

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.),
CALIFORNIA STATE POLYTECHNIC
UNIVERSITY, POMONA**

**Financial Statements and Supplemental
Schedules for the Year Ended June 30, 2017
and Independent Auditor's Report**

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

TABLE OF CONTENTS

June 30, 2017

INDEPENDENT AUDITOR’S REPORT	1
BASIC FINANCIAL STATEMENTS	3
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Cash Flows	5
NOTES TO THE FINANCIAL STATEMENTS	6
SUPPLEMENTARY INFORMATION	13
Expenses by Natural Classification	14



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bronco Student Center and Bronco Recreational Intramural Complex,
(A Fund of Associate Students, Inc.)
California State Polytechnic University, Pomona
Pomona, California

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Bronco Student Center and the Bronco Recreation Intramural Complex, a fund of Associated Students, Inc., California State Polytechnic University, Pomona (Student Center) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Student Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Student Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bronco Student Center and Bronco Recreational Intramural Complex,
(A Fund of Associate Students, Inc.)
California State Polytechnic University, Pomona
Pomona, California

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Student Center as of June 30, 2017, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The June 30, 2016 financial statements were audited by Vicenti, Lloyd & Stutzman, LLP, whose practice became part of CliftonLarsonAllen LLP as of June 1, 2017, and whose report dated September 12, 2016, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Student Center's financial statements as a whole. The supplementary schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.



CLIFTONLARSONALLEN LLP
Glendora, California
September 8, 2017

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**STATEMENT OF FINANCIAL POSITION
June 30, 2017
(With Comparative Totals for 2016)**

	<u>2017</u>	<u>2016</u>
ASSETS		
Cash and cash equivalents (note 2)		
On hand and in bank	\$ 63,675	\$ 158,021
Savings accounts	1,128	1,126
Investments in money funds	<u>10,587,652</u>	<u>9,228,220</u>
Total cash and cash equivalents	<u>10,652,455</u>	<u>9,387,367</u>
Receivables		
Accounts receivable, net of allowance for doubtful accounts of \$11,732 in 2017 and \$11,596 in 2016 (note 2)	71,765	42,598
Due from California State Polytechnic University, Pomona (note 9)	<u>2,053</u>	<u>1,332</u>
Total accounts receivable	<u>73,818</u>	<u>43,930</u>
Prepaid expenses and other assets	101,266	104,579
Property, plant and equipment, net of accumulated depreciation and amortization (note 6)	<u>778,567</u>	<u>275,945</u>
Total assets	<u>\$ 11,606,106</u>	<u>\$ 9,811,821</u>
LIABILITIES		
Accounts payable	\$ 819,099	\$ 624,323
Due to California State Polytechnic University, Pomona (note 9)	146,647	140,730
Accrued liabilities	274,408	247,614
Due from (to) interfund activities	(155,075)	1,362,139
Postretirement benefit payable (note 11)	<u>2,891,681</u>	<u>2,624,678</u>
Total liabilities	<u>3,976,760</u>	<u>4,999,484</u>
NET ASSETS		
Unrestricted net assets		
Designated (note 8)	1,202,195	575,239
Undesignated	<u>6,427,151</u>	<u>4,237,098</u>
Total net assets	<u>7,629,346</u>	<u>4,812,337</u>
Total liabilities and net assets	<u>\$ 11,606,106</u>	<u>\$ 9,811,821</u>

See the accompanying notes to the financial statements.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)**

	<u>2017</u>	<u>2016</u>
REVENUES		
Student center and Bronco Recreation and Intramural Complex (BRIC) fees	\$ 11,200,000	\$ 9,881,000
Student services	112,327	123,292
BRIC program fees	235,130	253,394
Rental income	389,216	364,159
Interest income	97,881	40,878
Other income, net	21,755	18,574
Total revenues	<u>12,056,309</u>	<u>10,681,297</u>
EXPENSES		
Programs:		
Cultural affairs		3,141
Student services	966,330	810,908
Student government	37,222	42,333
BRIC	2,415,010	2,206,685
Rental expenses	331,507	326,747
General and administrative	5,362,084	5,232,295
Total expenses	<u>9,112,153</u>	<u>8,622,109</u>
Change in net assets before other changes	2,944,156	2,059,188
Other changes - Postretirement-related changes other than net periodic benefit cost	<u>(127,147)</u>	<u>70,784</u>
CHANGE IN UNRESTRICTED NET ASSETS	2,817,009	2,129,972
NET ASSETS - beginning of year	<u>4,812,337</u>	<u>2,682,365</u>
NET ASSETS - end of year	<u>\$ 7,629,346</u>	<u>\$ 4,812,337</u>

