

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF NET POSITION

(in thousands)	June 30,	
	2021	2020
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,003,846	\$ 1,275,401
Investments for operating activities	1,912,859	1,519,753
Investments for capital activities	627,926	301,721
Investments for student loan activities	70,481	69,866
Accounts receivable, net	970,600	583,857
Current portion of notes and pledges receivable, net	108,708	98,723
Current portion of other assets	183,656	151,859
Cash collateral held by agent	20,040	8,728
Total Current Assets	4,898,116	4,009,908
Noncurrent Assets:		
Unexpended bond proceeds	52,451	125,905
Endowment, life income and other investments	17,532,653	12,704,098
Notes and pledges receivable, net	260,554	275,714
Other assets	131,951	116,184
Capital assets, net	6,187,063	6,273,008
Total Noncurrent Assets	24,164,672	19,494,909
Total Assets	29,062,788	23,504,817
Deferred Outflows	1,124,313	514,092

(in thousands)	June 30,	
	2021	2020
Liabilities		
Current Liabilities:		
Accounts payable	312,367	333,934
Accrued compensation and other	746,422	550,605
Unearned revenue	557,109	586,252
Current portion of insurance and benefits reserves	269,789	144,827
Current portion of obligations for postemployment benefits	95,581	92,684
Commercial paper and current portion of bonds payable	235,875	215,658
Long-term bonds payable subject to remarketing, net	300,542	441,450
Collateral held for securities lending	20,040	8,728
Total Current Liabilities	2,537,725	2,374,138
Noncurrent Liabilities:		
Accrued compensation	103,563	88,952
Insurance and benefits reserves	170,059	158,604
Obligations for defined benefit pension plan, net	(6,322)	(1,247)
Obligations for postemployment benefits	4,316,565	3,384,804
Obligations under life income agreements	76,995	71,556
Government loan advances	55,585	64,989
Bonds payable	2,777,621	2,719,063
Other liabilities	194,568	160,209
Total Noncurrent Liabilities	7,688,634	6,646,930
Total Liabilities	10,226,359	9,021,068
Deferred Inflows	453,562	470,841
Net Position		
Net investment in capital assets	3,677,053	3,767,199
Restricted:		
Nonexpendable	2,625,459	2,483,225
Expendable	7,582,296	5,166,803
Unrestricted	5,622,372	3,109,773
Total Net Position	\$ 19,507,180	\$ 14,527,000

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,	
	2021	2020
Operating Revenues		
Student tuition and fees	\$ 1,977,983	\$ 1,944,169
Less scholarship allowances	497,162	488,576
Net student tuition and fees	1,480,821	1,455,593
Federal grants and contracts	1,019,559	1,005,408
State and local grants and contracts	12,577	11,129
Nongovernmental sponsored programs	232,286	243,326
Sales and services of educational departments	140,594	127,353
Auxiliary enterprises:		
Patient care revenues (net of provision for bad debts of \$140,672 in 2021 and \$119,101 in 2020)	5,351,066	4,767,872
Student residence fees (net of scholarship allowances of \$10,260 in 2021 and \$23,138 in 2020)	50,334	114,648
Other revenues	115,029	228,034
Student loan interest income and fees	2,057	2,246
Total Operating Revenues	8,404,323	7,955,609
Operating Expenses		
Compensation and benefits	6,137,455	6,049,913
Supplies and services	2,614,367	2,574,614
Depreciation	566,848	566,694
Scholarships and fellowships	200,431	173,073
Total Operating Expenses	9,519,101	9,364,294
Operating Loss	(1,114,778)	(1,408,685)
Nonoperating Revenues (Expenses)		
State educational appropriations	373,230	331,330
Federal Pell grants	53,396	53,488
Federal economic relief funds	255,673	143,829
Private gifts for other than capital and endowment purposes	184,108	178,754
Net investment income	5,141,252	322,642
Interest expense	(94,705)	(86,035)
Federal subsidies for interest on Build America Bonds	5,529	5,584
Total Nonoperating Revenues, Net	5,918,483	949,592
Income (Loss) Before Other Revenues (Expenses)	4,803,705	(459,093)
Other Revenues (Expenses)		
State capital appropriations	32,062	13,853
Capital gifts and grants	14,639	18,682
Private gifts for permanent endowment purposes	136,402	148,932
Other	(6,628)	718
Total Other Revenues, Net	176,475	182,185
Increase (Decrease) in Net Position	4,980,180	(276,908)
Net Position, Beginning of Year	14,527,000	14,803,908
Net Position, End of Year	\$ 19,507,180	\$ 14,527,000

