

Stanford University
Consolidated Statements of Financial Position
At August 31, 2003 and 2002
(In thousands of dollars)

	2003			2002
	University	Hospitals	Consolidated	Consolidated
ASSETS				
Cash and cash equivalents	\$ 521,268	\$ 392,298	\$ 913,566	\$ 522,195
Accounts receivable, net	151,469	178,312	329,781	345,296
Receivables (payables) from SHC and LPCH, net	23,597	(23,597)	-	-
Inventories, prepaid expenses, and other assets	30,156	51,016	81,172	65,994
Pledges receivable, net	417,341	57,140	474,481	513,134
Student loans receivable, net	63,245	-	63,245	68,072
Faculty and staff mortgages and other loans receivable, net	248,912	-	248,912	257,956
Investments at fair value, including securities pledged or on loan of \$303,251 and \$30,200 for 2003 and 2002, respectively	10,841,586	652,627	11,494,213	9,519,716
Investment in UCSF Stanford Health Care	-	-	-	6,547
Plant facilities, net of accumulated depreciation	2,370,007	353,016	2,723,023	2,527,454
Collections of works of art	-	-	-	-
Total assets	\$ 14,667,581	\$ 1,660,812	\$ 16,328,393	\$ 13,826,364
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable and accrued expenses	\$ 438,320	\$ 384,053	\$ 822,373	\$ 713,155
Pending trades	378,307	-	378,307	211,336
Liabilities under security agreements	343,741	-	343,741	28,845
Deferred rental income	369,008	-	369,008	9,029
Income beneficiary share of living trust investments	258,261	-	258,261	267,514
Notes and bonds payable	1,275,196	591,300	1,866,496	1,470,546
U.S. government refundable loan funds	53,597	-	53,597	52,705
Total liabilities	3,116,430	975,353	4,091,783	2,753,130
Net assets:				
Unrestricted	8,186,542	484,036	8,670,578	7,620,235
Temporarily restricted	382,417	76,286	458,703	530,057
Permanently restricted	2,982,192	125,137	3,107,329	2,922,942
Total net assets	11,551,151	685,459	12,236,610	11,073,234
Total liabilities and net assets	\$ 14,667,581	\$ 1,660,812	\$ 16,328,393	\$ 13,826,364

Stanford University
Consolidated Statements of Activities
For the years ended August 31, 2003 and 2002
(In thousands of dollars)

	University	2003 Hospitals	Consolidated	2002 Consolidated
UNRESTRICTED NET ASSETS ACTIVITY				
Revenues:				
Student income:				
Undergraduate programs	\$ 185,277	\$ -	\$ 185,277	\$ 175,508
Graduate programs	166,580	-	166,580	157,752
Room and board	82,062	-	82,062	78,273
Student financial aid	(116,102)	-	(116,102)	(106,693)
Total student income	<u>317,817</u>	<u>-</u>	<u>317,817</u>	<u>304,840</u>
Sponsored research support (primarily federal):				
Direct costs - University	496,702	-	496,702	439,837
Direct costs - Stanford Linear Accelerator Center	219,687	-	219,687	227,809
Indirect costs	143,921	-	143,921	133,956
Total sponsored research support	<u>860,310</u>	<u>-</u>	<u>860,310</u>	<u>801,602</u>
Health care services:				
Patient care, net	-	1,266,976	1,266,976	1,177,419
Physicians' services and support - SHC and LPCH, net	201,146	(201,146)	-	-
Physicians' services and support - other facilities, net	10,091	-	10,091	3,883
Total health care services	<u>211,237</u>	<u>1,065,830</u>	<u>1,277,067</u>	<u>1,181,302</u>
Current year gifts in support of operations	<u>112,885</u>	<u>-</u>	<u>112,885</u>	<u>104,310</u>
Net assets released from restrictions:				
Payments received on prior year pledges	27,419	-	27,419	37,190
Prior year gifts released from donor restrictions	26,760	18,240	45,000	14,466
Total net assets released from restrictions	<u>54,179</u>	<u>18,240</u>	<u>72,419</u>	<u>51,656</u>
Investment income distributed for operations:				
Endowment	391,416	-	391,416	377,765
Expendable funds pool and other investment income	116,732	6,152	122,884	76,209
Total investment income distributed for operations	<u>508,148</u>	<u>6,152</u>	<u>514,300</u>	<u>453,974</u>
Special program fees and other income	<u>246,779</u>	<u>73,038</u>	<u>319,817</u>	<u>291,655</u>
Total revenues	<u>2,311,355</u>	<u>1,163,260</u>	<u>3,474,615</u>	<u>3,189,339</u>
Expenses:				
Salaries and benefits	1,360,364	589,719	1,950,083	1,765,968
Depreciation	181,265	37,758	219,023	226,008
Other operating expenses	724,101	439,619	1,163,720	1,163,549
Total expenses	<u>2,265,730</u>	<u>1,067,096</u>	<u>3,332,826</u>	<u>3,155,525</u>
Excess of revenues over expenses	<u>\$ 45,625</u>	<u>\$ 96,164</u>	<u>\$ 141,789</u>	<u>\$ 33,814</u>

