

NICHOLS COLLEGE
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULE
YEAR ENDED JUNE 30, 2008
AND
INDEPENDENT AUDITORS' REPORT

NICHOLS COLLEGE
FINANCIAL STATEMENTS
WITH SUPPLEMENTAL SCHEDULE
YEAR ENDED JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Nichols College

We have audited the accompanying statement of financial position of Nichols College as of June 30, 2008 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative financial information has been derived from the College's 2007 financial statements and, in our report dated September 28, 2007, we expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Nichols College as of June 30, 2008, and the results of its activities and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2008 on our consideration of the College's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to those basic financial statements taken as a whole.

Bollus Lynch, LLP

Worcester, Massachusetts
September 26, 2008

NICHOLS COLLEGE

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2008

(With Summarized Financial Information for 2007)

	<u>2008</u>	<u>2007</u>
Assets		
Cash	\$ 154,802	\$ 201,051
Student accounts receivable, less allowance for doubtful accounts of \$121,287 and \$255,000 in 2008 and 2007, respectively	266,921	377,537
Pledges receivable, net	515,923	605,046
Other receivables	149,300	178,015
Investments	12,804,908	14,110,422
Other assets	422,616	439,768
Deposits with bank trustee	2,828,854	2,665,363
Unamortized bond issuance costs, net	913,482	910,534
Property, plant, and equipment, net	<u>33,407,658</u>	<u>25,809,099</u>
	<u>\$ 51,464,464</u>	<u>\$ 45,296,835</u>
Liabilities and Net Assets		
Accounts payable, trade	\$ 1,568,594	\$ 1,227,264
Accrued and other liabilities	880,328	910,590
Deferred tuition and fees	1,167,495	1,018,608
Long-term debt	<u>23,426,667</u>	<u>20,100,000</u>
Total liabilities	<u>27,043,084</u>	<u>23,256,462</u>
Net assets		
Unrestricted	17,647,715	14,859,276
Temporarily restricted	1,975,402	2,533,950
Permanently restricted	<u>4,798,263</u>	<u>4,647,147</u>
Total net assets	<u>24,421,380</u>	<u>22,040,373</u>
	<u>\$ 51,464,464</u>	<u>\$ 45,296,835</u>

See accompanying notes to financial statements.

NICHOLS COLLEGE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2008
(With Summarized Financial Information for 2007)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2008	2007
Operating					
Revenue and other support					
Tuition and fees, net of financial aid of \$9,582,442 and \$7,612,973 in 2008 and 2007, respectively	\$ 18,424,755	\$ -	\$ -	\$ 18,424,755	\$ 15,424,689
Auxiliary enterprises	7,398,027	-	-	7,398,027	6,448,389
Contributions and gifts	1,341,601	322,624	112,356	1,776,581	1,510,562
Investment income, net	368,693	198,297	-	566,990	582,979
Net investment gains (losses)	19,288	(675,309)	-	(656,021)	639,292
Income from deposits with bank trustee	183,638	-	-	183,638	109,220
Net gains on deposits with bank trustee	45,005	-	-	45,005	31,506
Other revenue	342,066	-	-	342,066	178,801
Net assets released from restrictions	365,400	(365,400)	-	-	-
Imposition of donor restriction	-	(38,760)	38,760	-	-
Total	<u>28,488,473</u>	<u>(558,548)</u>	<u>151,116</u>	<u>28,081,041</u>	<u>24,925,438</u>
Expenses					
Instruction	4,765,734	-	-	4,765,734	4,334,803
Academic support	2,411,857	-	-	2,411,857	1,948,701
Student services	6,745,594	-	-	6,745,594	5,918,553
Institutional support	5,988,073	-	-	5,988,073	5,749,872
Auxiliary enterprises	5,788,776	-	-	5,788,776	4,758,968
Total	<u>25,700,034</u>	<u>-</u>	<u>-</u>	<u>25,700,034</u>	<u>22,710,897</u>
Change in net assets	2,788,439	(558,548)	151,116	2,381,007	2,214,541
Net assets, beginning of year	<u>14,859,276</u>	<u>2,533,950</u>	<u>4,647,147</u>	<u>22,040,373</u>	<u>19,825,832</u>
Net assets, end of year	<u>\$ 17,647,715</u>	<u>\$ 1,975,402</u>	<u>\$ 4,798,263</u>	<u>\$ 24,421,380</u>	<u>\$ 22,040,373</u>

See accompanying notes to financial statements.

