

Stanford University
Consolidated Statements of Financial Position
At August 31, 2006 and 2005
(In thousands of dollars)

	2006			2005
	University	Hospitals	Consolidated	Consolidated
ASSETS				
Cash and cash equivalents	\$ 459,871	\$ 119,213	\$ 579,084	\$ 629,215
Accounts receivable, net	257,015	309,701	566,716	466,849
Receivables (payables) from SHC and LPCH, net	41,704	(41,704)	-	-
Inventories, prepaid expenses, and other assets	34,173	128,758	162,931	110,933
Pledges receivable, net	583,171	35,634	618,805	506,872
Student loans receivable, net	63,374	-	63,374	63,148
Faculty and staff mortgages and other loans receivable, net	297,956	-	297,956	268,928
Investments at fair value, including securities pledged or on loan of \$573,229 and \$555,025 for 2006 and 2005, respectively	17,524,666	1,738,545	19,263,211	16,351,384
Plant facilities, net of accumulated depreciation	2,546,480	617,450	3,163,930	2,800,418
Works of art and special collections	-	-	-	-
Total assets	\$ 21,808,410	\$ 2,907,597	\$ 24,716,007	\$ 21,197,747
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	\$ 570,128	\$ 422,082	\$ 992,210	\$ 942,353
Pending trades	105,796	-	105,796	183,870
Liabilities under security agreements	658,196	-	658,196	631,955
Deferred rental income	367,565	-	367,565	362,164
Income beneficiary share of living trust investments	344,921	-	344,921	301,896
Notes and bonds payable	1,308,562	1,006,202	2,314,764	1,848,892
U.S. government refundable loan funds	52,394	-	52,394	54,005
Total liabilities	3,407,562	1,428,284	4,835,846	4,325,135
Net assets:				
Unrestricted	13,448,790	1,174,473	14,623,263	12,423,390
Temporarily restricted	1,001,137	114,079	1,115,216	653,899
Permanently restricted	3,950,921	190,761	4,141,682	3,795,323
Total net assets	18,400,848	1,479,313	19,880,161	16,872,612
Total liabilities and net assets	\$ 21,808,410	\$ 2,907,597	\$ 24,716,007	\$ 21,197,747

Stanford University
Consolidated Statements of Activities
For the years ended August 31, 2006 and 2005
(In thousands of dollars)

	2006			2005
	University	Hospitals	Consolidated	Consolidated
UNRESTRICTED NET ASSETS ACTIVITY				
Revenues:				
Student income:				
Undergraduate programs	\$ 213,352	\$ -	\$ 213,352	\$ 204,287
Graduate programs	210,380	-	210,380	197,867
Room and board	95,327	-	95,327	90,936
Student financial aid	(142,898)	-	(142,898)	(137,171)
Total student income	<u>376,161</u>	<u>-</u>	<u>376,161</u>	<u>355,919</u>
Sponsored research support:				
Direct costs - University	523,886	-	523,886	563,968
Direct costs - Stanford Linear Accelerator Center	297,979	-	297,979	237,317
Indirect costs	172,249	-	172,249	172,094
Total sponsored research support	<u>994,114</u>	<u>-</u>	<u>994,114</u>	<u>973,379</u>
Health care services:				
Patient care, net	-	1,835,058	1,835,058	1,692,658
Physicians' services and support - SHC and LPCH, net	300,176	(300,176)	-	-
Physicians' services and support - other facilities, net	16,098	-	16,098	6,514
Total health care services	<u>316,274</u>	<u>1,534,882</u>	<u>1,851,156</u>	<u>1,699,172</u>
Current year gifts in support of operations	<u>167,700</u>	<u>-</u>	<u>167,700</u>	<u>144,331</u>
Net assets released from restrictions:				
Payments received on prior year pledges	60,098	-	60,098	45,169
Prior year gifts released from donor restrictions	34,003	22,943	56,946	58,261
Total net assets released from restrictions	<u>94,101</u>	<u>22,943</u>	<u>117,044</u>	<u>103,430</u>
Investment income distributed for operations:				
Endowment	534,734	-	534,734	451,959
Expendable funds pool and other investment income	74,149	-	74,149	62,315
Total investment income distributed for operations	<u>608,883</u>	<u>-</u>	<u>608,883</u>	<u>514,274</u>
Special program fees and other income	<u>318,490</u>	<u>77,868</u>	<u>396,358</u>	<u>350,087</u>
Total revenues	<u>2,875,723</u>	<u>1,635,693</u>	<u>4,511,416</u>	<u>4,140,592</u>
Expenses:				
Salaries and benefits	1,636,697	822,741	2,459,438	2,209,224
Depreciation	198,005	56,329	254,334	243,782
Other operating expenses	900,284	598,467	1,498,751	1,388,476
Total expenses	<u>2,734,986</u>	<u>1,477,537</u>	<u>4,212,523</u>	<u>3,841,482</u>
Excess of revenues over expenses	<u>\$ 140,737</u>	<u>\$ 158,156</u>	<u>\$ 298,893</u>	<u>\$ 299,110</u>

