

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF NET POSITION

(in thousands)	June 30,	
	2020	2019
<b>Assets and Deferred Outflows</b>		
Current Assets:		
Cash and cash equivalents	\$ 1,275,401	\$ 397,279
Investments for operating activities	1,569,611	882,303
Investments for capital activities	301,721	594,681
Investments for student loan activities	69,866	74,365
Accounts receivable, net	583,857	714,621
Current portion of notes and pledges receivable, net	98,723	80,035
Current portion of prepaid expenses and other assets	151,859	158,320
Cash collateral held by agent	8,728	29,485
<b>Total Current Assets</b>	<b>4,059,766</b>	<b>2,931,089</b>
Noncurrent Assets:		
Unexpended bond proceeds	125,905	90,813
Endowment, life income and other investments	12,867,857	12,834,065
Notes and pledges receivable, net	275,714	301,427
Prepaid expenses and other assets	116,184	107,303
Capital assets, net	6,273,008	6,226,969
<b>Total Noncurrent Assets</b>	<b>19,658,668</b>	<b>19,560,577</b>
<b>Total Assets</b>	<b>23,718,434</b>	<b>22,491,666</b>
Deferred Outflows	514,092	371,574
<b>Total Assets and Deferred Outflows</b>	<b>\$ 24,232,526</b>	<b>\$ 22,863,240</b>

(in thousands)	June 30,	
	2020	2019
<b>Liabilities, Deferred Inflows and Net Position</b>		
Current Liabilities:		
Accounts payable	\$ 333,934	\$ 293,728
Accrued compensation and other	544,352	508,597
Unearned revenue	586,252	312,092
Current portion of insurance and benefits reserves	144,827	104,235
Current portion of obligations for postemployment benefits	92,684	87,712
Commercial paper and current portion of bonds payable	215,658	232,095
Long-term bonds payable subject to remarketing, net	441,450	133,616
Collateral held for securities lending	8,728	29,485
Deposits of affiliates and others	56,111	52,296
<b>Total Current Liabilities</b>	<b>2,423,996</b>	<b>1,753,856</b>
Noncurrent Liabilities:		
Accrued compensation	88,952	34,126
Insurance and benefits reserves	158,604	127,677
Obligations for defined benefit pension plan, net	(1,247)	(2,918)
Obligations for postemployment benefits	3,384,804	3,026,343
Obligations under life income agreements	71,556	74,516
Government loan advances	64,989	83,542
Bonds payable	2,719,063	2,109,317
Deposits of affiliates and other	323,968	332,850
<b>Total Noncurrent Liabilities</b>	<b>6,810,689</b>	<b>5,785,453</b>
<b>Total Liabilities</b>	<b>9,234,685</b>	<b>7,539,309</b>
Deferred Inflows	470,841	520,023
Net Position:		
Net investment in capital assets	3,767,199	3,742,630
Restricted:		
Nonexpendable	2,483,225	2,328,667
Expendable	5,166,803	5,212,557
Unrestricted	3,109,773	3,520,054
<b>Total Net Position</b>	<b>14,527,000</b>	<b>14,803,908</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 24,232,526</b>	<b>\$ 22,863,240</b>

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

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

(in thousands)	Year Ended June 30,	
	2020	2019
<b>Operating Revenues</b>		
Student tuition and fees	\$ 1,944,169	\$ 1,812,466
Less scholarship allowances	488,576	445,994
Net student tuition and fees	1,455,593	1,366,472
Federal grants and contracts	1,005,408	1,006,368
State and local grants and contracts	11,129	13,955
Nongovernmental sponsored programs	243,326	246,054
Sales and services of educational departments	127,353	145,070
Auxiliary enterprises:		
Patient care revenues (net of provision for bad debts of \$119,101 in 2020 and \$137,660 in 2019)	4,767,872	4,845,098
Student residence fees (net of scholarship allowances of \$23,138 in 2020 and \$24,226 in 2019)	114,648	120,122
Other revenues	228,034	244,198
Student loan interest income and fees	2,246	2,532
<b>Total Operating Revenues</b>	<b>7,955,609</b>	<b>7,989,869</b>
<b>Operating Expenses</b>		
Compensation and benefits	6,049,913	5,768,951
Supplies and services	2,574,614	2,523,804
Depreciation	566,694	567,857
Scholarships and fellowships	173,073	164,428
<b>Total Operating Expenses</b>	<b>9,364,294</b>	<b>9,025,040</b>
Operating Loss	(1,408,685)	(1,035,171)
<b>Nonoperating Revenues (Expenses)</b>		
State educational appropriations	331,330	370,442
Federal Pell grants	53,488	51,211
Federal economic relief funds	143,829	
Private gifts for other than capital and endowment purposes	178,754	177,758
Net investment income	322,642	809,997
Interest expense	(86,035)	(81,372)
Federal subsidies for interest on Build America Bonds	5,584	6,961
<b>Total Nonoperating Revenues, Net</b>	<b>949,592</b>	<b>1,334,997</b>
(Loss) Income Before Other Revenues	(459,093)	299,826
<b>Other Revenues</b>		
State capital appropriations	13,853	
Capital gifts and grants	18,682	29,884
Private gifts for permanent endowment purposes	148,932	176,210
Other	718	16,943
<b>Total Other Revenues</b>	<b>182,185</b>	<b>223,037</b>
(Decrease) Increase in Net Position	(276,908)	522,863
Net Position, Beginning of Year	14,803,908	14,281,045
<b>Net Position, End of Year</b>	<b>\$ 14,527,000</b>	<b>\$ 14,803,908</b>

