

Annual Report on GWU Finances Jan. 2022 (Draft)

Faculty Senate Fiscal Planning and Budgeting Committee

Joseph Cordes, Trachtenberg School and Economics, Co-Chair

Susan Kulp, Department of Accountancy, Co-Chair

Outline

- Overview of Budgeting and Financing at GWU
- Sources and Uses of Revenue
- Assets and Net Worth
- Debt
- Fiscal 2021
 - **Operating Results:** Consolidated, University, Medical Faculty Associates
 - **Balance Sheet:** Consolidated, University, Medical Faculty Associates
- FY 2022
 - Approved University Operating Budget
 - University Capital Budget
 - FY 2022 Opportunities and Challenges
- FY 2023 Opportunities and Challenges

Budgeting and Financing Overview

- Deciders
 - Board of Trustees
 - University Administration
 - Schools and Administrative Units
- Stakeholders
 - Faculty
 - Faculty Senate: Executive Committee + Senate Standing Committees
 - Administrative faculty-staff-student committees
 - Staff
 - Students

University Budget Model (Academic Units + Central; Does not Include MFA)

- Open Schools
 - CCAS, SEAS, GSHED, GWSB, ESIA, CPS, Nursing, Milken (undergrad)
- Closed Schools
 - Law, Milken (graduate), SMHS
- Open School Sources of Financing
 - Undergraduate tuition revenue: Fixed per capita amount per student
 - Graduate tuition revenue: School remits to central administration 30% of net tuition graduate tuition revenue + an additional fee of $\approx 5\%$; School retains $\approx (70-5)\%$; Central administration share $\approx 35\%$
 - Gifts and Contributions
 - Endowment allocations
 - Research grants, contracts
 - Fees
- Closed School Sources of Financing
 - Tuition Revenue minus a fixed contribution to the central administration
 - Other revenue sources same as Open Schools
- Central Administration
 - Revenue shares from open and closed schools
 - Revenue from auxiliary services (Housing, parking, etc)
 - Fees
 - Gifts and Contributions

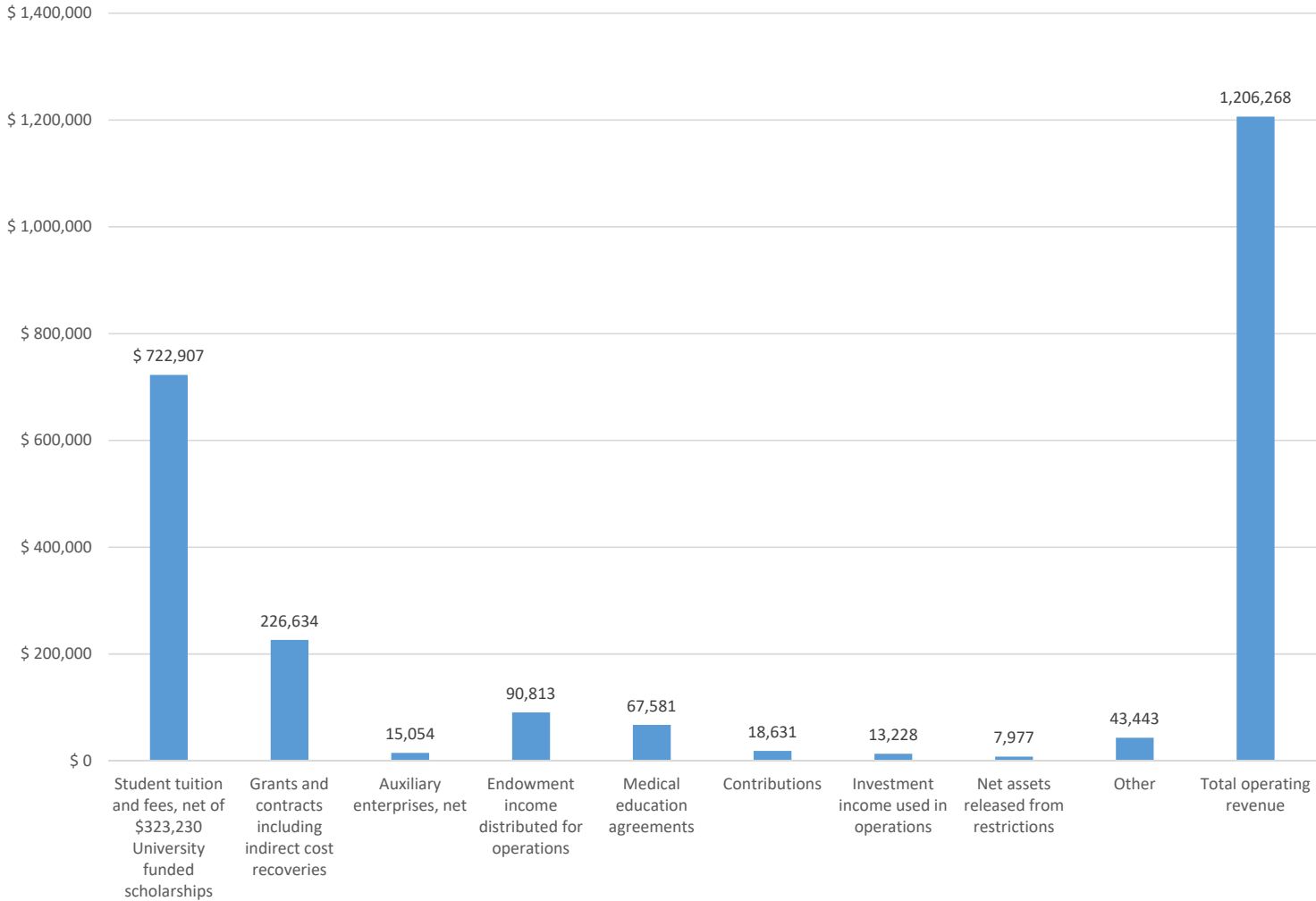
Information on University Finances

- George Washington University Finance Division: <https://finance.gwu.edu/>
- Annual Audited Financial Report: <https://finance.gwu.edu/sites/g/files/zaxdzs3726/f/downloads/2021%20The%20George%20Washington%20University%20-%20Annual%20Report.pdf>
- Annual University Financial Statement: <https://finance.gwu.edu/sites/g/files/zaxdzs3726/f/downloads/2021%20GWU%20Single%20Audit%20Report.pdf>
- Credit Rating Reports
 - Standard and Poors: <https://finance.gwu.edu/sites/g/files/zaxdzs3726/f/downloads/S%20%26%20P%20Rating%20Report%20-%20December%202020.pdf>
 - Moody's: <https://finance.gwu.edu/sites/g/files/zaxdzs3726/f/downloads/Credit%20Opinion%20-%20George-Washington-University-DC%20-%2014Oct20.pdf>
- Endowment Stewardship: <https://finance.gwu.edu/sites/g/files/zaxdzs3726/f/downloads/FY21%20Endowment%20Annual%20Report.pdf>

