



## **BOSTON UNIVERSITY**

Independent Auditors' Reports as Required by Title 2  
U.S. Code of Federal Regulations Part 200, *Uniform Administrative  
Requirements, Cost Principles, and Audit Requirements for Federal  
Awards and Government Auditing Standards* and Related Information

Year ended June 30, 2019

## **BOSTON UNIVERSITY**

Independent Auditors' Reports as Required by Title 2  
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Awards and Government Auditing Standards* and Related Information  
Year ended June 30, 2019

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KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## Independent Auditors' Report

The Board of Trustees  
Boston University:

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Boston University and its subsidiaries (the University), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with U.S. generally accepted accounting principles; 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 these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 the auditors' 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, the auditor considers internal control relevant to the entity'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 entity'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 Boston 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 U.S. generally accepted accounting principles.



**Emphasis of Matters**

As discussed in note 1 to the consolidated financial statements, in 2019, the University adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*; ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended; ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*; and ASU No. 2016-02, *Leases (Topic 842)*, as amended. Our opinion is not modified with respect to these matters.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Boston, Massachusetts  
September 20, 2019

**BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

June 30, 2019 and 2018  
(\$000)

	2019	2018
<b>ASSETS</b>		
Cash and cash equivalents . . . . .	\$ 187,190	\$ 148,749
Cash and cash equivalents-restricted . . . . .	181,455	130,913
Short-term investments . . . . .	899,426	748,869
Accounts and loans receivable, net. . . . .	233,526	223,626
Pledges receivable, net . . . . .	226,307	234,920
Prepaid expenses and other assets . . . . .	36,579	41,580
Investment in residual asset note . . . . .	62,366	36,212
Right-of-use assets-operating leases . . . . .	103,817	120,624
Long-term investments. . . . .	2,369,215	2,146,940
Property, plant, and equipment, net. . . . .	2,724,857	2,665,587
<b>Total assets . . . . .</b>	<b>\$ 7,024,738</b>	<b>\$ 6,498,020</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accrued payroll and related expenses . . . . .	\$ 117,831	\$ 121,769
Accounts payable and accrued expenses . . . . .	123,799	120,485
Deferred revenue . . . . .	73,812	63,068
Student deposits. . . . .	120,783	113,931
Residual asset note obligation . . . . .	26,665	36,212
Operating lease obligations . . . . .	106,643	122,029
Finance lease obligations . . . . .	132,528	134,459
Other long-term obligations . . . . .	62,736	67,858
Deferred ground lease revenue. . . . .	97,554	98,715
Fair value of interest rate exchange agreements. . . . .	343,162	269,626
Bonds and notes payable, net . . . . .	1,684,078	1,429,921
<b>Total liabilities . . . . .</b>	<b>2,889,591</b>	<b>2,578,073</b>
Net assets:		
Without donor restrictions . . . . .	2,415,508	2,244,941
With donor restrictions . . . . .	1,719,639	1,675,006
<b>Total net assets . . . . .</b>	<b>4,135,147</b>	<b>3,919,947</b>
<b>Total liabilities and net assets . . . . .</b>	<b>\$ 7,024,738</b>	<b>\$ 6,498,020</b>

**BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES**

For the years ended June 30, 2019 and 2018  
(\$000)

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUES</b>			
Student tuition and fees, net of student aid of \$433.9 million in 2019 . . . . .	\$ 1,164,248	\$	\$ 1,164,248
Sponsored programs-direct . . . . .	304,614		304,614
Sponsored programs-indirect . . . . .	97,854		97,854
External fringe benefit recoveries . . . . .	39,951		39,951
Contributions . . . . .	43,049		43,049
Sales and services . . . . .	107,409		107,409
Spending formula amount and other investment income . . . . .	97,786		97,786
Sponsored program income for student aid . . . . .	16,345		16,345
Auxiliary enterprises, net of student aid of \$15.9 million in 2019 . . . . .	288,576		288,576
Contributions used for operations . . . . .	10,821		10,821
<b>Total operating revenues . . . . .</b>	<b>2,170,653</b>		<b>2,170,653</b>
<b>OPERATING EXPENSES</b>			
Salaries and wages . . . . .	925,524		925,524
Employee benefits . . . . .	273,213		273,213
Supplies and services . . . . .	524,553		524,553
Utilities, rent, and repairs . . . . .	99,207		99,207
Depreciation . . . . .	128,846		128,846
Interest . . . . .	61,461		61,461
<b>Total operating expenses . . . . .</b>	<b>2,012,804</b>		<b>2,012,804</b>
<b>Change in net assets from operating activities . . . . .</b>	<b>157,849</b>		<b>157,849</b>
<b>NONOPERATING ACTIVITIES</b>			
Contributions . . . . .		44,312	44,312
Contributions used for operations . . . . .		(10,821)	(10,821)
Fair value of net assets from acquisition . . . . .			
Reinvested endowment and other investment income	15,316	17,547	32,863
Net realized and unrealized gains on investments and other assets . . . . .	95,320	66,066	161,386
Spending formula amount . . . . .	(33,087)	(46,246)	(79,333)
Net realized and unrealized gains (losses) on interest rate exchange agreements . . . . .	(97,914)		(97,914)
Net assets released from restrictions- building funds and other . . . . .	31,077	(31,077)	
Other additions (deductions) and transfers, net . . . . .	2,006	4,852	6,858
<b>Net nonoperating activities . . . . .</b>	<b>12,718</b>	<b>44,633</b>	<b>57,351</b>
<b>Change in net assets . . . . .</b>	<b>170,567</b>	<b>44,633</b>	<b>215,200</b>
Beginning net assets . . . . .	2,244,941	1,675,006	3,919,947
<b>Ending net assets . . . . .</b>	<b>\$ 2,415,508</b>	<b>\$ 1,719,639</b>	<b>\$ 4,135,147</b>

**BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES**

For the years ended June 30, 2019 and 2018  
(\$000)

		2018		
Without Donor Restrictions	With Donor Restrictions	Total		
\$ 1,099,682	\$	\$ 1,099,682		<b>OPERATING REVENUES</b>
263,159		263,159		Student tuition and fees, net of student aid of \$385.5 million in 2018
89,070		89,070		Sponsored programs-direct
38,251		38,251		Sponsored programs-indirect
40,504		40,504		External fringe benefit recoveries
114,009		114,009		Contributions
				Sales and services
72,671		72,671		Spending formula amount and other investment income
14,793		14,793		Sponsored program income for student aid
				Auxiliary enterprises, net of student aid of \$13.4 million in 2018
273,623		273,623		Contributions used for operations
12,568		12,568		<b>Total operating revenues</b>
<u>2,018,330</u>		<u>2,018,330</u>		<b>OPERATING EXPENSES</b>
				Salaries and wages
871,102		871,102		Employee benefits
252,726		252,726		Supplies and services
479,940		479,940		Utilities, rent, and repairs
105,512		105,512		Depreciation
122,632		122,632		Interest
43,321		43,321		<b>Total operating expenses</b>
<u>1,875,233</u>		<u>1,875,233</u>		<b>Change in net assets from operating activities</b>
<u>143,097</u>		<u>143,097</u>		<b>NONOPERATING ACTIVITIES</b>
	85,292	85,292		Contributions
	(12,568)	(12,568)		Contributions used for operations
	163,272	163,272		Fair value of net assets from acquisition
13,543	17,623	31,166		Reinvested endowment and other investment income
				Net realized and unrealized gains on investments and other assets
63,057	84,973	148,030		Spending formula amount
(30,076)	(40,957)	(71,033)		Net realized and unrealized gains (losses) on interest rate exchange agreements
				Net assets released from restrictions- building funds and other
20,516		20,516		Other additions (deductions) and transfers, net
				<b>Net nonoperating activities</b>
32,203	(32,203)			<b>Change in net assets</b>
6,445	377	6,822		Beginning net assets
<u>105,688</u>	<u>265,809</u>	<u>371,497</u>		<b>Ending net assets</b>
248,785	265,809	514,594		
1,996,156	1,409,197	3,405,353		
<u>\$ 2,244,941</u>	<u>\$ 1,675,006</u>	<u>\$ 3,919,947</u>		

**BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF CASH FLOWS**

For the years ended June 30, 2019 and 2018  
(\$000)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets . . . . .	\$ 215,200	\$ 514,594
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation . . . . .	128,846	122,632
Amortization of debt premium and issuance costs, net . . . . .	(1,422)	(1,476)
Amortization of right-of-use assets-financing . . . . .	2,384	2,384
Amortization of right-of-use assets-operating . . . . .	17,363	23,151
Fair value of net assets from acquisition . . . . .		(163,272)
Loss on disposal of property and equipment . . . . .	1,200	964
Unrealized losses (gains) on interest rate exchange agreements . . . . .	73,536	(48,574)
Settlements on swap replacement transactions, net . . . . .	9,520	11,263
Net realized and unrealized gains on investments . . . . .	(179,357)	(155,248)
Contributions and pledge payments restricted for long-term investment . . . . .	(52,924)	(61,325)
Gifts of securities and property . . . . .	(2,959)	(10,095)
Unrealized (gains) losses on currency exchange . . . . .	(998)	485
Bond issuance costs-redeemed debt . . . . .	15	
Loss from extinguishment of debt . . . . .		369
Changes in operating assets and liabilities:		
Decrease (increase) in accounts and loans receivable, net . . . . .	18,042	(3,576)
Decrease (increase) in pledges receivable, net . . . . .	8,613	(23,966)
Decrease (increase) in prepaid expenses and other assets . . . . .	5,001	(13,411)
(Decrease) increase in accrued payroll and related expenses . . . . .	(3,938)	1,058
Increase in accounts payable and accrued expenses . . . . .	617	1,644
Decrease in operating lease obligations . . . . .	(15,942)	(21,747)
Increase (decrease) in deferred revenue . . . . .	10,744	(3,083)
Increase in student deposits . . . . .	6,852	11,479
Decrease in other long-term obligations . . . . .	(897)	(1,256)
Decrease in deferred ground lease revenue . . . . .	(1,161)	(1,162)
<b>Net cash provided by operating activities . . . . .</b>	<b>238,335</b>	<b>181,832</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments . . . . .	(2,396,540)	(2,090,318)
Proceeds from sales and maturities of investments . . . . .	2,143,541	1,827,951
Purchases of property and equipment . . . . .	(192,514)	(193,909)
Cash contribution from acquisition . . . . .		40,846
Cash contribution from acquisition-restricted . . . . .		3,028
(Increase) decrease in cash and cash equivalents-restricted . . . . .	(50,542)	137,513
<b>Net cash used in investing activities . . . . .</b>	<b>(496,055)</b>	<b>(274,889)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bonds and notes . . . . .	300,000	34,506
Payment of bonds, notes, and mortgages . . . . .	(42,623)	(45,746)
Payment of bond issuance costs . . . . .	(815)	(38)
Payment of finance lease obligations . . . . .	(1,931)	(1,753)
Decrease in other long-term liabilities-annuity obligations . . . . .	(4,225)	(521)
Contributions and pledge payments restricted for long-term investment . . . . .	52,924	61,325
Proceeds from sale of restricted gifts of securities . . . . .	2,351	6,337
Settlements on swap replacement transactions, net . . . . .	(9,520)	(11,263)
<b>Net cash provided by financing activities . . . . .</b>	<b>296,161</b>	<b>42,847</b>
<b>Net increase (decrease) in cash and cash equivalents . . . . .</b>	<b>38,441</b>	<b>(50,210)</b>
Cash and cash equivalents beginning of year . . . . .	148,749	198,959
<b>Cash and cash equivalents end of year . . . . .</b>	<b>\$ 187,190</b>	<b>\$ 148,749</b>



*For the years ended June 30, 2019 and 2018*

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## **1. Organization and Summary of Significant Accounting Policies**

### *Organization:*

Boston University (the University) is an independent, nonprofit, coeducational, nonsectarian institute of higher education, founded in 1839 and chartered under the laws of the Commonwealth of Massachusetts on May 26, 1869. The University has three principal campuses, the Charles River Campus in the Back Bay, the Fenway Campus in Boston, and the Medical Campus in the South End, offering students more than 300 areas of study in 17 schools and colleges.

In December 2017, the University entered into a merger agreement with Wheelock College. As a result of the merger, the University's School of Education was renamed the Boston University Wheelock College of Education & Human Development, combining the doctoral programs and research capabilities of the University's School of Education with the early childhood expertise of Wheelock College's School of Education, Child Life and Family Studies.

Effective June 1, 2018, Wheelock College merged with and into the University, with the University as the surviving corporation. All of Wheelock College's assets, liabilities, and net assets were transferred to the University on that date. The endowment-related funds will be maintained in accordance with Massachusetts State Law.

### *Summary of Significant Accounting Policies:*

#### *Basis of Presentation:*

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with U.S. generally accepted accounting principles (GAAP).

The consolidated financial statements include the University and its wholly owned subsidiaries. All significant inter-company transactions and accounts have been eliminated.

Boston Medical Center is the primary teaching affiliate of the Boston University School of Medicine. Boston Medical Center is a separately governed legal entity organized as a 501(c)(3) and is not consolidated in the accompanying consolidated financial statements.

#### *Net Asset Classification:*

Net assets, revenues, and investment returns are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified as follows:

- Net assets without donor restrictions are not subject to donor stipulations restricting their use, but may be designated for a specific purpose by the University or may be limited by contractual agreements with outside parties.
- Net assets with donor restrictions are subject to donor stipulations that expire by the passage of time, can be fulfilled by actions pursuant to the stipulations, or which may be perpetual.

Net assets classified as with donor restrictions that expire by the passage of time, previously presented as temporarily restricted net assets, totaled \$880,982,000 and \$879,256,000 as of June 30, 2019 and 2018 respectively.

For the years ended June 30, 2019 and 2018

The composition of net assets as of June 30, 2019 and 2018, in thousands of dollars, is as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment:			
General purpose . . . . .	\$ 762,248	\$ 317,044	\$ 1,079,292
Scholarships . . . . .	91,778	437,239	529,017
Professorships . . . . .	98,349	385,749	484,098
Awards, prizes, fellowships, and other . . . . .	23,755	92,764	116,519
Research . . . . .	14,946	53,202	68,148
Annuities . . . . .		15,463	15,463
Total endowment and annuity funds . . . . .	991,076	1,301,461	2,292,537
Other funds:			
General and plant funds . . . . .	1,249,509	98,565	1,348,074
Building and gift funds . . . . .	87,371	36,106	123,477
Pledges . . . . .		226,307	226,307
Student loan funds . . . . .	22,287	35,121	57,408
Unexpended endowment distributions . . . . .	65,265	22,079	87,344
Total other funds . . . . .	1,424,432	418,178	1,842,610
Total net assets . . . . .	\$ 2,415,508	\$ 1,719,639	\$ 4,135,147
	2018		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment:			
General purpose . . . . .	\$ 657,531	\$ 326,458	\$ 983,989
Scholarships . . . . .	87,497	408,743	496,240
Professorships . . . . .	96,084	370,535	466,619
Awards, prizes, fellowships, and other . . . . .	20,713	87,176	107,889
Research . . . . .	13,134	36,315	49,449
Annuities . . . . .		23,997	23,997
Total endowment and annuity funds . . . . .	874,959	1,253,224	2,128,183
Other funds:			
General and plant funds . . . . .	1,205,731	92,269	1,298,000
Building and gift funds . . . . .	84,138	39,920	124,058
Pledges . . . . .		234,920	234,920
Student loan funds . . . . .	21,929	34,014	55,943
Unexpended endowment distributions . . . . .	58,184	20,659	78,843
Total other funds . . . . .	1,369,982	421,782	1,791,764
Total net assets . . . . .	\$ 2,244,941	\$ 1,675,006	\$ 3,919,947

For the years ended June 30, 2019 and 2018

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*Collections:*

The University's collections, acquired through purchases and contributions since the University's inception, are not recognized as assets on the Consolidated Statements of Financial Position. Purchases of collection items are recorded as decreases in net assets without donor restrictions in the year in which the items are acquired.

The University's collections are made up of artifacts of historical significance, scientific specimens, and art objects that are held for educational, research, scientific, and curatorial purposes. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed regularly. The collections are subject to a policy that requires proceeds from dispositions to be used to acquire other items for collections.

*Use of Estimates:*

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

*Related Party Transactions:*

Under the University's conflict of interest policy, all business and financial relationships among the University and entities affiliated with Trustees or Officers of the University are subject to the review and approval of the Audit Committee of the Board of Trustees.

*Cash and Cash Equivalents:*

Cash equivalents consist primarily of short-term money market mutual funds and treasury bills with original maturities of 90 days or less that are not invested as part of the long-term investment assets. These amounts are carried at cost, which approximates fair value.

Cash and cash equivalents-restricted represent collateral posted with counterparties under the terms of certain derivative agreements.

*Fair Value Measurements:*

Investments and interest rate exchange agreements are reported at fair value in the University's consolidated financial statements. Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer of a liability in an orderly transaction between market participants as of the measurement date. GAAP establishes a fair value hierarchy that prioritizes inputs used to measure fair value into three levels:

- Level 1—quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2—observable prices that are based on inputs not quoted in active markets, but corroborated by market data.
- Level 3—unobservable inputs that are used when little or no market data is available.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, the University utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible.

The majority of the University's long-term investments are held through limited partnerships and commingled funds for which fair value is estimated using net asset value (NAV) reported by fund managers as a practical expedient. Fair values of investments in funds similar to mutual funds, deemed to have readily determinable fair value, are measured at published NAV.

The NAVs or their equivalents, as estimated and reported by the general partners or investment managers, are reviewed, monitored, and evaluated by the University's Investment Office, in accordance with valuation procedures established by the University's Investment Committee, the Chief Investment Officer, and the Senior Vice President, CFO, and Treasurer.

Valuation results, changes in valuation policies and procedures, and issues regarding valuation that may arise from time to time are reviewed with the University's Investment Committee, the Chief Investment Officer, and the Senior Vice President, CFO, and Treasurer.

For the years ended June 30, 2019 and 2018

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Non-core institutional real estate is valued using one or more of the following valuation techniques: the use of prices and other information generated by other relevant market transactions, or an income approach determining valuation by direct capitalization of net income or discounting future cash flows. Inputs such as capitalization rates, price information, operating statistics, specific and broad credit data, recent transactions, discount rates, and other factors are used in the valuation calculations.

*Funds Held in Trust by Others:*

The University is the beneficiary of certain perpetual trusts held and administered by outside trustees. The University's interests are reported at estimated fair value, based on the value of the underlying assets, which approximates the present value of future income from these trusts. These assets are categorized in Level 3 of the hierarchy. Income distributions from these trusts are recorded as investment income for current operations.

