

The George Washington University

**Consolidated Financial Statements and
Schedule of Expenditures of Federal Awards and
Reports in Accordance with OMB Uniform Guidance
For the year ended June 30, 2022**

EIN 53-0196584

The George Washington University
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June 30, 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees
The George Washington University

Report on the financial statements**Opinion**

We have audited the consolidated financial statements of The George Washington University and its subsidiaries (the "University"), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Consolidating Balance Sheet and Consolidating Statement of Activities are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures. These additional

procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other reporting required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Grant Thornton LLP

Boston, Massachusetts
September 27, 2022

**THE GEORGE
WASHINGTON
UNIVERSITY**

WASHINGTON, DC

Consolidated Balance Sheets
As of June 30, 2022 and 2021
(in thousands)

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 123,102	\$ 280,147
Accounts receivable, net	127,556	140,756
Contributions receivable, net	40,146	31,382
Investments	2,748,456	2,920,432
Loans and notes receivable, net	12,475	16,440
Property, plant, and equipment, net	1,779,469	1,753,682
Operating lease right of use assets, net	103,299	75,032
Other assets	39,611	39,251
Total assets	<u>\$ 4,974,114</u>	<u>\$ 5,257,122</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 320,971	\$ 351,999
Deferred revenue and deposits	111,157	116,426
Operating lease liability	115,831	88,353
Long-term debt, net	1,983,741	2,116,017
Funds advanced for student loans	14,976	19,996
Total liabilities	<u>2,546,676</u>	<u>2,692,791</u>
NET ASSETS		
Without donor restrictions	1,585,883	1,693,529
With donor restrictions	841,555	870,802
Total net assets	<u>2,427,438</u>	<u>2,564,331</u>
Total liabilities and net assets	<u>\$ 4,974,114</u>	<u>\$ 5,257,122</u>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Activities
Year Ended June 30, 2022
(in thousands)

	Without	With	Total
	Donor Restrictions	Donor Restrictions	
OPERATING REVENUE			
Student tuition and fees, net of \$353,057 University funded scholarships	\$ 770,217	\$ -	\$ 770,217
Patient care, net	309,954	-	309,954
Grants and contracts including indirect cost recoveries	221,787	-	221,787
Auxiliary enterprises, net	99,251	-	99,251
Endowment income distributed for operations	91,461	-	91,461
Medical education agreements	60,960	-	60,960
Contributions	21,174	-	21,174
Investment income used in operations	1,951	-	1,951
Net assets released from restrictions	7,593	-	7,593
Other	45,823	-	45,823
Total operating revenue	<u>1,630,171</u>	<u>-</u>	<u>1,630,171</u>
OPERATING EXPENSES			
Salaries and benefits	972,302	-	972,302
Purchased services	293,405	-	293,405
Depreciation	92,723	-	92,723
Interest	79,489	-	79,489
Scholarships and fellowships	30,061	-	30,061
Other	225,678	-	225,678
Total operating expenses	<u>1,693,658</u>	<u>-</u>	<u>1,693,658</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(63,487)</u>	<u>-</u>	<u>(63,487)</u>
NON-OPERATING ACTIVITIES			
Investment income, net	30,731	(52,707)	(21,976)
Net assets released from restriction	27,735	(35,328)	(7,593)
Contributions, net	-	49,914	49,914
Endowment income distributed for operations	(94,943)	3,482	(91,461)
Other	(7,682)	5,392	(2,290)
Total non-operating activities	<u>(44,159)</u>	<u>(29,247)</u>	<u>(73,406)</u>
CHANGE IN NET ASSETS	(107,646)	(29,247)	(136,893)
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>1,693,529</u>	<u>870,802</u>	<u>2,564,331</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 1,585,883</u>	<u>\$ 841,555</u>	<u>\$ 2,427,438</u>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Activities
Year Ended June 30, 2021
(in thousands)

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Student tuition and fees, net of \$323,230 University funded scholarships	\$ 722,702	\$ -	\$ 722,702
Patient care, net	345,637	-	345,637
Grants and contracts including indirect cost recoveries	228,755	-	228,755
Auxiliary enterprises, net	15,911	-	15,911
Endowment income distributed for operations	90,813	-	90,813
Medical education agreements	62,150	-	62,150
Contributions	18,631	-	18,631
Investment income used in operations	14,760	-	14,760
Net assets released from restrictions	7,977	-	7,977
Other	67,208	-	67,208
Total operating revenue	<u>1,574,544</u>	<u>-</u>	<u>1,574,544</u>
OPERATING EXPENSES			
Salaries and benefits	954,845	-	954,845
Purchased services	270,831	-	270,831
Depreciation	90,900	-	90,900
Interest	76,954	-	76,954
Scholarships and fellowships	22,509	-	22,509
Other	199,964	-	199,964
Total operating expenses	<u>1,616,003</u>	<u>-</u>	<u>1,616,003</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(41,459)</u>	<u>-</u>	<u>(41,459)</u>
NON-OPERATING ACTIVITIES			
Investment income, net	187,523	185,077	372,600
Net assets released from restriction	26,740	(34,717)	(7,977)
Contributions, net	-	30,619	30,619
Endowment income distributed for operations	(94,930)	4,117	(90,813)
Other	6,494	(192)	6,302
Total non-operating activities	<u>125,827</u>	<u>184,904</u>	<u>310,731</u>
CHANGE IN NET ASSETS	84,368	184,904	269,272
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>1,609,161</u>	<u>685,898</u>	<u>2,295,059</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 1,693,529</u>	<u>\$ 870,802</u>	<u>\$ 2,564,331</u>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021
(in thousands)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (136,893)	\$ 269,272
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Contributions restricted for long-term investment	(17,120)	(5,839)
Donated assets	(354)	(73)
Depreciation, amortization and accretion expenses	92,629	90,865
Net realized/unrealized loss/(gain) on investments	53,295	(349,392)
Realized gain on sale of real property	-	(1,009)
Fire loss	-	(11,900)
Other non-cash items	5,310	4,636
Changes in operating assets and liabilities:		
Accounts receivable	10,105	(15,549)
Contributions receivable	(8,764)	(2,033)
Operating lease right of use assets, net	(28,267)	17,994
Other assets	(404)	(8,484)
Accounts payable and accrued expenses	(25,589)	42,535
Deferred revenue and deposits	(5,269)	(23,828)
Operating lease liability	27,478	(18,198)
Net cash used in operating activities	<u>(33,843)</u>	<u>(11,003)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(950,686)	(1,083,345)
Sales and maturity of investments	1,059,180	855,975
Purchases of property, plant, and equipment	(106,219)	(69,671)
Net proceeds from sale of real property	-	2,790
Insurance proceeds from fire loss	-	11,900
Change in other loans and notes receivable	3,960	4,533
Net cash provided by (used in) investing activities	<u>6,235</u>	<u>(277,818)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term investment	17,120	5,839
Payments of long-term debt	(133,702)	(4,377)
Proceeds from borrowings	5,360	30,000
Net payments of borrowings on lines of credit	(6,535)	(147,566)
Payments of debt issuance costs	-	(735)
Payments of finance lease obligations	(6,660)	(5,688)
Change in refundable government student loan funds	(5,020)	(5,034)
Net cash used in financing activities	<u>(129,437)</u>	<u>(127,561)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(157,045)	(416,382)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	280,147	696,529
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 123,102</u>	<u>\$ 280,147</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Net interest paid	\$ 85,391	\$ 90,379
Purchases of property, plant, and equipment in accounts payable and accrued expenses	15,170	11,362

The accompanying notes are an integral part of these consolidated financial statements.

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Note 1 - Summary of Significant Accounting Policies

The University

The George Washington University (the University or GWU) is a private, not-for-profit institution of higher education based in Washington, D.C. The University provides education and training services, primarily for students at the undergraduate, graduate, and postdoctoral levels, and performs research, training, and other services under grants, contracts, and similar agreements with sponsoring organizations, primarily departments and agencies of the U.S. Government. The University's revenues are predominantly derived from student tuition, housing, fees, and patient service revenue. The University is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP) and reporting practices prescribed for not-for-profit entities. The consolidated financial statements include the accounts of the George Washington University and its wholly owned subsidiaries which includes the Medical Faculty Associates, Inc. (MFA). All material intercompany transactions and balances have been eliminated.

Medical Faculty Associates, Inc.

MFA is a 501(c)(3) corporation formed in February 2000 to operate exclusively for the benefit of the University in providing clinical, teaching, and research services. Clinical services include professional physician and related health care services to patients in the greater Washington, D.C. community. MFA maintains its accounts and prepares stand-alone financial statements in conformity with GAAP applicable to not-for-profit health care entities. MFA Physicians Insurance Company (MFA-PIC) is a wholly owned subsidiary of MFA and provides professional liability insurance for MFA and its employed physicians and providers. It is a separate entity for federal, state, and local income tax purposes. MFA-PIC was previously registered in the Cayman Islands. During the fiscal year ending June 30, 2022, it was transferred to the District of Columbia. There is presently no taxation imposed on the MFA-PIC.

Cash and Cash Equivalents

Highly liquid financial instruments with original maturities at dates of purchase of three months or less are classified as cash equivalents and include U.S. Treasury securities and other short-term, highly liquid investments carried at fair value. Cash and cash equivalents held in the endowment fund and by investment managers are included in Investments. Purchases and sales of investment cash equivalents are netted for reporting on the Consolidated Statements of Cash Flows.

Aggregate cash and cash equivalent balances maintained at financial institutions exceed the amount guaranteed by federal agencies and therefore bear risk. The University has not experienced any loss due to this risk.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions received for capital projects, endowment funds, or student loans and contributions under split-interest agreements or perpetual trusts are reported as revenue with or without donor restrictions based on the terms of gift agreements. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Promises to give with payments to be received after one year from the date of the financial statements are discounted at a risk-adjusted rate approximating the market rates for unsecured

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

borrowing. Allowance is made for uncollectible contributions based upon management's judgment after analysis of the creditworthiness of the donors, past collection experience, and other relevant factors.

Investments and Investment Income

Investments include both endowment and non-endowment investments owned by the University and are further detailed in Note 5. Investment income (loss) is included in net asset categories based on the existence or absence of donor restrictions.

Investments known as split-interest agreements are unique to not-for-profit organizations. These are agreements where donors enter into trust or other arrangements under which the University receives benefits shared with other beneficiaries. The associated liabilities to beneficiaries in these arrangements are calculated based on various actuarial assumptions and are recorded in Accounts payable and accrued expenses (Note 10). The University manages the following types of arrangements:

- Gift annuities consist of non-trust assets donated to the University in exchange for a fixed payment for the life of the beneficiary(s).
- Pooled life income funds are donated funds received by the University in which the donor receives or assigns a life income. The funds are pooled by the University and are assigned a specific number of units in the pool. The beneficiary(s) is paid the amount of income earned on the donor's assigned units.
- Charitable remainder trusts consist of trust assets donated to the University in exchange for a percentage of fair value-based payment for the life of the beneficiary(s).

The University is a beneficiary of trusts held by third parties which include:

- Perpetual trusts where the University has an irrevocable right to income on trust assets in perpetuity, but never receives the assets held in trust. These beneficial interests are shown at fair value of the underlying assets, which approximates the discounted present value of the anticipated cash flows.
- Charitable remainder trusts similar to those described above, except that the University does not hold the assets as trustee. These beneficial interests are shown at present value which is calculated using the fair value of the trust assets at the measurement date, discounted based on various actuarial assumptions impacting the timing of cash flows to the University.

Accounts Receivable

Accounts receivable are reported at net realizable value. Accounts are written off against the allowance for doubtful accounts when determined to be uncollectible based upon management's assessment of individual accounts. The allowance for doubtful accounts is estimated based on the University's historical experience and periodic review of individual accounts. Patient receivables are recorded at net realizable value based on certain assumptions determined by each payor. The initial estimate of the balance is established by reducing the standard rate by any explicit and implicit price concessions. The University does not accrue interest on these accounts.

Loans Receivable and Refundable Advances

Loans receivable are primarily related to federal student financial aid programs and are carried at face value, less an allowance for doubtful accounts of \$0.4 million at June 30, 2022 and 2021. The allowance for doubtful accounts is estimated based on the University's historical experience and periodic review of individual accounts. The majority of the University's loans receivable represents amounts due under federally guaranteed programs; therefore no reserves are recorded for the federal portion. Generally, payment on loans

**THE GEORGE WASHINGTON UNIVERSITY
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receivable commences upon graduation and can extend up to 10 years. These loans carry interest rates ranging from 3% to 7%. Funds provided by the U.S. Government under the Federal Perkins and Health Professions Student Loan Programs are loaned to qualified students. Health Profession funds may be loaned again after collection. The Perkins Loan program was not reauthorized by the federal government in September 2017, and therefore, collected funds will be returned to the U.S. Government and the University proportionate to their original funding. These federal loan programs have cash restricted as to their use of \$5.1 million and \$6.4 million as of June 30, 2022 and 2021, respectively.

Property, Plant, and Equipment

Land, buildings, furniture, and equipment are stated at cost or fair value at the date of donation. Buildings, furniture, and equipment are depreciated on a straight-line basis over the estimated useful lives ranging from 3 to 40 years. Interest cost incurred during construction is capitalized as part of the cost of capital projects. Property acquired on federally funded awards that meets the University's capitalization criteria is recorded as an asset of the University and depreciated in accordance with the University's depreciation policy. These assets are disposed of as prescribed by relevant federal requirements at the conclusion of the award.

Leases

The University determines if an arrangement is a lease at inception. All leases are recorded on the Consolidated Balance Sheets except for leases with an initial term less than 12 months for which the University made the short-term lease election.