Stanford University
Consolidated Statements of Activities (continued)
For the years ended August 31, 2006 and 2005
(In thousands of dollars)

	2006			2005
	University	Hospitals	Consolidated	Consolidated
UNRESTRICTED NET ASSETS ACTIVITY (continued)				
Excess of revenues over expenses	\$ 140,737	\$ 158,156	\$ 298,893	\$ 299,110
Other changes in unrestricted net assets:				
Expendable gifts invested in the endowment	3,215	-	3,215	5,512
Investment returns not included in operations	1,753,061	108,663	1,861,724	2,123,657
Hospital equity transfers	22,364	(22,364)	-	-
Capital and other gifts released from restrictions	49,588	11,824	61,412	37,946
Capital gifts released from University	-	764	764	6,580
(Increase) decrease in minimum pension liability	13,149	33,462	46,611	(26,774)
Transfer to permanently restricted net assets	(30,917)	-	(30,917)	(13,128)
Transfer to temporarily restricted net assets	(6,726)	-	(6,726)	(14,503)
Swap interest and unrealized losses	(12,965)	-	(12,965)	(11,019)
Cumulative effect of change in accounting principle for asset retirement obligations	(13,021)	(4,876)	(17,897)	-
Other	(17,145)	12,904	(4,241)	(39,931)
Net change in unrestricted net assets	1,901,340	298,533	2,199,873	2,367,450
TEMPORARILY RESTRICTED NET ASSETS ACTIVITY				
Gifts and pledges, net	590,633	43,141	633,774	249,999
Investment gains	49,408	11,849	61,257	28,256
Change in value of living trust agreements, net	(3,085)	-	(3,085)	(15,894)
Net assets released to operations	(94,101)	(22,943)	(117,044)	(103,430)
Capital and other gifts released to unrestricted net assets	(49,588)	(11,824)	(61,412)	(37,946)
Capital gifts released to Hospitals unrestricted net assets	(764)	-	(764)	(6,580)
Transfer from unrestricted net assets	6,726	-	6,726	14,503
Transfer to permanently restricted net assets	(55,169)	-	(55,169)	(32,055)
Other	(2,786)	(180)	(2,966)	3,464
Net change in temporarily restricted net assets	441,274	20,043	461,317	100,317
PERMANENTLY RESTRICTED NET ASSETS ACTIVITY				
Gifts and pledges, net	204,993	18,579	223,572	266,078
Investment gains	61,225	-	61,225	133,427
Change in value of living trust agreements, net	(28,273)	-	(28,273)	735
Transfer from unrestricted net assets	30,917	-	30,917	13,128
Transfer from temporarily restricted net assets	55,169	-	55,169	32,055
Other	3,749	-	3,749	(16,307)
Net change in permanently restricted net assets	327,780	18,579	346,359	429,116
Net change in total net assets	2,670,394	337,155	3,007,549	2,896,883
Total net assets, beginning of year	15,730,454	1,142,158	16,872,612	13,975,729
Total net assets, end of year	\$ 18,400,848	\$ 1,479,313	\$ 19,880,161	\$ 16,872,612