The University's split-interest agreements with donors consist of irrevocable charitable gift annuities and charitable remainder trusts held and administered by others. For annuity contracts, the contributed assets are included in investments at fair value. Contribution revenue, net of the accompanying obligation, is recognized as of the date the donated assets are transferred to the University, and liabilities are recorded at the present value of estimated future payments to the donors and beneficiaries. The liabilities are adjusted during the term of the agreements and contracts to reflect actuarial gains and losses.

The present values of the estimated future cash receipts from charitable remainder trusts are recognized as assets and contribution revenues as of the dates the trusts are established. Distributions from these trusts are recorded as investment income, and the carrying value of the assets is adjusted for changes in estimates of future receipts.

*Property, Plant, and Equipment:*

Land, buildings, equipment, and library books are reported at cost or estimated fair value at the date of contribution. Maintenance and repairs are expensed as incurred and improvements that increase the useful life of the asset are capitalized. Costs associated with the construction of new facilities are reported as additions to construction in progress when expended until such projects are completed. Equipment includes general and scientific equipment, computers, furniture, and vehicles.

The University acquired equipment or other assets of approximately \$5,181,000 in 2019 and \$3,416,000 in 2018 through the use of federal funds. In most cases, the University continues to maintain the assets after the granting agreement expires.

Depreciation is computed on a straight-line basis over the remaining useful lives of assets as follows: buildings, 50 years; renovations and improvements, 20 years or lease term, if shorter; University buildings used in sponsored research activities, 12 to 50 years, based on the distinct useful lives for each major building component; equipment, 2 to 20 years; internally used software, 20 years; and library books, 10 years. Depreciation expense for the years ended June 30, 2019 and 2018 was \$128,846,000 and \$122,632,000, respectively.

Long-lived assets and certain intangibles are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. When such events or changes in circumstances indicate an asset may not be recoverable, the impairment loss recognized is the amount by which the asset's net carrying value exceeds its estimated fair value.

*Leasing:*

The University determines if an arrangement is a lease at inception. The University has both leases under which it is obligated as a lessee and leases for which it is a lessor. Operating leases as a lessee are included in right-of-use assets-operating leases and operating lease obligations in the Consolidated Statements of Financial Position. Finance leases as a lessee are included in property, plant, and equipment and finance lease obligations in the Consolidated Statements of Financial Position.

For the years ended June 30, 2019 and 2018

Right-of-use assets represent the University’s right to use an underlying asset for the lease term. Lease obligations represent the University’s liability to make lease payments arising from the lease. Operating and finance lease right-of-use assets and related obligations are recognized at commencement date based on the present value of lease payments over the lease term discounted using an appropriate incremental borrowing rate. The incremental borrowing rate is based on the information available at commencement date in determining the present value of lease payments. The value of an option to extend or terminate a lease is reflected to the extent it is reasonably certain management will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Interest expense is recognized as a component of the lease payment for finance leases.

Rental income arising from operating leases as a lessor is included in operating revenue in auxiliary enterprises in the Consolidated Statements of Activities.

*Conditional Asset Retirement Obligations:*

The University recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred. When the liability is initially recorded, the cost of the asset retirement obligation is capitalized by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the Consolidated Statements of Activities.

The asset retirement obligation at June 30, 2019 and 2018 was \$13,496,000 and \$13,993,000, respectively, and is included in other long-term obligations in the Consolidated Statements of Financial Position.

*Revenue from Contracts with Customers:*

Under Accounting Standards Codification (ASC) Topic 606, revenue from contracts with customers is recognized when control of the promised goods or services is transferred in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services (i.e., the transaction price).

Revenue from student education, residence, and dining services is reflected net of reductions from institutional student aid and is recognized as the services are provided over the academic year, which generally aligns with the University’s fiscal year. Aid in excess of a student’s tuition and fees is reflected as a reduction of residence and dining charges.

Disbursements made directly to students for living or other costs are reported as an expense. Payments for student services are generally received prior to the commencement of each academic term and are reported as student deposits to the extent services will be rendered in the following fiscal year.

The composition of net student tuition and fee revenue was as follows for the years ended June 30, 2019 and 2018, in thousands of dollars:

	2019	2018
Undergraduate . . . . .	\$ 695,329	\$ 675,095
Postgraduate . . . . .	441,139	398,432
Other . . . . .	27,780	26,155
Total . . . . .	<u>\$ 1,164,248</u>	<u>\$ 1,099,682</u>

Net auxiliary enterprises revenue consists of the following for the years ended June 30, 2019 and 2018, in thousands of dollars:

	2019	2018
Residence and dining services, net of student aid . . . . .	\$ 204,217	\$ 192,824
Arena, parking, and retail operations . . . . .	84,359	80,799
Total . . . . .	<u>\$ 288,576</u>	<u>\$ 273,623</u>

Sales and services include revenues from clinical operations, public broadcasting, and other miscellaneous activities. Such revenues are recognized when goods or services are provided to customers.

For the years ended June 30, 2019 and 2018

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*Revenue from Sponsored Programs:*

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The University has elected the simultaneous release policy available under ASU 2018-08, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Grant revenue used for the construction or acquisition of plant is reported within nonoperating activities. The University recognizes reimbursement of facilities and administrative costs relating to government and foundation contracts and grants at authorized rates each year. All funds expended in connection with government grants and contracts are subject to audit by granting agencies. In the opinion of management, any potential liability resulting from these audits will not have a material effect on the University's financial position. Total revenue from grants and contracts recognized in net assets without donor restrictions was \$418,813,000 and \$367,022,000 for the years ended June 30, 2019 and 2018, respectively. Payments received from sponsors in advance of conditions being met are reported as deferred revenue, which totaled \$58,127,000 and \$47,716,000 as of June 30, 2019 and 2018, respectively. Conditional awards from federal and other sponsors outstanding as of June 30, 2019 were \$269,024,000.

*External Fringe Benefit Recoveries:*

External fringe benefit recoveries includes payments from affiliated organizations for the cost of fringe benefits paid by the University under a common paymaster agreement.

*Contributions:*

Contributions, including unconditional promises to give, are recognized upon receipt at fair value. Contributions other than cash are recorded at fair value at the date of contribution. Contributions whose restrictions are met in the same fiscal year as their receipt are reported as contributions without donor restrictions. Contributions with donor-imposed restrictions are reported as revenues with donor restrictions and are reclassified to net assets without donor restrictions when an expenditure is incurred that satisfies the restriction or the designated time elapses. Pledges receivable are carried at estimated net present value, net of allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

*Income Taxes:*

The University is generally exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code, except to the extent the University has unrelated business income. The University's federal net operating loss carryforwards as of June 30, 2019 are \$21,188,000, which expire in various years from 2024 to 2036. Because management believes it is more likely than not that unrelated business activities will generate sufficient taxable income in the future in which all or part of these operating loss carryforwards will become deductible, a deferred tax asset totaling \$2,857,000 and \$3,432,000 has been recorded as of June 30, 2019 and June 30, 2018, respectively. No provision for federal income taxes due was recorded as of June 30, 2019 or 2018. The University has no material uncertain tax positions.

*Nonoperating Activities:*

Nonoperating activities reflect transactions of a long-term investment or capital nature, including contributions to be received in the future, gains and losses on interest rate exchange agreements, the excess of investment returns over the spending formula amount, and certain other activities.

*Supplemental Disclosure of Cash Flow Information:*

The following information is intended to supplement the Consolidated Statements of Cash Flows for the years ended June 30, 2019 and 2018.

Interest paid in cash, net of capitalized interest of \$1,235,000 in 2019 and \$6,079,000 in 2018, respectively, was \$58,834,000 and \$43,508,000 for the years ended June 30, 2019 and 2018, respectively.

Noncash investing and financing activities for the year ended June 30, 2018 included property, plant and equipment, investments, and other assets of \$150,870,000 received and bonds payable of \$36,839,000 assumed from the merger with Wheelock College. Additional noncash investing activity included the decrease in accounts payable for property, plant and equipment of \$814,000 and \$3,848,000 for the years ended June 30, 2019 and 2018, respectively.

For the years ended June 30, 2019 and 2018

The following table summarizes the cash paid for amounts included in the measurement of lease liabilities, under ASC 842, for operating and finance leases as a lessee for the years ended June 30, 2019 and 2018, in thousands of dollars:

	2019	2018
Operating cash flows from finance leases . . . . .	\$ 5,468	\$ 5,539
Operating cash flows from operating leases . . . . .	18,767	26,096
Financing cash flows from finance leases . . . . .	1,931	1,753

*Recent Accounting Pronouncements:*

In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 reduces the number of net asset categories from three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets of \$879,307,000 and permanently restricted net assets of \$795,750,000 as of June 30, 2018. Additionally, required quantitative and qualitative disclosures regarding liquidity and availability of resources were expanded, and expenses must be reported by both their natural and functional classifications in one location. The University adopted ASU 2016-14 in fiscal year 2019 and applied the changes retrospectively.

ASU 2014-09, *Revenue from Contracts with Customers*, was issued by the FASB in May 2014 and is intended to improve the financial reporting requirements for revenue from contracts with customers. The ASU establishes a five-step model and application guidance for determining the timing and amount of revenue recognition. The related application guidance in the ASU replaces most existing revenue recognition guidance in GAAP. The ASU became effective for the University for the year ended June 30, 2019. The University’s adoption of the ASU using the full retrospective method did not materially change the timing or amount of revenue recognized by the University. The ASU requires that tuition, fees and auxiliary student revenues be presented in the Consolidated Statements of Activities at the transaction price, i.e., net of any institutional student aid. Previously, such revenues were presented at published rates, followed by a reduction for institutional student aid. The University’s 2018 Consolidated Statements of Activities has been revised to conform to the 2019 presentation.

ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, was issued by the FASB in June 2018. The new ASU is intended to assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonexchange transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange transactions subject to other guidance, and (2) determining whether a contribution is conditional. The ASU clarifies that a contribution is conditional if the agreement includes both a barrier or barriers that must be overcome for the recipient to be entitled to the assets transferred and a right of return for the transferred assets or a right of release of the promisor’s obligation to transfer assets. The ASU became effective for the University for the year ended June 30, 2019. The University’s adoption of the ASU on a modified prospective basis did not have a material effect on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)* that requires, among other things, a lessee to recognize a right-of-use asset representing an entity’s right to use the underlying asset for the lease term and a liability for lease payments on the statement of financial position, regardless of classification of a lease as an operating or finance lease. As permitted by the ASU, for leases with a term of twelve months or less as a lessee, the University has elected not to recognize lease assets and liabilities and account for the lease similar to existing guidance for operating leases. The University early-adopted ASU 2016-02 in fiscal year 2019 using the comparative method. Right-of-use assets and related lease obligations of \$198,130,000 were recognized as of July 1, 2017 and are included in the Consolidated Statements of Financial Position. The guidance did not materially impact the University’s results of operations.

*Reclassifications:*

Certain 2018 balances previously reported have been reclassified to conform to the 2019 presentation.

For the years ended June 30, 2019 and 2018

## 2. Financial Assets and Liquidity Resources

As of June 30, 2019 and 2018, 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 are as follows, in thousands of dollars:

	2019	2018
Financial assets, at year-end . . . . .	\$ 4,159,485	\$ 3,670,229
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Donor restricted endowment . . . . .	1,301,461	1,253,224
Pledges receivable due in greater than one year . . . . .	214,971	226,932
Restricted cash and cash equivalents. . . . .	170,028	118,116
Student loans due in greater than one year. . . . .	61,376	69,728
Residual asset note receivable. . . . .	62,366	36,212
Board designations:		
Quasi-endowment funds. . . . .	991,076	874,959
Add: approved endowment spending distribution for next fiscal year . . . . .	83,463	76,605
Financial assets available to meet cash needs for general expenditures within one year . . . . .	<u>\$ 1,441,670</u>	<u>\$ 1,167,663</u>

The University’s cash flows have seasonal variations attributable primarily to the timing of tuition billing and contributions received. The University has various sources of liquidity including cash and cash equivalents, marketable debt securities, and access to \$140,000,000 of committed one-year lines of credit with six financial institutions. To manage liquidity, the University maintains a working capital portfolio conservatively invested corresponding to the amounts and duration of projected liquidity needs. Although the University does not intend to spend from board designated endowment funds other than amounts appropriated for operations, the University’s quasi-endowment funds, as well as accumulated gains and losses with donor restrictions, could be made available, if necessary, with approval from the Board of Trustees, subject to liquidity of the underlying investments and to the extent allowed by law.

## 3. Investments

### *Basis of Reporting:*

Investments consist of directly held equity and fixed income securities, registered mutual funds, exchange traded funds, commingled funds, limited partnerships, non-core institutional real estate, and funds held in trust by others. Investments are reported at estimated fair value.

If an investment is held directly by the University and an active market with quoted prices exists, the market price of an identical security is used as the reported fair value. The majority of the University’s investments are in shares or units of institutional commingled funds and limited partnerships invested in equity, fixed income, hedge, natural resources, private equity, or real estate strategies. Hedge strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedge strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, which are valued by the investment manager. Private equity funds employ buyout, growth, venture capital, and distressed security strategies. Real estate and natural resources funds generally hold interests in private real estate, oil and gas partnerships, and mineral holdings.

The University’s interests in commingled investment funds are generally reported at the NAV reported by the fund managers and determined to be reasonable by the University. NAV is used as a practical expedient to estimate the fair value of the University’s interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2019 and 2018, the University had no plans or intentions to sell investments at amounts different from NAV.



For the years ended June 30, 2019 and 2018

Although the University’s alternative fund managers generally adhere to fair value accounting in determining NAV, because of inherent uncertainties in valuation assumptions, the estimated fair values for alternative investments may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, earnings of the underlying holdings, projected cash flows, recent sales prices, and other pertinent information.

The fair value of non-core institutional real estate is based on independent appraisals and broker opinions of value, including recent sales of relevant properties in the same region and in an active market. The determination of whether a real estate market is active is based on the median number of days to sale for properties with a similar geographic location, type, size, condition, and long-term occupancy rate. When independent appraisals have not been carried out and where comparable sales information is not available, a direct capitalization model is used, with significant assumptions including rental rates ranging from \$15 to \$58 per square foot and weighted average capitalization rates of 6.5%. Significant changes in these inputs may result in a significantly lower or higher fair value measure.

Cash and investments included in the Consolidated Statements of Financial Position at June 30, 2019 and 2018 were as follows, in thousands of dollars:

	2019	2018
Cash and cash equivalents . . . . .	\$ 187,190	\$ 148,749
Cash and cash equivalents-restricted . . . . .	181,455	130,913
Short-term investments . . . . .	899,426	748,869
Investment in residual asset note . . . . .	62,366	36,212
Long-term investments . . . . .	<u>2,369,215</u>	<u>2,146,940</u>
	<u>3,699,652</u>	<u>3,211,683</u>
Less: assets not reported at fair value:		
Investment in residual asset note . . . . .	(62,366)	(36,212)
Real estate partnerships accounted for under the equity method . . . . .	<u>(25,468)</u>	<u>(24,069)</u>
Total cash and investments at fair value . . . . .	<u>\$ 3,611,818</u>	<u>\$ 3,151,402</u>

For the years ended June 30, 2019 and 2018

The following tables summarize the University's cash and investments in the fair value hierarchy as of June 30, 2019 and 2018, in thousands of dollars:

As of June 30, 2019	Investments	Investments Classified in the Fair Value Hierarchy			Total Fair Value
	Measured at NAV	Level 1	Level 2	Level 3	
Assets at fair value					
Cash and cash equivalents . . . . .	\$	\$ 368,645	\$	\$	\$ 368,645
Common and preferred equities:					
Domestic . . . . .	114,784	50,937			165,721
International . . . . .	302,274	63,479	74,840		440,593
	<u>417,058</u>	<u>114,416</u>	<u>74,840</u>		<u>606,314</u>
Fixed income:					
Domestic . . . . .		826	1,239		2,065
International . . . . .		19	180		199
U.S. government and agencies . . . . .		1,085,490	1,441		1,086,931
		<u>1,086,335</u>	<u>2,860</u>		<u>1,089,195</u>
Alternatives:					
Hedge . . . . .	610,814				610,814
Natural resources . . . . .	88,015				88,015
Private . . . . .	482,653			333	482,986
Real estate . . . . .	63,360			289,961	353,321
	<u>1,244,842</u>			<u>290,294</u>	<u>1,535,136</u>
Funds held in trust by others . . . . .				12,528	12,528
Total assets at fair value . . . . .	<u>\$ 1,661,900</u>	<u>\$ 1,569,396</u>	<u>\$ 77,700</u>	<u>\$ 302,822</u>	<u>\$ 3,611,818</u>

As of June 30, 2018	Investments	Investments Classified in the Fair Value Hierarchy			Total Fair Value
	Measured at NAV	Level 1	Level 2	Level 3	
Assets at fair value					
Cash and cash equivalents . . . . .	\$	\$ 279,662	\$	\$	\$ 279,662
Common and preferred equities:					
Domestic . . . . .	91,212	90,893			182,105
International . . . . .	275,941	64,080	71,062		411,083
	<u>367,153</u>	<u>154,973</u>	<u>71,062</u>		<u>593,188</u>
Fixed income:					
Domestic . . . . .		774	1,620		2,394
International . . . . .		8	180		188
U.S. government and agencies . . . . .		862,071	107		862,178
		<u>862,853</u>	<u>1,907</u>		<u>864,760</u>
Alternatives:					
Hedge . . . . .	618,498				618,498
Natural resources . . . . .	114,562				114,562
Private . . . . .	340,955			333	341,288
Real estate . . . . .	61,968			265,184	327,152
	<u>1,135,983</u>			<u>265,517</u>	<u>1,401,500</u>
Funds held in trust by others . . . . .				12,292	12,292
Total assets at fair value . . . . .	<u>\$ 1,503,136</u>	<u>\$ 1,297,488</u>	<u>\$ 72,969</u>	<u>\$ 277,809</u>	<u>\$ 3,151,402</u>

For the years ended June 30, 2019 and 2018

The following tables present a summary of the University's activity for the years ended June 30, 2019 and 2018 for investment classified in Level 3, in thousands of dollars:

2019	Alternatives		Funds	Total
	Private	Real Estate	Held in Trust by Others	Assets at Level 3
Fair value, July 1, 2018	\$ 333	\$ 265,184	\$ 12,292	\$ 277,809
Additions		15,899	79	15,978
Sales or redemptions		(3,548)	(46)	(3,594)
Unrealized gains		12,426	203	12,629
Fair value, June 30, 2019	\$ 333	\$ 289,961	\$ 12,528	\$ 302,822

  

2018	Alternatives		Funds	Total
	Private	Real Estate	Held in Trust by Others	Assets at Level 3
Fair value, July 1, 2017	\$ 2,237	\$ 330,344	\$ 8,395	\$ 340,976
Additions		11,991	3,666	15,657
Sales or redemptions	(404)	(81,200)		(81,604)
Unrealized gains (losses)	(1,500)	4,049	231	2,780
Fair value, June 30, 2018	\$ 333	\$ 265,184	\$ 12,292	\$ 277,809

The University's policy is to recognize transfers as of the end of the year. For the years ended June 30, 2019 and 2018, there were no transfers between Level 1 and Level 2, and no transfers between Level 2 and Level 3.

