2018-2019

Financial Report

THE GEORGE WASHINGTON UNIVERSITY

WASHINGTON, DC

FACTS & FIGURES

About GW

72% OF UNDERGRADUATES RECEIVE FINANCIAL AID

10 SCHOOLS AND COLLEGES

~50% OF UNDERGRADUATES STUDY ABROAD

475+ STUDENT GROUPS

1,800+ MILITARY STUDENTS, VETERANS, AND THEIR DEPENDENTS ATTEND GW

290,000+ ALUMNI

LIVING IN **130+** COUNTRIES WORLDWIDE

500+ STUDENT-ATHLETES

27 INTERCOLLEGIATE, VARSITY SPORTS AT THE NCAA DIVISION I LEVEL

Message from Mark Diaz

Executive Vice President and Chief Financial Officer

I am pleased to present to you on behalf of the George Washington University the highlights of our financial reports for fiscal year 2019 and how the university's sound fiscal management and long-term planning have laid a strong foundation for achieving our aspiration of preeminence as a comprehensive global research university.

Since President LeBlanc became the university's 17th president in August 2017, he has been working closely with students, faculty and staff to identify areas for improvement and investment. Through many listening sessions and community forums, five areas emerged for immediate focus: student experience, research ecosystem, philanthropy and constituent engagement, the clinical medical enterprise, and the institutional culture.

As part of these efforts, the university has made a significant commitment to improving the student experience and providing our students with all the resources they need to succeed in and out of the classroom. With the support of our Board of Trustees, we are investing $80 million to completely renovate Thurston Hall, our largest residence hall for first-year students.

To ensure our community has safe and accessible places to live, learn, and work, we made a special $10 million allocation to enhance dozens of residential, academic, and administrative spaces. In addition, we are investing in our faculty and staff, undertaking a university-wide effort to transform the institutional culture to one that puts people first.

On this foundation, over the course of the next academic year, the university will develop a five-year strategic plan that focuses on four pillars that are crucial to excellence in higher education: world-class faculty, high-quality undergraduate education, distinguished and distinctive graduate education, and high-impact research. This plan is being developed in tandem with the university's comprehensive campus and facilities master plan to ensure our facilities meet our aspirations.

The financial results detailed in the following pages are strong and set the stage for the university to realize excellence in these critical areas as it enters its third century.

Sincerely,
Mark Diaz

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Management Discussion and Analysis of Financial Condition and Results of Operations – FY 2019

The purpose of this discussion is to augment the financial statements by providing management's perspective on GW's financial health and the related impact on our mission and aspirations. We also describe in greater detail significant items which impacted the university's financial statements in FY 2019.

Restructuring of the Medical Faculty Associates Relationship

In December 2018, the university and the clinical practice of GW faculty physicians, Medical Faculty Associates Inc. (MFA), restructured their relationship, enabling the MFA to retain its status as a separate nonprofit medical group, while the university exercises new rights of control and coordination. The restructuring brings more stability to the medical enterprise by consolidating the MFA with the university's stronger balance sheet. It also creates greater strategic alignment between the university and the MFA, allowing the entities to speak with one voice as they work together to grow and strengthen the university's medical enterprise.

The consolidated financial statements include MFA financial activity for the period subsequent to the change in governance structure: mid-December 2018 to June 2019. This addition is the reason for many of the variances between the FY18 and FY19 information presented in the audited financial statements for the comparative years. There will be similar variances in next year's results, as well, when a full year of MFA activity is included in the Statements of Activities and Cash Flows for the consolidated entity. Additional information for the MFA and university activities outside of the MFA can be found on new supplementary consolidating schedules provided following the financial statement notes.

New Accounting Standards

The implementation of the new accounting standard for Presentation of Financial Statements of Not-for-Profit Entities led to a new format for the financial report this year. The new standard was designed to enhance the financial statements by reducing complexity and providing more transparency.

One of the main areas of reduced complexity is net assets. The standard now requires presenting only two classes of net assets (instead of three classes previously), titled "net assets without donor restrictions" and "net assets with donor restrictions." Other simplification measures of the standard include the presentation of investment return net of expenses. The transparency improvements in the standard include a new footnote on liquidity (Note 2), the enhanced disclosures of composition of net assets (Note 12), and a schedule of expenses by both their natural and functional classification (Note 13).

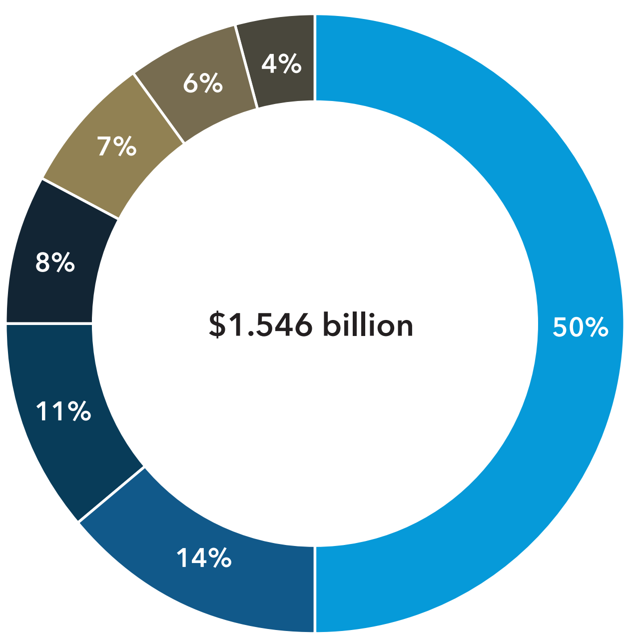
In conjunction with the implementation of the new presentation standard, GW took the opportunity to review the presentation of our operating revenues and expenses, and streamlined the format to conform to industry best practices as well as more clearly present a meaningful operating measure. This format provides the reader of the financial statements quick visibility into the results of our operations. That, along with the statement of cash flows, illustrate how GW has used its resources to fulfill our mission.

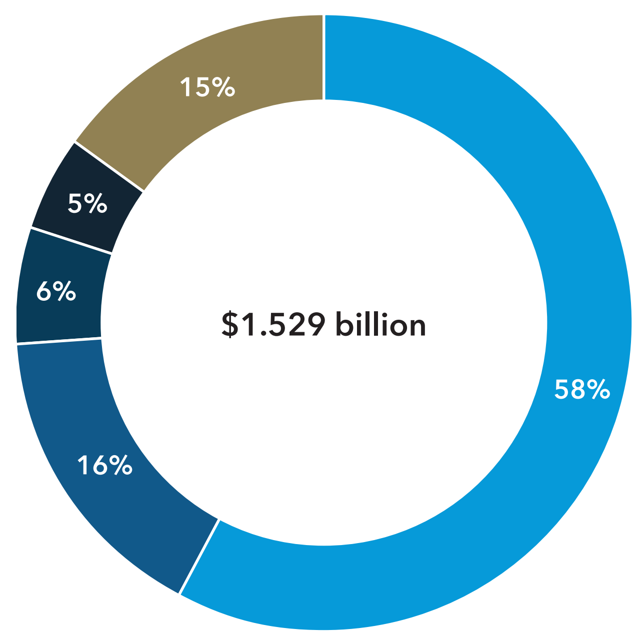
Other standards adopted this year include the new revenue recognition for contracts with customers and contributions accounting standards. The revenue recognition standard had a minimal financial impact as slightly more revenue related to summer activities is deferred to the following fiscal year (based on the dates services are provided) than under our previous practices. However, the standard did change the presentation of allowances provided to customers (both students and patients) to a single net revenue rather than a gross revenue offset by reductions in a separate line.