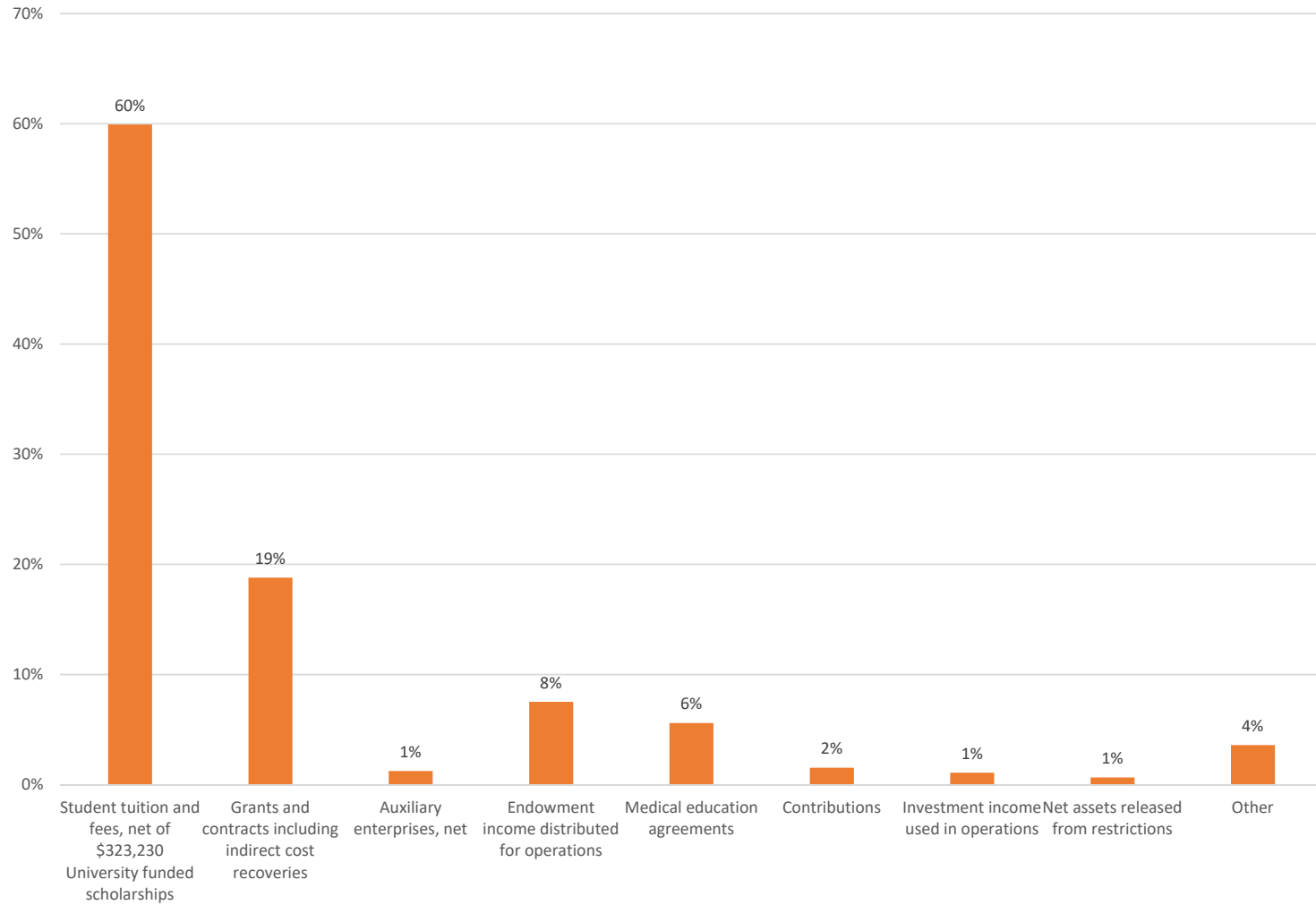
The Consolidated Financial Statement

- GWU Financial Statements and Balance Sheets encompass two separate legal entities
 - George Washington University
 - George Washington Medical Faculty Associates
- Financial performance of both units are consolidated for reporting purposes
- Separate financial performance of each entity are also presented: See more detail in Appendix/
- Presentation below focuses on the University rather than University + MFA

