



Financial Summary – Fiscal Years 2021, 2020 and 2019

Boston University faced unprecedented uncertainties in fiscal year 2021 due to the coronavirus (COVID-19) pandemic and responded to the challenge. The financial result was another successful year with total assets growing to \$8.3 billion. Our success was driven by positive operating results and outstanding returns on the University's endowment investments.

In fiscal year 2021, the University had a net operating gain of \$143 million, an increase of 46% over fiscal year 2020, and saw our endowment grow \$956 million to \$3.4 billion. The University is strategically positioned and benefits from solid governance, extensive planning, and disciplined financial management leading to consistently positive operating results.

Statement of Financial position (Total Assets, Liabilities, and Net Assets)

Total Assets

Boston University's total assets as of June 30, 2021, 2020, and 2019 were \$8.3 billion, \$7.2 billion, and \$7.0 billion, respectively. The large increase from fiscal year 2020 to 2021 was primarily due to the investment portfolio performance, described below.

The University's total cash and investments as of June 30, 2021, 2020, and 2019 were \$4.8 billion, \$3.7 billion, and \$3.6 billion, respectively. The significant change of \$1.1 billion from 2020 to 2021 is due to the investment portfolio's performance and philanthropic support.

The generosity of our alumni and friends provided philanthropic support of over \$225.3 million, the best cash year in our history. Gifts and foundation grant supported strategic initiatives such as providing 100% of demonstrated financial need for first-year domestic undergraduate students and a new Center for Antiracist Research.

Property, plant and equipment increased approximately \$56.9 million, net of \$132.7 million of depreciation expense. Capital expenditures totaling \$189.5 million in fiscal year 2021 included major projects such as the Center for Computing and Data Sciences; completion of the Goldman School of Dental Medicine expansion and renovation; and the George Sherman Union Dining Area renovation. Capital spending in fiscal year 2020 and 2019 were \$233.1 million and \$192.5 million, respectively.

Cash and cash equivalents, including restricted cash, as of June 30, 2021, 2020, and 2019 was \$436.7 million, \$726.8 million, and \$368.6 million, respectively. The decrease in fiscal year 2021 was primarily due to the use of cash for investment activity and fixed asset acquisitions.

Total Liabilities

Boston University's total liabilities as of June 30, 2021, 2020, and 2019 were \$2.9 billion, \$3.0 billion, and \$2.9 billion, respectively. The decrease from fiscal year 2020 to 2021 of \$67.7 million was primarily due to the decrease in the fair value of interest rate exchange agreements of \$104.1 million as interest rates rose offset by the deferral of \$28.2 million of Social Security taxes under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).

No material long-term debt was issued in fiscal year 2021. In June 2020, the University issued \$200.0 million of taxable bonds (Series EE). From this issuance, \$154.4 million was placed in an irrevocable trust for the defeasance of all interest and principal payment obligations of the Century notes. The remaining \$45.6 million was utilized for operations.

In August 2019, the University issued fixed rate tax exempt bonds with par amounts of \$64.0 million (Series DD-1) and \$21.8 million (Series DD-2). These bonds, issued at a premium with proceeds of \$73.4 million and \$25.0 million, respectively, were used to refinance Series Z-1, Series Z-2, and Series H bonds and reduce debt service expense.

In August 2018, the University issued \$300.0 million of taxable bonds (Series CC) to redeem a term loan of \$34.5 million assumed as part of the University's merger with Wheelock College and to provide funding for the construction of BU's Center for Computing and Data Sciences.

Net Assets

Boston University net assets as of June 30, 2021, 2020, and 2019 were \$5.3 billion, \$4.2 billion, and \$4.1 billion, respectively. The Net Assets increase in fiscal year 2021 of \$1.1 billion reflects the significant increase in the University's endowment as well the positive operating results for the year.

Statement of Activities

Total operating revenues decreased \$35.9 million (1.7%) in fiscal year 2021. Gross tuition and fees increased \$24.0 million over the prior year with stronger than expected enrollment in response to the University's *Learn-from-Anywhere* program which offered students the option of attending classes on-campus or remotely for the entire academic year. Auxiliary services revenue decreased year over year by \$70.2 million, including a temporary decline of \$49.8 million in housing, dining, and parking revenues due to restrictions on many on-campus activities resulting in lower occupancy levels related to the pandemic.

Sponsored program awards totaled \$502.6 million in fiscal year 2021. Although initially impacted by COVID-19 restrictions in on-campus activities, the University's research enterprise was restored to full operation during the course of the year and engaged in many COVID-19 virus related research projects.

Total operating expenses decreased \$80.8 million (3.9%) primarily due to strategic budgetary actions the University implemented in May and June of 2020. These actions included a staff hiring freeze, salary reductions at the executive-level, and the suspension of the University's retirement plan contributions for one fiscal year. Expenses include non-recurring incremental cost related to the start-up and operation of PCR testing, transitioning classrooms into *Learn from Anywhere* hybrid teaching model, enhanced cleaning and HVAC operations, as well as quarantine and isolation housing costs. A portion of these costs were reimbursed with federal pandemic relief funds.

With better-than-expected enrollment, hard work by faculty and staff to pivot to new modes of teaching and research, dedicated actions by our leadership to achieve targeted expense reductions, and federal pandemic relief funding, the University realized an operating gain of \$143.5 million for fiscal year 2021.

Liquidity

As of June 30, 2021, 2020, and 2019 financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt were \$1.5 billion, \$1.3 billion, and \$1.4 billion, respectively.

For further information, refer to the links below for Boston University's annual financial reports inclusive of the independent auditor's report:

[FY2021 Boston University Audited Financial Statements](#)

[FY2020 Boston University Audited Financial Statements](#)

[FY2019 Boston University Audited Financial Statements](#)