The updated contributions accounting standard applied primarily to the evaluation of grants and contracts from external sponsors for research activities. While the standard provides a new structure and vocabulary for these transactions, the accounting and revenue recognition remains substantially unchanged from prior guidance. More information about the impact of these new standards can be found in Note 1.

Fiscal Year 2019 Results of Operations

GW's balance sheet remains strong with growth in total assets of $180 million, primarily related to the consolidation of the Medical Faculty Associates. Our consolidated net assets decreased by $14 million in FY 2019, principally due to withdrawals from the university's endowment to support programs exceeding the current year's return. The university's overall financial health remains strong with positive cash flows from operating activities.





FY2019 Operating Revenue

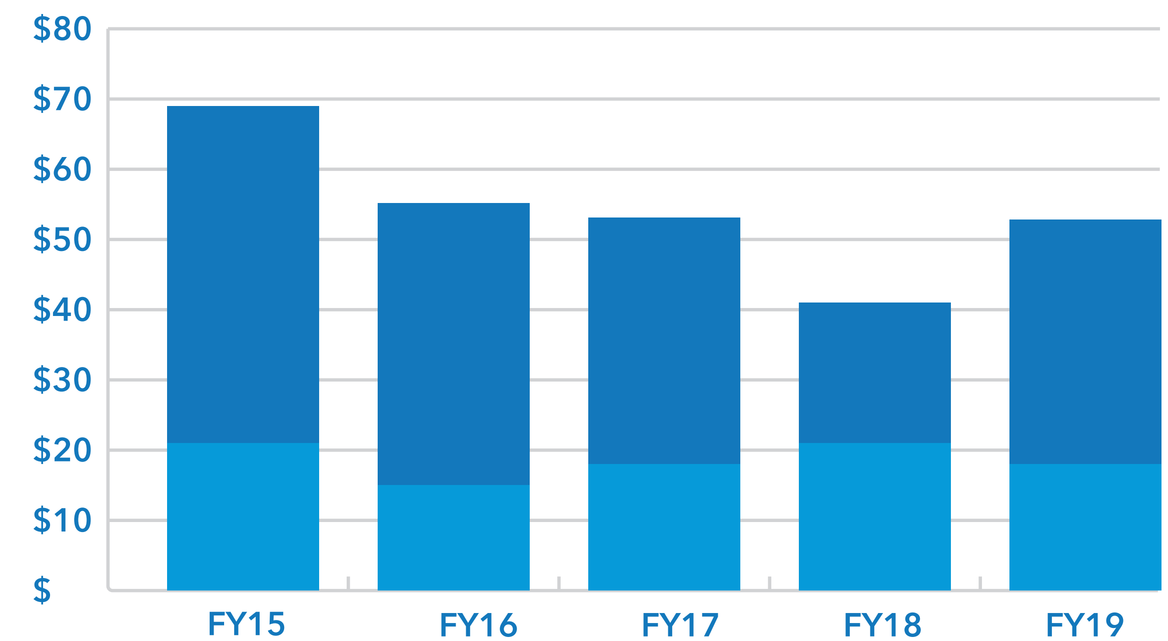
- Net Student Tuition and Fees
- Grants and Contracts
- Patient Care
- Auxiliary Enterprises
- Endowment and Investment
- Contributions and Other
- Medical Education Agreements

FY2019 Operating Expenses

- Salaries and Benefits
- Purchased Services
- Depreciation
- Interest
- Other

Consolidated operating revenues increased 19 percent over the prior year, largely due to the addition of MFA's revenue, which contributed 16 percent of the increase. While GW is still tuition dependent, the addition of the patient care revenue has reduced the percentage of operating revenue provided by tuition from 58 percent in FY18 to 50 percent in FY19. The total consolidated operating expense increases reflect the consolidation of the MFA mid-year but the university's operating expenses were largely flat with modest increases in salaries and benefits (3 percent) and purchased services (2 percent).

Contributions



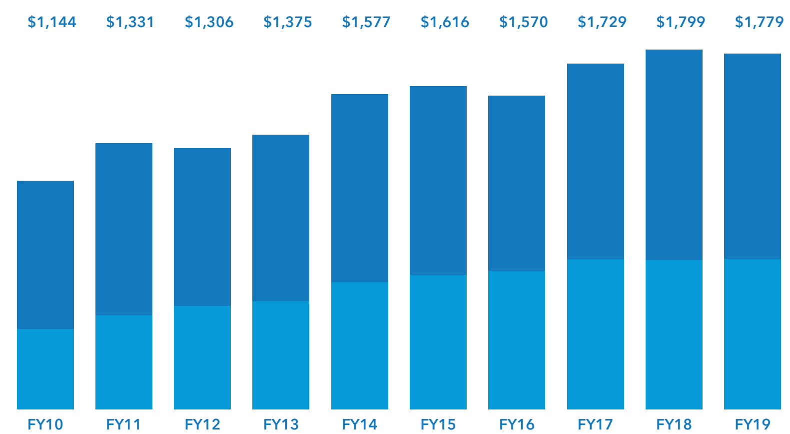
Contribution Revenue Composition (in millions)

- Without Donor Restrictions
- With Donor Restrictions

Contributions to GW provide vital funding for current academic priorities as well as providing for future students by strengthening the endowment. In FY19, GW received a substantial gift consisting of more than 4,000 textiles and a $5.25 million endowment and equipment to support the textile collections assembled by the late Lloyd Cotsen, former chief executive officer and chair of the board of Neutrogena Corporation.

