

**FY2009 Operating Budget  
Combined Academic Enterprise and  
Medical Center**

**The University of Toledo - Combined Academic Enterprise and Medical Center**  
**Budgeted Income Statements**  
**For the Fiscal Year 2009**

Line #	Restated FY2008 Budget	FY2009 Budget	Increase/ (Decrease)	% Change
<b>Revenue</b>				
1 Student Tuition and Fees	\$ 214,256,047	\$ 223,162,384	\$ 8,906,337	4.2%
2 Scholarships & Other Student Financial Aid	36,744,162	37,957,565	1,213,403	3.3%
3 Net Tuition & Fees	177,511,885	185,204,819	7,692,934	4.3%
4 State Share of Instruction / Other Appropriations	116,899,849	125,559,438	8,659,589	7.4%
5 Net Patient Revenue	243,617,156	256,976,631	13,359,475	5.5%
6 Gifts, Grants & Contracts	85,175,831	85,693,050	517,219	0.6%
7 Sales & Services (see Note 2)	71,448,307	71,616,803	168,496	0.2%
8 Other Revenue	17,669,061	18,242,146	573,085	3.2%
9 <b>Total Net Revenue</b>	<b>712,322,089</b>	<b>743,292,887</b>	<b>30,970,798</b>	<b>4.3%</b>
<b>Expenses</b>				
10 Salaries (see Note 3)	301,345,619	317,638,132	16,292,513	5.4%
11 Benefits	101,157,209	102,078,028	920,819	0.9%
12 Outside Purchased Services	50,704,223	48,749,037	(1,955,186)	-3.9%
13 Supplies	62,269,508	65,977,278	3,707,770	6.0%
14 Seminars & Travel	5,353,832	5,202,355	(151,477)	-2.8%
15 Information & Communication	12,402,013	12,115,112	(286,901)	-2.3%
16 Occupancy	22,018,277	23,912,830	1,894,553	8.6%
17 Provision for Doubtful Accounts	14,662,513	17,763,027	3,100,514	21.1%
18 Pooled Designated and Other Funds	12,008,106	15,462,570	3,454,464	28.8%
19 Insurance	1,375,911	1,366,463	(9,448)	-0.7%
20 Reimbursement from Hospital for Central Services	-	-	-	0.0%
21 Cost of Goods Sold - Auxiliary Services	5,544,000	4,105,000	(1,439,000)	-26.0%
22 Leases	1,924,994	2,148,190	223,196	11.6%
23 Miscellaneous (see Note 2)	3,351,150	3,899,600	548,450	16.4%
24 Depreciation (see Note 4)	40,396,515	43,223,024	2,826,509	7.0%
25 Grants & Contracts (see Note 1)	73,000,000	73,000,000	0	0.0%
26 <b>Total Expenses</b>	<b>707,513,870</b>	<b>736,640,646</b>	<b>29,126,776</b>	<b>4.1%</b>
27 <b>Operating Income</b>	<b>4,808,219</b>	<b>6,652,241</b>	<b>1,844,022</b>	<b>38.4%</b>
28 <b>Operating Margin</b>	<b>0.7%</b>	<b>0.9%</b>	<b>0.2%</b>	<b>32.6%</b>
29 Investment Income	3,086,459	7,500,000	4,413,541	143.0%
30 Interest Expense (see Note 5)	(13,140,451)	(14,487,000)	(1,346,549)	10.2%
31 <b>Net Income</b>	<b>\$ (5,245,773)</b>	<b>\$ (334,759)</b>	<b>\$ 4,911,014</b>	<b>-93.6%</b>

**NOTES:**

- <sup>1</sup> The FY2008 budget has been restated to budget an estimate of total grants and contracts revenues and expenditures.
- <sup>2</sup> The FY2008 budget has been restated to reflect a \$2,688,695 reclassification of internal Sales and Services to Inter-departmental Sales.
- <sup>3</sup> The FY2008 budget has been restated to reflect a \$6,012,361 reclassification of physician salaries from the hospital to the College of Medicine.
- <sup>4</sup> The FY2008 budget has been restated to record an additional \$22 million in depreciation expense; the original budget included only \$7 million.
- <sup>5</sup> The FY2008 budget has been restated to record an additional \$12 million in interest expense; the original budget included only \$825K.

