



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, 2016

BOSTON UNIVERSITY

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Requirements, Cost Principles, and Audit Requirements for Federal
Awards and Government Auditing Standards* and Related Information
Year ended June 30, 2016

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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, 2016 and 2015, 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 audit 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 organization'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 organization'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, 2016 and 2015, 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.



Other Matter – Supplementary Information

Our audits were 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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 expenditure of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2016 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 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 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

September 15, 2016, except as to the supplementary schedule of expenditures of federal awards, which is as of December 9, 2016

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2016 and 2015
(\$000)

	2016	2015
ASSETS		
Cash and cash equivalents	\$ 227,257	\$ 250,792
Cash and cash equivalents-restricted	300,049	190,048
Short-term investments	248,979	343,370
Accounts and loans receivable, net.	182,326	182,832
Pledges receivable, net	127,665	147,491
Prepaid expenses and other assets	31,440	33,813
Investment in residual asset note	46,827	50,542
Long-term investments.	1,758,418	1,663,056
Property, plant, and equipment, net.	2,279,000	2,185,496
Total assets	\$ 5,201,961	\$ 5,047,440
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued payroll and related expenses	\$ 114,372	\$ 107,692
Accounts payable and accrued expenses	93,820	108,063
Deferred revenue	94,161	84,694
Student deposits.	99,523	97,065
Fair value of interest rate exchange agreements.	421,820	297,603
Residual asset note obligation	46,827	50,542
Capital lease obligation	82,887	83,341
Other long-term obligations	69,724	71,379
Bonds and notes payable, net	1,280,823	1,306,857
Total liabilities	2,303,957	2,207,236
Net assets:		
Unrestricted	1,709,160	1,600,969
Temporarily restricted	569,997	658,406
Permanently restricted	618,847	580,829
Total net assets	2,898,004	2,840,204
Total liabilities and net assets	\$ 5,201,961	\$ 5,047,440

See accompanying notes to consolidated financial statements.

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2016 and 2015
(\$000)

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
OPERATING REVENUES				
Student tuition and fees	\$ 1,318,141	\$	\$	\$1,318,141
Student aid	(332,221)			(332,221)
Net student tuition and fees	985,920			985,920
Sponsored programs-direct	228,327			228,327
Sponsored programs-indirect	78,792			78,792
External fringe benefit recoveries	42,929			42,929
Contributions	37,005			37,005
Sales and services	95,842			95,842
Spending formula amount and other investment income	51,097			51,097
Sponsored program income for student aid	14,589			14,589
Auxiliary enterprises	276,628			276,628
Student aid	(4,740)			(4,740)
Net auxiliary enterprises	271,888			271,888
Contributions used for operations	10,980			10,980
Total operating revenues	1,817,369			1,817,369
OPERATING EXPENSES				
Instruction and departmental research	854,965			854,965
Educational support activities	163,628			163,628
Sponsored programs	227,349			227,349
Libraries	27,157			27,157
Institutional support	208,754			208,754
Student support	9,812			9,812
Auxiliary enterprises	197,149			197,149
Total operating expenses	1,688,814			1,688,814
Change in net assets from operating activities	128,555			128,555
NONOPERATING REVENUES AND (EXPENSES)				
Contributions		11,818	33,088	44,906
Contributions used for operations		(10,980)		(10,980)
Reinvested endowment and other investment income	7,972	12,383	1,934	22,289
Net realized and unrealized gains (losses) on investments and other assets	101,608	(33,314)	552	68,846
Spending formula amount	(21,241)	(34,246)	(480)	(55,967)
Net realized and unrealized losses on interest rate exchange agreements	(156,616)			(156,616)
Post-retirement related changes other than net periodic cost	(443)			(443)
Net assets released from restrictions- building funds	35,659	(35,659)		
Other additions (deductions) and transfers, net	12,697	1,589	2,924	17,210
Net nonoperating gain (loss)	(20,364)	(88,409)	38,018	(70,755)
Change in net assets	108,191	(88,409)	38,018	57,800
Beginning net assets	1,600,969	658,406	580,829	2,840,204
Ending net assets	\$ 1,709,160	\$ 569,997	\$ 618,847	\$2,898,004

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2016 and 2015
(\$000)

2015				
Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
\$ 1,256,099	\$	\$	\$1,256,099	OPERATING REVENUES
(311,267)			(311,267)	Student tuition and fees
944,832			944,832	Student aid
224,360			224,360	Net student tuition and fees
79,763			79,763	Sponsored programs-direct
42,820			42,820	Sponsored programs-indirect
37,413			37,413	External fringe benefit recoveries
96,070			96,070	Contributions
				Sales and services
49,251			49,251	Spending formula amount and other
14,957			14,957	investment income
268,385			268,385	Sponsored program income for student aid
(4,670)			(4,670)	Auxiliary enterprises
263,715			263,715	Student aid
8,966			8,966	Net auxiliary enterprises
1,762,147			1,762,147	Contributions used for operations
				Total operating revenues
822,314			822,314	OPERATING EXPENSES
156,500			156,500	Instruction and departmental research
224,673			224,673	Educational support activities
25,724			25,724	Sponsored programs
200,353			200,353	Libraries
9,976			9,976	Institutional support
203,038			203,038	Student support
1,642,578			1,642,578	Auxiliary enterprises
119,569			119,569	Total operating expenses
				Change in net assets from operating activities
	15,591	74,089	89,680	NONOPERATING REVENUES AND (EXPENSES)
	(8,966)		(8,966)	Contributions
7,120	11,302	1,195	19,617	Contributions used for operations
12,178	11,686	(711)	23,153	Reinvested endowment and other investment income
(19,352)	(31,324)	(753)	(51,429)	Net realized and unrealized gains (losses) on
				investments and other assets
(81,935)			(81,935)	Spending formula amount
				Net realized and unrealized losses on interest
(2,543)			(2,543)	rate exchange agreements
				Post-retirement related changes other than
31,956	(31,956)			net periodic cost
(4,165)	4,308	1,740	1,883	Net assets released from restrictions-
(56,741)	(29,359)	75,560	(10,540)	building funds
62,828	(29,359)	75,560	109,029	Other additions (deductions) and transfers, net
1,538,141	687,765	505,269	2,731,175	Net nonoperating gain (loss)
\$ 1,600,969	\$ 658,406	\$ 580,829	\$2,840,204	Change in net assets
				Beginning net assets
				Ending net assets