*Investment Related Derivatives:*

The endowment employs certain derivative financial instruments to replicate long asset positions more cost effectively than through purchases or sales of the underlying assets.

As a result of entering investment derivative agreements, the University is subject to market volatility consistent with the underlying asset classes. The University has established policies, procedures, and internal controls governing the use of derivatives.

The purchase and sale of exchange-traded derivatives require collateral deposits with the Futures Commission Merchant (FCM). Collateral is posted and moved on a daily basis as required by the rules of the exchange on which the derivatives are traded. In the event of the FCM's insolvency, recovery may be limited to the University's pro-rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total cash or other collateral posted. The collateral is generally in the form of debt obligations issued by the U.S. Treasury or cash. Cash collateral and certain securities owned by the University were held at counterparty brokers to collateralize these positions and are included in cash and cash equivalents-restricted on the Consolidated Statements of Financial Position. As of June 30, 2019 and 2018, the aggregate notional exposure on long-term assets was \$78,045,000 and \$122,661,000, respectively. The associated unrealized gain (loss) on these assets was \$1,860,000 and (\$3,770,000), respectively, as of June 30, 2019 and 2018. The notional amount of these derivatives is not recorded on the University's Consolidated Statements of Financial Position.

*Residual Asset Note:*

In June 2006, the University securitized its interest in an investment banking partnership that owned rights to residual future cash flows. To effect the securitization, the rights to receive the future cash flows were transferred from the University to a 100% owned, bankruptcy remote, special purpose limited liability corporation called BU Funding, LLC (LLC). To finance the transaction, the LLC issued a zero coupon note to Deutsche Bank Litigation Fee Trust (DBLFT), collateralized by the LLC's rights to the future cash flow stream. The note had an initial face value of \$88,227,000, the aggregate amount of scheduled cash flows to be received between 2007 and 2021. The

For the years ended June 30, 2019 and 2018

purchase price of the note was \$25,244,000 and is non-recourse to the University. As of June 30, 2019 and 2018, the carrying value of the investment in residual asset note receivable is \$62,366,000 and \$36,212,000, respectively.

The LLC is consolidated in the financial statements of the University. The LLC's discounted note obligation is recorded as a liability and its investment has been recorded as an asset on the Consolidated Statements of Financial Position. The valuation of this investment was based on a present value analysis using readily available observable market discount factors applied to contractually committed cash inflows and outflows. The discount on the note is amortized over its scheduled maturity using the effective interest method and the note obligation decreases as future residual cash flows are received. As a result, the value of the note obligation is expected to decline to a balance of zero in 2021. Upon expected extinguishment of the note in 2021, the University remains the beneficiary of \$39,800,000 of cash flows scheduled for 2022–2025.

*Real Estate Partnerships:*

The University owns shares ranging from 45% to 50% in certain University business-related real estate partnerships with a related party, which have been accounted for using the equity method. The University's ownership interest in these partnerships has been recorded within long-term investments on the Consolidated Statements of Financial Position.

*Investment Return:*

The following summarizes, in thousands of dollars, the investment return, as reflected in the Consolidated Statements of Activities:

	Without Donor Restrictions	With Donor Restrictions	Total
<b>For the year ended June 30, 2019</b>			
Dividend and interest income . . . . .	\$ 38,869	\$ 12,448	\$ 51,317
Net realized and unrealized gains on investments and other assets. . . . .	95,320	66,066	161,386
Total return on investments and other assets . . .	134,189	78,514	212,703
Less: spending formula . . . . .	(33,087)	(46,246)	(79,333)
Less: change in value of designated non-core . . . .	(12,426)		(12,426)
Less: other non-endowment income. . . . .	(66,281)	(250)	(66,531)
	<u>(111,794)</u>	<u>(46,496)</u>	<u>(158,290)</u>
Excess of investment return over spending formula amount . . . . .	<u>\$ 22,395</u>	<u>\$ 32,018</u>	<u>\$ 54,413</u>
<b>For the year ended June 30, 2018</b>			
Dividend and interest income . . . . .	\$ 21,504	\$ 11,300	\$ 32,804
Net realized and unrealized gains on investments and other assets. . . . .	63,057	84,973	148,030
Total return on investments and other assets . . .	84,561	96,273	180,834
Less: spending formula . . . . .	(30,076)	(40,957)	(71,033)
Less: change in value of designated non-core . . . .	(4,065)		(4,065)
Less: other non-endowment income. . . . .	(12,904)	(68)	(12,972)
	<u>(47,045)</u>	<u>(41,025)</u>	<u>(88,070)</u>
Excess of investment return over spending formula amount . . . . .	<u>\$ 37,516</u>	<u>\$ 55,248</u>	<u>\$ 92,764</u>

For the years ended June 30, 2019 and 2018

*Commitments:*

Private equity, natural resources, and real estate investments are generally made through private limited partnerships. Under the terms of the partnership agreements, the University makes a commitment of a specific amount of capital to a partnership and is obligated to remit committed funding periodically when capital calls are exercised by the General Partner as the partnership executes on its investment strategy. Private equity, natural resources, and real estate funds are typically structured with investment periods of 3 to 7 years. Subsequent to the expiration of the investment period, a fund is usually prohibited from calling capital for new investments. The aggregate amount of unfunded commitments associated with private limited partnerships as of June 30, 2019 and 2018 was \$422,620,000 and \$368,802,000, respectively. Of this amount, approximately 5% and 8% of commitments as of June 30, 2019 and 2018, respectively, was for funds whose investment period had expired. The timing and amount of capital calls expected to be exercised in any particular future year is uncertain.

*Liquidity:*

Investment liquidity is aggregated below based on redemption or sale period, in thousands of dollars:

As of June 30, 2019	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents* . . . . .	\$ 368,645	\$	\$	\$	\$	\$ 368,645
Common and preferred equities:						
Domestic . . . . .	50,005	1,025	62,880	51,811		165,721
International . . . . .	138,292	159,291	49,549	41,212	52,249	440,593
	<u>188,297</u>	<u>160,316</u>	<u>112,429</u>	<u>93,023</u>	<u>52,249</u>	<u>606,314</u>
Fixed income:						
Domestic . . . . .	2,008	57				2,065
International . . . . .	180	19				199
U.S. government and agencies .	1,086,931					1,086,931
	<u>1,089,119</u>	<u>76</u>				<u>1,089,195</u>
Alternatives:						
Hedge . . . . .			232,703	228,318	149,793	610,814
Natural resources. . . . .			5,375	6,184	76,456	88,015
Private . . . . .			126	95	482,765	482,986
Real estate . . . . .				287,785	65,536	353,321
			<u>238,204</u>	<u>522,382</u>	<u>774,550</u>	<u>1,535,136</u>
Funds held in trust by others . . . .					12,528	12,528
	<u>\$1,646,061</u>	<u>\$ 160,392</u>	<u>\$ 350,633</u>	<u>\$ 615,405</u>	<u>\$ 839,327</u>	<u>\$3,611,818</u>

\*Cash and cash equivalents includes \$169,566,000 of collateral posted with counterparties under the terms of certain derivative agreements; these funds are held in escrow and earn interest at short-term rates.

*For the years ended June 30, 2019 and 2018*

As of June 30, 2018	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents* . . . . .	\$ 279,662	\$	\$	\$	\$	\$ 279,662
Common and preferred equities:						
Domestic . . . . .	89,943	1,025	70,287	20,850		182,105
International . . . . .	135,103	141,129	44,933	35,315	54,603	411,083
	225,046	142,154	115,220	56,165	54,603	593,188
Fixed income:						
Domestic . . . . .	2,350	44				2,394
International . . . . .	180	8				188
U.S. government and agencies .	862,178					862,178
	864,708	52				864,760
Alternatives:						
Hedge . . . . .		9	210,735	307,919	99,835	618,498
Natural resources. . . . .			19,135	22,015	73,412	114,562
Private . . . . .			236	177	340,875	341,288
Real estate . . . . .				263,008	64,144	327,152
		9	230,106	593,119	578,266	1,401,500
Funds held in trust by others . . . .					12,292	12,292
	\$1,369,416	\$ 142,215	\$ 345,326	\$ 649,284	\$ 645,161	\$3,151,402

\*Cash and cash equivalents includes \$103,785,000 of collateral posted with counterparties under the terms of certain derivative agreements; these funds are held in escrow and earn interest at short-term rates.

Certain hedge funds contain lockup provisions. Under such provisions, share classes of the investment are available for redemption at various times in accordance with the management agreement with the fund.

The University has sole discretion to liquidate its direct holdings in non-core real estate included in the table above under “Annually.” These assets are located in the greater Boston market, which is generally active. Notwithstanding that relevant market assumptions have been incorporated where applicable, determining the fair values of such assets involves significant judgment and their ultimate sales price may be materially different than the values reported.

Investments in the “>1 Year” category include non-redeemable assets totaling \$761,856,000 and \$571,975,000, as well as investments with rolling lockup periods totaling \$77,471,000 and \$73,186,000 as of June 30, 2019 and 2018, respectively.

#### **4. Endowment Funds**

Total endowment assets as of June 30, 2019 and 2018 are \$2,311,388,000 and \$2,143,074,000, respectively. A pooled endowment fund is included as part of the University’s investments. The amounts distributed from the investment return of pooled investments in any one year may include interest, dividends, and a portion of accumulated investment gains. The distribution amount is established annually and is between 3% and 5% of the market value per share as of the most recent December 31. The actual distribution amount is recommended by management, and approved by the Trustee Executive Committee. If interest, dividends, and gains are not sufficient to support the current year drawdown, the balance is provided from prior year accumulated earnings. Income attributable to shares from new donor-restricted and institution designated endowment funds during the first six months after establishment is not spent; such income is included in net assets without donor restrictions or with donor restrictions, depending on the nature of the endowment fund. For the fiscal years ended June 30, 2019 and 2018, respectively, the distribution as a percentage of the prior December 31 fair value of the pooled endowment fund was 3.6% and 3.9%.

For the years ended June 30, 2019 and 2018

The University’s endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The University classifies as net assets with donor restrictions (a) the original value of contributions donated to the permanent endowment, (b) the original value of subsequent contributions to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Original gift amounts consist of donor restricted gifts to the University’s endowment to be held in perpetuity as well as gifts held in the endowment subject to donor time or purpose restrictions. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds 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:

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the organization
- (7) The investment policies of the organization

The University has investment and spending policies for its endowment and similar funds that emphasize long-term capital appreciation as a primary source of return while balancing the dual objectives of growth in capital and principal preservation. Investments are expected to earn inflation-adjusted long-term returns sufficient to maintain or grow the purchasing power of assets, net of spending and investment expenses, within acceptable risk parameters. To satisfy its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation and current yield. The University targets a diversified asset allocation of U.S. treasury bills, common and preferred equities, fixed income, hedge funds, natural resources, private equity, and real estate. The portfolio is expected to produce risk-adjusted returns that exceed the policy benchmarks, a blended rate of indices.

The following table represents endowment net asset composition by type of fund as of June 30, 2019, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions			Total Funds 2019
		Original Gift	Accumulated Gains (Losses)	Total	
Quasi . . . . .	\$ 991,076	\$	\$	\$	\$ 991,076
Donor restricted					
Underwater funds . . . . .		2,012	(12)	2,000	2,000
All other funds . . . . .		662,523	636,938	1,299,461	1,299,461
Endowment net assets at end of year . . . . .	\$ 991,076	\$ 664,535	\$ 636,926	\$ 1,301,461	\$2,292,537

For the years ended June 30, 2019 and 2018

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2019, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year . . . .	\$ 874,959	\$ 1,253,224	\$ 2,128,183
Reinvested income distribution . . . . .	6,427	1,693	8,120
Realized and unrealized gains . . . . .	55,482	78,264	133,746
Less: spending formula . . . . .	(33,087)	(46,246)	(79,333)
Undistributed investment income. . . . .	28,822	33,711	62,533
Contributions . . . . .	3,907	7,908	11,815
Pledge payments . . . . .	26	25,019	25,045
Net assets released from restrictions-other . . . .	21,818	(21,818)	
Other additions (deductions), transfers, and net asset reclassifications . . . . .	61,544	3,417	64,961
Endowment net assets at end of year . . . . .	<u>\$ 991,076</u>	<u>\$ 1,301,461</u>	<u>\$ 2,292,537</u>

The following table represents endowment net asset composition by type of fund as of June 30, 2018, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions			Total Funds 2018
		Original Gift	Accumulated Gains (Losses)	Total	
Quasi . . . . .	\$ 874,959	\$	\$	\$	\$ 874,959
Donor restricted					
Underwater funds . . . . .		4,907	(51)	4,856	4,856
All other funds . . . . .		648,394	599,974	1,248,368	1,248,368
Endowment net assets at end of year . . . . .	<u>\$ 874,959</u>	<u>\$ 653,301</u>	<u>\$ 599,923</u>	<u>\$ 1,253,224</u>	<u>\$ 2,128,183</u>

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2018, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year . . . .	\$ 807,308	\$ 1,093,844	\$ 1,901,152
Reinvested income distribution . . . . .	5,031	1,990	7,021
Realized and unrealized gains . . . . .	67,592	96,205	163,797
Less: spending formula . . . . .	(30,076)	(40,957)	(71,033)
Undistributed investment income . . . . .	42,547	57,238	99,785
Contributions . . . . .	3,253	8,535	11,788
Pledge payments . . . . .	131	29,200	29,331
Other additions (deductions), transfers, and net asset reclassifications . . . . .	21,720	64,407	86,127
Endowment net assets at end of year . . . . .	<u>\$ 874,959</u>	<u>\$ 1,253,224</u>	<u>\$ 2,128,183</u>



For the years ended June 30, 2019 and 2018

**5. Accounts Receivable and Pledges Receivable**

*Accounts Receivable:*

Accounts and loans receivable at June 30, 2019 and 2018, in thousands of dollars, consist of the following:

	2019	2018
Accounts receivable, net:		
Students . . . . .	\$ 18,679	\$ 18,155
Less: allowances . . . . .	(7,398)	(7,360)
	11,281	10,795
Grants and contracts . . . . .	68,767	69,130
Unsettled investment trades . . . . .	50,385	22,442
Departmental sales, services, and other . . . . .	50,826	60,475
Less: allowances . . . . .	(9,109)	(8,944)
	160,869	143,103
Student loans . . . . .	66,445	74,448
Less: allowances . . . . .	(5,069)	(4,720)
	61,376	69,728
Total accounts receivable, net . . . . .	\$ 233,526	\$ 223,626

Federally sponsored student loans receivable represented \$32,286,000 and \$39,244,000 as of June 30, 2019 and 2018, respectively, of total student loans receivable, which consist of amounts due from current and former students under various federal government loan programs, including Perkins and health professional programs offered to graduate and undergraduate students. The University’s advances under Perkins and other federally funded student loan programs were \$40,200,000 as of June 30, 2019 and 2018, and are included in other long-term obligations on the Consolidated Statements of Financial Position. The University has the right to assign loans disbursed under these programs to the federal government upon default by the borrower; therefore, no allowance has been provided for these loans.

Departmental sales, services, and other receivables include outstanding notes, mortgages, and advances bearing interest at rates up to 5.15% at June 30, 2019 and 2018, to certain employees. The aggregate amount as of June 30, 2019 and 2018 is \$8,534,000 and \$8,117,000, respectively.

*Pledges Receivable:*

Pledges consist of unconditional written promises by donors to contribute to the University in the future. At June 30, 2019 and 2018, pledges, in thousands of dollars, are expected to be realized in the following time frame:

	2019	2018
In one year or less . . . . .	\$ 119,121	\$ 71,151
Between one year and five years . . . . .	104,567	152,824
More than five years . . . . .	46,775	56,597
	270,463	280,572
Discount to present value (at rates ranging from 1.51% to 4.02%) . .	(25,356)	(27,922)
Less: allowance for unfulfilled pledges . . . . .	(18,800)	(17,730)
Total pledges receivable . . . . .	\$ 226,307	\$ 234,920

As of June 30, 2019 and 2018, 72% of the gross contributions receivable were due from eight and seven donors, respectively.

For the years ended June 30, 2019 and 2018

## 6. Property, Plant, and Equipment

Property, plant, and equipment and related accumulated depreciation and amortization of right-of-use assets at June 30, 2019 and 2018, in thousands of dollars, consist of the following:

	2019	2018
Land . . . . .	\$ 241,543	\$ 241,543
Buildings and improvements . . . . .	3,469,243	3,356,279
Construction in progress . . . . .	162,851	122,656
Software . . . . .	57,558	57,412
Equipment . . . . .	302,593	289,044
Library books . . . . .	249,385	237,607
	<u>4,483,173</u>	<u>4,304,541</u>
Less: accumulated depreciation . . . . .	(1,733,742)	(1,616,764)
Less: accumulated amortization of finance leases . . . . .	(24,574)	(22,190)
Total property, plant, and equipment, net. . . . .	<u>\$ 2,724,857</u>	<u>\$ 2,665,587</u>

As of June 30, 2019 and 2018, gross land, buildings and improvements and equipment include \$148,346,000 associated with equipment and office, research, and retail space finance leases.

## 7. Sale and Ground Lease of Non-Core Real Estate

In October 2016, the University entered into an agreement to sell certain non-core real estate buildings and to lease the related land to the purchaser of the buildings. The total amount of the agreement was \$144,000,000, with \$140,000,000 paid at closing in fiscal 2017 and \$4,000,000 paid in fiscal 2019. The \$144,000,000 agreement amount included \$80,000,000 for buildings and improvements, with the remaining \$64,000,000 representing payment in advance for a 75 year ground lease.

Because this transaction included a sale-leaseback for a portion of the property and the University retained rights to revenue from the property in certain limited circumstances, accounting guidance in place at the time of the sale did not allow recognition of the sale. Under ASU 2014-09 *Revenue from Contracts with Customers*, which was adopted by the University in fiscal 2019, the criteria for revenue recognition in these circumstances has changed.

ASU 2014-09 ties the recognition of the sale in a sale-leaseback to the completion of substantially all the performance obligations by the seller to the buyer, and the full transfer of control of the property from the seller to the buyer.

Having met all performance obligations and transferred control to the buyer, the University has recognized this sale in fiscal 2018 when the sale occurred. The impact of the recognition of the sale was to remove building assets of \$80,000,000 from the non-core real estate portion of long-term investments, and to remove \$78,025,000 from other long-term obligations from the June 30, 2018 Consolidated Statement of Financial Position, as originally stated.