## Explanations of Unusual Line Items - Combined

### Line #

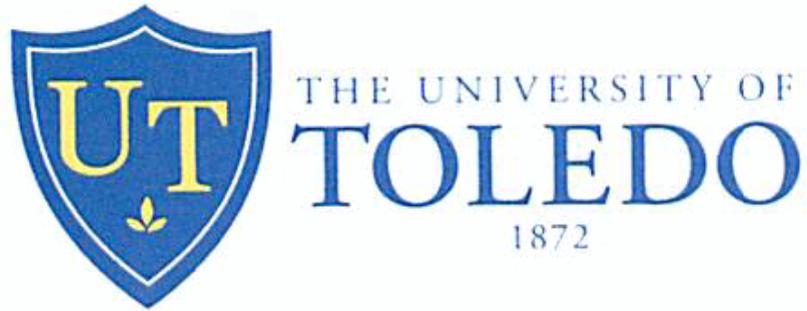
- 7        **Sales & Services** – This line item includes revenues from auxiliary enterprises such as room and board charges, parking, athletic ticket sales, etc.
- 8        **Other Revenue** – This line item includes bad debt collections and non-direct patient care revenue such as such as lab tests and anesthesia services.
- 12       **Outside Purchased Services** – This line item includes contracted services, outside legal fees, and banking fees.
- 15       **Information & Communication** – This line item includes all telecommunications, photocopying, and advertising expenses.
- 18       **Pooled Designated and Other Funds** – This line item includes undistributed pooled budgets for strategic initiatives, student fees, and departmental contingency funds.
- 20       **Reimbursement from Hospital for Central Services** – This line item is the hospital's reimbursement for university administrative services supporting hospital operations.
- 29       **Investment Income** – This line item includes projected distributions from endowments and quasi-endowments per the university's spending policy plus a conservative estimate of investment income earned on the university's working capital and non-endowed institutional reserves. The projected increase in investment income is primarily attributable to unrealized losses on Medical Center marketable securities in 2008.

**The University of Toledo - Combined Academic Enterprise and Medical Center  
 Projected Cash Flows  
 For the Fiscal Year 2009**

<b>Line #</b>	<b>Restated FY2008 Budget</b>	<b>FY2009 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>	
1	Budgeted Net Income (see previous page)	(\$5,245,773)	(\$334,759)	\$4,911,014	-93.6%
2	Add Back Non-Cash Expenses (Depreciation)	40,396,515	43,223,024	2,826,509	7.0%
3	Principal Payments on Debt	(10,389,283)	(15,733,764)	(5,344,481)	51.4%
4	Transfers	-	-	-	0.0%
5	State Capital Appropriations	12,771,655	13,000,000	228,345	1.8%
6	Capital Expenditures Funded by Operations	<u>(38,000,000)</u>	<u>(30,000,000)</u>	<u>8,000,000</u>	<u>-21.1%</u>
7	<b>Budgeted Cash Flow (Senate Bill 6 Reserve)</b>	<b><u><u>-\$466,886</u></u></b>	<b><u><u>\$10,154,501</u></u></b>	<b><u><u>\$10,621,387</u></u></b>	<b><u><u>-2274.9%</u></u></b>

**The University of Toledo Combined Academic Enterprise and Medical Center  
 Projected Balance Sheets  
 Fiscal Year-End 2009**

<b>Line #</b>	<b>FY2008 Forecast</b>	<b>FY2009 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>	
<b>Assets</b>					
1	Cash and Investments	\$233,000,000	\$247,654,501	\$14,654,501	6.3%
2	Other Current Assets	83,987,000	86,506,610	2,519,610	3.0%
3	Capital Assets, Net	584,989,000	561,765,976	(23,223,024)	-4.0%
4	Other Assets	59,000,000	60,770,000	1,770,000	3.0%
5	<b>Total Assets</b>	<b>\$960,976,000</b>	<b>956,697,087</b>	<b>(4,278,913)</b>	<b>-0.4%</b>
<b>Liabilities</b>					
6	Current Liabilities	\$97,846,000	\$100,781,380	\$2,935,380	3.0%
7	Bonds Payable	261,000,000	249,766,236	(11,233,764)	-4.3%
8	Other Long-Term Liabilities	10,542,000	12,281,610	1,739,610	16.5%
9	<b>Total Liabilities</b>	<b>369,388,000</b>	<b>362,829,226</b>	<b>(6,558,774)</b>	<b>-1.8%</b>
10	<b>Net Assets</b>	<b>591,588,000</b>	<b>593,867,861</b>	<b>2,279,861</b>	<b>0.4%</b>
11	<b>Total Liabilities and Net Assets</b>	<b>\$960,976,000</b>	<b>\$956,697,087</b>	<b>(\$4,278,913)</b>	<b>-0.4%</b>



