



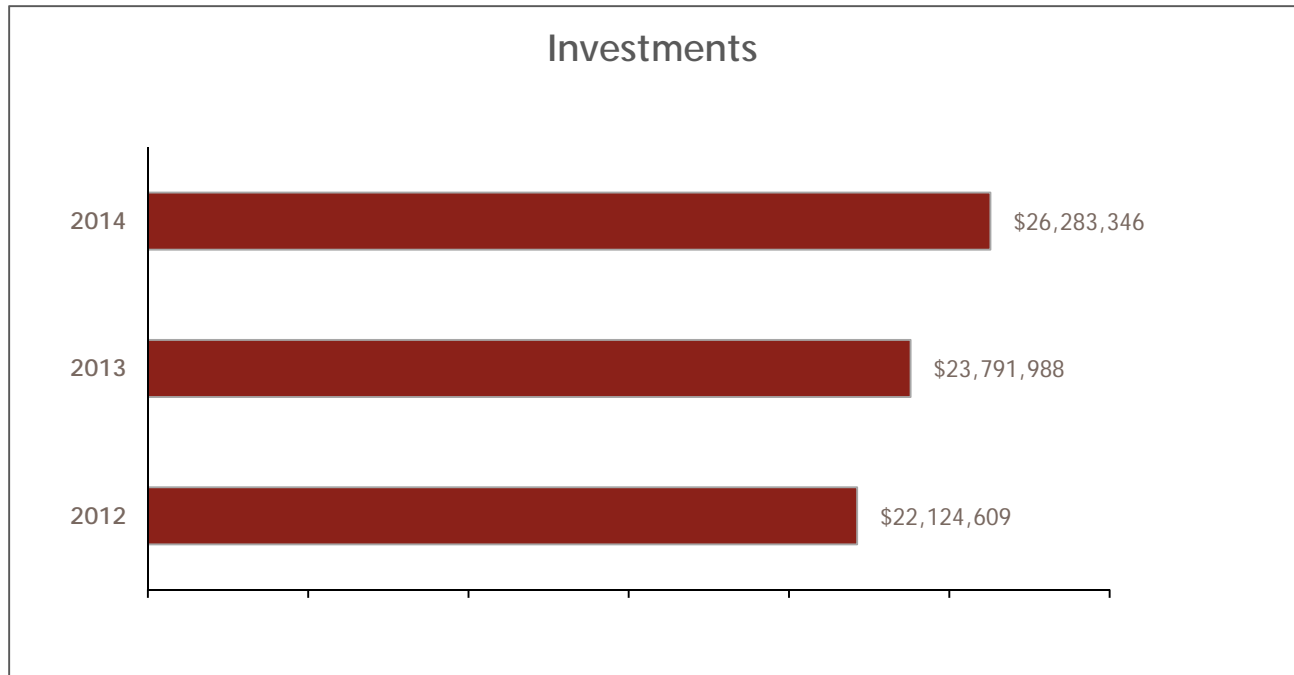
THE SHAW UNIVERSITY, Inc.