## 8. Other Long-Term Obligations

Other long-term obligations included in the Consolidated Statements of Financial Position at June 30, 2019 and 2018 were as follows, in thousands of dollars:

	2019	2018
Federal Perkins loan advances . . . . .	\$ 40,200	\$ 40,200
Conditional asset retirement obligation . . . . .	13,496	13,993
Annuities and split-interest agreements payable . . . . .	7,340	11,565
Post-retirement obligation . . . . .	1,700	2,100
Total other long-term obligations . . . . .	<u>\$ 62,736</u>	<u>\$ 67,858</u>

For the years ended June 30, 2019 and 2018

9. Indebtedness

*Bonds and Notes Payable:*

The principal amounts of bonds and notes payable at June 30, 2019 and 2018, in thousands of dollars, are summarized in the table below. Tax exempt and certain taxable bonds were issued through the Massachusetts Development Finance Agency (MDFA) and through the Massachusetts Health and Educational Facilities Authority (HEFA) prior to its merger with MDFA.

	Final Bond Maturity	Interest Rate at June 30, 2019	Interest Rate at June 30, 2018	Outstanding Principal	
				2019	2018
Fixed rate bonds and notes payable:					
MDFA Series P, blended fixed rate . . . . .	05/15/2059	5.63%	5.63%	\$ 100,000	\$ 100,000
MDFA Series W (taxable) . . . . .	10/01/2045	5.20%	5.20%	100,470	100,470
MDFA Series X, blended fixed rate . . . . .	10/01/2048	4.78%	4.78%	111,485	111,485
MDFA Series Z-1 . . . . .	08/01/2019	1.50%	1.50%	63,170	63,170
MDFA Series Z-2 . . . . .	08/01/2019	1.50%	1.50%	10,200	10,200
MDFA Series BB-1 . . . . .	10/01/2046	4.54%	4.54%	111,270	111,270
MDFA Series BB-2 . . . . .	10/01/2040	3.95%	3.95%	52,260	52,260
MDFA Series BB-3 . . . . .	10/01/2029	5.00%	5.00%	38,290	38,290
Series CC (taxable) . . . . .	10/01/2048	4.06%	n/a	300,000	
Century notes (taxable) . . . . .	07/15/2097	7.63%	7.63%	100,000	100,000
Boston Redevelopment Authority					
note (taxable) . . . . .	06/15/2021	0.00%	0.00%	2,290	3,435
Aetna loan (taxable) . . . . .	09/15/2018	10.20%	10.20%		514
Various notes payable (taxable) . . . . .	various	various	various	910	1,297
Total fixed rate bonds and notes payable . . . . .				<u>990,345</u>	<u>692,391</u>
Variable rate bonds and notes payable:					
HEFA Series H . . . . .	12/01/2029	1.82%	1.53%	25,000	25,000
HEFA Series N (taxable) . . . . .	10/01/2034	2.36%	2.06%	27,715	28,605
MDFA Series U-1 . . . . .	10/01/2040	2.16%	2.26%	50,000	50,000
MDFA Series U-2 . . . . .	10/01/2040	2.33%	2.09%	50,000	50,000
MDFA Series U-3 . . . . .	10/01/2040	1.78%	1.42%	50,000	50,000
MDFA Series U-5A . . . . .	10/01/2031	2.46%	2.23%	30,400	32,100
MDFA Series U-5B . . . . .	10/01/2031	2.46%	2.23%	31,700	33,500
MDFA Series U-6A . . . . .	10/01/2042	2.39%	2.00%	62,850	62,850
MDFA Series U-6C . . . . .	10/01/2042	1.80%	1.47%	52,545	52,545
MDFA Series U-6E . . . . .	10/01/2042	1.87%	2.23%	62,695	62,695
Royal Bank of Scotland (taxable) . . . . .	08/15/2029	1.26%	1.09%	23,695	26,373
MDFA Series Y . . . . .	10/01/2039	2.34%	2.28%	35,000	35,000
MDFA Series AA . . . . .	10/01/2039	2.30%	1.97%	162,740	162,740
Boston University term loan (taxable) . . . . .	08/17/2018	n/a	2.33%		34,506
Total variable rate bonds and notes payable . . . . .				<u>664,340</u>	<u>705,914</u>
Total bonds and notes payable . . . . .				1,654,685	1,398,305
Plus: unamortized bond premium and discount, net . . . . .				33,810	35,615
Less: unamortized bond issuance costs . . . . .				(4,417)	(3,999)
Total bonds and notes payable, net . . . . .				<u>\$ 1,684,078</u>	<u>\$ 1,429,921</u>

For the years ended June 30, 2019 and 2018

Certain bond and bank obligations are collateralized by a pledge on tuition revenues, and certain other notes payable are collateralized by plant and property with a net carrying value of \$42,550,000 and \$43,775,000 as of June 30, 2019 and 2018, respectively. The University’s bank agreements require annual compliance with financial covenants, including a minimum level of debt service coverage and a minimum level of expendable resources relative to debt. The University was in compliance with all debt covenants as of June 30, 2019 and 2018.

Scheduled principal payments on bonds and notes payable, in thousands of dollars, are presented in the table below:

Fiscal Year	Scheduled Principal Maturities
2020 .....	\$ 81,733
2021 .....	8,629
2022 .....	7,955
2023 .....	8,274
2024 .....	7,990
Thereafter .....	<u>1,540,104</u>
Total .....	<u>\$ 1,654,685</u>

Scheduled principal maturities represent aggregate annual payments as required under long-term debt repayment schedules. As of June 30, 2019, the University’s debt portfolio includes variable rate demand bonds (VRDBs) of \$217,955,000 that are supported by irrevocable letters of credit (LOCs). The LOCs are provided by a diverse group of financial institutions to secure bond repayment and interest obligations and have various maturity dates between June 2020 and June 2023. In the event that a VRDB cannot be remarketed, the bond may be “put” to the LOC provider, resulting in a loan to the University to fund redemption of the bond. If all outstanding VRDBs had been “put” as of June 30, 2019, aggregate scheduled loan repayments under the VRDB-related LOCs would be as follows: \$36,326,000, \$72,652,000, \$72,652,000, and \$36,325,000 in fiscal years 2020, 2021, 2022, and 2023 respectively. There have been no instances where a bond failed to be remarketed and was put back to the University.

In June 2018, the University entered a term loan in the amount of \$34,506,000 with U.S. Bank N.A. The proceeds of the term loan, together with other funds, were used to defease \$37,120,000 of outstanding principal of the Wheelock College Series C tax exempt bonds assumed by the University as a result of its merger with Wheelock College. Unamortized bond premium, bond discount, and issuance costs of \$281,000 associated with the Wheelock College Series C Bonds were written off in other additions (deductions) and transfers in the Consolidated Statement of Activities for the year ended June 30, 2018.

In August 2018, the University issued \$300,000,000 Series CC taxable bonds at a fixed interest rate of 4.061%. Final maturity of the bonds is through October 1, 2048. A portion of the Series CC bond proceeds were used to redeem a term loan in the amount of \$34,506,000 issued in June 2018 to defease Wheelock College Series C, tax exempt bonds assumed as a result of the merger with Wheelock College.

*Bank Lines:*

The University has a total of \$140,000,000 in committed one-year lines of credit with six financial institutions. There were no draws or outstanding loans under these lines of credit as of and for the years ended June 30, 2019 and 2018. The current expiration dates for all lines of credit are in April 2020. The University plans to renew the lines of credit upon expiration.

*Debt-Related Derivatives:*

The University has entered into various long-term interest rate exchange agreements to hedge all or a portion of the variable interest rate exposure on certain debt issues, thereby managing the interest cost and risk associated with its outstanding debt. The contracts require the University to make fixed rate interest payments in exchange for variable rate interest payments on the respective notional principal amounts. The variable rate payments received are expected to approximate the interest payable on the underlying variable rate debt. Scheduled reductions of the notional amounts under the swap agreements also generally match the scheduled amortization of the underlying debt.

For the years ended June 30, 2019 and 2018

Below is a summary of the terms of the University's outstanding debt-related derivatives as of June 30, 2019 and 2018, in thousands of dollars:

Swap	Notional Amount	Fair Value		Effective Date	Termination Date	University Pays	University Receives
		6/30/19	6/30/18				
Series H . . . . .	\$ 25,000	\$ 7,636	\$ 6,409	10/03/2008	12/01/2027	5.28%	SIFMA
Series N . . . . .	20,700	6,654	5,808	10/03/2008	10/01/2027	6.79%	LIBOR
Series U1-3 . . . . .	75,000	27,858	21,287	10/03/2008	10/01/2040	4.01%	69% of 1-Mo. USD LIBOR
Series U1-3 . . . . .	75,000	27,353	20,858	10/01/2007	10/01/2040	3.94%	69% of 1-Mo. USD LIBOR
Series U5 . . . . .	62,100	11,638	9,852	10/03/2008	10/01/2031	4.10%	67% of 1-Mo. USD LIBOR
Series U6 . . . . .	149,750	103,045	81,156	10/03/2008	10/01/2042	5.42%	SIFMA
Series U6 . . . . .	89,750	61,514	48,383	07/01/2008	10/01/2042	5.42%	SIFMA
Series U6 . . . . .	10,700	599	706	10/03/2008	10/01/2022	4.16%	67% of 1-Mo. USD LIBOR
Series Y . . . . .	35,000	17,090	12,876	10/01/2014	10/01/2039	4.70%	SIFMA
Series Z . . . . .	73,370	108	324	10/01/2014	08/01/2019	SIFMA	1.265%
Series AA-1 . . . . .	81,370	40,381	30,486	10/01/2015	10/01/2039	4.95%	67% of 1-Mo. USD LIBOR -.027%*
Series AA-2 . . . . .	81,370	39,673	30,353	10/01/2015	10/01/2039	4.95%	67% of 1-Mo. USD LIBOR +.024%**
Royal Bank of Scotland	23,695	5,729	6,237	08/15/2006	08/15/2029	5.645%	3-Mo. GBP LIBOR +45 basis points
Less: credit valuation adjustment . . .		(6,116)	(5,109)				
Total . . . . .		<u>\$ 343,162</u>	<u>\$ 269,626</u>				

\*Until April 1, 2020: thereafter SIFMA

\*\*Until April 1, 2021: thereafter SIFMA

SIFMA—Securities Industry and Financial Markets Association Municipal Swap Index

LIBOR—London Interbank Offered Rate

Interest rate exchange liabilities are valued using observable inputs, such as quotations received from the counterparty, dealers, or brokers, whenever available and considered reliable. In instances where models are used to validate third-party quotations, the value of the interest rate exchange liability depends upon the contractual terms of, and specific risks inherent in, the instrument, as well as the availability and reliability of observable inputs. Such inputs include market prices for reference securities, credit curves, assumptions for nonperformance risk, and correlations of such inputs. The fair value of interest rate exchange agreements is included within Level 2 of the valuation hierarchy.

In 2019 and 2018, the University's net settlement payments on interest rate exchange agreements were \$24,378,000 and \$28,058,000, respectively. These net settlement costs have been reported in nonoperating activities in net realized and unrealized gains on interest rate agreements on the Consolidated Statements of Activities.

For purposes of the Consolidated Statements of Cash Flows, net settlements under the University's interest rate exchange agreements are generally included in cash flows from operating activities. However, in October 2008, the University elected to terminate its existing interest rate exchange agreements with a subsidiary of Lehman Brothers after that firm's bankruptcy and simultaneously entered replacement agreements with new counterparties who provided cash to facilitate settlement of the existing agreements. Accordingly, future net settlements under various replacement agreements, with a total notional amount of \$343,250,000 at June 30, 2019, are considered financing activities. During 2019 and 2018, respectively, \$9,520,000 and \$11,263,000 of the net settlement payments were classified as cash flows used in financing activities.

For the years ended June 30, 2019 and 2018

The University's interest rate exchange agreements necessarily involve counterparty credit exposure. The counterparties for the University's agreements are a diversified group of major financial institutions that meet the University's criteria for financial stability and creditworthiness. Interest rate exchange agreements provide for two-way collateral posting requirements intended to mitigate credit risk. At June 30, 2019 and 2018, the University was required to post collateral of \$165,877,000 and \$98,751,000, respectively. Posted collateral balances are included on the Consolidated Statements of Financial Position in cash and cash equivalents-restricted. Contractual bilateral collateral posting levels are based on counterparty public debt ratings; current University posting amounts could increase or decrease should the University's credit ratings change. Additionally, interest rate exchange contracts provide for early termination should a counterparty's credit ratings fall below investment grade.

## 10. Pension and Other Employee Benefits

### *Defined Contribution Plan:*

All employees who work at least 50% of a full-time schedule and have an appointment or an expected assignment duration of at least nine months are eligible to participate in defined contribution benefit plans. The University contributes a specified percentage of each employee's salary to the plan. Contributions for the years ended June 30, 2019 and 2018, respectively, were \$78,954,000 and \$75,885,000.

### *Other Post-Retirement Benefit Plans:*

During fiscal year 2009, the University initiated the process to discontinue a plan option that offers subsidized health-care coverage to employees who retire from the University after age 55 until age 65, with at least ten consecutive years of participation in the Plan at the time they retire. Reflecting an extension of the termination date made in fiscal year 2010, the change applied to employees terminating from the University on or after September 1, 2009. Claims paid in 2019 and 2018, net of interest costs totaled \$400,000 and \$600,000, respectively. The University's accrued post-retirement benefit obligation reflected in the Consolidated Statements of Financial Position totaled \$1,700,000 and \$2,100,000 as of June 30, 2019 and 2018, respectively.

## 11. Leases

### *Leases:*

The University is committed to minimum annual rent payments under several long-term non-cancellable operating and capital leases for educational and office space through fiscal year 2034.

The components of lease expense are as follows, in thousands of dollars:

	2019	2018
<i>Lease cost:</i>		
Finance lease expense		
Amortization of right-of-use assets . . . . .	\$ 2,384	\$ 2,384
Interest on lease obligations . . . . .	5,468	5,539
Operating lease expense . . . . .	19,782	27,500
Short-term lease expense . . . . .	8,859	8,252
Total lease expense . . . . .	\$ 36,493	\$ 43,675
 <i>Other Information:</i>		
Losses on sale and leaseback transactions, net. . . . .	\$	\$ 1,975
Right-of-use assets obtained in exchange for new operating lease obligations . .	556	
Weighted-average remaining lease term-finance leases . . . . .	36 years	37 years
Weighted-average remaining lease term-operating leases. . . . .	7.6 years	8.6 years
Weighted-average discount rate-finance leases. . . . .	4.17%	4.17%
Weighted-average discount rate-operating leases. . . . .	3.26%	3.26%

*For the years ended June 30, 2019 and 2018*

Payments due include options to extend finance leases through fiscal year 2066, in thousands of dollars, and are summarized below as of June 30, 2019:

Fiscal Year	Operating	Finance
2020 .....	\$ 16,982	\$ 56,383
2021 .....	16,005	4,189
2022 .....	15,905	4,189
2023 .....	13,630	4,064
2024 .....	11,926	4,064
Thereafter .....	48,279	168,473
	122,727	241,362
Less: amounts representing interest . .	(16,084)	(108,834)
Total obligation .....	\$ 106,643	\$ 132,528

The University is the lessor in several long-term non-cancellable leases for commercial space through fiscal year 2040. Future minimum rental revenue due is summarized below as of June 30, 2019, in thousands of dollars:

Fiscal Year	Operating
2020 .....	\$ 5,460
2021 .....	4,802
2022 .....	4,338
2023 .....	3,488
2024 .....	2,833
Thereafter .....	33,730
Total .....	\$ 54,651

For the years ended June 30, 2019 and 2018

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## 12. Commitments and Contingencies

### *Deferred Ground Lease Revenue:*

In December 2012, in connection with the sale of a non-core asset, the University entered into a 75-year ground agreement to lease the related land to the purchaser of the building. The lease term is through 2087. In connection with this transaction, the University received a prepaid lease payment of \$38,625,000 that will be amortized on a straight-line basis over the term of the lease. For each of the years ended June 30, 2019 and 2018, the University recognized rental revenue of \$515,000 related to the ground lease. The unamortized deferred ground lease revenue as of June 30, 2019 and 2018 is \$35,278,000 and \$35,793,000, respectively.

As described in Note 7, in October 2016, in connection with the sale of non-core assets, the University entered into four 99-year agreements to lease the related land to the purchaser of the buildings. The lease term is through 2115. In connection with this transaction, the University received a prepaid lease payment of \$64,000,000 that will be amortized on a straight-line basis over the term of the lease. For the year ended June 30, 2019, the University recognized rental revenue of \$646,000 related to the ground lease. The unamortized deferred rent as of June 30, 2019 and 2018 is \$62,276,000 and \$62,922,000, respectively.

### *Other:*

As of June 30, 2019, the University has commitments of approximately \$178,120,000 related to open construction contracts and capital acquisitions. This amount is expected to be financed from operating cash flows, federal government grants, and borrowings.

Effective July 1, 1996, the University entered into a support agreement with Boston Medical Corporation, which was formed from the merger of Boston City Hospital and Boston Medical Center Hospital. The University agreed to continue its support of clinical department operations at a level of support proportionately consistent to what was provided before the merger. The University's commitment for fiscal year 2019 was approximately \$9,139,000.

The University is a defendant in various legal actions arising in the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the University believes that any resulting liability would not have a material effect on the University's financial position.

## 13. Wheelock College

The transaction with Wheelock College discussed in Note 1 has been accounted for under ASC 958-805, *Not-for-Profit Entities: Mergers and Acquisitions*, which defines a combination of one or more not-for-profit activities as either a merger or an acquisition. The transaction has been treated as an acquisition for accounting purposes.

Assets received in the transaction totaled \$207,987,000, with 96% of the balance consisting of endowment investments, perpetual trusts, and land, buildings, and equipment. Liabilities assumed totaled \$44,715,000, including bonds payable of \$36,839,000.

The University is required to establish and maintain appropriate academic or administrative space for the Boston University Wheelock College of Education & Human Development on the Wheelock Campus until the fifth anniversary of the merger on June 1, 2023. Accordingly, the property, plant, and equipment has been classified as with donor restrictions.

Concurrent to the merger, the University legally defeased Wheelock College's bond of \$37,120,000 and recognized a loss on extinguishment of debt of \$369,000.



For the years ended June 30, 2019 and 2018

#### 14. Functional Classification of Expenses

The Consolidated Statements of Activities present expenses by natural classification. The University also summarizes expenses by functional classification. The University's primary program services are instruction and departmental research. Expenses for educational support and auxiliary enterprises are incurred in support of this primary program activity. Operation and maintenance of plant expenses are allocated to program and supporting activities based upon a periodic assessment of facilities usage. Other natural expenses attributable to more than one functional expense category are allocated using a variety of cost allocation techniques such as square footage and time and effort.

