

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF NET POSITION

(in thousands)	2014	June 30, 2013
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 65,762	\$ 101,327
Investments for operating activities	943,663	832,280
Investments for capital activities	440,831	357,495
Investments for student loan activities	57,311	60,732
Accounts receivable, net	565,621	574,810
Current portion of notes and pledges receivable, net	74,120	118,648
Current portion of prepaid expenses and other assets	83,985	66,907
Cash collateral held by agent	85,657	40,937
<b>Total Current Assets</b>	<b>2,316,950</b>	<b>2,153,156</b>
Noncurrent Assets:		
Endowment, life income and other investments	10,053,139	8,674,180
Notes and pledges receivable, net	334,551	206,582
Prepaid expenses and other assets	23,934	29,455
Capital assets, net	5,466,671	5,369,400
<b>Total Noncurrent Assets</b>	<b>15,878,295</b>	<b>14,280,017</b>
<b>Total Assets</b>	<b>\$ 18,195,245</b>	<b>\$ 16,433,173</b>
<b>Liabilities and Net Position</b>		
Current Liabilities:		
Accounts payable	\$ 238,669	\$ 219,581
Accrued compensation and other	363,790	354,745
Unearned revenue	217,012	214,381
Current portion of insurance and benefits reserves	86,014	86,173
Current portion of obligations for postemployment benefits	66,262	61,258
Commercial paper and current portion of bonds payable	107,860	117,907
Long-term bonds payable subject to remarketing, net	319,479	267,060
Collateral held for securities lending	85,657	40,957
Deposits of affiliates and others	45,602	35,283
<b>Total Current Liabilities</b>	<b>1,530,345</b>	<b>1,397,345</b>
Noncurrent Liabilities:		
Accrued compensation	61,110	64,944
Insurance and benefits reserves	108,650	109,415
Obligations for postemployment benefits	1,665,192	1,636,833
Obligations under life income agreements	48,590	46,849
Government loan advances	87,343	91,418
Bonds payable	1,407,320	1,421,935
Deposits of affiliates and other	228,621	181,305
<b>Total Noncurrent Liabilities</b>	<b>3,606,826</b>	<b>3,552,699</b>
<b>Total Liabilities</b>	<b>5,137,171</b>	<b>4,950,044</b>
<b>Net Position:</b>		
Net investment in capital assets	3,697,894	3,637,027
Restricted:		
Nonexpendable	1,535,326	1,432,191
Expendable	4,471,681	3,689,208
Unrestricted	3,353,173	2,774,703
<b>Total Net Position</b>	<b>13,058,074</b>	<b>11,483,129</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 18,195,245</b>	<b>\$ 16,433,173</b>

The accompanying notes are an integral part of the consolidated financial statements.

## CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in thousands)	2014	Year Ended June 30, 2013
<b>Operating Revenues</b>		
Student tuition and fees	\$ 1,405,309	\$ 1,349,057
Less scholarship allowances	297,752	284,386
Net student tuition and fees	1,107,557	1,064,671
Federal grants and contracts	852,798	914,012
State and local grants and contracts	9,107	8,514
Nongovernmental sponsored programs	165,711	153,440
Sales and services of educational departments	123,918	124,533
Auxiliary enterprises:		
Patient care revenues (net of provision for bad debts of \$ 128,758 in 2014 and \$ 114,025 in 2013)	3,001,292	2,786,063
Student residence fees (net of scholarship allowances of \$ 18,599 in 2014 and \$ 18,008 in 2013)	92,247	89,035
Other revenues	179,576	174,206
Student loan interest income and fees	2,676	2,808
<b>Total Operating Revenues</b>	<b>5,534,882</b>	<b>5,317,282</b>
<b>Operating Expenses</b>		
Compensation and benefits	4,150,648	3,965,030
Supplies and services	1,618,549	1,555,800
Depreciation	487,458	476,898
Scholarships and fellowships	124,465	123,287
<b>Total Operating Expenses</b>	<b>6,381,520</b>	<b>6,121,015</b>
Operating loss	(846,638)	(803,733)
<b>Nonoperating Revenues (Expenses)</b>		
State educational appropriations	321,681	315,921
Federal Pell grants	43,887	43,247
Private gifts for other than capital and endowment purposes	166,595	168,634
Net investment income	1,653,292	847,223
Interest expense, net	(54,235)	(49,342)
Federal subsidies for interest on Build America Bonds	7,566	8,251
<b>Total Nonoperating Revenues, Net</b>	<b>2,139,186</b>	<b>1,333,984</b>
Income before other revenues (expenses)	1,292,748	530,251
<b>Other Revenues (Expenses)</b>		
Capital gifts and grants	208,706	134,498
Private gifts for permanent endowment purposes	89,023	77,567
Other	(15,532)	(12,384)
<b>Total Other Revenues, Net</b>	<b>282,197</b>	<b>199,681</b>
Increase in net position	1,574,945	729,932
Net Position, Beginning of Year	11,483,129	10,753,197
<b>Net Position, End of Year</b>	<b>\$ 13,058,074</b>	<b>\$ 11,483,129</b>

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