

**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, 2020**  
**EIN 53-0196584**

# The George Washington University

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June 30, 2020

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Trustees  
The George Washington University

**Report on the financial statements**

We have audited the accompanying consolidated financial statements of The George Washington University and its subsidiaries (the "University"), which comprise the consolidated balance sheet of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

**Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the consolidated financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The George Washington University and its subsidiaries as of June 30, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Notes 1 and 9 to the consolidated financial statements, the University has adopted new accounting guidance for the year ended June 30, 2020 related to lease accounting. Our opinion is not modified with respect to this matter.

**Other matters**

The consolidated financial statements of the University as of and for the year ended June 30, 2019 were audited by other auditors. Those auditors expressed an unmodified opinion on those 2019 consolidated financial statements in their report dated October 3, 2019.

**Supplementary information**

Our audit was 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*, is presented for purposes of additional analysis and is not a required part of the 2020 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 audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling the 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 auditing standards generally accepted in the United States of America. In our opinion, the 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 24, 2020, 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 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 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 24, 2020

**THE GEORGE  
WASHINGTON  
UNIVERSITY**

WASHINGTON, DC

**Consolidated Balance Sheets  
As of June 30, 2020 and 2019  
(in thousands)**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 696,429	\$ 162,476
Short-term investments	100	269,524
Accounts receivable, net	129,026	141,351
Contributions receivable, net	29,349	36,677
Investments	2,329,157	2,306,287
Loans and notes receivable, net	20,983	26,368
Property, plant, and equipment, net	1,771,307	1,780,440
Other assets	123,907	24,925
<b>Total assets</b>	<u><u>\$ 5,100,258</u></u>	<u><u>\$ 4,748,048</u></u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 395,258	\$ 305,578
Deferred revenue	140,254	117,079
Long-term debt, net	2,244,657	1,940,133
Funds advanced for student loans	25,030	29,612
<b>Total liabilities</b>	<u>2,805,199</u>	<u>2,392,402</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,609,161	1,668,158
With donor restrictions	685,898	687,488
<b>Total net assets</b>	<u>2,295,059</u>	<u>2,355,646</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 5,100,258</u></u>	<u><u>\$ 4,748,048</u></u>

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

**Consolidated Statement of Activities**  
**Year Ended June 30, 2020**  
*(in thousands)*

	<b>Without</b>	<b>With</b>	<b>Total</b>
	<b>Donor Restrictions</b>	<b>Donor Restrictions</b>	
<b>OPERATING REVENUE</b>			
Student tuition and fees, net of \$340,440 university funded scholarships	\$ 784,524	\$ -	\$ 784,524
Patient care, net	278,212	-	278,212
Grants and contracts including indirect cost recoveries	209,133	-	209,133
Auxiliary enterprises, net	90,387	-	90,387
Endowment income distributed for operations	86,581	-	86,581
Medical education agreements	61,472	-	61,472
Contributions	27,248	-	27,248
Investment income used in operations	18,321	-	18,321
Net assets released from restrictions	12,200	-	12,200
Other	117,026	-	117,026
<b>Total operating revenue</b>	<u>1,685,104</u>	<u>-</u>	<u>1,685,104</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	1,042,738	-	1,042,738
Purchased services	266,940	-	266,940
Depreciation	93,808	-	93,808
Interest	73,953	-	73,953
Scholarships and fellowships	26,471	-	26,471
Other	240,401	-	240,401
<b>Total operating expenses</b>	<u>1,744,311</u>	<u>-</u>	<u>1,744,311</u>
<b>DECREASE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	<u>(59,207)</u>	<u>-</u>	<u>(59,207)</u>
<b>NON-OPERATING ACTIVITIES</b>			
Investment income, net	55,749	(5,998)	49,751
Net assets released from restriction	35,077	(47,277)	(12,200)
Contributions, net	-	48,270	48,270
Endowment income distributed for operations	(87,775)	1,194	(86,581)
Other	(2,841)	2,221	(620)
<b>Total non-operating activities</b>	<u>210</u>	<u>(1,590)</u>	<u>(1,380)</u>
<b>DECREASE IN NET ASSETS</b>	<u>(58,997)</u>	<u>(1,590)</u>	<u>(60,587)</u>
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<u>1,668,158</u>	<u>687,488</u>	<u>2,355,646</u>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<u>\$ 1,609,161</u>	<u>\$ 685,898</u>	<u>\$ 2,295,059</u>

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

**Consolidated Statement of Activities**  
**Year Ended June 30, 2019**  
*(in thousands)*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>OPERATING REVENUE</b>			
Student tuition and fees, net of \$333,821 university funded scholarships	\$ 774,143	\$ -	\$ 774,143
Patient care, net	171,188	-	171,188
Grants and contracts including indirect cost recoveries	206,391	-	206,391
Auxiliary enterprises, net	119,752	-	119,752
Endowment income distributed for operations	86,575	-	86,575
Medical education agreements	65,391	-	65,391
Contributions	19,079	-	19,079
Investment income used in operations	25,671	-	25,671
Net assets released from restrictions	13,351	-	13,351
Other	64,625	-	64,625
<b>Total operating revenue</b>	<u>1,546,166</u>	<u>-</u>	<u>1,546,166</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	891,934	-	891,934
Purchased services	250,860	-	250,860
Depreciation	90,372	-	90,372
Interest	70,593	-	70,593
Scholarships and fellowships	17,270	-	17,270
Other	208,509	-	208,509
<b>Total operating expenses</b>	<u>1,529,538</u>	<u>-</u>	<u>1,529,538</u>
<b>INCREASE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	<u>16,628</u>	<u>-</u>	<u>16,628</u>
<b>NON-OPERATING ACTIVITIES</b>			
Investment income, net	40,284	(848)	39,436
Net assets released from restriction	40,994	(54,345)	(13,351)
Contributions, net	-	34,069	34,069
Endowment income distributed for operations	(88,697)	2,122	(86,575)
Other	(4,594)	401	(4,193)
<b>Total non-operating activities</b>	<u>(12,013)</u>	<u>(18,601)</u>	<u>(30,614)</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	4,615	(18,601)	(13,986)
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<u>1,663,543</u>	<u>706,089</u>	<u>2,369,632</u>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<u>\$ 1,668,158</u>	<u>\$ 687,488</u>	<u>\$ 2,355,646</u>

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



**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2020 and 2019**  
*(in thousands)*

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (60,587)	\$ (13,986)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Contribution - MFA business combination	-	(3,109)
Contributions restricted for long-term investment	(4,068)	(7,885)
Donated assets	(140)	(206)
Depreciation, amortization and accretion expenses	93,961	90,434
Net realized/unrealized (gain) on investments	(34,795)	(23,285)
Other non-cash items	3,852	3,755
Changes in operating assets and liabilities:		
Accounts receivable	8,043	(2,696)
Contributions receivable	7,328	10,694
Other assets	(98,902)	3,664
Accounts payable and accrued expenses	96,240	10,560
Deferred revenue	28,186	(2,617)
<b>Net cash provided by operating activities</b>	<u>39,118</u>	<u>65,323</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(463,972)	(739,348)
Sales and maturity of investments	748,210	777,396
Purchases of property, plant, and equipment	(87,855)	(86,727)
Cash investment - MFA business combination	-	11,774
Change in other loans and notes receivable	5,411	4,404
<b>Net cash provided by (used in) investing activities</b>	<u>201,794</u>	<u>(32,501)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long-term investment	4,068	7,885
Payments of long-term debt	(2,211)	(474)
Proceeds from borrowings	125,000	-
Net proceeds from borrowings on lines of credit	174,091	1,310
Refunds (payments) of debt issuance costs	(30)	75
Payments of finance lease obligations	(3,295)	(1,941)
Change in refundable government student loan funds	(4,582)	(9)
<b>Net cash provided by financing activities</b>	<u>293,041</u>	<u>6,846</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	533,953	39,668
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	162,476	122,808
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 696,429</u>	<u>\$ 162,476</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Net interest paid	\$ 85,609	\$ 79,910
Income tax payments	2,668	1,341

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

**THE GEORGE WASHINGTON UNIVERSITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**Note 1 - Summary of Significant Accounting Policies**

**The University**

The George Washington University (the University) 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) as of December 14, 2018, following the business combination described in Note 17. 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 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. MFA maintains its accounts and prepares stand-alone financial statements in conformity with GAAP applicable to not-for-profit health care entities. MFA-PIC is a foreign nonprofit corporation controlled by MFA and exempt from taxation by the Government of the Cayman Islands until July 20, 2024. It is a separate entity for federal, state, and local income tax purposes.

**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, collateralized interest-bearing repurchase agreements carried at fair value, 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

**THE GEORGE WASHINGTON UNIVERSITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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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 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 \$0.5 million at June 30, 2020 and 2019. The allowance for doubtful accounts is estimated based on the University's historical experience and periodic review of

**THE GEORGE WASHINGTON UNIVERSITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

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 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 \$7.3 million and \$7.4 million as of June 30, 2020 and 2019, 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 adopted ASC 842, *Leases*, effective July 1, 2019. Refer to page 11 for further discussion of the impact of adoption.

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. The ROU assets are included in Other assets and the related liabilities are included in Accounts payable and accrued expenses in the Consolidated Balance Sheets. 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 in 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 designated by the Board of Trustees for specific purpose or quasi-endowment.

**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

**THE GEORGE WASHINGTON UNIVERSITY  
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University. Generally, the donors of these assets 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 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 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**

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, 2020, \$41.1 million of remaining performance obligations under open service contracts is reported as Deferred revenue on the Consolidated Balance Sheet. The University expects to recognize this entire amount in operating revenues during the fiscal year ending June 30, 2021. As of June 30, 2019, the University reported \$48.3 million of remaining performance obligations under open service contracts as Deferred revenue, which was recognized as operating revenues during the fiscal year ending June 30, 2020.

### **Auxiliary Enterprises**

Auxiliary enterprises revenue is primarily composed of housing revenue. Revenue from housing is recognized over the period it is earned as housing services are provided. Financial aid awarded specifically for housing is recorded as a reduction of auxiliary revenues and totaled \$2.3 million and \$2.4 million for the fiscal years ending June 30, 2020 and 2019, 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  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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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 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.

### **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, 2020 and 2019.

### **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.

### **Recent Accounting Standards**

The University adopted ASC 842, *Leases*, effective July 1, 2019. This standard requires lessees to recognize leases on the balance sheet as right-of-use (ROU) assets and lease liabilities based on the value of the discounted future lease payments. In adopting ASC 842, the University elected to use practical expedients, including but not limited to, not reassessing past lease and easement accounting, and not recording assets or liabilities for leases with terms of one year or less.

