

# UNIVERSITY OF THE SCIENCES IN PHILADELPHIA AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Organization**—Founded in 1821, the University of the Sciences in Philadelphia (the “University”), (formerly know as Philadelphia College of Pharmacy & Science) is a nonprofit independent institution of higher education with a commitment to excellence in teaching, research and service. In 1997 the Commonwealth of Pennsylvania granted university status and in recognition of this event the name changed to the University of the Sciences in Philadelphia on July 1, 1998. As the University of the Sciences in Philadelphia, the institution consists of the following four colleges:

Philadelphia College of Pharmacy  
College of Health Sciences  
Misher College of Arts and Science  
College of Graduate Studies

The mission of the University is to provide undergraduate, professional, and graduate education in the health professions and natural sciences. The University is committed to the principles of equal employment and equal access to education for all persons, regardless of gender, age, disability, race, creed, color, sexual orientation, or national origin.

During the fall 2005 term, the University enrolled approximately 2,808 students, which is equivalent to 2,630 full-time students or 2,438 undergraduates and first-degree students plus 192 graduates and other program majors. The undergraduate classes’ primary areas of study are doctor of pharmacy at 64%, and physical therapy at 7%.

Effective July 1, 2004, the University established ACI, LLC to provide continuing education, research and formulary review services for the private sector. These services were previously provided by a department within the University. As of January 1, 2005, the University resumed providing most of these services directly rather than offering them through the subsidiary.

**Basis of Presentation**—The financial statements of the University, which are presented on the accrual basis of accounting, have been prepared to focus on the University as a whole and to present balances and transactions in three separate classes of net assets.

The three net asset categories reflected in the accompanying financial statements are as follows:

- *Unrestricted*—Net assets, which are free of donor-imposed restrictions. This includes all revenues, expenses, gains, and losses that are not changes in permanently or temporarily restricted net assets. This category includes realized and unrealized gains on quasi-endowment investments.
- *Temporarily Restricted*—Net assets whose use by the University is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the University pursuant to those stipulations. This category includes realized and unrealized gains on permanently restricted endowment and other long-term investments that are in excess of the

Board of Trustee's approved spending rule. Temporarily restricted net assets, which are received and used within the same year, are reported as unrestricted.

- *Permanently Restricted*—Net assets whose use by the University is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the University.

Nonoperating activities reflect transactions of a long-term investment or capital nature including contributions to be invested by the University to generate a return that will support future operations, contributions to be received in the future, contributions to be used for facilities and equipment, unrealized investment gains or losses, changes in the fair value of the interest rate swap contract, loss on bond refinancing, and impairment of capitalized assets. Realized gains and losses in excess of the University's spending policy for operations are recorded as nonoperating revenue or expense.

***Tuition and Fees***—The University maintains a policy of offering qualified applicants admission without regard to financial circumstances. This policy provides for financial aid to those admitted in the form of direct grants, loans, and employment during the academic year. Tuition and fees have been reduced by these and other merit-based direct grants.

The University bills the tuition and fees for the subsequent fiscal year's summer and fall terms prior to June 30. The resulting receivables and deferred revenues at June 30 are shown on the Consolidated Statement of Financial Position.

***Contributions***—Contributions received, including unconditional promises, are recognized as revenues when the donor's commitment has been received. Unconditional promises are recognized at the estimated present value of the future cash flows, net of allowances. Conditional promises are recorded when donor stipulations are substantially met. Conditional promises whose restrictions are met in the same year as the contributions have been recorded as unconditional promises. Promises of noncash assets are recorded at their fair value.

***Allocation of Certain Expenses***—The statement of activities presents expenses by functional classification. Operation and maintenance of plant and depreciation are allocated based on square footage. Interest expense is allocated to the functional classifications that benefited from the use of the proceeds of the debt and on an allocation based on square footage.

***Cash Equivalents***—Cash and cash equivalents represent demand deposits and other investments with a maturity date not exceeding 90 days at the date of purchase, whereas short-term investments reflect liquid investments with a maturity date in excess of 90 days.