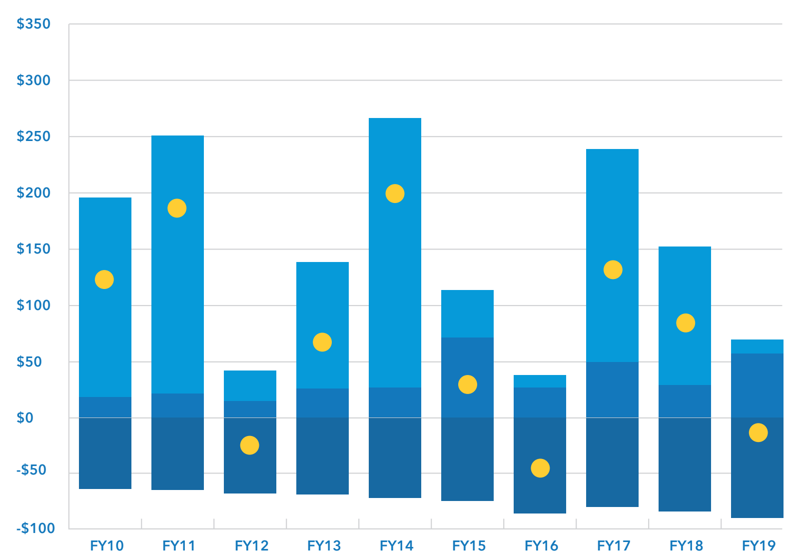
Other significant contributions in FY19 include a $4.74 million pledge from Ali and Lama Kolaghassi to continue the funding of their endowed undergraduate scholarship program. Also, a pledge from former GW trustee Jay Katzen of $2.8 million, endowed the Dr. Cyrus Katzen Family Director of the GW Cancer Center. The gift will also support the ongoing growth and expansion of the GW Cancer Center in strategic areas of clinical care, research and education.

Endowment



End of Year Total Endowment Market Value (in millions)

- Real Estate
- Pooled Endowment



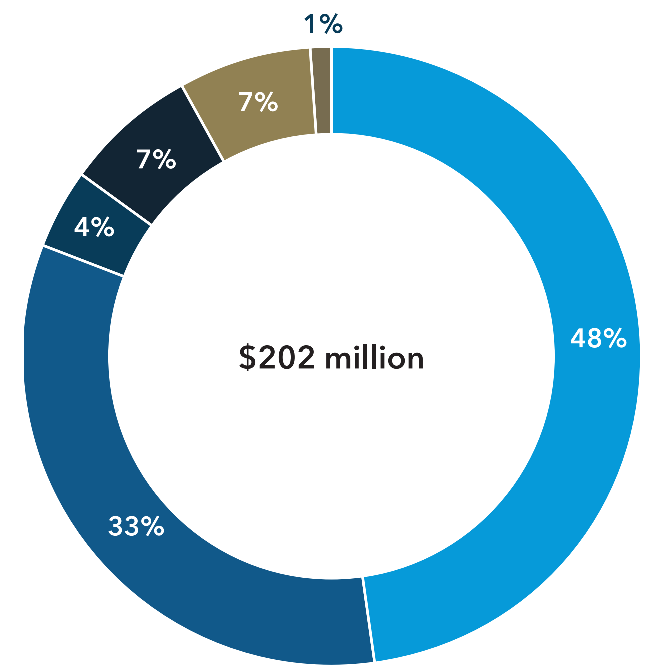
Change in Endowment Market Value (in millions)

- Investment Return
- Gifts and Transfers
- Endowment Payout
- Net Change in Market Value

Endowed funds are the cornerstone for philanthropy at GW. These funds yield enduring returns and perpetual impact, enabling us to take a long-term view and plan for the university's future.

In FY19, the total endowment market value decreased by 1 percent to $1.779 billion, due primarily to withdrawals under the spending policy exceeding new gifts and relatively modest returns for the year. Endowment payout provided $88.8 million in support of university activities. The endowment assets in aggregate generated a five-year annualized investment return of 4.8 percent and a 10-year annualized investment return of 9.1 percent.

Research



FY19 Externally Funded Research

- The U.S. Department of Health and Human Services
- Private Sponsors
- State and Local Govt
- Other Federal Agencies
- The National Science Foundation
- The U. S. Department of Education

FY2019 Research revenue, included in Grants and contracts on the Consolidated Statement of Activities, increased primarily due to non-federal projects, the most significant being Developing and Managing the Health Policy Research Scholars Program ($5.3 million), sponsored by Robert Wood Johnson Foundation. GW's research portfolio was also enhanced by the addition of MFA research projects.

REPORT OF INDEPENDENT AUDITORS

To the Board of Trustees of The George Washington University:

We have audited the accompanying consolidated financial statements of The George Washington University and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities and of cash flows for the years then ended.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 our 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, we consider 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, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the consolidated financial statements, the University changed the manner in which it presents net assets and reports certain aspects of its financial statements as a not-for-profit entity, the manner in which it accounts for revenues from contracts with customers and the manner in which it accounts for certain grants and contributions in fiscal year 2019. Our opinion is not modified with respect to this matter.

As discussed in Note 16 to the consolidated financial statements, on December 14, 2018 the University became the sole corporate member of Medical Faculty Associates, Inc. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information presented on pages 34-37 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 consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual companies.

PricewaterhouseCoopers LLP

McLean, Virginia
October 3, 2019

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of June 30, 2019 and 2018
(in thousands)

	2019	2018
ASSETS		
Cash and cash equivalents	$ 162,476	$ 122,808
Short-term investments	269,524	290,092
Accounts receivable, net	141,351	78,452
Contributions receivable, net	36,677	47,371
Investments	2,306,287	2,253,953
Loans and notes receivable, net	26,368	48,251
Property, plant, and equipment, net	1,780,440	1,708,079
Other assets	24,925	18,625
Total assets	$ 4,748,048	$ 4,567,631
LIABILITIES		
Accounts payable and accrued expenses	$ 314,478	$ 198,173
Deferred revenue:		
Tuition and other deposits	93,126	90,182
Grants and contracts payments	23,953	24,050
Bonds and notes payable, net	1,931,233	1,855,973
Funds advanced for student loans	29,612	29,621
Total liabilities	2,392,402	2,197,999
NET ASSETS		
Without donor restrictions	1,668,158	1,663,543
With donor restrictions	687,488	706,089
Total net assets	2,355,646	2,369,632
Total liabilities and net assets	$ 4,748,048	$ 4,567,631

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

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2019
(in thousands)

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
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
Total operating revenue	1,546,166	-	1,546,166
OPERATING EXPENSES			
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
Total operating expenses	1,529,538	-	1,529,538
INCREASE IN NET ASSETS FROM OPERATING ACTIVITIES	16,628	-	16,628
NON-OPERATING ACTIVITIES			
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)
Total non-operating activities	(12,013)	(18,601)	(30,614)
INCREASE (DECREASE) IN NET ASSETS	4,615	(18,601)	(13,986)
NET ASSETS AT THE BEGINNING OF THE YEAR	1,663,543	706,089	2,369,632
NET ASSETS AT THE END OF THE YEAR	$ 1,668,158	$ 687,488	$ 2,355,646

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

CONSOLIDATED STATEMENT OF ACTIVITIES

Year Ended June 30, 2018
(in thousands)