Upon adoption, the University recognized operating right-of-use assets and lease liabilities of \$108.9 million. ASC 842 did not have a material effect on our accounting for our lessor contracts or for lessee contracts classified as finance leases.

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**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. The University took proactive measures by securing an additional \$300 million of liquidity due to the COVID-19 pandemic by obtaining an additional term loan and drawing on a new line of credit in May 2020.

As of June 30, 2020 and 2019, the following assets could readily be made available within one year to meet general expenses:

	<b>As of June 30, 2020</b>		
	Financial Assets	Unavailable Within One Year	Available for General Expenditure within One Year
<i>(in thousands)</i>			
Cash and cash equivalents	\$ 696,429	\$ 7,341	\$ 689,088
Short-term investments	100	-	100
Accounts receivable, net	129,026	15,545	113,481
Contributions receivable, net	29,349	28,928	421
Investments - pooled endowment	1,006,803	560,283	446,520
Investments - endowment real estate	1,092,300	1,092,300	-
Investments - other	230,054	230,054	-
Loans and notes receivable, net	20,983	20,983	-
	<u>\$ 3,205,044</u>	<u>\$ 1,955,434</u>	<u>\$ 1,249,610</u>
Liquidity resources - available lines of credit			13,766
Financial assets available for general expenditure within one year			<u>\$ 1,263,376</u>
	<b>As of June 30, 2019</b>		
	Financial Assets	Unavailable Within One Year	Available for General Expenditure within One Year
<i>(in thousands)</i>			
Cash and cash equivalents	\$ 162,476	\$ 7,404	\$ 155,072
Short-term investments	269,524	-	269,524
Accounts receivable, net	141,351	9,586	131,765
Contributions receivable, net	36,677	35,850	827
Investments - pooled endowment	1,025,210	542,574	482,636
Investments - endowment real estate	1,040,700	1,040,700	-
Investments - other	240,377	240,377	-
Loans and notes receivable, net	26,368	26,368	-
	<u>\$ 2,942,683</u>	<u>\$ 1,902,859</u>	<u>\$ 1,039,824</u>
Liquidity resources - available lines of credit			162,927
Financial assets available for general expenditure within one year			<u>\$ 1,202,751</u>

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**Note 3 – Accounts Receivable**

<i>(in thousands)</i>	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
Grants and contracts	\$ 28,882	\$ 35,264
Patient care	38,838	52,980
Student tuition and fee accounts	31,188	24,701
Due from affiliation agreements	3,301	3,949
Due from hospital limited partnership	12,221	12,545
Reinsurance	14,438	8,565
Other	19,371	19,793
	<u>148,239</u>	<u>157,797</u>
Patient care allowance for doubtful accounts	(16,432)	(14,221)
Other allowances for doubtful accounts	(2,781)	(2,225)
Total	<u>\$ 129,026</u>	<u>\$ 141,351</u>

**Note 4 – Contributions Receivable**

<i>(in thousands)</i>	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
Unconditional promises expected to be collected in:		
Less than one year	\$ 20,552	\$ 28,355
One year to five years	12,934	13,793
Over five years	599	542
Subtotal	<u>34,085</u>	<u>42,690</u>
Allowance for uncollectible pledges	(2,960)	(3,980)
Unamortized discount to present value	(1,776)	(2,033)
Total	<u>\$ 29,349</u>	<u>\$ 36,677</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% - 4.53% with the discount amortized over the life of the receivable.

At June 30, 2020 and 2019, the University had received notification of outstanding bequest intentions and certain conditional promises to give of approximately \$209 million and \$223 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, 2020 and 2019, the University had remaining available award balances on federal and private conditional grants and contracts for sponsored projects of \$202 million and \$208 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>	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
Cash and cash equivalents	\$ 39,261	\$ 56,470
Exchange traded funds	16,877	16,248
Fixed income:		
Asset-backed securities	23,989	23,521
Corporate debt securities	51,061	43,586
Government debt securities	104,203	99,566
Other	29,692	26,255
Global equity	534,775	501,625
Commodities	695	-
Hedge funds	178,509	196,030
Private equity	88,916	99,974
Real estate	1,116,368	1,064,189
Split-interest agreements - Trusts held by others	42,146	44,096
Balanced funds	14,759	15,716
Annuities	18,710	18,521
Other	45,777	51,914
Net pending trades	21,813	21,561
Fund units receivable	-	25,000
Unrealized gain on open futures contracts	1,606	2,015
Total	<u>\$ 2,329,157</u>	<u>\$ 2,306,287</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, 2020 and 2019, 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 \$23.5 million and \$23.0 million as of June 30, 2020 and 2019, 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 \$38.0 million and \$41.9 million as of June 30, 2020 and 2019, respectively.

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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 University has elected to apply the fair value option to the endowment investments. 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)*

	<b>2020</b>		
	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	\$ 350,117	\$ 346,312	\$ 696,429
Short-term investments	-	100	100
Investments	2,233,584	95,573	2,329,157
<b>Total</b>	<b>\$ 2,583,701</b>	<b>\$ 441,985</b>	<b>\$ 3,025,686</b>

*(in thousands)*

	<b>2019</b>		
	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	\$ 159,100	\$ 3,376	\$ 162,476
Short-term investments	269,424	100	269,524
Investments	2,180,649	125,638	2,306,287
<b>Total</b>	<b>\$ 2,609,173</b>	<b>\$ 129,114</b>	<b>\$ 2,738,287</b>

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.

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.

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<u>As of June 30, 2020</u> (in thousands)	NAV	Classified in Fair Value Hierarchy			Total Fair Value
		Level 1	Level 2	Level 3	
Cash equivalents at fair value	\$ -	\$ 339,510	\$ 10,607	\$ -	\$ 350,117
<u>Investments:</u>					
Cash and cash equivalents	-	39,261	-	-	39,261
Exchange traded funds	-	16,877	-	-	16,877
Fixed income:					
Asset-backed securities	23,989	-	-	-	23,989
Corporate debt securities	20,020	-	31,041	-	51,061
Government debt securities	31,433	72,770	-	-	104,203
Other	12,942	10,689	6,061	-	29,692
Global equity	376,961	153,348	-	-	530,309
Commodities	-	695	-	-	695
Hedge funds	178,509	-	-	-	178,509
Private equity	88,916	-	-	-	88,916
Real estate	-	103	-	1,092,748	1,092,851
Split-interest agreements - Trusts held by others	-	-	-	42,146	42,146
Balanced funds	-	14,759	-	-	14,759
Annuities	-	-	10,383	8,327	18,710
Unrealized gain - open futures contracts	-	1,606	-	-	1,606
Total investments at fair value	<u>732,770</u>	<u>310,108</u>	<u>47,485</u>	<u>1,143,221</u>	<u>2,233,584</u>
Total assets at fair value	<u>\$ 732,770</u>	<u>\$ 649,618</u>	<u>\$ 58,092</u>	<u>\$ 1,143,221</u>	<u>\$ 2,583,701</u>
<u>As of June 30, 2019</u> (in thousands)	NAV	Classified in Fair Value Hierarchy			Total Fair Value
		Level 1	Level 2	Level 3	
Cash equivalents at fair value	\$ -	\$ 153,713	\$ 5,387	\$ -	\$ 159,100
Short-term investments at fair value	-	269,424	-	-	269,424
<u>Investments:</u>					
Cash and cash equivalents	-	56,470	-	-	56,470
Exchange traded funds	-	16,248	-	-	16,248
Fixed income:					
Asset-backed securities	23,521	-	-	-	23,521
Corporate debt securities	14,232	-	29,354	-	43,586
Government debt securities	29,259	67,680	2,627	-	99,566
Other	8,677	10,335	7,243	-	26,255
Global equity	350,085	147,398	-	-	497,483
Hedge funds	196,030	-	-	-	196,030
Private equity	99,974	-	-	-	99,974
Real estate	-	109	-	1,041,059	1,041,168
Split-interest agreements - Trusts held by others	-	-	-	44,096	44,096
Balanced funds	-	15,716	-	-	15,716
Annuities	-	-	10,496	8,025	18,521
Unrealized gain - open futures contracts	-	2,015	-	-	2,015
Total investments at fair value	<u>721,778</u>	<u>315,971</u>	<u>49,720</u>	<u>1,093,180</u>	<u>2,180,649</u>
Total assets at fair value	<u>\$ 721,778</u>	<u>\$ 739,108</u>	<u>\$ 55,107</u>	<u>\$ 1,093,180</u>	<u>\$ 2,609,173</u>

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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, cash equivalents, short-term investments, and exchange traded funds - These investments include cash deposits in investment funds and short-term U.S. Treasury securities, money market accounts, and other short-term, highly liquid investments. Cash equivalents also include a bank repurchase agreement valued at \$10.6 million at June 30, 2020 and \$5.4 million at June 30, 2019 which is classified as Level 2. The repurchase agreement is collateralized by bank-owned securities issued by the U.S. Government or agencies thereof. All other cash equivalents are priced using independent market prices in the primary trading market and are classified 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.

Commodities - This investment is an exchange-traded fund which invests in gold and is classified as Level 1.

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.

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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.

<b>As of June 30, 2020</b>					
	Fair Value <i>(in thousands)</i>	Valuation Techniques	Unobservable Inputs	Range	Weighted Average
Hotel	\$ 34,700	Income approach	Exit capitalization rate Discount rate	6.50% 9.00%	6.50% 9.00%
Office building	\$ 212,000	Income approach	Exit capitalization rate Discount rate	6.00% 6.50%	6.00% 6.50%
Ground leased real estate	\$ 845,600	Income approach	Capitalization rate Discount rate	3.50% 5.00 - 7.00%	3.50% 4.91%
<b>As of June 30, 2019</b>					
	Fair Value <i>(in thousands)</i>	Valuation Techniques	Unobservable Inputs	Range	Weighted Average
Hotel	\$ 44,000	Income approach	Exit capitalization rate Discount rate	6.50% 9.00%	6.50% 9.00%
Office building	\$ 201,000	Income approach	Exit capitalization rate Discount rate	6.00% 6.50%	6.00% 6.50%
Ground leased real estate	\$ 795,700	Income approach	Capitalization rate Discount rate	3.50 - 3.75% 5.00 - 7.00%	3.57% 4.97%

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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.

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.

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.