**FY2009 Operating Budget  
Academic Enterprise**

**The University of Toledo Academic Enterprise  
Budgeted Income Statements  
For the Fiscal Year 2009**

Line #	Restated FY2008 Budget	FY2009 Budget	Increase/ (Decrease)	% Change
<b>Revenue</b>				
1	\$ 214,256,047	\$ 223,162,384	\$ 8,906,337	4.2%
2	36,744,162	37,957,565	1,213,403	3.3%
3	177,511,885	185,204,819	7,692,934	4.3%
4	116,899,849	125,559,438	8,659,589	7.4%
5	77,475,553	77,475,553	-	0.0%
6	7,700,278	8,217,497	517,219	6.7%
7	71,448,307	71,616,803	168,496	0.2%
8	7,797,032	7,881,431	84,399	1.1%
9	<b>458,832,904</b>	<b>475,955,541</b>	<b>17,122,637</b>	<b>3.7%</b>
<b>Expenses</b>				
10	208,075,702	218,242,625	10,166,923	4.9%
11	79,447,677	77,959,611	(1,488,066)	-1.9%
12	26,524,249	25,622,087	(902,162)	-3.4%
13	3,965,316	4,388,787	423,471	10.7%
14	4,842,384	4,592,911	(249,473)	-5.2%
15	9,837,154	9,815,692	(21,462)	-0.2%
16	22,018,277	23,912,830	1,894,553	8.6%
17	934,027	1,614,472	680,445	72.9%
18	12,008,106	15,462,570	3,454,464	28.8%
19	1,375,911	1,366,463	(9,448)	-0.7%
20	(12,191,000)	(10,381,835)	1,809,165	0.0%
21	5,544,000	4,105,000	(1,439,000)	-26.0%
22	1,924,994	2,148,190	223,196	11.6%
23	1,170,854	1,333,948	163,094	13.9%
24	29,000,000	30,000,000	1,000,000	3.4%
25	73,000,000	73,000,000	0	0.0%
26	<b>467,477,651</b>	<b>483,183,351</b>	<b>15,705,700</b>	<b>3.4%</b>
27	<b>(8,644,747)</b>	<b>(7,227,810)</b>	<b>1,416,937</b>	<b>-16.4%</b>
28	<b>-1.9%</b>	<b>-1.5%</b>	<b>0.4%</b>	<b>-19.4%</b>
29	3,800,000	5,000,000	1,200,000	31.6%
30	(12,000,000)	(13,000,000)	(1,000,000)	8.3%
31	<b>\$ (16,844,747)</b>	<b>\$ (15,227,810)</b>	<b>\$ 1,616,937</b>	<b>-9.6%</b>

**NOTES:**

- <sup>1</sup> The FY2008 budget has been restated to budget an estimate of total grants and contracts revenues and expenditures.
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## Explanations of Unusual Line Items – Academic Enterprise

### Line #

- 7            **Sales & Services** – This line item includes revenues from auxiliary enterprises such as room and board charges, parking, athletic ticket sales, etc.
- 8            **Other Revenue** – This line item includes bad debt collections and other miscellaneous revenues.
- 12           **Outside Purchased Services** – This line item includes contracted services, outside legal fees, and banking fees.
- 15           **Information & Communication** – This line item includes all telecommunications, photocopying, and advertising expenses.
- 18           **Pooled Designated and Other Funds** – This line item includes undistributed pooled budgets for strategic initiatives, student fees, and departmental contingency funds.
- 20           **Reimbursement from Hospital for Central Services** – This line item is the hospital’s reimbursement for university administrative services supporting hospital operations.
- 29           **Investment Income** – This line item includes projected distributions from endowments and quasi-endowments per the university’s spending policy plus a conservative estimate of investment income earned on the university’s working capital and non-endowed institutional reserves.

**The University of Toledo Academic Enterprise  
 Projected Cash Flows  
 For the Fiscal Year 2009**

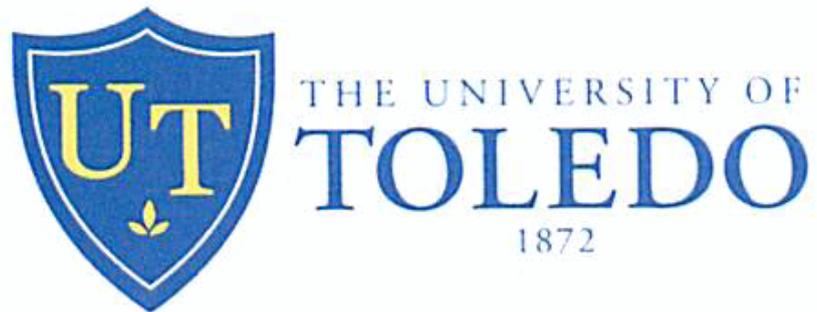
<b>Line #</b>	<b>Restated FY2008 Budget</b>	<b>FY2009 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>	
<b>1</b>	<b>Budgeted Net Income (see previous page)</b>	<b>(\$16,844,747)</b>	<b>(\$15,227,810)</b>	<b>\$1,616,937</b>	<b>-9.6%</b>
<b>2</b>	<b>Add Back Non-Cash Expenses (Depreciation)</b>	<b>29,000,000</b>	<b>30,000,000</b>	<b>1,000,000</b>	<b>3.4%</b>
<b>3</b>	<b>Principal Payments on Debt</b>	<b>(9,000,000)</b>	<b>(14,500,000)</b>	<b>(5,500,000)</b>	<b>61.1%</b>
<b>4</b>	<b>Transfer from Hospital</b>	<b>7,997,452</b>	<b>8,162,365</b>	<b>164,913</b>	<b>0.0%</b>
<b>5</b>	<b>State Capital Appropriations</b>	<b>12,771,655</b>	<b>13,000,000</b>	<b>228,345</b>	<b>1.8%</b>
<b>6</b>	<b>Capital Expenditures Funded by Operations</b>	<b>(25,000,000)</b>	<b>(17,000,000)</b>	<b>8,000,000</b>	<b>-32.0%</b>
<b>7</b>	<b>Budgeted Cash Flow (Senate Bill 6 Reserve)</b>	<b><u><u>-1,075,640</u></u></b>	<b><u><u>\$4,434,555</u></u></b>	<b><u><u>\$5,510,195</u></u></b>	<b><u><u>-512.3%</u></u></b>

