

WHEATON COLLEGE

Financial Ratios as Calculated by Moody's

MFRA

Moody's Investors Service

30-July-2009 5:37 PM Eastern Standard Time

Analyst Adjusted - Issuer Summary

Wheaton College, MA

Credit

Senior Most Rating*	A2				
Revenue Backed Rating Description	LT SR REV				
Selected Financials and other Datapoints	2008	2007	2006	2005	2004
Financial Data : Key Financial Statistics					
Total Direct Debt (\$, in millions)	23.93	26.09	27.58	29.07	30.12
Total Indirect Debt (\$, in millions)		0		0	0
Total Comprehensive Debt (\$, in millions)	23.93	26.09	27.58	29.07	30.12
Percent Change in Comprehensive Debt (%)	-8	-5	-5	-4	10
Unrestricted Financial Resources (\$, in millions)	54.66	60.21	57.34	53.74	46.05
Expendable Financial Resources (\$, in millions)	132.01	142.4	119.66	104.2	89.97
Total Financial Resources (\$, in millions)	206.8	212.79	186.35	168.59	148.23
Total Cash & Investments (\$, in millions)	205.88	207.16	181.96	167.05	154.01
Total Revenues (\$, in millions)	72.64	68.67	65.88	62.08	58.2
Total Expenses (\$, in millions)	71.25	66.97	64.42	60.63	56.52
Total Gift Revenue (\$, in millions)	18.1	21.46	10.49	10.42	9.29
Average Gift Revenue (\$, in millions)	16.68	14.12	10.07	9.43	8.87
Financial Data : Market Data and Ratios					
Total Enrollment FTE (#, may be estimated)*	1,652	1,655	1,552	1,562	1,527
Primary Selectivity (%)	43	45	41	44	46
Primary Matriculation (%)	25	24	28	29	28
Net tuition per student (\$)	24,548	24,513	23,964	22,880	20,409
Change in Net Tuition per Student (%)	0	2	5	12	6
Educational expenses per student (\$)	35,020	34,893	33,554	32,324	29,987
Total tuition discount (%)	33	33	29	29	30

* Includes Study Away Students FY08, FY07

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Financial Data : Capital Ratios					
Unrestricted financial resources-to-direct debt (x)	2.28	2.31	2.08	1.85	1.53
Expendable financial resources-to-direct debt (x)	5.52	5.46	4.34	3.58	2.99
Total financial resources-to-direct debt (x)	8.64	8.16	6.76	5.8	4.92
Total cash & investments-to-direct debt (x)	8.6	7.94	6.6	5.75	5.11
Direct debt-to-total capitalization (x)	0.08	0.09	0.1	0.12	0.13
Debt service to operations (%)	4.4	3.7	3.8	3	3.9
MADS to operations (%)	3.3	3.5	3.7	3.9	4.2
Variable Rate Exposure (%) (prior to swaps)	33	0	33	33	32
Capital Spending Ratio (x)	1.27	1.46	1.41	1.26	1.07
Age of plant (#, in years)	12	11.8	11.2	11.3	9.4
Unrestricted financial resources-to-comprehensive debt (x)	2.28	2.31	2.08	1.85	1.53
Expendable financial resources-to-comprehensive debt (x)	5.52	5.46	4.34	3.58	2.99
Total financial resources-to-comprehensive debt (x)	8.64	8.16	6.76	5.8	4.92
Financial Data : Balance Sheet Ratios					
Unrestricted financial resources-to-operations (x)	0.77	0.9	0.89	0.89	0.81
Expendable financial resources-to-operations (x)	1.85	2.13	1.86	1.72	1.59
Free expendable financial resources-to-operations (x)	1.52	1.74	1.43	1.24	1.06
Total financial resources-per-student (\$)	125,182	128,571	120,068	107,933	97,073
Financial Data : Operating Ratios					
Operating margin (%)	1.9	2.5	2.2	2.3	2.9
Average operating margin (%)	2.2	2.3	2.5	6.2	9.6
Operating margin excluding gifts (%)	-6.7	-7.2	-4.9	-4.7	-5.9
Operating Cash Flow Margin (%)	9.4	10.2	10	9.6	11.9
Change in Net tuition Revenue (%)	7	2	7	10	9
Direct debt service coverage (x)	2.2	2.9	2.7	3.3	3.2
Average debt service coverage (x)	2.5	2.9	3	4.4	5.1
Average MADS coverage (x)	2.9	2.8	2.7	3.6	4.4
Return on net assets (%)	1.3	17.1	8.7	7.5	4.7
Return on financial resources (%)	-2.8	14.2	10.5	13.7	3.1
Financial Data : Contribution Ratios					
Tuition & Auxiliaries (% of Total Revenue)	77	76	77	78	75
Investment Income (% of Total Revenue)	13	12	12	12	13
Gifts (% of Total Revenue)	8	9	7	7	8
Grants and contracts (% of Total Revenue)	1	1	2	2	3
State appropriation (% of Total Revenue)	0	0	0	0	0
Patient care (% of Total Revenue)	0	0	0	0	0
Other (% of Total Revenue)	2	2	2	2	1