Operating lease right-of-use assets (ROU) and lease liabilities are recognized at the lease commencement date based on the present value of the lease payments over the lease term. ROU assets also include adjustments related to lease payments made and lease incentives received at or before the commencement date. At lease commencement, lease liabilities are recognized based on the present value of the remaining lease payments and discounted using the University's incremental borrowing rate. Operating lease cost is recognized on a straight-line basis over the lease term as Occupancy expense within Other operating expenses in the Consolidated Statement of Activities. Lease agreements with lease and non-lease components are accounted for separately. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the University will exercise that option. Finance lease ROU assets are included in Property, plant, and equipment, net, and the related liabilities are included in Long-term debt in the Consolidated Balance Sheets.

Net Asset Classes

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. The net assets of the University are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and are available for operations or have been designated as quasi-endowment funds.

With donor restrictions – Net assets with donor restrictions are subject to donor-imposed stipulations and may be restricted by time or purpose, or may be restricted in perpetuity. Those restricted by time or purpose contain stipulations that may be or will be met either by actions of the University and/or by the passage of time. Those restricted in perpetuity are subject to stipulations that the asset be maintained permanently by the University. Generally, the donors permit the University to use all or part of the income earned on related investments for general or specific purposes.

All revenues, gains, and expenses not restricted by donors are included in net assets without donor restrictions and are generally available for operations. Contributions are reported as increases in the appropriate category of net assets, except contributions with restrictions that are met in the same fiscal year they are received are included in revenues without donor restrictions. Expirations of restrictions recognized on net assets, i.e., the

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donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as releases from net assets with donor restrictions to net assets without donor restrictions. Restrictions on gifts to acquire or construct long-lived assets are considered met in the period in which the assets are placed in service.

Non-operating Activities

Non-operating items include net investment returns that are available for future use, contributions with donor restrictions, net assets released from restrictions or for use in current year operations, changes in postretirement benefit obligations other than service costs, and significant non-recurring transactions not directly related to operations.

Tuition, Fees, and Scholarships

The University recognizes revenues from student tuition and fees within the fiscal year in which educational services are provided. Tuition discounts in the form of scholarships and grants-in-aid, including those funded by the endowment, research funds, and gifts, are reported as a reduction of tuition revenues. A tuition discount represents the difference between the stated charge for tuition and fees and the amount that is billed to the student and/or third parties making payments on behalf of the student. Cash payments to students, excluding compensation, are reported as Scholarships and fellowships expense in the Consolidated Statements of Activities.

Deferred Revenue and Deposits

Summer term tuition revenue and cash deposits received for summer housing contracts which span across the fiscal year-end are recognized to the extent the University has met the performance obligations as of the end of the fiscal year and the remainder is deferred to the following fiscal year.

As of June 30, 2022, \$43.3 million of remaining performance obligations under open service contracts is reported as Deferred revenue and deposits on the Consolidated Balance Sheet. The University expects to recognize this entire amount in operating revenues during the fiscal year ending June 30, 2023. As of June 30, 2021, the University reported \$41.5 million of remaining performance obligations under open service contracts as Deferred revenue and deposits, which was recognized as operating revenues during the fiscal year ending June 30, 2022.

Deferred revenue and deposits also includes tuition deposits received for future semesters of \$18.2 million and \$18.6 million as of June 30, 2022 and 2021, respectively. The University recognizes revenue as the related performance obligations are met.

Auxiliary Enterprises

Auxiliary enterprises revenue is primarily composed of housing revenue. Revenue from housing is recognized as housing services are provided. Financial aid awarded specifically for housing is recorded as a reduction of auxiliary revenues and totaled \$2.4 million and \$1.7 million for the fiscal years ending June 30, 2022 and 2021, respectively.

Grants and Contracts

The University recognizes government and private sponsored agreements, grants and contracts as either contributions or exchange transactions. These grants and contracts are for various activities performed by the University, including but not limited to research and education programs. Most of the University's sponsored agreements are conditional contributions.

**THE GEORGE WASHINGTON UNIVERSITY
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Typically, grant and contract agreements contain a right of return or right of release from obligation provision on the part of the grantor and the University has limited discretion over how funds transferred should be spent. As such, the University recognizes revenue for these conditional contributions when the related barrier to entitlement has been overcome.

For grants and contracts treated as exchange transactions, the University recognizes revenue when the University has a right to consideration from the sponsoring organization, which is typically based on costs incurred or milestones reached.

Any funding received in advance of revenue recognition is recorded in Deferred revenue and deposits on the Consolidated Balance Sheets.

Patient Service Revenue

The University recognizes patient service revenue associated with services provided by MFA to patients who have third party payor coverage on the basis of contractual rates for services rendered. MFA has agreements with third party payors including Medicare, Medicaid, and Blue Shield, as well as other commercial and managed care insurance carriers. Contracts for payment for clinical services are negotiated with each of the carriers at an amount less than the established billing rate. For uninsured patients who do not qualify for charity care, MFA recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy), reduced by estimated implicit price concessions for patients who are unable or unwilling to pay based on historical experience with each class of patients/payors. Patient service revenue is reported as estimated net realizable amounts from patients, third-party payors, government programs and others and is recognized in the period in which services are rendered. Patient service revenue also includes contracts with University Health Services, Inc. and other area hospitals to provide patient care services at those facilities.

Tax Status

The University is an exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not required to pay federal income tax on income related to its exempt purposes. The University is subject to tax on unrelated business income. The University has concluded that there are no material uncertain tax positions as of June 30, 2022 and 2021.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the financial statements. Actual results could differ from these estimates.

Reclassifications of Prior Year Amounts

Certain prior year amounts have been reclassified to conform to the current year's presentation.

THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 2 – Liquidity and Availability of Resources

The University regularly monitors liquidity required to meet its operating needs and commitments while striving to maximize the investment of available funds. In addition to financial assets available to meet general expenditures over the next twelve months, the University has liquidity resources in the form of available lines of credit (Note 11).

As of June 30, 2022 and 2021, the following assets could readily be made available within one year to meet general expenses:

		As of June 30, 2022		
<i>(in thousands)</i>	<u>Financial Assets</u>	<u>Unavailable Within One Year</u>	<u>Available for General Expenditure Within One Year</u>	
Cash and cash equivalents	\$ 123,102	\$ 6,404	\$	116,698
Accounts receivable, net	127,556	15,112		112,444
Contributions receivable, net	40,146	39,760		386
Investments - pooled endowment	1,230,761	679,102		551,659
Investments - endowment real estate	1,109,600	1,109,600		-
Investments - other	408,095	240,023		168,072
Loans and notes receivable, net	12,475	12,475		-
	<u>\$ 3,051,735</u>	<u>\$ 2,102,476</u>	<u>\$</u>	<u>949,259</u>
Liquidity resources - available lines of credit				<u>307,867</u>
Financial assets available for general expenditure within one year			<u>\$</u>	<u>1,257,126</u>
		As of June 30, 2021		
<i>(in thousands)</i>	<u>Financial Assets</u>	<u>Unavailable Within One Year</u>	<u>Available for General Expenditure Within One Year</u>	
Cash and cash equivalents	\$ 280,147	\$ 7,547	\$	272,600
Accounts receivable, net	140,756	16,719		124,037
Contributions receivable, net	31,382	30,958		424
Investments - pooled endowment	1,275,772	727,059		548,713
Investments - endowment real estate	1,125,500	1,125,500		-
Investments - other	519,160	249,364		269,796
Loans and notes receivable, net	16,440	16,440		-
	<u>\$ 3,389,157</u>	<u>\$ 2,173,587</u>	<u>\$</u>	<u>1,215,570</u>
Liquidity resources - available lines of credit				<u>176,332</u>
Financial assets available for general expenditure within one year			<u>\$</u>	<u>1,391,902</u>

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Note 3 – Accounts Receivable

<i>(in thousands)</i>	June 30	
	2022	2021
Grants and contracts	\$ 33,712	\$ 31,386
Patient care	37,925	36,887
Student tuition and fee accounts	31,623	34,647
Due from affiliation agreements	4,988	2,576
Due from hospital limited partnership	12,870	16,495
Reinsurance	13,367	15,397
Other	9,269	17,527
	<u>143,754</u>	<u>154,915</u>
Patient care allowance for doubtful accounts	(13,108)	(9,805)
Other allowances for doubtful accounts	(3,090)	(4,354)
Total	<u>\$ 127,556</u>	<u>\$ 140,756</u>

Note 4 – Contributions Receivable

<i>(in thousands)</i>	June 30	
	2022	2021
Unconditional promises expected to be collected in:		
Less than one year	\$ 25,219	\$ 19,996
One year to five years	18,451	14,294
Over five years	69	401
Subtotal	<u>43,739</u>	<u>34,691</u>
Allowance for uncollectible pledges	(1,580)	(1,620)
Unamortized discount to present value	(2,013)	(1,689)
Total	<u>\$ 40,146</u>	<u>\$ 31,382</u>

Contributions receivable expected to be fulfilled more than one year from the date of the financial statements are recorded at fair value at the date of the gift, discounted at 3.95% - 4.36% with the discount amortized over the life of the receivable.

At June 30, 2022 and 2021, the University had received notification of outstanding bequest intentions and certain conditional promises to give of approximately \$253 million and \$243 million, respectively. These intentions and conditional promises are not recognized as assets and, if received, will generally be restricted for specific purposes stipulated by the donors, primarily endowments for faculty support, scholarships, or general operating support of a particular department or division of the University.

In addition, at June 30, 2022 and 2021, the University had remaining available award balances on federal and private conditional grants and contracts for sponsored projects of \$205 million and \$199 million, respectively. These award balances are not recognized as assets and will be recognized as revenue as the projects progress and conditions are met, generally as expenses are incurred.

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Note 5 – Investments

<i>(in thousands)</i>	June 30	
	2022	2021
Annuities	\$ 18,966	\$ 19,493
Balanced funds	17,769	21,594
Cash and cash equivalents	152,838	139,379
Fixed income:		
Asset-backed securities	47,899	61,518
Corporate debt securities	71,368	116,367
Government debt securities	108,301	180,359
Other	58,521	49,856
Global equity	615,913	690,683
Hedge funds	266,329	230,873
Private equity	162,507	130,236
Real estate	1,135,528	1,150,533
Split-interest agreements - Trusts held by others	45,095	47,557
Unrealized loss on open futures contracts and swaps	(783)	(625)
Other	48,205	46,747
Net pending trades	-	35,862
Total	<u>\$ 2,748,456</u>	<u>\$ 2,920,432</u>

The University enters into derivative transactions for market risk management purposes only. The University has not and will not enter into any derivative transaction for speculative or profit generating purposes. As of June 30, 2022 and 2021, the fair value of the derivatives was not material.

The University holds a 28.56% interest in the Columbia Plaza Limited Partnership, whose income and distributions are accounted for under the equity method, which is included in Real estate at \$25.0 million and \$24.5 million as of June 30, 2022 and 2021, respectively. The University also holds a 20% interest in District Hospital Partners, L.P., accounted for under the equity method, which is included in Other investments, valued at \$38.1 million and \$34.8 million as of June 30, 2022 and 2021, respectively. See also Note 16 and Note 18 for additional information regarding District Hospital Partners, L.P.

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Note 6 - Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. The fair value accounting standard provides a framework for measuring fair value and to categorize the inputs used in valuation techniques. The three levels of fair value established by the standard are as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Quoted prices in markets that are not active or other pricing inputs that are either directly or indirectly observable.
- Level 3 - Prices or valuation techniques in which one or more significant inputs or significant value drivers are unobservable. The determination of fair value for these financial instruments requires one or more inputs subject to significant management judgment or estimation.

Assets Measured at Fair Value on a Recurring Basis

(in thousands)

	2022		
	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	\$ 58,794	\$ 64,308	\$ 123,102
Investments	2,675,248	73,208	2,748,456
Total	<u>\$ 2,734,042</u>	<u>\$ 137,516</u>	<u>\$ 2,871,558</u>

(in thousands)

	2021		
	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	\$ 40,626	\$ 239,521	\$ 280,147
Investments	2,813,367	107,065	2,920,432
Total	<u>\$ 2,853,993</u>	<u>\$ 346,586</u>	<u>\$ 3,200,579</u>

Assets not subject to fair value reporting include cash deposits, two limited partnership investments where the University’s interest exceeds 20% accounted for under the equity method of accounting, pending trades, fund units receivable, and intangible assets.

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For assets reported at fair value, the following table summarizes the valuation of financial instruments by pricing observability levels. Investments that use net asset value (NAV) as a practical expedient to estimate fair value are excluded from the fair value hierarchy.

