

University of Wisconsin Medical Foundation, Inc.
Consolidated Financial Statements
As of year ended December 31, 2001 & 2000

University of Wisconsin Medical Foundation, Inc.

Consolidated Balance Sheets

	December 31	
	2001	2000
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,666,690	\$ 25,882,778
Investments whose use is limited	-	1,971,848
Accounts receivable, less allowances for contractual provisions and doubtful accounts of \$68,210,000 and \$50,490,000 in 2001 and 2000, respectively	55,916,098	63,808,379
Due from University affiliates	-	40,000
Inventories	2,002,548	1,892,956
Prepaid expense and other current assets	5,787,998	4,231,816
Total current assets	<u>78,373,334</u>	<u>97,827,777</u>
Investments	14,732,062	11,044,980
Investment in unconsolidated affiliates	5,505,873	5,481,680
Property, plant and equipment, net	66,956,739	66,431,331
Intangible assets, less accumulated amortization of \$2,642,000 and \$2,162,000 in 2001 and 2000, respectively	2,851,873	3,496,328
Other assets	3,291,422	3,464,894
Total assets	<u>\$171,711,303</u>	<u>\$187,746,990</u>
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	\$ 29,366,696	\$ 27,765,634
Current maturities of long-term obligations	2,108,617	4,108,134
Amounts due to Medical School Development Fund	8,236,053	8,521,833
Amount due to Research and Development Fund	697,637	692,048
Deferred income taxes	-	1,087,600
Total current liabilities	<u>40,409,003</u>	<u>42,175,249</u>
Long-term obligations, less current portion	64,031,023	81,069,471
Deferred income taxes	-	2,400
Total liabilities	<u>104,440,026</u>	<u>123,247,120</u>
Unrestricted net assets	<u>67,271,277</u>	<u>64,499,870</u>
Total liabilities and net assets	<u>\$171,711,303</u>	<u>\$187,746,990</u>

See accompanying notes.

University of Wisconsin Medical Foundation, Inc.

Consolidated Statements of Operations and Changes in Net Assets

	Year ended December 31	
	2001	2000
Unrestricted revenues:		
Net patient service revenue	\$222,607,047	\$215,872,596
Premium revenue	87,031,388	69,671,019
Other professional revenue	6,619,414	8,339,389
Other revenue	5,998,915	3,429,898
Total revenues	322,256,764	297,312,902
Expenses:		
Compensation and benefits	192,359,981	171,712,686
Operating expenses paid through the University of Wisconsin, principally compensation and benefits	41,372,020	40,707,723
Other operating expenses	39,465,353	37,130,440
Purchased services	10,417,982	9,641,456
Medical School Development Fund	19,491,073	16,002,144
Research and Development Fund	9,413,034	9,180,548
University Community Clinics, Inc. support	645,679	1,200,000
University Health Care, Inc. support	907,255	750,000
Depreciation and amortization	6,379,641	6,082,716
Interest	3,475,309	5,338,994
Total expenses	323,927,327	297,746,707
Operating income (loss)	(1,670,563)	(433,805)
Other income (expenses):		
Equity in net earnings of unconsolidated affiliates	1,434,733	1,253,914
Investment income	2,081,885	2,907,171
Other	(18,627)	(76,554)
Other income, net	3,497,991	4,084,531
Revenue in excess of expenses before income taxes and extraordinary loss on long-term obligation refinancing	1,827,428	3,650,726
Income tax benefit	(929,231)	(418,000)
Revenue in excess of expenses before extraordinary loss on long-term obligation refinancing	2,756,659	4,068,726
Extraordinary loss on long-term obligation refinancing	-	(655,821)
Revenue in excess of expenses	2,756,659	3,412,905
Change in unrealized gains on investments	14,748	261,746
Increase in unrestricted net assets	2,771,407	3,674,651
Unrestricted net assets at beginning of year	64,499,870	60,825,219
Unrestricted net assets at end of year	\$ 67,271,277	\$ 64,499,870

See accompanying notes.

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