

**Stanford University**  
**Consolidated Statements of Financial Position**  
**At August 31, 2005 and 2004**  
**(In thousands of dollars)**

	2005			2004
	University	Hospitals	Consolidated	Consolidated
<b>ASSETS</b>				
Cash and cash equivalents	\$ 434,498	\$ 194,717	\$ 629,215	\$ 638,477
Accounts receivable, net	191,238	275,611	466,849	414,306
Receivables (payables) from SHC and LPCH, net	61,692	(61,692)	-	-
Inventories, prepaid expenses, and other assets	54,000	56,933	110,933	86,379
Pledges receivable, net	472,861	34,011	506,872	454,211
Student loans receivable, net	63,148	-	63,148	61,952
Faculty and staff mortgages and other loans receivable, net	268,928	-	268,928	253,498
Investments at fair value, including securities pledged or on loan of \$555,025 and \$378,301 for 2005 and 2004, respectively	15,131,630	1,219,754	16,351,384	13,318,262
Plant facilities, net of accumulated depreciation	2,353,718	446,700	2,800,418	2,743,288
Collections of works of art	-	-	-	-
<b>Total assets</b>	<b>\$ 19,031,713</b>	<b>\$ 2,166,034</b>	<b>\$ 21,197,747</b>	<b>\$ 17,970,373</b>
<b>LIABILITIES AND NET ASSETS</b>				
Liabilities:				
Accounts payable and accrued expenses	\$ 500,930	\$ 441,423	\$ 942,353	\$ 890,443
Pending trades	183,870	-	183,870	91,893
Liabilities under security agreements	631,955	-	631,955	431,652
Deferred rental income	362,164	-	362,164	370,440
Income beneficiary share of living trust investments	301,896	-	301,896	281,498
Notes and bonds payable	1,266,439	582,453	1,848,892	1,875,191
U.S. government refundable loan funds	54,005	-	54,005	53,527
<b>Total liabilities</b>	<b>3,301,259</b>	<b>1,023,876</b>	<b>4,325,135</b>	<b>3,994,644</b>
Net assets:				
Unrestricted	11,547,450	875,940	12,423,390	10,055,940
Temporarily restricted	559,863	94,036	653,899	553,582
Permanently restricted	3,623,141	172,182	3,795,323	3,366,207
<b>Total net assets</b>	<b>15,730,454</b>	<b>1,142,158</b>	<b>16,872,612</b>	<b>13,975,729</b>
<b>Total liabilities and net assets</b>	<b>\$ 19,031,713</b>	<b>\$ 2,166,034</b>	<b>\$ 21,197,747</b>	<b>\$ 17,970,373</b>

**Stanford University**  
**Consolidated Statements of Activities**  
**For the years ended August 31, 2005 and 2004**  
**(In thousands of dollars)**

	University	2005 Hospitals	Consolidated	2004 Consolidated
<b>UNRESTRICTED NET ASSETS ACTIVITY</b>				
<b>Revenues:</b>				
Student income:				
Undergraduate programs	\$ 204,287	\$ -	\$ 204,287	\$ 191,708
Graduate programs	197,867	-	197,867	182,254
Room and board	90,936	-	90,936	86,483
Student financial aid	(137,171)	-	(137,171)	(128,055)
Total student income	<u>355,919</u>	<u>-</u>	<u>355,919</u>	<u>332,390</u>
Sponsored research support (primarily federal):				
Direct costs - University	563,968	-	563,968	525,475
Direct costs - Stanford Linear Accelerator Center	237,317	-	237,317	233,874
Indirect costs	172,094	-	172,094	164,159
Total sponsored research support	<u>973,379</u>	<u>-</u>	<u>973,379</u>	<u>923,508</u>
Health care services:				
Patient care, net	-	1,692,658	1,692,658	1,493,369
Physicians' services and support - SHC and LPCH, net	260,400	(260,400)	-	-
Physicians' services and support - other facilities, net	6,514	-	6,514	8,180
Total health care services	<u>266,914</u>	<u>1,432,258</u>	<u>1,699,172</u>	<u>1,501,549</u>
Current year gifts in support of operations	<u>144,331</u>	<u>-</u>	<u>144,331</u>	<u>105,222</u>
Net assets released from restrictions:				
Payments received on prior year pledges	45,169	-	45,169	27,632
Prior year gifts released from donor restrictions	37,289	20,972	58,261	36,036
Total net assets released from restrictions	<u>82,458</u>	<u>20,972</u>	<u>103,430</u>	<u>63,668</u>
Investment income distributed for operations:				
Endowment	451,959	-	451,959	399,950
Expendable funds pool and other investment income	62,315	22,222	84,537	72,004
Total investment income distributed for operations	<u>514,274</u>	<u>22,222</u>	<u>536,496</u>	<u>471,954</u>
Special program fees and other income	<u>291,491</u>	<u>58,596</u>	<u>350,087</u>	<u>328,527</u>
<b>Total revenues</b>	<u>2,628,766</u>	<u>1,534,048</u>	<u>4,162,814</u>	<u>3,726,818</u>
<b>Expenses:</b>				
Salaries and benefits	1,468,663	740,561	2,209,224	2,087,555
Depreciation	191,593	52,189	243,782	242,105
Other operating expenses	838,549	549,927	1,388,476	1,241,964
<b>Total expenses</b>	<u>2,498,805</u>	<u>1,342,677</u>	<u>3,841,482</u>	<u>3,571,624</u>
<b>Excess of revenues over expenses</b>	<u>\$ 129,961</u>	<u>\$ 191,371</u>	<u>\$ 321,332</u>	<u>\$ 155,194</u>