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	2020				2019
	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period	Fair Value
Fixed income - asset-backed securities	\$ 23,989	\$ -	Quarterly	15 days	\$ 23,521
Fixed income - corporate debt	20,020	-	Quarterly	90 days	14,232
Fixed income - government debt	31,433	-	Daily to monthly	1-15 days	29,259
Fixed income - other	12,942	9,443	Redemption not permitted during life of fund	N/A	8,677
Global equity	376,961	-	Daily to quarterly	1-60 days	350,085
Hedge funds	178,509	-	Quarterly	90 days	196,030
Private equity	88,916	129,645	Redemption not permitted during life of fund	N/A	99,974
Total	<u>\$ 732,770</u>	<u>\$ 139,088</u>			<u>\$ 721,778</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, 2020.

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. It is estimated that approximately 85% of the underlying assets will be liquidated within 10 years.

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**Changes in Level 3 Assets**

(in thousands)

	<b>2020</b>					Total net gains (losses) included in earnings attributable to the change in net unrealized gains for assets still held at June 30, 2020
	Beginning of year	Net realized/ unrealized gains (losses)	Purchases/ additions	Sales/Transfers	End of year	
Real estate	\$ 1,041,059	\$ 47,376	\$ 4,313	\$ -	\$ 1,092,748	\$ 47,376
Split-interest agreements - trusts held by others	44,096	(1,651)	-	(299)	42,146	(1,684)
Annuities	8,025	253	216	(167)	8,327	-
	<u>\$ 1,093,180</u>	<u>\$ 45,978</u>	<u>\$ 4,529</u>	<u>\$ (466)</u>	<u>\$ 1,143,221</u>	<u>\$ 45,692</u>

(in thousands)

	<b>2019</b>					Total net gains included in earnings attributable to the change in net unrealized gains for assets still held at June 30, 2019
	Beginning of year	Net realized/ unrealized gains	Purchases/ additions	Sales/Transfers	End of year	
Real estate	\$ 1,009,077	\$ 29,972	\$ 2,593	\$ (583)	\$ 1,041,059	\$ 29,929
Split-interest agreements - trusts held by others	48,409	24	55	(4,392)	44,096	24
Annuities	7,151	230	644	-	8,025	-
	<u>\$ 1,064,637</u>	<u>\$ 30,226</u>	<u>\$ 3,292</u>	<u>\$ (4,975)</u>	<u>\$ 1,093,180</u>	<u>\$ 29,953</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 year ending June 30, 2020. In the fiscal year ending June 30, 2019, charitable remainder trusts totaling \$0.5 million transferred from a trust held by others (Level 3) to the University as trustee (Level 1).

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

(in thousands)

	<b>2020</b>	<b>2019</b>
	<b>Investment income, net</b>	<b>Investment income, net</b>
Total net gains included in changes in net assets	\$ 45,725	\$ 29,996
Change in net unrealized gains relating to assets still held at June 30	\$ 45,692	\$ 29,953

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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 funds designated by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including Board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment funds without donor restrictions are Board designated.

**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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Changes in endowment funds by net asset classification are summarized as follows:

*(in thousands)*

	<b>June 30, 2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,235,985	\$ 542,574	\$ 1,778,559
Investment return, net	47,347	(3,441)	43,906
Contributions	69	48,538	48,607
Endowment payout	(55,858)	(35,037)	(90,895)
Reinvestment of payout and internal transfers	14,830	7,649	22,479
Endowment net assets, end of year	<u>\$ 1,242,373</u>	<u>\$ 560,283</u>	<u>\$ 1,802,656</u>

*(in thousands)*

	<b>June 30, 2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Endowment net assets, beginning of year	\$ 1,253,818	\$ 544,992	\$ 1,798,810
Investment return, net	14,008	(2,085)	11,923
Contributions	965	24,867	25,832
Endowment payout	(55,710)	(33,093)	(88,803)
Reinvestment of payout and internal transfers	22,904	7,893	30,797
Endowment net assets, end of year	<u>\$ 1,235,985</u>	<u>\$ 542,574</u>	<u>\$ 1,778,559</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 \$250.3 million and \$249.3 million as of June 30, 2020 and 2019, respectively.

As of June 30, 2020, a deficiency of \$25.2 million existed on an original gift value of \$169.4 million. As of June 30, 2019, a deficiency of \$15.5 million existed on an original gift value of \$144.0 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.

### **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

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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. The payout rate is approved annually by the Board of Trustees as part of the budget process. Currently, spending increases in the payout are capped by the change in the Consumer Price Index for the Washington, D.C. metro area, adjusted for new gifts received during the year. The annual payout is intended to approximate 5% of the average fair value of the endowment. 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 a 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)*

	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 198,523	\$ 198,523
Buildings	2,344,991	2,294,245
Construction in progress	22,676	24,766
Furniture and equipment	165,211	182,891
Library and historical research materials	66,056	63,977
Equipment under finance leases	31,261	14,710
	<u>2,828,718</u>	<u>2,779,112</u>
Accumulated depreciation	<u>(1,057,411)</u>	<u>(998,672)</u>
Total	<u>\$ 1,771,307</u>	<u>\$ 1,780,440</u>

Depreciation expense was \$93.8 million and \$90.4 million for the fiscal years ending June 30, 2020 and 2019, 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 2029. The University leases office space to MFA. The related right-of-use (ROU) asset and corresponding liability recognized by MFA totaled \$25.7 million at June 30, 2020. The ROU asset, liability, and related lease cost of \$2.8 million associated with MFA have been eliminated in the consolidated financial statements.

*(in thousands)*

**Components of lease cost:**

	<b>June 30, 2020</b>
Operating lease cost	\$ 21,891
Finance lease cost:	
Amortization of right-of-use assets	4,051
Interest on lease liabilities	1,379
Total finance lease cost	5,430
Total lease cost	\$ 27,321

*(in thousands)*

**Supplemental cash flow information related to leases:**

	<b>June 30, 2020</b>
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 21,007
Operating cash flows from finance leases	\$ 1,379
Financing cash flows from finance leases	\$ 8,066

	<b>Fiscal Year Ending June 30, 2020 Following Adoption</b>
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	\$ 1,252
Finance leases	\$ 12,962

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*(in thousands)*

**Supplemental balance sheet information related to leases:**

	<b>June 30,</b>	
	<b>2020</b>	
	<b>Operating</b>	<b>Finance</b>
Right-of-use assets	\$ 109,611	\$ 31,261
Accumulated amortization	(16,585)	(11,752)
	<u>\$ 93,026</u>	<u>\$ 19,509</u>
Lease liabilities	<u>\$ 106,551</u>	<u>\$ 16,997</u>
<b>Weighted Average Remaining Lease Term:</b>	6.35 years	3.22 years
<b>Weighted Average Discount Rate:</b>	3.79%	3.93%

**Lease maturity table:**

Fiscal Year Ending June 30:

2021	\$ 21,569	\$ 6,856
2022	19,609	5,542
2023	18,736	4,402
2024	18,070	2,769
2025	15,215	434
Thereafter	27,446	-
	<u>120,645</u>	<u>20,003</u>
Less effects of discounting	(14,094)	(3,006)
Total	<u>\$ 106,551</u>	<u>\$ 16,997</u>

Rent expense under operating leases totaled \$21.3 million for the year ended June 30, 2019. The aggregate minimum lease payments under these operating leases as of June 30, 2019, were as follows:

<u>Fiscal Year Ending June 30:</u>	<i>(in thousands)</i>
2020	\$ 21,224
2021	21,783
2022	19,642
2023	18,208
2024	17,491
Thereafter	43,751
Total	<u>\$ 142,099</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2020 AND 2019**

**Note 10 - Accounts Payable and Accrued Expenses**

	<b>June 30</b>	
	<b>2020</b>	<b>2019</b>
<i>(in thousands)</i>		
Accrued building construction payable	\$ 5,113	\$ 19,384
Accrued interest payable	24,048	23,410
Accrued other liabilities	49,379	77,580
Accrued payroll and related liabilities	117,125	102,134
Accumulated postretirement liability	7,750	6,851
Split interest agreements	8,565	7,282
Self-insurance reserves	46,284	35,461
Trade payables	16,643	18,187
Operating lease liability	106,551	-
Other payables	13,800	15,289
Total	<u>\$ 395,258</u>	<u>\$ 305,578</u>

**Note 11 – Long-Term Debt**

		<b>June 30</b>		
		<b>2020</b>	<b>2019</b>	
<i>(in thousands)</i>				
	Final Scheduled Maturities	Ending Interest Rate	Amount Outstanding	Amount Outstanding
<b>Taxable bonds:</b>				
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
<b>Notes payable:</b>				
MFA term loan secured by real estate	11/22/2023	Fixed 4.40%	34,416	35,352
MFA unsecured subordinated loan	7/1/2027	LIBOR + 6.0%	16,314	17,500
<b>MFA Revolving credit facility, \$35.0 million</b>	3/31/2021	LIBOR + 1.45%	21,234	22,073
<b>Unsecured notes payable:</b>				
Department of Education note payable	5/1/2021	Fixed 3.0%	-	35
Revolving line of credit, \$175.0 million	5/7/2025	LIBOR + 2.4%	175,000	-
Term loan, \$125.0 million	5/7/2025	LIBOR + 2.4%	125,000	-
			<u>2,236,964</u>	<u>1,939,960</u>
Less: Debt issuance costs			(9,304)	(8,727)
Plus: Finance lease liability			16,997	8,900
Total			<u>\$ 2,244,657</u>	<u>\$ 1,940,133</u>

As of June 30, 2019, the University had two renewable available lines of credit with a national bank totaling \$150 million. These lines of credit were terminated by the University on May 7, 2020. At that time, the University entered into a new credit agreement with the same national bank, which included a \$175 million revolving credit facility and a \$125 million term loan facility. The University guarantees certain debt obligations incurred by MFA and these loans are included as liabilities in the consolidated financial statements.

**THE GEORGE WASHINGTON UNIVERSITY  
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As of June 30, 2020, 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>
2021	\$ 24,548
2022	3,354
2023	3,400
2024	33,672
2025	302,330
Thereafter	<u>1,869,660</u>
Total	<u>\$ 2,236,964</u>

**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**  
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**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 designated by the Board of Trustees for specific purpose or quasi-endowment.

**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 of these assets permit the University to use all or part of the income earned on related investments for general or specific purposes.