See the accompanying notes to the financial statements.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)**

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,817,009	\$ 2,129,972
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	89,836	72,998
(Increase) decrease in operating assets:		
Accounts receivable, net	(29,167)	(1,140)
Due from California State Polytechnic University, Pomona	(721)	20,277
Prepaid and other assets	3,313	3,202
(Decrease) increase in operating liabilities:		
Accounts payable	194,776	252,928
Due to California State Polytechnic University, Pomona	5,917	(213,956)
Accrued liabilities	26,794	(1,551)
Other liabilities	(1,517,214)	1,648,413
Postretirement benefit payable	267,003	117,558
Net cash provided by operating activities	1,857,546	4,028,701
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant, and equipment	(592,458)	(152,252)
Net cash used by investing activities	(592,458)	(152,252)
Net increase in cash and cash equivalents	1,265,088	3,876,449
Cash and cash equivalents at the beginning of the year	9,387,367	5,510,918
Cash and cash equivalents at the end of the year	\$ 10,652,455	\$ 9,387,367

See the accompanying notes to the financial statements.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 1: ORGANIZATION

The Bronco Student Center and Bronco Recreation Intramural Complex, collectively known as the Student Center is a fund of Associated Students, Inc. (ASI), a California public benefit corporation which is an auxiliary organization to California State Polytechnic University, Pomona (University). The purpose of the Student Center is to provide a facility that offers programs, services and activities that benefit students and the University community.

The Student Center accounts for activities of the student union building, rental of its spaces and other Student Center related activities within the University community. This includes the activities and operations of the Bronco Recreation Intramural Complex (BRIC) which began operations the fall quarter of 2014.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the Student Center's significant accounting policies applied in the preparation of the accompanying financial statements follows:

Basic Presentation

The financial statements of the Student Center have been presented in accordance with the Auditing and Accounting Guide for Not-For-Profit Organizations issued by the American Institute of Certified Public Accountants. The guide states that net assets and revenues, expenses, gains and losses be classified based on the existence or absence of donor-imposed restrictions. As of June 30, 2017, the Student Center did not have any restricted net assets. Accordingly, net assets of the Student Center and changes therein are classified as unrestricted net assets. The board designates a portion of the unrestricted net assets for specific purposes. These designations are identified in Note 8 and total \$1,202,195 as of June 30, 2017. Therefore, the undesignated portion of unrestricted net assets total \$6,427,151.

Estimates

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents and Related Investments

Cash equivalents consist of investments in the State of California's Local Agency Investment Fund (LAIF) and state investment pools with purchase maturities of 201 days or less. The Student Center is exposed to credit loss for the amount of cash in the event of nonperformance by LAIF and the state investment pools. However, management of the Student Center does not anticipate nonperformance by LAIF or the state investment pools. In accordance with the Student Center's cash management policy, all excess cash is invested in LAIF or state investment pools.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Student Center provides for losses on accounts receivable using the allowance method. The allowance is based on the length of time the receivable has been outstanding. It is the Student Center's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Property, Plant and Equipment

Legal title to the Student Center building and the BRIC is retained by the California State University Board of Trustees. Initial furnishings and equipment for the BRIC were purchased by the University. Accordingly, the related assets and liabilities are excluded from the Student Center's financial statements. Any purchases following the grand opening of the BRIC are the responsibility of the Student Center and are included in the Student Center financial statements.

The Student Center capitalizes all furniture, equipment or improvements with a normal useful life of at least one year and costing \$5,000 or more at cost if purchased, or at fair value as of the date of receipt, if donated. Equipment is stated at cost, if purchased, or at fair value, as of the date of receipt if donated. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which range from five to fifteen years. Leasehold improvements are amortized using the straight-line method over their estimated useful lives or the term of the lease, whichever is shorter.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Functional Expenses

The costs of providing various programs and other activities of the Student Center have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among program and supporting services benefited. It is the Student Center's policy to classify expenses that benefit more than one activity as general and administrative.