**Stanford University**  
**Consolidated Statements of Activities (continued)**  
**For the years ended August 31, 2005 and 2004**  
**(In thousands of dollars)**

	University	2005 Hospitals	Consolidated	2004 Consolidated
<b>UNRESTRICTED NET ASSETS ACTIVITY (continued)</b>				
Excess of revenues over expenses	\$ 129,961	\$ 191,371	\$ 321,332	\$ 155,194
Other changes in unrestricted net assets:				
Expendable gifts invested in the endowment	5,512	-	5,512	9,150
Investment gains not included in operations	2,048,483	52,952	2,101,435	1,194,012
Hospital equity transfers	21,104	(21,104)	-	-
Capital and other gifts released from restrictions	26,066	11,880	37,946	63,834
Capital gifts released from University	-	6,580	6,580	3,627
(Increase) decrease in minimum pension liability	(3,939)	(22,835)	(26,774)	36,226
Net assets released from permanent restrictions	(13,128)	-	(13,128)	-
Transfer to temporarily restricted net assets	(14,503)	-	(14,503)	(19,158)
Swap interest and unrealized losses	(11,019)	-	(11,019)	(6,968)
Other	(31,160)	(8,771)	(39,931)	(50,555)
<b>Net change in unrestricted net assets</b>	<b>2,157,377</b>	<b>210,073</b>	<b>2,367,450</b>	<b>1,385,362</b>
<b>TEMPORARILY RESTRICTED NET ASSETS ACTIVITY</b>				
Gifts and pledges, net	213,902	36,097	249,999	224,143
Investment gains	16,140	12,116	28,256	9,265
Change in value of living trust agreements, net	(15,894)	-	(15,894)	1,906
Net assets released to operations	(82,458)	(20,972)	(103,430)	(63,668)
Capital and other gifts released to unrestricted net assets	(26,066)	(11,880)	(37,946)	(63,834)
Capital gifts released to Hospitals unrestricted net assets	(6,580)	-	(6,580)	(3,627)
Transfer from unrestricted net assets	14,503	-	14,503	19,158
Transfer to permanently restricted net assets	(32,055)	-	(32,055)	(32,651)
Other	4,564	(1,100)	3,464	4,187
<b>Net change in temporarily restricted net assets</b>	<b>86,056</b>	<b>14,261</b>	<b>100,317</b>	<b>94,879</b>
<b>PERMANENTLY RESTRICTED NET ASSETS ACTIVITY</b>				
Gifts and pledges, net	243,371	22,707	266,078	190,882
Investment gains	133,427	-	133,427	71,330
Change in value of living trust agreements, net	735	-	735	(33,070)
Net assets released from restriction	13,128	-	13,128	-
Transfer from temporarily restricted net assets	32,055	-	32,055	32,651
Other	(16,307)	-	(16,307)	(2,915)
<b>Net change in permanently restricted net assets</b>	<b>406,409</b>	<b>22,707</b>	<b>429,116</b>	<b>258,878</b>
<b>Net change in total net assets</b>	<b>2,649,842</b>	<b>247,041</b>	<b>2,896,883</b>	<b>1,739,119</b>
Total net assets, beginning of year	13,080,612	895,117	13,975,729	12,236,610
<b>Total net assets, end of year</b>	<b>\$ 15,730,454</b>	<b>\$ 1,142,158</b>	<b>\$ 16,872,612</b>	<b>\$ 13,975,729</b>