Expenses presented by functional classification for the year ended June 30, 2019 are as follows, in thousands of dollars:

	Instruction and Departmental Research	Educational Support Activities	Sponsored Programs	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages . . . . .	\$ 559,734	\$ 98,798	\$ 139,466	\$ 99,106	\$ 28,420	\$ 925,524
Employee benefits . . . . .	166,402	29,132	28,890	41,273	7,516	273,213
Supplies and services . . . .	163,124	69,803	125,073	56,753	109,800	524,553
Utilities, rent, and repairs..	48,861	4,515	2,654	11,856	31,321	99,207
Depreciation. . . . .	81,586	8,535	3,926	7,602	27,197	128,846
Interest. . . . .	31,065	357		11,635	18,404	61,461
Total operating expenses . . . . .	<u>\$ 1,050,772</u>	<u>\$ 211,140</u>	<u>\$ 300,009</u>	<u>\$ 228,225</u>	<u>\$ 222,658</u>	<u>\$ 2,012,804</u>

Expenses presented by functional classification for the year ended June 30, 2018 are as follows, in thousands of dollars:

	Instruction and Departmental Research	Educational Support Activities	Sponsored Programs	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages . . . . .	\$ 523,679	\$ 92,598	\$ 132,723	\$ 96,014	\$ 26,088	\$ 871,102
Employee benefits . . . . .	150,072	28,484	28,432	38,944	6,794	252,726
Supplies and services . . . .	166,246	62,576	95,914	48,920	106,284	479,940
Utilities, rent, and repairs..	54,429	4,710	2,073	11,265	33,035	105,512
Depreciation. . . . .	75,609	8,629	1,690	10,053	26,651	122,632
Interest. . . . .	27,868	393		1,778	13,282	43,321
Total operating expenses . . . . .	<u>\$ 997,903</u>	<u>\$ 197,390</u>	<u>\$ 260,832</u>	<u>\$ 206,974</u>	<u>\$ 212,134</u>	<u>\$ 1,875,233</u>

#### 15. Subsequent Events

In August 2019, the University issued \$63,965,000 Series DD-1 and \$21,800,000 Series DD-2 tax exempt fixed rate bonds. The bonds were issued at a premium, generating proceeds of \$73,370,000 and \$25,000,000, respectively, which were used to refinance Series Z-1, Series Z-2, and Series H bonds. An associated fixed receiver swap with a notional amount of \$97,110,000 was entered into when the Series DD-1 and Series DD-2 bonds were issued to offset existing long dated fixed payer swaps.

The University has assessed the impact of subsequent events through September 20, 2019, the date the Consolidated Financial Statements were issued.

## THE CORPORATION

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THE ASSOCIATE FOUNDERS	Augusta E. Corbin Chester C. Corbin Albert V. Danielsen Edward H. Dunn Rafik B. al-Hariri Charles Hayden	Arthur G. B. Metcalf Stephen P. Mugar Anne A. Ramsey John R. Robinson Roswell R. Robinson	Alden Speare Dewey David Stone Harry K. Stone Gerald Tsai, Jr. An Wang
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THE OVERSEERS Nathaniel Dalton <i>Chairman</i> Michael D. Fricklas <i>Vice Chairman</i>	Warren J. Adelson Maureen A. Alphonse-Charles Gayle R. Berg Cassandra M. Clay Cynthia R. Cohen Gerard H. Cohen Suzanne Cutler Shadi Daher Sidney J. Feltenstein David E. Hollowell	Karen Elliott House Christine S. Hunter David R. Jones William A. Kamer Steven M. Karbank Stewart F. Lane Tonie Leatherberry Philip Libin Chen-Chun Liu Kenneth P. Morrison	E. Martin Nordin Rebecca A. Norlander Stuart W. Pratt Jay Roewe Mahesh Shahdarpuri James Stergios Lisa Ann Wong
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## THE UNIVERSITY ADMINISTRATION

<i>President</i> Robert A. Brown, B.S., M.S., Ph.D.	<i>Chief Investment Officer</i> Lila C. Hunnewell, B.A., M.B.A.	<i>Senior Vice President for Development &amp; Alumni Relations</i> Scott G. Nichols, B.A., M.S., Ed.D.	<i>Vice President, General Counsel, and Secretary of the Board</i> Erika Geetter, B.A., J.D.
<i>University Provost &amp; Chief Academic Officer</i> Jean Morrison, B.A., M.S., Ph.D.	<i>Senior Vice President, Chief Financial Officer, and Treasurer</i> Martin J. Howard, B.A., M.B.A., C.P.A., C.F.A., C.F.P.	<i>Senior Vice President for Operations</i> Gary W. Nicksa, B.S.B.A., M.S.T., C.P.A.	
<i>Provost of the Medical Campus</i> Karen H. Antman, B.S., M.D.	<i>Senior Vice President for External Affairs</i> Stephen P. Burgay, B.A., J.D.		

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Research and Development Cluster:				
Agency for International Development:				
Agency For International Development	98.001	Direct	\$ 96,547	326,860
Center for Health Research, Universitas	98.001	Pass-Through Number Not Available	—	13,109
Right to Care	98.001	Pass-Through Number Not Available	—	346,050
Right to Care Zambia Limited	98.001	120160003000	—	82,051
The Health Economics and Epidemiology Research Office	98.001	Pass-Through Number Not Available	—	282,048
Wits Health Consortium	98.001	HERO-002	—	301,035
Subtotal			<u>96,547</u>	<u>1,351,153</u>
ABT Associates, Inc.	98.UNK	49842	—	25,519
Right to Care	98.UNK	Pass-Through Number Not Available	—	17,087
Subtotal			<u>—</u>	<u>42,606</u>
Agency for International Development Total			<u>96,547</u>	<u>1,393,759</u>
Department of Agriculture:				
Department of Agriculture	10.310	Direct	159,467	422,206
Rector & Visitors of the University of Virginia	10.680	GG12156.160437	—	17,715
Department of Agriculture Total			<u>159,467</u>	<u>439,921</u>
Department of Commerce:				
Department of Commerce	11.011	Direct	29,308	46,391
Department of Commerce	11.013	Direct	—	22,941
Georgetown University	11.016	AWD7772402-GR205663	—	113,293
Massachusetts Institute of Technology	11.417	S4607	—	46,569
University of Rhode Island	11.417	0007086/03292018	3,402	45,288
University of Rhode Island	11.417	0005575	—	40,209
Subtotal			<u>3,402</u>	<u>132,066</u>
Global Foundation for Ocean Exploration	11.429	01-01-2019-001-BU	—	6,084
Department of Commerce	11.431	Direct	—	49,251
Trustees Of Columbia University In The City Of New York	11.431	G12632	—	97,114
UCAR	11.431	SUBAWD001110	—	19,893
Subtotal			<u>—</u>	<u>166,258</u>
University of Delaware	11.478	51859	—	29,997
Department of Commerce	11.609	Direct	33,230	204,825
Department of Commerce	11.620	Direct	—	6,845
Georgetown University	11.UNK	Pass-Through Number Not Available	—	(24,526)
Department of Commerce Total			<u>65,940</u>	<u>704,174</u>
Department of Defense:				
Department of Defense	12.300	Direct	845,963	3,056,307
Arizona State University	12.300	17-205	—	100,245
Regents of the University of Minnesota	12.300	A005988201	—	136,652
University of California, Santa Barbara	12.300	KK1628	—	50,257
University of California, Santa Barbara	12.300	KK1755	—	151,645
University of Illinois	12.300	080035-14605 (AA669)	—	225,541
University of Massachusetts, Amherst	12.300	18-010270 B 02	—	71,502
Subtotal			<u>845,963</u>	<u>3,792,149</u>
Department of Defense	12.351	Direct	91,824	339,061
The Geneva Foundation	12.351	S-1340-01	—	220
Subtotal			<u>91,824</u>	<u>339,281</u>
Institute of International Education	12.357	2603-BU-12-GO-051-PO4	—	373,156
Department of Defense				
Department of Defense	12.420	Direct	839,894	3,700,445
Drexel University	12.420	840030_BU	—	5,857
Drexel University	12.420	840014_BU	—	11,943
Duke University	12.420	3130844	—	9,752
Icahn School of Medicine at Mount Sinai	12.420	0258-0791-4609	—	39,435
Northern California Institute for Research and Education	12.420	CHAO2022-02	—	6,048
Nova Southeastern University	12.420	331252	—	5,139
The Bringham and Women's Hospital, Inc.	12.420	113197	—	3,402
The Henry M. Jackson Foundation	12.420	721595	—	14,477
The Henry M. Jackson Foundation	12.420	4545	—	120,745
The Regents of the University of California, San Francisco	12.420	11159SC	—	15,664

**BOSTON UNIVERSITY**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
University Hospitals of Cleveland	12.420	W81XWH-15-1-0080	\$ —	235,330
University of South Carolina	12.420	19-3715	—	13,202
University of Southern California	12.420	74911078	—	2,028
University of Texas Health Science Center, Houston	12.420	0012211A	—	25,236
University of Texas Health Science Center, Houston	12.420	162153/155536	—	163,423
Subtotal			<u>839,894</u>	<u>4,372,126</u>
Department of Defense	12.431	Direct	138,418	995,544
Brown University	12.431	00001221	—	57,741
Massachusetts General Hospital	12.431	224591	—	6,086
Massachusetts Institute of Technology	12.431	36080	—	257,610
Subtotal			<u>138,418</u>	<u>1,316,981</u>
Department of Defense	12.630	Direct	—	164,427
University of Utah	12.630	10028801-BU-BPP	49,990	655,346
Subtotal			<u>49,990</u>	<u>819,773</u>
Department of Defense	12.800	Direct	—	1,249,845
Aim Photonics	12.800	Pass-Through Number Not Available	—	97,348
Northwestern University	12.800	SP0032777-PROJ0011974	—	107,456
University of California, Los Angeles	12.800	0965 G VA010	—	45,024
University of California, Los Angeles	12.800	0965 G UA474	—	116,593
University of Illinois at Urbana- Champaign	12.800	076988-16407	—	6,821
University of Texas, Arlington	12.800	12602015166	—	14,423
Subtotal			<u>—</u>	<u>1,637,510</u>
Department of Defense	12.900	Direct	—	91,055
Department of Defense	12.910	Direct	188,945	1,001,140
Massachusetts Institute of Technology	12.910	5710004066	—	272,068
Massachusetts Institute of Technology	12.910	S4674 - PO 239223	—	302,656
Massachusetts Institute of Technology	12.910	111648	—	390,671
Northeastern University	12.910	505068-78051	—	186,717
President & Fellows of Harvard College	12.910	152304.5106733.0007	—	158,208
United Technologies Research Center	12.910	1239725	—	29,177
University of California, Berkeley	12.910	00009549	—	358,680
University of Washington	12.910	UWSC10498	—	230,759
Subtotal			<u>188,945</u>	<u>2,930,076</u>
Department of Defense	12.UNK	Direct	—	711,859
Aurora Flight Sciences	12.UNK	AFS15-1465	—	(854)
Charles River Analytics, Inc.	12.UNK	SC1816601	—	3,390
Draper Laboratory, Inc.	12.UNK	SC001-0000001215	—	140,894
HRL Laboratories, LLC	12.UNK	15082-162372-DS	—	40,604
Johns Hopkins University Applied Physics	12.UNK	142735	—	(12,031)
Massachusetts Institute of Technology	12.UNK	5710003952-005	—	(15,817)
Massachusetts Institute of Technology	12.UNK	5710004199	—	3
Massachusetts Institute of Technology	12.UNK	S4596	—	43,797
Massachusetts Institute of Technology	12.UNK	7000448320	—	281
Massachusetts Institute of Technology	12.UNK	7000443517	—	9,857
Massachusetts Institute of Technology	12.UNK	7000443630	—	47,916
Massachusetts Institute of Technology	12.UNK	7000384531	—	91,856
Massachusetts Institute of Technology	12.UNK	7000405841	—	98,773
Power Fingerprinting, Inc.	12.UNK	BU-1015-DARPA-01	—	104,922
Regents of the University of Colorado	12.UNK	1556360	—	144,971
Scientific Systems Company, Inc.	12.UNK	SC-1648-001	—	45,000
SOFAR Acoustics, LLC	12.UNK	Pass-Through Number Not Available	—	124,717
SOSSEC Consortium	12.UNK	PLA-0007	(108,869)	(114,844)
SRI International	12.UNK	PO2457	—	30,116
SRI International	12.UNK	PO2496	—	79,606
University of Illinois at Urbana- Champaign	12.UNK	084424-16186	—	102,237
White River Technologies, Inc.	12.UNK	N68335-16-C-0397	—	1,092
Subtotal			<u>(108,869)</u>	<u>1,678,345</u>
Department of Defense Total			<u>2,046,165</u>	<u>17,350,452</u>
Department of Education:				
Department of Education	84.015	Direct	—	59,080
Department of Education	84.022	Direct	—	71,756
Department of Education	84.133	401006-BU	—	(899)
Department of Education	84.305	Direct	76,726	164,129
University of Arkansas	84.305	SA1508063	—	11,591
University of Wisconsin System	84.305	706K716	—	15,299
Subtotal			<u>76,726</u>	<u>191,019</u>

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Education	84.324	Direct	\$ 237,405	804,070
University of Nebraska-Lincoln	84.365	24-1708-0112-002	—	31,491
SERP Institute	84.411	Pass-Through Number Not Available	—	114,371
University of Louisville	84.UNK	ULRF 19-0128-01	—	23,575
Department of Education Total			314,131	1,294,463
Department of Energy:				
Department of Energy	81.049	Direct	—	2,605,199
Northeastern University	81.049	503036-78050	—	98,783
Precision Combustion, Inc.	81.049	Pass-Through Number Not Available	—	51,750
The Leland Stanford Junior University	81.049	61351721-124215	38,272	97,957
The University of Iowa	81.049	S00459-01	—	20,340
University of Illinois	81.049	090634-16923	—	176,633
Subtotal			38,272	3,050,662
Department of Energy	81.086	Direct	—	170,616
Department of Energy	81.087	Direct	30,000	221,852
Department of Energy	81.089	Direct	81,750	563,860
Atrex Energy, Inc.	81.089	ATRBUE20160907	—	39,320
Worcester Polytechnic Institute	81.089	10459-GR	—	32,395
Subtotal			81,750	635,575
Department of Energy	81.135	Direct	—	167,283
Newton Energy Group LLC	81.135	Pass-Through Number Not Available	—	27,781
University of Delaware	81.135	46100	—	233,948
Subtotal			—	429,012
Brookhaven National Laboratory	81.UNK	312168	—	25,371
Brookhaven National Laboratory	81.UNK	357317	—	88,830
Brookhaven National Laboratory	81.UNK	354281	—	93,946
Fermi National Accelerator Laboratory	81.UNK	634798	—	(15,976)
Fermi National Accelerator Laboratory	81.UNK	617650	—	4,066
Fermi National Accelerator Laboratory	81.UNK	621941	—	7,231
Fermi National Accelerator Laboratory	81.UNK	641399	—	7,382
Fermi National Accelerator Laboratory	81.UNK	606923	—	57,803
Fermi National Accelerator Laboratory	81.UNK	643005	—	63,282
Fermi National Accelerator Laboratory	81.UNK	633674	—	119,939
Los Alamos National Laboratory	81.UNK	459531	—	43,159
Pacific Northwest National Laboratory	81.UNK	381509	—	50,955
Pacific Northwest National Laboratory	81.UNK	434121	—	46,299
Saint-Gobain Ceramics and Plastics, Inc.	81.UNK	DE-EE0008377	—	22,386
Sandia National Laboratories	81.UNK	2036428	—	15,705
Sandia National Laboratories	81.UNK	1797608	—	121,588
University of Texas at Austin	81.UNK	UTA18-001353	—	10,326
Subtotal			—	762,292
Department of Energy Total			150,022	5,270,009
Department of Health and Human Services:				
Department of Health and Human Services	93.059	Direct	—	930,613
Muhimbili University of Health And Allie	93.067	Pass-Through Number Not Available	—	38,498
Department of Health and Human Services	93.073	Direct	—	171,941
Commonwealth of Massachusetts - Department of Public Health	93.073	INTF3122H78500224081	—	47,136
Commonwealth of Massachusetts - Department of Public Health	93.073	INTF3122H78500224071	—	267,794
Subtotal			—	486,871
American Heart Association	93.077	FX-ATRAC-BU-05	—	50,438
Trustees of the University of Pennsylvania	93.103	559467	—	(1,816)
Department of Health and Human Services	93.110	Direct	46,096	738,181
Department of Health and Human Services	93.113	Direct	1,287,608	5,216,689
Duke University	93.113	203-7407	—	69,494
Harvard Pilgrim Health Care	93.113	PH000552D	—	6,457
Henry Ford Health System	93.113	B11166BU	—	166,433
Icahn School of Medicine at Mount Sinai	93.113	0255-0182-4609	—	16,222
Icahn School of Medicine at Mount Sinai	93.113	0255-B391-4609	—	33,696
Icahn School of Medicine at Mount Sinai	93.113	0255-1871-4609	—	40,021
President & Fellows of Harvard College	93.113	112150-5098856	—	105,085
Trustees of Indiana University	93.113	IN-4684178-BUMC	—	7,482
Trustees of Tufts College, Inc	93.113	101366-00001	—	26,998
University of Michigan	93.113	SUBK00010621	—	9,504
Subtotal			1,287,608	5,698,081