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

## CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)	Year Ended June 30,	
	2020	2019
<b>Cash Flows from Operating Activities</b>		
Student tuition and fees	\$ 1,448,009	\$ 1,365,386
Federal, state and local grants and contracts	1,035,664	1,016,393
Nongovernmental sponsored programs	256,097	242,527
Sales and services of educational departments and other	309,712	388,016
Patient care revenues	5,161,492	4,812,476
Student residence fees	114,183	118,862
Payments to employees	(4,548,764)	(4,352,547)
Payments for benefits	(1,240,427)	(1,239,145)
Payments to suppliers	(2,471,802)	(2,520,758)
Payments for scholarships and fellowships	(173,073)	(164,428)
Student loans issued	(6,523)	(6,940)
Student loans collected	18,234	19,716
Student loan interest and fees collected	2,246	2,532
<b>Net Cash Used in Operating Activities</b>	<b>(94,952)</b>	<b>(317,910)</b>
<b>Cash Flows from Noncapital Financing Activities</b>		
State educational appropriations	372,530	369,103
Federal Pell grants	53,488	51,211
Federal economic relief funds	142,164	
Private gifts and other receipts	291,577	350,112
Proceeds from issuance of debt	850,025	
Payments for bond refunding and related costs	(1,963)	
Student direct lending receipts	317,320	280,307
Student direct lending disbursements	(316,410)	(279,638)
Amounts received for annuity and life income funds	6,370	6,442
Amounts paid to annuitants and life beneficiaries and related expenses	(9,702)	(9,828)
<b>Net Cash Provided by Noncapital Financing Activities</b>	<b>1,705,399</b>	<b>767,709</b>
<b>Cash Flows from Capital and Related Financing Activities</b>		
State capital appropriations	10,938	1,217
Private gifts and other receipts	36,347	46,264
Proceeds from issuance of capital debt	175,997	260,034
Principal payments on capital debt	(107,946)	(164,553)
Interest payments on capital debt	(101,409)	(94,202)
Federal subsidies for Build America Bonds interest	9,315	3,696
Payments for bond refunding and related costs	(273)	(791)
Purchases of capital assets	(626,564)	(677,883)
Proceeds from sales of capital assets	1,240	28,996
<b>Net Cash Used in Capital and Related Financing Activities</b>	<b>(602,355)</b>	<b>(597,222)</b>

# FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF CASH FLOWS, CONTINUED

(in thousands)	Year Ended June 30,	
	2020	2019
<b>Cash Flows from Investing Activities</b>		
Interest and dividends on investments, net	49,260	52,846
Proceeds from sales and maturities of investments	5,472,203	6,172,854
Purchases of investments	(5,491,398)	(5,841,764)
Net increase in unexpended capital debt proceeds	(35,092)	(8,016)
Net (increase) decrease in cash equivalents from noncurrent investments	(116,546)	60,971
Net decrease in deposits of affiliates and other	(8,397)	(25,554)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(129,970)</b>	<b>411,337</b>
Net Increase in Cash and Cash Equivalents	878,122	263,914
Cash and Cash Equivalents, Beginning of Year	397,279	133,365
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 1,275,401</b>	<b>\$ 397,279</b>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating loss	\$ (1,408,685)	\$ (1,035,171)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	566,694	567,857
Changes in assets and liabilities:		
Accounts receivable, net	106,576	(35,743)
Prepaid expenses and other assets	(16,161)	(26,249)
Accounts payable	49,994	4,052
Accrued compensation and other	90,109	24,027
Unearned revenue	272,979	5,539
Deposits of affiliates and others	(181)	2,078
Insurance and benefits reserves	71,519	(3,250)
Obligations for defined benefit pension plan, net	1,671	905
Obligations for postemployment benefits	363,433	(189,685)
Deposits of affiliates and other	4,019	32,240
Changes in deferred outflows	(147,161)	12,762
Changes in deferred inflows	(49,758)	322,728
<b>Net Cash Used in Operating Activities</b>	<b>\$ (94,952)</b>	<b>\$ (317,910)</b>

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