WHEATON COLLEGE

Endowment Market Value and Performance With Comparative Data

NACUBO Annual Endowment Survey - 2008

INSTITUTION	1 Year 6/30/08 n=728	3 Year 6/30/08 n= 699	5 Year 6/30/08 n= 652	10 Year 6/30/08 n=494
Wheaton College	-0.6%	10.3%	10.2%	7.3%
Average All NACUBO Survey	-3.0%	8.0%	9.7%	6.5%
	2.4%	2.3%	0.5%	0.8%
Wheaton College	-0.6%	10.3%	10.2%	7.3%
Average \$100 to \$500 Million	-2.9%	8.5%	10.1%	6.4%
	2.3%	1.8%	0.1%	0.9%
Wheaton College	-0.6%	10.3%	10.2%	7.3%
Average > \$1 Billion	0.6%	12.0%	13.3%	9.5%
	-1.2%	-1.7%	-3.1%	-2.2%

WHEATON COLLEGE vs INVESTMENT TARGET

	1 Year 6/30/08 n=728	3 Year 6/30/08 n= 699	5 Year 6/30/08 n= 652	10 Year 6/30/08 n=494
Wheaton College	-0.6%	10.3%	10.2%	7.3%
CPI + 5%	10.0%	9.0%	8.6%	8.1%
	-10.6%	1.3%	1.6%	-0.8%

Endowment Market Value and Annual Returns versus Investment Target

	Market Value (\$) (in thousands)	Return	CPI	+5%	=	Difference
2009 Preliminary	143,621	-20.5%	-1.4%	5.0%	3.6%	-24.1%
2008	186,753	-0.6%	5.0%	5.0%	10.0%	-10.6%
2007	191,284	18.5%	2.7%	5.0%	7.7%	10.8%
2006	165,809	13.1%	4.3%	5.0%	9.3%	3.8%
2005	149,413	10.4%	2.8%	5.0%	7.8%	2.6%
2004	138,262	9.7%	3.3%	5.0%	8.3%	1.4%
2003	129,939	2.9%	2.2%	5.0%	7.2%	-4.3%
2002	128,935	-4.8%	1.2%	5.0%	6.2%	-11.0%
2001	139,963	-0.1%	3.8%	5.0%	8.8%	-8.9%
2000	144,305	18.1%	3.7%	5.0%	8.7%	9.4%
1999	120,611	6.1%	2.0%	5.0%	7.0%	-0.9%

