

# WEST VIRGINIA UNIVERSITY

## COMBINED STATEMENTS OF NET ASSETS AS OF JUNE 30, 2005 AND 2004

(Dollars in Thousands)

	2005	2004
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 142,144	\$ 97,089
Accounts receivable, net of allowances for doubtful accounts of \$3,930 and \$3,667	29,298	34,496
Due from the Commission	2,192	336
Loans receivable, current portion	3,844	3,935
Inventories	1,473	1,522
Prepaid expenses	2,313	1,170
Bond issuance cost, current portion	132	39
Total current assets	<u>181,396</u>	<u>138,587</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	2,239	6,496
Investments	108,691	8,392
Loans receivable, net of allowances for doubtful accounts of \$5,562 and \$5,702	30,495	29,797
Bond issuance cost, net	1,783	643
Capital assets, net	<u>677,210</u>	<u>626,602</u>
Total noncurrent assets	<u>820,418</u>	<u>671,930</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,001,814</u>	<u>\$ 810,517</u>

(continued)

**WEST VIRGINIA UNIVERSITY**

**COMBINED STATEMENTS OF NET ASSETS (CONTINUED)  
AS OF JUNE 30, 2005 AND 2004**

(Dollars in Thousands)

	2005	2004
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 22,414	\$ 24,490
Accrued liabilities	3,399	1,556
Accrued payroll	8,086	7,273
Deposits	2,372	2,106
Deferred revenue	26,565	21,901
Due to the Commission	171	53
Compensated absences, current portion	17,995	18,484
College system debt owed to the Commission, current portion	229	213
Debt service assessment payable to the Commission, current portion	4,485	4,308
Leases payable, current portion	3,584	3,475
Bonds payable, current portion	1,706	1,391
Notes payable, current portion	95	95
Total current liabilities	<u>91,101</u>	<u>85,345</u>
Noncurrent Liabilities:		
Compensated absences	34,918	34,487
College system debt owed to the Commission	1,766	1,995
Advances from federal government	27,390	26,860
Debt service assessment payable to the Commission	107,937	112,422
Leases payable	8,134	11,169
Bonds payable	217,217	63,573
Notes payable	238	333
Other noncurrent liabilities	1,637	2,094
Total noncurrent liabilities	<u>399,237</u>	<u>252,933</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 490,338</u>	<u>\$ 338,278</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 428,492	\$ 410,980
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	85	1,569
Loans	3,233	1,126
Other	525	525
Total nonexpendable	<u>3,843</u>	<u>3,220</u>
Expendable:		
Scholarships and fellowships	229	95
Sponsored programs	1,027	2,025
Loans	15,698	14,355
Capital projects	14,108	13,347
Debt service	247	8
Other	855	87
Total expendable	<u>32,164</u>	<u>29,917</u>
Unrestricted	<u>46,977</u>	<u>28,122</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 511,476</u>	<u>\$ 472,239</u>

# WEST VIRGINIA UNIVERSITY

## COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS YEARS ENDED JUNE 30, 2005 AND 2004

(Dollars in Thousands)

	2005	2004
<b>OPERATING REVENUES</b>		
Student tuition and fees, net of scholarship allowances of \$20,224 and \$17,173	\$ 184,337	\$ 158,908
Federal land grants	7,857	7,218
Local land grants	942	661
Federal grants and contracts	97,143	90,419
State grants and contracts	32,246	29,212
Local grants and contracts	230	401
Nongovernmental grants and contracts	25,868	23,435
Sales and services of educational departments	10,323	8,623
Auxiliary enterprises, net of scholarship allowances of \$5,028 and \$5,272	73,043	74,248
Interest on student loans receivable	618	670
Other operating revenues (including revenue from outsourced enterprise of \$1,550 and \$1,550)	7,619	8,288
Total operating revenues	<u>440,226</u>	<u>402,083</u>
<b>OPERATING EXPENSES</b>		
Salaries and wages	306,926	296,374
Benefits	92,794	89,131
Scholarships and fellowships	20,324	19,441
Utilities	23,228	21,226
Supplies and other services	131,324	114,765
Depreciation	41,438	45,755
Loan cancellations and write-offs	380	658
Assessments by the Commission for operations	2,131	2,194
Waivers in support of other State institutions	355	367
Other operating expenses	6	190
Total operating expenses	<u>618,906</u>	<u>590,101</u>
<b>OPERATING LOSS</b>	<u>(178,680)</u>	<u>(188,018)</u>

