposal of assets	(500,000)
46	Other miscellaneous income	250,000
47	**Total Other Income (Expense)**	(1,380,000)
48	**Net Income Before Income Taxes**	1,070,000
49	Income taxes	267,000
50	**Net Income (Loss)**	803,000

Note for Line 9 - Lease right-of-use assets

A.	Lease right-of-use assets - pre-implementation	1,500,000	Removed from Assets
B	Lease right-of-use assets- post implementation	1,000,000	
	Total	2,500,000	