

## **Financial Report**

### **UNIVERSITY OF PENNSYLVANIA**

*For the ten months ending April 30, 2005*

*(with comparison to the prior ten 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 \$376.8 million (+6.4%) to \$6.265 billion since June 30, 2004.
- Net assets from operating activities increased \$54.8 million compared to a decrease of \$8.7 million for the prior fiscal year.
- Total operating revenue increased by \$264.6 million (+8.7%) to \$3.311 billion.
- Total expenses increased \$201.2 million (+6.6%) to \$3.257 billion.
- Net assets from non-operating activities increased \$322.0 million, as compared to a gain of \$455.4 million in the prior fiscal year.
- The total endowment value as of April 30, 2005 is \$4.254 billion, an increase of \$235 million since June 30, 2004.
- Plant assets, net of depreciation, increased \$21.4 million (+0.8%) since June 30, 2004.
- Cashflow from operating activities increased \$167.6 million compared to the prior fiscal year.

#### **ACADEMIC COMPONENT:**

- Total net assets increased \$282.6 million (+5.3%) to \$5.589 billion driven by investment performance, non-operating contributions and improved operating performance.
- Net assets from operations increased \$10.8 million compared to a \$30.8 million decrease for the prior fiscal year.
- Total revenue and other support increased \$102.8 million (+7.0%) over FY 2004 to a total of \$1.567 billion led by sponsored program revenue (including indirect cost recoveries), tuition and fees (net of student aid) and increased contributions.

- Total expenses increased \$61.2 million (+4.1%) over FY 2004 to a total of \$1.556 billion primarily due to an increase in current expenses and salaries/wages (including grant and non-grant funded).
- Net assets from non-operating activities increased \$271.8 million, as compared to a gain of \$400.5 million in the prior fiscal year.
- Total contributions (operating and non-operating) increased \$109.6 million (+69.5%) led by gifts to endowment.
- The total endowment value (University only) increased \$230.1 million (+6.7%) to \$3.679 billion since June 30, 2004.
- Plant assets, net of depreciation, increased \$19.1 million (+0.9%) since June 30, 2004.
- Cashflow from operating activities increased by \$36.9 million (+21.1%) as compared to the prior fiscal year.
- Cash and investments held for current operations increased \$96.1 million (+18.9%) compared to the levels held on June 30, 2004.

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

- Compared to the prior year, adult admissions were 2.2% higher (+1,342), which includes a 9.3% increase (+1,873) in surgical admissions. Outpatient activity, which includes outpatient visits, ER visits and ambulatory surgeries, declined slightly (-0.6%, -10,299) due to program closures.
- Total unrestricted net assets increased \$79.5 million since June 30, 2004 to \$273.5 million due to positive operating performance and the gain recognized on the sale of the Phoenixville Hospital.
- Operating revenue of \$1.769 billion was higher than the comparable prior-year period by \$157.1 million (+9.7%).
- Total operating expense of \$1.712 billion was higher than the comparable prior-year period by \$139.5 million (+8.9%).
- Excess of revenues over expenses from operations totaled \$57.2 million which was \$17.6 million (+44.5%) higher than the prior year results.
- Unrestricted non-operating revenue totaled \$24.4 million which was \$4.2 million (+21.0%) higher than the comparable prior-year period.
- Unrestricted excess of revenue over expenses (before transfers) totaled \$103.0 million and was higher than the prior year by \$45.9 million (+80.5%).

- Plant assets, net of depreciation, increased \$2.3 million to \$590.6 million since June 30, 2004.
- Overall unrestricted liquidity improved from the period ended June 30, 2004, as days-cash-on-hand increased from 82.0 days to 110.7 days.
- The inter-company liability due the University totaled \$4.5 million which compares favorably to the \$6.8 million balance of June 30, 2004.
- Days-in-accounts-receivable decreased to 49.9 days from 71.2 days for the period ending June 30, 2004.