<b>June 30, 2020</b>				
<i>(in thousands)</i>				
<b>Nature of Specific Net Assets</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>	<b>Required to be Held in Perpetuity</b>
Donated building funds	\$ -	\$ 2,371	\$ 2,371	\$ -
Board designated endowment funds	1,242,373	-	1,242,373	-
Donor restricted endowment funds	-	560,283	560,283	250,290
Net investment in plant	329,658	-	329,658	-
Loan funds	2,512	3,874	6,386	3,874
Contributions receivable	-	29,349	29,349	1,252
Split interest funds	9,076	48,701	57,777	26,567
Other	25,542	41,320	66,862	13,437
	<u>\$ 1,609,161</u>	<u>\$ 685,898</u>	<u>\$ 2,295,059</u>	<u>\$ 295,420</u>

<b>June 30, 2019</b>				
<i>(in thousands)</i>				
<b>Nature of Specific Net Assets</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total Net Assets</b>	<b>Required to be Held in Perpetuity</b>
Donated building funds	\$ -	\$ 1,995	\$ 1,995	\$ -
Board designated endowment funds	1,235,985	-	1,235,985	-
Donor restricted endowment funds	-	542,574	542,574	249,290
Net investment in plant	366,119	-	366,119	-
Loan funds	3,427	3,777	7,204	3,777
Contributions receivable	-	36,677	36,677	940
Split interest funds	9,005	52,113	61,118	27,017
Other	53,622	50,352	103,974	13,353
	<u>\$ 1,668,158</u>	<u>\$ 687,488</u>	<u>\$ 2,355,646</u>	<u>\$ 294,377</u>

**THE GEORGE WASHINGTON UNIVERSITY**  
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**Note 14 - Program and Supporting Activities Expense**

<b>June 30, 2020</b>						
<i>(in thousands)</i>	<b>Academic and student support</b>	<b>Patient care</b>	<b>Research</b>	<b>Total program</b>	<b>Support services</b>	<b>Total expenses</b>
Salaries and benefits	\$ 512,991	\$ 279,341	\$ 103,160	\$ 895,492	\$ 147,246	\$ 1,042,738
Purchased services	94,156	35,420	70,296	199,872	67,068	266,940
Depreciation	70,064	7,185	5,286	82,535	11,273	93,808
Interest	58,209	5,163	3,866	67,238	6,715	73,953
Scholarships and fellowships	26,471	-	-	26,471	-	26,471
Other	90,109	86,264	11,441	187,814	53,224	241,038
Allocations	141,634	-	11,923	153,557	(153,557)	-
	<u>\$ 993,634</u>	<u>\$ 413,373</u>	<u>\$ 205,972</u>	<u>\$ 1,612,979</u>	<u>\$ 131,969</u>	<u>\$ 1,744,948</u>
Less: Functionalized non-operating postretirement expenses						(637)
Total operating expenses						<u>\$ 1,744,311</u>

<b>June 30, 2019</b>						
<i>(in thousands)</i>	<b>Academic and student support</b>	<b>Patient care</b>	<b>Research</b>	<b>Total program</b>	<b>Support services</b>	<b>Total expenses</b>
Salaries and benefits	\$ 503,559	\$ 145,564	\$ 98,503	\$ 747,626	\$ 144,308	\$ 891,934
Purchased services	103,064	13,168	74,072	190,304	60,556	250,860
Depreciation	70,179	4,300	5,326	79,805	10,567	90,372
Interest	57,417	2,657	5,315	65,389	5,204	70,593
Scholarships and fellowships	17,270	-	-	17,270	-	17,270
Other	97,183	47,839	15,988	161,010	51,708	212,718
Allocations	130,112	-	11,469	141,581	(141,581)	-
	<u>\$ 978,784</u>	<u>\$ 213,528</u>	<u>\$ 210,673</u>	<u>\$ 1,402,985</u>	<u>\$ 130,762</u>	<u>\$ 1,533,747</u>
Less: Functionalized non-operating postretirement expenses						(4,209)
Total operating expenses						<u>\$ 1,529,538</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 \$96.3 million and \$78.3 million for the years ended June 30, 2020 and 2019, respectively. Depreciation expense is allocated based on facility square foot usage. Interest on plant debt is allocated based on the percentage of actual 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 \$77.0 million and \$77.5 million for the years ended June 30, 2020 and 2019, respectively.



**THE GEORGE WASHINGTON UNIVERSITY  
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**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 contributions to the retirement plan amounted to \$41.2 million and \$40.1 million for the years ended June 30, 2020 and 2019, 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. Effective June 1, 2017, the University updated its post retirement benefit plan to provide 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 plan change reduced the accumulated postretirement liability by approximately \$16 million. The University's policy is to fund postretirement benefits as payments are made. Accounts payable and accrued expenses include accumulated postretirement liability of \$7.8 million and \$6.9 million as of June 30, 2020 and 2019, 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, 2020 and 2019 was approximately \$4.3 million and \$12.2 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 \$39.7 million and \$38.4 million was reported for the years ended June 30, 2020 and 2019, respectively. The receivable from DHP for the unpaid balance of these services is \$5.1 million and \$4.8 million as of June 30, 2020 and 2019, respectively. DHP has provided a \$30.0 million line of credit to the MFA which had an outstanding balance of \$16.3 million and \$17.5 million as of June 30, 2020 and 2019, respectively.

**THE GEORGE WASHINGTON UNIVERSITY  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2020 AND 2019**

**Note 17 – Business Combination**

Effective December 14, 2018, the University and Medical Faculty Associates, Inc. (MFA) restructured their relationship which resulted in the University becoming the sole corporate member of MFA. MFA retains its status as a separate 501(c) (3) non-profit medical group, with the University exercising rights of coordination and control. This change in control was accounted for as a business combination. The new structure will bring more stability to the medical enterprise by consolidating MFA with the University’s stronger balance sheet. It also creates greater strategic alignment between the University and MFA, allowing the entities to speak with one voice as they work together to grow and strengthen the University’s medical enterprise. The University recorded \$3.1 million of contribution revenue in the fiscal year 2019 consolidated statement of activities which represents MFA’s net assets at December 14, 2018, and the excess of the fair value of assets acquired over the fair value of liabilities assumed. There was no consideration exchanged between the University and MFA and all intercompany transactions have been eliminated from the date of the combination through June 30, 2019.

The fair value of MFA assets and liabilities as of December 14, 2018, recorded in the consolidated financial statements to affect the combination:

	<i>(in thousands)</i>
Cash	\$ 11,774
Receivables, net	63,584
Restricted investments	40,280
Other assets	6,460
Land, buildings, and equipment	68,920
Accounts payable, accrued expenses, and self-insurance reserves	(90,917)
Notes payable	(91,527)
Deferred revenue	(5,465)
<b>Net assets</b>	<u><u>\$ 3,109</u></u>

The following is a summary of the MFA activity included in the fiscal year 2019 consolidated statement of activities:

	<i>(in thousands)</i>
Revenue	<u><u>\$ 232,457</u></u>
Expenses	<u><u>\$ 240,264</u></u>

Prior to the combination, MFA was considered a related party. In the six months prior to the combination, MFA provided \$13.9 million in services to the University and the University reported \$5.5 million in medical education agreement revenue associated with MFA. In fiscal year 2018, MFA provided approximately \$34.6 million in services to the University and the University reported \$11.0 million in medical education agreement revenue associated with MFA. In previous years, the University had provided a line of credit to MFA which had an outstanding balance of \$17.5 million as of June 30, 2018. Ninety percent of that outstanding balance, or \$15.8 million, was forgiven by the University in March 2019. The loan forgiveness and the remaining loan balance have been eliminated in the fiscal year 2019 consolidated financial statements.

**THE GEORGE WASHINGTON UNIVERSITY  
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**Note 18 – Impact of the COVID-19 Pandemic**

As a result of the COVID-19 pandemic, in March 2020, the University asked students not to return to campus after spring break and converted the remainder of the spring semester to a period of virtual learning. Students living in on-campus residence halls received credits for their unused housing through the end of the semester, resulting in lost revenue of \$19.0 million, which would have been included in Auxiliary enterprises, net on the Consolidated Statement of Activities for the fiscal year ending June 30, 2020.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act Higher Education Emergency Relief Fund allocated funding of \$9.1 million to the University. During the year ended June 30, 2020, \$8.8 million was disbursed to qualifying students and recorded as revenue within Grants and contracts including indirect cost recoveries and as expense within Scholarships and fellowships on the Consolidated Statement of Activities. The University expects to disburse the remainder of these funds to qualifying students during the fiscal year ending June 30, 2021.

As a result of the COVID-19 pandemic, MFA experienced a decline in patient visits, medical procedures performed, patient revenues, operating margin, and working capital in the fiscal year ending June 30, 2020. Elective medical procedures were suspended by state and local government mandate in the areas MFA serves (Washington, D.C., Maryland, and Virginia) for varying time periods in each area beginning in mid-March and running through late May 2020, contributing to a significant decline in patient service revenue due to COVID-19 when compared to historical and forecasted results for that period. Additionally, in response to the pandemic, MFA incurred additional costs for testing, personal protective equipment, third party contract services and other operating costs associated with ensuring employee and patient safety while operating during a pandemic.

MFA received grant payments, which are considered non-exchange transactions from the federal government distributed under the CARES Act allocated of \$9.0 million, and the Federal Communications Commission awarded MFA \$0.8 million for Telehealth. These payments are subject to audit and compliance with federal regulations. While the federal regulations have not been finalized to date, MFA believes it has met the conditions to retain these funds, and no amounts are reserved for repayment at June 30, 2020 in the Consolidated Balance Sheet. 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 on the Consolidated Balance Sheet. Once the recoupment period begins, amounts billed to Medicare for services provided will be offset against the advance payments received until the advance is fully recouped by the Medicare program. MFA will have one year to offset future claims against the advance. If the advance has not been entirely offset by claims at the end of this period, MFA will be required to repay the remaining amount.

**Note 19 – Subsequent Events**

Refer to Note 18 for a discussion of COVID-19 pandemic impacts through June 30, 2020.

Keeping the health and safety of its community top of mind, the University decided to hold undergraduate courses and the majority of graduate programs online for the fall 2020 semester. This decision will significantly impact the University's financial operations for the fiscal year ending June 30, 2021, especially the loss of housing and other Auxiliary enterprises revenues. The University has evaluated the financial implications and is working to mitigate lost revenue by implementing cost-saving strategies.

The University has performed an evaluation of subsequent events through September 24, 2020, which is the date the financial statements were issued, noting no other events which affect the financial statements as of June 30, 2020.

