

# UNIVERSITY OF THE SCIENCES IN PHILADELPHIA AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2005

|  | Unrestricted          | Temporarily<br>Restricted   | Permanently<br>Restricted   | Total                       |
|--|-----------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>OPERATING REVENUE:</b>  |                       |                             |                             |                             |
| Tuition and fees—gross   | \$ 64,431,997         | \$ -                        | \$ -                        | \$ 64,431,997               |
| Less: Direct grants  | <u>(14,262,534)</u>   | <u>                    </u> | <u>                    </u> | <u>(14,262,534)</u>         |
| <br>   |                       |                             |                             |                             |
| Tuition and fees—net   | 50,169,463            |                             |                             | 50,169,463                  |
| Government grants  | 2,466,671             |                             |                             | 2,466,671                   |
| Private gifts and grants   | 1,750,655             |                             |                             | 1,750,655                   |
| Investment income  | 5,884,210             |                             |                             | 5,884,210                   |
| Sales and services:  |                       |                             |                             |                             |
| Educational departments  | 3,252,043             |                             |                             | 3,252,043                   |
| Auxiliary services   | 6,699,158             |                             |                             | 6,699,158                   |
| Other  | <u>241,412</u>        | <u>                    </u> | <u>                    </u> | <u>241,412</u>              |
| <br>   |                       |                             |                             |                             |
| Total operating revenue  | <u>70,463,612</u>     | <u>                    </u> | <u>                    </u> | <u>70,463,612</u>           |
| <br><b>OPERATING EXPENSES:</b>   |                       |                             |                             |                             |
| Instruction  | 29,056,683            |                             |                             | 29,056,683                  |
| Research   | 1,826,525             |                             |                             | 1,826,525                   |
| Academic support   | 5,837,787             |                             |                             | 5,837,787                   |
| Student services   | 8,188,056             |                             |                             | 8,188,056                   |
| Institutional support  | 13,546,314            |                             |                             | 13,546,314                  |
| Scholarships   | 1,021,672             |                             |                             | 1,021,672                   |
| Auxiliary enterprises  | <u>5,403,537</u>      | <u>                    </u> | <u>                    </u> | <u>5,403,537</u>            |
| <br>   |                       |                             |                             |                             |
| Total operating expenses   | <u>64,880,574</u>     | <u>                    </u> | <u>                    </u> | <u>64,880,574</u>           |
| <br>   |                       |                             |                             |                             |
| Change in net assets from<br>operating activities                            | <u>5,583,038</u>      | <u>                    </u> | <u>                    </u> | <u>5,583,038</u>            |
| <br><b>NONOPERATING:</b>   |                       |                             |                             |                             |
| Gifts for long-term investments  |                       | 229,345                     | 11,909,031                  | 12,138,376                  |
| Reclassification of capital campaign gift                                    | (1,142,688)           | 179,712                     | 962,976                     | -                           |
| Net return on long-term investments<br>after endowment payout of \$1,728,301 | 1,104,261             | 440,130                     |                             | 1,544,391                   |
| Investment income  |                       | 162,077                     | 2,819                       | 164,896                     |
| Fair value of interest rate swap contract                                    | (1,887,651)           |                             |                             | (1,887,651)                 |
| Annuity adjustment   |                       | (80,544)                    | (92,111)                    | (172,655)                   |
| Loss on bond refinancing   | (1,569,607)           |                             |                             | (1,569,607)                 |
| Net assets released from restrictions  | <u>67,818</u>         | <u>(67,818)</u>             | <u>                    </u> | <u>                    </u> |
| <br>   |                       |                             |                             |                             |
|  | <u>(3,427,867)</u>    | <u>862,902</u>              | <u>12,782,715</u>           | <u>10,217,750</u>           |
| <br>   |                       |                             |                             |                             |
| CHANGE IN NET ASSETS   | 2,155,171             | 862,902                     | 12,782,715                  | 15,800,788                  |
| <br>   |                       |                             |                             |                             |
| NET ASSETS—Beginning of year   | <u>102,183,527</u>    | <u>6,033,114</u>            | <u>17,388,736</u>           | <u>125,605,377</u>          |
| <br>   |                       |                             |                             |                             |
| NET ASSETS—End of year   | <u>\$ 104,338,698</u> | <u>\$ 6,896,016</u>         | <u>\$ 30,171,451</u>        | <u>\$ 141,406,165</u>       |

See notes to consolidated financial statements.