(continued)

**WEST VIRGINIA UNIVERSITY****COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2005 AND 2004****(Dollars in Thousands)**

	<b>2005</b>	<b>2004</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	\$ 194,784	\$ 200,708
Gifts	11,201	10,942
Investment income	6,418	1,224
Interest on capital asset-related debt	(5,804)	(4,007)
Assessments by the Commission for debt service	(6,196)	(5,543)
Other nonoperating expenses	(2,711)	(585)
Net nonoperating revenues	<u>197,692</u>	<u>202,739</u>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	19,012	14,721
Capital grants and gifts	16,553	6,942
Bond/capital projects proceeds from the Commission	<u>3,672</u>	<u>-</u>
<b>INCREASE IN NET ASSETS</b>	39,237	21,663
<b>NET ASSETS--BEGINNING OF YEAR</b>	<u>472,239</u>	<u>450,576</u>
<b>NET ASSETS--END OF YEAR</b>	<u>\$ 511,476</u>	<u>\$ 472,239</u>

**WEST VIRGINIA UNIVERSITY**

**COMBINED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2005 AND 2004**

(Dollars in Thousands)

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 184,349	\$ 157,679
Federal and local land grants	8,800	7,879
Grants and contracts	158,949	147,993
Payments to suppliers	(128,047)	(115,698)
Payments to employees	(306,196)	(294,237)
Payments for benefits	(92,721)	(89,634)
Payments to utilities	(23,360)	(21,101)
Payments for scholarships and fellowships	(21,026)	(19,453)
Loan advances from federal government	491	623
Disbursements of loans to students	(986)	(1,265)
Interest earned on loans to students	617	669
Auxiliary enterprise charges	73,266	75,088
Sales and service of educational departments	10,256	8,566
Other receipts - net	8,758	6,776
Net cash used in operating activities	<u>(126,850)</u>	<u>(136,115)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	193,884	197,708
Gifts	11,201	10,942
Assessments by the Commission for operations	(6,196)	(5,823)
William D. Ford direct lending receipts	113,284	105,435
William D. Ford direct lending payments	(113,284)	(105,201)
Other nonoperating receipts (payments) - net	16	907
Net cash provided by noncapital financing activities	<u>198,905</u>	<u>203,968</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Payments on Commission debt assessment payable	(4,510)	(4,936)
Bond/capital projects proceeds from the Commission	3,672	-
Proceeds from University bonds	153,610	-
Bond issuance costs	(1,992)	-
Capital gifts and grants received	16,539	6,935
Purchases of capital assets	(95,529)	(47,166)
Principal paid on capital debt and leases	(3,616)	(5,566)
Interest paid on capital debt and leases	(3,977)	(4,788)
Net cash provided by (used in) capital financing activities	<u>64,197</u>	<u>(55,521)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	19,851	-
Investment income	2,708	1,224
Purchase of investments	2	(877)
Purchase of guaranteed investment contract	(118,015)	-
Net cash provided by (used in) investing activities	<u>(95,454)</u>	<u>347</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	40,798	12,679
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>103,585</u>	<u>90,906</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 144,383</u>	<u>\$ 103,585</u>

(continued)

**WEST VIRGINIA UNIVERSITY**

**COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED JUNE 30, 2005 AND 2004**

(Dollars in Thousands)

	2005	2004
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (178,680)	\$ (188,018)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	41,438	45,755
Changes in assets and liabilities:		
Accounts receivable, net	12,280	2,300
Due from the Commission	(955)	(337)
Loans receivable, net	(605)	(607)
Prepaid expenses	161	(1,137)
Inventories	49	21
Accounts payable	(4,732)	3,255
Accrued liabilities	(22)	1,145
Deposits	266	431
Deferred revenue	3,361	556
Due to the Commission	117	148
Compensated absences	(57)	(227)
Advances from federal government	530	600
Net cash used in operating activities	<u>\$ (126,849)</u>	<u>\$ (136,115)</u>
Noncash Transactions:		
Equipment purchased on capital lease	<u>\$ 569</u>	<u>\$ 8,703</u>
Donated capital assets	<u>\$ 4,532</u>	<u>\$ 5,297</u>
Gain on investments	<u>\$ 1,688</u>	<u>\$ 301</u>
Bond discount amortization	<u>\$ 4,803</u>	<u>\$ 108</u>
Loss on dispositions	<u>\$ 708</u>	<u>\$ 1,092</u>
<b>Reconciliation of cash and cash equivalents to the statements of net assets:</b>		
Cash and cash equivalents classified as current assets	\$ 142,144	\$ 97,089
Cash and cash equivalents classified as noncurrent assets	2,239	6,496
	<u>\$ 144,383</u>	<u>\$ 103,585</u>