2014 Financial Highlights

Fiscal Year Ended June 30, 2014

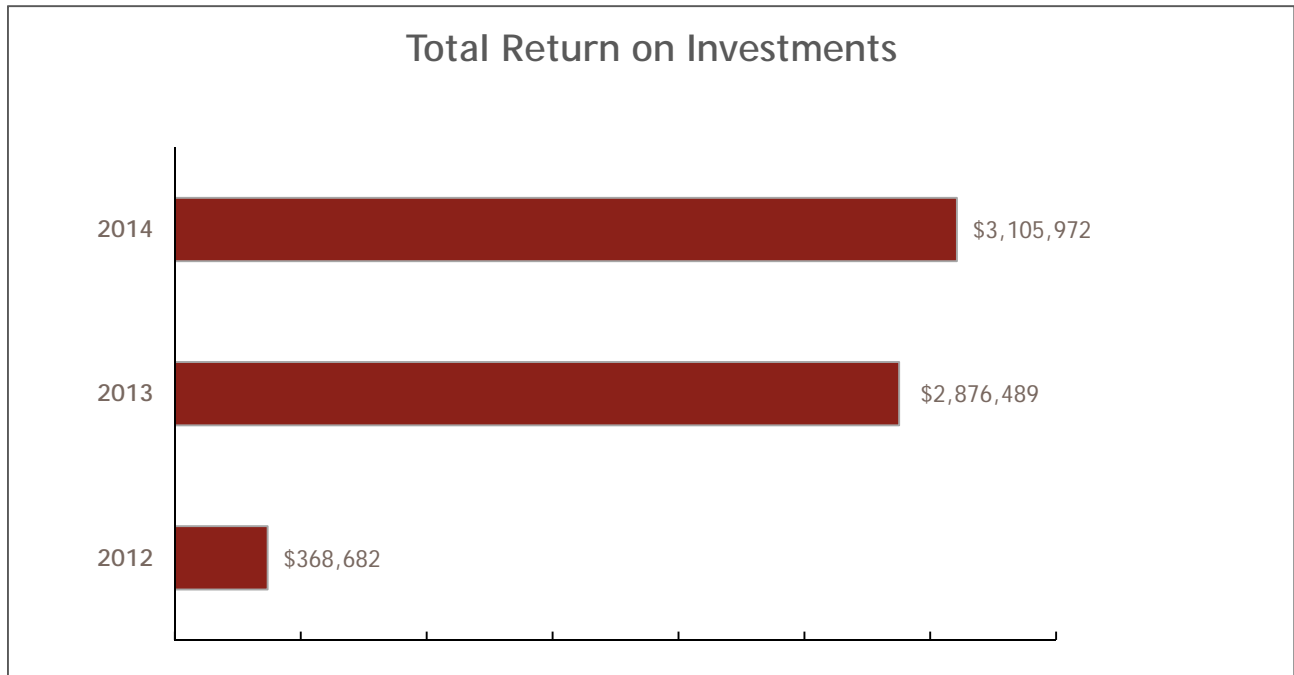
Financial Highlights

The following includes financial statement highlights for the year ended June 30, 2014 in comparison to the previous 2 fiscal years.



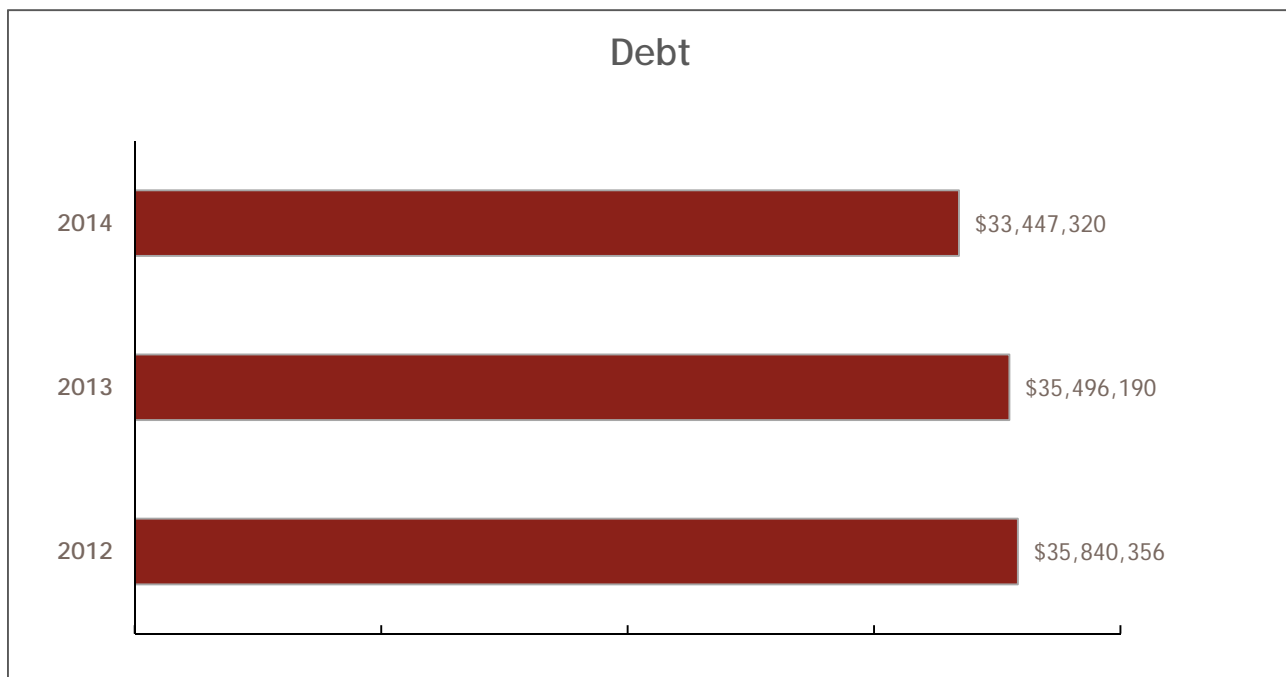
The University's Investment balance increased by approximately \$2.5 million from June 30, 2013 to June 30, 2014. This 9% increase over prior year is attributable to overall improved market conditions and resulted in \$2.3 million in net realized and unrealized gains during the year ended June 30, 2014.