Wheaton College

Comprehensive Fees - Northeast Nine Comparison Group

Institution	Rank	FY 2010 Comprehensive Fee	Percent Increase	Rank	FY 2000 Comprehensive Fee	Percent Increase
Trinity	1	\$51,400	5.7%	6	\$30,865	4.0%
Bates	2	\$51,300	4.0%	3	\$31,400	4.4%
Connecticut	3	\$51,115	3.5%	7	\$30,595	3.9%
Haverford	4	\$50,975	4.1%	2	\$31,400	3.4%
Colby	5	\$50,320	3.7%	1	\$31,580	3.8%
Hobart & WS	6	\$50,245	3.5%	5	\$30,978	3.2%
Hamilton	7	\$49,860	3.0%	4	\$31,200	5.6%
Wheaton	8	\$49,440	3.0%	8	\$29,880	5.0%
Muhlenberg	9	\$45,580	4.9%	9	\$25,475	4.0%
Group Mean		\$50,026	3.9%		\$30,375	4.1%
Annual Inflation			0.1%			1.6%
Wheaton's Position						
Above (Below) Mean			(\$586)	(\$495)		

Wheaton College

Comprehensive Fees - Admissions Overlap Group

University/College	Rank	FY 2010 Comprehensive Fee	Percent Increase	Rank	FY 2000 Comprehensive Fee	Percent Increase
Trinity	1	\$51,400	5.7%	7	\$31,405	3.9%
Bates	2	\$51,300	4.0%	8	\$31,400	4.4%
Skidmore	3	\$51,196	3.9%	11	\$30,950	3.4%
Connecticut	4	\$51,115	3.5%	12	\$30,595	3.9%
Tufts	5	\$51,088	3.5%	2	\$32,126	4.2%
Boston College	6	\$50,970	2.8%	14	\$30,494	4.0%
Bowdoin	7	\$50,900	4.8%	5	\$31,545	4.5%
Mt. Holyoke	8	\$50,576	3.9%	6	\$31,459	2.2%
Middlebury	9	\$50,400	2.4%	3	\$31,600	3.7%
Smith	10	\$50,380	4.7%	9	\$31,282	3.5%
Colby	11	\$50,320	3.7%	4	\$31,580	3.8%
Boston U.	12	\$50,288	3.8%	1	\$32,230	3.9%
Hobart/Wm Smith	13	\$50,245	3.5%	10	\$31,224	3.2%
St. Lawrence	14	\$49,925	5.0%	15	\$30,300	5.6%
Wellesley	15	\$49,848	3.9%	13	\$30,554	1.1%
Wheaton	16	\$49,440	3.0%	17	\$29,880	5.0%
Holy Cross	17	\$49,342	3.9%	16	\$30,230	3.9%
Clark	18	\$41,970	2.7%	18	\$26,970	5.1%
Group Average		\$50,039	3.8%		\$30,879	3.9%
Annual Inflation			0.1%			1.6%
Wheaton's Position						
Above (Below) Mean		(\$599)			(\$999)	

Fiscal Year	DECEMBER		JUNE		Wheaton			NE9		Difference		
	CPI-U	Indexed CPI	CPI-U	Average Salary	Salary Pool Increase	Effective Increase	Weighted Average	Effective Increase	Effective Increase	Average Salary	Wheaton vs. CPI	
2009	0.1%	215.7	-1.4%	78,420	5.2%	2.7%	83,312	5.5%	-2.7%	-5.9%	2.6%	
2008	4.1%	218.8	5.0%	76,334	5.2%	-2.5%	78,994	0.1%	-2.6%	-3.4%	-6.5%	
2007	2.5%	208.4	2.7%	78,278	4.5%	4.7%	78,897	5.0%	-0.4%	-0.8%	2.1%	
2006	3.4%	202.9	4.3%	74,789	5.8%	3.4%	75,106	3.9%	-0.5%	-0.4%	0.0%	
2005	3.3%	194.5	2.5%	72,338	4.2%	3.8%	72,310	4.5%	-0.7%	0.0%	0.5%	
2004	1.9%	189.7	3.3%	69,718	5.2%	4.9%	69,203	3.6%	1.3%	0.7%	3.1%	
2003	2.4%	183.7	2.1%	66,441	5.3%	4.3%	66,769	3.5%	0.8%	-0.5%	1.9%	
2002	1.6%	179.9	1.1%	63,722	6.8%	0.9%	64,513	2.4%	-1.5%	-1.2%	-0.7%	
2001	3.4%	178.0	3.2%	63,176	7.5%	4.9%	63,002	2.9%	2.1%	0.3%	1.6%	
2000	2.7%	172.4	3.7%	60,199	8.7%	5.7%	61,246	2.8%	3.0%	-1.7%	3.0%	
1999	1.6%	166.2	2.0%	56,946	11.1%	7.0%	59,601	1.4%	5.6%	-4.5%	5.4%	
1998	1.7%	163.0	1.7%	53,227	5.4%	2.4%	58,778	3.2%	-0.8%	-9.4%	0.7%	
1997		160.3		51,986	4.3%		56,945			-8.7%		