***Concentration of Credit Risk***—The University's financial instruments, which are exposed to concentrations of credit risk, consist primarily of cash and cash equivalents, investments and deposits with bond trustees. These funds are held in various high-quality financial institutions managed by the University's personnel and outside advisors. The University maintains its cash and cash equivalents in financial institutions, which at times exceed federally insured limits. The University believes that the concentrations of credit risk are limited to its cash and cash equivalents, investments, and deposits with bond trustees.

***Investments and Fair Value of Financial Instruments***—The fair value of cash and cash equivalents in the aggregate approximate their respective carrying amounts. The fair value of investments in debt and equity securities is based upon quoted market values provided by external investment custodians (see

Note 4). The fair value of long-term debt is estimated based primarily on quoted market prices of similar bonds and currently offered mortgage interest rates (see Note 8).

Determination of the fair value of student loans receivable, which are primarily federally sponsored student loans with the U.S. government mandated interest rates and repayment terms and subject to significant transfer of disposition restrictions, could not be made without incurring excessive costs.

***Beneficial Interest in Trusts***—These funds represent resources neither in the possession nor under the control of the University, but are paid and administered by outside trustees, with the University deriving income or a residual interest from the assets of such funds. They are recognized at the estimated fair value of the assets or the present value of the future cash flows when the irrevocable trust is established or the University is notified of its existence.

***Land, Buildings, and Equipment***—Plant assets are stated at cost. Contributed assets, which are used for operations, are stated at fair market value as of the date acquired. The University also maintains a museum dedicated to pharmacy and health sciences. The value of the items contributed to the museum collection has not been capitalized.

Depreciation is provided on a straight-line basis over the estimated useful lives of the buildings (40-60 years), equipment (5-25 years), and library books and periodicals (10 years).

Maintenance repairs and minor replacements are charged to expense as incurred.

***Recoverability of Long-Lived Assets***—The University's assets are reviewed for impairment whenever events or circumstances provide evidence suggests that the carrying amounts may not be recoverable. When necessary, the University assesses the recoverability of its assets by determining whether the carrying value can be recovered through projected undiscounted future cash flows.

***Use of Estimates***—The preparation of the financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The University has provided allowances for doubtful accounts for student accounts receivable and student loans, of \$1,741,000 and \$1,599,000 as of June 30, 2006 and 2005, respectively.

***Accounting for Derivative Instruments and Hedging Activities***—The University accounts for derivative instruments in accordance with Statement of Financial Accounting Standards (“SFAS”) No. 133, *Accounting for Derivative Instruments and Hedging Activities*. SFAS No. 133, as amended, establishes accounting and reporting standards for derivative instruments and for hedging activities. It requires that an entity recognize all derivative instruments as either assets or liabilities and measure them at fair value.

***Principles of Consolidation***—The consolidated financial statements include the accounts of the University and its subsidiary. All intercompany balances and transactions have been eliminated.

***Change in Accounting Principle***— In March 2005, the Financial Accounting Standards Board (FASB) issued Financial Interpretation No. 47, (FIN 47) “Accounting for Conditional Asset Retirement Obligations.” FIN 47 clarifies that the term “conditional asset retirement obligation” as used in Statement of Financial Accounting Standards (SFAS) No. 143 includes a legal obligation associated with the retirement of a tangible long-lived asset in which the timing and/or method of settling the obligation is conditional on a future event that may or may not be within the control of the entity. An

entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated, even if conditional on a future event. SFAS 143 requires the fair value of a liability for a legal obligation associated with an asset retirement be recorded in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized.

The University adopted FIN 47 effective June 30, 2006, and recorded a liability of \$616,716 of which \$598,028 was recorded as a cumulative effect of a change in accounting principle in the statement of activities. The cumulative effect of the adoption of FIN 47 reflects the accretion of the liability and depreciation of the related asset component from the liability inception date through June 30, 2006. The liability is recorded as a component of accounts payable and accrued liabilities in the statements of net assets. Assets with retirement obligations had a net book value of \$2,946 at June 30, 2006 and are included in land, buildings and equipment.

Had FIN 47 been adopted on July 1, 2004, the liability would have been \$598,028 and \$579,339 at June 30, 2005 and July 1, 2004, respectively.