Financial Highlights (continued)



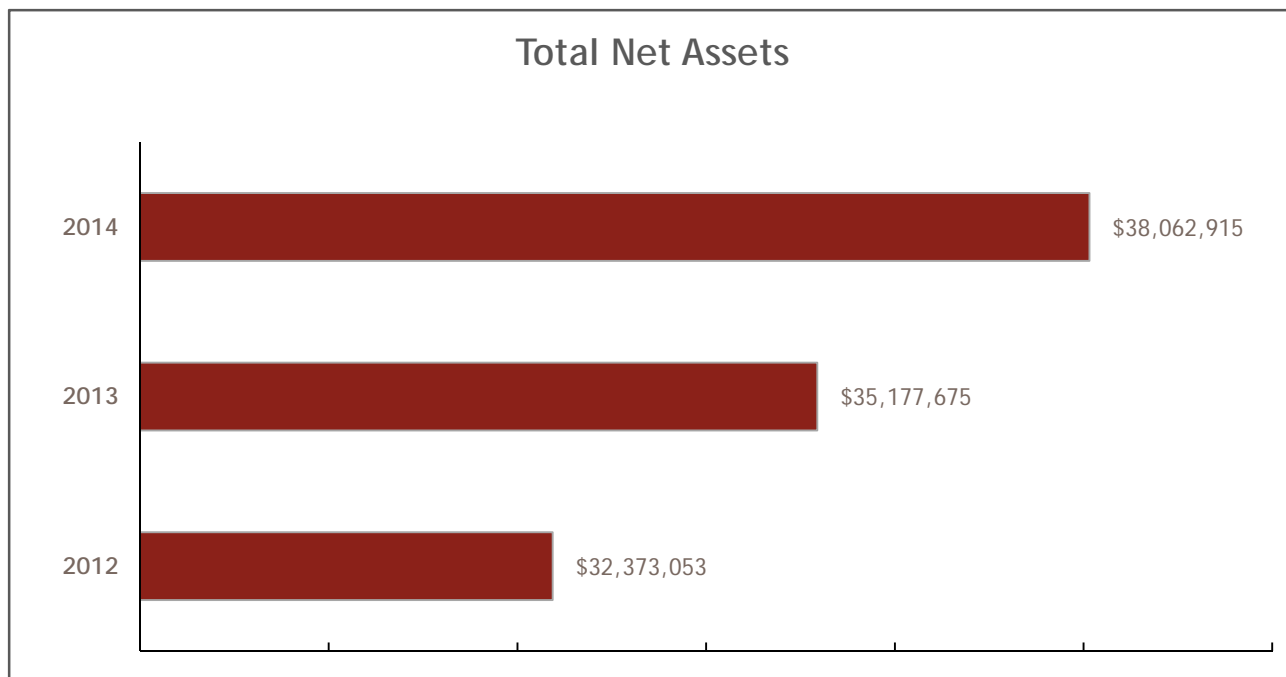
The University's total return on investments in the current fiscal year increased slightly due to the overall change in market performance and the University's investment strategy. This \$3.1 million return is comprised of approximately \$0.8 million of investment income (interest and dividends) and approximately \$2.3 million in realized/unrealized gains.

Financial Highlights (continued)



The University's debt balance decreased by \$2.1 million. The largest single debt owed by the University is its bond payable which had a balance of approximately \$26.7 million as of June 30, 2014.