Supplementary Consolidating Information

**Supplemental Schedule to the Consolidated Financial Statements**  
**Consolidating Balance Sheet**  
**As of June 30, 2020**  
*(in thousands)*

	<u>GWU</u>	<u>MFA</u>	<u>Elimination</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 694,983	\$ 1,446	\$ -	\$ 696,429
Short-term investments	100	-	-	100
Accounts receivable, net	88,886	58,822	(18,682)	129,026
Contributions receivable, net	29,349	-	-	29,349
Investments	2,289,706	42,560	(3,109)	2,329,157
Loans and notes receivable, net	22,636	-	(1,653)	20,983
Property, plant, and equipment, net	1,706,871	64,436	-	1,771,307
Other assets	87,595	62,063	(25,751)	123,907
<b>Total assets</b>	<u>\$ 4,920,126</u>	<u>\$ 229,327</u>	<u>\$ (49,195)</u>	<u>\$ 5,100,258</u>
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 272,164	\$ 167,527	\$ (44,433)	\$ 395,258
Deferred revenue	124,601	15,653	-	140,254
Long-term debt, net	2,169,089	77,221	(1,653)	2,244,657
Funds advanced for student loans	25,030	-	-	25,030
<b>Total liabilities</b>	<u>2,590,884</u>	<u>260,401</u>	<u>(46,086)</u>	<u>2,805,199</u>
<b>NET ASSETS</b>				
Without donor restrictions	1,643,344	(31,074)	(3,109)	1,609,161
With donor restrictions	685,898	-	-	685,898
<b>Total net assets</b>	<u>2,329,242</u>	<u>(31,074)</u>	<u>(3,109)</u>	<u>2,295,059</u>
<b>Total liabilities and net assets</b>	<u>\$ 4,920,126</u>	<u>\$ 229,327</u>	<u>\$ (49,195)</u>	<u>\$ 5,100,258</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, 2020  
(in thousands)**

	<u>GWU</u>	<u>MFA</u>	<u>Elimination</u>	<u>Total</u>
<b>OPERATING REVENUE</b>				
Student tuition and fees, net of \$340,440 university funded scholarships	\$ 784,524	\$ -	\$ -	\$ 784,524
Patient care, net	-	278,212	-	278,212
Grants and contracts including indirect cost recoveries	207,478	5,303	(3,648)	209,133
Auxiliary enterprises, net	89,716	671	-	90,387
Endowment income distributed for operations	86,581	-	-	86,581
Medical education agreements	69,031	18,981	(26,540)	61,472
Contributions	27,248	-	-	27,248
Investment income used in operations	17,108	1,349	(136)	18,321
Net assets released from restrictions	12,200	-	-	12,200
Other	32,345	99,942	(15,261)	117,026
<b>Total operating revenue</b>	<u>1,326,231</u>	<u>404,458</u>	<u>(45,585)</u>	<u>1,685,104</u>
<b>OPERATING EXPENSES</b>				
Salaries and benefits	744,233	298,365	140	1,042,738
Purchased services	265,396	37,843	(36,299)	266,940
Depreciation	86,623	7,185	-	93,808
Interest	68,790	5,299	(136)	73,953
Scholarships and fellowships	26,471	-	-	26,471
Other	150,971	98,720	(9,290)	240,401
<b>Total operating expenses</b>	<u>1,342,484</u>	<u>447,412</u>	<u>(45,585)</u>	<u>1,744,311</u>
<b>DECREASE IN NET ASSETS FROM OPERATING ACTIVITIES</b>	<u>(16,253)</u>	<u>(42,954)</u>	<u>-</u>	<u>(59,207)</u>
<b>NON-OPERATING ACTIVITIES</b>				
Investment income, net	49,751	-	-	49,751
Net assets released from restriction	(12,200)	-	-	(12,200)
Contributions, net	48,270	-	-	48,270
Endowment income distributed for operations	(86,581)	-	-	(86,581)
Other	(620)	-	-	(620)
<b>Total non-operating activities</b>	<u>(1,380)</u>	<u>-</u>	<u>-</u>	<u>(1,380)</u>
<b>DECREASE IN NET ASSETS</b>	<u>(17,633)</u>	<u>(42,954)</u>	<u>-</u>	<u>(60,587)</u>
<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<u>2,346,875</u>	<u>11,880</u>	<u>(3,109)</u>	<u>2,355,646</u>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<u>\$ 2,329,242</u>	<u>\$ (31,074)</u>	<u>\$ (3,109)</u>	<u>\$ 2,295,059</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, 2020 and 2019**

**Basis of Presentation – Supplementary Consolidating Information**

The consolidating supplemental schedules as of and for the year ending June 30, 2020, 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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<b><u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u></b>				
DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 2,136,888	\$ -
Federal Work-Study Program	84.033		2,901,194	-
Federal Perkins Loan Program				
Outstanding Loans as of July 1, 2019	84.038		24,600,003	-
New Loans Issued during FY2020	84.038		-	-
		Subtotal 84.038	<u>24,600,003</u>	<u>-</u>
Federal Pell Grant Program	84.063		8,439,725	-
Federal Direct Student Loans	84.268		266,346,085	-
Teacher Education Assistance for College and Higher Education Grants	84.379		15,017	-
DEPARTMENT OF EDUCATION TOTAL			<u><b>304,438,912</b></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, 2019	93.342		1,026,091	-
New Loans Issued during FY2020	93.342		28,000	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL			<u><b>1,054,091</b></u>	<u>-</u>
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER TOTAL</b>			<u><b>\$ 305,493,003</b></u>	<u><b>\$ -</b></u>
<b><u>TRIO CLUSTER</u></b>				
DEPARTMENT OF EDUCATION				
TRIO-Upward Bound	84.047	P047A171507-19	\$ 210,667	\$ -
DEPARTMENT OF EDUCATION TOTAL			<u><b>210,667</b></u>	<u>-</u>
<b>TRIO CLUSTER TOTAL</b>			<u><b>\$ 210,667</b></u>	<u><b>\$ -</b></u>
<b><u>RESEARCH AND DEVELOPMENT CLUSTER</u></b>				
DEPARTMENT OF AGRICULTURE				
Agricultural Research Service				
Agricultural Research Basic and Applied Research	10.001		\$ 63,804	\$ -
CRDF Global	10.001	DAA3-18-64062-1	9,753	-
Agricultural Research Service Total			<u><b>73,557</b></u>	<u>-</u>
National Institute of Food and Agriculture				
The Washington Nationals Youth Baseball Academy	10.225	YBA-GWU 001	16,178	-
Agriculture and Food Research Initiative	10.310		99,964	15,444

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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Kansas State University	10.310	S18029	\$ 11,242	\$ -
University of Maryland	10.310	61445-Z5062201	10,994	-
Virginia Polytechnic Institute	10.310	422632-19218	27,716	-
National Institute of Food and Agriculture Total			<u>166,094</u>	<u>15,444</u>
DEPARTMENT OF AGRICULTURE TOTAL			<u>239,651</u>	<u>15,444</u>
DEPARTMENT OF COMMERCE				
National Oceanic and Atmospheric Administration				
University of Maryland	11.417	SA75281450-M R/CR-5	(238)	-
Virginia Institute of Marine Science	11.473	722083-712684	23,746	-
National Oceanic and Atmospheric Administration Total			<u>23,508</u>	<u>-</u>
National Institute of Standards and Technology				
Measurement and Engineering Research and Standards	11.609		24,278	5,237
Workcred	11.609	70NANB19H111	36,537	-
National Institute of Standards and Technology Total			<u>60,815</u>	<u>5,237</u>
DEPARTMENT OF COMMERCE TOTAL			<u>84,323</u>	<u>5,237</u>
DEPARTMENT OF DEFENSE				
Defense Advanced Research Projects Agency				
Basic Scientific Research	12.431		154,846	78,412
Columbia University	12.910	1(GG012336-05)	22,627	-
Drexel University	12.840020-GWU	840020-GWU	60,846	-
DZYNE Technologies	12.AIR005-001	AIR005-001	35,601	-
Defense Advanced Research Projects Agency	12.N6600118C4033		307,553	-
Defense Advanced Research Projects Agency Total			<u>581,473</u>	<u>78,412</u>
Defense Logistics Agency				
University of Northern Iowa	12.S6435A	S6435A	104,751	-
Defense Logistics Agency Total			<u>104,751</u>	<u>-</u>
Department of the Air Force				
Air Force Defense Research Sciences Program	12.800		556,526	216,857
Georgia Institute of Technology	12.800	RH411-G1	16,478	-
The University of Texas at Austin	12.800	UTA19-001025	85,647	-
University of Arkansas	12.800	UA2020-117	158,973	-
University of Miami	12.800	SPC-001046	71,628	-
Booz Allen Hamilton Inc.	12.S901487BAH	S901487BAH	37,288	-
Omega Optics, Inc.	12.FA9550-19-C-0003	FA9550-19-C-0003	125,271	-
Department of the Air Force Total			<u>1,051,811</u>	<u>216,857</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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Department of the Army				
Military Medical Research and Development	12.420		\$ 1,148,547	\$ 444,388
Chicago Association for Research and Education in Science	12.420	PAPE-0020S	124,213	-
Chicago Association for Research and Education in Science	12.420	PAPE-0024	12,302	-
Henry Jackson Foundation	12.420	3218	5,882	-
Icahn School of Medicine at Mount Sinai	12.420	0258-1031-4609	31,451	-
University of Chicago	12.420	AWD065900	15,354	-
Basic Scientific Research	12.431		698,112	82,672
U.S. Army Medical Research Acquisition Activity	12.W81XWH-17-1-0007		273,769	-
TConneX, Inc.	12.W81XWH18C0152-1	W81XWH18C0152-1	220,775	-
Department of the Army Total			<u>2,530,405</u>	<u>527,060</u>
Department of the Navy, Office of the Chief of Naval Research				
Basic and Applied Scientific Research	12.300		2,368,282	544,892
Columbia University	12.300	2(GG014055)	7,500	-
Department of the Navy, Office of the Chief of Naval Research	12.NRO000-14-C-0335		94,362	-
Charles River Analytics	12.SC1602801	SC1602801	42,684	-
Department of the Navy, Office of the Chief of Naval Research Total			<u>2,512,828</u>	<u>544,892</u>
Intelligence Advanced Research Projects Activity				
GE Global Research	12.2538611001	2538611001	19,090	-
Intelligence Advanced Research Projects Activity Total			<u>19,090</u>	<u>-</u>
Office of the Secretary of Defense				
George Mason University	12.630	E204072-1	144,235	-
Office of the Secretary of Defense Total			<u>144,235</u>	<u>-</u>
DEPARTMENT OF DEFENSE TOTAL			<u>6,944,593</u>	<u>1,367,221</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Office of Lead Hazard Control and Healthy Homes				
Healthy Homes Technical Studies Grants	14.906		45,639	-
Office of Lead Hazard Control and Healthy Homes Total			<u>45,639</u>	<u>-</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOTAL			<u>45,639</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR				
National Park Service				
Cooperative Research and Training Programs – Resources of the National Park System	15.945		90,470	-
National Park Service Total			<u>90,470</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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
U.S. Geological Survey				
University of District of Columbia	15.805	2018DC201B	\$ 9,337	\$ -
Earthquake Hazards Program Assistance	15.807		35,955	-
U.S. Geological Survey Total			<u>45,292</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR TOTAL			<u>135,762</u>	<u>-</u>
DEPARTMENT OF JUSTICE				
National Institute of Justice				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		348,387	56,501
National Institute of Justice Total			<u>348,387</u>	<u>56,501</u>
DEPARTMENT OF JUSTICE TOTAL			<u>348,387</u>	<u>56,501</u>
DEPARTMENT OF LABOR				
Abt Associates Incorporated	17.44293	44293	3,319	-
Abt Associates Incorporated	17.44990	44990	3,295	-
Abt Associates Incorporated	17.47247	47247	9,188	-
The Urban Institute	17.101552-0001-GWU-01	101552-0001-GWU-01	29,754	-
DEPARTMENT OF LABOR TOTAL			<u>45,556</u>	<u>-</u>
DEPARTMENT OF STATE				
Bureau of Population, Refugees and Migration				
Overseas Refugee Assistance Programs for Strategic Global Priorities	19.522		1,406,067	684,000
Bureau of Population, Refugees and Migration Total			<u>1,406,067</u>	<u>684,000</u>
DEPARTMENT OF STATE TOTAL			<u>1,406,067</u>	<u>684,000</u>
DEPARTMENT OF TRANSPORTATION				
Federal Highway Administration				
Battelle Memorial Institute	20.US001-601753-1	US001-601753-1	21,415	-
Battelle Memorial Institute	20.US001-601753-2	US001-601753-2	42,659	-
Federal Highway Administration Total			<u>64,074</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION TOTAL			<u>64,074</u>	<u>-</u>
DEPARTMENT OF THE TREASURY				
Departmental Offices				
Wake Forest University	21.019	174-101760-116613	3,823	-
Departmental Offices Total			<u>3,823</u>	<u>-</u>
DEPARTMENT OF THE TREASURY TOTAL			<u>3,823</u>	<u>-</u>