***New Accounting Pronouncements***—In September 2006, the FASB issued Statement No. 158 “Employers’ Accounting for Defined Benefit Pension and Other Postretirement Plans”. This statement will require the University to recognize the funded status of its postretirement benefit plans as an asset or liability on the balance sheet in fiscal 2007. Management is evaluating the impact of implementing this statement.

***Reclassifications and Presentation***—In the accompanying statements of financial position, the 2005 interest rate swap contract liabilities of \$1,887,651 have been reclassified from accounts payable and accrued expenses to conform to the current classification of interest rate swap contract assets or liabilities as a separate line item.

## **2. INTERNAL REVENUE CODE STATUS**

The University has been granted tax-exempt status as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, files federal tax form 990 (Return of Organization Exempt from Income Tax) annually.

## **3. RELATED PARTY TRANSACTIONS**

A member of the University’s Board of Trustees is a partner of the University’s outside legal counsel. The University paid \$301,325 and \$591,566 to this legal firm for its services for the years ended June 30, 2006 and 2005, respectively.

#### 4. NET ASSETS

The components of the major classifications of net assets at June 30 are as follows:

	<b>2006</b>	<b>2005</b>
Unrestricted net assets:		
Unallocated	\$ 1,919,825	\$ 1,919,825
Designated for:		
Specific purposes, University's and department's	1,508,498	968,940
Student loans	2,141,299	1,872,598
Valuation change of interest rate swap contract	1,390,772	(1,887,651)
Funds functioning as endowment	86,493,994	81,838,557
Future investment in facilities	7,875,189	6,951,029
Net investment in plant	<u>12,025,954</u>	<u>12,675,400</u>
	<u>\$ 113,355,531</u>	<u>\$ 104,338,698</u>
Temporarily restricted net assets:		
Unexpended income for instruction, scholarships and capital expenditures	\$ 2,882,793	\$ 2,052,844
Endowment	6,733,642	4,771,180
Annuities and unitrust	<u>143,218</u>	<u>71,992</u>
	<u>\$ 9,759,653</u>	<u>\$ 6,896,016</u>
Permanently restricted net assets:		
Student loans	\$ 285,047	\$ 282,047
Endowment	34,236,417	29,786,054
Annuities	<u>75,410</u>	<u>103,350</u>
	<u>\$ 34,596,874</u>	<u>\$ 30,171,451</u>

#### 5. CONTRIBUTIONS RECEIVABLES

Contribution receivable consisted of the following at June 30:

	<b>2006</b>	<b>2005</b>
Contributions receivable in:		
Less than one year	\$ 252,250	\$ 4,727,302
One to five years	<u>1,503,801</u>	<u>649,750</u>
	1,756,051	5,377,052
Less discount to present value 3% for 2006 and 2005	<u>(59,904)</u>	<u>(78,946)</u>
	<u>\$ 1,696,147</u>	<u>\$ 5,298,106</u>

## 6. INVESTMENTS

The fair and cost values of the University's investments in marketable securities by type of investment were as follows at June 30:

	2006		2005	
	Fair Value	Cost	Fair Value	Cost
Money market accounts	\$ 873,528	\$ 873,528	\$ 3,713,743	\$ 3,713,743
Corporate and other bonds	-	-	100,714	100,066
Mutual funds:				
Fixed income	25,537,686	26,069,038	25,092,567	24,443,808
Balanced	15,396,646	15,076,596	11,104,866	11,017,135
Domestic	32,577,576	27,043,595	28,226,291	23,641,216
International	20,346,063	14,253,062	14,057,161	11,349,840
Alternative and hedge	25,740,386	19,440,050	19,121,586	17,446,300
Common stocks	10,945,435	9,898,846	9,280,172	8,582,549
Private equities	820,704	866,837	372,607	399,337
Real estate limited partnership	619,315	624,912	586,633	601,504
	<u>\$ 132,857,339</u>	<u>\$ 114,146,464</u>	<u>\$ 111,656,340</u>	<u>\$ 101,295,498</u>

For the fiscal years ended June 30, 2006 and 2005, the University incurred \$189,459 and \$239,150 respectively, in advisory and custodial fees for these investments. These fees have been netted against investment income in the Consolidated Statement of Activities.