**The University of Toledo Academic Enterprise  
 Projected Balance Sheets  
 Fiscal Year-End 2009**

<b>Line #</b>	<b>FY2008 Forecast</b>	<b>FY2009 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>	
<b>Assets</b>					
1	Cash and Investments	\$156,000,000	\$164,934,555	\$8,934,555	5.7%
2	Other Current Assets	33,000,000	33,990,000	990,000	3.0%
3	Capital Assets, Net	509,488,000	486,488,000	(23,000,000)	-4.5%
4	Other Assets	<u>59,000,000</u>	<u>60,770,000</u>	<u>1,770,000</u>	<u>3.0%</u>
5	<b>Total Assets</b>	<b><u>\$757,488,000</u></b>	<b><u>746,182,555</u></b>	<b><u>(11,305,445)</u></b>	<b><u>-1.5%</u></b>
<b>Liabilities</b>					
6	Current Liabilities	\$87,215,000	\$89,831,450	\$2,616,450	3.0%
7	Bonds Payable	220,500,000	210,500,000	(10,000,000)	-4.5%
8	Other Long-Term Liabilities	<u>7,000,000</u>	<u>7,210,000</u>	<u>210,000</u>	<u>3.0%</u>
9	<b>Total Liabilities</b>	<b><u>314,715,000</u></b>	<b><u>307,541,450</u></b>	<b><u>(7,173,550)</u></b>	<b><u>-2.3%</u></b>
10	<b>Net Assets (See Note 1)</b>	<b>442,773,000</b>	<b>438,641,105</b>	<b>(4,131,895)</b>	<b>-0.9%</b>
11	<b>Total Liabilities and Net Assets</b>	<b><u>\$757,488,000</u></b>	<b><u>\$746,182,555</u></b>	<b><u>(\$11,305,445)</u></b>	<b><u>-1.5%</u></b>

**NOTES:**

1 Net assets is decreasing in FY2009 because the operating margin of the academic enterprise plus the transfer from the hospital is insufficient to cover interest expense attributable to the academic enterprise. The operating margin of the academic enterprise will continue to be strengthened in future years's budgets to increase net assets.



**FY2009 Operating Budget  
Medical Center**

**The University of Toledo Medical Center  
Budgeted Income Statements  
For the Fiscal Year 2009**

Line #		FY2008 Forecast	FY2009 Budget	Increase/ (Decrease)	% Change
<b>Revenue</b>					
1	Acute Care I/P Revenue	\$ 394,748,854	\$ 441,238,138	\$ 46,489,284	11.8%
2	Rehab Care I/P Revenue	14,374,331	14,694,714	320,383	2.2%
3	CAPH I/P Revenue	3,097,714	2,908,239	(189,475)	-6.1%
4	Geriatric Psych I/P Revenue	3,820,702	3,962,231	141,529	3.7%
5	<b>Total Inpatient Revenue</b>	<b>416,041,601</b>	<b>462,803,322</b>	<b>46,761,721</b>	<b>11.2%</b>
6	Outpatient Revenue	171,562,803	190,477,565	18,914,762	11.0%
7	Emergency O/P Revenue	29,816,085	32,661,299	2,845,214	9.5%
8	<b>Total Outpatient Revenue</b>	<b>201,378,888</b>	<b>223,138,864</b>	<b>21,759,976</b>	<b>10.8%</b>
9	<b>Total Patient Revenue</b>	<b>617,420,489</b>	<b>685,942,186</b>	<b>68,521,697</b>	<b>11.1%</b>
10	Contractuals	366,814,169	416,817,000	50,002,831	13.6%
11	Charity Care	16,781,088	17,148,555	367,467	2.2%
12	UPL	(229,402)	-	229,402	-100.0%
13	Patient Care Assurance	(4,750,000)	(5,000,000)	(250,000)	5.3%
14	Cost Report Settlements	(4,812,522)	-	4,812,522	-100.0%
15	<b>Total Deductions</b>	<b>373,803,333</b>	<b>428,965,555</b>	<b>55,162,222</b>	<b>14.8%</b>
16	<b>Net Patient Revenue</b>	<b>243,617,156</b>	<b>256,976,631</b>	<b>13,359,475</b>	<b>5.5%</b>
17	Other Operating Revenue	9,872,029	10,360,715	488,686	5.0%
18	<b>Total Net Revenue</b>	<b>253,489,185</b>	<b>267,337,346</b>	<b>13,848,161</b>	<b>5.5%</b>
<b>Expenses</b>					
19	Salaries	93,269,917	99,395,507	6,125,590	6.6%
20	Benefits	21,709,532	24,118,417	2,408,885	11.1%
21	Supplies	58,304,192	61,588,491	3,284,299	5.6%
22	Travel & Entertainment	511,448	609,444	97,996	19.2%
23	Information & Communication	2,564,859	2,299,420	(265,439)	-10.3%
24	Outside Purchased Services	24,179,974	23,126,950	(1,053,024)	-4.4%
25	Services Rendered by College	12,191,000	10,381,835	(1,809,165)	-14.8%
26	Provision for Doubtful Accounts	13,728,486	16,148,555	2,420,069	17.6%
27	Other - Miscellaneous	2,180,296	2,565,652	385,356	17.7%
28	Depreciation	11,396,515	13,223,024	1,826,509	16.0%
29	<b>Total Expenses</b>	<b>240,036,219</b>	<b>253,457,295</b>	<b>13,421,076</b>	<b>5.6%</b>
30	<b>Operating Income</b>	<b>13,452,966</b>	<b>13,880,051</b>	<b>427,085</b>	<b>3.2%</b>
31	<b>Operating Margin</b>	<b>5.3%</b>	<b>5.2%</b>	<b>-0.1%</b>	<b>-2.2%</b>
32	Investment Income	3,839,715	2,500,000	(1,339,715)	-34.9%
33	Unrealized Gains/(Losses) on Investments	(4,553,256)	-	4,553,256	-100.0%
34	Interest Expense	(1,140,451)	(1,487,000)	(346,549)	30.4%
35	<b>Net Income</b>	<b>\$11,598,974</b>	<b>\$14,893,051</b>	<b>\$3,294,077</b>	<b>28.4%</b>