Sources of Revenue: FY 2021



Sources of Revenue



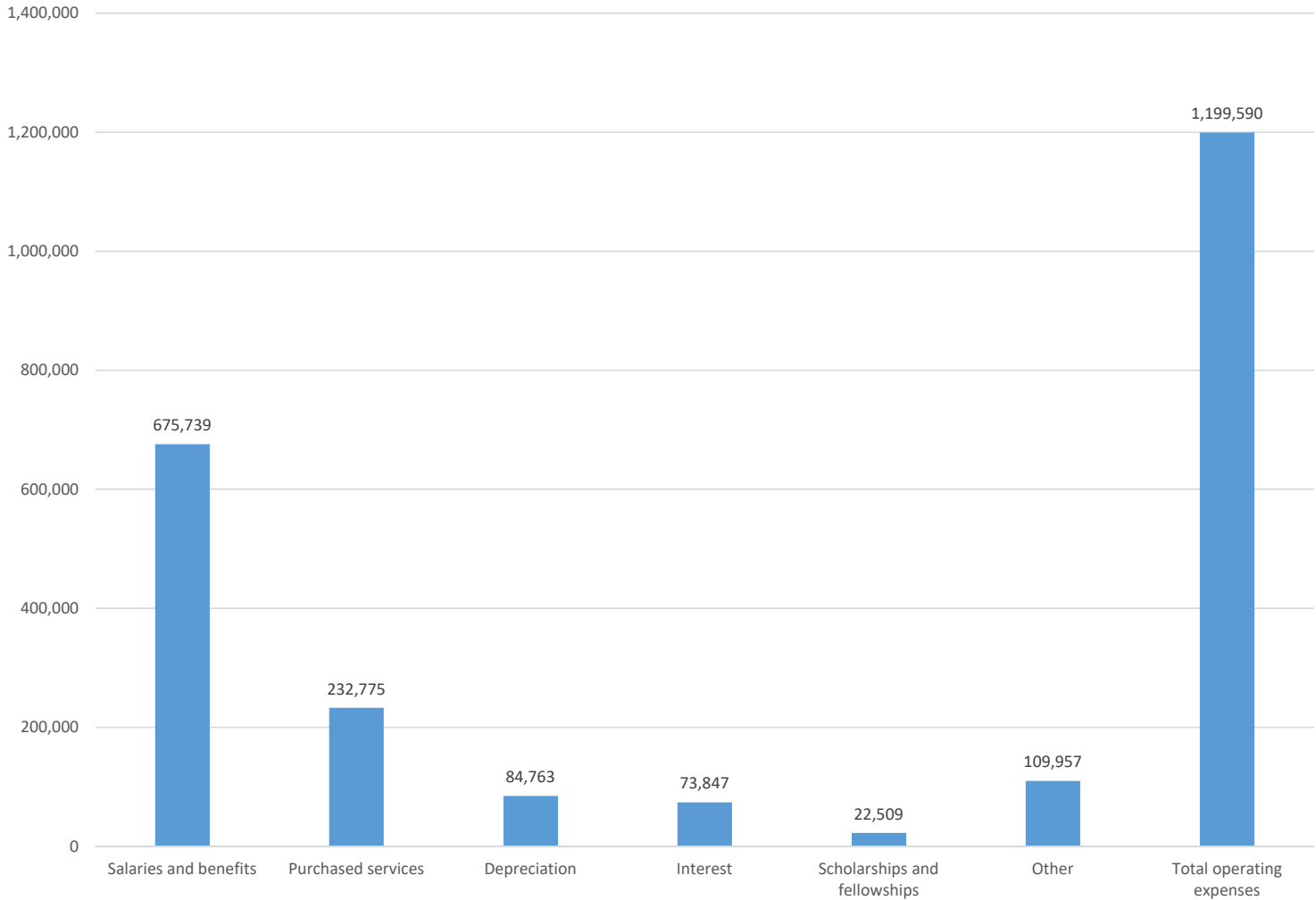
Giving/Donations:1

- Fundraising for scholarships and fellowships for undergraduate and graduate students is DAR's signature priority for the next several years. While we will continue to raise money for other areas and be donor centered in our gift conversations, our students are the top priority. Through close partnership with colleagues in Enrollment and Student Success as well as in discussions with the Deans, including some Associate Deans for Graduate Studies and school-based finance team members, emerging priorities are:
 - Start closing financial gaps for GW's families who qualify for Pell grants
 - Begin addressing unsubsidized loans for GW's families who qualify for Pell grants
 - Starting closing financial gaps for GW's middle income families
 - Reduce the burden of loan debt on graduating seniors
 - Support existing and incoming graduate students through increased fellowships

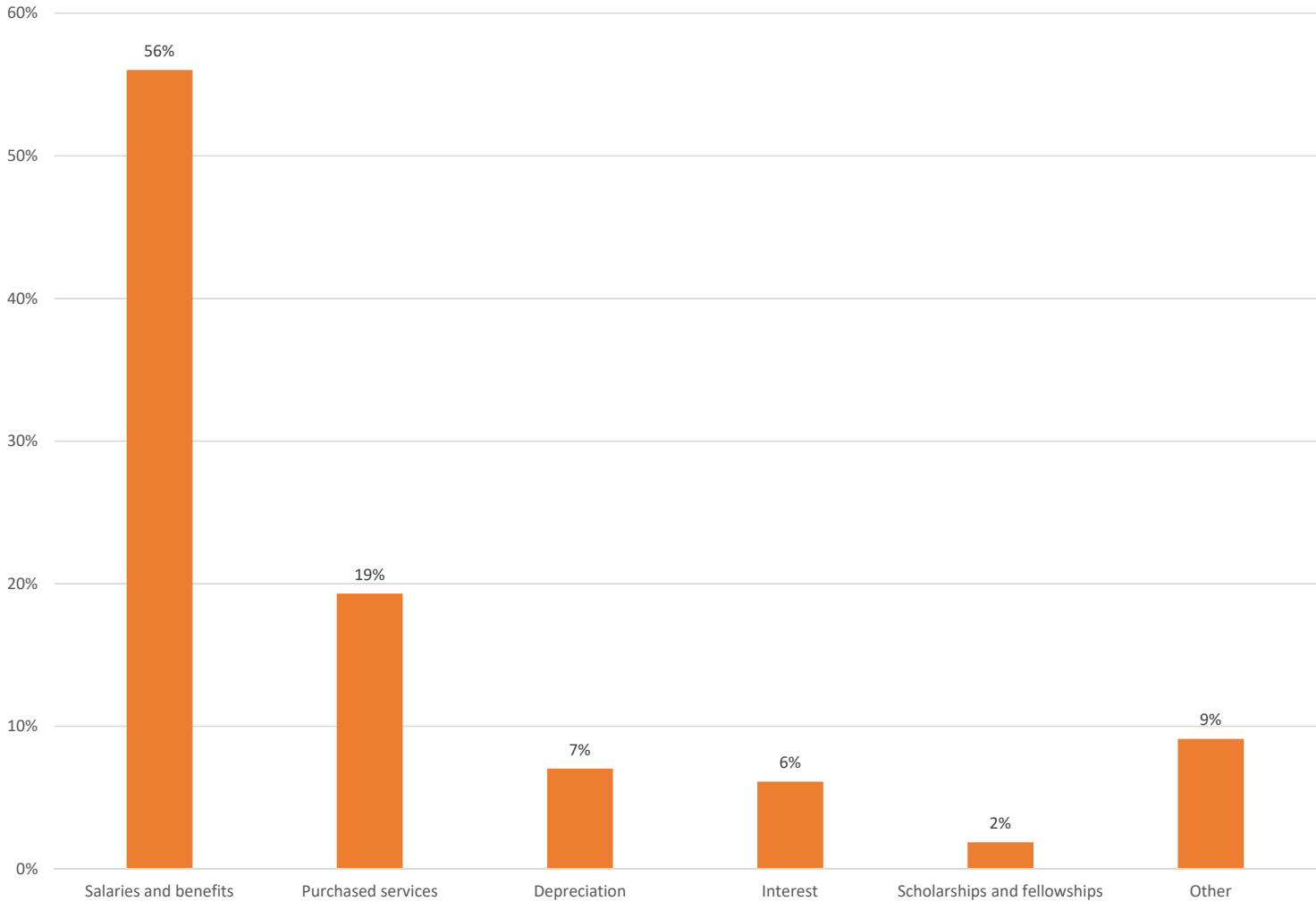
Giving/Donations: 2

- OVERALL ANNUAL GIVING ATTAINMENT:
 - Goal for FY'22: \$12.5 million
- OVERALL DONOR COUNT:
 - Goal for FY '22: 15,750
- OVERALL DONOR RETENTION:
 - Goal for FY '22: 55%
- FACULTY/STAFF GIVING:
 - 3 year average: \$4 million from about 1,300 donors
 - No goal for this year
 - December 31, 2021, slightly less than \$1m raised from 770 donors

