

University of Wisconsin Medical Foundation, Inc.
Preliminary Consolidated Financial Statements
As of June 30, 2004

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University of Wisconsin Medical Foundation, Inc.
Balance Sheet - Accrual Basis - Preliminary
As of June 30, 2004
 All Amounts in Thousands (\$000s)

	<u>June 30, 2004</u>
Current Assets	
Cash and Cash Equivalents	60,406
Trade Receivables including Billings-in-Progress	137,783
Less Allowance for Contract, Adjustments and Bad Debts	<u>(74,187)</u>
Net Trade Receivables	63,596
Other Current Assets	<u>11,295</u>
Total Current Assets	<u>135,297</u>
Investments	8,025
Property and Equipment	109,762
Less Accumulated Depreciation	<u>(45,888)</u>
	63,874
Other Non-Current Assets, Net	4,184
	<u>\$ 211,380</u>

University of Wisconsin Medical Foundation, Inc.
Balance Sheet - Accrual Basis - Preliminary
As of June 30, 2004
 All Amounts in thousands (\$000s)

	<u>June 30, 2004</u>
Liabilities & Fund Balance	
Current Liabilities:	
Current Maturities - Long Term Liabilities	\$ 2,370
Other Current Liabilities	<u>60,218</u>
	62,588
Long-Term Liabilities:	
Line of Credit	-
Notes Payable - Banks	2,850
Tax Exempt Bonds Payable	49,450
Notes Payable - Other	6,265
Deferred Compensation Payable	-
Deferred Taxes Payable	-
Less: Current Maturities	<u>(2,370)</u>
	56,195
Fund Balance	
Unrestricted Fund Balance	74,007
Current Earnings	18,590
Total Liabilities & Fund Balance	<u><u>\$ 211,380</u></u>

University of Wisconsin Medical Foundation, Inc.
Comparative Income Statement - Preliminary
As of June 30, 2004 & June 30, 2003

All Amounts in thousands (\$'000)

	YTD Actual		
	2004	2003	% Change ²
Net Revenue	\$ 386,286	\$ 361,409	6.9%
Operating Expenses			
Salaries and Benefits	83,770	82,316	-1.8%
Drugs, Medical and Non-Med Supplies	22,053	23,999	8.1%
Facilities	7,446	9,941	25.1%
Physician Compensation	154,589	136,654	-13.1%
Medical School Payments	46,814	50,064	6.5%
Medical School Development Fund	21,603	21,114	-2.3%
Research and Development Fund	9,840	9,745	-1.0%
Other Operating Expenses	26,496	22,353	-18.5%
Total Operating Expenses	372,611	356,186	-4.6%
Net Operating Income	13,675	5,223	161.8%
Non-Operating Income (Net)	4,915	1,223	301.9%
Net Income	\$ 18,590	\$ 6,447	188.4%

² Previous year to current year % change: negative indicates unfavorable variance,
³ Current year information includes University Community Clinic data, but previous