<u>As of June 30, 2022 (in thousands)</u>	NAV	Classified in Fair Value Hierarchy			Total Fair Value
		Level 1	Level 2	Level 3	
Cash equivalents at fair value	\$ -	\$ 58,794	\$ -	\$ -	\$ 58,794
<u>Investments:</u>					
Annuities	-	-	10,367	8,599	18,966
Balanced funds	-	17,769	-	-	17,769
Cash and cash equivalents	-	152,838	-	-	152,838
Fixed income:					
Asset-backed securities	14,980	-	32,919	-	47,899
Corporate debt securities	11,586	-	59,782	-	71,368
Government debt securities	-	105,737	2,564	-	108,301
Other	40,740	13,636	4,145	-	58,521
Global equity	493,719	122,194	-	-	615,913
Hedge funds	266,329	-	-	-	266,329
Private equity	162,507	-	-	-	162,507
Real estate	-	150	-	1,110,375	1,110,525
Split-interest agreements - Trusts held by others	-	-	-	45,095	45,095
Unrealized gain (loss) - open futures contracts and swaps	-	(3,970)	3,187	-	(783)
Total investments at fair value	989,861	408,354	112,964	1,164,069	2,675,248
Total assets at fair value	\$ 989,861	\$ 467,148	\$ 112,964	\$ 1,164,069	\$ 2,734,042
<u>As of June 30, 2021 (in thousands)</u>	NAV	Classified in Fair Value Hierarchy			Total Fair Value
		Level 1	Level 2	Level 3	
Cash equivalents at fair value	\$ -	\$ 40,626	\$ -	\$ -	\$ 40,626
<u>Investments:</u>					
Annuities	-	-	11,060	8,433	19,493
Balanced funds	-	21,594	-	-	21,594
Cash and cash equivalents	-	139,379	-	-	139,379
Fixed income:					
Asset-backed securities	27,614	-	33,904	-	61,518
Corporate debt securities	26,818	-	89,549	-	116,367
Government debt securities	26,586	153,773	-	-	180,359
Other	28,788	14,980	6,088	-	49,856
Global equity	533,479	156,604	600	-	690,683
Hedge funds	230,873	-	-	-	230,873
Private equity	130,236	-	-	-	130,236
Real estate	-	140	-	1,125,937	1,126,077
Split-interest agreements - Trusts held by others	-	-	-	47,557	47,557
Unrealized gain (loss) - open futures contracts and swaps	-	887	(1,512)	-	(625)
Total investments at fair value	1,004,394	487,357	139,689	1,181,927	2,813,367
Total assets at fair value	\$ 1,004,394	\$ 527,983	\$ 139,689	\$ 1,181,927	\$ 2,853,993

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The following estimates and assumptions were used to determine the fair value of each class of financial instruments listed above.

Cash and cash equivalents – These investments include cash deposits in investment funds, money market accounts, and other short-term, highly liquid investments. They are priced using independent market prices in the primary trading market and are classified as Level 1.

Annuities – These investments, associated with the University’s deferred compensation plan, include both variable- and fixed-rate annuities. Level 2 assets are not publicly traded, but have established NAV or are based on quoted prices for similar assets. Level 3 assets are guaranteed fixed-annuity contracts issued by an insurance company.

Balanced Funds – These investments, associated with the University’s deferred compensation plan, are mutual funds which hold a mix of equity and fixed income investments. These publicly-traded funds are categorized as Level 1.

Fixed income – These investments generally include asset-backed securities, convertible bonds, corporate debt, investment funds with fixed income portfolios, federal and municipal bonds, and U.S. Treasury notes. These assets are primarily valued using market prices, such as broker quotes, for the same or similar instruments. Securities in this category that trade in less active markets and are redeemable in the near term are typically categorized as Level 2. The fair value of fixed income investment funds not publicly traded has been estimated using the NAV of the funds which are calculated by the investment manager, and excluded from fair value leveling.

Global equity – These investments generally include separately held accounts, shares in commingled funds, and global equity holdings. Securities traded on an active exchange are priced using unadjusted market quotes for identical assets and are classified as Level 1. The fair value of commingled funds has been estimated using the NAV of the funds which are calculated by the investment manager, and excluded from fair value leveling.

Hedge funds – These investments generally include funds that invest in long and short positions, pursuing a diverse range of investment strategies. These investments are typically funds structured in a fund of funds vehicle. The objective of the funds is to generate long-term capital appreciation. The fair value of these investments has been estimated using the NAV of the funds which are calculated by the investment manager, and excluded from fair value leveling.

Private equity – These investments generally include limited partnerships that are not publicly traded and cannot be redeemed because the investments include restrictions that do not allow redemption through maturity. The fair values of these investments have been estimated using the NAV of the funds, which are calculated by the investment manager and are excluded from fair value leveling. The valuation policies adopted by the manager are reviewed for propriety, consistency, compliance, and completeness. For a small percentage of these investments, the manager reported NAV is prepared using non-U.S. GAAP, which may differ from fair value reported under U.S. GAAP. Where material differences are known to exist, management bases its measurements on fair value estimates obtained from the investment managers and/or third-party valuation advisors. Quantitative information about the significant unobservable inputs used in arriving at these fair value measurements is not readily available. Changes to these inputs may result in significant changes to the fair value measurement and such changes could be material to the consolidated financial statements.

THE GEORGE WASHINGTON UNIVERSITY
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Real estate – Real estate investment properties are valued based on results from professional independent appraisals and are included in Level 3. Different assumptions or changes in future market conditions could significantly affect the estimated fair value and such changes could be material to the consolidated financial statements.

During the year ending June 30, 2022, the University sold the Hotel for a net price of \$47.4 million, resulting in a gain of \$12.0 million.

		As of June 30, 2022			
	Fair Value <i>(in thousands)</i>	Valuation Techniques	Unobservable Inputs	Rate	Weighted Average
Office building	\$ 248,000	Income approach	Exit capitalization rate	6.00%	N/A
			Discount rate	6.50%	N/A
Ground leased real estate	\$ 861,600	Income approach	Capitalization rate	3.50%	N/A
			Discount rate	4.50 - 7.00%	4.92%
		As of June 30, 2021			
	Fair Value <i>(in thousands)</i>	Valuation Techniques	Unobservable Inputs	Rate	Weighted Average
Hotel	\$ 35,300	Income approach	Exit capitalization rate	6.50%	N/A
			Discount rate	9.00%	N/A
Office building	\$ 230,000	Income approach	Exit capitalization rate	6.00%	N/A
			Discount rate	6.50%	N/A
Ground leased real estate	\$ 860,200	Income approach	Capitalization rate	3.50%	N/A
			Discount rate	4.50 - 7.00%	4.91%

Split-interest agreements – Trusts held by others – The University’s beneficial interests in perpetual trusts held by third parties are categorized as Level 3. These are valued using a discounted cash flow analysis based on the assumed timing and duration of those cash flows.

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The University follows guidance that allows investment funds without a readily determinable fair value to report NAV or its equivalent as a practical expedient to estimate fair value if certain criteria are met. The fair values of the following investments have been estimated using reported NAV:

<i>(in thousands)</i> Category of Investment	2022				2021
	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period	Fair Value
Fixed income - asset-backed securities	\$ 14,980	\$ -	Quarterly	15 days	\$ 27,614
Fixed income - corporate debt securities	11,586	-	Quarterly	60-90 days	26,818
Fixed income - government debt securities	-	-	N/A	N/A	26,586
Fixed income - other	40,740	16,836	Quarterly to redemption not permitted during life of fund	365 days to N/A	28,788
Global equity	493,719	-	Daily to quarterly	1-90 days	533,479
Hedge funds	266,329	-	Quarterly	90 days	230,873
Private equity	162,507	171,414	Redemption not permitted during life of fund	N/A	130,236
Total	<u>\$ 989,861</u>	<u>\$ 188,250</u>			<u>\$ 1,004,394</u>

The following investments do not permit redemption during the life of the fund:

Fixed income - other – These assets are primarily composed of credit instruments and equity securities in Asia-Pacific, Italy, and North America. There are no funds in liquidation as of June 30, 2022.

Private equity – These assets are primarily composed of long term lock-up funds to include private equity, venture capital, oil and gas, land, distressed debt, infrequently traded small-capitalization, buyouts, growth equity, and micro-capitalization securities. Distributions from the majority of these investments are received through the liquidation of the underlying assets. Timing of liquidation is unknown.

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Changes in Level 3 Assets

(in thousands)

	2022					
	Beginning of year	Net realized/ unrealized gains (losses)	Purchases/ additions	Sales/Transfers	End of year	Total net gains (losses) included in earnings attributable to the change in net unrealized gains (losses) for assets still held at June 30, 2022
Real estate	\$ 1,125,937	\$ 31,445	\$ 352	\$ (47,359)	\$ 1,110,375	\$ 19,396
Split-interest agreements - trusts held by others	47,557	(2,402)	-	(60)	45,095	(2,108)
Annuities	8,433	260	247	(341)	8,599	-
	<u>\$ 1,181,927</u>	<u>\$ 29,303</u>	<u>\$ 599</u>	<u>\$ (47,760)</u>	<u>\$ 1,164,069</u>	<u>\$ 17,288</u>

(in thousands)

	2021					
	Beginning of year	Net realized/ unrealized gains	Purchases/ additions	Sales/Transfers	End of year	Total net gains included in earnings attributable to the change in net unrealized gains for assets still held at June 30, 2021
Real estate	\$ 1,092,748	\$ 32,549	\$ 640	\$ -	\$ 1,125,937	\$ 32,549
Split-interest agreements - trusts held by others	42,146	6,226	-	(815)	47,557	5,978
Annuities	8,327	266	227	(387)	8,433	-
	<u>\$ 1,143,221</u>	<u>\$ 39,041</u>	<u>\$ 867</u>	<u>\$ (1,202)</u>	<u>\$ 1,181,927</u>	<u>\$ 38,527</u>

Level transfers are accounted for at the beginning of the reporting period and are typically the result of a change in the observability of significant valuation inputs. There were no transfers in or out of Level 3 during the years ending June 30, 2022 or June 30, 2021.

Realized/unrealized gains on Level 3 assets included in changes in net assets are reported in the following revenue categories:

(in thousands)

	<u>2022</u>	<u>2021</u>
	Investment income, net	Investment income, net
Total net gains included in changes in net assets	\$ 29,043	\$ 38,775
Change in net unrealized gains relating to assets still held at June 30	\$ 17,288	\$ 38,527

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Note 7 - Endowment

The University's Endowment (Endowment) consists of the unitized investment pool, investment real estate, and separately managed funds. The Endowment provides stable financial support to a wide variety of programs and activities in perpetuity, playing a critical role in enabling the University to achieve its mission. Programs supported by the Endowment include scholarships, chairs and professorships, fellowships, research activities, and libraries. The Endowment includes both donor-restricted endowment funds and quasi-endowment funds. Net assets associated with endowment funds, including quasi-endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment funds without donor restrictions are quasi-endowments.

Interpretation of Relevant Law

The University has interpreted the Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA), absent explicit donor stipulations to the contrary, to allow spending from donor-restricted endowments in good faith and with the care that an ordinary prudent person would exercise after considering multiple factors. The University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The preservation of the fund over time
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions including the possible effects of inflation and deflation
- The investment policies and expected total return from income and the appreciation of investments
- Other resources of the organization

As a result of this interpretation, the University classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Appreciation on the donor-restricted endowment fund is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA.

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Summarized below are the changes in endowment funds by net asset classification. During the year ended June 30, 2021, the University has reclassified internal debt previously allocated to quasi-endowment investment real estate properties.

(in thousands)

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,684,213	\$ 727,059	\$ 2,411,272
Investment return, net	25,409	(48,794)	(23,385)
Contributions	5,275	26,253	31,528
Endowment payout	(69,948)	(29,014)	(98,962)
Reinvestment of payout and internal transfers	16,310	3,598	19,908
Endowment net assets, end of year	<u>\$ 1,661,259</u>	<u>\$ 679,102</u>	<u>\$ 2,340,361</u>

(in thousands)

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,242,373	\$ 560,283	\$ 1,802,656
Investment return, net	185,861	174,460	360,321
Contributions	276	16,560	16,836
Endowment payout	(69,872)	(29,668)	(99,540)
Reinvestment of payout and internal transfers	29,128	5,424	34,552
Reclassification of allocated internal debt	296,447	-	296,447
Endowment net assets, end of year	<u>\$ 1,684,213</u>	<u>\$ 727,059</u>	<u>\$ 2,411,272</u>

Underwater Endowment Funds

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the University to retain as a fund of perpetual duration. Endowment corpus that is to be maintained in perpetuity totaled \$274.5 million and \$257.2 million as of June 30, 2022 and 2021, respectively.

As of June 30, 2022, a deficiency of \$11.2 million existed on an original gift value of \$128.5 million. As of June 30, 2021, a deficiency of \$2.2 million existed on an original gift value of \$41.5 million. The University's policies permit spending from underwater endowment funds, unless otherwise precluded by donor intent or relevant laws and regulations.

Investment Objectives and Risk Parameters

The objective of the Endowment is to preserve and enhance the corpus of the endowment over time while also supporting the spending needs of the University. While it is the University's goal to maintain purchasing power in practice, it is not the University's accounting policy to accommodate purchasing power adjustments by classifying any additional portion of net appreciation as funds to be maintained in perpetuity. The level of risk is measured by the annualized standard deviation of quarterly portfolio returns and is expected to be that incurred by university endowments of similar size with similar return objectives over a complete market cycle.

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Strategies Employed for Achieving Objectives

Asset allocation policy is the cornerstone of a disciplined, consistent, and diversified approach to achieving the Endowment's investment objectives. The Endowment is broadly diversified across and within asset classes in order to minimize the impact of unexpected asset class and security specific adverse results and avoid excessive portfolio volatility. The Endowment's long-term target asset allocation is approved by the Committee on Finance and Investments of the Board of Trustees.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The University's Board of Trustees establishes a spending policy that determines how endowment distributions are made. The spending policy is designed to balance current and future spending requirements by ensuring that a portion of investment return is distributed to operations in the form of payout for current expenditure with the remainder reinvested to shield against inflation. Currently, payout is calculated as 4.5% of the rolling 12-quarter average market value, adjusted for new gifts received during the year. In establishing this policy, the University considered the long-term expected return on its endowment.

Accumulated appreciation in endowment funds with donor-restricted corpus is classified as net assets with donor restrictions until appropriated for spending under the spending policy. At the time of appropriation, the amount of investment income necessary to satisfy the spending policy for the endowment fund and related purpose restrictions, if applicable, is reflected as Net assets released from restriction, which reduces net assets with donor restrictions and increases net assets without donor restrictions. Any excess of income earned over the approved spending amount is retained in net assets with donor restrictions.