**BOSTON UNIVERSITY**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services	93.121	Direct	\$ 381,052	3,561,541
Forsyth Institute	93.121	BU024468-2495	—	119,441
Forsyth Institute	93.121	BUSM025020S1-2540	—	126,478
University of Puerto Rico	93.121	Pass-Through Number Not Available	—	12,559
Subtotal			381,052	3,820,019
Johns Hopkins University	93.135	2002892416	—	623,832
Boston Medical Center Corporation	93.136	7074	—	49,917
RAND Corporation	93.136	9920190039	—	92
Subtotal			—	50,009
Department of Health and Human Services	93.143	Direct	465,219	1,267,230
University of Massachusetts, Worcester	93.145	WA00218314/RFS2015030	—	(2,919)
University of Massachusetts, Worcester	93.145	WA00734432/OSP2018005	—	16,905
Subtotal			465,219	1,267,230
Department of Health and Human Services	93.172	Direct	33,130	532,700
University of Massachusetts, Worcester	93.172	OSP2018040	—	50,425
Subtotal			33,130	583,125
Department of Health and Human Services	93.173	Direct	1,144,237	7,041,643
Beth Israel Deaconess Medical Center, Inc.	93.173	01028984	—	105,861
Brigham Young University	93.173	18-0529	—	49,038
Massachusetts Eye and Ear Infirmary & Physician Staff, Inc.	93.173	2300048	—	40,451
Massachusetts General Hospital	93.173	230322	—	430,184
Northwestern University	93.173	SP0037464-PROJ0010405	—	61,654
Trustees of Boston College	93.173	1097-1	—	(4,022)
Vanderbilt University Medical Center	93.173	VUMC64753	—	89,466
Subtotal			1,144,237	7,814,275
Boston Medical Center Corporation	93.186	BMC ID 6888	—	7,476
Department of Health and Human Services	93.213	Direct	88,043	1,077,907
Butler Hospital	93.213	9244-8311	—	29,648
Massachusetts General Hospital	93.213	228246	—	19,975
Yale University	93.213	GR104513 (CON-80001460)	—	11,159
Yale University	93.213	GR104630 (CON-80001478)	—	21,178
Subtotal			88,043	1,159,867
Boston Medical Center Corporation	93.225	6497	—	2,244
Department of Health and Human Services	93.226	Direct	27,195	278,789
Duke Clinical Research Institute	93.226	203-7633	—	5,274
Duke Clinical Research Institute	93.226	203-7973	—	7,315
The George Washington University	93.226	19-M31	—	21,940
University of Utah	93.226	10042477-01	—	97,218
Subtotal			27,195	410,536
National Jewish Health	93.233	20091205	—	41,926
Department of Health and Human Services	93.242	Direct	1,213,949	9,226,762
Beth Israel Deaconess Medical Center, Inc.	93.242	01029386	—	16,244
Beth Israel Deaconess Medical Center, Inc.	93.242	01061188	—	29,321
Boston Medical Center Corporation	93.242	7064	—	39,330
Dartmouth College	93.242	R779	—	6,919
Duke University	93.242	2036606	—	4,323
Duke University	93.242	A030163	—	52,507
Emory University	93.242	A010793	—	25,898
Icahn School of Medicine at Mount Sinai	93.242	0255-4261-4609	—	19,078
Massachusetts General Hospital	93.242	216307	—	(1,424)
Massachusetts General Hospital	93.242	229354	—	110,874
Massachusetts General Hospital	93.242	233148	—	484,463
Massachusetts Institute of Technology	93.242	53440	—	805
Massachusetts Institute of Technology	93.242	6934493	—	20,340
Massachusetts Institute of Technology	93.242	6937063	—	31,363
Massachusetts Institute of Technology	93.242	S4406 PO 194827	—	108,912
McLean Hospital Corporation	93.242	401122	—	153,849
Medical University of South Carolina	93.242	MUSC15-084-8B403	—	226,640
Michigan State University	93.242	RC105383Boston	—	17,237
Palo Alto Institute for Research and Education, Inc.	93.242	WIS0003-01	—	29,839
Regents of the University of Michigan	93.242	SUBK00010055	—	47,718
Research Foundation for Mental Hygiene	93.242	26363	—	(22,902)
Suffolk University	93.242	610215-165403	—	74,319
The Miriam Hospital	93.242	7147135JR	—	17,685
The Miriam Hospital	93.242	7147045JR	—	85,255

**BOSTON UNIVERSITY**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
The Regents of the University of California, San Francisco	93.242	8315sc	\$ —	244,070
Trustees Of Columbia University In The City Of New York	93.242	6(GG012936-02)	—	227,099
University of California, San Diego	93.242	89881635	—	170,106
University of Connecticut	93.242	313994	—	12,326
University of Massachusetts, Boston	93.242	B000732890	—	68,446
University of Massachusetts, Boston	93.242	B000732887	—	128,467
University of New England	93.242	230068-101	—	5,524
Subtotal			1,213,949	11,661,393
Department of Health and Human Services	93.262	Direct	17,121	276,556
Harvard School of Public Health	93.262	114960-5109547	—	24,128
Icahn School of Medicine at Mount Sinai	93.262	0254-5943-4609	—	7,813
President & Fellows of Harvard College	93.262	114960-5097784	—	85,329
The George Washington University	93.262	16-M112	—	2,454
Subtotal			17,121	396,280
Department of Health and Human Services	93.273	Direct	354,600	5,612,351
Boston Medical Center Corporation	93.273	3014	—	1,493
Boston Medical Center Corporation	93.273	6437	—	6,851
Boston Medical Center Corporation	93.273	6196	—	14,773
Boston Medical Center Corporation	93.273	6242	—	29,101
Boston Medical Center Corporation	93.273	5584	—	79,525
Boston Medical Center Corporation	93.273	BMC ID 6884	—	137,560
Butler Hospital	93.273	Pass-Through Number Not Available	—	13,484
Butler Hospital	93.273	5001411	—	29,018
Butler Hospital	93.273	9053-8311	—	29,673
Butler Hospital	93.273	9452-8311	—	29,673
Butler Hospital	93.273	9132-8311	—	83,841
Syracuse University	93.273	SP-27189-1-04460-S01	—	68,803
Syracuse University	93.273	27189-04107-S01	—	254,168
The Regents of the University of California, San Francisco	93.273	9820sc	—	33,599
The Regents of the University of California, San Francisco	93.273	10444sc	—	57,488
Tridium	93.273	Pass-Through Number Not Available	—	2,074
Vanderbilt University Medical Center	93.273	VUMC 64150	—	69,407
Subtotal			354,600	6,552,882
Department of Health and Human Services	93.279	Direct	429,931	2,827,264
Boston Medical Center Corporation	93.279	3010	—	1,022
Boston Medical Center Corporation	93.279	6049	—	3,737
Boston Medical Center Corporation	93.279	5777	—	3,861
Boston Medical Center Corporation	93.279	BMC ID 7096	—	7,611
Boston Medical Center Corporation	93.279	BMC ID 7281	—	11,206
Boston Medical Center Corporation	93.279	Pass-Through Number Not Available	—	24,190
Boston Medical Center Corporation	93.279	BMC ID 6660	—	34,907
Boston Medical Center Corporation	93.279	6064	—	59,051
Boston Medical Center Corporation	93.279	4268	—	129,910
Boston Medical Center Corporation	93.279	6162	—	163,608
Brain Solutions Inc	93.279	128001	—	19,675
Brown University	93.279	00001067	—	6,135
Brown University	93.279	00001196	—	117,295
Butler Hospital	93.279	9068-8311	—	1,696
Butler Hospital	93.279	9240-8311	—	19,765
Butler Hospital	93.279	9242-8311	—	29,647
Butler Hospital	93.279	5001461BU-ABRANTES	—	29,673
Butler Hospital	93.279	5001471BU-ABRANTES	—	41,689
Hennepin Healthcare Research Institute	93.279	15159-1-BU	—	63,280
McLean Hospital Corporation	93.279	401108	—	73,342
Michigan State University	93.279	RC100146BU	—	15,000
The Leland Stanford Junior University	93.279	61608847-124841	—	170,858
The Miriam Hospital	93.279	7109993MLD	—	3,179
The Scripps Research Institute	93.279	5-53667	—	45,180
University of Wisconsin System	93.279	813K385	—	72,347
Yale University	93.279	GK000703 (CON-80000646)	—	16,844
Yale University	93.279	GK000429 (CON-80000245)	—	82,006
Subtotal			429,931	4,073,978
Department of Health and Human Services	93.286	Direct	549,243	3,721,860
Hansjorg Wyss Institute for Biologically Inspired Engineering	93.286	Chen.NIH.UG3	—	71,083
Massachusetts General Hospital	93.286	231361	—	91,935
Photothermal Spectroscopy Corp.	93.286	1R43EB027018-01	—	65,351
The Brigham and Women's Hospital, Inc.	93.286	110714	—	47,484
The Brigham and Women's Hospital, Inc.	93.286	113955	—	91,545
University of Massachusetts, Lowell	93.286	S5111000031136	—	7,491
Subtotal			549,243	4,096,749

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services	93.307	Direct	\$ 139,148	201,994
Boston Medical Center Corporation	93.307	4156	—	22,297
Massachusetts General Hospital	93.307	227351	—	15,745
New York University	93.307	F0611-01	—	10,373
President & Fellows of Harvard College	93.307	112527-5096605-P1	—	23,234
President & Fellows of Harvard College	93.307	112527-5091238_Admi	—	30,313
President & Fellows of Harvard College	93.307	112527-5096602-CEC	4,200	82,967
President & Fellows of Harvard College	93.307	112527-5109037-DS	—	92,570
President & Fellows of Harvard College	93.307	112527-5096607-P3	—	142,348
Subtotal			<u>143,348</u>	<u>621,841</u>
Department of Health and Human Services	93.310	Direct	121,733	1,519,135
The Brigham and Women's Hospital, Inc.	93.310	116239	—	71,196
The Brigham and Women's Hospital, Inc.	93.310	119919	—	207,974
University of Massachusetts, Worcester	93.310	RFS2016047	—	72,017
University of North Carolina at Chapel Hill	93.310	5106186	—	(8,115)
University of North Carolina at Chapel Hill	93.310	5108604	—	54,675
University of North Carolina at Chapel Hill	93.310	5111874	—	69,734
University of Wisconsin System	93.310	843K743	—	37,737
University of Wisconsin, Madison	93.310	776K963	—	15,193
Subtotal			<u>121,733</u>	<u>2,039,546</u>
Department of Health and Human Services	93.350	Direct	402,741	5,467,854
Boston Medical Center Corporation	93.350	6244	—	125,872
University of Pittsburgh	93.350	0055353(129324-11)	—	(3)
University of Pittsburgh	93.350	0055353 (130910-11)	—	41,125
Subtotal			<u>402,741</u>	<u>5,634,848</u>
Department of Health and Human Services	93.351	Direct	32,742	1,773,637
Department of Health and Human Services	93.353	Direct	—	10,057
Department of Health and Human Services	93.360	Direct	27,468,358	31,302,271
Boston Medical Center Corporation	93.361	5310	—	16,539
Butler Hospital	93.361	9241-8311	—	92,313
Subtotal			<u>—</u>	<u>108,852</u>
Department of Health and Human Services	93.393	Direct	843,558	7,380,161
Beth Israel Deaconess Medical Center, Inc.	93.393	01027119	—	(1,176)
City of Hope	93.393	52454.2002720.669305	—	16,071
Health Research, Inc.	93.393	325-01	—	20,703
Health Research, Inc.	93.393	328-01	—	25,281
Rector & Visitors of the University of Virginia	93.393	GB10416.154569	—	127,467
Roswell Park Cancer Institute	93.393	63-01	—	11,628
Simmetrix Inc.	93.393	NIH1TRC17B	—	26,119
Vanderbilt University Medical Center	93.393	VUMC59137	—	82,213
Vanderbilt University Medical Center	93.393	VUMC58931	—	99,222
Subtotal			<u>843,558</u>	<u>7,787,689</u>
Department of Health and Human Services	93.394	Direct	532,714	1,324,524
Mayo Clinic	93.394	BOS-211750-04	—	88,708
University of California, Los Angeles	93.394	1562GTA938	—	616,893
Subtotal			<u>532,714</u>	<u>2,030,125</u>
Department of Health and Human Services	93.395	Direct	299,420	614,026
Abtelum Biomedical, Inc.	93.395	1R43CA221555-01A1	—	72,775
Beth Israel Deaconess Medical Center, Inc.	93.395	01026146	—	111
Boston Medical Center Corporation	93.395	5276	—	(4,907)
Northwestern University	93.395	60050593 BU	—	191,248
Virginia Commonwealth University	93.395	FP00006681-SA001	—	109,500
Subtotal			<u>299,420</u>	<u>982,753</u>
Department of Health and Human Services	93.396	Direct	508,943	2,096,804
Dana-Farber Cancer Institute	93.396	1204601	—	147,766
Fluent BioSciences Inc.	93.396	Pass-Through Number Not Available	—	6,220
Harvard School of Public Health	93.396	113098-5109804	—	28,964
Harvard School of Public Health	93.396	113098-5093071	—	77,445
Subtotal			<u>508,943</u>	<u>2,357,199</u>
Dana-Farber Cancer Institute	93.397	1205201	—	30,078
Department of Health and Human Services	93.398	Direct	—	558,700
Department of Health and Human Services	93.399	Direct	—	25,927
Department of Health and Human Services	93.433	Direct	483,890	2,256,869
Kent State University	93.433	403014-BU	—	27,151



**BOSTON UNIVERSITY**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Spaulding Rehabilitation Hospital	93.433	500450	\$ —	81,051
University of Massachusetts, Medical School	93.433	WA00498474/OSP2017117	—	42,670
Subtotal			483,890	2,407,741
Department of Health and Human Services	93.516	Direct	407,609	1,207,086
Brandeis University	93.575	403313	—	3,941
Brandeis University	93.575	403599	—	39,343
Subtotal			—	43,284
Department of Health and Human Services	93.701	Direct	—	(6,869)
Commonwealth of Massachusetts - Department of Public Health	93.758	INTF1200HH4300522006	—	1,646
Commonwealth of Massachusetts - Department of Public Health	93.758	INTF1200M04191028045	—	291,320
Subtotal			—	292,966
Department of Health and Human Services	93.837	Direct	1,612,239	10,265,587
Albert Einstein College of Medicine	93.837	R01HL136266	—	123,266
American Heart Association	93.837	FX-ATRAC-2U54HL120163-BU	—	75,947
American Heart Association	93.837	FX-ATRAC-2U54HL120163-BU	—	148,465
American Heart Association	93.837	FX-ATRAC-2U54HL120163-BU	—	153,107
Beth Israel Deaconess Medical Center, Inc.	93.837	01029109	—	299,933
Boston Biomedical Innovation Center	93.837	118874	—	(22,644)
Boston Medical Center Corporation	93.837	Pass-Through Number Not Available	—	6,610
Broad Institute, Inc.	93.837	5100153-5500000879	—	194,066
Cedars-Sinai Medical Center	93.837	0001409087	—	44,625
Cedars-Sinai Medical Center	93.837	Pass-Through Number Not Available	—	476,778
Emory University	93.837	T846793	—	1,780
Hansjorg Wyss Institute for Biologically Inspired Engineering	93.837	Chen.NIH.R01	—	8,869
Hansjorg Wyss Institute for Biologically Inspired Engineering	93.837	CHEN.NIH.R01	—	67,417
Johns Hopkins University	93.837	2002953683	—	128,606
Joslin Diabetes Center	93.837	100028	—	24,429
Massachusetts General Hospital	93.837	232371	—	276,193
Massachusetts General Hospital	93.837	229760	—	354,527
Massachusetts General Hospital	93.837	227547	—	210,597
Mayo Clinic	93.837	BOS-252386/PO 66579059	—	3,684
McGill University Health Center	93.837	PO CC418	—	116,822
The Brigham and Women's Hospital, Inc.	93.837	116480	—	(230)
The Brigham and Women's Hospital, Inc.	93.837	120475	—	24,455
The Brigham and Women's Hospital, Inc.	93.837	114599	—	35,333
The Brigham and Women's Hospital, Inc.	93.837	114139	—	55,471
The Brigham and Women's Hospital, Inc.	93.837	118874	—	61,834
The University of Iowa	93.837	W000868715	—	(491)
The Washington University	93.837	WU-13-91-MOD-6	—	(3,536)
The Washington University	93.837	WU-17-318	—	1,596
University of Maryland	93.837	1701192	—	14,155
University of Maryland, Baltimore County	93.837	1701192	—	10,057
University of Massachusetts, Lowell	93.837	S5110000032770	—	147,128
University of Rochester	93.837	417486G UR FAO GR510894	—	43,685
University of Texas, Houston	93.837	0013477B	—	47,579
University of Washington	93.837	UWSC10265	—	30,000
University of Washington	93.837	UWSC10616	—	30,322
University of Washington	93.837	UWSC7565	—	54,328
Yale University	93.837	GK000497 (CON-80000517)	—	29,320
Yale University	93.837	GR100589 (CON-80000842)	—	100,089
Subtotal			1,612,239	13,639,759
Department of Health and Human Services	93.838	Direct	1,105,798	7,285,991
Beth Israel Deaconess Medical Center, Inc.	93.838	01029304	—	(6)
Cincinnati Children's Hospital Medical Center	93.838	137990	—	364,454
Harvard School of Public Health	93.838	5077080-113087	—	204,838
Massachusetts General Hospital	93.838	230841	—	73,834
Mayo Clinic	93.838	BOS-196079-04	—	149,739
The Brigham and Women's Hospital, Inc.	93.838	114533	—	597
The Brigham and Women's Hospital, Inc.	93.838	120957	—	8,268
The Brigham and Women's Hospital, Inc.	93.838	117080	—	11,762
The Brigham and Women's Hospital, Inc.	93.838	118677	—	37,719
The Brigham and Women's Hospital, Inc.	93.838	117432	—	97,482
The Brigham and Women's Hospital, Inc.	93.838	110676	—	161,750
The Regents of the University of California, San Francisco	93.838	9760sc	—	654,560
Thomas Jefferson University	93.838	080-18007-S26501	—	23,907
University of Rochester	93.838	416531	—	35,559
Subtotal			1,105,798	9,110,454

