Financial Report

UNIVERSITY OF PENNSYLVANIA

For the three months ended September 30, 2015
(The following information represents the unaudited results for the period)

Consolidated University

- Total net assets were $14.1 billion at September 30, 2015, an increase of $1.2 billion over September 30, 2014, driven largely by the integration of Lancaster General Health into the Health System and strong operating performance. Total net assets were $585 million below budget, primarily due to the downturn in the financial markets which affected investments.
- Net operating income for September 30, 2015 was $41 million, $2 million higher than September 30, 2014, and $16 million above budgeted net income. Total revenue was $3 million above budget and expenses were $13 million below budget.
- Cash and invested cash totaled $5.1 billion at September 30, 2015, compared to a budget of $5.2 billion and $4.0 billion at September 30, 2014. Cash alone was $1.1 billion, compared to a budget of $1.2 billion and $1.1 billion at September 30, 2014.

Academic Component

- Net operating income for the University (Academic Component) reflected a decrease of $12 million, $13 million above the prior year and $26 million favorable versus budget. Revenue was $19 million (2.7%) above budget, while expenditures were $7 million (1%) below budget.
- Total contributions – pledges and new gifts, operating and non-operating – totaled $63 million, an increase of $13 million (26.2%) from the prior fiscal year’s first quarter.
- Year-to-date capital expenditures were $91 million as of September 30, 2015, an increase of $58 million over the expenditures as of September 30, 2014. Capital expenditures were consistent with budget.

Health System

- Year-to-date net operating income (“operating margin”) for UPHS totaled $77 million, $21 million above the budget and $4 million below the prior year-to-date results. Operating revenue increased by $246 million (25.7%) from $1.1 billion as of September 30, 2014 to $1.3 billion as of September 30, 2015. Expenses increased by $250 million (25.9%) from $966 million as of September 30, 2014 to $1.2 billion as of September 30, 2015. Both revenue and expense increases reflect the addition of Lancaster General Health.
- Adjusted admissions of 40,220 in the first quarter were consistent with the budget and slightly higher than the prior year by 2%. Inpatient admissions were lower than the budget by 2%, while outpatient activity in high intensity services was mixed. Admission figures do not include Lancaster General Health.
- Capital expenditures totaled $90 million as of September 30, 2015, an $18 million decrease from prior year first quarter expenditures of $108 million, and $19 million below budget.