Income Taxes

The Student Center, a fund of ASI, is exempt from federal income and state franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California statutes. Accordingly, no income tax provision has been recorded.

Subsequent Events

The Student Center has evaluated subsequent events through September 8, 2017, which is the date the financial statements were available to be issued. There were no subsequent events requiring recognition as of September 8, 2017.

Comparative Totals

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 generally accepted accounting principles in the United States of America. Accordingly, such information should be read in conjunction with the Student Center's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Reclassifications

Certain 2016 amounts have been reclassified on the statement of activities to conform to the 2017 financial statement presentation. Net position and changes in net position are unchanged due to these reclassifications.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 3: CONCENTRATION OF CREDIT RISK

The Student Center's cash balances are exposed to credit risk for amounts exceeding federally insured limits of \$250,000 in the event of nonperformance by the financial institution. The Student Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk for cash and cash equivalents. The Student Center's cash balances in financial institutions were fully insured as of June 30, 2017.

NOTE 4: LOCAL AGENCY INVESTMENT FUND (LAIF)

LAIF is with the State of California which pools these funds with other governmental agencies and invests in various investment vehicles. These pooled funds approximate fair value and are carried at amortized cost. Regulatory oversight is provided by the State Pooled Money Investment Board and the Local Investment Advisory Board. LAIF is not subject to categorization to indicate the level of custodial credit risk assumed by the Student Center.

NOTE 5: STUDENT CENTER FEES

Full-time and part-time students of the University are required to pay a fee to service debt related to the construction and operation of the Student Center building and the BRIC. The fees, collected by the University Accounting Office, are deposited in the California State Treasury.

The California State University Board of Trustees have the right to first call on these funds for revenue bond debt service requirements and for repairs and replacements of plant assets. The remaining funds are available for use in operating the Student Center and BRIC for the benefit of the students. The transfer of student fees is recorded as revenue in the year in which the fees are remitted. For the year ended June 30, 2017, the fees remitted for the Student Center and the BRIC were \$11,200,000.

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

The following is a summary of property, plant and equipment as of June 30, 2017:

Leasehold improvements	\$ 567,911
Other equipment	<u>877,855</u>
	1,445,766
Less: accumulated depreciation	<u>(667,199)</u>
 Total property, plant and equipment, net	 <u><u>\$ 778,567</u></u>

Depreciation expense for the fiscal year ending June 30, 2017 was \$94,799.

NOTE 7: OPERATING LEASE

The Student Center entered into a five-year lease agreement for two copiers in fiscal year 2012-13. Future minimum rental payments due under the lease agreement are as follows:

Year Ending June 30,	Expected Future Lease Payments
2018	\$ 1,327

For fiscal year ending 2017, rental expense under this lease amounted to \$5,325.

NOTE 8: DESIGNATED NET ASSETS

The following are unrestricted net assets that are designated by the Board of Directors as of June 30, 2017:

Medicare reserve	\$ 172,500
Investment in fixed assets reserve	778,567
England Evan College Fund reserve	1,128
Capital improvement reserve	<u>250,000</u>
Total designations	<u><u>\$ 1,202,195</u></u>

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 9: RELATED PARTY TRANSACTIONS

The Student Center, ASI and the University provide various services for each other and such services are appropriately billed. At June 30, 2017, accounts receivable of \$2,053 was due from the University and accounts payable of \$146,647 was due to the University. Any difference in receivables and payables balances between ASI and the University's independent accounting records are a result of timing differences.

Payments received by the Student Center from the University for the year ended June 30, 2017 totaled \$156,764. Payments made by the Student Center to the University included in expenses for fiscal year ended June 30, 2017 totaled \$717,686.

ASI currently leases a total of 249,216 square feet of space for Student Center and Bronco Recreation and Intramural Complex activity as provided in a master operating agreement between the California State University Board of Trustees and ASI. In May 1999, ASI entered into an agreement to transfer its right to use certain leased spaced in the Student Center to the University for \$400,000. ASI also agreed to maintain the cost of HVAC and roof maintenance.