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The George Washington University  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Science	43.001		\$ 803,741	\$ 66,037
California Institute of Technology	43.001	S409165	48,849	-
Smithsonian Astrophysical Observatory	43.001	ARO-21007X	9,693	-
Smithsonian Astrophysical Observatory	43.001	AR9-20005A	18,009	-
Smithsonian Astrophysical Observatory	43.001	G09-20066B	11,226	-
Smithsonian Astrophysical Observatory	43.001	G00-21063X	5,134	-
Smithsonian Astrophysical Observatory	43.001	GO9-20057X	42,628	-
Smithsonian Institution	43.001	AR8-19008X	17,254	-
Smithsonian Institution	43.001	AR8-19009B	14,665	-
Smithsonian Institution	43.001	GO8-19040X	13,031	-
Smithsonian Institution	43.001	GO8-19050C	21,250	-
University of Colorado	43.001	1557291	86,460	-
University of Virginia	43.001	GP10205.158201	7	-
Exploration	43.003		44,946	-
University of Illinois	43.012	088405-16579	177	-
Space Telescope Science Institute	43.HST-GO-14198.001-A	HST-GO-14198.001-A	3,430	-
Space Telescope Science Institute	43.HST-GO-15348.002-A	HST-GO-15348.002-A	41,938	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION TOTAL			<u>1,182,438</u>	<u>66,037</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Promotion of the Humanities Division of Preservation and Access	45.149		122,862	40,908
The University of Nebraska - Lincoln	45.161	25-1620-0040-004	2,833	-
NATIONAL ENDOWMENT FOR THE HUMANITIES TOTAL			<u>125,695</u>	<u>40,908</u>
NATIONAL SCIENCE FOUNDATION				
IPA - National Science Foundation	47.DMS-1852384		180,838	-
IPA - National Science Foundation	47.OMA-1818444		257,912	-
IPA - National Science Foundation	47.SES-1846772		249,241	-
Engineering Grants	47.041		3,777,183	271,973
University of Maryland	47.041	41851-24754001	160,451	-
Mathematical and Physical Sciences	47.049		1,173,503	15,444
Associated Universities, Inc./National Radio Astronomy Observatory	47.049	1519126	25,184	-
Yale University	47.049	GK000240 (CON-80000024)	3,980	-
Geosciences	47.050		718,729	110,090
Lehigh University	47.050	543851-78001	4,687	-
Computer and Information Science and Engineering	47.070		2,733,531	5,999
DC Office of the Chief Technology Officer	47.070	CNS-1531046	25,000	-
University Corporation for Advanced Internet Development	47.070	1042-D	62,770	-
University of Miami	47.070	SPC-001053	12,314	-
Biological Sciences	47.074		1,079,784	38,859
Mississippi State University	47.074	031100.362134.01	23,253	-
The Curators of the University of Missouri	47.074	C00057952-1	302,168	-

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The George Washington University  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
University of Virginia	47.074	GA11020.157020	\$ 9,851	\$ -
University of Virginia	47.074	GA11374.2108177	45,451	-
Social, Behavioral, and Economic Sciences	47.075		1,023,112	258,785
Georgetown University	47.075	413432_GR410666-GWU	20,247	-
The University of South Florida	47.075	1263-1011-00-A	5,334	-
Education and Human Resources	47.076		2,105,545	233,631
American Educational Research Association	47.076	DRL-1749275	5,200	-
Cary Institute of Ecosystem Studies	47.076	3355/200201907	100,607	-
Purdue University	47.076	4101-77569	2,221	-
Wayne State University	47.076	WSU17105	30,646	-
Office of International Science and Engineering	47.079		648,746	292,754
Business-Higher Education Forum	47.083	1936894-0001	17,682	-
<b>NATIONAL SCIENCE FOUNDATION TOTAL</b>			<b><u>14,805,170</u></b>	<b><u>1,227,535</u></b>
ENVIRONMENTAL PROTECTION AGENCY				
Industrial Economics, Inc.	66.8065-GWU	8065-GWU	34,936	-
<b>ENVIRONMENTAL PROTECTION AGENCY TOTAL</b>			<b><u>34,936</u></b>	<b><u>-</u></b>
DEPARTMENT OF ENERGY				
Office of Science Financial Assistance Program	81.049		1,331,409	-
Mesa Photonics, LLC	81.049	DE-SC0019543	70,007	-
Conservation Research and Development	81.086		15,801	-
Fossil Energy Research and Development	81.089		56,607	-
Stewardship Science Grant Program	81.112		1,129,160	590,541
University of California, Berkeley	81.113	9329	323,159	-
Nuclear Energy Research, Development and Demonstration	81.121		381,177	78,849
North Carolina State University	81.121	2016-1536-02	20,651	-
University of Michigan	81.121	SUBK00008925	100,352	-
Advanced Research Projects Agency - Energy	81.135		666,486	143,012
Donald Danforth Plant Science Center	81.135	22815-G	1,269	-
Donald Danforth Plant Science Center	81.135	22827-G	116,338	-
Pennsylvania State University	81.135	5801-GWU-EARPA-0626	30,300	-
Wichita State University	81.135	CL15243	4,223	-
Battelle Energy Alliance, LLC	81.214817	214817	74,559	-
UT-Battelle, LLC	81.4000179937	4000179937	4,500	-
<b>DEPARTMENT OF ENERGY TOTAL</b>			<b><u>4,325,998</u></b>	<b><u>812,402</u></b>
DEPARTMENT OF EDUCATION				
Institute of Education Sciences				
University of California, Santa Barbara	84.305	KK1946	5,926	-
<b>Institute of Education Sciences Total</b>			<b><u>5,926</u></b>	<b><u>-</u></b>
<b>DEPARTMENT OF EDUCATION TOTAL</b>			<b><u>5,926</u></b>	<b><u>-</u></b>

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The George Washington University  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

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		\$ 168,833	\$ -
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION TOTAL			<u>168,833</u>	<u>-</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Administration for Community Living				
Pennsylvania Developmental Disabilities Council	93.630	4100081244	264,594	173,398
Administration for Community Living Total			<u>264,594</u>	<u>173,398</u>
Agency for Healthcare Research and Quality				
Research on Healthcare Costs, Quality and Outcomes	93.226		309,611	124,822
Agency for Healthcare Research and Quality Total			<u>309,611</u>	<u>124,822</u>
Centers for Disease Control and Prevention				
Occupational Safety and Health Program	93.262		4,472	-
Boston University	93.262	4500002932	18,300	-
Boston University	93.262	4500003328	47,056	-
Virginia Commonwealth University	93.315	FP00009936_SA003	37,138	-
CDC Foundation	93.421	6 NU38OT000288-01-00	48,756	-
ChangeLab Solutions	93.421	CDC7069-0-0122-1	122,528	-
National Association of County and City Health Officials	93.421	2019-111501	432,890	-
Provision of Technical Assistance and Training Activities to Assure Comprehensive				
Cancer Control Outcomes	93.427		769,369	-
DC Government - Department of Health	93.944	CW75880	373,265	-
DC Government - Department of Health	93.CW29654	CW29654	340,191	-
Centers for Disease Control and Prevention Total			<u>2,193,965</u>	<u>-</u>
Food and Drug Administration				
Food and Drug Administration	93.75F40119C10136		215,087	-
Food and Drug Administration Total			<u>215,087</u>	<u>-</u>
Health Resources and Services Administration				
School-Based Health Alliance	93.110	SBHA-GW-001	12,756	-
School-Based Health Alliance	93.110	SBHA-GW-002	22,519	-
University of Massachusetts	93.110	WA00583863/OSP2017206	1,570	-
Technical and Non-Financial Assistance to Health Centers	93.129		484,107	-
Advanced Nursing Education Workforce Grant Program	93.247		541,976	-
National Center for Health Workforce Analysis	93.300		1,062,577	60,000
Health Careers Opportunity Program	93.822		614,880	-
Health Resources and Services Administration Total			<u>2,740,385</u>	<u>60,000</u>
Immediate Office of the Secretary of Health and Human Services				
University of Wisconsin	93.239	467	11,972	-
Immediate Office of the Secretary of Health and Human Services Total			<u>11,972</u>	<u>-</u>

