

Cash provided by investing activities during fiscal year 2013 of \$1.7 million decreased \$5.2 million when compared to the prior year (\$6.9 million).

Cash used by operating activities during fiscal year 2012 of \$205.0 million was comparable to the prior year (\$204.3 million). Major sources of operating funds were tuition and fees (\$228.6 million), grants and contracts (\$95.6 million), and auxiliary enterprises (\$151.9 million), which were offset by the payment of compensation and benefits (\$441.1 million) and other operating expenses (\$263.7 million).

Cash provided by noncapital financing activities during fiscal year 2012 of \$283.8 million increased \$6.6 million (2.4%) compared to the prior year (\$277.2 million). Major sources of noncapital financing activities were state appropriations (\$144.2 million), grants and contracts (\$88.2 million), and private gifts (\$43.5 million).

Cash used in capital and related financing activities during fiscal year 2012 of \$48.1 million decreased \$24.8 million (34.0%) when compared to the prior year (\$72.9 million) due primarily to the timing of the receipt of bond proceeds and related expenditures and an increase in private gifts for capital assets. Major sources of capital and related financing activities were proceeds from revenue bonds and capital leases (\$103.1 million) and private gifts (\$37.9 million), which were offset by purchases of capital assets (\$145.8 million) and principal and interest payments on capital debt and leases (\$72.4 million).

Cash provided by investing activities during fiscal year 2012 of \$6.9 million increased \$1.6 million when compared to the prior year (\$5.3).

Economic Outlook

The University's economic outlook continues to be closely related to its role as one of the State's premier comprehensive institutions. It benefits from ongoing financial and political support from State government. The University continues to review budget allocations to better match anticipated revenues and expenses and to focus attention on the management of its existing resources.

Another significant factor in the University's economic position relates to its ability to recruit and retain high quality students. While current economic conditions facing our state and nation are improving, although still challenging, the University's competitive position remains strong. The Fall 2013 freshmen class is the second largest in University history and the most academically talented in the history of the state. Our faculty continues to compete for and win national awards, and our research expenditures continue to grow.

This financial report is designed to provide all interested parties with a general overview of the University's finances and to show the University's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the University's Chief Financial Officer or Controller at 660 Parrington Oval, Norman, OK 73019 or (405)325-5161.