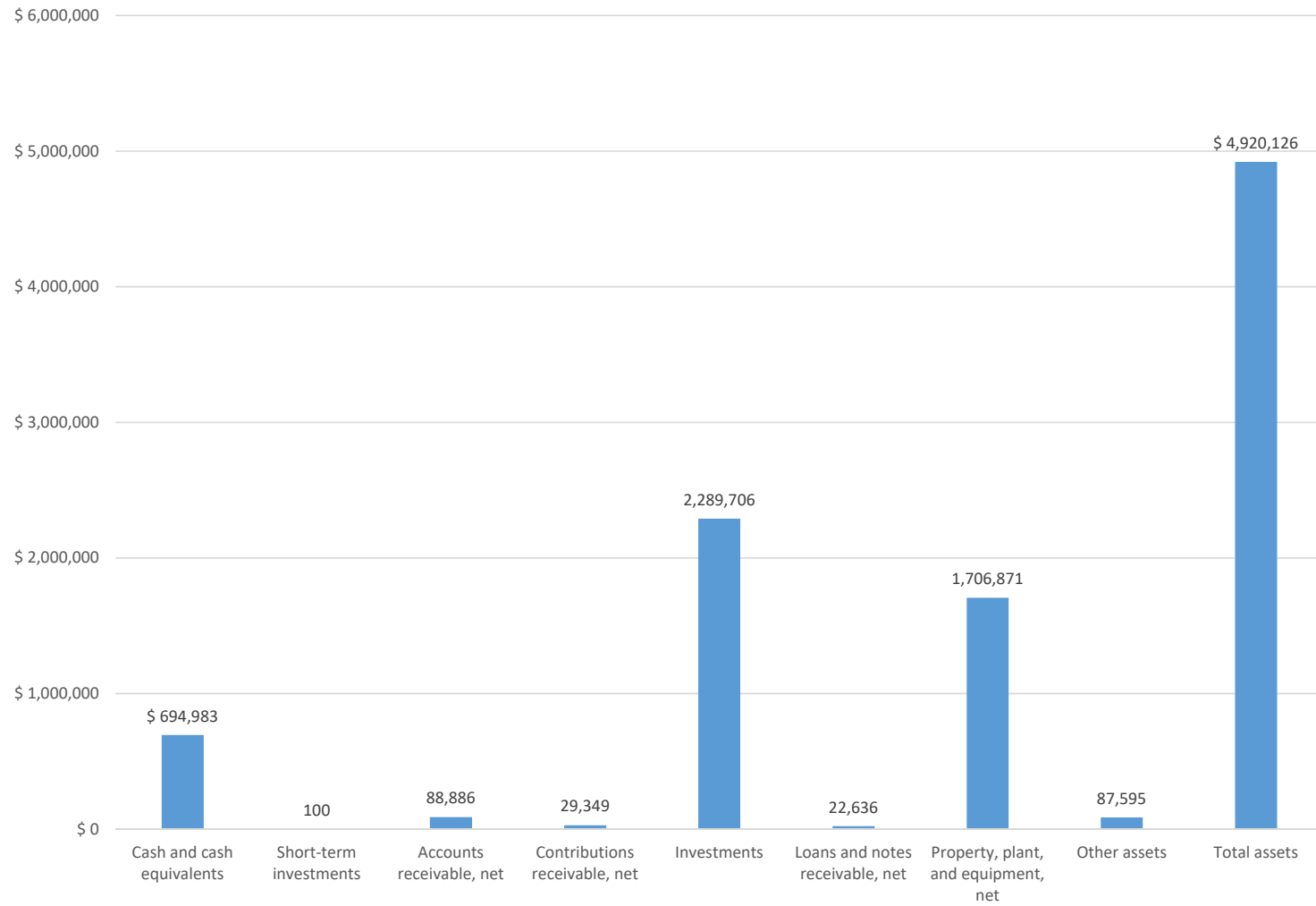
Expenses: FY 2021



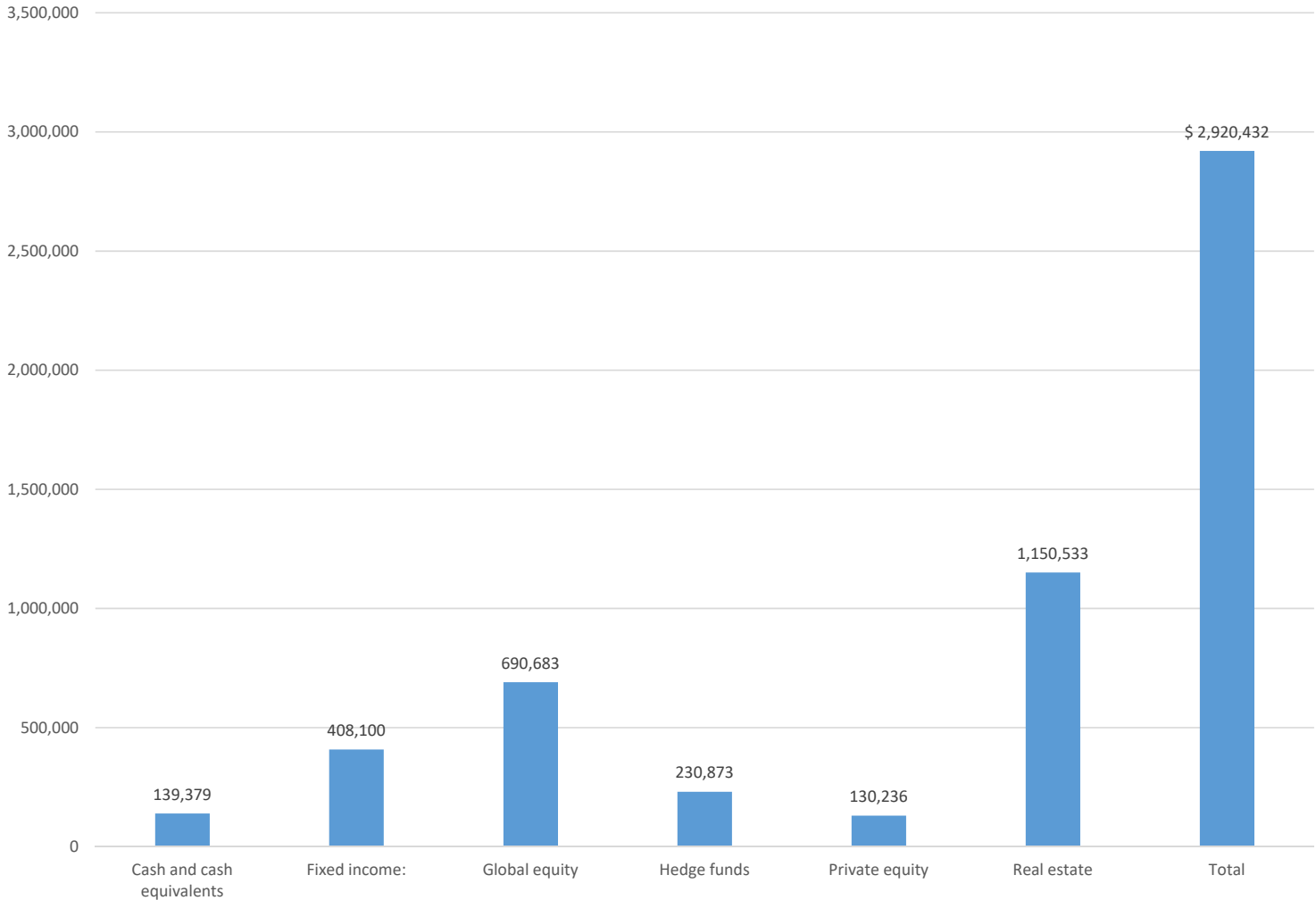
Sources of Cost



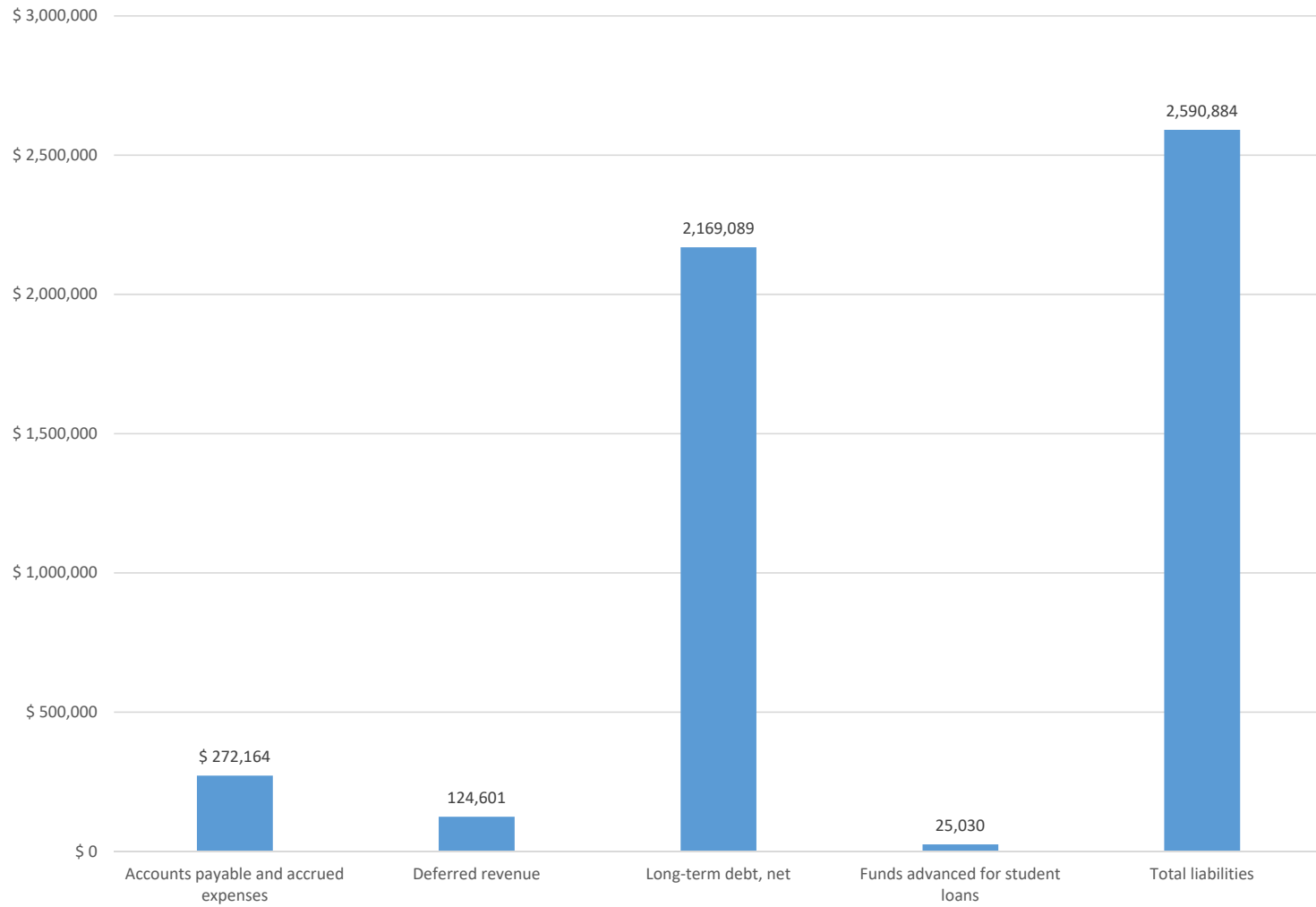
University Assets



Selected University Investments



University Liabilities



**THE GEORGE WASHINGTON UNIVERSITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

Note 11 – Long-Term Debt

	Final Scheduled Maturities	June 30		
		2021		2020
		Ending Interest Rate	Amount Outstanding	Amount Outstanding
Taxable bonds:				
2013 Series General Obligation	9/15/2043	Fixed 4.363%	\$ 170,000	\$ 170,000
2014 Series General Obligation	9/15/2044	Fixed 4.3%	300,000	300,000
2015 Series General Obligation	9/15/2045	Fixed 4.868%	350,000	350,000
2016 Series General Obligation	9/15/2046	Fixed 3.545%	250,000	250,000
2018 Series General Obligation	9/15/2048	Fixed 4.126%	795,000	795,000
Notes payable:				
MFA term loan secured by real estate	4/5/2028	LIBOR + 2.375%	33,480	34,416
MFA unsecured subordinated loan	7/1/2027	LIBOR + 6.0%	14,000	16,314
MFA term loan	4/5/2027	LIBOR + 2.375%	28,873	-
MFA Revolving credit facility, \$50.0 million	3/31/2023	LIBOR + 1.45%	48,668	21,234
Unsecured notes payable:				
Revolving line of credit, \$175.0 million	5/7/2025	LIBOR + 1.5%	-	175,000
Term loan, \$125.0 million	5/7/2025	LIBOR + 1.5%	125,000	125,000
			2,115,021	2,236,964
Less: Debt issuance costs			(9,494)	(9,304)
Plus: Finance lease liability			10,490	16,997
Total			<u>\$ 2,116,017</u>	<u>\$ 2,244,657</u>