Note 8 - Property, plant, and equipment

(in thousands)

	June 30	
	2022	2021
Land	\$ 198,750	\$ 198,615
Buildings	2,365,735	2,350,078
Construction in progress	130,367	67,480
Furniture and equipment	213,452	185,313
Library and historical research materials	69,338	67,636
Equipment under finance leases	29,987	23,666
	<u>3,007,629</u>	<u>2,892,788</u>
Accumulated depreciation	(1,228,160)	(1,139,106)
Total	<u>\$ 1,779,469</u>	<u>\$ 1,753,682</u>

Depreciation expense was \$92.7 million and \$90.9 million for the fiscal years ending June 30, 2022 and 2021, respectively.

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Note 9 - Leases

The University leases office space for academic, administrative, and medical practice purposes under operating leases expiring at various dates through 2041.

(in thousands)

Components of lease cost:

	June 30	
	2022	2021
Operating lease cost	\$ 14,836	\$ 19,660
Finance lease cost:		
Amortization of right-of-use assets	6,144	4,866
Interest on lease liabilities	418	531
Total finance lease cost	6,562	5,397
Total lease cost	\$ 21,398	\$ 25,057

(in thousands)

Supplemental cash flow information related to leases:

	June 30	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 15,625	\$ 19,864
Operating cash flows from finance leases	\$ 418	\$ 531
Financing cash flows from finance leases	\$ 6,660	\$ 5,688
Right-of-use assets obtained in exchange for lease obligations:		
Operating leases	\$ 39,413	\$ -
Finance leases	\$ 8,194	\$ 301

(in thousands)

Supplemental balance sheet information related to leases:

	June 30, 2022		June 30, 2021	
	Operating	Finance	Operating	Finance
Right-of-use assets	\$ 139,302	\$ 29,987	\$ 106,840	\$ 23,666
Accumulated amortization	(36,003)	(15,740)	(31,808)	(9,689)
	\$ 103,299	\$ 14,247	\$ 75,032	\$ 13,977
Lease liabilities	\$ 115,831	\$ 12,517	\$ 88,353	\$ 10,490
Weighted Average Remaining Lease Term (years):	7.56	3.39	5.70	2.49
Weighted Average Discount Rate:	3.79%	3.50%	3.82%	3.69%

THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

(in thousands)

Lease maturity table:

Fiscal Year Ending June 30:	Operating	Finance
2023	\$ 18,776	\$ 6,073
2024	19,133	2,425
2025	19,071	2,341
2026	16,760	1,644
2027	15,603	754
Thereafter	44,925	-
	<u>134,268</u>	<u>13,237</u>
Less effects of discounting	<u>(18,437)</u>	<u>(720)</u>
Total	<u>\$ 115,831</u>	<u>\$ 12,517</u>

Note 10 - Accounts Payable and Accrued Expenses

<i>(in thousands)</i>	June 30	
	<u>2022</u>	<u>2021</u>
Accrued building construction payable	\$ 14,632	\$ 10,423
Accrued interest payable	19,755	23,499
Accrued other liabilities	44,175	40,701
Accrued payroll and related liabilities	140,085	171,371
Accumulated postretirement liability	6,608	7,928
Split-interest agreements	8,316	7,999
Self-insurance reserves	63,897	63,713
Trade payables	12,999	16,302
Other payables	10,504	10,063
Total	<u>\$ 320,971</u>	<u>\$ 351,999</u>

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Note 11 – Long-Term Debt

<i>(in thousands)</i>	Final Scheduled Maturities	June 30		
		2022		2021
		Ending Interest Rate	Amount Outstanding	Amount Outstanding
Taxable bonds:				
2013 Series General Obligation	9/15/2043	Fixed 4.363%	\$ 170,000	\$ 170,000
2014 Series General Obligation	9/15/2044	Fixed 4.3%	300,000	300,000
2015 Series General Obligation	9/15/2045	Fixed 4.868%	350,000	350,000
2016 Series General Obligation	9/15/2046	Fixed 3.545%	250,000	250,000
2018 Series General Obligation	9/15/2048	Fixed 4.126%	795,000	795,000
Notes payable:				
MFA term loan secured by real estate	4/5/2028	LIBOR + 2.375%	32,672	33,480
MFA unsecured subordinated loan	7/1/2027	LIBOR + 6.0%	11,667	14,000
MFA term loan with a national bank	4/5/2027	LIBOR + 2.375%	24,325	28,873
MFA term loan with a vendor	6/30/2024	Fixed 3.5%	4,347	-
MFA Revolving credit facility, \$50.0 million	3/31/2023	LIBOR + 1.45%	42,133	48,668
Unsecured notes payable:				
Term loan	N/A	LIBOR + 1.5%	-	125,000
			1,980,144	2,115,021
Less: Debt issuance costs			(8,920)	(9,494)
Plus: Finance lease liability			12,517	10,490
Total			<u>\$ 1,983,741</u>	<u>\$ 2,116,017</u>

In May 2020, the University entered into a credit agreement with a national bank, which included a \$175 million revolving credit facility and a \$125 million term loan facility. The University repaid the \$175 million revolving credit facility in March 2021 and the \$125 million term loan facility in March 2022. In June 2022, the University extended the term of the revolving credit facility to June 2027, increased the credit limit from \$175 million to \$300 million, and modified the interest rate to BSBY + 0.45%.

MFA has swap agreements associated with the term loan with a national bank and the term loan secured by real estate, to convert the variable interest rates to fixed rates of 3.43% and 3.96%, respectively. During the year ended June 30, 2022, MFA obtained a term loan from a vendor to finance a portion of its health record system implementation. The University guarantees certain debt obligations incurred by MFA and these loans are included as liabilities in the consolidated financial statements.

As of June 30, 2022, principal payments are due on bonds and note payable in accordance with the following schedule:

<u>Fiscal Year Ending June 30</u>	<i>(in thousands)</i>
2023	\$ 52,092
2024	10,232
2025	8,407
2026	8,505
2027	7,794
Thereafter	1,893,114
Total	<u>\$ 1,980,144</u>

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Note 12 - Commitments and Contingencies

The University is a defendant in certain pending lawsuits. Based upon information currently available, management believes that any liability resulting therefrom will not materially affect the consolidated financial position or changes in net assets of the University.

Estimated medical malpractice claims include estimates of the ultimate costs for both reported claims and claims incurred but not yet reported. Insurance reserves at year-end are management's best estimate of the University's liability under its insurance policies.

Amounts received and expended by the University under various federal and state programs are subject to audit by government agencies. Management believes that adjustments, if any, which might result from such audits would not have a significant impact upon the consolidated financial position or changes in net assets of the University.

The federal government and many states have aggressively increased enforcement under Medicare and Medicaid anti-fraud and abuse litigation. Receipts from the Medicare and Medicaid programs account for a significant portion of net patient service revenue. MFA has implemented a program to monitor compliance with applicable laws and regulations, but the possibility of future government review and interpretation exists. MFA's management believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing or noncompliance with laws and regulations.

THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 13 - Net Assets

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the University are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and are available for operations or have been designated as quasi-endowment funds.

With donor restrictions – Net assets with donor restrictions are subject to donor-imposed stipulations and may be restricted by time or purpose, or may be restricted in perpetuity. Those restricted by time or purpose contain stipulations that may be or will be met either by actions of the University and/or by the passage of time. Those restricted in perpetuity are subject to stipulations that the asset be maintained permanently by the University. Generally, the donors permit the University to use all or part of the income earned on related investments for general or specific purposes.

June 30, 2022				
<i>(in thousands)</i>				
Nature of Specific Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets	Required to be Held in Perpetuity
Donated building funds	\$ -	\$ 3,511	\$ 3,511	\$ -
Quasi-endowment funds	1,661,259	-	1,661,259	-
Donor restricted endowment funds	-	679,102	679,102	274,503
Loan funds	913	4,095	5,008	4,095
Contributions receivable	-	40,146	40,146	424
Split-interest funds	10,889	51,305	62,194	28,110
Patient care	(161,000)	-	(161,000)	-
Net investment in plant and other	73,822	63,396	137,218	14,525
	<u>\$ 1,585,883</u>	<u>\$ 841,555</u>	<u>\$ 2,427,438</u>	<u>\$ 321,657</u>

June 30, 2021				
<i>(in thousands)</i>				
Nature of Specific Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets	Required to be Held in Perpetuity
Donated building funds	\$ -	\$ 2,858	\$ 2,858	\$ -
Quasi-endowment funds	1,684,213	-	1,684,213	-
Donor restricted endowment funds	-	727,059	727,059	257,188
Loan funds	1,609	4,066	5,675	4,066
Contributions receivable	-	31,382	31,382	463
Split-interest funds	10,111	55,441	65,552	32,657
Patient care	(82,320)	-	(82,320)	-
Net investment in plant and other	79,916	49,996	129,912	13,575
	<u>\$ 1,693,529</u>	<u>\$ 870,802</u>	<u>\$ 2,564,331</u>	<u>\$ 307,949</u>

THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Note 14 - Program and Supporting Activities Expense

	June 30, 2022					
<i>(in thousands)</i>	Academic and student support	Patient care	Research	Total program	Support services	Total expenses
Salaries and benefits	\$ 479,017	\$ 237,884	\$ 110,528	\$ 827,429	\$ 144,873	\$ 972,302
Purchased services	88,118	79,038	61,785	228,941	64,464	293,405
Depreciation	68,528	6,723	5,227	80,478	12,245	92,723
Interest	61,714	4,812	4,011	70,537	8,952	79,489
Scholarships and fellowships	30,061	-	-	30,061	-	30,061
Other	85,427	78,971	9,339	173,737	50,317	224,054
Allocations	116,857	-	12,908	129,765	(129,765)	-
	<u>\$ 929,722</u>	<u>\$ 407,428</u>	<u>\$ 203,798</u>	<u>\$ 1,540,948</u>	<u>\$ 151,086</u>	<u>\$ 1,692,034</u>
Add: Functionalized non-operating postretirement change						1,624
Total operating expenses						<u>\$ 1,693,658</u>

	June 30, 2021					
<i>(in thousands)</i>	Academic and student support	Patient care	Research	Total program	Support services	Total expenses
Salaries and benefits	\$ 460,610	\$ 263,774	\$ 101,295	\$ 825,679	\$ 129,166	\$ 954,845
Purchased services	72,343	75,588	68,543	216,474	54,357	270,831
Depreciation	72,137	6,137	5,481	83,755	7,145	90,900
Interest	61,814	3,840	4,083	69,737	7,217	76,954
Scholarships and fellowships	22,509	-	-	22,509	-	22,509
Other	59,725	92,693	6,050	158,468	41,345	199,813
Allocations	97,372	-	11,710	109,082	(109,082)	-
	<u>\$ 846,510</u>	<u>\$ 442,032</u>	<u>\$ 197,162</u>	<u>\$ 1,485,704</u>	<u>\$ 130,148</u>	<u>\$ 1,615,852</u>
Add: Functionalized non-operating postretirement change						151
Total operating expenses						<u>\$ 1,616,003</u>

Allocations include costs for the maintenance and operation of physical plant and technology. Maintenance and operation of physical plant costs are allocated based upon periodic inventories of facility square foot usage and totaled \$87.4 million and \$67.5 million for the years ended June 30, 2022 and 2021, respectively. Depreciation expense is allocated based on facility square foot usage. Interest on plant debt is allocated based on the percentage of interest expense attributable to properties.

Technology costs include expenses associated with the operation and maintenance of administrative systems, campus network and telecommunications systems, computing labs, and related support for students and faculty. These costs are allocated based upon relative benefits provided to academic and administrative users of the services. Technology costs totaled \$69.0 million and \$61.2 million for the years ended June 30, 2022 and 2021, respectively.

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Note 15 - Retirement Plans and Postretirement Benefits

Full-time and regular part-time faculty and staff are eligible for participation in the University's defined contribution retirement program. The program is administered by the University. Independent vendors receive contributions for the plan for investment purposes and process distributions from the plan. Any present or future employee who completes two years of service becomes eligible to participate in the program.

The plan consists of both a noncontributory and a matching component. All eligible participants receive a contribution equal to 4% of their base salary. In addition, for those employees electing to participate in the matching portion of the program, the University contributes an additional amount equal to 1½% for each 1% of eligible compensation contributed by the employee, but not to exceed an amount equal to 6% of the participant's eligible compensation. Participants are immediately fully vested in both types of the University's contributions. Eligible participants direct the investment of contributions made on their behalf. For eligible participants who do not provide investment direction for contributions, the University contributions are invested in a Qualified Default Investment Alternative based on the expected year of retirement. University base and matching contributions were suspended in October 2020 to mitigate the financial impact of the COVID-19 pandemic. Base contributions resumed effective January 2021. Matching contributions resumed effective July 2021. University contributions to the retirement plan amounted to \$40.1 million and \$20.1 million for the years ended June 30, 2022 and 2021, respectively.

The University provides health care and life insurance benefits to certain retired employees. These employees become eligible for benefits after meeting age and service requirements. The University's postretirement benefit plan provides a Medicare health insurance exchange for retirees and long-term disability participants who are age 65 or older. A Retiree Health Savings Plan is provided for retirees who are under age 65 or are not Medicare eligible. The University's policy is to fund postretirement benefits as payments are made. Accounts payable and accrued expenses include accumulated postretirement liability of \$6.6 million and \$7.9 million as of June 30, 2022 and 2021, respectively.

Note 16 - Related Parties

DISTRICT HOSPITAL PARTNERS, L.P.

The University has a 20% limited partnership interest in District Hospital Partners, L.P. (DHP), which owns and operates the GW Hospital and provides support to the University in developing and maintaining the medical academic and research programs. The University's investment in DHP is recorded on the equity basis of accounting. The University's share of the partnership's profits for the years ended June 30, 2022 and 2021 was approximately \$4.4 million and \$8.8 million, respectively.