# UNIVERSITY OF THE SCIENCES IN PHILADELPHIA AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2004

|  | Unrestricted          | Temporarily<br>Restricted   | Permanently<br>Restricted   | Total                       |
|--|-----------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>OPERATING REVENUE:</b>  |                       |                             |                             |                             |
| Tuition and fees—gross   | \$ 57,012,333         | \$ -                        | \$ -                        | \$ 57,012,333               |
| Less: Direct grants  | <u>(12,215,849)</u>   | <u>                    </u> | <u>                    </u> | <u>(12,215,849)</u>         |
| <br>   |                       |                             |                             |                             |
| Tuition and fees—net   | 44,796,484            |                             |                             | 44,796,484                  |
| Government grants  | 2,312,490             |                             |                             | 2,312,490                   |
| Private gifts and grants   | 1,709,879             |                             |                             | 1,709,879                   |
| Investment income  | 5,370,189             |                             |                             | 5,370,189                   |
| Sales and services:  |                       |                             |                             |                             |
| Educational departments  | 3,537,926             |                             |                             | 3,537,926                   |
| Auxiliary services   | 5,961,974             |                             |                             | 5,961,974                   |
| Other  | <u>96,648</u>         | <u>                    </u> | <u>                    </u> | <u>96,648</u>               |
| <br>   |                       |                             |                             |                             |
| Total operating revenue  | <u>63,785,590</u>     | <u>                    </u> | <u>                    </u> | <u>63,785,590</u>           |
| <br><b>OPERATING EXPENSES:</b>   |                       |                             |                             |                             |
| Instruction  | 27,154,896            |                             |                             | 27,154,896                  |
| Research   | 1,681,032             |                             |                             | 1,681,032                   |
| Academic support   | 5,854,221             |                             |                             | 5,854,221                   |
| Student services   | 6,253,965             |                             |                             | 6,253,965                   |
| Institutional support  | 12,988,550            |                             |                             | 12,988,550                  |
| Scholarships   | 1,127,508             |                             |                             | 1,127,508                   |
| Auxiliary enterprises  | <u>5,465,753</u>      | <u>                    </u> | <u>                    </u> | <u>5,465,753</u>            |
| <br>   |                       |                             |                             |                             |
| Total operating expenses   | <u>60,525,925</u>     | <u>                    </u> | <u>                    </u> | <u>60,525,925</u>           |
| <br>   |                       |                             |                             |                             |
| Change in net assets from<br>operating activities                            | <u>3,259,665</u>      | <u>                    </u> | <u>                    </u> | <u>3,259,665</u>            |
| <br><b>NONOPERATING:</b>   |                       |                             |                             |                             |
| Gifts for long-term investments  | 132,655               | 12,016                      | 605,505                     | 750,176                     |
| Net return on long-term investments<br>after endowment payout of \$3,243,377 | 3,848,674             | 1,108,535                   |                             | 4,957,209                   |
| Investment income  |                       |                             | 4,119                       | 4,119                       |
| Net assets released from restrictions  | <u>1,022,689</u>      | <u>(1,022,689)</u>          | <u>                    </u> | <u>                    </u> |
| <br>   |                       |                             |                             |                             |
|  | <u>5,004,018</u>      | <u>97,862</u>               | <u>609,624</u>              | <u>5,711,504</u>            |
| <br>   |                       |                             |                             |                             |
| CHANGE IN NET ASSETS   | 8,263,683             | 97,862                      | 609,624                     | 8,971,169                   |
| <br>   |                       |                             |                             |                             |
| NET ASSETS—Beginning of year   | <u>93,919,844</u>     | <u>5,935,252</u>            | <u>16,779,112</u>           | <u>116,634,208</u>          |
| <br>   |                       |                             |                             |                             |
| NET ASSETS—End of year   | <u>\$ 102,183,527</u> | <u>\$ 6,033,114</u>         | <u>\$ 17,388,736</u>        | <u>\$ 125,605,377</u>       |

See notes to consolidated financial statements.