In May 2020, the University entered into a credit agreement with a national bank, which included a \$175 million revolving credit facility and a \$125 million term loan facility. The University repaid the \$175 million revolving credit facility in March 2021.

In April 2021, MFA refinanced a portion of its debt and entered into a new \$30 million term loan facility. As part of the refinancing, the final maturity on the MFA term loan secured by real estate was extended and the interest rate changed from fixed to variable. At the same time, MFA entered into swap agreements for the term loan and the term loan secured by real estate, to convert the variable interest rates to fixed rates of 3.43% and 3.96%, respectively. Lastly, as part of the refinancing, the MFA revolving credit facility limit was increased to \$50 million and the final maturity was extended. The University guarantees certain debt obligations incurred by MFA and these loans are included as liabilities in the consolidated financial statements.

As of June 30, 2021, 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>
2022	\$ 7,689
2023	56,549
2024	8,079
2025	133,290
2026	8,504
Thereafter	1,900,910
Total	<u>\$ 2,115,021</u>

University Endowment

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

Fiscal 2021 Highlights

(See appendices for detail)

- Accomplishments
 - Operating Revenues \approx Operating Costs
 - University Covid Mitigation
 - Federal \$\$
 - Increase in Net Worth of \approx \$300 Million
 - Increase in University endowment
- Credit ratings affirmed (Moody's A1 stable. S&P A+ stable)
- Sacrifices
 - Temporary suspension of retirement contributions, merit pay, and promotion Increments
 - Reductions in staff positions: layoffs + reduction in vacant budgeted positions

Fiscal Year 2022 Budget

- Return to “normal”
 - Enrollment:
 - For more detail see enrollment report: <https://cpb-us-e1.wpmucdn.com/blogs.gwu.edu/dist/0/196/files/2021/10/October-2021-minutes-attachments.pdf>
 - Full restoration of retirement contributions and promotion increments
 - 3% allocated for merit increases at school and unit level + 0.5% allocated centrally for promotion increments and other pay adjustments
- First quarter update, budget approved by the trustees was on-target
- Onset of omicron may require budget adjustments

TOTAL HEADCOUNT ENROLLMENTS FALL 2019 – FALL 2021 COMPARISON

STUDENT CATEGORY	Fall 2019 Census Headcount	Fall 2020 Census Headcount	Fall 2021 Census Headcount	Diff. # 2020 to 2021	Diff. % 2020 to 2021
Residential Undergraduate	10,665	9,927	9,864	-63	-0.6%
Non-Res & Distance Undergraduates	1,366	1,177	1,065	-112	-9.5%
Graduate	12,926	12,716	12,458	-258	-2.0%
Professional (Law & Med)	2,279	2,461	2,429	-32	-1.3%
Non-Degree	578	736	641	-95	-12.9%
Total Enrollment	27,814	27,017	26,457	-560	-2.1%

- SOURCE: GWU Institutional Research and Planning
- Residential UG: students enrolled in the 5 residential Foggy Bottom campus schools
- Non-Res & Distance UG: students enrolled in CPS, Nursing, and Medicine and Health Sciences

THE GEORGE WASHINGTON UNIVERSITY

WASHINGTON, DC

FY 2021 Year-End

(Dollars in millions)

Statement of Operations	FY 2019	FY 2021	FY 2021	Favorable (Unfavorable) Variance from			
	Actual	Budget	Actual	PY		Budget	
Revenue							
Tuition and Fees - Net	\$ 779.6	\$ 723.3	\$ 729.9	\$ (49.7)	(6.4%)	\$ 6.6	0.9%
Indirect Cost Recoveries	33.1	28.3	34.3	1.2	3.5%	6.0	21.0%
Medical Education Agreements	67.1	70.2	67.6	0.5	0.7%	(2.6)	(3.7%)
Contributions, net	28.1	27.1	26.6	(1.5)	(5.4%)	(0.5)	(1.8%)
Endowment Support	86.6	86.2	90.8	4.2	4.9%	4.6	5.4%
Investment and Interest Income	25.0	18.5	13.2	(11.8)	(47.2%)	(5.3)	(28.5%)
Auxiliaries	119.3	14.6	15.1	(104.3)	(87.4%)	0.4	3.0%
Other Income	28.3	46.8	36.7	8.4	29.5%	(10.2)	(21.7%)
Total - Revenue	1,167.2	1,015.0	1,014.1	(153.1)	(13.1%)	(0.9)	(0.1%)
Expenses							
Compensation and Benefits	655.6	585.6	594.1	61.5	9.4%	(8.4)	(1.4%)
Purchased Services	185.8	162.8	156.1	29.7	16.0%	6.7	4.1%
Depreciation and Amortization	86.1	85.2	84.8	1.3	1.5%	0.5	0.5%
Occupancy	49.9	44.8	51.3	(1.4)	(2.8%)	(6.5)	(14.5%)
Scholarships and Fellowships	14.8	15.0	14.7	0.1	0.6%	0.3	1.7%
Interest	66.2	66.7	73.8	(7.6)	(11.5%)	(7.1)	(10.6%)
Other	80.7	53.1	37.6	43.1	53.5%	15.5	29.2%
Contingency	-	1.6	-	-	0.0%	1.6	0.0%
Total - Expenses	1,139.1	1,015.0	1,012.4	126.7	11.1%	2.6	0.3%
Operating Margin (normalized)	\$ 28.1	\$ 0.0	\$ 1.7	\$ (26.4)	(94.0%)	\$ 1.7	N/A
Project New Day Expenses	-	3.0	4.7				
COVID Mitigation Expenses	-	19.1	17.9				
Dining Lease Buyouts	-	-	0.5				
Faculty Voluntary Retirement Buyout	-	-	0.4				
2021 Virtual Commencement	-	-	1.1				
HEERF Allocation	-	-	(21.7)				
Insurance Reimbursements - COVID	-	-	(1.0)				
Operating Margin (incl. non-recurring items)	\$ 28.1	\$ (22.1)	\$ (0.1)	\$ (28.2)	(100%)	\$ 22.0	N/A

