

# STATEMENT OF ACTIVITY & CASH FLOWS\*

FOR THE FISCAL YEAR ENDED JUNE 30,

<b>Revenues</b> (in millions)	<b>2016</b>	<b>2015</b>	<b>2014</b>
MBA Tuition & Fees	\$ 127	\$ 120	\$ 113
Executive Education Tuition	176	168	163
Publishing	217	203	194
Endowment Distribution	138	127	123
Unrestricted, Current Use Gifts	40	36	28
Restricted, Current Use Gifts	32	27	37
HBX	10	5	—
Housing, Rents, Interest Income, & Other	21	21	18
<b>Total Revenues</b>	<b>\$ 761</b>	<b>\$ 707</b>	<b>\$ 676</b>
<b>Expenses</b>			
Salaries & Benefits	\$ 309	\$ 294	\$ 276
Publishing & Printing	70	65	66
Space & Occupancy	62	68	66
Supplies & Equipment	14	7	4
Professional Services	65	52	57
Fellowships	47	44	43
University Assessments	22	20	19
Debt Service	4	5	5
Depreciation	38	34	33
Other Expenses	73	71	76
<b>Total Expenses</b>	<b>\$ 704</b>	<b>\$ 660</b>	<b>\$ 645</b>
Cash from Operations	\$ 57	\$ 47	\$ 31
Depreciation	38	34	33
Non-Cash Items	—	—	9
<b>Cash Available for Capital Activities</b>	<b>\$ 95</b>	<b>\$ 81</b>	<b>\$ 73</b>
Capital Expenses	\$ (113)	\$ (81)	\$ (92)
Change in Capital Project Pre-Funding	(12)	(9)	16
Use of Gifts for Capital Projects	20	38	17
<b>Net Capital Expenses</b>	<b>\$ (105)</b>	<b>\$ (52)</b>	<b>\$ (59)</b>
New Borrowings	\$ 0	\$ 0	\$ 0
Debt Principal Payments	(7)	(7)	(6)
Capitalization of Endowment Income	(3)	(3)	(5)
Decapitalization of Endowments	5	5	21
Other Non-Reserve Activity	(7)	2	(8)
<b>Changes in Debt &amp; Other</b>	<b>\$ (12)</b>	<b>\$ (3)</b>	<b>\$ 2</b>
<b>Increase (Decrease) in Reserves</b>	<b>\$ (22)</b>	<b>\$ 26</b>	<b>\$ 16</b>
<b>Beginning Reserves Balance</b>	<b>\$ 125</b>	<b>\$ 99</b>	<b>\$ 83</b>
<b>Ending Reserves Balance</b>	<b>\$ 103</b>	<b>\$ 125</b>	<b>\$ 99</b>

# CONSOLIDATED BALANCE SHEET

FOR THE FISCAL YEAR ENDED JUNE 30,

<b>Assets</b> (in millions)	<b>2016</b>	<b>2015</b>	<b>2014</b>
Cash	\$ 61	\$ 62	\$ 44
Reserves	103	125	99
Receivables, Loans, & Other Assets	475	463	475
Invested Funds:			
Endowment Investments	2,928	3,076	2,970
Current Fund Investments	107	93	96
Interest in Trusts Held by Others	146	154	158
Facilities, Net	688	614	567
<b>Total Assets</b>	<b>\$ 4,508</b>	<b>\$ 4,587</b>	<b>\$ 4,409</b>
<b>Liabilities</b>			
Deposits, Advances, & Other	\$ 76	\$ 64	\$ 60
Deferred Revenue	126	110	88
Other Debt Owed to University	24	26	27
Building Debt	71	78	85
<b>Total Liabilities</b>	<b>\$ 297</b>	<b>\$ 278</b>	<b>\$ 260</b>
<b>Net Assets</b>			
Reserves	\$ 103	\$ 125	\$ 99
Undistributed Income & Other	11	13	16
Pledge Balances	288	301	317
Student Loan Funds	11	11	11
Investment in Facilities	617	536	482
Endowment & Current Use Funds	3,181	3,323	3,224
<b>Total Net Assets</b>	<b>\$ 4,211</b>	<b>\$ 4,309</b>	<b>\$ 4,149</b>
<b>Total Liabilities + Net Assets</b>	<b>\$ 4,508</b>	<b>\$ 4,587</b>	<b>\$ 4,409</b>

\* In pursuit of greater comparability across the Harvard schools, the University has asked all the schools to report their net results in accordance with generally accepted accounting principles (GAAP) in the United States. In addition to results for fiscal 2016, the School's results for fiscal years 2014 and 2015 are presented in accordance with GAAP within the Statement of Activity and Cash Flows on page 24.