The University has a spending rule policy for the majority of the endowment fund's asset pool whereby each participating fund earns investment income on the basis of subscribed units. These units are acquired and disposed at fair market value as determined on a quarterly basis. For fiscal years ending June 30, 2006 and 2005, the income was based on a spending rate of 5.5% of the three-year trailing average market value of the related assets.

## 7. LAND, BUILDINGS, AND EQUIPMENT

Land, buildings, and equipment at June 30 consist of the following:

	2006	2005
Land and improvements	\$ 7,036,023	\$ 7,623,887
Buildings and improvements	90,418,291	89,026,155
Construction in progress	37,063,531	9,716,602
Equipment	10,475,370	10,635,938
Library books	4,062,740	4,062,740
	<u>149,055,955</u>	<u>121,065,322</u>
Less accumulated depreciation	<u>(50,441,530)</u>	<u>(48,474,452)</u>
	<u>\$ 98,614,425</u>	<u>\$ 72,590,870</u>

## 8. PENSION PLAN

The University of the Sciences in Philadelphia Basic Retirement Plan is a defined contribution pension plan covering substantially all employees. The plan is designed to provide for investments in annuities and in shares of regulated investment companies (mutual funds). The University contributes 10% of each participant's annual compensation. Pension expense was \$2,394,535 and \$2,112,259 in 2006 and 2005, respectively.

In fiscal year 2005, the University began to offer key employees the opportunity to participate in nonqualified, tax-deferred compensation plans.

## 9. POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

The University provides certain health care and life insurance benefits for retired employees who reach retirement age while working for the University. The University accrues for expected medical and other postretirement benefits over the years that the employees render the necessary service. The University has adopted "SFAS" No. 132(R), *Employers' Disclosures about Pensions and Other Postretirement Benefits*, which revises and standardizes employers' disclosures about pension and other postretirement benefit plans but does not change the measurement of recognition of those plans.

### Reconciliation of Benefit Obligation and Plan Assets

	2006	2005
Change in benefit obligation:		
Benefit obligation at June 30 of the prior year	\$ 1,689,389	\$ 1,374,095
Service cost	47,811	38,772
Interest cost	90,734	91,227
Plan participants' contributions	108,384	99,105
Actuarial (gain) loss	(8,801)	299,470
Benefit paid	<u>(178,015)</u>	<u>(213,280)</u>
Benefit obligation at end of year	<u>\$ 1,749,502</u>	<u>\$ 1,689,389</u>
Change in plan assets:		
Employer contribution	\$ 69,631	\$ 114,175
Plan participants' contributions	108,384	99,105
Benefits paid	<u>(178,015)</u>	<u>(213,280)</u>
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>
<u>Funded Status Reconciliation and Key Assumptions</u>		
Reconciliation of funded status:		
Funded Status	\$ (1,749,502)	\$ (1,689,389)
Unrecognized net actuarial loss	<u>513,125</u>	<u>550,507</u>
Accrued benefit cost	<u>\$ (1,236,377)</u>	<u>\$ (1,138,882)</u>
Weighted-average assumptions as of end of year:		
Discount rate	6.25%	5.25%
Expected return on plan assets	N/A	N/A
Rate of compensation increase	N/A	N/A

The assumed health care cost trend rate of the 2006 fiscal year is 7.0%. This rate was assumed to decrease gradually to 5.0% over the next six years and remain at that level thereafter.

	<b>2006</b>	<b>2005</b>
Service cost	\$ 47,811	\$ 38,772
Interest cost	90,734	91,227
Expected return on plan assets	-	-
Amortization of prior-service cost and of transition obligation	-	-
Amortization of net actuarial loss	<u>28,581</u>	<u>16,404</u>
Net periodic benefit cost	<u>\$ 167,126</u>	<u>\$ 146,403</u>

Sensitivity Analysis, Postretirement Benefits

The sensitivity to +1% and -1% of the health care trend rate is minimal because the medical plan includes a cap limit set by the University on post-65 benefits.