## Explanations of Unusual Line Items – Medical Center

### Line #

- 3           **CAPH I/P Revenue** – This line item captures billings for patients admitted to the Kobacker Psychiatric Hospital.
- 10           **Contractuals** – This line item includes deductions from gross patient billings under contracts with third-party payers.
- 11           **Charity Care** – This line item captures billings for treating patients under 150% of the federal poverty line.
- 12           **UPL (Upper Payment Limit)** – This line item captures state funds received from the Centers for Medicare and Medicaid for public and psychiatric hospitals.
- 13           **Patient Care Assurance** – This line item captures Medicaid’s payment for treating indigent patients.
- 14           **Cost Report Settlements** – This line item is final settlement of prior period Medicare and Medicaid billings based on a reviews of the hospital’s annual cost report.
- 17           **Other Operating Revenue** – This line item includes billings for non-direct patient care services such as lab and anesthesia services.
- 23           **Information & Communication** – This line item includes all telecommunications, photocopying, and advertising expenses.
- 25           **Service Rendered by College** – This line item is the hospital’s reimbursement for university administrative services supporting hospital operations.
- 32           **Investment Income** – This line item includes a conservative estimate of investment income earned on the university’s working capital and non-endowed institutional reserves. The projected increase in investment income is primarily attributable to unrealized losses on Medical Center marketable securities in 2008.

**The University of Toledo Medical Center  
 Projected Cash Flows  
 For the Fiscal Year 2009**

<b>Line #</b>		<b>FY2008 Forecast</b>	<b>FY2009 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>
1	<b>Budgeted Net Income (see previous page)</b>	\$11,598,974	\$14,893,051	\$3,294,077	28.4%
2	Add Back Non-Cash Expenses (Depreciation)	11,396,515	13,223,024	1,826,509	16.0%
3	Principal Payments on Debt	(1,389,283)	(1,233,764)	155,519	-11.2%
4	Transfer to College of Medicine	(7,997,452)	(8,162,365)	(164,913)	2.1%
5	Capital Expenditures Funded by Operations	<u>(13,000,000)</u>	<u>(13,000,000)</u>	-	0.0%
6	<b>Projected Cash Flow (Senate Bill 6 Reserve)</b>	<b><u>\$608,754</u></b>	<b><u>\$5,719,946</u></b>	<b><u>\$5,111,192</u></b>	<b><u>839.6%</u></b>

**The University of Toledo Medical Center  
 Projected Balance Sheets  
 Fiscal Year-End 2009**

<b>Line #</b>	<b>FY2008 Forecast</b>	<b>FY2009 Budget</b>	<b>Increase/ (Decrease)</b>	<b>% Change</b>	
<b>Assets</b>					
1	Cash and Investments	\$77,000,000	\$82,719,946	\$5,719,946	7.4%
2	Other Current Assets	50,987,000	52,516,610	1,529,610	3.0%
3	Capital Assets, Net	75,501,000	75,277,976	(223,024)	-0.3%
4	Other Assets		-	-	0.0%
5	<b>Total Assets</b>	<b>\$203,488,000</b>	<b>210,514,532</b>	<b>7,026,532</b>	<b>3.5%</b>
<b>Liabilities</b>					
6	Current Liabilities	\$10,631,000	\$9,397,236	(\$1,233,764)	-11.6%
7	Bonds Payable	40,500,000	39,266,236	(1,233,764)	-3.0%
8	Other Long-Term Liabilities	3,542,000	5,071,610	1,529,610	43.2%
9	<b>Total Liabilities</b>	<b>54,673,000</b>	<b>53,735,082</b>	<b>(937,918)</b>	<b>-1.7%</b>
10	<b>Net Assets</b>	<b>148,815,000</b>	<b>156,779,450</b>	<b>7,964,450</b>	<b>5.4%</b>
11	<b>Total Liabilities and Net Assets</b>	<b>\$203,488,000</b>	<b>\$210,514,532</b>	<b>\$7,026,532</b>	<b>3.5%</b>



