Financial Report
UNIVERSITY OF PENNSYLVANIA

For the ten months ending April 30, 2007
(with comparison to the prior fiscal year, 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 $1.130 billion (+15.4%) since June 30, 2006 to $8.453 billion.

• Net assets from operating activities increased $249.1 million, a 43.2% increase over the prior fiscal year results ($174.0 million).

• Total operating revenue increased by $276.6 million (+7.7%) to $3.885 billion.

• Total expenses increased $201.5 million (+5.9%) to $3.636 billion.

• Net assets from non-operating activities increased $880.3 million as compared to a gain of $741.7 million in the prior fiscal year.

• The total endowment value as of April 30, 2007 is $6.355 billion, a $1.189 billion (+23.0%) increase over June 30, 2006.

• Plant assets, net of depreciation, increased $112.5 million (+3.9%) since June 30, 2006.

• Cashflow from operating activities equaled $402.0 million, an 11.1% decline from the prior fiscal year.

ACADEMIC COMPONENT:

• Total net assets increased $757.3 million (+11.9%) to $7.110 billion since June 30, 2006 led by non-operating investment gains, contributions and higher tuition and fees.

• Net assets from operations increased $17.4 million compared to a $23.8 million increase for the prior fiscal year.

• Total operating revenue and other support increased $73.5 million (+4.5%) to a total of $1.713 billion led by tuition and fees (net of student aid), operating investment income and other income.

• Total operating expenses increased $80.0 million (+5.0%) to a total of $1.696 billion primarily due to an increase in compensation, current expense and depreciation.
• Net assets from non-operating activities, which increased $739.9 million as a result of strong investment gains and contributions, were also favorable to prior year results (+$120.1 million).

• Total contributions (operating and non-operating) of $184.6 million represent a $86.8 million (-32.0%) decrease from the prior year.

• The total endowment value (University only) increased $917.5 million (+20.8%) since June 30, 2006 to $5.333 billion.

• Plant assets, net of depreciation, of $2.239 billion were consistent with June 30, 2006 results.

• Cashflow from operating activities totaled $106.3 million for the first ten months of FY07, a decrease of $42.2 million over FY06 results due to timing of certain tax payments and receipt of grant advances.

• Cash and investments held for current operations decreased $132.1 million (-28.0%) over June 30, 2006 levels to $339.3 million.

HEALTH SYSTEM COMPONENT:

• Year-over-year adjusted admissions increased 5,997 (+7.0%) to 91,993.

• Total unrestricted net assets increased $327.9 million since June 30, 2006 to $849.8 million primarily due to strong operating performance and investment performance and the recording of a non-recurring gain.

• Total operating revenue of $2.164 billion was 10.0% higher (+$197.3 million) than the comparable prior-year period driven by higher inpatient and outpatient activity and outpatient rate improvements.

• Total operating expense of $1.927 billion was 6.2% higher (+$113.2 million) than the prior-year primarily due to higher compensation and supply expense.

• Excess of revenues over expenses from operations (net of SOM support) of $212.1 million is $59.2 million (+38.8%) higher than the prior year results.

• Unrestricted non-operating revenue totaled $70.9 million, a $23.3 million (+49.0%) increase over the prior-year.

• The unrestricted excess of revenue over expenses (before transfers) totaled $329.4 million which was higher than the prior year by $102.8 million (+45.4%).

• Plant assets, net of depreciation, increased $112 million since June 30, 2006 to $765.9 million.

• Overall unrestricted liquidity improved as days-cash-on-hand as of April 30, 2007 equaled 186.6 days (159.2 days as of June 30, 2006).

• Days-in-accounts-receivable of 36.8 days for the period ending April 30, 2007 is consistent with the prior year end results of 37.1 days.