Financial Report
UNIVERSITY OF PENNSYLVANIA
For the seven months ending January 31, 2007
(with comparison to the prior fiscal year, unless otherwise noted)
(The following information represents the preliminary, unaudited results for the period.)

CONSOLIDATED UNIVERSITY - (ACADEMIC & HEALTH SYSTEM):

- Total net assets (unrestricted, temporarily restricted and permanently restricted) increased $799.1 million (+10.9%) since June 30, 2006 to $8.122 billion.
- Net assets from operating activities increased $185.0 million, a 53.1% increase over the prior fiscal year results ($120.8 million).
- Total operating revenue increased by $198.3 million (+7.9%) to $2.718 billion.
- Total expenses increased $134.1 million (+5.6%) to $2.533 billion.
- Net assets from non-operating activities increased $614.1 million as compared to a gain of $490.6 million in the prior fiscal year.
- The total endowment value as of January 31, 2007 is $6.040 billion, an $874 million (+16.9%) increase over June 30, 2006.
- Plant assets, net of depreciation, increased $93.3 million (+3.2%) since June 30, 2006.
- Cashflow from operating activities equaled $430.5 million which compared favorably to the $408.3 million reported in the prior fiscal year.

ACADEMIC COMPONENT:

- Total net assets increased $550.3 million (+8.7%) to $6.903 billion since June 30, 2006 led by non-operating investment gains, contributions and higher tuition and fees.
- Net assets from operations increased $19.6 million compared to a $20.7 million increase for the prior fiscal year.
- Total revenue and other support increased $43.1 million (+3.7%) over FY06 to a total of $1.2 billion led by tuition and fees (net of student aid), operating investment income and contributions.
- Total expenses increased $44.2 million (+3.9%) over FY06 to a total of $1.18 billion primarily due to an increase in compensation and current expenses.
• Net assets from non-operating activities, which increased $530.8 million as a result of strong investment gains, were also favorable to prior year results ($394.3 million).

• Total contributions (operating and non-operating) of $147.3 million represent a $31.5 million (-17.6%) decrease from the prior year.

• The total endowment value (University only) increased $638.7 million (+14.5%) since June 30, 2006 to $5.054 billion.

• Plant assets, net of depreciation, of $2.258 billion were $19.1 million (+0.9%) higher than June 30, 2006.

• Cashflow from operating activities totaled $213.1 million for the first seven months of FY07, an increase of $10.8 million over FY06 results.

• Cash and investments held for current operations increased $48.5 million (+10.3%) over June 30, 2006 levels to $519.9 million.

HEALTH SYSTEM COMPONENT:

• Year-over-year adjusted admissions increased 4,255 (+7.1%) to 64,143.

• Total unrestricted net assets increased $214.6 million since June 30, 2006 to $736.6 million primarily due to strong operating performance and investment performance and the recording of a non-recurring gain.

• Total operating revenue of $1.511 billion was 10.9% higher (+$148.5 million) than the comparable prior year period driven by higher inpatient activity and outpatient rate improvements.

• Total operating expense of $1.345 billion was 6.8% lower (-$86.0 million) than the prior-year primarily due to lower compensation and supply expenses.

• Excess of revenues over expenses from operations (net of SOM support) of $150.8 million is $47.5 million (+46.0%) higher than the prior year results.

• Unrestricted non-operating revenue totaled $50.5 million which was $19.2 million (+61.2%) higher than the comparable prior-year period.

• Unrestricted excess of revenue over expenses (before transfers) totaled $229.0 million which was higher than the prior year by $77.1 million (+50.8%).

• Plant assets, net of depreciation, increased $74.2 million since June 30, 2006 to $728.1 million.

• Overall unrestricted liquidity improved as days-cash-on-hand increased from 159.2 days (for the period ending June 30, 2006) to 177.8 days at the end of January.

• Days-in-accounts-receivable of 37.1 days (for the period ending June 30, 2006) is consistent with the January 31, 2007 month end results of 37.4 days.