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE			
Student tuition and fees, net of $314,761 university funded scholarships	$ 752,917	$ -	$ 752,917
Grants and contracts including indirect cost recoveries	201,688	-	201,688
Auxiliary enterprises, net	116,464	-	116,464
Endowment income distributed for operations	76,861	-	76,861
Medical education agreements	64,854	-	64,854
Contributions	21,061	-	21,061
Investment income used in operations	18,454	-	18,454
Net assets released from restrictions	17,852	-	17,852
Other	31,465	-	31,465
Total operating revenue	1,301,616	-	1,301,616
OPERATING EXPENSES			
Salaries and benefits	701,953	-	701,953
Purchased services	252,855	-	252,855
Depreciation	84,594	-	84,594
Interest	62,329	-	62,329
Scholarships and fellowships	16,941	-	16,941
Other	160,968	-	160,968
Total operating expenses	1,279,640	-	1,279,640
INCREASE IN NET ASSETS FROM OPERATING ACTIVITIES	21,976	-	21,976
NON-OPERATING ACTIVITIES			
Investment income, net	112,023	28,129	140,152
Net assets released from restriction	58,584	(76,436)	(17,852)
Contributions, net	-	19,879	19,879
Endowment income distributed for operations	(78,781)	1,920	(76,861)
Debt extinguishment costs	(14,042)	-	(14,042)
Other	3,217	(3,197)	20
Total non-operating activities	81,001	(29,705)	51,296
INCREASE (DECREASE) IN NET ASSETS	102,977	(29,705)	73,272
NET ASSETS AT THE BEGINNING OF THE YEAR	1,560,566	735,794	2,296,360
NET ASSETS AT THE END OF THE YEAR	$ 1,663,543	$ 706,089	$ 2,369,632

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended June 30, 2019 and 2018
(in thousands)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	$ (13,986)	$ 73,272
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	(7,885)	(6,222)
Donated assets	(206)	(1,803)
Depreciation, amortization, and accretion expenses	90,434	86,546
Net realized/unrealized (gain) on investments	(23,285)	(116,651)
Other non-cash items	3,755	3,609
Debt extinguishment costs	-	14,042
Changes in operating assets and liabilities:		
Accounts receivable	(2,696)	(7,990)
Pledges receivable	10,694	9,075
Other assets	3,664	3,008
Accounts payable and accrued expenses	10,560	6,521
Deferred revenue and deposits	(2,617)	4,193
Net cash provided by operating activities	65,323	67,600
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(739,348)	(847,784)
Sales and maturity of investments	777,396	664,892
Purchases of property, plant, and equipment	(86,727)	(76,236)
Cash investment - MFA business combination	11,774	-
Net proceeds from sale of real property	-	388
Change in other loans and notes receivable	4,404	(12,600)
Net cash (used in) investing activities	(32,501)	(271,340)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long-term investment	7,885	6,222
Payments of long-term debt	(474)	(168,016)
Extinguishment of debt, including related costs	-	(544,982)
Proceeds from borrowings	-	795,000
Proceeds from borrowing on lines of credit	117,291	-
Principal payments on lines of credit	(115,981)	-
Payments of debt issuance costs	75	(3,888)
Payments of capital lease obligations	(1,941)	(796)
Change in refundable government student loan funds	(9)	(141)
Net cash provided by financing activities	6,846	83,399
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	39,668	(120,341)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	122,808	243,149
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 162,476	$ 122,808
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Net interest paid	$ 80,151	$ 70,530
Income tax payments	1,274	46
Assets and liabilities acquired under capital lease	6,560	625

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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, room, 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 16. 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, DC 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.

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 by endowment fund and other investment managers are included in Investments. Purchases and sales of investment cash equivalents are netted for reporting on the Consolidated Statements of Cash Flows.

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

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions received for capital projects, endowment funds, or student loans and contributions under split-interest agreements or perpetual trusts are reported as revenue with or without donor restrictions based on the terms of gift agreements. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Promises to give with payments to be received after one year from the date of the financial statements are discounted at a risk-adjusted rate approximating the market rates for unsecured borrowing as required by fair value measurement accounting standards. 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 revenue 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 assets associated with these arrangements are recorded at their fair value and are included in Investments (Note 5). Once liabilities to other beneficiaries are satisfied, the residual assets are transferred to the University.

The University manages the following types of arrangements. 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 9).

- **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, 2019 and 2018. The allowance for doubtful accounts is estimated based on the University's historical experience and periodic review of individual accounts. The majority of the University's loans receivable represents amounts due under federally guaranteed programs; therefore no reserves are recorded for the federal portion. Generally, payment on loans receivable commences upon graduation and can extend up to 10 years. These loans carry interest rates ranging from 3% to 7%. The carrying value of loans receivable approximates fair value. 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 $7.4 million and $3.1 million as of June 30, 2019 and 2018, 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 life. Interest cost incurred during construction is capitalized as part of the cost of capital projects. Equipment under capital leases is included in assets and liabilities at the value of future minimum lease payments discounted by the University's incremental borrowing rate. 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.

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 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.

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.

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.

Deferred revenue: Tuition and other deposits

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

As of June 30, 2019, $48.0 million of remaining performance obligations under open service contracts is reported as Deferred revenue on the Consolidated Statement of Financial Position. The University expects to recognize this entire amount in operating revenues during the fiscal year ending June 30, 2020. As of June 30, 2018, the University reported $49.3 million of remaining performance obligations under open service contracts as Deferred revenue, which was recognized as operating revenues during the fiscal year ended June 30, 2019.

Grants and Contracts

The University recognizes grants and contracts sponsored research agreements revenue in accordance with the agreement, generally when expenditures are incurred. Any funding received in advance of expenditure is recorded in Deferred revenue: Grants and contract payments on the Consolidated Statements of Financial Position and discussed in Note 4.

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, 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 that 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/ payers. Net 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.

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.

Recent Accounting Standards

The University adopted ASU 2014-09, *Revenue from Contracts with Customers* on July 1, 2017. This standard requires entities to recognize revenue from customers when or as performance obligations of the contract are met. This standard was adopted using the full retrospective method. The adoption increased deferred revenue liability and reduced opening net assets of fiscal year 2018 by $25.5 million.

The University adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* effective on July 1, 2018 using the full prospective method. This update assists not-for-profit entities in evaluating whether transactions should be accounted for as contributions or as exchange transactions, and in determining whether a contribution is conditional. Due to this adoption, the majority of the University's grant transactions are no longer considered exchange transactions and are now deemed contributions (mostly conditional contributions) where revenue recognized equals the expenses. The adoption of this standard did not have a material effect on the University's financial statements.