NOTE 10: PENSION PLAN

Qualified employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Plan under the California Public Employees' Retirement System plan (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. The Public Agency Cost-Sharing Multiple-Employer Plan is comprised of a Miscellaneous Pool and a Safety Pool. ASI sponsors two Miscellaneous Risk Pool plans, however, the information presented below represents the sum of the allocated pension amounts for each of ASI's plans (the Plan). The Plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and their beneficiaries. Benefit provisions are established be State statutes, as legislatively amended, within the Public Employees' Retirement Law. Copies of CalPERS' annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

Participants hired prior to January 1, 2013 are required to contribute 6% with a \$317 offset to their monthly covered salary. Participants hired on or after January 1, 2013 are required to contribute 6.25% of their salary. The Student Center, through ASI, is required to contribute annually at an actuarially determined rate; the current rate is 8.159% of annual covered payroll for employees hired prior to January 1, 2013. The Student Center, through ASI, is required to contribute annually at a rate of 6.555% for employees hired on or after January 1, 2013. The contribution requirements of plan members and the Student Center, through ASI, are established and may be amended by CalPERS. For fiscal year ended June 30, 2016, ASI's annual pension

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 10: PENSION PLAN

cost was \$180,995 (employee portion which includes the Student's Center's portion) for CalPERS was equal to the required and actual contributions. The required employer contribution rate for 2016-17 is 8.2% for employees hired prior to January 1, 2103 and 6.533% for employees hired after January 1, 2013. The required contribution is estimated at \$228,978.

Summarized funded status, reported in millions, of the Plan-wide Miscellaneous risk pool as of the June 30, 2015 measurement date, the most recent actuarial valuation date available, is reported herein.

	Plan-wide Miscellaneous Risk Pool (in thousands)
Total pension liability	\$ 14,397
Plan fiduciary net position	10,923
Plan net pension liability	3,474
Funded ratio	75.87%

NOTE 11: POST RETIREMENT HEALTH BENEFIT PLAN

In addition to providing pension benefits, the Student Center, through the ASI sponsors a defined benefit postretirement medical plan. Employees are eligible for certain medical benefits under the plan if they meet certain age and service requirements at the time of retirement. The Student Center accrues its share of actuarially determined costs ratably from the date an employee becomes eligible for such benefits.

Management has allocated \$301,664 of the current year net periodic benefit cost and \$127,147 of the other actuarial adjustments to the Student Center and the portion of the postretirement benefit payable allocated to the Student Center was determined to be \$2,891,681. Additional plan disclosures for the defined benefit postretirement medical plan sponsored by ASI, which includes the Student Center's allocated portion, are included in Note 11 of ASI's Financial Statements for the year ended June 30, 2017.

SUPPLEMENTARY INFORMATION

**BRONCO STUDENT CENTER AND
BRONCO RECREATION INTRAMURAL COMPLEX
(A FUND OF ASSOCIATED STUDENTS, INC.)
CALIFORNIA STATE POLYTECHNIC UNIVERSITY, POMONA**

**EXPENSES BY NATURAL CLASSIFICATION
For the Year Ended June 30, 2017
(With Comparative Totals for 2016)**

	2017	2016
EXPENSES		
Salaries and wages	\$ 4,551,084	\$ 4,115,820
Student Programs	35,264	8,680
Staff benefits	1,240,672	1,186,028
Depreciation	89,836	72,998
Other operating expenses:		
Administration staff support	121,062	56,390
BSC programs	107,308	91,620
BSC student services	324,222	362,214
Communications	287,264	257,038
Computer	101,417	118,134
Conference center	8,727	6,335
Director's, chairperson's and board's expenses	21,663	55,517
Dues and subscriptions	5,103	8,122
Energy management system	22,521	24,580
Equipment rental	25,101	21,635
Insurance	92,399	80,401
Legal, audit and professional services	292,211	301,646
Miscellaneous	141,960	72,172
Moving and relocation		3,232
Non-capital equipment less than \$5,000	174,530	89,015
Office operations	30,238	53,997
Printing and advertising	78,872	52,954
Public relations	156,561	175,921
Repairs and maintenance	35,533	30,361
Special capital expenditures	182,184	142,125
Scholarships	4,618	14,556
Structure repairs and maintenance	191,910	253,125
Supplies and services	379,539	317,069
Utilities	410,354	650,424
Total expenses	\$ 9,112,153	\$ 8,622,109

See the accompanying independent auditor's report.