**19. FUNCTIONAL CLASSIFICATION OF EXPENSES**

(Dollars in Thousands)

The University's operating expenses by functional and natural classification are as follows:

Functional Classification	Year Ended June 30, 2005											
	Natural Classification											
	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation	Loan Cancellations & Write Offs	Assessments by the Commission	Waivers in Support	Other Operating Expenses	Total	
Instruction	\$ 119,130	\$ 34,614	\$ -	\$ 154	\$ 16,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 170,255
Research	49,550	19,663	-	449	28,526	-	-	-	-	-	-	98,188
Public Service	30,961	7,847	-	55	14,196	-	-	-	-	-	-	53,059
Academic Support	18,422	5,003	-	67	6,093	-	-	-	-	-	-	29,585
Student Services	13,702	4,087	-	34	4,436	-	-	-	-	-	-	22,259
Operation and Maintenance of Plant	16,386	5,505	-	16,778	11,477	-	-	-	-	-	-	50,146
General Institutional Support	31,335	8,457	-	103	20,754	-	-	-	-	-	6	60,655
Student Financial Aid	-	-	20,324	-	-	-	-	-	-	-	-	20,324
Auxiliary Enterprises	27,440	7,618	-	5,588	29,485	-	-	-	-	-	-	70,131
Depreciation	-	-	-	-	-	41,438	-	-	-	-	-	41,438
Assessments by Commission for Operations	-	-	-	-	-	-	-	2,131	-	-	-	2,131
Waivers in Support of Other State Institutions	-	-	-	-	-	-	-	-	355	-	-	355
Loan Cancellations and Write Offs	-	-	-	-	-	-	380	-	-	-	-	380
Total Expenses	\$ 306,926	\$ 92,794	\$ 20,324	\$ 23,228	\$ 131,324	\$ 41,438	\$ 380	\$ 2,131	\$ 355	\$ 6	\$ 618,906	

Functional Classification	Year Ended June 30, 2004											
	Natural Classification											
	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation	Loan Cancellations & Write Offs	Assessments by the Commission	Waivers in Support	Other Operating Expenses	Total	
Instruction	\$ 112,079	\$ 35,454	\$ -	\$ 232	\$ 13,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,604
Research	46,795	16,940	-	180	21,318	-	-	-	-	-	-	85,233
Public Service	33,245	8,500	-	40	11,436	-	-	-	-	-	-	53,221
Academic Support	18,550	4,846	-	62	4,904	-	-	-	-	-	-	28,362
Student Services	12,725	3,292	-	45	4,211	-	-	-	-	-	-	20,273
Operation and Maintenance of Plant	16,023	4,719	-	15,578	13,292	-	-	-	-	-	-	49,612
General Institutional Support	30,468	8,320	-	24	15,245	-	-	-	-	-	190	54,247
Student Financial Aid	-	-	19,441	-	-	-	-	-	-	-	-	19,441
Auxiliary Enterprises	26,489	7,060	-	5,065	30,520	-	-	-	-	-	-	69,134
Depreciation	-	-	-	-	-	45,755	-	-	-	-	-	45,755
Assessments by Commission for Operations	-	-	-	-	-	-	-	2,194	-	-	-	2,194
Waivers in Support of Other State Institutions	-	-	-	-	-	-	-	-	367	-	-	367
Loan Cancellations and Write Offs	-	-	-	-	-	-	658	-	-	-	-	658
Total Expenses	\$ 296,374	\$ 89,131	\$ 19,441	\$ 21,226	\$ 114,765	\$ 45,755	\$ 658	\$ 2,194	\$ 367	\$ 190	\$ 590,101	

## WEST VIRGINIA UNIVERSITY - MAIN CAMPUS AND SUBSIDIARY

### CONSOLIDATED STATEMENTS OF NET ASSETS AS OF JUNE 30, 2005 AND 2004

(Dollars in Thousands)