**FY2009 Operating Budget  
Listing of Key Budget Assumptions**

# Listing of Key Budget Assumptions

## Fiscal 2009 Operating Budget

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### Academic Enterprise and Medical Center

#### Enrollments, Patient Volumes, and Tuition/Fee Increases:

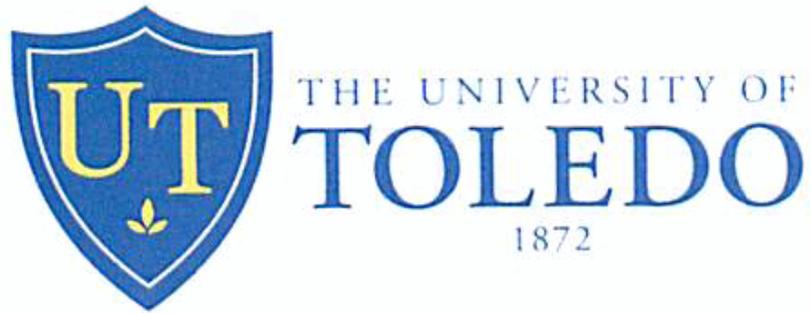
- 400 New Undergraduate Students
- Flat Graduate Enrollments
- See Proposed 2008-09 Tuition & General Fees
  - No increase in undergraduate tuition or general fee.
  - Market rates for graduate and professional programs.
  - Adjustments to other fees to cover increases in related program costs.
- Patient Revenue Price Increase: 6%
- 3% increase in Patient Days