Planned FY 2022 Capital Spending

- Academic: \$8.6 million
- Housing: \$71.6 million
- ADA: \$4.4

FY 2023 and Opportunities and Challenges

- Development of FY 2023 budget in process
- Opportunities
 - Development of 21st and Penn complex nearing completion
 - Expiration of the initial ground lease of the World Bank building
 - Completion of Thurston Hall Renovation
 - Bicentennial Capital Campaign
- Challenges
 - Aligning university revenues and expenses (not a new problem)
 - Adjusting to graduation of “extra large” class of 2022
 - Effect on GWU of inflation
 - 5-7% general price inflation
 - Increase in health insurance costs?
 - Maintaining/Improving Return on Endowment
 - Bicentennial capital campaign and philanthropy
 - Decreasing donor counts is a national problem; people are tending to give more to a few organizations rather than smaller amounts to many organizations
 - We have a small team compared to other schools of our size; we have a staff of 5 when most of our peers schools with teams of more than 10
 - There is a direct correlation between giving and the student experience and pride in the institution

Faculty and Staff Concerns

- Adequacy of current staffing levels generally
- Performance of shared staffing
 - Research pods
 - Centralization of IT: see <https://cpb-us-e1.wpmucdn.com/blogs.gwu.edu/dist/0/196/files/2021/12/November-2021-Minutes-Attachments.pdf>
- Budgeting for research and R-funds
- Strategic Master Campus plan
 - Status
 - Implication for Foggy Bottom Campus
- Medical Faculty Associates
 - Relationship of MFA to the University

Appendix: Detailed Financial Data

- FY 2021 Consolidated Revenue and Expense
- FY 2020 Consolidated Revenue and Expense
- FY 2021 Consolidated Balance Sheet (Assets and Liabilities)
- FY 2020 Consolidated Balance Sheet (Assets and Liabilities)
- FY 2021 Consolidated Debt
- FY 2021 Liquidity

**Supplemental Schedule to the Consolidated Financial Statements
Consolidating Statement of Activities
Year Ended June 30, 2021
(in thousands)**

	<u>GWU</u>	<u>MFA</u>	<u>Eliminations</u>	<u>Total</u>
OPERATING REVENUE				
Student tuition and fees, net of \$323,230 University funded scholarships	\$ 722,907	\$ -	\$ (205)	\$ 722,702
Patient care, net	-	287,771	-	287,771
Grants and contracts including indirect cost recoveries	226,634	2,121	-	228,755
Auxiliary enterprises, net	15,054	857	-	15,911
Endowment income distributed for operations	90,813	-	-	90,813
Medical education agreements	67,581	19,014	(24,445)	62,150
Contributions	18,631	-	-	18,631
Investment income used in operations	13,228	2,265	(733)	14,760
Net assets released from restrictions	7,977	-	-	7,977
Other	43,443	111,185	(29,554)	125,074
Total operating revenue	<u>1,206,268</u>	<u>423,213</u>	<u>(54,937)</u>	<u>1,574,544</u>
OPERATING EXPENSES				
Salaries and benefits	675,739	279,341	(235)	954,845
Purchased services	232,775	76,764	(38,708)	270,831
Depreciation	84,763	6,137	-	90,900
Interest	73,847	3,840	(733)	76,954
Scholarships and fellowships	22,509	-	-	22,509
Other	109,957	105,268	(15,261)	199,964
Total operating expenses	<u>1,199,590</u>	<u>471,350</u>	<u>(54,937)</u>	<u>1,616,003</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATING ACTIVITIES	<u>6,678</u>	<u>(48,137)</u>	<u>-</u>	<u>(41,459)</u>
NON-OPERATING ACTIVITIES				
Investment income, net	372,600	-	-	372,600
Net assets released from restriction	(7,977)	-	-	(7,977)
Contributions, net	30,619	-	-	30,619
Endowment income distributed for operations	(90,813)	-	-	(90,813)
Other	6,302	-	-	6,302
Total non-operating activities	<u>310,731</u>	<u>-</u>	<u>-</u>	<u>310,731</u>
INCREASE (DECREASE) IN NET ASSETS	317,409	(48,137)	-	269,272
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>2,329,242</u>	<u>(31,074)</u>	<u>(3,109)</u>	<u>2,295,059</u>
NET ASSETS AT THE END OF THE YEAR	<u>\$ 2,646,651</u>	<u>\$ (79,211)</u>	<u>\$ (3,109)</u>	<u>\$ 2,564,331</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>
OPERATING REVENUE				
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
Total operating revenue	<u>1,326,231</u>	<u>404,458</u>	<u>(45,585)</u>	<u>1,685,104</u>
OPERATING EXPENSES				
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
Total operating expenses	<u>1,342,484</u>	<u>447,412</u>	<u>(45,585)</u>	<u>1,744,311</u>
DECREASE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>(16,253)</u>	<u>(42,954)</u>	<u>-</u>	<u>(59,207)</u>
NON-OPERATING ACTIVITIES				
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)
Total non-operating activities	<u>(1,380)</u>	<u>-</u>	<u>-</u>	<u>(1,380)</u>
DECREASE IN NET ASSETS	<u>(17,633)</u>	<u>(42,954)</u>	<u>-</u>	<u>(60,587)</u>
NET ASSETS AT THE BEGINNING OF THE YEAR	<u>2,346,875</u>	<u>11,880</u>	<u>(3,109)</u>	<u>2,355,646</u>
NET ASSETS AT THE END OF THE YEAR	<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.