NORTHEAST 9 FY 2008
RESOURCE COMPARISON

Dollars in (000's)

Institution	Endowment MV	Current Gifts	Gross Tuition & Fees	Auxiliary*	Aid (IPEDS)	FTE Students Fall 2008	Net Student Revenue	Total Resources	HEDS Six-yr Grad Rate
Bates *	267,232	6,964	76,809	0	17,091	1,776	59,718	80,044	89.4%
Colby *	600,248	10,538	88,200	0	19,022	1,847	69,178	109,728	90.0%
Connecticut	215,536	7,598	72,440	15,550	17,480	1,817	70,510	88,885	88.0%
Hamilton	670,321	7,975	70,999	17,644	21,408	1,850	67,235	108,726	91.0%
Haverford	521,308	6,936	43,344	16,839	12,269	1,169	47,914	80,915	94.0%
Hobart & WS	174,825	3,847	72,943	18,228	26,971	2,072	64,200	76,788	73.0%
Muhlenberg	138,267	3,473	74,190	17,049	21,844	2,386	69,395	79,781	86.0%
Trinity	413,611	12,677	89,748	17,167	29,616	2,327	77,299	110,656	86.0%
Wheaton	186,753	6,571	61,014	15,122	20,449	1,652	55,687	71,595	82.0%
Mean	354,233	7,398	72,187	16,800	20,683	1,877	64,571	89,680	86.6%

Wheaton:

<i>Difference from the mean</i>	(167,480)	(827)	(11,173)	(1,678)	(234)	(225)	(8,884)	(18,084)	-4.60%
% Difference from the mean FY 2008	-47.3%	-11.2%	-15.5%	-10.0%	-1.1%	-12.0%	-13.8%	-20.2%	-5.3%
% difference from the mean FY2007	-47.5%	-12.8%	-17.7%	-11.2%	-5.4%	-10.7%	-15.0%	-21.7%	-4.9%
% difference from the mean FY2006	-46.2%	-35.8%	-17.7%	-13.0%	-14.2%	-10.8%	-12.6%	-21.0%	-11.8%
% difference from the mean FY2005	-45.5%	-42.8%	-17.1%	-8.8%	-10.3%	-9.9%	-12.0%	-20.7%	-10.7%
% difference from the mean FY2004	-44.2%	-33.4%	-19.2%	-15.6%	-15.0%	-9.6%	-14.4%	-21.3%	-13.3%

Institution	FTE Students Fall	Applicants Per New Student Enrolled	Six Year Graduation Rate	Gross student Revenues per FTE student	Discount Rate (IPEDS)	Net Student Revenues per FTE student	Endowment per FTE student	Gifts for Current Ops per FTE student	Total Resources per FTE student
Bates	1,776	9.8	89.4%	43,248	22.3%	33,600	150,468	3,921	45,045
Colby	1,847	10.0	90.0%	47,753	21.6%	37,500	324,985	5,705	59,455
Connecticut	1,817	9.6	88.0%	48,426	19.9%	38,800	118,622	4,182	48,913
Hamilton	1,850	11.0	91.0%	47,915	24.2%	36,300	362,336	4,311	58,728
Haverford	1,169	10.1	94.0%	51,482	20.4%	41,000	445,944	5,933	69,230
Hobart & WS	2,072	7.9	73.0%	44,001	29.6%	31,000	84,375	1,857	37,075
Muhlenberg	2,386	8.1	86.0%	38,239	23.9%	29,100	57,949	1,456	33,453
Trinity	2,327	8.7	86.0%	45,945	27.7%	33,200	177,744	5,448	47,535
Wheaton	1,652	9.1	82.0%	46,087	26.9%	33,700	113,047	3,978	43,330
Mean	1,877	9.4	86.6%	45,900	24.0%	34,911	203,941	4,088	49,196