#### Salaries and Benefits:

- \$16 million increase in salaries and benefits

#### Other Expenses:

- Medical Supplies: 3%
- Pharmacy: 6%



## Five-Year Financial Plans



# The University of Toledo Academic Enterprise Five-Year Financial Plan

January 31, 2008 (\$ millions)														
	Actual 2007	A2 Target 2007	Projected 2008	A2 Target 2008	Budget 2009	A2 Target 2009	Budget 2010	A2 Target 2010	Budget 2011	A2 Target 2011	Budget 2012	A2 Target 2012	Budget 2013	A2 Target 2013
<b>Cash and Investments:</b>														
Unrestricted Funds														
Working Capital <sup>(1)</sup>	\$ 17	\$ -	\$ 17		\$ 17		\$ 17		\$ 17		\$ 17		\$ 17	
Institutional Reserves <sup>(2)</sup>	62		42		46		55		65		80		95	
Quasi Endowment	26		46		46		47		47		47		48	
<b>Total Available Funds</b>	<b>105</b>	<b>164</b>	<b>105</b>	<b>169</b>	<b>109</b>	<b>179</b>	<b>119</b>	<b>182</b>	<b>129</b>	<b>186</b>	<b>144</b>	<b>190</b>	<b>160</b>	<b>196</b>
Over (Under) Target Amount		\$ (59)		\$ (64)		\$ (70)		\$ (63)		\$ (57)		\$ (46)		\$ (36)
Temporarily Restricted Cash & Investments	90		58		42		43		45		46		48	
Endowment & Other Permanently Restricted	10		10		10		10		10		10		10	
<b>Total Cash &amp; Investments</b>	<b>\$ 205</b>		<b>\$ 173</b>		<b>\$ 161</b>		<b>\$ 172</b>		<b>\$ 184</b>		<b>\$ 200</b>		<b>\$ 218</b>	
<b>Debt and Leases:</b>														
Bonded Indebtedness & Capital Leases	\$ 229		\$ 232		\$ 293		\$ 285		\$ 277		\$ 269		\$ 260	
Present Value of Operating Leases														
Medical Professional Liability														
Other														
<b>Total Long-Term Obligations</b>	<b>\$ 229</b>		<b>\$ 232</b>		<b>\$ 293</b>		<b>\$ 285</b>		<b>\$ 277</b>		<b>\$ 269</b>		<b>\$ 260</b>	
<b>Key Ratios:</b>														
Available Funds to Operating Expenses	0.2	0.4	0.2	0.4	0.2	0.4	0.2	0.4	0.3	0.4	0.3	0.4	0.3	0.4
Available Funds to Total Debt	0.5	0.7	0.5	0.7	0.4	0.7	0.4	0.7	0.5	0.7	0.5	0.7	0.6	0.7
Available Funds to Total Long-Term Obligations	0.5		0.5		0.4		0.4		0.5		0.5		0.6	
MADS as a % of Operating Revenues	3.4%	4.3%	4.6%	4.3%	5.9%	4.3%	5.0%	4.3%	4.7%	4.3%	4.5%	4.3%	4.6%	4.3%
MADS & Annual Lease Payments as a % of Operating Revenues	3.4%		4.6%		5.9%		5.0%		4.7%		4.5%		4.6%	
<b>Income Statement:</b>														
<b>Operating Revenues</b>	<b>\$ 442</b>		<b>\$ 456</b>		<b>\$ 476</b>		<b>\$ 498</b>		<b>\$ 514</b>		<b>\$ 530</b>		<b>\$ 548</b>	
Net Tuition & Fees	174		180		185		196		208		220		233	
State Share of Instruction	111		115		126		123		123		123		123	
Net Patient Revenue														
Grants & Contracts	84		85		86		87		88		89		90	
Auxiliaries	58		60		72		75		78		81		84	
Gifts														
Investment Income - Operating														
Other	15		16		7		17		17		17		18	
<b>Operating Expenses</b>	<b>444</b>		<b>457</b>		<b>483</b>		<b>493</b>		<b>503</b>		<b>514</b>		<b>531</b>	
Salaries & Benefits	294		304		297	See note (a)	309		321		334		347	
Cost Savings							(7)		(14)		(21)		(22)	
Unallocated Pool														
Departmental Expenses	78		81		57	See note (a)	59		61		63		65	
Outside Purchased Services	44		43		26	See note (a)	27		28		29		30	
Lease Expense														
Depreciation	28		29		30		31		32		33		34	
Grants & Contracts					73	See note (a)	74		75		76		77	
<b>Operating Income</b>	<b>(2)</b>		<b>(1)</b>		<b>(7)</b>		<b>5</b>		<b>11</b>		<b>16</b>		<b>17</b>	
<b>Operating Margin %<sup>(3)</sup></b>	<b>-0.5%</b>	<b>3.0%</b>	<b>-0.2%</b>	<b>3.0%</b>	<b>-1.5%</b>	<b>3.0%</b>	<b>1.0%</b>	<b>3.0%</b>	<b>2.1%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.0%</b>	<b>3.1%</b>	<b>3.0%</b>
Debt Service - Interest Expense	(10)		(12)		(13)		(16)		(15)		(15)		(15)	
Debt Service - Principal Payments	(5)		(9)		(15)		(9)		(9)		(9)		(10)	
Capital Appropriations	13		10		13		9		9		9		9	
Capital Grants & Contracts														
Capital Gifts														
Capital Expenditures from Current Funds														
Routine	(4)		(4)		(17)		(24)		(32)		(33)		(34)	
Non-Routine	(23)		(21)											
Investment Gains/(Losses)	6		6		5		6		6		6		6	
Endowment Distribution to Operating Income														
Net Investment Gains/(Losses)	6		6		5		6		6		6		6	
Other	2		2		8		8		8		8		8	
Add-back Non-cash Revenues/Expenses	28		29		30		31		32		33		34	
<b>Contribution to Available Funds - S.B. 6 Reserve</b>	<b>\$ 3</b>		<b>\$ -</b>		<b>\$ 4</b>		<b>\$ 10</b>		<b>\$ 10</b>		<b>\$ 15</b>		<b>\$ 15</b>	
<b>Balance Sheet Changes - Available Funds</b>	<b>\$ 6</b>													

<sup>(1)</sup> Target for working capital is \$17 million based on historical fluctuations in cash flow.

<sup>(2)</sup> Target for institutional reserves is 3 months of unrestricted operating expenses.

<sup>(3)</sup> Target for operating margin is 3% (Aa2 rating).

Note (a) - Comparing budgeted expenditures to prior year expenditures is not advised because expenditures from grants and contracts are budgeted centrally but recorded in the applicable expenditure line when spent.