Cash Flows

**Contributions** - The University expects to contribute \$110,937 to its postretirement benefit plan in fiscal 2007.

**Estimated Future Benefit Payments** - The following benefit payments, which reflect expected future service, as appropriate, expected to be paid for the years ending June 30 are as follows:

2007	\$ 110,937
2008	123,146
2009	123,611
2010	131,786
2011	140,103
2012-2016	671,919

On December 8, 2003 the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the "Act") became law. This Act introduced a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that meets creditable coverage/financing definitions defined by the Centers of Medicare and Medicaid Services. There is no Medicare Part D impact on the University's plan given the limited nature of the post-65 obligation.

**10. BONDS PAYABLE**

On November 1, 1995, the Pennsylvania Higher Educational Facilities Authority (PHEFA) issued insured tax-exempt bonds totaling \$26,000,000 on behalf of the University. Proceeds were used for the advance refunding of debt for the purchase of the remaining interest in PCPS Associates, Ltd., with whom the University had leased a dormitory and for the refinancing of the partnership's debt on the

facility. The remaining funds were used to finance certain capital projects and pay certain debt issuance expenses. In Fiscal year 2005 these bonds were refunded with proceeds from the 2005 PHEFA bonds.

On December 15, 1998, the PHEFA issued insured tax-exempt bonds totaling \$9,430,000 on behalf of the University. Proceeds were used for the demolition of various University facilities and their conversion to other University purposes and the renovation of various University facilities and the acquisition of equipment. The remaining funds were used for the refunding of debt and to pay certain debt issuance expenses. In fiscal year 2005 these bonds were refunded with proceeds from the 2005 PHEFA bonds.

On May 1, 2002, the PHEFA issued tax-exempt bonds totaling \$30,000,000 on behalf of the University. Proceeds are being used for the construction and equipping of a new athletic/recreational building, a new central utility plant, and other capital projects plus the payment of certain debt issuance expenses. In fiscal year 2005 these variable rate bonds were redeemed with proceeds from the 2005 PHEFA bonds.

On January 15, 2005, the PHEFA issued 2005A tax-exempt bonds totaling \$40,545,000 and on February 1, 2005, the PHEFA issued 2005B tax-exempt bonds totaling \$54,475,000 and 2005C taxable bonds totaling \$9,375,000 on behalf of the University. Proceeds are being used to establish refunding escrows for the 1995 and 1998 PHEFA bonds, to redeem 2002 PHEFA bonds, for the construction and equipping of a new science and technology center, the expansion of the central utility plant, and other capital projects plus the payment of capital interest expense and certain debt issuance expenses. These bonds are insured by XL Capital Insurance and are secured by a mortgage on the science and technology center. The 2005A PHEFA bonds are fixed rate instruments while the 2005B PHEFA bonds are auction rate certificates (“ARC”). The interest rate on the 2005B PHEFA bonds was 3.90 % at June 30, 2006.

On May 15, 2006, the PHEFA issued 2006 tax-exempt bonds totaling \$8,100,000 on behalf of the University. Proceeds were used to redeem 2005C PHEFA taxable bonds and certain debt issuance costs. The 2006 PHEFA bonds are auction rate certificates and the interest rate on these bonds was 3.60% at June 30, 2006.

In the event an auction is not held or the auction agent is unable to collect sufficient clearing bids for the ARC holders wishing to sell, the auction may be suspended, at which time the interest rate for the 2005B and 2006 PHEFA bonds becomes 15%. In the event this occurs, the University retains the right, as prescribed in the applicable bond documents, to elect to convert all of the 2005B or 2006 PHEFA bonds from one type of interest rate period (other than from a fixed rate) to another type of interest rate period, as prescribed in the applicable bond documents.

Concurrent with the issuance of the 2005B PHEFA bonds, the University entered into a variable-to-fixed interest rate swap agreement with UBS AG that converts \$30,325,000 of the 2005B PHEFA bonds to a fixed rate of 3.53%. The swap agreement has a maturity date of November 1, 2031. As a result of the change in fair value of this arrangement, the agreement resulted in a net gain of \$3,278,423 and a net loss of \$1,887,651, for the fiscal years-ended June 30, 2006 and 2005, respectively.

