

## Financial Report

### UNIVERSITY OF PENNSYLVANIA

*For the seven months ending January 31, 2005*

*(with comparison to the prior seven month fiscal period, unless otherwise noted)*

*(The following information represents the unaudited results for the period.)*

#### **CONSOLIDATED UNIVERSITY - (ACADEMIC & HEALTH SYSTEM):**

- Total net assets (unrestricted, temporarily restricted and permanently restricted) increased \$346.0 million (+5.9%) to \$6.234 billion since June 30, 2004.
- Net assets from operating activities increased \$37.6 million compared to an decrease of \$4.2 million for the prior fiscal year.
- Total operating revenue increased by \$171.2 million (+8.0%) to \$2.303 billion.
- Total expenses increased \$129.5 million (+6.1%) to \$2.266 billion.
- Net assets from non-operating activities increased \$308.4 million, as compared to a gain of \$406.1 million in the prior fiscal year.
- The total endowment value as of January 31, 2005 is \$4.236 billion, an increase of \$217 million since June 30, 2004.
- Plant assets, net of depreciation, increased \$36.2 million (+1.4%) since June 30, 2004.
- Cashflow from operating activities increased \$154.9 million compared to the prior fiscal year.

#### **ACADEMIC COMPONENT:**

- Total net assets increased \$252.5 million (+4.8%) to \$5.559 billion driven by investment performance, non-operating contributions and increased operating revenues.
- Net assets from operations increased \$9.7 million compared to a \$25.1 million decrease for the prior fiscal year.
- Total revenue and other support increased \$62.8 million (+6.1%) over FY 2004 to a total of \$1.092 billion led by increased contributions, sponsored program revenue (including indirect cost recoveries) and tuition and fees (net of student aid).

- Total expenses increased \$28.0 million (+2.7%) over FY 2004 to a total of \$1.082 billion primarily due to an increase in salaries and wages (including grant and non-grant funded).
- Net assets from non-operating activities increased \$242.8 million, as compared to a gain of \$364.8 million in the prior fiscal year.
- Total contributions (operating and non-operating) increased \$80.0 million (+75.8%) led by gifts to endowment.
- The total endowment value (University only) increased \$206.4 million (+6.0%) to \$3.655 billion since June 30, 2004.
- Plant assets, net of depreciation, increased \$36.6 million (+1.8%) since June 30, 2004.
- Cashflow from operating activities increased by \$36.2 million (+15.5%) as compared to the prior fiscal year.
- Cash and investments held for current operations increased \$183.1 million (+36.1%) compared to the levels held on June 30, 2004.

#### **HEALTH SYSTEM COMPONENT:**

- Compared to the prior year, adult admissions were 2.3% higher (+883); surgical admissions were 8.9% higher (+1,251); and outpatient activity, which includes outpatient visits, ER visits and ambulatory surgeries, was 0.6% higher (+7,327).
- Total unrestricted net assets increased \$75.2 million (+38.8%) since June 30, 2004 to \$269.2 million due to positive operating performance and the gain recognized on the sale of the Phoenixville Hospital.
- Operating revenue of \$1.231 billion was higher than the comparable prior-year period by \$108.5 million (+9.7%).
- Total operating expense of \$1.192 billion was higher than the comparable prior-year period by \$101.9 million (+9.3%).
- Excess of revenues over expenses from operations totaled \$38.4 million which was \$6.6 million (+20.9%) higher than the prior year results.
- Non-operating revenue totaled \$14.5 million which was consistent with the comparable prior-year period.
- Excess of revenue over expenses (before transfers) totaled \$90.9 million and was higher than the prior year by \$44.1 million (+94.3%).
- Plant assets, net of depreciation, decreased \$0.4 million to \$587.9 million since June 30, 2004.

- Overall unrestricted liquidity improved from the period ended June 30, 2004, as days-cash-on-hand increased from 94.5 to 81.4 days.
- The inter-company liability due the University totaled \$4.3 million which compares favorably to the \$6.8 million balance of June 30, 2004.
- Days-in-accounts-receivable decreased from 71.2 days to 59.7 days for the period ending June 30, 2004.