

UNIVERSITY OF THE SCIENCES IN PHILADELPHIA AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ 16,305,893	\$ 15,800,788
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,540,695	3,386,579
Write-off of debt issuance costs	144,542	765,954
Contributions restricted for long-term investments	(3,430,030)	(12,138,376)
Net return on long-term investments	(8,659,087)	(3,263,327)
Change in fair value of beneficial interest in trust	(24,306)	(9,365)
Change in fair value of interest rate swap contract	(3,278,423)	1,887,651
Cancellations and allowance for student loans	63,189	185,623
Changes in operating assets and liabilities:		
(Increase) in student accounts receivable	(440,730)	(420,822)
(Increase)/decrease in government receivables	378,254	(674,550)
(Increase)/decrease in contributions receivable	3,601,959	(4,063,058)
Decrease in other receivables	326,784	327,862
(Increase)/decrease in prepaid expenses and other current assets	170,411	(536,036)
Increase in accounts payable and accrued liabilities	1,853,400	1,059,943
Increase in refundable government grants and loans	38,884	78,248
Increase in tuition deposits and deferred revenue	1,146,967	627,438
Increase in annuity liabilities	16,189	150,646
Increase in other liabilities	5,294	29,178
Net cash provided by operating activities	<u>11,759,885</u>	<u>3,194,376</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of investments	16,719,833	30,859,386
Purchase of investments	(32,101,958)	(39,027,886)
(Increase)/decrease in investment cash	2,840,213	(3,176,509)
(Increase)/decrease in deposits with trustees	30,654,023	(48,365,201)
Purchase of property and equipment	(28,365,884)	(7,815,252)
Net cash used in investing activities	<u>(10,253,773)</u>	<u>(67,525,462)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contributions restricted for long-term investment	3,430,030	12,138,376
Disbursements for loans to students	(1,195,480)	(1,328,858)
Repayment of loans by students	1,101,234	1,043,996
Proceeds from bond issuance	8,100,000	105,161,521
Payment of debt issuance costs	(175,071)	(2,512,500)
Repayment of bonds	(9,990,000)	(54,645,000)
Net cash provided by financing activities	<u>1,270,713</u>	<u>59,857,535</u>
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	2,776,825	(4,473,551)
CASH AND CASH EQUIVALENTS—Beginning of year	<u>19,981,536</u>	<u>24,455,087</u>
CASH AND CASH EQUIVALENTS—End of year	<u>\$ 22,758,361</u>	<u>\$ 19,981,536</u>
Supplemental Disclosure of Cash Flow Information		
Non-cash investing activities:		
Accrued purchases of property and equipment	\$ 1,132,614	\$ 1,271,954

See notes to consolidated financial statements.