# The University of Toledo Medical Center Five-Year Financial Plan

January 31, 2008 (\$ millions)														
	Actual 2007	A2 Target 2007	Projected 2008	A2 Target 2008	Budget 2009	A2 Target 2009	Budget 2010	A2 Target 2010	Budget 2011	A2 Target 2011	Budget 2012	A2 Target 2012	Budget 2013	A2 Target 2013
<b>Cash and Investments:</b>														
Unrestricted Funds														
Working Capital <sup>(1)</sup>	\$ 5	\$ -	\$ 6	\$ -	\$ 6	\$ -	\$ 6	\$ -	\$ 6	\$ -	\$ 6	\$ -	\$ 6	\$ -
Institutional Reserves <sup>(2)</sup>			6		10		14		19		24		29	
Quasi Endowment	71		71		71		72		72		72		72	
<b>Total Available Funds</b>	<b>76</b>	<b>81</b>	<b>77</b>	<b>86</b>	<b>83</b>	<b>94</b>	<b>87</b>	<b>97</b>	<b>90</b>	<b>99</b>	<b>94</b>	<b>102</b>	<b>99</b>	<b>105</b>
Over (Under) Target Amount		\$ (5)		\$ (9)		\$ (11)		\$ (10)		\$ (9)		\$ (8)		\$ (6)
Temporarily Restricted Cash & Investments														
Endowment & Other Permanently Restricted														
<b>Total Cash &amp; Investments</b>	<b>\$ 76</b>		<b>\$ 77</b>		<b>\$ 83</b>		<b>\$ 87</b>		<b>\$ 90</b>		<b>\$ 94</b>		<b>\$ 99</b>	
<b>Debt and Leases:</b>														
Bonded Indebtedness & Capital Leases	\$ 43		\$ 42		\$ 41		\$ 40		\$ 38		\$ 36		\$ 34	
Present Value of Operating Leases														
Medical Professional Liability	2		2		2		2		2		2		2	
Other														
<b>Total Long-Term Obligations</b>	<b>\$ 45</b>		<b>\$ 44</b>		<b>\$ 43</b>		<b>\$ 42</b>		<b>\$ 40</b>		<b>\$ 38</b>		<b>\$ 36</b>	
<b>Key Ratios:</b>														
Available Funds to Operating Expenses	0.3	0.4	0.3	0.4	0.3	0.4	0.3	0.4	0.3	0.4	0.3	0.4	0.3	0.4
Available Funds to Total Debt	1.8	0.7	1.8	0.7	2.0	0.7	2.2	0.7	2.4	0.7	2.6	0.7	2.9	0.7
Available Funds to Total Long-Term Obligations	1.7		1.8		1.9		2.1		2.3		2.5		2.8	
MADS as a % of Operating Revenues	1.3%	4.3%	1.2%	4.3%	1.1%	4.3%	0.7%	4.3%	1.1%	4.3%	1.0%	4.3%	1.0%	4.3%
MADS & Annual Lease Payments as a % of Operating Revenues	1.3%		1.2%		1.1%		0.7%		1.1%		1.0%		1.0%	
<b>Income Statement:</b>														
<b>Operating Revenues</b>	<b>\$ 226</b>		<b>\$ 247</b>		<b>\$ 267</b>		<b>\$ 275</b>		<b>\$ 283</b>		<b>\$ 291</b>		<b>\$ 300</b>	
Net Tuition & Fees														
State Share of Instruction														
Net Patient Revenue	216		238		257		265		273		281		289	
Grants & Contracts														
Auxiliaries														
Gifts														
Investment Income - Operating														
Other	10		9		10		10		10		10		11	
<b>Operating Expenses</b>	<b>220</b>		<b>233</b>		<b>253</b>		<b>261</b>		<b>268</b>		<b>276</b>		<b>285</b>	
Salaries & Benefits	112		112		124		126		130		132		135	
Cost Savings														
Unallocated Pool														
Departmental Expenses	73		87		93		99		102		107		112	
Outside Purchased Services	25		22		23		22		21		20		20	
Lease Expense														
Depreciation	10		12		13		14		15		17		18	
Grants & Contracts														
<b>Operating Income</b>	<b>6</b>		<b>14</b>		<b>14</b>		<b>14</b>		<b>15</b>		<b>15</b>		<b>15</b>	
<b>Operating Margin %<sup>(3)</sup></b>	<b>2.7%</b>	<b>3.0%</b>	<b>5.7%</b>	<b>3.0%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>5.2%</b>	<b>5.0%</b>	<b>5.1%</b>	<b>5.0%</b>	<b>5.1%</b>	<b>5.0%</b>
Debt Service - Interest Expense	(1)		(1)		(2)		(1)		(1)		(1)		(1)	
Debt Service - Principal Payments	(2)		(2)		(1)		(1)		(2)		(2)		(2)	
Capital Appropriations														
Capital Grants & Contracts														
Capital Gifts														
Capital Expenditures from Current Funds														
Routine	(10)		(13)		(13)		(14)		(15)		(17)		(18)	
Non-Routine	(10)				(5)		(5)		(5)		(5)		(5)	
Investment Gains/(Losses)	6		(1)		3		5		5		5		6	
Endowment Distribution to Operating Income														
Net Investment Gains/(Losses)	6		(1)		3		5		5		5		6	
Other	(2)		(8)		(8)		(8)		(8)		(8)		(8)	
Add-back Non-cash Revenues/Expenses	10		12		13		14		15		17		18	
<b>Contribution to Available Funds - S.B. 6 Reserve</b>	<b>\$ (3)</b>		<b>\$ 1</b>		<b>\$ 6</b>		<b>\$ 4</b>		<b>\$ 4</b>		<b>\$ 4</b>		<b>\$ 5</b>	
Balance Sheet Changes - Available Funds	\$ -													

<sup>(1)</sup> Target for working capital is \$6 million based on historical fluctuations in cash flow.

<sup>(2)</sup> Target for institutional reserves is 3 months of unrestricted operating expenses.

<sup>(3)</sup> Target for operating margin is 5% beginning in Fiscal 2009.