

# STATEMENT OF ACTIVITY & CASH FLOWS\*

FOR THE FISCAL YEAR ENDED JUNE 30,

Revenues (in millions)	2012	2011	2010
MBA Tuition & Fees	\$ 99	\$ 96	\$ 92
Executive Education Tuition	142	132	113
Publishing	165	152	135
Endowment Distribution	109	100	101
Unrestricted Current Use Gifts	19	17	13
Housing, Rents, & Other	11	11	11
Interest Income	1	1	2
<b>Total Revenues</b>	<b>\$ 546</b>	<b>\$ 509</b>	<b>\$ 467</b>
<b>Expenses</b>			
Salaries & Benefits	\$ 241	\$ 219	\$ 203
Publishing & Printing	59	55	51
Space & Occupancy	47	44	41
Supplies & Equipment	10	10	9
Professional Services	35	31	22
Fellowships	37	36	35
University Assessments	17	15	15
Debt Service	6	7	7
Other Expenses	52	39	32
<b>Total Expenses</b>	<b>\$ 504</b>	<b>\$ 456</b>	<b>\$ 415</b>
Cash from Operations	\$ 42	\$ 53	\$ 52
Use of Endowment Gifts or Appreciation	24	18	13
<b>Cash Before Capital Activities</b>	<b>\$ 66</b>	<b>\$ 71</b>	<b>\$ 65</b>
Capital Expenses	\$ (51)	\$ (34)	\$ (14)
Use of Gifts for Capital Projects	17	3	3
<b>Net Capital Expenses</b>	<b>\$ (34)</b>	<b>\$ (31)</b>	<b>\$ (11)</b>
New Borrowings	\$ 0	\$ 0	\$ 0
Debt Principal Payments	(4)	(9)	(7)
Other Activity	12	(51)	(44)
<b>Net Debt &amp; Other</b>	<b>\$ 8</b>	<b>\$ (60)</b>	<b>\$ (51)</b>
<b>Change in Unrestricted Reserves</b>	<b>\$ 40</b>	<b>\$ (20)</b>	<b>\$ 3</b>
<b>Beginning Balance, Unrestricted Reserves</b>	<b>\$ 79</b>	<b>\$ 99</b>	<b>\$ 96</b>
<b>Ending Balance, Unrestricted Reserves</b>	<b>\$ 119</b>	<b>\$ 79</b>	<b>\$ 99</b>

# CONSOLIDATED BALANCE SHEET

FOR THE FISCAL YEAR ENDED JUNE 30,

<b>Assets</b> (in millions)	<b>2012</b>	<b>2011</b>	<b>2010</b>
Cash	\$ 26	\$ 18	\$ 10
Unrestricted Reserves	119	79	99
Receivables, Loans, & Other Assets	222	214	235
Invested Funds:			
Endowment Investments	2,485	2,569	2,154
Current Fund Investments	42	66	35
Interest in Trusts Held by Others	138	144	122
Facilities, Net of Accumulated Depreciation	458	438	432
<b>Total Assets</b>	<b>\$ 3,490</b>	<b>\$ 3,528</b>	<b>\$ 3,087</b>
<b>Liabilities</b>			
Deposits, Advances, & Other	\$ 53	\$ 44	\$ 45
Deferred Revenue	65	62	59
Other Debt Owed to University	23	28	26
Building Debt	99	103	112
<b>Total Liabilities</b>	<b>\$ 240</b>	<b>\$ 237</b>	<b>\$ 242</b>
<b>Composition of Net Assets</b>			
Unrestricted Reserves	\$ 119	\$ 79	\$ 99
Undistributed Income & Other	5	8	8
Pledge Balances	92	80	97
Student Loan Funds	10	10	10
Investment in Facilities	359	335	320
Endowment & Other Invested Funds	2,665	2,779	2,311
<b>Total Assets Net of Liabilities</b>	<b>\$ 3,250</b>	<b>\$ 3,291</b>	<b>\$ 2,845</b>

\* The Statement of Activity & Cash Flows presents a managerial view of Harvard Business School operations focused primarily on cash available for use. It is not intended to present the financial results in accordance with generally accepted accounting principles (GAAP). A presentation in accordance with GAAP would report higher operating revenues for gifts and endowment distribution and would include depreciation expense, yielding income from operations of \$30 million in fiscal 2012. Cash flows, however, would be equivalent under GAAP.