Wheaton:

<i>Difference from the mean</i>	(225)	(0)	-4.6%	187	2.82%	(1,211)	(90,895)	(110)	(5,866)
% Difference from the mean FY 2008	-12.0%	-2.6%	-5.3%	0.4%	11.8%	-3.5%	-44.6%	-2.7%	-11.9%
% difference from the mean FY2007	-10.7%	-4.5%	-4.9%	-3.3%	9.3%	-6.1%	-45.4%	-6.4%	-14.7%
% difference from the mean FY2006	-10.8%	-5.1%	-11.8%	-3.2%	7.3%	-3.3%	-43.7%	-43.7%	-13.8%
% difference from the mean FY2005	-9.9%	-8.2%	-10.7%	-2.7%	9.0%	-3.3%	-43.2%	-38.6%	-14.0%
% difference from the mean FY2004	-9.6%	-7.4%	-13.3%	-6.9%	6.2%	-6.9%	-43.1%	-29.0%	-15.6%

NOTE: Prior to FY05 Muhlenberg was included in the NIE9 Group; FY2005 & FY2006 data include Skidmore in the NIE9 Group.

*Missing Values - Auxiliary included in Tuition & Fees

Wheaton College

Annual Resource Allocation Process

Fall/Early Winter **Preliminary planning within and across divisions to establish clear connections between institutional/divisional priorities and resources needs.**

- President's Council and divisions conduct planning retreats.
- Finance Office produces preliminary financial projections of available resources and corresponding expenditures.
- BAC members present student, staff and faculty perspectives on major issues and meet with division officers to discuss priorities.

February/March **Translation of resource needs into budget requests, based on institutional and divisional priorities.**

- Department Managers and Faculty Chairs submit operational budget requests to Division Officers.
- Officers receive and screen departmental requests and submit budget proposals to President's Council for review.
- Program reductions are reviewed along with possible reallocation of resources.
- Trustees approve the comprehensive fee for the coming year.

April/May **Review and approval of resource allocations in accordance with institutional priorities and resource constraints.**

- Division Officers present budget proposals to President's Council and meet with BAC to summarize major divisional requests.
- President makes final resource allocation decisions after receiving recommendations from the President's Council and BAC.
- Trustees approve the May (preliminary) operating budget for the coming year.
- President communicates to the campus community the major results of the resource allocation process.

Summer/Early Fall **Implementation of newly funded requests and assessment of implications of unfunded requests.**

- President's Council and divisions conduct planning retreats.
- Enrollment, financial aid and endowment utilization components finalized and final resource allocation decisions are made after receiving recommendations from President's Council and BAC.
- Trustees approve the October (final) operating budget for the coming year.

