

University of Pennsylvania Health System

Comparative Combined Balance Sheet

(thousands of dollars) - UNAUDITED

ASSETS	September 30, 2016	June 30, 2016	September 30, 2015	LIABILITIES AND NET ASSETS	September 30, 2016	June 30, 2016	September 30, 2015
Current:				Current:			
Cash and cash equivalents	\$555.5	\$694.5	610.9	Accounts payable	\$136.4	\$163.7	\$129.4
Patient receivables, less allowance for uncollectible accounts of \$223.0 (September, 2016), \$173.1 (June, 2016), \$171.5 (September, 2015)	671.0	645.1	564.1	Accrued expenses	483.1	536.5	547.8
Third party receivables	12.0	1.8	6.2	Current portion of LT debt & notes	33.3	42.2	47.1
Other	218.0	180.8	194.1	Due to the University of Pennsylvania	16.1	3.8	24.7
Total current assets	1,456.5	1,522.2	1,375.3	Estimated third party payor settlements	60.3	62.3	68.0
Assets whose use is limited:				Total current liabilities	729.3	808.5	817.1
Held by trustees				LT debt and notes, net of current portion	1,470.3	1,482.2	1,370.4
Escrow for CAM / Debt Service Res	0.4	0.0	0.4	Third party liabilities, net of current portion	0.9	2.6	11.5
Debt Service Depository & Other	50.3	66.6	86.2	Other liabilities	823.7	826.2	811.6
RRG\Captive assets held for malpractice claims	180.3	177.9	130.7	Pension and post-retirement benefit liability	1,202.8	1,189.1	924.5
Board designated				Total liabilities	4,226.9	4,308.6	3,935.1
General	2,086.0	2,009.6	1,155.5	Net assets:			
Donor-restricted				Unrestricted	3,601.4	3,479.9	3,230.1
Investments	547.6	536.5	535.6	Temporarily restricted	379.3	367.2	370.0
Pledges Receivable	4.0	1.6	5.1	Permanently restricted	176.9	174.8	172.8
Total Investments	2,868.5	2,792.2	1,918.6	Total net assets	4,157.6	4,021.9	3,772.9
Intermediate-Term Investments	686.4	679.8	664.5	Total liabilities and net assets	\$8,384.5	\$8,330.5	\$7,708.0
Long-Term Investments	62.0	57.7	861.1				
Total Investments	748.4	737.5	1,525.7				
Property and equipment	5,677.0	5,479.2	4,437.8				
Less: accumulated depreciation	(2,867.3)	(2,786.2)	(1,983.7)				
Construction in progress	2,809.6	2,693.0	2,454.1				
	313.3	389.9	251.1				
	3,123.0	3,082.9	2,705.2				
Other assets	188.1	195.6	183.2				
Total assets	\$8,384.5	\$8,330.5	\$7,708.0				

University of Pennsylvania Health System

Statement of Operations

(thousands of dollars)