The University and DHP have executed several agreements, which reimburse or compensate the University for providing services or personnel to assist in the continued operations of the GW Hospital. Medical education agreements revenue of approximately \$42.0 million and \$40.0 million was reported for the years ended June 30, 2022 and 2021, respectively. The receivable from DHP for the unpaid balance of these services is \$5.2 million and \$8.9 million as of June 30, 2022 and 2021, respectively. DHP has provided a \$30.0 million loan to the MFA which had an outstanding balance of \$11.7 million and \$14.0 million as of June 30, 2022 and 2021, respectively.

In May 2022, the University and DHP entered into a new operating and academic affiliation agreement which is described in Note 18.

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Note 17 – Impact of the COVID-19 Pandemic

The University held undergraduate courses and graduate programs online for the full 2020-2021 academic year and offered only very limited on-campus housing. As a result, the University experienced a decline in Student tuition and fees, net, as well as housing and other Auxiliary enterprises revenues for the year ended June 30, 2021. Operating expenses for the year ended June 30, 2021 were reduced, both naturally as a result of travel restrictions and limited on-campus activities, and through intentional cost-saving strategies.

In-person teaching and on-campus activities resumed for the 2021-2022 academic year, resulting in increases in Student tuition and fees, net, as well as housing and other Auxiliary enterprises revenues for the year ended June 30, 2022. Operating expenses also increased as activities returned to normal. Further, the University incurred incremental expenses to keep its community safe amid the pandemic, such as testing, contact tracing, isolation housing, and masks.

The University received assistance in covering some of the economic impacts of the COVID-19 pandemic through distributions from the Higher Education Emergency Relief Fund (HEERF). The University records HEERF receipts as revenue within Grants and contracts including indirect cost recoveries and amounts distributed to students are expensed within Scholarships and fellowships on the Consolidated Statement of Activities.

	June 30, 2022		June 30, 2021	
	Grants and contracts including indirect cost recoveries	Scholarships and fellowships	Grants and contracts including indirect cost recoveries	Scholarships and fellowships
<i>(in thousands)</i>				
HEERF I	\$ -	\$ -	\$ 294	\$ 294
HEERF II	-	-	13,793	4,559
HEERF III	12,591	12,591	12,473	-
Total	\$ 12,591	\$ 12,591	\$ 26,560	\$ 4,853

MFA received federal Coronavirus Aid, Relief and Economic Security Act (CARES Act) grants of \$15.6 million and \$4.8 million for the years ended June 30, 2022 and 2021, respectively. These payments are subject to audit and compliance with federal regulations. MFA believes it has met the conditions to retain these funds, and no CARES Act amounts are reserved for repayment at June 30, 2022 or 2021.

The CARES Act also provided for an expansion of the Medicare Accelerated and Advance Payment Program for patient services. Under the program, MFA received \$12.7 million in April 2020, and recorded these payments as Deferred revenue and deposits in the Consolidated Balance Sheet as of June 30, 2020. The recoupment period began in April 2021 and amounts billed to Medicare for services provided have been offset against the advance payments received. Medicare recouped \$2.6 million and \$10.1 million for the years ended June 30, 2022 and 2021, respectively.

During the year ending June 30, 2021, MFA received \$9.9 million in grants from the Washington, D.C. government to help mitigate the adverse financial impacts of COVID-19. During the year ending June 30, 2022, this amount was reserved for repayment and is included in Accounts payable and accrued expenses in the Consolidated Balance Sheet.

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

Note 18 – Subsequent Events

On May 28, 2022, the University, District Hospital Partners, L.P. (DHP), University Health Services, Inc. (UHS), and related UHS entities executed a new operating and academic affiliation agreement. This agreement restructures their relationship and explores the creation of an expanded clinical services, education, and research complex on the University's campus in northwest Washington, D.C., in furtherance of the University's educational, scientific research, and healthcare charitable purposes. On August 22, 2022, UHS purchased the University's interest in DHP for \$54.0 million and the University no longer is a limited partner of DHP. The gain on sale of the partnership interest is estimated at \$9.4 million and will be recorded in Investment income, net in the Non-Operating Activities section of the Consolidated Statement of Activities during the year ending June 30, 2023.

The University has performed an evaluation of subsequent events through September 27, 2022, which is the date the financial statements were issued, noting no other events which affect the financial statements as of June 30, 2022.

Supplementary Consolidating Information

Supplemental Schedule to the Consolidated Financial Statements
Consolidating Balance Sheet
As of June 30, 2022
(in thousands)

	<u>GWU</u>	<u>MFA</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 101,883	\$ 21,219	\$ -	\$ 123,102
Accounts receivable, net	78,201	55,483	(6,128)	127,556
Contributions receivable, net	40,146	-	-	40,146
Investments	2,708,609	42,956	(3,109)	2,748,456
Loans and notes receivable, net	12,475	-	-	12,475
Loans to MFA	120,958	-	(120,958)	-
Property, plant, and equipment, net	1,703,121	76,348	-	1,779,469
Operating lease right of use assets, net	56,370	55,624	(8,695)	103,299
Other assets	32,820	6,791	-	39,611
Total assets	<u>\$ 4,854,583</u>	<u>\$ 258,421</u>	<u>\$ (138,890)</u>	<u>\$ 4,974,114</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 210,381	\$ 116,501	\$ (5,911)	\$ 320,971
Deferred revenue and deposits	110,169	988	-	111,157
Operating lease liability	64,944	59,799	(8,912)	115,831
Long-term debt, net	1,865,675	118,066	-	1,983,741
Loans from GWU	-	120,958	(120,958)	-
Funds advanced for student loans	14,976	-	-	14,976
Total liabilities	<u>2,266,145</u>	<u>416,312</u>	<u>(135,781)</u>	<u>2,546,676</u>
NET ASSETS				
Without donor restrictions	1,746,883	(157,891)	(3,109)	1,585,883
With donor restrictions	841,555	-	-	841,555
Total net assets	<u>2,588,438</u>	<u>(157,891)</u>	<u>(3,109)</u>	<u>2,427,438</u>
Total liabilities and net assets	<u>\$ 4,854,583</u>	<u>\$ 258,421</u>	<u>\$ (138,890)</u>	<u>\$ 4,974,114</u>

The accompanying notes are an integral part of these consolidating financial statements.

**Supplemental Schedule to the Consolidated Financial Statements
Consolidating Statement of Activities
Year Ended June 30, 2022
(in thousands)**

	<u>GWU</u>	<u>MFA</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUE				
Student tuition and fees, net of \$353,057 University funded scholarships	\$ 770,344	\$ -	\$ (127)	\$ 770,217
Patient care, net	-	309,954	-	309,954
Grants and contracts including indirect cost recoveries	219,242	2,545	-	221,787
Auxiliary enterprises, net	98,124	1,127	-	99,251
Endowment income distributed for operations	91,461	-	-	91,461
Medical education agreements	69,331	19,542	(27,913)	60,960
Contributions	21,174	-	-	21,174
Investment income used in operations	2,232	2,265	(2,546)	1,951
Net assets released from restrictions	7,593	-	-	7,593
Other	41,021	37,962	(33,160)	45,823
Total operating revenue	<u>1,320,522</u>	<u>373,395</u>	<u>(63,746)</u>	<u>1,630,171</u>
OPERATING EXPENSES				
Salaries and benefits	718,946	253,484	(128)	972,302
Purchased services	248,698	87,667	(42,960)	293,405
Depreciation	86,000	6,723	-	92,723
Interest	74,677	7,358	(2,546)	79,489
Scholarships and fellowships	30,057	6	(2)	30,061
Other	146,951	96,837	(18,110)	225,678
Total operating expenses	<u>1,305,329</u>	<u>452,075</u>	<u>(63,746)</u>	<u>1,693,658</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>15,193</u>	<u>(78,680)</u>	<u>-</u>	<u>(63,487)</u>
NON-OPERATING ACTIVITIES				
Investment income, net	(21,976)	-	-	(21,976)
Net assets released from restriction	(7,593)	-	-	(7,593)
Contributions, net	49,914	-	-	49,914
Endowment income distributed for operations	(91,461)	-	-	(91,461)
Other	(2,290)	-	-	(2,290)
Total non-operating activities	<u>(73,406)</u>	<u>-</u>	<u>-</u>	<u>(73,406)</u>
CHANGE IN NET ASSETS	<u>(58,213)</u>	<u>(78,680)</u>	<u>-</u>	<u>(136,893)</u>
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>2,646,651</u>	<u>(79,211)</u>	<u>(3,109)</u>	<u>2,564,331</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 2,588,438</u>	<u>\$ (157,891)</u>	<u>\$ (3,109)</u>	<u>\$ 2,427,438</u>

The accompanying notes are an integral part of these consolidating financial statements.

**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATING FINANCIAL STATEMENTS
JUNE 30, 2022 and 2021**

Basis of Presentation – Supplementary Consolidating Information

The consolidating supplemental schedules as of and for the year ending June 30, 2022, are derived from and relate directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating supplemental schedules are presented for purposes of additional analysis of the consolidated financial statements and are not a required part of the consolidated financial statements. The individual components of the consolidating schedules are disclosed in Note 1 to the consolidated financial statements.

Schedule of Expenditures of Federal Awards
Notes to Schedule of Expenditures of Federal Awards and
Reports under the OMB Uniform Guidance

The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>				
DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 2,143,152	\$ -
Federal Work-Study Program	84.033		2,800,945	-
Federal Perkins Loan Program				
Outstanding Loans as of July 1, 2021	84.038		14,435,871	-
New Loans Issued during FY2022	84.038		-	-
		Subtotal 84.038	14,435,871	-
Federal Pell Grant Program	84.063		8,915,861	-
Federal Direct Student Loans	84.268		266,103,218	-
DEPARTMENT OF EDUCATION TOTAL			<u>294,399,047</u>	<u>-</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students				
Outstanding Loans as of July 1, 2021	93.342		760,807	-
New Loans Issued during FY2022	93.342		20,000	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL			<u>780,807</u>	<u>-</u>
STUDENT FINANCIAL ASSISTANCE CLUSTER TOTAL			<u>\$ 295,179,854</u>	<u>\$ -</u>
<u>HIGHWAY PLANNING AND CONSTRUCTION CLUSTER</u>				
DEPARTMENT OF TRANSPORTATION				
Texas A&M University	20.205	M2101415	\$ 156,327	\$ -
DEPARTMENT OF TRANSPORTATION TOTAL			<u>156,327</u>	<u>-</u>
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER TOTAL			<u>\$ 156,327</u>	<u>\$ -</u>
<u>TRIO CLUSTER</u>				
DEPARTMENT OF EDUCATION				
TRIO-Upward Bound	84.047		\$ 396,933	\$ -
DEPARTMENT OF EDUCATION TOTAL			<u>396,933</u>	<u>-</u>
TRIO CLUSTER TOTAL			<u>\$ 396,933</u>	<u>\$ -</u>
<u>RESEARCH AND DEVELOPMENT CLUSTER</u>				
DEPARTMENT OF AGRICULTURE				
Economic Research Services				
Consumer Data and Nutrition Research	10.253		\$ 12,155	-
Economic Research Services Total			<u>12,155</u>	<u>-</u>

The accompanying notes are an integral part of this Schedule

The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
National Institute of Food and Agriculture				
Agriculture and Food Research Initiative	10.310		\$ 69,133	\$ 37,578
University of Maryland	10.310	61445-Z5062201	969	-
Virginia Polytechnic Institute	10.310	423573-19218	2,778	-
National Institute of Food and Agriculture Total			<u>72,880</u>	<u>37,578</u>
DEPARTMENT OF AGRICULTURE TOTAL			<u>85,035</u>	<u>37,578</u>
DEPARTMENT OF COMMERCE				
National Oceanic and Atmospheric Administration				
Climate and Atmospheric Research	11.431		171,883	-
National Oceanic and Atmospheric Administration Total			<u>171,883</u>	<u>-</u>
National Institute of Standards and Technology				
Measurement and Engineering Research and Standards	11.609		42,345	-
Workcred, Inc.	11.609	70NANB19H111	67,117	-
National Institute of Standards and Technology Total			<u>109,462</u>	<u>-</u>
DEPARTMENT OF COMMERCE TOTAL			<u>281,345</u>	<u>-</u>
DEPARTMENT OF DEFENSE				
Defense Advanced Research Projects Agency				
Charles River Analytics	12.910	SC1936102	1,133,497	-
University of Virginia	12.910	GG12352.2321360	33,741	-
Defense Advanced Research Projects Agency	12.N6600118C4033		547,019	39,215
Raytheon BBN Technologies Corporation	12.P20062-BBN	P20062-BBN	53,299	-
Defense Advanced Research Projects Agency Total			<u>1,767,556</u>	<u>39,215</u>
Defense Logistics Agency				
University of Northern Iowa	12.S6435A	S6435A	34,338	-
Defense Logistics Agency Total			<u>34,338</u>	<u>-</u>
Department of the Air Force				
Air Force Defense Research Sciences Program	12.800		1,003,635	67,614
The University of Texas at Austin	12.800	UTA19-001025	94,842	-
University of Arkansas	12.800	UA2020-117	204,348	-
Booz Allen Hamilton, Inc.	12.A6458	A6458	150,802	-
Optelligence LLC	12.21-OP1	21-OP1	19,946	-
Department of the Air Force Total			<u>1,473,573</u>	<u>67,614</u>
Department of the Army				
Dredged Material Containment Area	12.008		218,421	49,552
Military Medical Research and Development	12.420		2,358,968	893,788
Chicago Association for Research and Education in Science	12.420	PAPE-0024	546	-
Chicago Association for Research and Education in Science	12.420	PAPE-00205	5,781	-

