Financial Report

UNIVERSITY OF PENNSYLVANIA

For the three months ended September 30, 2014
(The following information represents the unaudited results for the period)

Consolidated University

- Total net assets were $12.9 billion as of September 30, 2014, an increase of $1.1 billion over September 30, 2013 and $371 million above budget, driven largely by strong investment and operating performance over the twelve month period, and in particular the fourth quarter of the fiscal year.
- Net operating income for September 30, 2014, was $39 million, $11 million higher than September 30, 2013, and $19 million above budgeted net income. Total revenue was $17 million above budget and expenses were $2 million below budget.
- Cash and invested cash totaled $4.0 billion as of September 30, 2014, compared to a budget of $3.9 billion and $3.8 billion at September 30, 2013. Cash alone was $1.1 billion, compared to a budget of $1.2 billion and $1.2 billion at September 30, 2013.

Academic Component

- Net operating income for the University (Academic Component) reflected a decrease of $25 million, $16 million above the prior year and $6 million above budget. Revenue was $12 million (1.7%) above budget, while expenditures were $6 million (0.9%) above budget.
- Total contributions – pledges and new gifts, both operating and non-operating – totaled $50 million, a decrease of $10 million (16.3%) from the prior fiscal year’s first quarter.
- Year-to-date capital expenditures decreased from $61 million as of September 30, 2013, to $58 million for September 30, 2014. Capital expenditures were $17 million below budget.

Health System

- Year-to-date net operating income (“operating margin”) for UPHS totaled $81 million, higher than the budget and the prior year by $20 million and $2 million, respectively. Operating revenue increased by $122 million (13.2%) from $925 million as of September 30, 2013 to $1.0 billion as of September 30, 2014. Expenses increased by $120 million (14.2%) from $846 million as of September 30, 2013 to $966 million as of September 30, 2014. Both revenue and expense increases reflect the addition of Chester County Hospital and Health System.
- Adjusted admissions of 39,507 in the first quarter were consistent with the budget and higher than the prior year by 17.3% (the latter reflecting the addition of Chester County). Inpatient admissions were lower than the budget by 1%, while outpatient activity in high intensity services was mixed.
- Capital expenditures increased from $64 million as of September 30, 2013 to $108 million as of September 30, 2014, a $44 million increase (69%).