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The George Washington University  
Schedule of Expenditures of Federal Awards  
For the year ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
National Institutes of Health				
IPA - National Institutes of Health	93.6047852		\$ 8,899	\$ -
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		171,346	43,111
Environmental Health	93.113		566,766	161,972
Emory University	93.113	A250034	27,447	-
Oral Diseases and Disorders Research	93.121		502,451	185,859
Virginia Polytechnic Institute	93.172	432093-19218	80,199	-
Research Related to Deafness and Communication Disorders	93.173		220,183	56,756
SeeHear LLC	93.173	SH_GWU_002	33,484	-
SeeHear LLC	93.173	SH_GWU_003	177,069	-
Yale University	93.213	GR104718 (CON-80001491)	18,006	-
Yale University	93.213	GR107893 (CON-80002016)	36,718	-
National Center on Sleep Disorders Research	93.233		526,481	-
University of Arizona	93.233	217735	19,387	-
Mental Health Research Grants	93.242		1,199,790	247,420
Northwestern University	93.242	60050592 GWU	47,643	-
The State University of New York	93.242	83202/2/1150777	52,782	-
University of Puerto Rico, Medical Sciences Campus	93.242	1R21MH119664-01	15,770	-
University of Virginia	93.242	GB10691.PO#2133375	14,207	-
Alcohol Research Programs	93.273		476,053	-
Drug Abuse and Addiction Research Programs	93.279		737,763	280,066
Emory University	93.279	T855314	80,507	-
Johns Hopkins University	93.279	2004207968	23,766	-
Truth Initiative Foundation	93.279	7016-GWU	29,696	-
University of California, San Francisco	93.279	11496SC	18,295	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		776,169	124,782
University of Maryland	93.286	57821-20093202	16,205	-
Minority Health and Health Disparities Research	93.307		876,915	69,046
Northwestern University	93.307	60044820 GWASHU	197,634	-
University of Pennsylvania	93.307	576151	22,780	-
University of Pennsylvania	93.307	578811	8,762	-
Virginia Institute of Technology	93.307	432098-19218	32,869	-
Trans-NIH Research Support	93.310		4,160	-
The Regents of The University of California	93.310	1553 G WF670	376,900	-
University of Georgia	93.310	SUB00001540	655,229	-
University of Oregon	93.310	281210B	738,868	-
Children's Research Institute	93.350	30003459-01	3,828	-
Children's Research Institute	93.350	30003461-01	105,362	-
Children's Research Institute	93.350	30003464-01	12,102	-
Children's Research Institute	93.350	30003465-01	1,409	-
Children's Research Institute	93.350	30003517-01	16,854	-
Children's Research Institute	93.350	30004977-01	852	-
Children's Research Institute	93.350	30005492-01	1,601,281	-
Medical University of South Carolina	93.350	A00-3730-S001	31,825	-
University of Wisconsin	93.353	769K613	7,745	-

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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Cancer Cause and Prevention Research	93.393		\$ 2,867,979	\$ 554,645
Georgetown University	93.393	413047-GR412999-GW	101,367	-
Media Rez, LLC	93.393	R43CA232905	29	-
University of California, San Francisco	93.393	7850SC	135,629	-
Virginia Polytechnic Institute	93.393	432006-19218	168,377	-
Yale University	93.393	GK000215 (CON-0000564)	21,460	-
Cancer Detection and Diagnosis Research	93.394		1,764,945	801,590
Tufts University	93.394	102758-00001/NIH072	36,516	-
Cancer Treatment Research	93.395		2,471,300	1,102,275
Cornell University	93.395	193814	21,534	-
Cornell University	93.395	183827-01	8,620	-
The University of Nebraska - Lincoln	93.395	34-5150-2066-001	11,060	-
University of California, Los Angeles	93.395	1568 G WA553	27,161	-
Cancer Biology Research	93.396		2,354,928	339,136
Cancer Research Manpower	93.398		33,878	-
Cardiovascular Diseases Research	93.837		4,719,834	925,951
InvivoSciences, Inc.	93.837	4R44HL139248-02	30,416	-
Johns Hopkins University	93.837	2002843557	77,594	-
Johns Hopkins University	93.837	2003286657	68,200	-
Johns Hopkins University	93.837	2004026448	87,291	-
Nocturnal Product Development, LLC	93.837	2R42HL120511-03	51,473	-
The University of Minnesota	93.837	N006187437	14,000	-
University of Rochester	93.837	417629/URFAO: GR510961	3,426	-
University of Virginia	93.837	GB10332.158826	5,976	-
University of Virginia	93.837	GB10332.2151222	726,629	-
Lung Diseases Research	93.838		1,710,410	1,285,250
Blood Diseases and Resources Research	93.839		124,525	35,515
Children's Research Institute	93.839	30004447-01	31,643	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		12,178	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		43,539,200	29,224,379
Beckman Research Institute of the City of Hope	93.847	51990.2001413.669201	10,425	-
Case Western Reserve University	93.847	RESS09456	(115)	-
Case Western Reserve University	93.847	RESS10572	65,226	-
Case Western Reserve University	93.847	RESS14026	11,605	-
Case Western Reserve University	93.847	RESS14948	52,638	-
Institute for Clinical Research, Inc.	93.847	BANDF5GWU	19,999	-
NYU Winthrop Hospital	93.847	3500-07429(GWU)	66,351	-
Seattle Institute for Biomedical and Clinical Research	93.847	KS141-GWU-8	9,792	-
Seattle Institute for Biomedical and Clinical Research	93.847	KS141-GWU-9	311,462	-
Seattle Institute for Biomedical and Clinical Research	93.847	PJ115-GWU-4	15,571	-
The Research Foundation for State University of New York	93.847	1138946-77867	19,442	-
University of Maryland	93.847	1802224	6,250	-
University of Washington	93.847	UWSC9246	3,212	-
Wake Forest University	93.847	WFUHS 113617	49,495	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,440,096	244,746

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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Arc Bio, LLC	93.853	GW-01	\$ 56,082	\$ -
Case Western Reserve University	93.853	RE5510437	140,429	-
Rutgers University, The State University of New Jersey	93.853	1118	14,385	-
University of Cincinnati	93.853	011337-134718	2,000	-
Allergy and Infectious Diseases Research	93.855		12,915,704	3,842,835
Antigen Discovery, Inc.	93.855	ADI-GWU 2018-001	92,089	-
Baylor College of Medicine	93.855	7000000959	39,003	-
Children's Research Institute	93.855	30004046-01	13,541	-
Cornell University	93.855	183723-05	23,923	-
Cornell University	93.855	192305-01	98,532	-
Cornell University	93.855	193572-05	371,820	-
Duke University	93.855	A033007	894,679	-
Duke University	93.855	A039053	562,763	-
Emory University	93.855	A234111	4,088	-
Emory University	93.855	T842377	134,009	-
Emory University	93.855	T886653	85,279	-
Family Health International	93.855	HPTN-MGA-GWU-1/PO15004265	54,641	-
Family Health International	93.855	HPTN-MGA-GWU-1/PO19000353	22,619	-
Family Health International	93.855	HPTN-MGA-GWU-1/PO17001872	142,411	-
Family Health International	93.855	HPTN-MGA-GWU-1/PO17001882	52,893	52,893
Hackensack Meridian Health Center for Discovery and Innovation	93.855	G10107-19034	23,588	-
Johns Hopkins University	93.855	2003368362	105,665	-
Kaiser Foundation Hospitals	93.855	OOS030194-01	184,022	-
Masimo Corporation	93.855	2004-03	68,893	-
Masimo Corporation	93.855	2004-04	99,675	-
Massachusetts General Hospital	93.855	229712	27,077	-
Massachusetts General Hospital	93.855	231767	32,755	-
Massachusetts General Hospital	93.855	232069	118,405	-
Stellenbosch University	93.855	S0005603	36,269	-
The University of Iowa	93.855	S00434-01	112,840	-
The University of Iowa	93.855	W000834342	78,531	-
University of California, San Diego	93.855	91560036	73,225	-
Virginia Institute of Technology	93.855	432057-19218	42,607	-
Washington University in St. Louis	93.855	WU-16-161	266	-
Biomedical Research and Research Training	93.859		643,067	150,913
North Dakota State University	93.859	FAR0025511	89,461	-
University of Maryland	93.859	63309-Z0138201	696	-
Child Health and Human Development Extramural Research	93.865		16,261,715	8,856,184
Children's Research Institute	93.865	30003597	44,807	-
Children's Research Institute	93.865	30003930	30,319	-
Children's Research Institute	93.865	30004874	773	-
Children's Research Institute	93.865	30005474-01	19,911	-
Columbia University	93.865	1(GG014633-01)	158,217	-
Florida Atlantic University	93.865	GR-K22	53,594	-
Johns Hopkins University	93.865	2004058862	19,081	-