NICHOLS COLLEGE

STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2008
(With Summarized Financial Information for 2007)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Change in net assets	\$ 2,381,007	\$ 2,214,541
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	2,025,843	1,607,200
Uncollectible accounts expense	51,499	456,772
Net investment (gains) losses	656,021	(639,292)
Net gains on deposits with bank trustee	(45,005)	(31,506)
Contributions restricted for long-term investment	(112,356)	(227,959)
(Increase) decrease in operating assets:		
Student accounts receivable	59,117	173,292
Pledges receivable	89,123	(97,688)
Other receivables	28,715	22,644
Other assets	17,152	(265,610)
Increase (decrease) in operating liabilities:		
Accounts payable, trade	(120,688)	427,706
Accrued and other liabilities	(30,262)	(240,315)
Deferred tuition and fees	148,887	348,073
	<u>2,768,046</u>	<u>1,533,317</u>
Total adjustments		
Net cash provided by operating activities	<u>5,149,053</u>	<u>3,747,858</u>
Cash flows from investing activities:		
Expenditures for property, plant, and equipment	(9,108,241)	(2,239,531)
Proceeds from sales and maturities of investments	14,343,490	4,000,000
Payments for purchases of investments	<u>(13,693,997)</u>	<u>(5,108,353)</u>
Net cash used in investing activities	<u>(8,458,748)</u>	<u>(3,347,884)</u>
Cash flows from financing activities:		
Payments of long-term debt	(523,333)	(445,455)
Proceeds from borrowings of long-term debt	3,850,000	-
Increase in deposits with bank trustee	(118,486)	(176,819)
Payments for bond issuance costs	(57,091)	-
Contributions restricted for long-term investment	<u>112,356</u>	<u>227,959</u>
Net cash provided by (used in) financing activities	<u>3,263,446</u>	<u>(460,782)</u>
Net increase (decrease) in cash	(46,249)	5,659
Cash, beginning of year	<u>201,051</u>	<u>195,392</u>
Cash, end of year	<u>\$ 154,802</u>	<u>\$ 201,051</u>

See accompanying notes to financial statements.

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Nichols College (the "College") is a nonprofit, private college, located in Dudley, Massachusetts. The College is governed by a local Board of Trustees. The College is empowered to award associate, baccalaureate and masters degrees as well as programs of continuing education.

Method of accounting

The financial statements of the College have been prepared on the accrual method of accounting. Accordingly, assets are recorded when the College obtains the rights of ownership or is entitled to claims for receipt, and liabilities are recorded when the obligation is incurred.

Financial statement presentation

The College presents information regarding its financial position and activities according to three classifications of net assets described as follows:

Unrestricted - All resources over which the governing board has discretionary control. The governing board of the College may elect to designate such resources for specific purposes. This designation may be removed at the board's discretion.

Temporarily Restricted - Resources accumulated through donations or grants for specific operating or capital purposes. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.

Permanently Restricted - Endowment resources accumulated through donations or grants that are subject to the restriction in perpetuity that the principal be invested. Investment income may be either an unrestricted or temporarily restricted resource when earned, determined according to the gift instruments.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the College's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted 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 revenue and expenses. Actual results could differ from those estimates.

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS

(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash

The College maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The College has not experienced any losses in such accounts. The College believes it is not exposed to any significant credit risk on cash.

Pledges receivable

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk free interest rate applicable to the year in which the promise is received. Accretion of the discount is included in contributions and gifts revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value. Gains or losses on investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or by law.

Investment income is recorded in unrestricted net assets unless its use is temporarily or permanently restricted by explicit donor stipulations.

State law has been interpreted to require that, unless explicitly stated otherwise by the donor, realized and unrealized appreciation on permanently restricted assets should be classified in a restricted net asset classification until appropriated for use by the governing board. Accordingly, based on the terms of the underlying gift instruments, net investment gains and losses on permanently restricted net assets are classified as temporarily restricted.

Deposits with bank trustee

Deposits with bank trustee are reported at fair value. Gains and losses on deposits with bank trustee are reported in the statement of activities as increases or decreases in unrestricted net assets.

Bond issuance costs

Bond issuance costs represent fees and other costs associated with obtaining long-term financing. Such costs are being amortized on a straight line basis over the terms of the financing.