Supplemental Schedule to the Consolidated Financial Statements
Consolidating Balance Sheet
As of June 30, 2021
(in thousands)

	<u>GWU</u>	<u>MFA</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 238,919	\$ 41,228	\$ -	\$ 280,147
Accounts receivable, net	75,600	70,187	(5,031)	140,756
Contributions receivable, net	31,382	-	-	31,382
Investments	2,880,195	43,346	(3,109)	2,920,432
Loans and notes receivable, net	58,567	-	(42,127)	16,440
Property, plant, and equipment, net	1,686,937	66,631	-	1,753,568
Other assets	80,951	50,724	(17,278)	114,397
Total assets	<u>\$ 5,052,551</u>	<u>\$ 272,116</u>	<u>\$ (67,545)</u>	<u>\$ 5,257,122</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 290,768	\$ 171,945	\$ (22,361)	\$ 440,352
Deferred revenue	104,599	11,827	-	116,426
Long-term debt, net	1,990,537	167,555	(42,075)	2,116,017
Funds advanced for student loans	19,996	-	-	19,996
Total liabilities	<u>2,405,900</u>	<u>351,327</u>	<u>(64,436)</u>	<u>2,692,791</u>
NET ASSETS				
Without donor restrictions	1,775,849	(79,211)	(3,109)	1,693,529
With donor restrictions	870,802	-	-	870,802
Total net assets	<u>2,646,651</u>	<u>(79,211)</u>	<u>(3,109)</u>	<u>2,564,331</u>
Total liabilities and net assets	<u>\$ 5,052,551</u>	<u>\$ 272,116</u>	<u>\$ (67,545)</u>	<u>\$ 5,257,122</u>

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

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>
ASSETS				
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
Total assets	<u>\$ 4,920,126</u>	<u>\$ 229,327</u>	<u>\$ (49,195)</u>	<u>\$ 5,100,258</u>
LIABILITIES				
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
Total liabilities	<u>2,590,884</u>	<u>260,401</u>	<u>(46,086)</u>	<u>2,805,199</u>
NET ASSETS				
Without donor restrictions	1,643,344	(31,074)	(3,109)	1,609,161
With donor restrictions	685,898	-	-	685,898
Total net assets	<u>2,329,242</u>	<u>(31,074)</u>	<u>(3,109)</u>	<u>2,295,059</u>
Total liabilities and net assets	<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.

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Note 11 – Long-Term Debt

<i>(in thousands)</i>	Final Scheduled Maturities	June 30		
		2021		2020
		Ending Interest Rate	Amount Outstanding	Amount Outstanding
Taxable bonds:				
2013 Series General Obligation	9/15/2043	Fixed 4.363%	\$ 170,000	\$ 170,000
2014 Series General Obligation	9/15/2044	Fixed 4.3%	300,000	300,000
2015 Series General Obligation	9/15/2045	Fixed 4.868%	350,000	350,000
2016 Series General Obligation	9/15/2046	Fixed 3.545%	250,000	250,000
2018 Series General Obligation	9/15/2048	Fixed 4.126%	795,000	795,000
Notes payable:				
MFA term loan secured by real estate	4/5/2028	LIBOR + 2.375%	33,480	34,416
MFA unsecured subordinated loan	7/1/2027	LIBOR + 6.0%	14,000	16,314
MFA term loan	4/5/2027	LIBOR + 2.375%	28,873	-
MFA Revolving credit facility, \$50.0 million	3/31/2023	LIBOR + 1.45%	48,668	21,234
Unsecured notes payable:				
Revolving line of credit, \$175.0 million	5/7/2025	LIBOR + 1.5%	-	175,000
Term loan, \$125.0 million	5/7/2025	LIBOR + 1.5%	125,000	125,000
			2,115,021	2,236,964
Less: Debt issuance costs			(9,494)	(9,304)
Plus: Finance lease liability			10,490	16,997
Total			<u>\$ 2,116,017</u>	<u>\$ 2,244,657</u>

In May 2020, the University entered into a credit agreement with a national bank, which included a \$175 million revolving credit facility and a \$125 million term loan facility. The University repaid the \$175 million revolving credit facility in March 2021.

In April 2021, MFA refinanced a portion of its debt and entered into a new \$30 million term loan facility. As part of the refinancing, the final maturity on the MFA term loan secured by real estate was extended and the interest rate changed from fixed to variable. At the same time, MFA entered into swap agreements for the term loan and the term loan secured by real estate, to convert the variable interest rates to fixed rates of 3.43% and 3.96%, respectively. Lastly, as part of the refinancing, the MFA revolving credit facility limit was increased to \$50 million and the final maturity was extended. The University guarantees certain debt obligations incurred by MFA and these loans are included as liabilities in the consolidated financial statements.

As of June 30, 2021, 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>
2022	\$ 7,689
2023	56,549
2024	8,079
2025	133,290
2026	8,504
Thereafter	1,900,910
Total	<u>\$ 2,115,021</u>

THE GEORGE WASHINGTON UNIVERSITY
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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. In addition to financial assets available to meet general expenditures over the next twelve months, the University has liquidity resources in the form of available lines of credit.

As of June 30, 2021 and 2020, the following assets could readily be made available within one year to meet general expenses:

<i>(in thousands)</i>	As of June 30, 2021		
	Financial Assets	Unavailable Within One Year	Available for General Expenditure within One Year
Cash and cash equivalents	\$ 280,147	\$ 6,396	\$ 273,751
Accounts receivable, net	140,756	16,719	124,037
Contributions receivable, net	31,382	30,958	424
Investments - pooled endowment	1,275,772	727,059	548,713
Investments - endowment real estate	1,125,500	1,125,500	-
Investments - other	519,160	249,364	269,796
Loans and notes receivable, net	16,440	16,440	-
	<u>\$ 3,389,157</u>	<u>\$ 2,172,436</u>	<u>\$ 1,216,721</u>
Liquidity resources - available lines of credit			176,332
Financial assets available for general expenditure within one year			<u>\$ 1,393,053</u>

<i>(in thousands)</i>	As of June 30, 2020		
	Financial Assets	Unavailable Within One Year	Available for General Expenditure within One Year
Cash and cash equivalents	\$ 696,529	\$ 7,341	\$ 689,188
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>

NOTE 5 - INVESTMENTS

<i>(in thousands)</i>	JUNE 30	
	2021	2020
Annuities	\$ 19,493	\$ 18,710
Balanced funds	21,594	16,764
Cash and cash equivalents	139,379	39,261
Fixed income:		
Asset-backed securities	61,518	23,989
Corporate debt securities	116,367	51,061
Government debt securities	180,359	104,203
Other	49,856	32,571
Global equity	690,683	542,997
Hedge funds	230,873	178,509
Private equity	130,236	88,916
Real estate	1,150,533	1,116,368
Split-interest agreements - Trusts held by others	47,557	42,146
Unrealized gain (loss) on open futures contracts and swaps	(625)	1,606
Other	46,747	50,243
Net pending trades	35,862	21,813
Total	\$ 2,920,432	\$ 2,329,157

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, 2021 and 2020, 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 \$24.5 million and \$23.5 million as of June 30, 2021 and 2020, 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 \$34.8 million and \$38.0 million as of June 30, 2021 and 2020, respectively.