Stanford University
Consolidated Statements of Activities (continued)
For the years ended August 31, 2003 and 2002
(In thousands of dollars)

	University	2003 Hospitals	Consolidated	2002 Consolidated
UNRESTRICTED NET ASSETS ACTIVITY (continued)				
Excess of revenues over expenses	\$ 45,625	\$ 96,164	\$ 141,789	\$ 33,814
Other changes in unrestricted net assets:				
Expendable gifts invested in the endowment	12,965	-	12,965	6,127
Increase (decrease) in reinvested endowment gains	761,120	11,845	772,965	(695,131)
Change in equity investment in UCSF Stanford Health Care	-	(6,547)	(6,547)	1,104
Capital and other gifts released from restrictions	87,156	8,635	95,791	80,141
Capital gifts released from University	-	41,000	41,000	-
Increase in additional pension liability	(33,994)	(23,857)	(57,851)	-
Net assets released from permanent restrictions	49,134	-	49,134	2,826
Other	(13,883)	14,981	1,098	797
Net change in unrestricted net assets	908,123	142,221	1,050,344	(570,322)
TEMPORARILY RESTRICTED NET ASSETS ACTIVITY				
Gifts and pledges, net	95,184	27,068	122,252	141,288
Investment income	9,024	6,996	16,020	2,077
Living trust investment income (loss) and actuarial adjustment	2,204	-	2,204	(5,543)
Net assets released to operations	(54,179)	(18,240)	(72,419)	(51,656)
Capital and other gifts released to unrestricted net assets	(87,156)	(8,635)	(95,791)	(80,141)
Capital gifts released to Hospitals unrestricted net assets	(41,000)	-	(41,000)	-
Other	(2,620)	-	(2,620)	(1,864)
Net change in temporarily restricted net assets	(78,543)	7,189	(71,354)	4,161
PERMANENTLY RESTRICTED NET ASSETS ACTIVITY				
Gifts and pledges, net	157,272	34,557	191,829	173,762
Investment gain (loss)	26,435	-	26,435	(37,918)
Living trust investment income (loss) and actuarial adjustment	1,630	-	1,630	(23,297)
Net assets released from restriction	(49,134)	-	(49,134)	(2,826)
Other	13,626	-	13,626	(4,175)
Net change in permanently restricted net assets	149,829	34,557	184,386	105,546
Net change in total net assets	979,409	183,967	1,163,376	(460,615)
Total net assets, beginning of year	10,571,742	501,492	11,073,234	11,533,849
Total net assets, end of year	\$ 11,551,151	\$ 685,459	\$ 12,236,610	\$ 11,073,234