	2005	2004
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 125,794	\$ 82,453
Accounts receivable - Regionals	-	94
Accounts receivable, net of allowances for doubtful accounts of \$3,000 and \$2,831	27,348	32,791
Due from the Commission	1,429	282
Loans receivable, current portion	3,250	3,361
Inventories	932	978
Prepaid expenses	2,270	1,133
Notes receivable, current portion	120	237
Bond issuance cost, current portion	132	39
	<hr/>	<hr/>
Total current assets	161,275	121,368
Noncurrent Assets:		
Restricted cash and cash equivalents	2,115	6,374
Investments	106,668	8,392
Loans receivable, net of allowances for doubtful accounts of \$4,778 and \$4,968	29,317	28,560
Notes receivable, net	140	190
Bond issuance cost	1,783	643
Capital assets, net	649,762	598,441
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Total noncurrent assets	789,785	642,600
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<b>TOTAL ASSETS</b>	<b>\$ 951,060</b>	<b>\$ 763,968</b>

(continued)



**WEST VIRGINIA UNIVERSITY - MAIN CAMPUS AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF NET ASSETS (CONTINUED)**

**AS OF JUNE 30, 2005 AND 2004**

**(Dollars in Thousands)**

	<b>2005</b>	<b>2004</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	\$ 21,246	\$ 23,261
Accrued liabilities	3,328	1,405
Accrued payroll	6,741	5,661
Deposits	2,293	2,027
Deferred revenue	24,555	21,099
Due to the Commission	84	-
Compensated absences, current portion	16,904	17,356
Debt service assessment payable to the Commission, current portion	4,054	3,878
Leases payable, current portion	3,420	3,294
Bonds payable, current portion	1,706	1,391
Total current liabilities	<u>84,331</u>	<u>79,372</u>
Noncurrent Liabilities:		
Compensated absences	31,189	30,676
Advances from federal government	25,709	25,256
Debt service assessment payable to the Commission	105,644	109,698
Leases payable	7,911	10,782
Bonds payable	217,217	63,573
Other noncurrent liabilities	1,503	1,905
Total noncurrent liabilities	<u>389,173</u>	<u>241,890</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 473,504</u>	<u>\$ 321,262</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	\$ 406,533	\$ 388,841
Restricted for:		
Nonexpendable:		
Scholarships and fellowships	85	1,569
Loans	1,210	1,126
Other	475	475
Total nonexpendable	<u>1,770</u>	<u>3,170</u>
Expendable:		
Scholarships and fellowships	190	23
Sponsored programs	-	-
Loans	15,133	13,708
Capital projects	12,981	13,897
Debt service	247	8
Other	751	-
Total expendable	<u>29,302</u>	<u>27,636</u>
Unrestricted	<u>39,951</u>	<u>23,059</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 477,556</u>	<u>\$ 442,706</u>

**WEST VIRGINIA UNIVERSITY - MAIN CAMPUS AND SUBSIDIARY****CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
YEARS ENDED JUNE 30, 2005 AND 2004**

(Dollars in Thousands)

	2005	2004
<b>OPERATING REVENUES</b>		
Student tuition and fees, net of scholarship allowances of \$15,473 and \$12,005	\$ 172,405	\$ 147,932
Federal land grants	7,857	7,218
Local land grants	942	661
Federal grants and contracts	88,288	80,281
State grants and contracts	30,893	27,591
Local grants and contracts	230	401
Nongovernmental grants and contracts	24,735	22,383
Sales and services of educational departments	10,113	8,242
Auxiliary enterprises, net of scholarship allowances of \$3,946 and \$4,321	69,376	70,474
Interest on student loans receivable	570	609
Operating revenue from the Regionals	-	32
Other operating revenues (including revenue from outsourced enterprise of \$1,442 and \$1,442)	6,506	7,294
Total operating revenues	<u>411,915</u>	<u>373,118</u>
<b>OPERATING EXPENSES</b>		
Salaries and wages	281,927	271,067
Benefits	86,039	82,303
Scholarships and fellowships	15,480	14,639
Utilities	20,962	18,991
Supplies and other services	122,022	105,413
Depreciation	39,654	43,823
Operating expenses to the Regionals	25	-
Loan cancellations and write-offs	232	618
Assessments by the Commission for operations	1,894	1,978
Waivers in support of other State institutions	355	367
Other operating expenses	-	172
Total operating expenses	<u>568,590</u>	<u>539,371</u>
<b>OPERATING LOSS</b>	<u>(156,675)</u>	<u>(166,253)</u>

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**WEST VIRGINIA UNIVERSITY - MAIN CAMPUS AND SUBSIDIARY****CONSOLIDATED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS (CONTINUED)  
YEARS ENDED JUNE 30, 2005 AND 2004****(Dollars in Thousands)**