The University retrospectively adopted ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, to the opening net assets of fiscal year 2018. The main requirements of the guidance include (a) presenting only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions", (b) classifying underwater amounts of donor-restricted endowment funds as "net assets with donor restrictions", (c) use of placed-in-service approach for expiration of restrictions on capital gifts, (d) presentation of investment return net of expenses, and (e) disclosures of composition of net assets, liquidity, and expenses by both their natural and functional classification. The adoption of this standard increased net assets without donor restrictions and decreased net assets with donor restrictions by $8.3 million related to underwater endowment funds.

ASU 2016-02, *Leases,* will be effective for the University in fiscal year 2020. This standard requires recognition of rights and obligations arising from lease contracts, including existing and new arrangements, as assets and liabilities on the balance sheet. The University is currently evaluating the effect of adoption on the financial statements.

NOTE 2 – LIQUIDITY

The University regularly monitors liquidity required to meet its operating needs and commitments while striving to maximize the investment of available funds. The University operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. In addition to financial assets available to meet general expenditures over the next twelve months, the University invests cash in excess of daily requirements in short-term investments, and has liquidity resources in the form of available lines of credit.

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

(in thousands)	Financial assets	Unavailable within one year	Available for general expenditure within one year
Cash and cash equivalents	$ 162,476	$ –	$ 162,476
Short-term investments	269,524	–	269,524
Accounts receivable	141,351	9,586	131,765
Contributions receivable	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	–
	$ 2,942,683	$ 1,895,455	1,047,228
Liquidity resources - available lines of credit			162,927
Financial assets available for general expenditure within one year			$ 1,210,155

NOTE 3 – ACCOUNTS RECEIVABLE

(in thousands)	JUNE 30	
	2019	2018
Grants and contracts	$ 35,264	$ 37,072
Patient care, net	38,759	-
Student tuition and fee accounts	24,701	24,882
Due from affiliation agreements	3,949	3,260
Due from hospital limited partnership	12,545	6,950
Other	28,358	9,423
Allowance for doubtful accounts	(2,225)	(3,135)
Total	$ 141,351	$ 78,452

NOTE 4 – CONTRIBUTIONS RECEIVABLE

(in thousands)	JUNE 30	
	2019	2018
Unconditional promises expected to be collected in:		
Less than one year	$ 28,355	$ 42,823
One year to five years	13,793	11,847
Over five years	542	1,029
Subtotal	42,690	55,699
Allowance for uncollectible pledges	(3,980)	(6,910)
Unamortized discount to present value	(2,033)	(1,418)
Total	$ 36,677	$ 47,371

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, 2019 and 2018, the University had received notification of outstanding bequest intentions and certain conditional promises to give of approximately $223 million and $206 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, 2019, the University had remaining available award balances on federal and private conditional grants and contracts for sponsored projects of $208 million. 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.

NOTE 5 – INVESTMENTS

(in thousands)	JUNE 30	
	2019	2018
Cash and cash equivalents	$ 54,437	$ 93,332
Exchange traded funds	9,478	-
Fixed income:		
Asset-backed securities	23,521	41,574
Corporate debt securities	43,586	32,269
Government debt securities	99,566	96,049
Other	18,815	7,233
Global equity	475,939	451,547
Hedge funds	196,030	193,321
Private equity	99,974	139,570
Real estate	1,064,189	1,032,753
Split-interest agreements:		
GW as trustee	15,046	13,679
Trusts held by others	44,096	48,409
Deferred compensation plan assets	61,120	50,399
Other	51,914	54,036
Net pending trades	21,561	-
Fund units receivable	25,000	-
Unrealized gain (loss) on open futures contracts	2,015	(219)
Total	$ 2,306,287	$ 2,253,952

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, 2019 and 2018, 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 $23.0 million and $23.6 million as of June 30, 2019 and 2018, 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 $41.9 million and $41.0 million as of June 30, 2019 and 2018, respectively.

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 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)	2019			2018		
	Reported at fair value	Not subject to fair value reporting	Total	Reported at fair value	Not subject to fair value reporting	Total
Cash and cash equivalents	$ 159,100	$ 3,376	$ 162,476	$ 116,010	$ 6,799	$ 122,809
Short-term investments	269,424	100	269,524	289,821	271	290,092
Investments	2,180,649	125,638	2,306,287	2,175,069	78,883	2,253,952
Total	$ 2,609,173	$ 129,114	$ 2,738,287	$ 2,580,900	$ 85,953	$ 2,666,853

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.

(in thousands)	AS OF JUNE 30, 2019				
	CLASSIFIED IN FAIR VALUE HIERARCHY				
	NAV	Level 1	Level 2	Level 3	Total Fair Value
Cash equivalents at fair value	$ -	$ 153,713	$ 5,387	$ -	$ 159,100
Short-term investments at fair value	-	269,424	-	-	269,424
Investments:					
Cash and cash equivalents	-	54,437	-	-	54,437
Exchange traded funds	-	9,478	-	-	9,478
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	2,895	7,243	-	18,815
Global equity	350,085	121,712	-	-	471,797
Hedge funds	196,030	-	-	-	196,030
Private equity	99,974	-	-	-	99,974
Real estate	-	109	-	1,041,059	1,041,168
Split-interest agreements:					
GW as trustee	-	15,046	-	-	15,046
Trusts held by others	-	-	-	44,096	44,096
Deferred compensation plan assets	-	42,599	10,496	8,025	61,120
Unrealized gain-open futures contracts	-	2,015	-	-	2,015
Total investments at fair value	721,778	315,971	49,720	1,093,180	2,180,649
Total assets at fair value	$ 721,778	$ 739,108	$ 55,107	$ 1,093,180	$ 2,609,173

(in thousands)	AS OF JUNE 30, 2018				
	CLASSIFIED IN FAIR VALUE HIERARCHY				
	NAV	Level 1	Level 2	Level 3	Total Fair Value
Cash equivalents at fair value	$ -	$ 110,727	$ 5,283	$ -	$ 116,010
Short-term investments at fair value	-	289,821	-	-	289,821
Investments:					
Cash and cash equivalents	-	93,332	-	-	93,332
Fixed Income:					
Asset-backed securities	41,574	-	-	-	41,574
Corporate debt securities	16,849	-	15,420	-	32,269
Government debt securities	30,752	65,297	-	-	96,049
Other	3,924	2,798	511	-	7,233
Global equity	300,010	150,268	-	-	450,278
Hedge funds	193,321	-	-	-	193,321
Private equity	139,570	-	-	-	139,570
Real estate	-	98	-	1,009,077	1,009,175
Split-interest agreements:					
GW as trustee	-	13,679	-	-	13,679
Trusts held by others	-	-	-	48,409	48,409
Deferred compensation plan assets	-	33,212	10,036	7,151	50,399
Unrealized loss-open futures contracts	-	(219)	-	-	(219)
Total investments at fair value	726,000	358,465	25,967	1,064,637	2,175,069
Total assets at fair value	$ 726,000	$ 759,013	$ 31,250	$ 1,064,637	$ 2,580,900

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 $5.4 million at June 30, 2019 and $5.3 million at June 30, 2018 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 investment funds not publicly traded has been estimated using the NAV of the funds which are calculated by the investment manager, and excluded from the fair value leveling table.

