

University of Wisconsin Medical Foundation, Inc.
Consolidated Financial Statements
As of years ended December 31, 1999 and 1998

University of Wisconsin Medical Foundation, Inc.

Consolidated Balance Sheets

	December 31	
	1999	1998
Assets		
Current assets:		
Cash and cash-equivalents	\$ 14,245,868	\$ 5,635,925
Investments	21,457,931	28,111,025
Investments whose use is limited	1,992,421	1,991,138
Accounts receivable, less allowances for contractual provisions and doubtful accounts of \$40,321,000 and \$36,883,000 in 1999 and 1998, respectively	57,674,397	51,647,424
Due from University affiliates	40,000	2,327,729
Inventories	1,878,898	1,643,945
Prepaid expense and other current assets	3,522,473	4,426,261
Total current assets	<u>100,811,988</u>	<u>95,783,447</u>
Investments whose use is limited	1,891,710	3,678,880
Investment in unconsolidated affiliates	5,436,754	5,401,429
Property, plant and equipment, net	64,499,942	65,416,638
Intangible assets, less accumulated amortization of \$1,021,311 and \$532,296 in 1999 and 1998, respectively	3,633,174	4,083,554
Other assets	2,916,064	3,113,296
Total assets	<u>\$179,189,632</u>	<u>\$177,477,244</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 26,643,458	\$ 26,129,524
Current maturities of long-term obligations	6,118,449	3,792,468
Current portion of deferred compensation	-	1,122,260
Amounts due to Medical School Development Fund	10,120,473	6,279,323
Amount due to Research and Development Fund	534,498	613,000
Deferred income taxes	121,000	221,000
Total current liabilities	<u>43,537,878</u>	<u>38,157,575</u>
Long-term obligations, less current portion	73,034,535	83,062,070
Deferred compensation	-	248,736
Deferred income taxes	1,792,000	3,411,000
Total liabilities	<u>118,364,413</u>	<u>124,879,381</u>
Unrestricted net assets	<u>60,825,219</u>	<u>52,597,863</u>
Total liabilities and net assets	<u>\$179,189,632</u>	<u>\$177,477,244</u>

See accompanying notes.

MIL 0003-0031052

University of Wisconsin Medical Foundation, Inc.

Consolidated Statements of Operations and Changes in Net Assets

	Year ended December 31	
	1999	1998
Unrestricted revenues:		
Net patient service revenue	\$261,366,787	\$246,129,247
Other professional revenue	6,654,381	5,906,838
Other revenue	2,819,387	2,252,651
Funding support - University of Wisconsin Hospital and Clinics Authority	1,546,098	1,534,336
Total revenues	<u>272,386,653</u>	<u>255,823,072</u>
Expenses:		
Compensation and benefits	152,511,143	141,161,980
Operating expenses paid through the University of Wisconsin, principally compensation and benefits	34,886,934	31,700,355
Other operating expenses	38,316,128	36,629,175
Purchased services	8,802,607	12,165,978
Medical School Development Fund	14,100,000	12,809,018
Research and Development Fund	7,078,310	6,390,419
University Community Clinics, Inc. support	1,200,000	1,200,000
University Health Care, Inc. support	750,000	750,000
Depreciation and amortization	5,910,979	4,853,773
Interest	5,520,276	4,092,786
Total expenses	<u>269,076,377</u>	<u>251,753,484</u>
Operating income	3,310,276	4,069,588
Other income (expenses):		
Equity in net earnings of unconsolidated affiliates	1,435,325	2,198,059
Investment income	2,612,303	2,827,991
Other	(507,253)	-
Other income, net	<u>3,540,375</u>	<u>5,026,050</u>
Revenue in excess of expenses before income taxes	6,850,651	9,095,638
Income tax (benefit) expense	(1,718,949)	1,221,025
Revenue in excess of expenses	<u>8,569,600</u>	<u>7,874,613</u>
Change in unrealized gains on investments	(342,244)	107,332
Increase in unrestricted net assets	8,227,356	7,981,945
Unrestricted net assets at beginning of year	52,597,863	44,615,918
Unrestricted net assets at end of year	<u>\$ 60,825,219</u>	<u>\$ 52,597,863</u>

See accompanying notes.

MIL 0003-0001052