

STATEMENT OF ACTIVITY & CASH FLOWS*

FOR THE FISCAL YEAR ENDED JUNE 30,

Revenues (in millions)	2014	2013	2012
MBA Tuition & Fees	\$ 113	\$ 107	\$ 99
Executive Education Tuition	163	146	142
Publishing	194	180	165
Endowment Distribution	120	117	109
Unrestricted Current Use Gifts	28	22	19
Housing, Rents, & Other	15	14	11
Interest Income	—	1	1
Total Revenues	\$ 633	\$ 587	\$ 546
Expenses			
Salaries & Benefits	\$ 276	\$ 255	\$ 241
Publishing & Printing	71	67	59
Space & Occupancy	51	48	47
Supplies & Equipment	11	9	10
Professional Services	57	40	35
Fellowships	43	40	37
University Assessments	19	18	17
Debt Service	5	6	6
Other Expenses	64	59	52
Total Expenses	\$ 597	\$ 542	\$ 504
Cash from Operations	\$ 36	\$ 45	\$ 42
Restricted Current Use Gifts & Endowment Appreciation	56	22	24
Cash Before Capital Activities	\$ 92	\$ 67	\$ 66
Capital Expenses	\$ (98)	\$ (78)	\$ (51)
Change in Capital Project Funding	17	(26)	1
Use of Gifts for Capital Projects	17	11	17
Net Capital Expenses	\$ (64)	\$ (93)	\$ (33)
New Borrowings	\$ 0	\$ 0	\$ 0
Debt Principal Payments	(6)	(8)	(4)
Other Non-Reserve Activity	(6)	(2)	11
Net Debt & Other	\$ (12)	\$ (10)	\$ 7
Change in Unrestricted Reserves	\$ 16	\$ (36)	\$ 40
Beginning Balance, Unrestricted Reserves	\$ 83	\$ 119	\$ 79
Ending Balance, Unrestricted Reserves	\$ 99	\$ 83	\$ 119

CONSOLIDATED BALANCE SHEET

FOR THE FISCAL YEAR ENDED JUNE 30,

Assets (in millions)	2014	2013	2012
Cash	\$ 44	\$ 38	\$ 26
Unrestricted Reserves	99	83	119
Receivables, Loans, & Other Assets	475	319	222
Invested Funds:			
Endowment Investments	2,970	2,658	2,485
Current Fund Investments	96	78	42
Interest in Trusts Held by Others	158	144	138
Facilities, Net of Accumulated Depreciation	567	511	458
Total Assets	\$ 4,409	\$ 3,831	\$ 3,490
Liabilities			
Deposits, Advances, & Other	\$ 60	\$ 56	\$ 53
Deferred Revenue	88	85	65
Other Debt Owed to University	27	23	23
Building Debt	85	91	99
Total Liabilities	\$ 260	\$ 255	\$ 240
Composition of Net Assets			
Unrestricted Reserves	\$ 99	\$ 83	\$ 119
Undistributed Income & Other	16	5	5
Pledge Balances	317	179	92
Student Loan Funds	11	9	10
Investment in Facilities	482	420	359
Endowment & Other Invested Funds	3,224	2,880	2,665
Total Assets Net of Liabilities	\$ 4,149	\$ 3,576	\$ 3,250

* 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 2014. Cash flows, however, would be equivalent under GAAP.