Bonds Payable is comprised of the following at June 30:

	2006	2005
Series 2005A--3% to 5%; maturing annually to 11/1/05, and on 11/1/2033 and 11/1/2036	\$ 39,930,000	\$ 40,545,000
Series of 2005A net premium	733,986	766,521
Series of 2005B--variable and synthetically fixed; maturing 11/1/2031	54,475,000	54,475,000
Series of 2005C--taxable variable, maturing 11/1/2015	-	9,375,000
Series of 2006--variable, maturing 11/1/2015	8,100,000	-
Total bonds payable	<u>\$ 103,238,986</u>	<u>\$ 105,161,521</u>
Unamortized issuance cost	\$ 2,391,599	\$ 2,465,641
Interest paid	\$ 3,881,330	\$ 2,502,818
Principal paid	\$ 9,990,000	\$ 54,645,000

The total market value of the \$102,505,000 PHEFA Revenue Bonds was \$102,731,660 at June 30, 2006, based on a comparison to current interest rates.

The maturities of all bonds and term loan for the next five years ending June 30 are:

Year	Maturing	Debt Service Fund	Total
2007	\$ 860,000	\$ 1,350,000	\$ 2,210,000
2008	885,000	1,375,000	2,260,000
2009	580,000	1,400,000	1,980,000
2010	620,000	1,400,000	2,020,000
2011	960,000	1,100,000	2,060,000
Thereafter	36,025,000	55,950,000	91,975,000

The University has an available line of credit in the amount of \$1.5 million with no specific amount required for compensating balance and no outstanding liability as of June 30, 2006 or 2005

Statement of Financial Accounting Standards No. 140, *Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities*, permit the extinguishment of liabilities only through payment of the creditor and relief of the obligation for the liability or if the debtor is legally released from the obligation. Because no debt obligations were defeased by the University during the 2006 or 2005 fiscal years, the provisions of this statement were not applicable to the University. The University has adopted the statement and will adhere to its provisions prospectively. The University's outstanding debt that had been refunded prior to 1998 and was not required to be disclosed on the statement of financial position totaled \$7,205,000 and \$22,820,000 at June 30, 2006 and 2005 respectively. Funds held by a trustee to repay these obligations totaled \$7,446,612 and \$23,495,448 at June 30, 2006 and 2005, respectively.

## 11. COMMITMENTS AND CONTINGENCIES

The University has noncancelable operating leases ending in 2007 through 2029 for certain facilities and equipment. Rental expense under these agreements equaled \$1,161,852 in 2006 and \$829,391 in 2005. Future minimum lease payments are as follows: 2007--\$1,054,303; 2008--\$542,576; 2009--\$472,837; 2010--\$482,099; 2011--\$493,042; and thereafter--\$3,933,613.

The University has multiyear management contracts for facilities and capital programs. Expenses and capitalized costs under these agreements equaled \$1,049,873 in 2006 and \$976,334 in 2005. Future minimum payments are as follows: 2007--\$992,209.

In the ordinary course of the University's educational activities, various lawsuits, claims and other contingencies arise. While the ultimate disposition of the aforementioned contingencies is not determinable at this time, management believes that any liability resulting there from will not materially affect the financial position of the University as of June 30, 2006.

## 12. OPERATING EXPENSES

Expenses by natural classifications for the years ended June 30 were:

	2006	2005
Compensation:		
Salaries	\$ 32,030,188	\$30,030,251
Employee benefits	9,794,392	8,743,388
Total compensation	<u>41,824,580</u>	<u>38,773,639</u>
Other expenses:		
Depreciation of buildings and equipment	3,490,685	3,313,560
Interest on indebtedness	3,105,958	2,472,899
Advertising and consulting	2,392,300	1,932,272
Utilities	2,057,331	1,875,315
Printing	1,387,377	1,163,640
Rental	1,199,004	1,088,430
Clinical fees	1,174,644	1,073,246
Scholarships	725,188	1,021,672
Food	1,012,549	989,676
Computer Equipment and software	800,826	813,926
Reference materials	757,736	751,002
Management contracts	741,882	695,714
Other supplies and expenses	9,082,442	8,915,583
Total other expenses	<u>27,927,922</u>	<u>26,106,935</u>
Total expenses	<u>\$ 69,752,502</u>	<u>\$ 64,880,574</u>

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