

## **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%).