Financial Report

UNIVERSITY OF PENNSYLVANIA

For the three months ended September 30, 2016

Consolidated University

- Total net assets were $14.9 billion as of September 30, 2016, an increase of $847 million over September 30, 2015, driven largely by strong investment and operating performance. Total net assets were $191 million above budget.
- Net operating income for September 30, 2016 was $77 million, $36 million higher than September 30, 2015, and $52 million above budgeted net income. Total revenue was $57 million above budget and expenses were $5 million above budget.
- Cash and invested cash totaled $5.3 billion at September 30, 2016, compared to a budget of $5.0 billion and $5.1 billion at September 30, 2015.

Academic Component

- Net operating income for the University (Academic Component) reflected a decrease of $27 million versus a decrease of $12 million in the prior year and budgeted decrease of $30 million. Total revenue was $30 million (4.2%) above prior year, while expenditures were $45 million (6.2%) above prior year.
- New contributions, both operating and non-operating, totaled $46 million, a decrease of $17 million, or 27.3%, from the prior fiscal year.
- Year-to-date capital expenditures were $90 million as of September 30, 2016, a decrease of $512 thousand over the expenditures as of September 30, 2015, and $5 million below budget. Notable projects include the New College House, Hill House, and the Perelman Center for Political Science and Economics.

Health System

- Year-to-date net operating income (“operating margin”) for UPHS totaled $108 million, $57 million above the budget and $32 million above the prior year-to-date results. Operating revenue increased by $222 million (17.2%) from $1.3 billion as of September 30, 2015 to $1.5 billion as of September 30, 2016. Expenses increased by $191 million (15.9%) from $1.2 billion as of September 30, 2015 to $1.4 billion as of September 30, 2016. Both revenue and expense increases reflect the addition of Lancaster General Health.
- Adjusted admissions of 59,461 in the first quarter were consistent with the budget and 17% higher than the prior year. Inpatient admissions were consistent than the budget, while outpatient activity in high intensity services was mixed.
- Capital expenditures totaled $122 million as of September 30, 2016, a $32 million increase from prior year first quarter expenditures of $90 million, and $15 million below budget.