Financial Report

UNIVERSITY OF PENNSYLVANIA

For the nine months ended March 31, 2013.
(With comparison to the prior fiscal year, unless otherwise noted.)
(The following information represents the unaudited results for the period.)

Consolidated University

• Total net assets were $10.7 billion as of March 31, 2013, an increase of $599 million over March 31, 2012 and $636 million above budget, driven largely by strong investment and operating performance.

• Net operating income for the nine months ended March 31, 2013, was $173 million, $27 million higher than March 31, 2012, and $109 million above budgeted net income. Although total revenue was $115 million below budget, expenses were $224 million below budget.

• Cash and invested cash totaled $3.60 billion as of March 31, 2013, compared to a budget of $3.23 billion and $2.80 billion at March 31, 2012. Cash alone was $1.23 billion, compared to a budget of $1.02 billion and $909 million at March 31, 2012.

Academic Component

• Net operating income for the University (Academic Component) totaled $77 million, $61 million above the first nine months of last year and $94 million above budget. Strong operating contributions, better than budgeted sponsored program direct revenue, and other income contributed to a $76 million (4%) positive revenue variance against budget, while expenditures were $18 million below budget, with $11 million positive variance in current expense, primarily due to lower grant spending.

• Total contributions – pledges and new gifts, both operating and non-operating – totaled $332 million, an increase of $73 million (28%) over the prior year’s first nine months, reflecting a successful culmination of the Making History campaign.

• Year-to-date capital expenditures increased from $166 million as of March 31, 2012, to $217 million for the first nine months of this fiscal year, with increased expenditures on the Smilow Center for Translational Research and the Singh Center for Nanotechnology. Expenditures remained below budget by $92 million.
Health System

- Year-to-date net operating income (“operating margin”) for UPHS totaled $124 million, $34 million below the prior year-to-date results, and $11 million below budget. Operating revenue increased by $89 million (3.6%) from $2.51 billion as of March 31, 2012 to $2.60 billion as of March 31, 2013. Expenses increased by $123 million (5.1%) from $2.35 billion as of March 31, 2012 to $2.47 billion as of March 31, 2013.

- Adjusted admissions of 30,970 in the third quarter were 5.1% below last year and 5.5% below budget. Inpatient admissions were 8.6% below budget, while outpatient activity in high intensity services was mixed.

- Capital expenditures increased from $84.9 million as of March 31, 2012 to $149 million as of March 31, 2013, a $64.1 million increase (75.5%).