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Henry Jackson Foundation	12.420	5391	\$ 97,517	\$ -
Icahn School of Medicine at Mount Sinai	12.420	0258-1031-4609	7,929	-
University of Chicago	12.420	AWD065900	9,034	-
Basic Scientific Research	12.431		926,104	49,797
Purdue University	12.431	13000910-013	76,024	-
TConneX, Inc.	12.W81XWH18C0152-1	W81XWH18C0152-1	14,113	-
Department of the Army	12.W912HQ22C0008		80,897	20,045
Department of the Army Total			<u>3,795,334</u>	<u>1,013,182</u>
Department of the Navy, Office of the Chief of Naval Research				
Basic and Applied Scientific Research	12.300		2,671,459	867,021
Department of the Navy, Office of the Chief of Naval Research	12.NR0000-14-C-0335		135,892	-
Strategic Analysis, Inc.	12.SA-GWU-500006-2021-01	SA-GWU-500006-2021-01	112,940	-
Department of the Navy, Office of the Chief of Naval Research Total			<u>2,920,291</u>	<u>867,021</u>
Defense Threat Reduction Agency				
Aceragen, Inc.	12.MCDC2104-001	MCDC2104-001	11,966	-
Defense Threat Reduction Agency Total			<u>11,966</u>	<u>-</u>
National Security Agency				
University of Colorado, Colorado Springs	12.905	21-138-001	15,370	-
National Security Agency Total			<u>15,370</u>	<u>-</u>
Office of the Secretary of Defense				
Basic, Applied, and Advanced Research in Science and Engineering	12.630		1,022,087	-
Office of the Secretary of Defense Total			<u>1,022,087</u>	<u>-</u>
Uniformed Services University of the Health Sciences				
The Geneva Foundation	12.750	FAA-F-042	126,490	-
Uniformed Services University of the Health Sciences Total			<u>126,490</u>	<u>-</u>
Washington Headquarters Services				
University of Maryland	12.101090-Z9702202	101090-Z9702202	84,727	-
Washington Headquarters Services Total			<u>84,727</u>	<u>-</u>
DEPARTMENT OF DEFENSE TOTAL			<u>11,251,732</u>	<u>1,987,032</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Office of Lead Hazard Control and Healthy Homes				
Healthy Homes Technical Studies Grants	14.906		297,518	98,970
Office of Lead Hazard Control and Healthy Homes Total			<u>297,518</u>	<u>98,970</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOTAL			<u>297,518</u>	<u>98,970</u>

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DEPARTMENT OF THE INTERIOR				
National Park Service				
Cooperative Research and Training Programs – Resources of the National Park System	15.945		\$ 34,146	\$ -
National Park Service Total			<u>34,146</u>	<u>-</u>
U.S. Geological Survey				
Virginia Institute of Marine Science	15.634	723903-712684	4,137	-
University of District of Columbia	15.805	2020DC119B	1,359	-
U.S. Geological Survey Total			<u>5,496</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR TOTAL				
			<u>39,642</u>	<u>-</u>
DEPARTMENT OF JUSTICE				
Office of Justice Programs				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		370,623	285,476
Crime Victim Assistance/Discretionary Grants	16.582		87,023	47,710
Office of Justice Programs Total			<u>457,646</u>	<u>333,186</u>
DEPARTMENT OF JUSTICE TOTAL				
			<u>457,646</u>	<u>333,186</u>
DEPARTMENT OF LABOR				
Abt Associates Incorporated	17.47247	47247	17,765	-
DEPARTMENT OF LABOR TOTAL			<u>17,765</u>	<u>-</u>
DEPARTMENT OF STATE				
Bureau of Population, Refugees and Migration				
Overseas Refugee Assistance Programs for Strategic Global Priorities	19.522		1,252,054	236,537
Bureau of Population, Refugees and Migration Total			<u>1,252,054</u>	<u>236,537</u>
DEPARTMENT OF STATE TOTAL				
			<u>1,252,054</u>	<u>236,537</u>
DEPARTMENT OF TRANSPORTATION				
Federal Aviation Administration				
West Virginia University	20.108	21-616-GWU	36,941	-
Federal Aviation Administration Total			<u>36,941</u>	<u>-</u>
Federal Highway Administration				
Battelle Memorial Institute	20.US001-601753-2	US001-601753-2	64,406	-
University of Illinois	20.102471-18317	102471-18317	96,208	-
Federal Highway Administration Total			<u>160,614</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION TOTAL				
			<u>197,555</u>	<u>-</u>

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NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Science	43.001		\$ 1,361,258	\$ 149,117
George Mason University	43.001	E2054651	28,571	-
Smithsonian Astrophysical Observatory	43.001	AR9-20005A	14,414	-
Smithsonian Astrophysical Observatory	43.001	AR0-21007X	10,764	-
Smithsonian Astrophysical Observatory	43.001	DD0-21120X	9,379	-
Smithsonian Astrophysical Observatory	43.001	GO1-22055B	10,443	-
Smithsonian Astrophysical Observatory	43.001	GO1-22071X	59	-
Smithsonian Astrophysical Observatory	43.001	GO0-21064A	3,419	-
Smithsonian Astrophysical Observatory	43.001	GO1-22073X	22,078	-
Smithsonian Astrophysical Observatory	43.001	GO2-23048X	8,010	-
Smithsonian Institution	43.001	AR8-19008X	13,851	-
Smithsonian Institution	43.001	GO8-19050C	160	-
Smithsonian Institution	43.001	GO1-22072B	17,794	-
The Catholic University of America	43.001	363832 SUB 1	67,198	-
University of Colorado	43.001	1557291	7,634	-
University of Maryland	43.001	97119-Z6324201	16,942	-
Aeronautics	43.002		602,562	305,755
Optelligence LLC	43.21-OP2	21-OP2	29,944	-
The Catholic University of America	43.361635 SUB 1	361635 SUB 1	3,920	-
Space Telescope Science Institute	43.HST-AR-16620.001-A	HST-AR-16620.001-A	20,698	-
Space Telescope Science Institute	43.HST-GO-14805.003-A	HST-GO-14805.003-A	20,202	-
Space Telescope Science Institute	43.HST-GO-16064.003-A	HST-GO-16064.003-A	9,082	-
Space Telescope Science Institute	43.HST-GO-16505.003-A	HST-GO-16505.003-A	2,085	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION TOTAL			2,280,467	454,872
NATIONAL ENDOWMENT FOR THE HUMANITIES				
University of Nebraska - Lincoln	45.161	25-1620-0040-004	7,616	-
NATIONAL ENDOWMENT FOR THE HUMANITIES TOTAL			7,616	-
NATIONAL SCIENCE FOUNDATION				
IPA - National Science Foundation	47.DMS-1852384-008		279,794	-
IPA - National Science Foundation	47.SES-1846772-002		45,105	-
Engineering	47.041		2,975,526	188,781
Purdue University	47.041	10001438-017	17,957	-
University of Maryland	47.041	41851-Z4754001	186,069	-
University of Maryland	47.041	104756-Z3822208	89,155	-
Mathematical and Physical Sciences	47.049		812,448	9,556
University of Notre Dame	47.049	202789GW	4,999	-
Geosciences	47.050		1,127,188	23,877
Lehigh University	47.050	543851-78001	111,726	-
Computer and Information Science and Engineering	47.070		1,994,642	39,193
Biological Sciences	47.074		1,203,962	-
Auburn University	47.074	21-BS-200800-GWU	14,107	-
George Mason University	47.074	E205063-1	2,989	-
The Curators of the University of Missouri	47.074	C00057952-1	658	-

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University of Virginia	47.074	GA11374.2108177	\$ 62,603	\$ -
Widener University	47.074	33992	2,516	-
Widener University	47.074	33426	3,728	-
Social, Behavioral, and Economic Sciences	47.075		717,203	43,952
Cornell University	47.075	93065-20648	(2,026)	-
Education and Human Resources	47.076		2,478,408	39,594
Cary Institute of Ecosystem Studies	47.076	3355/200201907	5,259	-
Wayne State University	47.076	WSU17105	19,515	-
Polar Programs	47.078		261,518	-
Office of International Science and Engineering	47.079		451,425	188,821
CRDF Global	47.079	OISE-20-66887-1	4,429	-
Integrative Activities	47.083		195,526	-
National Science Foundation	47.49100421C0020		76,791	6,217
NATIONAL SCIENCE FOUNDATION TOTAL			13,143,220	539,991
ENVIRONMENTAL PROTECTION AGENCY				
University of Maryland	66.466	105346-Q1247302	27,283	-
The Water Research Foundation	66.509	5097	150,804	-
ENVIRONMENTAL PROTECTION AGENCY TOTAL			178,087	-
DEPARTMENT OF ENERGY				
Office of Science Financial Assistance Program	81.049		1,595,298	-
Mesa Photonics, LLC	81.049	DE-SC0019543	156,963	-
University of Maryland	81.049	93210-Z7105202	21,294	-
Conservation Research and Development	81.086		206,985	-
University of Virginia	81.086	GQ10078.2271784	97,689	-
Wright State University	81.086	671186-1	27,450	-
Fossil Energy Research and Development	81.089		121,020	-
The Regents of the University of California	81.113	10830	43,590	-
University of California, Berkeley	81.113	9329	158,363	-
Nuclear Energy Research, Development and Demonstration	81.121		42,612	42,612
University of Michigan	81.121	SUBK00008925	2,949	-
Donald Danforth Plant Science Center	81.135	22827-G	190,478	-
Argonne National Laboratory	81.1F-60561	1F-60561	28,787	-
Battelle Energy Alliance, LLC	81.236543	236543	137,696	-
DEPARTMENT OF ENERGY TOTAL			2,831,174	42,612
DEPARTMENT OF EDUCATION				
Office of Postsecondary Education				
Overseas Programs - Doctoral Dissertation Research Abroad	84.022		57,840	-
Office of Postsecondary Education Total			57,840	-
DEPARTMENT OF EDUCATION TOTAL			57,840	-

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NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				
National Historical Publications and Records Grants	89.003		\$ 69,276	\$ -
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TOTAL			<u>69,276</u>	<u>-</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Administration for Community Living				
Pennsylvania Developmental Disabilities Council	93.630	4100081244	305,177	97,748
Administration for Community Living Total			<u>305,177</u>	<u>97,748</u>
Agency for Healthcare Research and Quality				
Research on Healthcare Costs, Quality and Outcomes	93.226		251,128	66,204
MedStar Health Research Institute	93.50018825	5001882494	27,785	-
Agency for Healthcare Research and Quality Total			<u>278,913</u>	<u>66,204</u>
Centers for Disease Control and Prevention				
MedStar Health Research Institute	93.068	5002544825	98,384	-
Acquired Immunodeficiency Syndrome Activity	93.118		26,142	-
Boston University	93.262	4500003603	18,253	-
Boston University	93.262	4500004154	36,339	-
Virginia Commonwealth University	93.315	FP00009936_SA003	38,925	-
Vysnova Partners, Inc.	93.318	NU2HGH000068	263,978	-
CDC Foundation	93.421	41304	136,925	-
ChangeLab Solutions	93.421	CDC7077-0-0122-1	27,516	-
ChangeLab Solutions	93.421	CDC7088-0122-1	82,928	-
National Association of County and City Health Officials	93.421	2020-102001	385,624	-
National Association of County and City Health Officials	93.421	2021-122001	308,054	-
Provision of Technical Assistance and Training Activities to Assure Comprehensive	93.427		991,360	-
University of Puerto Rico, Medical Sciences Campus	93.943	532418	22,477	-
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome and	93.943		152,817	-
The District of Columbia Department of Health	93.944	CW75880	416,689	-
Association of American Medical Colleges	93.967	GT-32016-21-15	4,180	-
Veterans Affairs Medical Center of Washington D.C.	93.688-D17024	688-D17024	57,388	-
National Opinion Research Center at the University of Chicago	93.8923.GW.01	8923.GW.01	122,760	-
National Opinion Research Center at the University of Chicago	93.9244.GWU.01	9244.GWU.01	189,857	-
Wayne State University	93.WSU22008	WSU22008	139,092	-
Centers for Disease Control and Prevention Total			<u>3,519,688</u>	<u>-</u>
Centers for Medicare and Medicaid Services				
The Lewin Group, Inc.	93.TLG19035-5645.14	TLG19035-5645.14	31,747	-
Centers for Medicare and Medicaid Services Total			<u>31,747</u>	<u>-</u>
Food and Drug Administration				
Food and Drug Administration	93.75F40119C10136		293,669	-
Food and Drug Administration	93.75F40121P00446		26,371	-
Embleema, Inc.	93.103	75F40121C00167	402,443	-
Food and Drug Administration Total			<u>722,483</u>	<u>-</u>