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services	93.839	Direct	\$ 198,809	2,063,759
Boston Medical Center Corporation	93.839	5846	—	119,510
Cetya Therapeutics	93.839	R41HL136068	—	56,891
Subtotal			198,809	2,240,160
Department of Health and Human Services	93.846	Direct	865,428	5,072,921
Beth Israel Deaconess Medical Center, Inc.	93.846	01029215	—	(2,986)
Hebrew Rehabilitation Center For Aged, Inc.	93.846	90094	—	20,546
Hebrew SeniorLife	93.846	90070	—	16,320
Hebrew SeniorLife	93.846	90077	—	84,575
Massachusetts General Hospital	93.846	224534	—	23,877
Nevada System Of Higher Education	93.846	UNR-17-71	—	1,621
Northwestern University	93.846	60049341 BU	—	6,491
President & Fellows of Harvard College	93.846	133876-5105271	—	114,212
The Brigham and Women's Hospital, Inc.	93.846	114522	—	(9,801)
The Brigham and Women's Hospital, Inc.	93.846	119689	—	17,556
The Brigham and Women's Hospital, Inc.	93.846	113176	—	110,205
The University of Iowa	93.846	S00516-01	—	75,350
Trustees of the University of Pennsylvania	93.846	560224	—	1,490
Trustees of the University of Pennsylvania	93.846	572644	—	11,890
University of Pittsburgh	93.846	0053241 (130719-2)	—	19,989
University of Pittsburgh	93.846	0055852 (132102-4)	—	78,310
University of Pittsburgh	93.846	0055852 (132102-2)	—	240,581
Subtotal			865,428	5,883,147
Department of Health and Human Services	93.847	Direct	1,215,979	6,704,269
Beth Israel Deaconess Medical Center, Inc.	93.847	01028538	—	(3,227)
Boston Medical Center Corporation	93.847	6751	—	5,907
Boston Medical Center Corporation	93.847	6956	—	91,914
Broad Institute, Inc.	93.847	5216284-5500001203	—	58,450
Colorado Research Partners LLC	93.847	2018-02	—	173,597
Joslin Diabetes Center	93.847	Sub_P30DK036836_P&F	—	308
Massachusetts General Hospital	93.847	233268	—	13,176
Massachusetts General Hospital	93.847	229965	—	6,893
Massachusetts General Hospital	93.847	226142	—	290,185
Regents of the University of Colorado	93.847	FY16.810.001	—	61,728
Regents of the University of Minnesota	93.847	P006540204	—	54,447
Regents of the University of Minnesota	93.847	P004760201	—	133,180
SRI International	93.847	PO4705	—	201,130
The University of Alabama at Birmingham	93.847	UA17-031	4,445	100,619
The Washington University	93.847	WU-15-110-MOD-5	—	(515)
Trustees of the University of Pennsylvania	93.847	565369	—	20,423
University of Kentucky	93.847	3200001830-19-113	—	17,621
University of Texas at Austin	93.847	UTA16-001014	—	80,053
Weill Medical College of Cornell	93.847	190397	—	51,278
Subtotal			1,220,424	8,061,436
Department of Health and Human Services	93.853	Direct	2,383,891	9,113,396
Acorda Therapeutics, Inc.	93.853	Pass-Through Number Not Available	—	(2,157)
California Institute Of Technology	93.853	S407700	—	538,571
Cold Spring Harbor Laboratory	93.853	64100315	—	143,836
Louisiana State University	93.853	19-11-100	—	275,697
Mayo Clinic	93.853	BOS-193537-04	—	277,739
President & Fellows of Harvard College	93.853	150935.5081742.0008	—	6,174
Regents of the University of Colorado	93.853	FY16.414.002	—	227,058
The Brigham and Women's Hospital, Inc.	93.853	119414	—	13,021
University of Texas Health Science Center, Houston	93.853	Pass-Through Number Not Available	—	10,338
University of Texas Health Science Center, Houston	93.853	164683/164682	—	31,055
University of Texas Health Science Center, Houston	93.853	0010073B	—	52,694
University of Texas Health Science Center, Houston	93.853	165168/165164	—	474,089
University of Utah	93.853	10028348	—	42,727
Whitehead Institute for Biomedical Research	93.853	11-4011-0502	—	86,937
Subtotal			2,383,891	11,291,175
Massachusetts General Hospital	93.854	Pass-Through Number Not Available	—	(2,164)
Department of Health and Human Services	93.855	Direct	1,772,822	24,460,374
Benaroya Research Institute at Virginia	93.855	FY1717TN254	—	619
Boston Medical Center Corporation	93.855	5037	—	8,422
Boston Medical Center Corporation	93.855	5322	—	18,857
Boston Medical Center Corporation	93.855	6613	—	36,925
Boston Medical Center Corporation	93.855	6612	—	54,083
Boston Medical Center Corporation	93.855	BMC ID: 6761	—	68,158
Boston Medical Center Corporation	93.855	4700	—	78,717
Boston Medical Center Corporation	93.855	4275	—	88,721

**BOSTON UNIVERSITY**

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Boston Medical Center Corporation	93.855	5582	\$ —	97,221
Duke University	93.855	2034733	—	(27)
Duke University	93.855	2037249	—	19,668
Duke University	93.855	2036966	—	205,495
Georgia State University	93.855	SP00013377-02	—	15,200
Georgia State University	93.855	SP00012813-04	—	106,171
Hektoen Institute for Medical Research	93.855	50612-324-BU1-AI034993	—	17,977
Massachusetts General Hospital	93.855	Pass-Through Number Not Available	—	12,401
Michigan State University	93.855	RC108688BU	—	5,487
Purdue University	93.855	110000450-007	—	217,299
Rutgers, The State University of New Jersey	93.855	0791	—	15,572
The Children's Hospital Corporation	93.855	GENFD0001501266	—	85,088
The Miriam Hospital	93.855	710-9156-RB	—	375
The Miriam Hospital	93.855	7147093HJ	—	8,609
The Miriam Hospital	93.855	710-9160	—	11,632
The Miriam Hospital	93.855	7147107MM	—	18,900
The Miriam Hospital	93.855	7147101JR	—	19,233
The Miriam Hospital	93.855	7109155AB	—	21,826
The Miriam Hospital	93.855	7109156LW	—	28,649
The Miriam Hospital	93.855	7109155HA	—	41,907
The Miriam Hospital	93.855	7147100TK	—	215,669
The Regents of the University of California, San Francisco	93.855	9299SC	—	2,436
The Scripps Research Institute	93.855	5-63753	—	136,804
The University of Iowa	93.855	S00528-01	—	142,851
The Washington University	93.855	WU-19-238	—	224,699
Trustees of Tufts College, Inc	93.855	101315-00001 / HH4165	—	66,272
University of Kansas	93.855	FY2015-005	—	34,763
University of Massachusetts, Medical School	93.855	OSP2018100	—	43,421
University of Toronto	93.855	501095-Subgrant2	—	191,718
University of Wisconsin System	93.855	855K050	—	905,919
Vanderbilt University	93.855	VUMC62518	—	(437)
Vanderbilt University Medical Center	93.855	VUMC 65588	—	69,629
Wits Health Consortium	93.855	D1403300-05	—	95,349
Yale University	93.855	GR105322 (CON-80001637)	—	40,298
Subtotal			1,772,822	27,932,950
Department of Health and Human Services	93.859	Direct	834,644	14,383,239
Acpharis, Inc.	93.859	Pass-Through Number Not Available	—	25,719
Carnegie Mellon University	93.859	1090515-390618	—	168,591
Dana-Farber Cancer Institute	93.859	1286003	—	41,249
Massachusetts General Hospital	93.859	232924	—	69,389
Massachusetts General Hospital	93.859	230194	—	242,047
Massachusetts Institute of Technology	93.859	6934907	—	7,595
Massachusetts Institute of Technology	93.859	S4796 / PO 295871	—	42,622
NanoValent Pharmaceuticals, Inc.	93.859	116530-01A1SUB	—	(102)
NanoValent Pharmaceuticals, Inc.	93.859	Pass-Through Number Not Available	—	197,410
President & Fellows of Harvard College	93.859	James_Chuang_153204_2018	—	3,625
President & Fellows of Harvard College	93.859	James_Chuang_153204_2019	—	16,268
Q-Chem Inc.	93.859	1 R43 GM126804-01A1	—	40,741
Silicon Therapeutics	93.859	BU-Phase 1-STTR	—	108,805
Texas A&M University	93.859	02-S150244 (M1501581)	—	131,546
The University of California, Santa Cruz	93.859	A00-0506-S002-P0557351	—	43,210
University of California, San Diego	93.859	99036615	—	(151)
University of Cincinnati	93.859	008632-009	—	3,000
University of Utah	93.859	10047369-S1	—	73,342
Subtotal			834,644	15,598,145
International Society of Travel Medicine	93.860	Pass-Through Number Not Available	—	194,943
Department of Health and Human Services	93.865	Direct	2,889,208	7,364,852
AbleLink Technologies, Inc.	93.865	Pass-Through Number Not Available	—	71,168
Boston Medical Center Corporation	93.865	6930	—	24,955
Boston Medical Center Corporation	93.865	6259	—	25,816
Boston Medical Center Corporation	93.865	6740	—	37,033
Boston Medical Center Corporation	93.865	BMC ID 6929	—	39,240
Boston Medical Center Corporation	93.865	6986	—	349,729
Children's Research Institute	93.865	30004438-03	—	284,261
Dartmouth-Hitchcock Clinic	93.865	GC10075-01-06	—	152,936
Florida State University	93.865	R01955	—	56,326
Hansjorg Wyss Institute for Biologically Inspired Engineering	93.865	167971-5099650	—	134,990
Mayo Clinic	93.865	BOS-201208-04	—	28,874
Regents of the University of Michigan	93.865	3003795363	—	105,267
Regents of the University of Minnesota	93.865	N006344002	—	31,209
The Washington University	93.865	WU-16-90	—	(1,909)
The Washington University	93.865	WU-18-9	—	93,405
Trustees of Dartmouth College	93.865	R870	—	119,384

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Trustees of Indiana University	93.865	IN-4682016-BU	\$ —	7,694
University of Maryland	93.865	43924-20751001	—	242,285
University of Massachusetts, Worcester	93.865	WA00421402/OSP2016189	—	50,979
University of North Carolina at Chapel Hill	93.865	5108778	—	5,225
Subtotal			2,889,208	9,223,719
Department of Health and Human Services	93.866	Direct	1,785,125	20,321,062
Boston Medical Center Corporation	93.866	4041	—	148,051
Boston Medical Center Corporation	93.866	4044	—	152,209
Brandeis University	93.866	402461	—	7,082
California Pacific Medical Center	93.866	280201008-S189	—	69,216
California Pacific Medical Center	93.866	280201018-S241	—	194,583
Duke University	93.866	A030705	—	19,997
Harvard University	93.866	114963-5096729	—	40,519
Hebrew SeniorLife	93.866	90075	—	28,287
Icahn School of Medicine at Mount Sinai	93.866	0255-A981-4609	—	2,247
Icahn School of Medicine at Mount Sinai	93.866	0255-B851-4609	—	34,479
Jackson Laboratory	93.866	210011-0619-03	—	7,712
Massachusetts General Hospital	93.866	224936	—	36,308
Northwestern University	93.866	60044936 BU	—	60,099
The Brigham and Women's Hospital, Inc.	93.866	114185	—	(1,621)
The Brigham and Women's Hospital, Inc.	93.866	109638	—	(817)
The Brigham and Women's Hospital, Inc.	93.866	115904	—	22,365
The Brigham and Women's Hospital, Inc.	93.866	113049	—	68,097
The Brigham and Women's Hospital, Inc.	93.866	117618	—	483,989
Trustees Of Columbia University In The City Of New York	93.866	1(GG014803)	—	60,195
Trustees of the University of Pennsylvania	93.866	576386/10052383/19532	—	4,101
Trustees of the University of Pennsylvania	93.866	571708	—	21,691
Trustees of the University of Pennsylvania	93.866	568785/10047877/14658-01	—	187,617
Trustees of the University of Pennsylvania	93.866	576386/10052383/19533	—	196,672
Trustees of the University of Pennsylvania	93.866	564315	—	892,554
University of California, Davis	93.866	A18-2550-S002	—	5,113
University of California, Davis	93.866	A18-2546-S002	—	12,285
University of California, San Diego	93.866	45891078	—	(4,846)
University of California, San Diego	93.866	37905342-001	—	(2,013)
University of California, San Diego	93.866	64588650	—	15,616
University of California, San Diego	93.866	79786571	—	25,353
University of California, San Diego	93.866	74138593	—	27,046
University of California, San Diego	93.866	95993052	—	137,537
University of California, San Diego	93.866	66602940	—	683,052
University of Florida	93.866	UFDSP00012165	—	26,862
University of Massachusetts, Lowell	93.866	S51110000037006	—	39,004
University of Michigan	93.866	3004657720	—	5,010
University of Michigan	93.866	3004604523	—	24,484
University of Southern California	93.866	75696109	—	15,994
University of Southern California	93.866	79685083	—	30,327
University of Southern California	93.866	109991221	—	85,600
University of Texas Health Science Center, Houston	93.866	164536/164533	—	12,345
University of Texas Health Science Center, Houston	93.866	163899/163897	—	28,394
University of Texas Health Science Center, Houston	93.866	Pass-Through Number Not Available	—	101,623
University of Texas Health Science Center, Houston	93.866	164552/163910	—	138,781
University of Texas Health Science Center, Houston	93.866	164387/164378	—	155,666
University of Texas Health Science Center, Houston	93.866	164205/163074	—	928,760
University of Washington	93.866	752694	—	(4,672)
University of Washington	93.866	UWSC 7896	—	(473)
University of Washington	93.866	UWSC10019	—	11,673
University of Washington	93.866	UWSC10728	—	13,537
University of Washington	93.866	UWSC7719	—	26,697
University of Washington	93.866	UWSC10173	—	36,021
University of Wisconsin, Madison	93.866	834K400	—	336
Subtotal			1,785,125	25,631,806
Department of Health and Human Services	93.867	Direct	454,355	3,537,013
Duke University	93.867	2037323	—	43,348
Northwestern University	93.867	SP0028943-PROJ0007596	—	44,122
President & Fellows of Harvard College	93.867	153088.5092436.0002	—	14,205
University of Southern California	93.867	75683842	—	2,205
Subtotal			454,355	3,640,893
Department of Health and Human Services	93.884	Direct	14,568	615,006
Boston Medical Center Corporation	93.884	5422	—	37,033
Boston Medical Center Corporation	93.884	5423	—	70,255
Subtotal			14,568	722,294

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services	93.924	Direct	\$ 15,545	15,545
Department of Health and Human Services	93.928	Direct	—	56,352
Commonwealth of Massachusetts – Department of Public Health	93.944	INTF4971M04500824097	—	(161)
Department of Health and Human Services	93.989	Direct	25,000	103,999
Dartmouth College Medical School	93.989	R1047	—	35,231
Harvard School of Public Health	93.989	5101819-116559	—	20,119
Subtotal			25,000	159,349
Boston Medical Center Corporation	93.999	6632	—	26,477
Department of Health and Human Services	93.UNK	Direct	78,927	5,822,673
Arizona Board of Regents, University of Arizona	93.UNK	441924	—	97,047
Broad Institute, Inc.	93.UNK	5100611-5500000961	—	23,794
Butler Hospital	93.UNK	Pass-Through Number Not Available	—	1,232
Cleveland Clinic Lerner College of Medicine	93.UNK	HHSN2682007000018C	—	(51,933)
Commonwealth of Massachusetts - Department of Public Health	93.UNK	INTF3122H78500224080	—	132,601
Duke University	93.UNK	2035950	—	(4,598)
Fenway Community Health Center, Inc.	93.UNK	511-B.U.	—	34,351
McKing Consulting Corporation	93.UNK	BU-02-6240	—	408
McKing Consulting Corporation	93.UNK	BU-02-6240	—	82,279
MRI Global	93.UNK	733-111015-1	—	81,492
Tristan Technologies	93.UNK	TTIBU001	—	29,820
University of Mississippi Medical Center	93.UNK	66111350819-06	—	10,094
University of Mississippi Medical Center	93.UNK	66102690414-04BU	—	31,004
Vanderbilt University	93.UNK	Pass-Through Number Not Available	—	(1,687)
Westat, Inc.	93.UNK	6579-S36	—	34,948
Subtotal			78,927	6,323,525
Department of Health and Human Services Total			52,539,263	249,474,208
Department of Homeland Security:				
Northeastern University	97.061	505126-78050	—	81,458
Northeastern University	97.061	505035-78050	—	436,487
Subtotal			—	517,945
Northeastern University	97.UNK	505118-78051	—	83,047
Department of Homeland Security Total			—	600,992
Department of Justice:				
Department of Justice	16.560	Direct	235,476	817,197
Flashscan3D, LLC.	16.560	NIJ02	—	1,803
President & Fellows of Harvard College	16.560	116230-5099851	—	78,416
RTI International	16.560	1-340-0215509-52912L	—	82,483
RTI International	16.560	1-340-0215510-52935L	—	190,127
Subtotal			235,476	1,170,026
Medical University of South Carolina	16.582	MUSC17-113-8C959	—	281,223
Partners for Youth with Disabilities	16.726	PYD-OJJDP-004	—	5,827
University of Massachusetts, Boston	16.726	B000256225	—	17,430
Subtotal			—	23,257
Department of Justice Total			235,476	1,474,506
Department of Labor:				
Institute for Educational Leadership	17.720	OD-23804-12-75-4-11	—	20,249
Ohio State University Research Foundation	17.UNK	RF01505779	—	36,624
Department of Labor Total			—	56,873
Department of the State:				
Institute of International Education	19.010	IIE0138_BU_7.1.17	—	195
Institute of International Education	19.010	HHH1801000_BU_7.1.18	—	204,081
Department of the State Total			—	204,276
Department of the Interior:				
Department of the Interior	15.808	Direct	26,768	136,547
Department of the Interior	15.944	Direct	—	63,736
Department of the Interior	15.UNK	Direct	—	248,399
Systems and Technology Research	15.UNK	2017-0030	—	423,880
Subtotal			—	672,279
Department of the Interior Total			26,768	872,562

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Transportation:				
Department of Transportation	20.109	Direct	\$ 121,437	299,306
Department of Transportation Total			<u>121,437</u>	<u>299,306</u>
Department of Veterans Affairs:				
Department of Veterans Affairs	64.UNK	Direct	—	3,120,568
Department of Veterans Affairs Total			<u>—</u>	<u>3,120,568</u>
Environmental Protection Agency:				
The Research Foundation For The State University of New York	66.437	66833	—	46,544
The President and Fellows of Harvard College	66.509	112546-5102002_P1	—	(912)
The President and Fellows of Harvard College	66.509	112546-5096985_Admi	—	16,199
The President and Fellows of Harvard College	66.509	112546-5102000_CEC	2,986	37,755
The President and Fellows of Harvard College	66.509	112546-5102006_P3	—	69,350
The President and Fellows of Harvard College	66.509	112544-5107548	—	83,332
Subtotal			<u>2,986</u>	<u>205,724</u>
Environmental Protection Agency	66.514	Direct	—	13,455
Environmental Protection Agency Total			<u>2,986</u>	<u>265,723</u>
Executive Office of the President:				
Boston Medical Center Corporation	95.007	6625	—	4,175
Executive Office of the President Total			<u>—</u>	<u>4,175</u>
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration	43.001	Direct	160,854	4,521,708
Atmospheric and Environmental Research, Inc.	43.001	P2088-001	—	102,620
City University of New York	43.001	CM0001778-01	—	59,574
Dartmouth College	43.001	R1058	—	3,788
Earth Big Data, LLC	43.001	EBD-C302-01	—	25,477
Jet Propulsion Laboratory	43.001	1569022	—	(353)
Jet Propulsion Laboratory	43.001	1579437	—	(1)
Jet Propulsion Laboratory	43.001	1569876	—	3,183
Jet Propulsion Laboratory	43.001	1623540	—	3,457
Jet Propulsion Laboratory	43.001	1597249	—	6,631
Jet Propulsion Laboratory	43.001	1595788	—	6,857
Jet Propulsion Laboratory	43.001	1610365	—	11,506
Jet Propulsion Laboratory	43.001	1602815	—	17,982
Jet Propulsion Laboratory	43.001	1628925	—	39,898
Jet Propulsion Laboratory	43.001	1621816	—	44,988
Planetary Science Institute	43.001	1553 Boston Univ	—	61,330
Regents of the University of Minnesota	43.001	H006201402	—	43,114
South Dakota State University	43.001	3TB613	—	10,884
Space Science Institute	43.001	00959	—	4,680
The George Washington University	43.001	18-M78	—	9,144
Trustees Of Columbia University In The City Of New York	43.001	1(GG012542)	—	83,994
Universities Research Association	43.001	SOF-06-0214-Pillai	—	8,534
Universities Space Research Association	43.001	SOF-06-0014-Clemens	—	649
Universities Space Research Association	43.001	SOF 07-0013	—	2,212
Universities Space Research Association	43.001	SOF 07-0012	—	2,582
Universities Space Research Association	43.001	SOF-06-0039-Clemens	—	4,337
Universities Space Research Association	43.001	SOF-06-0013-Clemens	—	5,075
Universities Space Research Association	43.001	SOF-06-0180-Pillai	—	8,534
Universities Space Research Association	43.001	SOF 06-0047	—	11,041
Universities Space Research Association	43.001	SOF 06-0012	—	13,128
Universities Space Research Association	43.001	SOF 05-0036	—	90,981
University of Michigan	43.001	3004063795	—	22,931
University of Wisconsin, Madison	43.001	775K736	—	28,708
Woods Hole Research Center	43.001	WHRC - WG0871-01	—	37,482
Subtotal			<u>160,854</u>	<u>5,296,655</u>
Center for the Advancement of Science in Space, Inc.	43.UNK	GA-2019-009	—	62,416
Jet Propulsion Laboratory	43.UNK	1503094	—	40,552
Johns Hopkins University Applied Physics	43.UNK	923497	—	(45,359)
Massachusetts Institute of Technology	43.UNK	165283	—	2,750
Massachusetts Institute of Technology	43.UNK	165283	—	2,750
Massachusetts Institute of Technology	43.UNK	165283	—	5,319
Regents of the University of Colorado	43.UNK	1556355	—	61,590
Regents of the University of Colorado	43.UNK	1000320450	—	174,257
Regents of the University of Colorado	43.UNK	1000713692	—	233,345
Smithsonian Astrophysical Observatory	43.UNK	G08-19016A	—	5,022
Space Telescope Science Institute	43.UNK	HST-GO-15155.002-A	—	5,547
Space Telescope Science Institute	43.UNK	HST-GO-14105.002-A	—	13,990
Space Telescope Science Institute	43.UNK	HST-GO-15147.001-A	—	14,325
Space Telescope Science Institute	43.UNK	HST-GO-14752.001-A	—	14,745