Financial Highlights (continued)

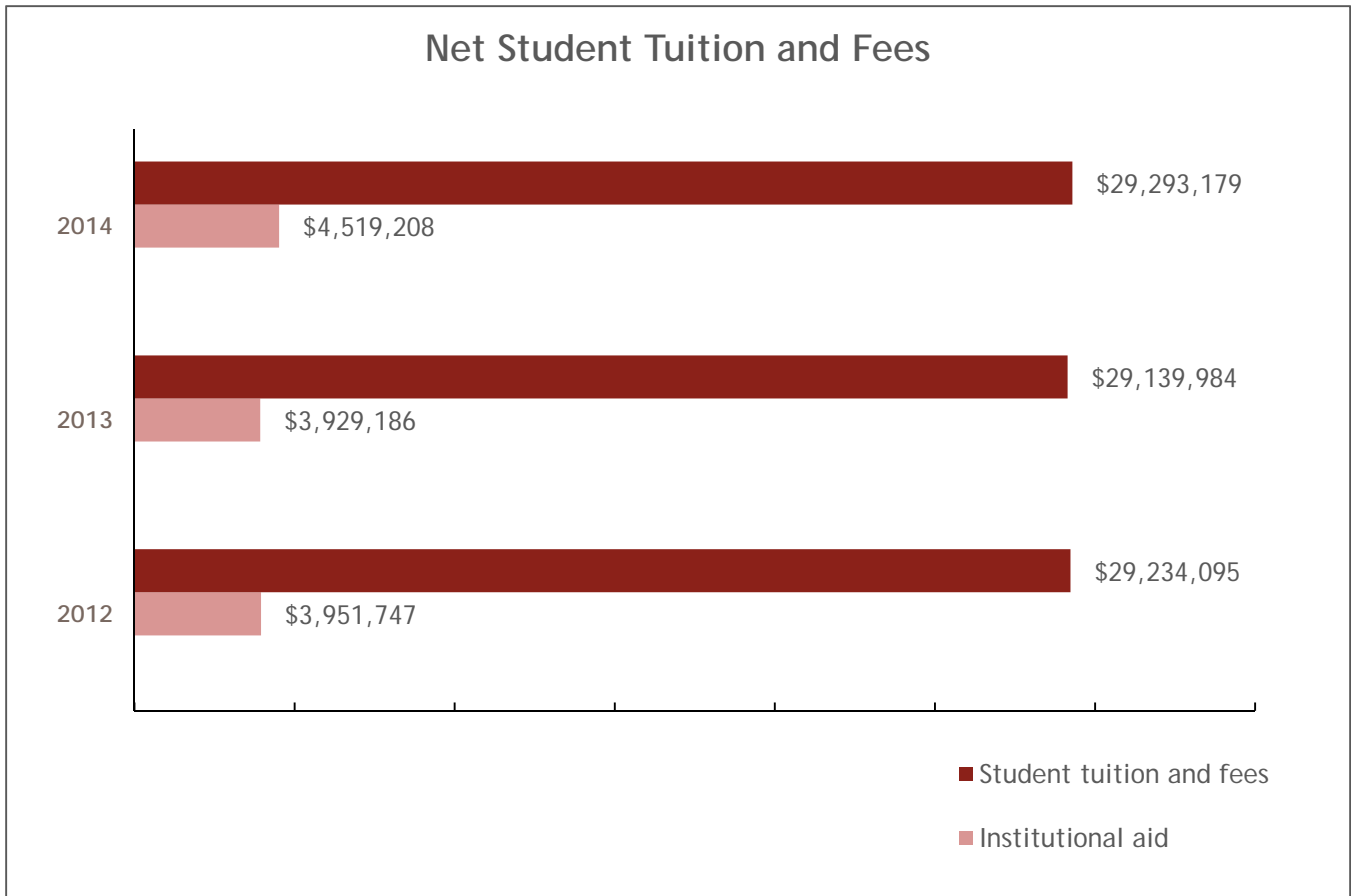


The University's net asset balance increased approximately \$2.9 million during the fiscal year ended June 30, 2014. The increase is the result of \$2.9 million of net income during the current year.

Financial Highlights (continued)