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Health Resources and Services Administration				
Maternal and Child Health Federal Consolidated Programs	93.110		\$ 265,044	\$ -
Children's Research Institute	93.110	30006604-02	5,072	-
School-Based Health Alliance	93.110	SBHA-GW-003	5,092	-
School-Based Health Alliance	93.110	SBHA-GS-004	25,813	-
Technical and Non-Financial Assistance to Health Centers	93.129		594,972	-
National Research Service Award in Primary Care Medicine	93.186		118,945	-
Advanced Nursing Education Workforce Grant Program	93.247		683,395	-
National Center for Health Workforce Analysis	93.300		591,130	-
Mental and Behavioral Health Education and Training Grants	93.732		358,714	112,081
Health Careers Opportunity Program	93.822		570,931	-
Health Resources and Services Administration Total			<u>3,219,108</u>	<u>112,081</u>
National Institutes of Health				
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		444,930	105,958
Environmental Health	93.113		591,906	292,986
Emory University	93.113	A250034	33,090	-
Harvard College	93.113	112218-5115192	141,685	-
Oral Diseases and Disorders Research	93.121		466,475	147,620
University of Southern California	93.121	SCON-00002105	19,930	-
Johns Hopkins University	93.172	2004774298	3,260	-
University of California, Santa Barbara	93.172	KK2241	1,929	-
Virginia Polytechnic Institute	93.172	432093-19218	8,599	-
Research Related to Deafness and Communication Disorders	93.173		591,283	278,205
Northwestern University	93.173	60058254 GWU	17,940	-
Seehear LLC	93.173	SH_GWU_003	49,777	-
Yale University	93.213	GR110638 (CON-80002506)	31,098	-
National Center on Sleep Disorders Research	93.233		462,254	-
Johns Hopkins University	93.233	2004683811	243,689	-
Mental Health Research Grants	93.242		2,444,541	637,108
Harvard College	93.242	149663.5117320.0004	32,345	-
Johns Hopkins University	93.242	2004893843	13,655	-
MedStar Health Research Institute	93.242	5002531885	53,225	-
New York University	93.242	F1415-02	22,473	-
Northwestern University	93.242	60050592 GWU	42,728	-
The University of North Carolina at Chapel Hill	93.242	5117782	70,820	-
University of California, Davis	93.242	A21-0454-S001	9,034	-
Alcohol Research Programs	93.273		(31,291)	-
The University of Texas Health Science Center at Houston	93.273	SA0001022	(1,047)	-
Drug Abuse and Addiction Research Programs	93.279		822,491	278,441
Emory University	93.279	T855314	73,876	-
Johns Hopkins University	93.279	2004207968	55,750	-
Johns Hopkins University	93.279	2004906649	47,629	-
RAND Corporation	93.279	SCON-00000387	13,428	-
Truth Initiative Foundation	93.279	7016-GWU YEAR 6	852	-
University of South Carolina	93.279	22-4550	109,112	-
Yale University	93.279	CON-80003201 (GR114202)	40,015	-
Yale University	93.279	CON-80003447 (GR115072)	16,631	-

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Yale University	93.279	GR111164 (CON-80002675)	\$ 3,952	\$ -
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		569,184	-
Minority Health and Health Disparities Research	93.307		652,719	114,830
Drexel University	93.307	900175	9,179	-
University of Minnesota	93.307	N008453901	62,443	-
Virginia Institute of Technology	93.307	432098-19218	30,617	-
Trans-NIH Research Support	93.310		302,628	100,273
Center for Bioethics and Research	93.310	U01MH127693	22,965	-
Duke University	93.310	A03-3825	10,459	-
Duke University	93.310	A03-5231	41,442	-
Duke University	93.310	A03-5232	33,933	-
The Regents of the University of California	93.310	1553 G WF670	139,666	-
University of Georgia	93.310	SUB00001540-A05	506,457	-
University of Oregon	93.310	281210B	724,860	-
University of Pittsburgh	93.310	AWD0000053 (134698-6)	2,302	-
National Center for Advancing Translational Sciences	93.350		433,934	-
Children's Research Institute	93.350	30003517-01	141,614	-
Children's Research Institute	93.350	30005492-01	320,918	-
Children's Research Institute	93.350	30006292-01	53,144	-
Duke University	93.350	A034559	172,000	-
University of Wisconsin	93.353	769K613	22,302	-
Medical University of South Carolina	93.361	A21-0089-S002	13,124	-
University of Virginia	93.361	GB10930.PO #2372848	26,341	-
Cancer Cause and Prevention Research	93.393		3,549,428	607,664
Georgetown University	93.393	413047_GR412999-GW	52,464	-
Media Rez, LLC	93.393	2R44CA232905-02A1	5,745	-
Cancer Detection and Diagnosis Research	93.394		818,690	314,767
Thomas Jefferson University	93.394	080-27000-S45801	49,687	-
Tufts University	93.394	102758-00001/NIH072	2,261	-
Cancer Treatment Research	93.395		6,822,493	3,379,266
Cornell University	93.395	193814	1,095	-
The Emmes Company, LLC	93.395	13748	66,798	-
The Emmes Company, LLC	93.395	13765	136,996	-
University of Vermont	93.395	AWD00000526SUB00000231	8,877	-
Cancer Biology Research	93.396		1,613,976	195,108
University of Maryland	93.397	080227D	22,267	-
Cancer Research Manpower	93.398		312,665	82,850
NRG Oncology Foundation, Inc.	93.399	NCORP-BAUMAN-GY8	6,215	-
Cardiovascular Diseases Research	93.837		5,606,425	1,225,814
Children's Research Institute	93.837	30006213-01	152,120	-
Children's Research Institute	93.837	30006755-01	18,156	-
Johns Hopkins University	93.837	2003286657	4,306	-
University of Minnesota	93.837	N006187437	4,000	-
University of Pittsburgh	93.837	AWD00004807-(136801-3)	18,010	-
University of Virginia	93.837	GB10332.2151222	213,033	-
Lung Diseases Research	93.838		1,099,788	780,549
Johns Hopkins University	93.838	35-312-0217571-66398	81,124	-
Johns Hopkins University	93.838	6793-02-S017	156,807	-

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The University of Utah	93.838	10063508-10-GWU	\$ 157,049	\$ -
Children's Research Institute	93.839	30004447-01	69,721	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		170,430	90,673
Washington University in St. Louis	93.846	WU-22-0228	11,226	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		24,384,739	12,254,515
Johns Hopkins University	93.847	2004798280	7,326	-
Massachusetts General Hospital	93.847	238587	35,219	-
NYU Winthrop Hospital	93.847	3500-07429(GWU)	118,015	-
The Research Foundation for The State University of New York	93.847	1138946-77867	6,165	-
University of Maryland	93.847	1802224	(675)	-
University of Michigan	93.847	SUBK00013118	5,563	-
University of Michigan	93.847	SUBK00013504	46,759	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		3,198,184	1,263,582
Arc Bio, LLC	93.853	GW-01	121,484	-
Boston University	93.853	4500003925	14,819	-
Boston University	93.853	4500004024	11,962	-
Boston University	93.853	4500004163	12,355	-
Children's Research Institute	93.853	30006286-02	30,770	-
Rutgers, The State University of New Jersey	93.853	1118	36,598	-
Allergy and Infectious Diseases Research	93.855		16,968,585	5,427,266
Albany College of Pharmacy and Health Sciences	93.855	2022-629-01	4,654	-
Baylor College of Medicine	93.855	7000000959	77,881	-
Boston Children's Hospital	93.855	GENFD0002075121	5,669	-
Cornell University	93.855	203538	57,110	-
Cornell University	93.855	203561	9,682	-
Cornell University	93.855	213447	195,639	-
Duke University	93.855	303000158	893,130	-
Duke University	93.855	A03-4309	704,639	-
Emory University	93.855	A234111	22,579	-
Emory University	93.855	T842377	159,895	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO17001872	99,244	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO20001334	15,046	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO20002191	18,834	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO20002743	1,657,628	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO21000093	100,068	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO21000815	59,122	-
Family Health International	93.855	HPTN-MGA-GWU-01/PO21002584	27,050	-
Hackensack Meridian Health Center for Discovery and Innovation	93.855	G10110-19036	107,104	-
Johns Hopkins University	93.855	2003368362	87,273	-
Johns Hopkins University	93.855	2004778673	25,485	-
Johns Hopkins University	93.855	2004869463	19,512	-
Johns Hopkins University	93.855	2004923943	7,366	-
Johns Hopkins University	93.855	2005166599	9,315	-
Kaiser Foundation Hospitals	93.855	OOS030194	157,862	-
Makerere University	93.855	G11A1160669	12,657	-
Masimo Corporation	93.855	2004-04	2,250	-
Massachusetts General Hospital	93.855	229712	13,475	-
Massachusetts General Hospital	93.855	231767	55,151	-

The accompanying notes are an integral part of this Schedule

The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Massachusetts General Hospital	93.855	232069	\$ 154,159	\$ -
Oregon Health and Science University	93.855	1019662_GWU	11,626	-
Stellenbosch University	93.855	S0005603	32,515	-
University of California, Los Angeles	93.855	1560 G YC211	19,752	-
University of California, San Diego	93.855	91560036	116,865	-
University of Maryland, Baltimore	93.855	20310-0559	4,561	-
University of Massachusetts	93.855	OSP31199-GWU	28,157	-
University of Pennsylvania	93.855	584664	3,762	-
Virginia Institute of Technology	93.855	412632-19218	28,505	-
Virginia Institute of Technology	93.855	432057-19218	904	-
Biomedical Research and Research Training	93.859		201,753	-
North Dakota State University	93.859	FAR0033740	117,037	-
Child Health and Human Development Extramural Research	93.865		17,660,746	13,567,979
Children's Research Institute	93.865	30003597	8,633	-
Children's Research Institute	93.865	30003930	10,352	-
Children's Research Institute	93.865	30006466	42,841	-
Children's Research Institute	93.865	30006712	7,566	-
Columbia University	93.865	1(GG014633-01)	148,637	-
Florida Atlantic University	93.865	GR-K22	5,715	-
Johns Hopkins University	93.865	2004058862	2,534	-
Media Rez, LLC	93.865	2R44HD088332-02A1	130,286	-
Sharp Healthcare	93.865	M-R012021 GWU DCC	103,841	-
The Regents of the University of California	93.865	9646	36,976	-
Trustees of Boston College	93.865	5104821-01	605	-
University of Maryland, Baltimore	93.865	F304838-2	18,013	-
Aging Research	93.866		980,409	149,170
Boston University	93.866	4500004016	15,705	-
Emory University	93.866	A579728	16,640	-
National Opinion Research Center at the University of Chicago	93.866	G278.GWU.01	7,355	-
Rush University Medical Center	93.866	20062302-Sub01	12,071	-
Seattle University	93.866	21-0-1-545023-01	28,654	-
Seattle University	93.866	21-0-1-545025-01	2,624	-
The University of Texas MD Anderson Cancer Center	93.866	3001715518	121,459	-
University of California, San Francisco	93.866	111755C	204,187	-
University of Rochester	93.866	417628/URFAO: GR510962	27,156	-
University of Wisconsin	93.866	859K493	45,886	-
Vision Research	93.867		912,515	-
Thomas Jefferson University	93.867	080-01000-S04803/PO2000099338	81,470	-
Medical Library Assistance	93.879		4,917	-
Florida International University	93.879	800010651-01UG	22,279	-
Yale University	93.879	GR111620 (CON-80002805)	75,112	-
International Research and Research Training	93.989		431,751	219,673
Aga Khan University	93.989	D43TW007292	6,675	-
Emory University	93.989	A251809	39,467	-
Johns Hopkins University	93.989	2004133810	11,594	-
Johns Hopkins University	93.989	2004169216	12,849	-
Johns Hopkins University	93.989	2004262035	9,254	-
Johns Hopkins University	93.989	2004300044	7,173	-

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The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Johns Hopkins University	93.989	2004471642	\$ 6,818	\$ -
Baylor College of Medicine	93.700000056	700000056	19,854	-
Duke University	93.A034114	A034114	23,821	-
Duke University	93.A035323	A035323	68,370	-
Customer Value Partners, Inc.	93.CVP-312-SC2-GWU	CVP-312-SC2-GWU	103,361	-
Global Parents for Eczema Research	93.2022	75N93021P00473	13,213	-
University of Mississippi Medical Center	93.SP13924-SB03	SP13924-SB03	3,121	-
University of Mississippi Medical Center	93.SP14256-SB03	SP14256-SB03	12,292	-
National Institutes of Health Total			104,299,728	41,514,297
Office of Assistant Secretary for Health				
Community Programs to Improve Minority Health Grant Program	93.137		154,850	54,873
Up2Us, Inc.	93.137	CPIMP191186-01-00	60,762	-
Office of Assistant Secretary for Health Total			215,612	54,873
Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		1,016,034	67,729
Substance Abuse and Mental Health Services Administration Total			1,016,034	67,729
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL			113,608,490	41,912,932
DEPARTMENT OF HOMELAND SECURITY				
Science and Technology				
University of Nebraska Omaha	97.061	44-0108-1001-411	13,650	-
University of Nebraska Omaha	97.061	44-0108-1001-422	342,914	-
University of Nebraska Omaha	97.108	45-0108-1004-201	71,478	-
Science and Technology Total			428,042	-
DEPARTMENT OF HOMELAND SECURITY TOTAL			428,042	-
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Foreign Assistance for Programs Overseas	98.001		89,509	-
Massachusetts Institute of Technology	98.001	759583	15,064	-
Arizona State University	98.012	ASUB00000195	288,054	-
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT TOTAL			392,627	-
UNITED STATES POSTAL SERVICE				
United States Postal Service	99.2BFAAS-17-B-0018		65,745	-
UNITED STATES POSTAL SERVICE TOTAL			65,745	-
RESEARCH AND DEVELOPMENT CLUSTER TOTAL			\$ 146,942,876	\$ 45,643,710

The accompanying notes are an integral part of this Schedule

The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>ALL OTHER FEDERAL AWARDS</u>				
DEPARTMENT OF DEFENSE				
IPA - Department of Defense	12.2022		\$ 356,813	\$ -
Basic and Applied Scientific Research	12.300		39,258	-
Institute of International Education	12.357	PGO1801-GWU-08	777,206	-
Basic Scientific Research	12.431		105	-
Information Security Grants	12.902		181,587	-
GenCyber Grants Program	12.903		123,055	-
DEPARTMENT OF DEFENSE TOTAL			<u>1,478,024</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR				
Indian Economic Development	15.032		286,660	-
University of Maryland	15.608	SA75282000-C	5,347	-
Cooperative Research and Training Programs – Resources of the National Park System	15.945		8,690	-
DEPARTMENT OF THE INTERIOR TOTAL			<u>300,697</u>	<u>-</u>
DEPARTMENT OF STATE				
Public Diplomacy Programs	19.040		38,740	-
Tangier American Legation Institute for Moroccan Studies	19.040	PAS-MOROCCO-FY21-01	5,904	-
		Subtotal 19.040	44,644	-
Institute of International Education	19.30001968	3000196808	91,233	-
DEPARTMENT OF STATE TOTAL			<u>135,877</u>	<u>-</u>
DEPARTMENT OF THE TREASURY				
COVID-19 - Commonwealth of Virginia	21.019	ASST_NON_SLT0022_2001	227,592	-
COVID-19 - Wake Forest University	21.019	174-101760-116613	337,603	-
COVID-19 - Wake Forest University	21.019	275-101760-116613	551,369	-
DEPARTMENT OF THE TREASURY TOTAL			<u>1,116,564</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
American University	43.008	31590-GWU-20	57,108	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION TOTAL			<u>57,108</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Promotion of the Arts Grants to Organizations and Individuals	45.024		19,911	-
Promotion of the Humanities Research	45.161		26,520	-
University of Arizona	45.169	610878	17,494	-
NATIONAL ENDOWMENT FOR THE HUMANITIES TOTAL			<u>63,925</u>	<u>-</u>