Property, plant, and equipment

Property, plant, and equipment are carried at cost. Donated assets are recorded at fair value as of the date of the gift. Depreciation is computed using the straight-line method.

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tuition and fees

Certain deposits and advance payments received for tuition and fees related to the College's Summer Continuing Education and MBA programs and tuition billed relating to the ensuing academic year are deferred and are recorded as deferred tuition and fees.

Contributions and gifts

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor imposed restrictions. Contributions may include actual gifts or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Contributions of assets other than cash are recorded at their fair value on the date of the gift. Gifts of long-lived assets are reported as unrestricted support, unless specifically restricted by the donor. Time restrictions on gifts of long-lived assets, if any, expire when the assets are placed in service. Restricted gifts or promises to give are required to be reported as restricted support in the period received and are then reclassified to unrestricted net assets upon satisfaction of the donor restriction.

Advertising and promotion

All costs associated with advertising and promoting the College are expensed in the year incurred. Advertising expense was \$ 378,386 and \$407,249 in 2008 and 2007, respectively.

Functional expenses

The expenses incurred to provide the various programs and other activities of the College have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated to the programs and supporting services benefited.

2 - PLEDGES RECEIVABLE

Payments of pledges as of June 30, 2008 are expected to be received as follows:

2009	\$ 279,733
2010	111,083
2011	91,333
2012	67,333
2013	33,333
Thereafter	<u>33,335</u>
	616,150
Less: Allowance for uncollectible pledges	57,408
Unamortized discount	<u>42,819</u>
	<u>\$ 515,923</u>

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - INVESTMENTS

Investments are included in the following classes of net assets:

	<u>2008</u>	<u>2007</u>
Unrestricted	\$ 6,228,748	\$ 7,169,810
Temporarily restricted	1,795,767	2,298,804
Permanently restricted	<u>4,780,393</u>	<u>4,641,808</u>
	<u>\$ 12,804,908</u>	<u>\$ 14,110,422</u>

Investments are composed of the following:

	<u>2008</u>		<u>2007</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Money market funds	\$ 1,667,974	\$ 1,667,974	\$ 3,501,054	\$ 3,501,054
Certificates of deposit	1,200,000	1,200,056	781,220	777,757
Auction rate securities	1,175,000	1,175,000	-	-
Debt securities	2,047,860	2,053,112	2,511,782	2,490,606
Corporate bonds	2,479,099	2,438,343	3,070,270	2,979,373
Mutual funds, equities	4,197,835	4,253,836	3,616,214	4,360,495
Equities	<u>18,815</u>	<u>16,587</u>	<u>997</u>	<u>1,137</u>
	<u>\$ 12,786,583</u>	<u>\$ 12,804,908</u>	<u>\$ 13,481,537</u>	<u>\$ 14,110,422</u>

The following tabulation summarizes the relationship between carrying value and fair value of investments:

	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Net Investment Gains (Losses)</u>
Balance, June 30, 2008	<u>\$ 12,786,583</u>	<u>\$ 12,804,908</u>	\$ 18,325
Balance, June 30, 2007	<u>\$ 13,481,537</u>	<u>\$ 14,110,422</u>	628,885
Net unrealized investment losses			(610,560)
Net realized investment losses			<u>(45,461)</u>
Net investment losses for the year			<u>\$ (656,021)</u>

As discussed in Note 1, the College's investments are reported at fair value. Market value in the investment markets has been volatile since June 30, 2008. As a result, the fair value of the College's investment portfolio subsequent to June 30, 2008 is substantially lower than amounts reported at June 30, 2008.

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS

(Continued)

4 - DEPOSITS WITH BANK TRUSTEE

The College's bonds payable indentures require the maintenance of restricted construction and debt service reserves and replacement funds on deposit with a bank trustee. Deposits with bank trustee are held in various escrow accounts and are available for the following purpose:

	<u>2008</u>	<u>2007</u>
Future debt service	\$ 2,723,835	\$ 2,665,363
Plant and equipment construction and acquisition	<u>105,019</u>	<u>-</u>
	<u>\$ 2,828,854</u>	<u>\$ 2,665,363</u>

Deposits with bank trustee are carried at fair value, and are composed of the following:

	<u>2008</u>	<u>2007</u>
Cash and cash equivalents	\$ 1,954,617	\$ 845,895
U. S. treasury obligations	<u>874,237</u>	<u>1,819,468</u>
	<u>\$ 2,828,854</u>	<u>\$ 2,665,363</u>

5 - PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment, together with estimated useful lives, consists of the following:

	<u>Estimated Useful Lives</u>	<u>2008</u>	<u>2007</u>
Land, buildings, and improvements	10 - 40 years	\$ 39,323,918	\$ 34,522,765
Vehicles and equipment	3 - 7 years	8,467,989	7,630,107
Furniture and fixtures	5 - 10 years	3,268,259	2,901,246
Construction in progress	-	<u>4,641,675</u>	<u>1,077,463</u>
		55,701,841	46,131,581
Less: Accumulated depreciation		<u>22,294,183</u>	<u>20,322,482</u>
		<u>\$ 33,407,658</u>	<u>\$ 25,809,099</u>

Depreciation expense was \$1,971,701 and \$1,544,155 in 2008 and 2007, respectively.

6 - NOTE PAYABLE

The College has a \$1,500,000 revolving line of credit with its bank, secured by certain assets. The note bears interest at the bank's prime lending rate (5.00% as of June 30, 2008) and is due on demand. There were no amounts outstanding on this line of credit as of June 30, 2008 and 2007.

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS

(Continued)

7 - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2008</u>	<u>2007</u>
Loan payable, unsecured, due in monthly principal installments of \$5,833, with no interest, through February 2013.	\$ 326,667	\$ -
Bonds payable, unsecured, interest due in monthly installments of \$13,533 through June 2008, at which time monthly installments of \$65,474, including interest at 4.64%, are due through June 2013.	3,500,000	-
Bonds payable, secured by significant assets of the College, interest due in semi-annual installments at 6.00% through October 2018, at which time varying semi-annual principal installments ranging between \$200,000 and \$350,000, plus interest at 6.00% are due through October 2024.	3,800,000	3,800,000
Bonds payable, secured by significant assets of the College, due in varying semi-annual principal installments ranging between \$200,000 and \$500,000, plus interest at 6.06% through October 2029.	<u>15,800,000</u>	<u>16,300,000</u>
	23,426,667	20,100,000
Less: Current maturities of long-term debt	<u>1,206,711</u>	<u>500,000</u>
	<u>\$ 22,219,956</u>	<u>\$ 19,600,000</u>

Maturities of long-term debt in subsequent years are as follows:

Year Ended June 30

2009	\$ 1,206,711
2010	1,336,891
2011	1,368,501
2012	1,501,610
2013	1,612,954
Thereafter	<u>16,400,000</u>
	<u>\$ 23,426,667</u>

The bonds payable require, among other considerations, the maintenance of certain financial covenants.

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS

(Continued)

8 - RETIREMENT PLANS

The College participates in three retirement plans which cover substantially all employees. The Plans are the Teachers Insurance Annuity Association – College Retirement Equities Fund (TIAA-CREF), the Fidelity Group and Vanguard. In general, contributions to these defined contribution plans are made by the College and its employees on a matching basis. Contributions provided by the College amounted to approximately \$471,000 and \$315,000 in 2008 and 2007, respectively.

9 - RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2008</u>	<u>2007</u>
Expenditures for academic and athletic support programs	\$ 242,498	\$ 222,370
Expenditures for scholarships and financial aid	543,797	755,229
Expenditures for capital improvements	262,304	269,732
Expenditures for special programs	<u>926,803</u>	<u>1,286,619</u>
	<u>\$ 1,975,402</u>	<u>\$ 2,533,950</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors as follows:

	<u>2008</u>	<u>2007</u>
Expenditures for academic and athletic support programs	\$ 15,375	\$ 134,986
Expenditures for scholarships and financial aid	167,984	297,131
Expenditures for capital improvements	-	261,471
Expenditures for special programs	<u>182,041</u>	<u>15,970</u>
	<u>\$ 365,400</u>	<u>\$ 709,558</u>

During 2008, certain donors modified the terms of previously recorded gifts, resulting in an imposition of \$38,760 from temporarily restricted net assets to permanently restricted net assets.