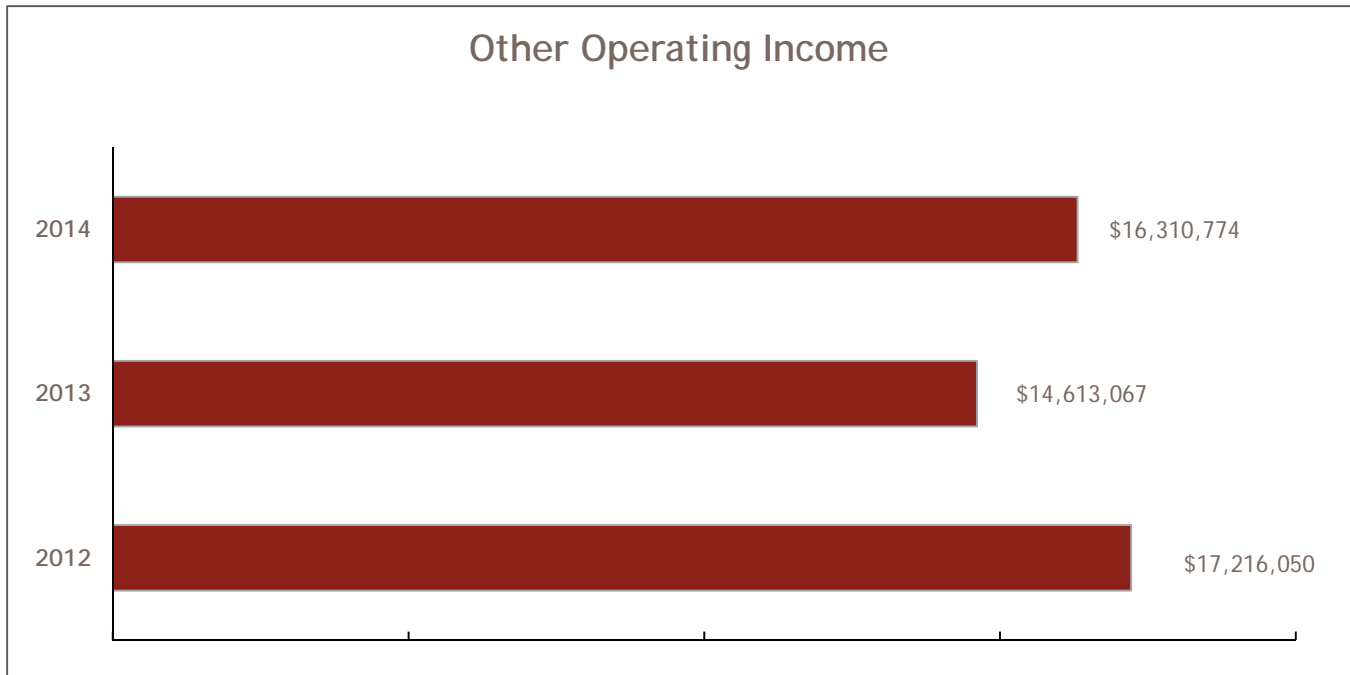
Headcount and Full-time Equivalent (FTE) Enrollment, Fall Semester								
Division	2011-2012		2012-2013		2013-2014		2014-2015	
	Headcount	FTE	Headcount	FTE	Headcount	FTE	Headcount	FTE
Undergraduate	2,265	2,180	2,031	1,967	1,923	1,867	1,664	1,607
Graduate	140	130	152	140	139	127	138	122
Grand Total	2,405	2,310	2,183	2,107	2,062	1,994	1,802	1,729

Financial Highlights (continued)



The University's net student tuition and fees decreased by approximately \$0.4 million during the current fiscal year over prior year which is consistent with the decrease in enrollment.

Financial Highlights (continued)



Total other operating income in the current year consists of federal and state grant revenue, various pledges and contributions given to the University, sale and services of auxiliary enterprises as well as various other income not included in gross tuition and fees. Total operating income increased by \$1.7 million over prior year primarily attributable to increases in federal grant funding as well as contributions during the current year.

Historical Analytics and Ratios

Department of Education Financial Responsibility Composite Scores:

Section 498(c) of the Higher Education Act of 1965, as amended, requires for-profit and non-profit institutions to annually submit audited financial statements to the Department of Education to demonstrate they are maintaining the standards of financial responsibility necessary to participate in the Title IV programs. One standard of financial responsibility is a composite of three ratios which are derived from the financial statements.

The three ratios are a primary reserve ratio, an equity ratio, and a net income ratio.

Score Range	Result
≥ 1.5	<i>Institution is considered financially responsible. The highest achievable score is 3.0.</i>
$1.5 < 1.0$	<i>Considered financially responsible but require additional oversight. Such schools will be subjected to cash monitoring and other reporting requirements.</i>
< 1	<i>Not considered financially responsible. These schools must post a letter of credit equal to at least 50% of the Title IV aid used in the most recent year.</i>

DOE Financial Responsibility Ratios