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

CONSOLIDATED STATEMENT OF CASH FLOWS

(in thousands)	Year Ended June 30,	
	2021	2020
Cash Flows from Operating Activities		
Student tuition and fees	\$ 1,487,613	\$ 1,448,009
Federal, state and local grants and contracts	1,016,803	1,035,664
Nongovernmental sponsored programs	238,827	256,097
Sales and services of educational departments and other	274,665	309,712
Patient care revenues	4,994,855	5,161,492
Student residence fees	50,936	114,183
Payments to employees	(4,543,478)	(4,548,764)
Payments for benefits	(1,142,841)	(1,240,427)
Payments to suppliers	(2,519,582)	(2,471,802)
Payments for scholarships and fellowships	(200,431)	(173,073)
Student loans issued	(6,430)	(6,523)
Student loans collected	15,662	18,234
Student loan interest and fees collected	2,057	2,246
Net Cash Used in Operating Activities	(331,344)	(94,952)
Cash Flows from Noncapital Financing Activities		
State educational appropriations	331,523	372,530
Federal Pell grants	53,396	53,488
Federal economic relief funds	249,737	142,164
Private gifts and other receipts	285,710	291,577
Proceeds from issuance of debt		850,025
Interest payments on debt	(16,830)	
Payments for bond refunding and related costs		(1,963)
Student direct lending receipts	312,147	317,320
Student direct lending disbursements	(311,608)	(316,410)
Amounts received for annuity and life income funds	5,979	6,370
Amounts paid to annuitants and life beneficiaries and related expenses	(9,118)	(9,702)
Net Cash Provided by Noncapital Financing Activities	900,936	1,705,399
Cash Flows from Capital and Related Financing Activities		
State capital appropriations	31,033	10,938
Private gifts and other receipts	37,788	36,347
Proceeds from issuance of capital debt	164,875	175,997
Principal payments on capital debt	(211,690)	(107,946)
Interest payments on capital debt	(91,237)	(101,409)
Federal subsidies for Build America Bonds interest	5,531	9,315
Payments for bond refunding and related costs		(273)
Purchases of capital assets	(507,859)	(626,564)
Proceeds from sales of capital assets	1,739	1,240
Net Cash Used in Capital and Related Financing Activities	(569,820)	(602,355)

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CONSOLIDATED STATEMENT OF CASH FLOWS, CONTINUED

(in thousands)	Year Ended June 30,	
	2021	2020
Cash Flows from Investing Activities		
Interest and dividends on investments, net	24,323	49,260
Proceeds from sales and maturities of investments	8,341,799	5,472,203
Purchases of investments	(8,710,091)	(5,491,398)
Net decrease (increase) in unexpended capital debt proceeds	73,454	(35,092)
Net decrease (increase) in cash equivalents from noncurrent investments	8,232	(116,546)
Net decrease in fiduciary custodial funds and other	(9,044)	(8,397)
Net Cash Used in Investing Activities	(271,327)	(129,970)
Net (Decrease) Increase in Cash and Cash Equivalents	(271,555)	878,122
Cash and Cash Equivalents, Beginning of Year	1,275,401	397,279
Cash and Cash Equivalents, End of Year	\$ 1,003,846	\$ 1,275,401
Reconciliation of Operating Loss to Net Cash Used in Operating Activities:		
Operating loss	\$ (1,114,778)	\$ (1,408,685)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	566,848	566,694
Changes in assets and liabilities:		
Accounts receivable, net	(331,111)	106,576
Other assets	(46,807)	(16,161)
Accounts payable	(11,484)	49,994
Accrued compensation and other	230,719	93,947
Unearned revenue	(27,462)	272,979
Insurance and benefits reserves	136,417	71,519
Obligations for defined benefit pension plan, net	(5,075)	1,671
Obligations for postemployment benefits	934,658	363,433
Changes in deferred outflows	(615,072)	(147,161)
Changes in deferred inflows	(48,197)	(49,758)
Net Cash Used in Operating Activities	\$ (331,344)	\$ (94,952)

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

STATEMENT OF FIDUCIARY NET POSITION

(in thousands)	June 30,		September 30,	
	2021	2020	2020	2019
	Custodial Funds		Pension Trust Funds	
Assets				
Receivables			\$ 220	\$ 827
Investments	\$ 274,374	\$ 213,617	77,486	75,590
Total Assets	274,374	213,617	77,706	76,417
Liabilities				
Due to individuals and organizations	50,578	49,858	142	52
Total Liabilities	50,578	49,858	142	52
Fiduciary Net Position				
Restricted for:				
Pension			77,564	76,365
Organizations	223,796	163,759		
Total Fiduciary Net Position	\$ 223,796	\$ 163,759	\$ 77,564	\$ 76,365

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

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

(in thousands)	Year Ended June 30,		Year Ended September 30,	
	2021	2020	2020	2019
	Custodial Funds		Pension Trust Funds	
Additions				
Contributions:				
Organizations	\$ 6,327	\$ 3,522		
Employer			\$ 60	\$ 900
Total contributions	6,327	3,522	60	900
Net investment income (loss)	54,582	(9,106)	7,079	5,219
Total Additions	60,909	(5,584)	7,139	6,119
Deductions				
Benefits paid to participants			5,565	8,470
Administrative expenses			375	400
Withdrawals	872	4,850		
Total Deductions	872	4,850	5,940	8,870
Increase (Decrease) in Fiduciary Net Position	60,037	(10,434)	1,199	(2,751)
Fiduciary Net Position, Beginning of Year	163,759		76,365	
Adoption of GASB 84		174,193		79,116
Fiduciary Net Position, Beginning of Year, as Restated	163,759	174,193	76,365	79,116
Fiduciary Net Position, End of Year	\$ 223,796	\$ 163,759	\$ 77,564	\$ 76,365

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