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Space Telescope Science Institute	43.UNK	HST-GO-15098.001-A	\$ —	19,537
Space Telescope Science Institute	43.UNK	HST-GO-15638.002-A	—	22,158
Space Telescope Science Institute	43.UNK	HST-GO-15165.001-A	—	36,596
Space Telescope Science Institute	43.UNK	HST-GO-15097.001-A	—	37,268
Space Telescope Science Institute	43.UNK	HST-GO-14267.002-A	—	47,133
Space Telescope Science Institute	43.UNK	HST-GO-14634.002-A	—	70,597
Space Telescope Science Institute	43.UNK	HST-AR-14576.001-A	—	87,009
University of California, Berkeley	43.UNK	00009763	—	65,819
Subtotal			—	977,366
National Aeronautics and Space Administration Total			<u>160,854</u>	<u>6,274,021</u>
National Science Foundation:				
National Science Foundation	47.041	Direct	2,187,615	8,521,968
Florida International University	47.041	800009861-01UG	—	9,727
Massachusetts Institute of Technology	47.041	5710003977	—	112,362
Nanoview Diagnostics Inc.	47.041	Pass-Through Number Not Available	—	41,975
Nanoview Diagnostics Inc.	47.041	Pass-Through Number Not Available	—	76,158
Rensselaer Polytechnic Institute	47.041	A12020	35,520	332,671
Trustees of the University of Pennsylvania	47.041	570440	—	211,549
University of California, San Diego	47.041	79408553	—	129,823
Subtotal			<u>2,223,135</u>	<u>9,436,233</u>
National Science Foundation	47.049	Direct	46,290	4,845,075
Cornell University	47.049	78877-11086	—	93,389
CRDF Global	47.049	OISE-17-63073-1	8,413	26,036
Massachusetts Institute of Technology	47.049	62197	—	76,481
The Children's Hospital Corporation	47.049	GENFD0001478754	—	72,183
The Research Foundation for the State University Of New York	47.049	76749/1136652/2M&O	—	123,712
The Research Foundation for the State University Of New York	47.049	76749/1136652/2/R&D	—	144,802
The Research Foundation for the State University Of New York	47.049	76749/1136652/2Tier2	—	627,111
Trustees Of Columbia University In The City Of New York	47.049	2 (Acct. 5-24324)	—	(26,145)
University of Oregon	47.049	2063811	—	(1,560)
University of Wisconsin, Madison	47.049	823K126	—	159,238
University of Wisconsin, Madison	47.049	811K716	—	169,610
Vanderbilt University	47.049	UNIV60348	—	12,977
Subtotal			<u>54,703</u>	<u>6,322,909</u>
National Science Foundation	47.050	Direct	75,801	2,061,642
Marine Biological Laboratory	47.050	52679	—	26,096
Massachusetts Institute of Technology	47.050	5710003495	—	(2,219)
University of North Carolina at Chapel Hill	47.050	5109382	—	23,560
University of Southern California	47.050	90931209	—	50,852
Subtotal			<u>75,801</u>	<u>2,159,731</u>
National Science Foundation	47.070	Direct	258,329	8,330,594
Hansjorg Wyss Institute for Biologically Inspired Engineering	47.070	167907-5084537	—	51,014
Harvard University	47.070	123777-5103881	—	35,702
Raytheon BBN Technologies	47.070	14564	—	37,588
The Research Foundation for the State University Of New York	47.070	75508/1133893/2	—	(3)
University of Illinois	47.070	14449	—	147,501
Virginia Polytechnic Institute and State University	47.070	479859-19C90	—	70,466
Subtotal			<u>258,329</u>	<u>8,672,862</u>
National Science Foundation	47.074	Direct	135,858	3,074,695
Cary Institute of Ecosystem Studies	47.074	3340/200201857	—	45,453
Oregon State University	47.074	S1798A-A	—	33,277
President & Fellows of Harvard College	47.074	131721-5109144	—	19,520
President & Fellows of Harvard College	47.074	131706-5056666	—	33,621
Rector & Visitors of the University of Virginia	47.074	GA11374.PO 2108133	—	3,474
Rector & Visitors of the University of Virginia	47.074	GA11020-142303	—	24,275
The University of Alabama at Tuscaloosa	47.074	UA18-009	—	13,568
University of California, Santa Barbara	47.074	Pass-Through Number Not Available	—	72,613
University of Denver	47.074	SC37363-02	—	18,194
University of North Carolina at Chapel Hill	47.074	5108644	—	122,091
University of Wisconsin System	47.074	173405016	—	12,134
Subtotal			<u>135,858</u>	<u>3,472,915</u>
National Science Foundation	47.075	Direct	88,907	1,794,246
Rutgers University	47.075	78	—	18,159
Subtotal			<u>88,907</u>	<u>1,812,405</u>

**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
National Science Foundation	47.076	Direct	\$ 72,248	4,135,870
Association of Public and Land-grant Universities	47.076	1834518	—	12,517
Museum of Science	47.076	4573-BU-01	—	12,030
University of Wisconsin, Madison	47.076	886K535	—	10,780
University of Wisconsin, Madison	47.076	782K460	—	30,981
Young People's Project, Inc.	47.076	Pass-Through Number Not Available	—	65,749
Subtotal			<u>72,248</u>	<u>4,267,927</u>
National Science Foundation	47.079	Direct	—	26,975
Boston Medical Center Corporation	47.079	3772	—	5,711
Subtotal			<u>—</u>	<u>32,686</u>
National Science Foundation	47.UNK	Direct	—	266,667
Beth Israel Deaconess Medical Center, Inc.	47.UNK	01060902	—	51,000
University of San Diego	47.UNK	Pass-Through Number Not Available	—	2,500
Subtotal			<u>—</u>	<u>320,167</u>
National Science Foundation Total			<u>2,908,981</u>	<u>36,497,835</u>
United States Institute of Peace:				
United States Institute of Peace	91.UNK	Direct	—	21,812
United States Institute of Peace Total			<u>—</u>	<u>21,812</u>
Research and Development Cluster Total			<u>58,828,037</u>	<u>325,619,635</u>
Student Financial Assistance Cluster:				
Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	Direct	—	3,126,072
Federal Work Study	84.033	Direct	—	3,430,298
Perkins Loan Program	84.038	Direct	—	38,081,077
Federal Pell Grant Program	84.063	Direct	—	14,717,334
Pell Administrative Cost Allowance	84.063	Direct	—	15,450
Federal Direct PLUS Loan Program	84.268	Direct	—	98,339,992
Federal Direct Stafford Loan Program	84.268	Direct	—	158,638,283
Teacher Education Assistance for College and Higher Education Grants	84.379	Direct	—	18,213
Department of Education Total			<u>—</u>	<u>316,366,719</u>
Department of Health and Human Services:				
Health Professions Student Loans – Dental	93.342	Direct	—	1,021,425
Health Professions Student Loans – Medical	93.342	Direct	—	2,878
Loans for Disadvantaged Students – Dental	93.342	Direct	—	535,723
Loans for Disadvantaged Students – Medical	93.342	Direct	—	198,898
Medical – Primary Care	93.342	Direct	—	664,895
Department of Health and Human Services Total			<u>—</u>	<u>2,423,819</u>
Student Financial Assistance Cluster Total			<u>—</u>	<u>318,790,538</u>
Other Program Awards:				
TRIO Cluster:				
Trio Direct Programs:				
Department of Education	84.047	Direct	—	721,263
Department of Education Total			<u>—</u>	<u>721,263</u>
TRIO Cluster Total			<u>—</u>	<u>721,263</u>
Child Nutrition Cluster:				
Child Nutrition Pass-through Programs:				
Commonwealth of Massachusetts:				
Department of Agriculture	10.559	Direct	—	17,407
Commonwealth of Massachusetts Total			<u>—</u>	<u>17,407</u>
Child Nutrition Cluster Total			<u>—</u>	<u>17,407</u>
Special Education Cluster (IDEA):				
Special Education Pass-through Programs:				
Commonwealth of Massachusetts:				
Department of Education	84.027	Direct	34,328	67,390
Commonwealth of Massachusetts Total			<u>34,328</u>	<u>67,390</u>
Special Education Cluster Total			<u>34,328</u>	<u>67,390</u>
Direct Programs:				
Department of Education:				
Department of Education	84.015	Direct	—	534,781
Department of Education Total			<u>—</u>	<u>534,781</u>



**BOSTON UNIVERSITY**  
 Supplementary Schedule of Expenditures of Federal Awards  
 Year ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services:				
Health Resources and Services Administration	93.059	Direct	\$ —	166,924
Health Resources and Services Administration	93.110	Direct	1,817,169	2,582,101
Substance Abuse and Mental Health Service Administration	93.243	Direct	134,121	475,783
Health Resources and Services Administration	93.330	Direct	20,304	140,445
Health Resources and Services Administration	93.914	Direct	1,222,326	2,490,570
Health Resources and Services Administration	93.924	Direct	145,971	925,559
Health Resources and Services Administration	93.928	Direct	437,099	1,196,261
Department of Health and Human Services Total			<u>3,776,990</u>	<u>7,977,643</u>
Department of State:				
Department of State	19.900	Direct	—	(538)
Department of State Total			—	(538)
National Endowment For The Arts:				
National Endowment For The Arts	45.024	Direct	—	28,454
National Endowment for the Arts Total			—	28,454
Other Program Awards Total			<u>3,776,990</u>	<u>8,540,340</u>
Other Program Awards:				
Pass-through Awards:				
Agency for International Development:				
Management Sciences for Health	98.001	MTaPS-19-001	—	1,180
Agency for International Development Total			—	1,180
Corporation for National and Community Service:				
Jumpstart For Young Children, Inc.	94.006	840200	—	76,070
College Advising Corps	94.UNK	Pass-Through Number Not Available	—	(7,686)
Massachusetts Service Alliance	94.UNK	A-19-C-042103547	—	506,707
Subtotal			—	499,021
Corporation for National and Community Service Total			—	575,091
Department of Defense:				
National Science Teachers Association	12.630	19-871-039	—	10,793
Department of Defense Total			—	10,793
Department of Education:				
Boston Medical Center Corporation	84.133	0239101	—	(90)
Institute for Educational Leadership	84.264	Pass-Through Number Not Available	—	84,081
Public Broadcasting Service	84.295	Pass-Through Number Not Available	—	207,585
Commonwealth of Massachusetts	84.334	Pass-Through Number Not Available	—	310
Department of Education Total			—	291,886
Department of Health and Human Services:				
Boston Medical Center Corporation	93.073	6788	—	39,779
Association of Maternal and Child Health	93.110	5105333	—	8,931
Association of Maternal and Child Health	93.110	5111588	—	23,097
Subtotal			—	32,028
Commonwealth of Massachusetts – Department of Public Health	93.243	INTF4107M04W16012090	—	26,862
Institute for Health and Recovery, Inc.	93.243	Pass-Through Number Not Available	—	33,540
Institute for Health and Recovery, Inc.	93.243	Pass-Through Number Not Available	—	53,084
Jewish Family & Children's Service	93.243	Pass-Through Number Not Available	—	91,069
Subtotal			—	204,555
Commonwealth of Pennsylvania	93.599	Pass-Through Number Not Available	—	10,000
Boston Public Health Commission	93.738	FY15015222	—	45,409
Center for Social Innovation, LLC	93.UNK	BRSS TACS-OY1-BU	—	12,912
Department of Health and Human Services Total			—	344,683
Department of State				
FHI 360	19.421	PO1900987	—	29,646
Department of State Total			—	29,646
National Aeronautics and Space Administration:				
University of Toledo	43.001	N-125107-01 (F-2016-22)	—	429,014
National Aeronautics and Space Administration Total			—	429,014
Other Program Awards Pass-through Total			—	1,682,293
Other Program Awards Total			<u>3,776,990</u>	<u>10,222,633</u>
Total Expenditures of Federal Awards			<u>\$ 62,639,355</u>	<u>655,438,866</u>

See accompanying notes to supplementary schedule of expenditures of federal awards.

See accompanying independent auditors' report.

## BOSTON UNIVERSITY

### Notes to Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

#### (1) Basis of Presentation

The accompanying supplementary schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of Boston University and subsidiaries (the University) under programs funded by the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the consolidated financial position, changes in net assets or cash flows of the University.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and agencies and departments of the federal government and all subawards passed through to the University by nonfederal organizations pursuant to federal grants, contracts and similar agreements. The Schedule also denotes awards passed through from the University to other nonfederal subrecipient organizations.

#### (2) Significant Accounting Policies

Expenditures for direct costs are recognized as incurred using the accrual method of accounting and cost accounting principles. Under these cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures also include a portion of costs associated with general University activities (facilities and administrative costs), which are allocated to awards under negotiated formulas commonly referred to as facilities and administrative cost rates (note 3). The negative amounts represent adjustments or credits, in the normal course of business, to amounts reported as expenditures in prior years.

#### (3) Facilities and Administrative Costs

The University elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance. The University has an approved predetermined facilities and administrative cost rate effective through fiscal year June 30, 2019 for on campus and off campus sponsored research activities. The base rates in effect for the year ended June 30, 2019 were 65.0% for on campus research and 26.0% for off campus research. Facilities and administrative cost recoveries are reported as part of federal expenditures on the Schedule.

**BOSTON UNIVERSITY**

Notes to Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2019

**(4) Federal Student Financial Assistance**

*Student Loan Programs*

The federal student loan programs listed below are administered directly by the University, and balances and transactions relating to these programs are included in the University's consolidated financial statements. Loan activities and balances consist of the following:

	<b>Federal CFDA number</b>	<b>Balance as of June 30, 2018</b>	<b>Loans issued</b>	<b>Payments received</b>	<b>Balance as of June 30, 2019</b>
Perkins loan program	84.038	\$ 38,081,077	—	(6,641,455)	31,439,622
Medical-primary care	93.342	664,895	—	(111,093)	553,802
Health professions					
Student loans					
(HPSL):					
Medical	93.342	2,878	—	—	2,878
Dental	93.342	1,021,425	—	(118,365)	903,060
Loans for					
Disadvantaged					
Students (LDS):					
Medical	93.342	198,898	—	(19,559)	179,339
Dental	93.342	505,723	30,000	(128,809)	406,914
Totals		\$ 40,474,896	30,000	(7,019,281)	33,485,615

The amounts reported on the accompanying Schedule for these loan programs reflect the outstanding balance of loans at the beginning of the year, current year loaned amounts, and any administrative charges related to the loan program. There were no new federal capital contributions during the year ended June 30, 2019.

*Federal Direct Loans*

Federally guaranteed loans distributed to students of the University through the Federal Direct Student Loan Program during the year ended June 30, 2019 are summarized as follows:

	<b>Federal CFDA number</b>	<b>Loans distributed</b>
Federal Direct Stafford Loan Program	84.268	\$ 158,638,283
Federal Direct PLUS Loan Program	84.268	98,339,992
Total William D. Ford Federal Direct Loans		\$ 256,978,275

These distributions and related funding sources are not included in the University's consolidated financial statements.



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## **Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards**

The Board of Trustees  
Boston University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Boston University and its subsidiaries (the University), which comprise the consolidated statement of financial position as of June 30, 2019, the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated September 20, 2019. Our report contains an emphasis of matters paragraph referring to the University's adoptions, in 2019, of Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*; ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended; ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*; and ASU 2016-02, *Leases (Topic 842)*, as amended.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Boston, Massachusetts  
September 20, 2019



KPMG LLP  
Two Financial Center  
60 South Street  
Boston, MA 02111

## **Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees  
Boston University:

### **Report on Compliance for Major Federal Program**

We have audited Boston University and its subsidiaries' (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the University's major federal program for the year ended June 30, 2019. The University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for the University's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the University's major federal program. However, our audit does not provide a legal determination of the University's compliance.

#### *Opinion on Major Federal Program*

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

### **Report on Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major



federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Supplementary Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the consolidated financial statements of Boston University and its subsidiaries (the University), as of and for the year ended June 30, 2019 and 2018, and have issued our report thereon dated September 20, 2019, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information 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 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 supplementary schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

*KPMG LLP*

Boston, Massachusetts  
December 4, 2019

**BOSTON UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended June 30, 2019

**(1) Summary of Auditors' Results**

*Consolidated Financial Statements*

Type of auditors' report issued on whether the consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

- Material weakness(es) \_\_\_\_\_ Yes   X   No
- Significant deficiency(s) \_\_\_\_\_ Yes   X   None reported

Noncompliance material to the consolidated financial statements noted?

\_\_\_\_\_ Yes   X   No

*Federal Awards*

Internal control over each major program:

- Material weakness(es) \_\_\_\_\_ Yes   X   No
- Significant deficiency(s) \_\_\_\_\_ Yes   X   None reported

Type of auditors' report issued on compliance for major program:

Unmodified

Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a)

\_\_\_\_\_ yes   X   No

*Identification of Major Program*

Name of federal program/cluster	CFDA numbers
Research and Development Cluster	Various

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

  X   yes \_\_\_\_\_ no

**(2) Findings Relating to the Consolidated Financial Statements Reported in Accordance with Government Auditing Standards**

None.

**(3) Findings and Questioned Costs Relating to Federal Awards**

None.