Permanently restricted net assets are restricted to:

	<u>2008</u>	<u>2007</u>
Investment in perpetuity, the income and appreciation from which is expendable to support capital improvements	\$ 1,000,000	\$ 1,000,000
Investment in perpetuity, the income and appreciation from which is expendable to support scholarships and financial aid	1,729,263	1,628,147
Investment in perpetuity, the income and appreciation from which is expendable to support academic and athletic support programs	569,000	519,000
Investment in perpetuity, the income and appreciation from which is expendable to support special programs	<u>1,500,000</u>	<u>1,500,000</u>
	<u>\$ 4,798,263</u>	<u>\$ 4,647,147</u>

NICHOLS COLLEGE

NOTES TO FINANCIAL STATEMENTS

(Continued)

10 - STATEMENT OF CASH FLOWS

Supplemental disclosures of cash flows information is as follows:

	<u>2008</u>	<u>2007</u>
Cash paid during the year for:		
Interest	\$ 1,201,625	\$ 1,228,625

11 - TAX EXEMPT STATUS

The College qualifies as a tax-exempt, not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is required.

12 - SUBSEQUENT EVENTS

In August, 2008, the College incurred long-term debt of \$4,000,000 to finance the construction of a new residence hall. The bond payable is secured by significant assets of the College and is due in monthly interest installments of \$15,493 through September 2009, at which time varying monthly installments of approximately \$26,000 are due to fund semi-annual installments of principal and interest at 4.65%, through October 2028.

13 - COMMITMENTS AND CONTINGENCIES

The College is involved in litigation on several matters and is subject to certain claims which arise in the normal course of business. Management believes that adverse decisions, if any, relative to these matters will not have a material effect on the College's financial position.

14 - RECLASSIFICATIONS

Certain amounts in the 2007 summarized financial statements have been reclassified to conform with the 2008 presentation. Such reclassifications had no effect on the change in net assets as previously reported.

SUPPLEMENTAL SCHEDULE

NICHOLS COLLEGE

FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2008

(With Summarized Financial Information for 2007)

	Instruction	Academic Support	Student Services	Institutional Support	Auxiliary Enterprises	Totals	
						2008	2007
Salaries and wages	\$ 3,325,093	\$ 1,203,707	\$ 2,597,262	\$ 2,070,330	\$ 96,505	\$ 9,292,897	\$ 8,161,392
Employee benefits and payroll taxes	704,328	488,294	947,809	702,277	30,636	2,873,344	2,369,777
Food services	-	-	-	-	1,560,582	1,560,582	1,352,835
Professional fees	1,420	55,818	430,235	535,016	2,500	1,024,989	803,905
Vendor services	3,496	24,995	68,579	1,046,577	126,288	1,269,935	1,172,037
Utilities	906	2,281	5,587	108,310	570,423	687,507	655,092
Supplies	10,788	72,620	119,574	57,416	84,812	345,210	272,706
Repairs and maintenance	-	4,626	31,484	7,084	120,261	163,455	142,238
Rent	16,625	20,606	120,573	1,714	220,224	379,742	128,785
General insurance	-	-	22,347	183,056	-	205,403	221,954
Small equipment / software	362	18,926	72,724	74,584	22,224	188,820	159,749
Advertising	-	-	356,617	21,769	-	378,386	407,249
Printing and mailing	1,147	14,521	261,076	166,066	128	442,938	362,619
Dues and subscriptions	981	22,220	26,237	80,079	-	129,517	121,043
Travel and entertainment	48,043	67,888	392,136	298,303	91,272	897,642	716,793
Endowed scholarships	-	153,850	-	-	-	153,850	185,800
Credit card and bank fees	-	-	-	71,091	-	71,091	62,950
Uncollectible accounts expense	-	-	-	51,499	-	51,499	456,772
Operation and maintenance	272,999	107,973	533,835	213,361	1,196,005	2,324,173	2,121,142
Interest	140,254	55,472	274,259	109,615	614,450	1,194,050	1,222,442
Depreciation and amortization	237,957	94,114	465,312	185,974	1,042,486	2,025,843	1,588,786
Other	1,335	3,946	19,948	3,952	9,980	39,161	24,831
	<u>\$ 4,765,734</u>	<u>\$ 2,411,857</u>	<u>\$ 6,745,594</u>	<u>\$ 5,988,073</u>	<u>\$ 5,788,776</u>	<u>\$ 25,700,034</u>	<u>\$ 22,710,897</u>

See accompanying independent auditors' report.