- **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 the fair value leveling table.

- **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 the fair value leveling table.

- **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 the fair value leveling table. The valuation policies adopted by the manager are reviewed for propriety, consistency, compliance, and completeness. Inputs used to determine fair value are based upon the best available information provided by the investment manager and may incorporate management judgments and best estimates after considering a variety of factors. 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.

- **Real estate** - Real estate investment properties are valued based on results from an independent appraisal and a professional third-party market valuation and are included in Level 3. To determine fair value in cases where the two valuation methods yielded resulting values within 5%, the University adopted the average of the two values as the fair value. In cases where the variance between the two valuations was greater than 5%, the University considered the ranges of values provided by the valuation experts and made certain assumptions with respect to future property cash flow expectations and risk pricing in the form of income capitalization rates and discount rates. Valuation adjustments represent management's assumptions of how a market participant would view the properties, and are based on the range of future cash flows and risk pricing presented in the appraisals and professional valuations. 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.

AS OF JUNE 30, 2019				
	Fair Value *(in thousands)*	Valuation Techniques	Unobservable Inputs	Range
Hotel	$44,000	Discounted cash flow	Exit capitalization rate Discount rate	6.50% 9.00%
Office building	$201,000	Income capitalization approach	Exit capitalization rate Discount rate	5.25% 6.50%
Ground leased real estate	$795,700	Income capitalization approach	Capitalization rate Discount Rate	3.50% 5.00-7.00%

AS OF JUNE 30, 2018				
	Fair Value *(in thousands)*	Valuation Techniques	Unobservable Inputs	Range
Hotel	$48,900	Discounted cash flow	Exit capitalization rate Discount rate	7.00% 9.00%
Office buildings	$187,000	Income capitalization approach	Exit capitalization rate Discount rate	5.50% 6.75%
Ground leased real estate	$772,300	Income capitalization approach	Capitalization rate Discount Rate	3.50% 3.75-5.00%

- **Split-interest agreements** - Assets received under split-interest agreements from donors where the University serves as trustee are categorized as Level 1 based on the observability of pricing inputs to the underlying investments held in those trusts. 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.

- **Deferred compensation plan assets** - Assets purchased under deferred compensation arrangements include mutual funds, insurance company pooled separate accounts, and variable annuities and are categorized as Level 1, Level 2, or Level 3 based on the observability of pricing inputs for the investment vehicles. Funds that are publicly traded are categorized as Level 1, while Level 2 assets include funds which are not publicly traded, but have established NAV or are based on quoted prices for similar assets. Level 3 assets include 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:

(in thousands)	2019				2018
Category of Investment	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period	Fair Value
Fixed income - asset-backed securities	$ 23,521	$ -	Quarterly	15 days	$ 41,574
Fixed income - corporate debt	14,232	-	Quarterly	90 days	16,849
Fixed income - government debt	29,259	-	Daily to monthly	1-15 days	30,752
Fixed income - other	8,677	14,025	Redemption not permitted during life of fund	-	3,924
Global equity	350,085	-	Daily to quarterly	1-60 days	300,010
Hedge funds	196,030	-	Quarterly	90 days	193,321
Private equity	99,974	123,583	Redemption not permitted during life of fund	N/A	139,570
Total	$ 721,778	$ 137,608			$ 726,000

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. Approximately 2% of these funds are in liquidation as of June 30, 2019.

- **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 87% of the underlying assets will be liquidated within 10 years.

Changes in Level 3 Assets

(in thousands)	2019					
	Beginning of year	Net realized/ unrealized gains	Purchases/ additions	Sales/Transfers	End of year	Total net gains included in earnings attributable to the change in net unrealized gains for assets still held at June 30, 2019
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
Deferred compensation	7,151	230	644	-	8,025	-
	$ 1,064,637	$ 30,226	$ 3,292	$ (4,975)	$ 1,093,180	$ 29,953

(in thousands)	2018					
	Beginning of year	Net realized/ unrealized gains	Purchases/ additions	Sales	End of year	Total net gains included in earnings attributable to the change in net unrealized gains for assets still held at June 30, 2018
Real estate	$ 1,003,974	$ 75,555	$ 657	$ (71,109)	$ 1,009,077	$ 78,717
Split-interest agreements - trusts held by others	46,633	1,419	535	(178)	48,409	1,419
Deferred compensation	6,303	96	752	-	7,151	-
	$ 1,056,910	$ 77,070	$ 1,944	$ (71,287)	$ 1,064,637	$ 80,136

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. 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). There were no level transfers in the year ending June 30, 2018.

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

(in thousands)	2019	2018
	Investment income, net	Investment income, net
Total net gains included in changes in net assets	$ 29,996	$ 76,974
Change in net unrealized gains relating to assets still held at June 30	$ 29,953	$ 80,136

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 interprets the Uniform Prudent Management of Institutional Funds Act of 2007 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary.

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.

In accordance with UPMIFA, 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

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

(in thousands)	JUNE 30, 2019		
	Without Donor Restrictions	With Donor Restrictions	Total
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	$ 1,235,985	$ 542,574	$ 1,778,559

(in thousands)	JUNE 30, 2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 1,197,526	$ 531,621	$ 1,729,147
Investment return, net	97,456	25,822	123,278
Contributions	5,575	12,048	17,623
Endowment payout	(50,873)	(31,854)	(82,727)
Reinvestment of payout and internal transfers	4,134	7,355	11,489
Endowment net assets, end of year	$ 1,253,818	$ 544,992	$ 1,798,810

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 or UPMIFA requires the University to retain as a fund of perpetual duration. Endowment corpus that is to be maintained in perpetuity totaled $249.3 million and $240.6 million as of June 30, 2019 and 2018, respectively.