The accompanying notes are an integral part of this Schedule

The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
IPA - Institute of Museum and Library Services	45.53987121P0002		\$ 15,809	\$ -
Museums for America	45.301		98,554	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES TOTAL			<u>114,363</u>	<u>-</u>
DEPARTMENT OF VETERANS AFFAIRS				
IPA - Department of Veteran Affairs	64.128-C16015		66,153	-
IPA - Department of Veteran Affairs	64.128-C26015		54,125	-
IPA - Department of Veteran Affairs	64.512-C15153		34,999	-
IPA - Department of Veteran Affairs	64.578-D17009		8,294	-
IPA - Department of Veteran Affairs	64.650-D15039		49,955	-
IPA - Department of Veteran Affairs	64.688-D17005		64,855	-
IPA - Department of Veteran Affairs	64.688-D17006		88,727	-
IPA - Department of Veteran Affairs	64.688-D17015		59,616	-
IPA - Department of Veteran Affairs	64.688-D17026		66,400	-
IPA - Department of Veteran Affairs	64.688-D17027		45,692	-
IPA - Department of Veteran Affairs	64.688-D17032		70,032	-
IPA - Department of Veteran Affairs	64.688-D27008		21,553	-
DEPARTMENT OF VETERANS AFFAIRS TOTAL			<u>630,401</u>	<u>-</u>
DEPARTMENT OF EDUCATION				
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015		867,337	-
VA Department for Aging and Rehabilitative Services	84.235	16-176	4,532	-
Rehabilitation Long-Term Training	84.129		361,363	-
Centers for International Business Education	84.220		370,057	-
Innovative Rehabilitation Training	84.263		472,053	-
San Diego State University Research Foundation	84.264	SA0000763	572,895	-
San Diego State University Research Foundation	84.264	SA0000491	(1,097)	-
Southern University and A&M College	84.264	OSP-02-8300-2019-0014	1,209	-
		Subtotal 84.264	573,007	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		20,866	-
Georgetown University	84.325	412691_GR412618-GWU	35,019	-
Georgetown University	84.325	414920_GR414911-GWU	14,591	-
		Subtotal 84.325	70,476	-
The University of North Carolina at Charlotte	84.326	20210128-04-GWU	1,075,904	-
English Language Acquisition State Grants	84.365		73,801	-
COVID-19 - Education Stabilization Fund - Student Aid	84.425E		12,590,685	-
DEPARTMENT OF EDUCATION TOTAL			<u>16,459,215</u>	<u>-</u>

The accompanying notes are an integral part of this Schedule

The George Washington University
Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				
National Historical Publications and Records Grants	89.003		\$ 114,667	\$ -
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TOTAL			<u>114,667</u>	<u>-</u>
JAPAN-U.S. FRIENDSHIP COMMISSION				
Japan-U.S. Friendship Commission Grants	90.300		10,225	-
JAPAN-U.S. FRIENDSHIP COMMISSION TOTAL			<u>10,225</u>	<u>-</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
IPA - Immediate Office of the Secretary of Health and Human Services	93.12IPA		21,623	-
IPA - Immediate Office of the Secretary of Health and Human Services	93.IPIPA2121OS 284438		102,710	-
National Organizations of State and Local Officials	93.011		885,106	-
Maternal and Child Health Federal Consolidated Programs	93.110		131,524	-
Community Programs to Improve Minority Health Grant Program	93.137		970,210	21,809
District of Columbia Primary Care Association	93.297	TP2AH000069	20,000	-
National Center for Health Workforce Analysis	93.300		656,673	-
National Association of Chronic Disease Directors	93.421	210376	23,947	-
The University of Richmond	93.433	27285T	1,590	-
COVID-19 - Provider Relief Fund	93.498		4,792,420	-
The University of Iowa	93.576	S01876-01	382	-
IMPAQ International, LLC	93.2859	2859	159,094	-
Medical Science and Computing	93.CSA-NIAID-GWU-2020-001	CSA-NIAID-GWU-2020-001	29,287	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL			<u>7,794,566</u>	<u>21,809</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Jumpstart National	94.006	2820200	159,421	-
Volunteers in Service to America	94.013		15,223	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE TOTAL			<u>174,644</u>	<u>-</u>
DEPARTMENT OF HOMELAND SECURITY				
COVID-19 - District of Columbia	97.036	4502DR-DC	2,170,886	-
DEPARTMENT OF HOMELAND SECURITY TOTAL			<u>2,170,886</u>	<u>-</u>
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
East-West Management Institute	98.001	G-1886-21-100-3041-20	59,279	-
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT TOTAL			<u>59,279</u>	<u>-</u>
ALL OTHER FEDERAL AWARDS TOTAL			<u>\$ 30,680,441</u>	<u>\$ 21,809</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 473,356,431</u>	<u>\$ 45,665,519</u>

The accompanying notes are an integral part of this Schedule

The George Washington University
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2022

Note 1 – Basis of Presentation and Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant, contract and cooperative agreement activity of The George Washington University (the University) and its subsidiaries and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (OMB Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements. Negative numbers in the Schedule represent adjustments to amounts previously reported in the normal course of business. Full Assistance Listing and pass-through numbers are included in the Schedule when available. Expenditures are recognized following, as applicable, either the cost principles contained in the OMB Uniform Guidance, or the cost principles contained in the OMB Circular A-21, *Cost Principles for Educational Institutions*. Under these cost principles and administrative requirements, certain types of expenditures are not allowable or are limited to reimbursement.

Note 2 – Indirect Cost Rate

The University has a negotiated indirect cost rate agreement with Department of Health and Human Services as the cognizant agency for indirect costs. As such, the University did not use the 10 percent de minimis indirect cost rate allowed under the OMB Uniform Guidance.

Note 3 – Federal Student Loan Programs

The University originates loans to eligible students under federal student loan programs.

Campus-based loan programs (Federal Perkins and Health Professions Student Loans, including Primary Care Loans and Loans for Disadvantaged Students) are administered directly by the University. Balances and transactions relating to these programs are included in the basic consolidated financial statements of the University. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balances of loans outstanding at June 30, 2022 are summarized below:

Campus-Based Loan Programs:

Federal Perkins (Assistance Listing No. 84.038)	\$ 10,016,876
Health Professions Student Loans (Assistance Listing No. 93.342)	697,295
Total	<u>\$ 10,714,171</u>

The University is responsible only for the performance of certain administrative duties with respect to federal loans disbursed by the Department of Education to or on behalf of University students under the Federal Direct Student Loans program (Federal Stafford, Federal Parents Loans for Undergraduate and Graduate Students, and Unsubsidized Federal Stafford Loans, collectively Assistance Listing No. 84.268). Loan disbursements under the Federal Direct Student Loans program are included in the federal expenditures presented in the Schedule. It is not practical to determine the balance of loans outstanding to students and former students of the University under these federally guaranteed loan programs at June 30, 2022.

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
The George Washington University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the consolidated financial statements of The George Washington University and its subsidiaries (the "University"), which comprise the consolidated balance sheet as of June 30, 2022, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 27, 2022.

Report on internal control over financial reporting

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on compliance and other matters

As part of obtaining reasonable assurance about whether the University's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Boston, Massachusetts
September 27, 2022

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
The George Washington University

Report on compliance for each major federal program

Opinion on each major federal program

We have audited the compliance of The George Washington University and its subsidiaries (the "University") with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for opinion on each major federal program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University compliance with the compliance requirements referred to above.

Responsibilities of management for compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's responsibilities for the audit of compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other matter

The results of our audit procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in

the audit of compliance, and accordingly, we express no opinion on the University's response.

Report on internal control over compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the University's internal control over compliance that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this Report on Internal Control Over Compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Grant Thornton LLP

Boston, Massachusetts
November 1, 2022

Schedule of Findings and Questioned Costs

The George Washington University
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified not considered to be material weaknesses? _____ yes x none noted

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified not considered to be material weaknesses? _____ yes x none noted

Type of auditor’s report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? x yes _____ no

Identification of major federal programs:

<u>Assistance Listing Number(s):</u>	<u>Name of Federal Program or Cluster:</u>
Various	Student Financial Assistance Cluster
84.425E	COVID-19 – Education Stabilization Fund
93.498	COVID-19 – Provider Relief Fund
97.036	COVID-19 – Disaster Grants – Public Assistance

Dollar threshold used to distinguish between type A and type B programs: \$3,000,000

Auditee qualified as low-risk auditee? x yes _____ no

**The George Washington University
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022**

Part II- Financial Statement Findings

There are no matters to be reported.

Part III- Federal Award Findings and Questioned Costs

Finding Reference: 2022-001 Special Tests and Provisions - Verification

Federal Agency: U.S. Department of Education (ED)

Cluster: Student Financial Assistance Cluster

Program Year: July 1, 2021 through June 30, 2022

Assistance Listing Number: 84.007, 84.033, 84.063, and 84.268

Criteria:

An institution is required to establish written policies and procedures that incorporate the provisions of 34 CFR 668.51 - 668.61 for verifying applicant information for those applicants selected for verification by the U.S. Department of Education (ED). The institution shall require each applicant whose application is selected by ED to verify the information required for the Verification Tracking Group to which the applicant is assigned. The institution shall also require applicants to verify any information used to calculate an applicant's Expected Family Contribution (EFC) that the institution has reason to believe is inaccurate and provide an accurate code for the individual's verification status in the Common Origination and Disbursement (COD) system.

For the 2021–2022 processing year, the requirement for verification of most Free Application for Federal Student Aid (FAFSA)/Institutional Student Information Record (ISIR) information was waived by ED due to COVID-19, except for Identity/Statement of Educational Purpose and High School Completion Status under Verification Tracking Groups V4 and V5, as outlined in Dear Colleague Letter GEN-2105. However, this waiver does not exempt institutions from resolving conflicting information if concerns arise during the verification process.

Condition:

The University did not accurately verify certain information on student ISIRs. The University did not provide sufficient training and monitoring to the staff members performing the verifications.

Effect:

The errors identified had no impact on federal student financial assistance awarded by the University to three of the students. For the remaining student, the error resulted in an overpayment of Pell funds totaling \$961.

Cause:

Due to turnover within the University's Office of Student Financial Assistance, there was insufficient training and monitoring of the verification process provided to staff members.

Context:

For the thirty students selected for testing, information for four students in Verification Tracking Group V1 was not accurately verified by the University.

Questioned costs:

The University made an overpayment of Pell funds totaling \$961.

The George Washington University
Schedule of Findings and Questioned Costs
For the year ended June 30, 2022

Recommendation:

We recommend that the University provide sufficient training and monitoring to staff members performing verifications to ensure that verifications are completed accurately.

Views of Responsible Official:

Refer to Corrective Action Plan

November 1, 2022

Finding 2022-001: 2022-001 Special Tests and Provisions – Verification

Management's View and Corrective Action Plan

Through review and analysis of the finding during the audit, management notes two staff members incorrectly processed the files for the four federal verification issues identified. Three of the four files were processed by a staff member who no longer works at the University, and one of the four files was processed by a current Sr. Counselor. The Sr. Counselor responsible for one of the errors has had additional training provided to ensure the clear understanding of the data elements required on the Free Application for Federal Student Aid (FAFSA)/Institutional Student Information Record (ISIR), with particular emphasis on the taxes paid as this can produce a change to the need and potential change to the federal aid awarded.

The Office of Student Financial Assistance (OSFA) will continue to require annual training on the FAFSA/ISIR and federal verification process for all staff who review student records. Training for the upcoming cycle will start in November 2022, prior to the incoming freshmen student file review processing scheduled to begin in December 2022. The training will have a strong emphasis on the data elements that are required to be verified with a data element matrix to be used as a reference tool. This tool will be required to be utilized when completing the verification process. Beyond the initial start to the cycle training, we will continue ongoing training and refreshers throughout the year.

Additionally, starting with the new cycle, OSFA's management team will be implementing a second level review process for all verified files. This will require that an OSFA manager complete an additional review to identify any potential errors. The OSFA manager will also be responsible for providing training needs throughout the processing cycle. In addition, a peer review process will be implemented on a sample basis to maintain a stronger environment of accountability. The second level and peer review process will be ongoing.

For the longer term, OSFA is in the process of hiring a Chief Financial Aid Compliance Officer, backfilling a current vacancy. OSFA is working to enhance the position to ensure a compliance officer with necessary skills and Title IV knowledge will be hired. This will allow the office to have regular evaluation and staff training of policies and procedures, as well as performing desk audits throughout each cycle to identify potential risks and create action plans for staff members that need additional assistance.

Implementation Date: November 2022

Estimated Completion Date: The training and enhanced review process will be ongoing and the Chief Financial Aid Compliance Officer position is aimed to be filled in FY23.

Responsible Official and Point of Contact: Michelle Arcieri, Executive Director for Student Financial Assistance

Neena Ali

Neena Ali
Associate Vice President & Controller