Financial Report

UNIVERSITY OF PENNSYLVANIA

For the twelve months ended June 30, 2015
(The following information represents the audited results for the period)

Consolidated University

- Total net assets were $13.5 billion as of June 30, 2015, an increase of $519 million over June 30, 2014 and $620 million above budget, driven largely by strong operations and investment returns.
- Net operating income for June 30, 2015 was $397 million, $135 million higher than June 30, 2014 and $333 million above budgeted net income. Total revenue was $363 million above budget and expenses were $30 million above budget.
- The June 30, 2015 AIF return of 7.4% was above the budgeted return of 6.5% and below the prior fiscal year return of 17.5%. Total investments were $11.6 billion, of which the endowment comprises $10.1 billion.
- Cash and invested cash totaled $4.1 billion in fiscal year 2015, compared to a budget of $3.7 billion and $4.0 billion at June 30, 2014. Cash alone was $934 million, compared to a budget of $817 million and $1.1 billion at June 30, 2014.

Academic Component

- Net operating income for the University (Academic Component) was $120 million, $94 million above the prior year and $142 million above budget. Total revenue was $122 million (4.4%) above budget, while expenses were $20 million (0.7%) below budget.
- New contributions, both operating and non-operating, totaled $321 million, a decrease of $35 million (9.8%) from the prior fiscal year.
- Capital expenditures increased from $234 million in fiscal year 2014 to $266 million in fiscal year 2015. Fiscal year 2015 capital expenditures were $34 million below budget.

Health System

- Year-to-date net operating income (“operating margin”) for UPHS totaled $345 million, $181 million above the budget and $54 million above the prior year-to-date results. Operating revenue increased by $386 million (9.8%) from $3.9 billion in fiscal year 2014 to $4.3 billion in fiscal year 2015. Expenses increased by $333 million (9.1%) from $3.6 billion in fiscal year 2014 to $4.0 billion in fiscal year 2015.
- Adjusted admissions of 157,036 through twelve months were higher than budget by 1.1% but 6.7% above the prior year. Inpatient admissions were slightly lower than budget, while outpatient activity in high intensity services was mixed. Chester County Hospital activity of 28,063 adjusted admissions and 13,521 inpatient admissions was included in the twelve month figures.
- Capital expenditures increased from $335 million in fiscal year 2014 to $523 million in fiscal year 2015, a $188 million increase (56%). Fiscal year 2015 capital expenditures were $21 million above budget.