As of June 30, 2019, a deficiency of $15.5 million exists on an original gift value of $144.0 million and an $8.3 million deficiency existed on an original gift value of $96.6 million as of June 30, 2018. 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 excessive portfolio volatility. The Endowment's long-term target asset allocation is approved by the Subcommittee on Endowment 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, DC 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)	JUNE 30	
	2019	2018
Land	$ 198,523	$ 179,591
Buildings	2,294,245	2,180,765
Construction in progress	24,766	22,757
Furniture and equipment	182,891	175,433
Library and historical research materials	63,977	69,540
Equipment under capital leases	14,710	9,298
	2,779,112	2,637,384
Accumulated depreciation	(998,672)	(929,305)
Total	$ 1,780,440	$ 1,708,079

DEPRECIATION EXPENSE

(in thousands)	JUNE 30	
	2019	2018
Buildings	$ 63,778	$ 59,926
Furniture and equipment	24,154	23,163
Equipment under capital leases	2,440	1,505
Total	$ 90,372	$ 84,594

NOTE 9 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

(in thousands)	JUNE 30	
	2019	2018
Accrued building construction payable	$ 19,384	$ 14,376
Accrued interest payable	23,410	21,681
Accrued other liabilities	77,580	31,039
Accrued payroll and related liabilities	102,134	89,089
Accumulated postretirement liability	6,851	4,327
Split-interest agreements	7,282	6,358
Self-insurance reserves	35,461	-
Trade payables	27,087	17,487
Other payables	15,289	13,816
Total	$ 314,478	$ 198,173

NOTE 10 - BONDS AND NOTES PAYABLE

(in thousands)	JUNE 30			
	2019			2018
	Final Scheduled Maturities	Ending Interest Rate	Amount Outstanding	Amount Outstanding
Taxable bonds:				
2013 Series General Obligation	9/15/2043	Fixed 4.363%	$ 170,000	$ 170,000
2014 Series General Obligation	9/15/2044	Fixed 4.3%	300,000	300,000
2015 Series General Obligation	9/15/2045	Fixed 4.868%	350,000	350,000
2016 Series General Obligation	9/15/2046	Fixed 3.545%	250,000	250,000
2018 Series General Obligation	9/15/2048	Fixed 4.126%	795,000	795,000
Notes payable				
MFA term loan secured by real estate	11/22/2023	Fixed 4.40%	35,352	-
MFA unsecured subordinated loan	7/1/2027	LIBOR + 6.0%	17,500	-
MFA Revolving credit facility, $35.0 million	3/31/2021	LIBOR + 1.45%	22,073	-
Unsecured notes payable	5/1/2021	Fixed 3%	35	51
			1,939,960	1,865,051
Less: debt issuance costs			(8,727)	(9,078)
Total			$ 1,931,233	$ 1,855,973

As of June 30, 2019, the University has two renewable available lines of credit with a national bank totaling $150 million. These lines of credit have variable interest rates and expire in fiscal years 2020 and 2021. There were no amounts outstanding under lines of credit at June 30, 2019 or 2018. The University guarantees debt obligations incurred by MFA and these loans are included as liabilities in the consolidated financial statements.

2018 bond issuance - In March 2018, the University issued $795 million in Series 2018 taxable, fixed-rate bonds at 4.126% with a maturity date of September 15, 2048. The bond proceeds were used to repay Series 2010, 2011, 2011A, and 2012 fixed-rate bonds totaling $521 million at average rate of 4.1%. The remaining portion of proceeds will be used for construction of student housing and to enhance the University's academic mission.

As of June 30, 2019, principal payments are due on bonds and note payable in accordance with the following schedule:

Fiscal Year Ending June 30	*(in thousands)*
2020	$ 25,284
2021	3,331
2022	3,358
2023	3,404
2024	3,449
Thereafter	1,901,134
Total	$ 1,939,960

Interest type is categorized as follows:

Interest type *(in thousands)*		JUNE 30	
	Financial statement category	2019	2018
Bonds/note payable	Interest expense	$ 69,437	$ 62,267
Rental property	Investment income, net	11,608	10,985
Capital leases	Interest expense	1,156	63
Total		$ 82,201	$ 73,315

NOTE 11 - 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 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. 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.

The University leases certain office, academic, residential, and administrative facilities under non-cancelable operating leases expiring at various dates through 2028. Rent expense under operating leases totaled $21.3 million and $14.9 million for the years ended June 30, 2019 and 2018, respectively. The aggregate minimum lease payments under these operating leases are as follows:

Fiscal Year Ending June 30	*(in thousands)*
2020	$ 21,224
2021	21,783
2022	19,642
2023	18,208
2024	17,491
Thereafter	43,751
Total	$ 142,099

NOTE 12 - 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 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.

(in thousands)		JUNE 30, 2019	
Nature of Specific Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
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
Net investment in plant	366,119	-	366,119
Loan funds	3,427	3,777	7,204
Contributions receivable	-	36,677	36,677
Split-interest funds	9,005	52,113	61,118
Other	53,622	50,352	103,974
Total	$ 1,668,158	$ 687,488	$ 2,355,646

(in thousands)		JUNE 30, 2018	
Nature of Specific Net Assets	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Donated building funds	$ -	$ 2,173	$ 2,173
Board designated endowment funds	1,253,818	-	1,253,818
Donor restricted endowment funds	-	544,992	544,992
Net investment in plant	358,067	-	358,067
Loan funds	3,712	3,816	7,528
Contributions receivable	-	47,371	47,371
Split-interest funds	8,125	56,038	64,163
Other	39,821	51,699	91,520
Total	$ 1,663,543	$ 706,089	$ 2,369,632

NOTE 13 - PROGRAM AND SUPPORTING ACTIVITIES EXPENSE

(in thousands)	Academic and student support	Patient care	Research	Total program	Support services	Total expenses
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
Scholarships and fellowships	17,270	-	-	17,270	-	17,270
Other	97,183	47,839	15,988	161,010	51,708	212,718
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
Allocations	130,112	-	11,469	141,581	(141,581)	-
June 30, 2019	$ 978,784	$ 213,528	$ 210,673	$ 1,402,985	$ 130,762	$ 1,533,747
June 30, 2018	$ 964,449	$ -	$ 206,068	$ 1,170,517	$ 123,165	$ 1,293,682

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 $78.3 million and $77.8 million for the years ended June 30, 2019 and 2018, 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 $77.5 million and $75.1 million for the years ended June 30, 2019 and 2018, respectively.

NOTE 14 - 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 $40.1 million and $39.2 million for the years ended June 30, 2019 and 2018, 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 $6.9 million and $4.3 million as of June 30, 2019 and 2018, respectively.

NOTE 15 - 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, 2019 and 2018 was approximately $12.2 million and $14.7 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 $38.4 million and $36.7 million was reported for the years ended June 30, 2019 and 2018, respectively. The receivable from DHP for the unpaid balance of these services is $4.8 million and $6.9 million as of June 30, 2019 and 2018, respectively. DHP has provided a $30.0 million line of credit to the MFA which had an outstanding balance of $17.5 million as of June 30, 2019. The MFA recorded contract revenue from DHP totaling $4.1 million for the period following the business combination effective December 14, 2018.

NOTE 16 – 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 the MFA with the University's stronger balance sheet. It also creates greater strategic alignment between the University and the 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 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, in thousands, of MFA assets and liabilities as of December 14, 2018 recorded in the consolidated financial statements to affect the combination:

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)
Net assets	$	3,109

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

Revenue	$	232,457
Expenses	$	240,264

Had the transaction occurred on July 1, 2017, the pro forma total consolidated revenue would have been $1,711 million and $1,765 million for the year ended June 30, 2019 and 2018, respectively. The consolidated net assets would have been $2,361 million as of June 30, 2019 and $2,373 million as of June 30, 2018.

