

# STATEMENT OF ACTIVITY & CASH FLOWS\*

FOR THE FISCAL YEAR ENDED JUNE 30,

Revenues (in millions)	2013	2012	2011
MBA Tuition & Fees	\$ 107	\$ 99	\$ 96
Executive Education Tuition	146	142	132
Publishing	180	165	152
Endowment Distribution	117	109	100
Unrestricted Current Use Gifts	22	19	17
Housing, Rents, & Other	14	11	11
Interest Income	1	1	1
<b>Total Revenues</b>	<b>\$ 587</b>	<b>\$ 546</b>	<b>\$ 509</b>
<b>Expenses</b>			
Salaries & Benefits	\$ 255	\$ 241	\$ 219
Publishing & Printing	67	59	55
Space & Occupancy	48	47	44
Supplies & Equipment	9	10	10
Professional Services	40	35	31
Fellowships	40	37	36
University Assessments	18	17	15
Debt Service	6	6	7
Other Expenses	59	52	39
<b>Total Expenses</b>	<b>\$ 542</b>	<b>\$ 504</b>	<b>\$ 456</b>
Cash from Operations	\$ 45	\$ 42	\$ 53
Use of Endowment Gifts or Appreciation	22	24	18
<b>Cash Before Capital Activities</b>	<b>\$ 67</b>	<b>\$ 66</b>	<b>\$ 71</b>
Capital Expenses	\$ (78)	\$ (51)	\$ (34)
Funding Capital Projects for Future Year	(26)	1	(2)
Use of Gifts for Capital Projects	11	17	3
<b>Net Capital Expenses</b>	<b>\$ (93)</b>	<b>\$ (33)</b>	<b>\$ (33)</b>
New Borrowings	\$ 0	\$ 0	\$ 0
Debt Principal Payments	(8)	(4)	(9)
Other Activity	(2)	11	(49)
<b>Net Debt &amp; Other</b>	<b>\$ (10)</b>	<b>\$ 7</b>	<b>\$ (58)</b>
<b>Change in Unrestricted Reserves</b>	<b>\$ (36)</b>	<b>\$ 40</b>	<b>\$ (20)</b>
<b>Beginning Balance, Unrestricted Reserves</b>	<b>\$ 119</b>	<b>\$ 79</b>	<b>\$ 99</b>
<b>Ending Balance, Unrestricted Reserves</b>	<b>\$ 83</b>	<b>\$ 119</b>	<b>\$ 79</b>

# CONSOLIDATED BALANCE SHEET

FOR THE FISCAL YEAR ENDED JUNE 30,

<b>Assets</b> (in millions)	<b>2013</b>	<b>2012</b>	<b>2011</b>
Cash	\$ 38	\$ 26	\$ 18
Unrestricted Reserves	83	119	79
Receivables, Loans, & Other Assets	319	222	214
Invested Funds:			
Endowment Investments	2,658	2,485	2,569
Current Fund Investments	78	42	66
Interest in Trusts Held by Others	144	138	144
Facilities, Net of Accumulated Depreciation	511	458	438
<b>Total Assets</b>	<b>\$ 3,831</b>	<b>\$ 3,490</b>	<b>\$ 3,528</b>
<b>Liabilities</b>			
Deposits, Advances, & Other	\$ 56	\$ 53	\$ 44
Deferred Revenue	85	65	62
Other Debt Owed to University	23	23	28
Building Debt	91	99	103
<b>Total Liabilities</b>	<b>\$ 255</b>	<b>\$ 240</b>	<b>\$ 237</b>
<b>Composition of Net Assets</b>			
Unrestricted Reserves	\$ 83	\$ 119	\$ 79
Undistributed Income & Other	5	5	8
Pledge Balances	179	92	80
Student Loan Funds	9	10	10
Investment in Facilities	420	359	335
Endowment & Other Invested Funds	2,880	2,665	2,779
<b>Total Assets Net of Liabilities</b>	<b>\$ 3,576</b>	<b>\$ 3,250</b>	<b>\$ 3,291</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 \$41 million in fiscal 2013. Cash flows, however, would be equivalent under GAAP.