

From: **Matt Mathias** <mmathias@masonacademy.com>

Date: Wed, Feb 24, 2016 at 8:32 AM

Subject: Finance Committee Meeting: 2/22/2016

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Board:

The Finance Committee met this past Monday afternoon, February 22nd. Among other things discussed, the most concerning issue reviewed was our cash flow situation...specifically as it relates to funding our constructions costs in a viable, an economical, manner. Frankly, the historical cash flow projections reviewed included \$550M in loan proceeds to be rec'd in/about March 1st and another roughly \$1MM to be received on/about June 1st.

The below is a portion of a communication sent to the Board on February 5th.

"...but to also communicate the \$1.5MM, 9% funding sources identified for the completion of construction is now on hold."

To the knowledge of the finance committee, as of this date, there has been no movement toward addressing investors' concerns as expressed, nor in identifying other alternatives to funding. If there is any information, of which we are currently unaware, which should be included in our financial cash flow projections, please advise.

If existing "on hold" investor's concerns are not recognized, respected and appreciated....or if no new investors/funding sources are identified, we will have problems.

A second issue concerning future cash flow projections was discussed. The Finance Committee members had confusion over "back-filling" students. The Finance Committee members' consensus impression, post the most recent Board meeting, was that MCA was no longer back-filling students this year. Further, MCA established a "no back-fill after October" position for future years. In conflict with this impression, we were made aware MCA students have been "back-filled" within the last couple weeks. If at all possible, please provide some clear and consistent direction for the finance committee to use in our cash flow projections.

Respectfully,
Matt Mathias