	<b>2005</b>	<b>2004</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	\$ 172,685	\$ 178,863
Gifts	11,188	10,941
Investment income	4,117	1,077
Interest on capital asset-related debt	(5,782)	(3,976)
Assessments by the Commission for debt service	(6,344)	(5,821)
Other nonoperating expenses	(2,907)	(542)
Net nonoperating revenues	172,957	180,542
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES</b>	16,282	14,289
Capital grants and gifts	16,539	6,942
Bond/capital projects proceeds from the Commission	2,039	-
<b>INCREASE IN NET ASSETS BEFORE TRANSFERS</b>	34,860	21,231
<b>TRANSFER OF ASSETS TO WVU INSTITUTE OF TECHNOLOGY</b>	(10)	-
<b>INCREASE IN NET ASSETS</b>	34,850	21,231
<b>NET ASSETS--BEGINNING OF YEAR</b>	442,706	421,475
<b>NET ASSETS--END OF YEAR</b>	\$ 477,556	\$ 442,706

**WEST VIRGINIA UNIVERSITY MAIN CAMPUS AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2005 AND 2004**

(Dollars in Thousands)

	2005	2004
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and fees	\$ 172,540	\$ 147,249
Federal and local land grants	8,800	7,879
Grants and contracts	146,411	134,732
Payments to suppliers	(118,792)	(105,930)
Payments to employees	(280,848)	(269,328)
Payments for benefits	(85,980)	(82,268)
Payments to utilities	(20,967)	(19,040)
Payments for scholarships and fellowships	(16,105)	(14,775)
Loan advances from federal government	413	623
Disbursements of loans to students	(877)	(1,290)
Interest earned on loans to students	569	608
Auxiliary enterprise charges	70,416	71,180
Sales and service of educational departments	10,046	8,185
Payments of operating expenses from (to) the Regionals	70	(176)
Other receipts - net	7,943	6,415
	<u>(106,361)</u>	<u>(115,936)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State appropriations	171,785	175,863
Gifts	11,188	10,941
Assessments by the Commission for operations	(6,344)	(6,101)
William D. Ford direct lending receipts	113,284	105,435
William D. Ford direct lending payments	(113,284)	(105,201)
Other nonoperating receipts (payments) - net	(23)	650
	<u>176,606</u>	<u>181,587</u>
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>		
Payments on Commission debt assessment payable	(3,878)	(4,222)
Bond/capital projects proceeds from the Commission	2,039	-
Proceeds from University bonds	153,610	-
Bond issuance costs	(1,992)	-
Capital gifts and grants received	16,539	6,935
Purchases of capital assets	(94,453)	(46,179)
Principal paid on capital debt and leases	(3,341)	(5,331)
Interest paid on capital debt and leases	(3,955)	(4,757)
	<u>64,569</u>	<u>(53,554)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	19,851	-
Investment income	2,430	1,077
Purchase of investments	2	(877)
Purchase of guaranteed investment contract	(118,015)	-
	<u>(95,732)</u>	<u>200</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	39,082	12,297
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>88,827</u>	<u>76,530</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 127,909</u>	<u>\$ 88,827</u>

(continued)

**WEST VIRGINIA UNIVERSITY MAIN CAMPUS AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)**

**YEARS ENDED JUNE 30, 2005 AND 2004**

(Dollars in Thousands)

	2005	2004
<b>Reconciliation of net operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (156,675)	\$ (166,253)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	39,654	43,823
Changes in assets and liabilities:		
Accounts receivable, net	12,525	2,801
Due from the Commission	(246)	(282)
Loans receivable, net	(644)	(672)
Prepaid expenses	167	(1,133)
Inventories	46	36
Accounts payable	(4,586)	3,396
Accrued liabilities	383	793
Deposits	266	391
Deferred revenue	2,152	231
Due to the Commission	84	138
Compensated absences	61	195
Advances from federal government	453	600
Net cash used in operating activities	<u>\$ (106,360)</u>	<u>\$ (115,936)</u>
Noncash Transactions:		
Equipment purchased on capital lease	<u>\$ 569</u>	<u>\$ 8,665</u>
Donated capital assets	<u>\$ 4,518</u>	<u>\$ 5,297</u>
Gain on investments	<u>\$ 1,688</u>	<u>\$ 301</u>
Bond discount amortization	<u>\$ 4,803</u>	<u>\$ 108</u>
Loss on dispositions	<u>\$ 701</u>	<u>\$ 1,053</u>
<b>Reconciliation of cash and cash equivalents to the statements of net assets:</b>		
Cash and cash equivalents classified as current assets	\$ 125,794	\$ 82,453
Cash and cash equivalents classified as noncurrent assets	2,115	6,374
	<u>\$ 127,909</u>	<u>\$ 88,827</u>