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 consolidated financial statements.

NOTE 17 – SUBSEQUENT EVENTS

The University has performed an evaluation of subsequent events through October 3, 2019, which is the date the financial statements were issued, noting no other events which affect the financial statements as of June 30, 2019.

SUPPLEMENTARY CONSOLIDATING INFORMATION

SUPPLEMENTAL SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATING BALANCE SHEET

As of June 30, 2019
(in thousands)

	GWU	MFA	ELIMINATION	TOTAL
ASSETS				
Cash and cash equivalents	$ 157,526	$ 4,950	$ -	$ 162,476
Short-term investments	269,524	-	-	269,524
Accounts receivable, net	75,181	68,969	(2,799)	141,351
Contributions receivable, net	36,677	-	-	36,677
Investments	2,261,947	47,449	(3,109)	2,306,287
Loans and notes receivable, net	28,118	-	(1,750)	26,368
Property, plant, and equipment, net	1,714,686	65,754	-	1,780,440
Other assets	19,424	5,501	-	24,925
Total assets	$ 4,563,083	$ 192,623	$ (7,658)	$ 4,748,048
LIABILITIES				
Accounts payable and accrued expenses	$ 217,481	$ 99,796	$ (2,799)	$ 314,478
Deferred revenue:				
Tuition and other deposits	88,854	4,272	-	93,126
Grants and contracts payments	23,953	-	-	23,953
Bonds and notes payable, net	1,856,308	76,675	(1,750)	1,931,233
Funds advanced for student loans	29,612	-	-	29,612
Total liabilities	2,216,208	180,743	(4,549)	2,392,402
NET ASSETS				
Without donor restrictions	1,659,387	11,880	(3,109)	1,668,158
With donor restrictions	687,488	-	-	687,488
Total net assets	2,346,875	11,880	(3,109)	2,355,646
Total liabilities and net assets	$ 4,563,083	$ 192,623	$ (7,658)	$ 4,748,048

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

SUPPLEMENTAL SCHEDULE TO THE CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATING STATEMENTS OF ACTIVITIES

Year Ended June 30, 2019
(in thousands)

	GWU	MFA	ELIMINATION	TOTAL
OPERATING REVENUE				
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	204,847	3,239	(1,695)	206,391
Auxiliary enterprises, net	119,330	422	-	119,752
Endowment income distributed for operations	86,575	-	-	86,575
Medical education agreements	67,123	21,775	(23,507)	65,391
Contributions	19,079	-	-	19,079
Investment income used in operations	25,034	637	-	25,671
Net assets released from restrictions	13,351	-	-	13,351
Other	30,963	35,196	(1,534)	64,625
Total operating revenue	1,340,445	232,457	(26,736)	1,546,166
OPERATING EXPENSES				
Salaries and benefits	725,712	166,222	-	891,934
Purchased services	258,350	13,168	(20,658)	250,860
Depreciation	86,073	4,299	-	90,372
Interest	67,936	2,657	-	70,593
Scholarships and fellowships	17,270	-	-	17,270
Other	160,669	53,918	(6,078)	208,509
Total operating expenses	1,316,010	240,264	(26,736)	1,529,538
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES				
	24,435	(7,807)	-	16,628
NON-OPERATING ACTIVITIES				
Investment income, net	38,608	828	-	39,436
Net assets released from restriction	(13,351)	-	-	(13,351)
Contributions, net	34,069	-	-	34,069
Endowment income distributed for operations	(86,575)	-	-	(86,575)
Other	(19,943)	15,750	-	(4,193)
Total non-operating activities	(47,192)	16,578	-	(30,614)
INCREASE (DECREASE) IN NET ASSETS	(22,757)	8,771	-	(13,986)
NET ASSETS AT THE BEGINNING OF THE YEAR	2,369,632	3,109	(3,109)	2,369,632
NET ASSETS AT THE END OF THE YEAR	$ 2,346,875	$ 11,880	$ (3,109)	$ 2,355,646

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

NOTES TO THE CONSOLIDATING FINANCIAL STATEMENTS

BASIS OF PRESENTATION – SUPPLEMENTARY CONSOLIDATING INFORMATION

The consolidating supplemental schedules as of and for the year ending June 30, 2019, 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. The GWU component represents the full fiscal year 2019 activity, excluding the MFA. The MFA component represents activity from December 14, 2018 (the effective date of the business combination) through June 30, 2019.

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JUNE 1, 2019 - MAY 31, 2020

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EFFECTIVE AUGUST 2019

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Summary of Financial Results

FINANCIAL RESULTS	YEAR END	
(in thousands)	2019	2018
Assets	$ 4,748,048	$ 4,567,631
Net assets	$ 2,355,646	$ 2,369,632
Increase/(decrease) in net assets	$ (13,986)	$ 73,272
Investments	$ 2,306,287	$ 2,253,952
Bonds and notes payable	$ 1,931,233	$ 1,855,973
Operating revenues	$ 1,546,166	$ 1,301,616
Operating expenses	$ 1,529,538	$ 1,279,640
Non-operating activities	$ (30,614)	$ 51,296
Capital expenditures	$ 86,727	$ 76,236

ENROLLMENT	ACADEMIC YEAR END				
	2019	2018	2017	2016	2015
STUDENTS-FTE					
Undergraduate	11,649	11,203	10,724	10,435	10,046
Graduate	9,725	9,931	9,579	8,983	8,804
Law (J.D.)	1,498	1,446	1,632	1,663	1,602
Medical (M.D.)	701	705	718	727	705
Non-degree	215	217	213	225	252
Total fall enrollment	23,788	23,502	22,866	22,033	21,409
UNDERGRADUATE ADMISSIONS					
Applications	26,512	26,987	25,488	19,837	19,069
Selectivity Ratio	42%	41%	40%	46%	44%
Matriculation Ratio	26%	24%	25%	28%	29%
GRADUATE ADMISSIONS					
Applications	25,620	26,116	23,715	22,348	22,257
Selectivity ratio	50%	51%	51%	51%	47%
Matriculation ratio	37%	39%	41%	41%	42%
LAW (J.D.)					
Applications	7,942	7,460	7,214	7,028	6,264
Selectivity ratio	34%	33%	37%	40%	46%
Matriculation ratio	21%	16%	17%	16%	19%
MEDICINE (M.D.)					
Applications	11,107	11,432	12,393	11,839	10,981
Selectivity ratio	3%	3%	3%	3%	3%
Matriculation ratio	53%	52%	54%	56%	56%
DEGREES CONFERRED					
Baccalaureate	3,021	2,725	2,595	2,441	2,311
Master's	4,597	4,774	4,363	4,109	4,223
First professional	668	694	797	733	627
Doctoral	406	455	368	372	332

THE GEORGE WASHINGTON UNIVERSITY

WASHINGTON, DC

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