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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Sharp Healthcare	93.865	M-RO12018 GWU	\$ 12,313	\$ -
Sharp Healthcare	93.865	M-RO12019 GWU	75,463	-
The Regents of the University of California	93.865	9646	7,039	-
Trustees of Boston College	93.865	5104821-01	6,562	-
Aging Research	93.866		341,998	4,179
Seattle Institute for Biomedical and Clinical Research	93.866	TD120-GWU-1	48,963	-
The University of Iowa	93.866	S01019-01	7,174	-
University of California, San Francisco	93.866	11175SC	229,273	-
University of Rochester	93.866	417628/URFAO: GR510962	41,768	-
University of Wisconsin	93.866	859K493	23,802	-
Vision Research	93.867		933,547	-
Thomas Jefferson University	93.867	080-01000-S04803/PO2000099338	93,700	-
University of Illinois	93.867	7916	9	-
University of Illinois	93.867	7916-04	4,469	-
Medical Library Assistance	93.879		252,538	-
Florida International University	93.879	800010651-01UG	23,637	-
International Research and Research Training	93.989		16,574	-
Emory University	93.989	A251809	52,809	-
Johns Hopkins University	93.989	2004133810	1	-
Johns Hopkins University	93.989	2004169216	5,278	-
Johns Hopkins University	93.989	2004262035	51,290	-
Johns Hopkins University	93.989	2004300044	29,241	-
Johns Hopkins University	93.989	2004471642	32,025	-
Baylor College of Medicine	93.7000000056	7000000056	306,663	-
Duke University	93.A030553	A030553	28,107	-
Duke University	93.A032437	A032437	71,038	-
University of Mississippi Medical Center	93.66111340819-03	66111340819-03	15,620	-
National Institutes of Health Total			<u>110,638,734</u>	<u>48,589,503</u>
Office of Aids Research				
University of California, Los Angeles	93.855	1560 G XB507	37,289	-
Mission Analytics Group, Inc.	93.HHSP233201500060I	HHSP233201500060I	9,308	-
Office of Aids Research Total			<u>46,597</u>	<u>-</u>
Office of Assistant Secretary for Health				
Advancing System Improvements for Key Issues in Women's Health	93.088		108,217	5,072
Community Programs to Improve Minority Health Grant Program	93.137		326,513	-
Up2Us, Inc.	93.137	CPIMP191186-01-00	33,039	-
Office of Assistant Secretary for Health Total			<u>467,769</u>	<u>5,072</u>
Program Support Center				
Program Support Center	93.HHSP23320095635WC		86,131	-
Program Support Center Total			<u>86,131</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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
Substance Abuse and Mental Health Services Administration				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		\$ 358,703	\$ 43,861
Substance Abuse and Mental Health Services Administration Total			<u>358,703</u>	<u>43,861</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL			<u>117,333,548</u>	<u>48,996,656</u>
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
USAID Foreign Assistance for Programs Overseas	98.001		604,940	526,190
Elizabeth Glaser Pediatric Aids Foundation	98.001	AID-OAA-A-14-00060	42,469	-
Massachusetts Institute of Technology	98.001	5710004082	89,067	-
Texas Tech University	98.001	212057-01	7,686	-
Arizona State University	98.012	ASUB00000195	90,393	28,732
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT TOTAL			<u>834,555</u>	<u>554,922</u>
UNITED STATES POSTAL SERVICE				
United States Postal Service	99.2BFAAS-17-B-0018		129,063	-
UNITED STATES POSTAL SERVICE TOTAL			<u>129,063</u>	<u>-</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER TOTAL</b>			<u>\$ 148,264,037</u>	<u>\$ 53,826,863</u>
 <b><u>ALL OTHER FEDERAL AWARDS</u></b>				
DEPARTMENT OF AGRICULTURE				
Agricultural Market and Economic Research	10.290		\$ 64,660	\$ -
DEPARTMENT OF AGRICULTURE TOTAL			<u>64,660</u>	<u>-</u>
DEPARTMENT OF DEFENSE				
IPA - Department of the Navy	12.2020		122,869	-
Basic and Applied Scientific Research	12.300		18,911	-
Institute of International Education	12.357	PGO1801-GWU-08-LTC-052-PO1	87,153	-
Institute of International Education	12.357	PGO1801-GWU-08-LTC-052-PO2	532,348	-
		Subtotal 12.357	619,501	-
Information Security Grants	12.902		216,231	-
GenCyber Grants Program	12.903		68,888	-
DEPARTMENT OF DEFENSE TOTAL			<u>1,046,400</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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF THE INTERIOR				
University of Maryland	15.608	SA75282000-C	\$ 6,953	\$ -
Cooperative Research and Training Programs – Resources of the National Park System	15.945		63,137	-
DEPARTMENT OF THE INTERIOR TOTAL			<u>70,090</u>	<u>-</u>
DEPARTMENT OF LABOR				
The Viscardi Center	17.720	4156885	63,265	-
DEPARTMENT OF LABOR TOTAL			<u>63,265</u>	<u>-</u>
DEPARTMENT OF STATE				
Public Diplomacy Programs	19.040		58,610	-
Overseas Refugee Assistance Programs for Strategic Global Priorities	19.522		(87)	-
DEPARTMENT OF STATE TOTAL			<u>58,523</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
American University	43.008	31377-GWU-16	60,111	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION TOTAL			<u>60,111</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Promotion of the Humanities Research	45.161		39,621	-
NATIONAL ENDOWMENT FOR THE HUMANITIES TOTAL			<u>39,621</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Museums for America	45.301		104,213	-
Virginia Institute of Technology	45.313	545262-19218	9,868	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES TOTAL			<u>114,081</u>	<u>-</u>
DEPARTMENT OF VETERANS AFFAIRS				
IPA - Department of Veteran Affairs	64.101-C06250		131,416	-
IPA - Department of Veteran Affairs	64.101-C90264		69,942	-
IPA - Department of Veteran Affairs	64.101-C90666		20,909	-
IPA - Department of Veteran Affairs	64.101-C90667		13,767	-
IPA - Department of Veteran Affairs	64.101-C91244		4,510	-
IPA - Department of Veteran Affairs	64.512-C95059		16,839	-
IPA - Department of Veteran Affairs	64.512-D97028		9,833	-
IPA - Department of Veteran Affairs	64.578-D07056		5,415	-
IPA - Department of Veteran Affairs	64.660-D04057		17,734	-
IPA - Department of Veteran Affairs	64.688-D07008		62,111	-
IPA - Department of Veteran Affairs	64.688-D07009		69,070	-

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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
IPA - Department of Veteran Affairs	64.688-D77036		\$ 4,468	\$ -
IPA - Department of Veteran Affairs	64.688-D77037		18,362	-
IPA - Department of Veteran Affairs	64.688-D87026		871	-
IPA - Department of Veteran Affairs	64.688-D97034		128,149	-
IPA - Department of Veteran Affairs	64.688-D97035		23,966	-
IPA - Department of Veteran Affairs	64.688-D97036		40,689	-
IPA - Department of Veteran Affairs	64.688-D97039		52,182	-
IPA - Department of Veteran Affairs	64.688-D97041		64,958	-
IPA - Department of Veteran Affairs	64.688-D97042		42,808	-
IPA - Department of Veteran Affairs	64.689-D95134		5,226	-
IPA - Department of Veteran Affairs	64.689-D95222		9,025	-
DEPARTMENT OF VETERANS AFFAIRS TOTAL			<u>812,250</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		753,194	-
Rehabilitation Long-Term Training	84.129		461,076	-
Centers for International Business Education	84.220		328,171	-
VA Department for Aging and Rehabilitative Services	84.235	16-176	81,264	-
Innovative Rehabilitation Training	84.263		200,842	-
San Diego State University Research Foundation	84.264	SA0000491	661,990	-
Southern University and A&M College	84.264	OSP-02-8300-2018-0016	187,268	-
Southern University and A&M College	84.264	OSP-02-8300-2019-0014	191,819	-
		Subtotal 84.264	1,041,077	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		275,931	-
Georgetown University	84.325	412691_GR412618-GWU	31,459	-
		Subtotal 84.325	307,390	-
English Language Acquisition State Grants	84.365		658,847	-
COVID-19 - Education Stabilization Fund	84.425E		4,559,265	-
COVID-19 - Education Stabilization Fund	84.425F		4,265,403	-
		Subtotal 84.425	8,824,668	-
DEPARTMENT OF EDUCATION TOTAL			<u>12,656,529</u>	<u>-</u>
JAPAN U.S. FRIENDSHIP COMMISSION				
Japan - U.S. Friendship Commission Grants	90.300		29,669	-
JAPAN U.S. FRIENDSHIP COMMISSION TOTAL			<u>29,669</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, 2020

Federal Grantor/Pass-Through Grantor/Cluster Title	Federal Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
IPA - Immedidate Office of the Secretary of Health and Human Services	93.12IPA		\$ 52,759	\$ -
American Psychiatric Association	93.243	SM060562-05	699	-
National Association of Chronic Disease Directors	93.421	1782019	24,636	-
DC Government - Department of Health	93.426	CHA2020-000021-000	15,960	-
Unity Health Care, Inc.	93.426	009	8,300	-
		Subtotal 93.426	<u>24,260</u>	<u>-</u>
The University of Richmond	93.433	27285T	125,708	-
Breathe DC	93.758	NB01OT009095-01-01	25,909	-
IMPAQ International, LLC	93.2805	2805	108,672	-
IMPAQ International, LLC	93.2859	2859	53,244	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL			<u><b>415,887</b></u>	<u>-</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Jumpstart National	94.006	80200	21,495	-
Jumpstart National	94.006	2820200	113,923	-
		Subtotal 94.006	<u>135,418</u>	<u>-</u>
Volunteers in Service to America	94.013		23,493	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE TOTAL			<u><b>158,911</b></u>	<u>-</u>
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
IPA - U.S. Agency for International Development	98.MO00016MO000111		85,919	-
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT TOTAL			<u><b>85,919</b></u>	<u>-</u>
<b>ALL OTHER FEDERAL AWARDS TOTAL</b>			<u><b>\$ 15,675,916</b></u>	<u><b>\$ -</b></u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u><b>\$ 469,643,623</b></u>	<u><b>\$ 53,826,863</b></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, 2020**

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**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 is not eligible to 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, 2020 are summarized below:

Campus-Based Loan Programs:

Federal Perkins (Assistance Listing No. 84.038)	\$ 19,327,873
Health Professions Student Loans (Assistance Listing No. 93.342)	477,581
Total	<u>\$ 19,805,354</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, 2020.



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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 of  
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, the consolidated financial statements of The George Washington University and its subsidiaries (the "University"), which comprise the consolidated balance sheets as of June 30, 2020, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 24, 2020.

### **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 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 the University's internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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*.

**Intended purpose**

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.



Boston, Massachusetts  
September 24, 2020

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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 of  
The George Washington University

### **Report on compliance for 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 described in the U.S. Office of Management and Budget's *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. 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.

Our audit of, and opinion on, the University's compliance for each major federal program does not include the compliance requirements governing maintaining contact with and billing of borrowers, processing deferment and cancellation requests and student loan repayments under the Federal Perkins Loan Program under the Student Financial Assistance cluster, because the University engaged Educational Computer Systems, Inc. to perform these compliance activities. This third-party servicer has obtained a compliance examination from another practitioner for the year ended June 30, 2020 in accordance with the U.S. Department of Education's, *Guide for Audits of Proprietary Schools and for Compliance Attestation Engagements of Third-Party Servicers Administering Title IV Programs*.

### **Management's responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to the University's federal programs.

### **Auditor's responsibility**

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; 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"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

**Opinion on each major federal program**

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, 2020.

**Report on internal control over compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of compliance requirements that could have a direct and material effect on each major federal program to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

As described in our Report on Compliance for Each Major Federal Program above, this Report on Internal Control Over Compliance does not include the results of the other auditors' testing of internal control over compliance that is reported on separately by those auditors.

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 first paragraph of this section 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. However, material weaknesses may exist that have not been identified.

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  
May 11, 2021

## **Schedule of Findings and Questioned Costs**

**The George Washington University**  
**Schedule of Findings and Questioned Costs**  
**For the year ended June 30, 2020**

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**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)? \_\_\_\_\_ yes        x   no

Identification of major federal programs:

Assistance Listing Number(s):  
84.425E and 84.425F

Name of Federal Program or Cluster:  
COVID-19 – Education Stabilization Fund

Various

Student Financial Assistance Cluster

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, 2020**

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**Part II- Financial Statement Findings**

There are no matters to be reported.

**Part III- Federal Award Findings and Questioned Costs**

There are no matters to be reported.