	Three Months Ended		Fiscal Year Ended June 30,				
	September 30*		2016	2015	2014	2013	2012
Net Patient Service Revenue	\$ 1,462,118	\$ 1,262,184	\$ 5,545,187	\$ 4,283,346	\$ 3,951,103	\$ 3,487,651	\$ 3,374,627
Provision for Bad Debt	(56,127)	(55,291)	(218,621)	(231,955)	(239,649)	(191,479)	(182,043)
Net patient service revenue							
less provision for bad debt	1,405,991	1,206,893	5,326,566	4,051,391	3,711,454	3,296,172	3,192,584
Other Operating Revenue	109,246	85,985	375,249	274,262	227,772	204,806	189,218
Total Operating Revenue	1,515,237	1,292,878	5,701,815	4,325,653	3,939,226	3,500,978	3,381,802
Salaries and Wages	637,002	552,840	2,382,231	1,806,907	1,658,234	1,483,747	1,429,484
Employee Benefits	179,728	157,333	663,731	488,393	462,171	456,806	405,587
Supplies and Service	469,569	398,594	1,782,843	1,329,782	1,173,293	1,040,459	992,247
Utilities	13,537	7,714	55,115	31,738	32,537	27,465	30,604
School of Medicine Support	4,811	5,277	20,648	20,676	21,411	21,966	20,675
Malpractice	23,373	25,300	77,548	92,179	105,623	108,115	115,650
Total Operating Expenses before Interest, Taxes, Depreciation and Amortization	1,328,020	1,147,058	4,982,116	3,769,675	3,453,269	3,138,558	2,994,247
Earnings before Interest, Taxes, Depreciation and Amortization	187,217	145,820	719,699	555,978	485,957	362,420	387,555
Less:							
Interest Expense	12,153	11,845	47,594	35,427	36,731	37,737	37,298
Depreciation & Amortization	66,368	57,211	252,983	175,388	157,836	139,551	133,077
Excess of Revenues Over Expenses from Operations	108,696	76,764	419,122	345,163	291,390	185,132	217,180
Non-Operating Gains/(Losses):							
Interest and dividends	9,431	5,821	27,899	22,538	22,780	24,541	23,411
Net Realized Gains/(Losses), Contributions and Other Support	17,974	7,521	72,842	93,920	74,469	56,656	16,748
Member Substitutions	-	1,082,196	1,263,867	-	130,308	-	-
Loss on extinguishment of debt	(27,947)	-	(22,366)	(17,958)	-	-	-
Unrealized Gain/(Loss) on Alternative Investments	4,829	(30,417)	(41,834)	(25,403)	49,926	30,009	(2,247)
Excess of Revenues Over Expenses	112,983	1,141,885	1,719,530	418,260	568,873	296,338	255,092
Unrealized Gain/(Loss) on Investments	55,840	(73,999)	(54,502)	15,380	57,911	36,192	(7,990)
Transfers	(47,791)	(49,422)	(160,803)	(147,794)	(113,527)	(90,930)	(102,606)
Reclassifications for Capital Purposes	451	-	25,566	8,119	730	525	1,140
Pension and other postretirement plan adjustments	-	-	(261,421)	(139,813)	(37,935)	199,771	(270,156)
Increase in Unrestricted Net Assets	\$ 121,483	\$ 1,018,464	\$ 1,268,370	\$ 154,152	\$ 476,052	\$ 441,896	\$ (124,520)

* Unaudited

Note: Effective August 1, 2015, UPHS and Lancaster General Health ("LGH") entered into an affiliation agreement whereby UPHS became the sole corporate member of LGH. As a result, prior year amounts only reflect LGH's activity from August 1, 2015 and forward.

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Sources of Revenue

	Three Months Ended September		Fiscal Year Ended June 30				
	2016	2015	2016	2015	2014	2013	2012
Medicare	25%	26%	28%	27%	26%	25%	25%
Managed Care ¹	53%	52%	47%	51%	50%	52%	53%
Blue Cross	15%	15%	16%	14%	13%	12%	12%
Commercial Insurance	2%	2%	5%	2%	4%	2%	2%
Medicaid	4%	4%	3%	4%	5%	5%	5%
Self Pay and Other	1%	1%	1%	2%	2%	4%	3%
	100%	100%	100%	100%	100%	100%	100%

¹ *Includes Medicaid and Medicare managed care programs*

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University of Pennsylvania Health System

Selected Utilization Statistics

	Three Months Ended September		Fiscal Year Ended June 30				
	2016	2015	2016	2015	2014	2013	2012
Adult and Neonatal Staffed Beds	2,374	2,361	2,366	1,708	1,683	1,524	1,530
Newborn Bassinets	145	145	145	97	97	82	82
Adult and Neonatal Admissions	30,014	26,653	114,764	83,163	81,750	73,588	77,378
Newborn Admissions	3,367	3,580	12,791	10,789	9,550	7,707	7,760
Adult and Neonatal Patient Days	166,175	147,274	639,406	490,547	483,711	442,782	450,852
Newborn Patient Days	7,815	8,220	29,444	25,225	22,755	18,873	18,987
Adult and Neonatal Average Length of Stay (Days)	5.54	5.53	5.57	5.90	5.92	6.02	5.83
Newborn Average Length of Stay (Days)	2.32	2.30	2.30	2.34	2.38	2.45	2.45
Adult and Neonatal Staffed Beds Occupancy	77.0%	74.5%	75.7%	78.7%	78.4%	79.8%	80.6%
Inpatient Surgical Procedures	11,154	9,978	43,729	30,074	29,078	26,364	27,829
Day Surgery Procedures	14,400	12,228	56,362	38,082	35,562	31,660	31,214
Emergency Room Visits	77,250	66,484	294,679	182,426	172,115	137,987	136,374
Outpatient Visits	943,085	771,997	3,637,849	2,456,427	2,242,196	1,624,817	1,534,720

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