West Virginia University - Main Campus and Subsidiary  
**NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION**  
(Dollars in Thousands)

Year Ended June 30, 2005  
Natural Classification

Functional Classification	Salaries &		Scholarships &		Supplies &		Loan Canc & Write Offs	Assessments by the Commission	Waivers in Support	Operating Expenses to Regionals	Total
	Wages	Benefits	Fellowships	Utilities	Other Services	Depreciation					
Instruction	\$ 106,124	\$ 31,453	\$ -	\$ 13	\$ 14,327	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 151,917
Research	49,172	19,499	-	449	27,961	-	-	-	-	-	97,081
Public Service	30,541	7,779	-	55	14,098	-	-	-	-	-	52,473
Academic Support	16,202	4,295	-	6	5,228	-	-	-	-	-	25,731
Student Services	11,364	3,331	-	4	3,462	-	-	-	-	-	18,161
Operation and Maintenance of Plant	14,712	4,837	-	15,446	10,437	-	-	-	-	-	45,432
General Institutional Support	28,102	7,621	-	100	19,052	-	-	-	-	-	54,875
Student Financial Aid	-	-	15,480	-	-	-	-	-	-	-	15,480
Auxiliary Enterprises	25,710	7,224	-	4,889	27,457	-	-	-	-	-	65,280
Depreciation	-	-	-	-	-	39,654	-	-	-	-	39,654
Assessments by Commission for Operations	-	-	-	-	-	-	-	1,894	-	-	1,894
Waivers in Support of Other State Institutions	-	-	-	-	-	-	-	-	355	-	355
Loan Cancellations and Write Offs	-	-	-	-	-	-	232	-	-	-	232
Operating Expenses to Regionals	-	-	-	-	-	-	-	-	-	25	25
Total Expenses	\$ 281,927	\$ 86,039	\$ 15,480	\$ 20,962	\$ 122,022	\$ 39,654	\$ 232	\$ 1,894	\$ 355	\$ 25	\$ 568,590

West Virginia University - Main Campus and Subsidiary  
**NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATION**  
(Dollars in Thousands)

Year Ended June 30, 2004  
Natural Classification

Functional Classification	Salaries & Wages	Benefits	Scholarships & Fellowships	Utilities	Supplies & Other Services	Depreciation	Loan Canc & Write Offs	Assessments by the Commission	Waivers in Support	Other Operating Expenses	Total
Instruction	\$ 98,342	\$ 31,618	\$ -	\$ 77	\$ 11,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 141,857
Research	46,676	16,918	-	180	21,042	-	-	-	-	-	84,816
Public Service	32,677	8,390	-	40	11,200	-	-	-	-	-	52,307
Academic Support	16,637	4,441	-	6	4,039	-	-	-	-	-	25,123
Student Services	10,573	2,740	-	3	3,225	-	-	-	-	-	16,541
Operation and Maintenance of Plant	14,357	4,146	-	14,312	12,001	-	-	-	-	-	44,816
General Institutional Support	26,960	7,461	-	20	14,152	-	-	-	-	172	48,765
Student Financial Aid	-	-	14,639	-	-	-	-	-	-	-	14,639
Auxiliary Enterprises	24,845	6,589	-	4,353	27,934	-	-	-	-	-	63,721
Depreciation	-	-	-	-	-	43,823	-	-	-	-	43,823
Assessments by Commission for Operations	-	-	-	-	-	-	-	1,978	-	-	1,978
Waivers in Support of Other State Institutions	-	-	-	-	-	-	-	-	367	-	367
Loan Cancellations and Write Offs	-	-	-	-	-	-	618	-	-	-	618
<b>Total Expenses</b>	<b>\$ 271,067</b>	<b>\$ 82,303</b>	<b>\$ 14,639</b>	<b>\$ 18,991</b>	<b>\$ 105,413</b>	<b>\$ 43,823</b>	<b>\$ 618</b>	<b>\$ 1,978</b>	<b>\$ 367</b>	<b>\$ 172</b>	<b>\$ 539,371</b>