

*Operating revenues* of \$518.1 million increased \$20.7 million (4.2%) in 2013 when compared to the prior year. Operating revenues of \$497.4 million for the year ended June 30, 2012, increased \$31.4 million (6.7%) when compared to the year ended June 30, 2011. The following table summarizes the University's operating revenues for the years ended June 30, 2013, 2012, and 2011:

<b>Operating Revenues (in millions)</b>			
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Tuition and fees	\$ 239.6	\$ 227.5	\$ 211.0
Grants and contracts	97.5	99.5	94.3
Sales and services of educational activities	11.7	12.8	12.4
Auxiliary enterprises	155.4	144.0	136.4
Other revenues	13.9	13.6	11.9
<b>Total Operating Revenues</b>	<u>\$ 518.1</u>	<u>\$ 497.4</u>	<u>\$ 466.0</u>

For the year ended June 30, 2013, the increase in operating revenues from 2012 is primarily due to an increase in tuition and fees rates and an increase in Athletic revenues due to increased conference distributions and sponsorships.

The increase in operating revenues from the year ended June 30, 2011 to June 30, 2012 was due to an increase in tuition and fees rates and an increase in Housing revenues due to increased room and board rates and occupancy. Grants and contracts revenue increased due to increased activity.

*Operating expenses* of \$802.5 million increased \$8.1 million (1.0%) in 2013 when compared to the prior year. Operating expenses of \$794.4 million for the year ended June 30, 2012 increased \$42.1 million (5.6%) when compared to the year ended June 30, 2011. The following table summarizes the University's operating expenses for the years ended June 30, 2013, 2012, and 2011:

<b>Operating Expenses (in millions)</b>			
	<u>2013</u>	<u>2012</u>	<u>2011</u>
Compensation and benefits	\$ 470.1	\$ 465.2	\$ 453.9
Contractual services	80.0	79.7	72.4
Supplies and materials	25.5	23.1	17.1
Depreciation	64.3	58.4	54.2
Utilities	41.1	34.5	34.5
Communications	6.6	7.4	6.8
Scholarships and fellowships	34.5	31.8	30.9
Other	80.4	94.3	82.5
<b>Total Operating Expenses</b>	<u>\$ 802.5</u>	<u>\$ 794.4</u>	<u>\$ 752.3</u>

For the year ended June 30, 2013, the increase in operating expenses from 2012 is primarily due to increased depreciation as a result of new buildings placed into service and an increase in utilities resulting from increased usage and rates.

The increase in operating expenses from the year ended June 30, 2011 to June 30, 2012, was primarily due to an increase in compensation and benefits due to the pay plan that went into effect July 1, 2011, increased depreciation as a result of new buildings placed into service, and an increase in other operating expenses.