WHEATON COLLEGE
MAJOR BUDGET PARAMETERS AND OPERATING BUDGET

Dollars in thousands	<i>October Budget FY 2006</i>	<i>October Budget FY 2007</i>	<i>October Budget FY 2008</i>	<i>October Budget FY 2009</i>	<i>May Budget FY 2010</i>
MAJOR BUDGET PARAMETERS					
1. ANNUAL INFLATION RATE	3.3%	3.4%	2.5%	4.1%	0.1%
2. COMPREHENSIVE FEE INCREASE	5.3%	6.4%	6.0%	5.9%	3.0%
3. COMPREHENSIVE FEE	\$ 40,180	\$ 42,760	\$ 45,330	\$ 48,010	\$ 49,440
4. ENROLLMENT/AID					
a. TOTAL AVERAGE FTE STUDENTS (including study away)	1,598	1,620	1,610	1,635	1,615
b. AVERAGE FTE RESIDENT STUDENTS	1,449	1,465	1,465	1,440	1,420
c. AID RATE (institutional aid as a % of gross student revenue)	24.5%	26.7%	27.2%	27.4%	29.9%
5. FACULTY/STAFF COMPENSATION					
a. SALARY INCREASE - FACULTY	5.8%	4.5%	5.2%	5.2%	0.0%
b. SALARY INCREASE - STAFF	4.8%	4.5%	4.7%	4.7%	0.0%
c. BENEFIT RATE (benefit expenses as a % of salaries)	29.9%	31.0%	31.3%	31.5%	32.5%
6. NON-PERSONNEL INFLATION ADJUSTMENT	3.3%	3.4%	2.5%	4.1%	0.0%
7. FINANCIAL EQUILIBRIUM					
a. ENDOWMENT SPENDING RATE (spending as a % of avg. mkt. value over trailing 12 quarters)	5.0%	5.0%	5.0%	5.0%	5.0%
b. FACILITY REINVESTMENT RATE (maintenance funding as a % of plant replacement value)	1.82%	1.82%	1.82%	1.82%	under 1.82%
8. ANNUAL GIVING GROWTH RATE	5.0%	5.0%	5.0%	5.0%	-20.0%
OPERATING BUDGET					
REVENUE					
1. GROSS STUDENT REVENUE	\$ 63,540	\$ 68,606	\$ 72,065	\$ 77,187	\$ 78,471
2. STUDENT AID	\$ (16,560)	\$ (18,340)	\$ (19,602)	\$ (21,149)	\$ (23,463)
3. NET STUDENT REVENUE	\$ 46,980	\$ 50,266	\$ 52,463	\$ 56,038	\$ 55,008
4. ENDOWMENT UTILIZATION	\$ 5,931	\$ 6,572	\$ 7,281	\$ 7,958	\$ 6,600
5a. ANNUAL FUND	\$ 3,230	\$ 3,392	\$ 3,560	\$ 3,738	\$ 2,990
5b. PROJECT SCHOLARSHIP	\$ -	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,100
6. OTHER INCOME	\$ 2,270	\$ 2,556	\$ 2,880	\$ 2,610	\$ 2,245
7. TOTAL REVENUE	\$ 58,411	\$ 63,986	\$ 67,384	\$ 71,544	\$ 67,943
EXPENSE					
8. CONTINUING EXPENDITURE BASE					
9. PERSONNEL - SALARIES	\$ 27,251	\$ 29,620	\$ 31,275	\$ 32,892	\$ 32,892
10. PERSONNEL - BENEFITS	\$ 8,518	\$ 9,230	\$ 9,775	\$ 10,365	\$ 10,676
11. NON-PERSONNEL	\$ 14,746	\$ 16,695	\$ 18,334	\$ 19,848	\$ 20,247
12. FACILITIES REINVESTMENT	\$ 2,571	\$ 2,674	\$ 2,770	\$ 3,064	\$ 964
13. ANNUAL DEBT SERVICE	\$ 3,925	\$ 3,925	\$ 3,925	\$ 3,925	\$ 3,925
14. CONTINGENCY (ENROLLMENT AND REGULAR)	\$ 550	\$ 700	\$ 725	\$ 850	\$ 1,050
15. CONTINUING REDUCTIONS					\$ (2,411)
16. ONE-TIME ADDITIONS	\$ 850	\$ 1,142	\$ 580	\$ 600	\$ 600
17. TOTAL EXPENSE	\$ 58,411	\$ 63,986	\$ 67,384	\$ 71,544	\$ 67,943
18. OPERATING MARGIN	\$ -	\$ -	\$ -	\$ -	\$ -
PROGRAM EXPENSES COVERED BY ONE-TIME FUNDS					
19. College Advancement/Campaign	\$ 1,155	\$ 1,304	\$ 1,297	\$ 1,932	\$ 1,932
20. Other Program Expenses	\$ 1,430	\$ 179	\$ 1,224	\$ 317	\$ -
21. TOTAL COVERED BY ONE-TIME FUNDS	\$ 2,585	\$ 1,483	\$ 2,521	\$ 2,249	\$ 1,932