See accompanying notes to consolidated financial statements.

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2016 and 2015
(\$000)

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 57,800	\$ 109,029
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	106,895	103,354
Amortization	(19)	(48)
Loss on disposal of property and equipment	3,141	1,549
Unrealized losses on interest rate exchange agreements	124,217	55,300
Settlements on swap replacement transactions, net	14,287	13,793
Net realized and unrealized gains on investments	(52,722)	(27,031)
Contributions and pledge payments restricted for long-term investment	(64,733)	(63,367)
Gifts of securities and property	(2,212)	(6,235)
Unrealized gain on currency exchange	(5,312)	(3,355)
Bond premium and issuance costs-redeemed debt	(7,464)	
Gain from liquidation of equity investment	(7,513)	
Changes in operating assets and liabilities:		
Decrease in accounts and loans receivable, net	506	5,809
Decrease (increase) in pledges receivable, net	19,826	(26,313)
Decrease in prepaid expenses and other assets	2,373	1,187
Increase in accrued payroll and related expenses	6,680	3,991
(Decrease) increase in accounts payable and accrued expenses	(7,143)	6,970
Increase (decrease) in other long-term obligations	1,052	(1,182)
Increase in deferred revenue	9,467	2,106
Increase in student deposits	2,458	10,623
Net cash provided by operating activities	201,584	186,180
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(724,385)	(1,267,741)
Proceeds from sales and maturities of investments	776,136	1,205,186
Purchases of property and equipment	(203,127)	(154,596)
Increase in cash and cash equivalents-restricted	(110,001)	(26,612)
Net cash used in investing activities	(261,377)	(243,763)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from bonds	162,740	108,370
Payment of bonds, notes, and mortgages	(175,563)	(121,399)
Payment of bond issuance costs	(416)	(642)
Payment of capital lease obligations	(454)	(373)
Decrease in other long-term liabilities-annuity obligations	(2,707)	(1,472)
Contributions and pledge payments restricted for long-term investment	64,733	63,367
Proceeds from sale of restricted gifts of securities	2,212	6,235
Settlements on swap replacement transactions, net	(14,287)	(13,793)
Net cash provided by financing activities	36,258	40,293
Net decrease in cash and cash equivalents	(23,535)	(17,290)
Cash and cash equivalents beginning of year	250,792	268,082
Cash and cash equivalents end of year	\$ 227,257	\$ 250,792
SUPPLEMENTAL INFORMATION:		
Change in accounts payable for property, plant, and equipment	\$ (7,100)	\$ (835)
Interest paid in cash, net of capitalized interest of \$5,741 in 2016 and \$3,274 in 2015	\$ 34,118	\$ 42,105

For the years ended June 30, 2016 and 2015

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 two principal campuses, its Charles River Campus located in Boston's Back Bay and its Medical Campus located in the South End of Boston, offering students more than 250 areas of study in 17 schools and colleges.

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. There was no provision for income taxes due on unrelated business income in fiscal years 2016 and 2015. The University has no material uncertain tax positions.

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 realized and unrealized gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes in net assets are classified as follows:

Unrestricted net assets are free of donor-imposed restrictions. Contributions, endowment income, gains, and investment income that are received and spent or whose restrictions are met in the same reporting period are reported as unrestricted. Unrestricted net assets may be designated by the Board of Trustees for specific purposes, including to function as endowments.

Temporarily restricted net assets include contributions, pledges, and endowment income for which donor-imposed restrictions as to time or purpose have not been met (primarily future capital projects) and pledges receivable for which the ultimate purpose of the proceeds is not permanently restricted. These net assets are released from restrictions when the specified time elapses or actions have been taken to meet the restrictions. The University is subject to the Massachusetts Uniform Prudent Management of Institutional Funds Act of 2009 (UPMIFA), under which donor-restricted endowment funds may be appropriated for expenditure by the Board of Trustees of the University in accordance with the standard of prudence prescribed by UPMIFA. Net assets of such funds in excess of the fair value of the original gift are classified as temporarily restricted until appropriated by the Board and spent in accordance with the standard of prudence imposed by UPMIFA.

Permanently restricted net assets include contributions, pledges, and income required to be permanently retained and primarily consist of the historic dollar value of contributions to donor-restricted endowment funds.

For the years ended June 30, 2016 and 2015

Collections:

The University's collections, which have been 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 unrestricted net assets 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 that are part of the long-term pool are shown within investments as those funds generally are not used for daily operating purposes.

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

ASC 958-230 defines cash equivalents as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less qualify. Prior to 2016, the University's policy was to classify certain U.S. treasury securities with original maturities over 90 days as cash equivalents. In 2016, the University began to classify such securities, which aggregated \$247,125,000 as of June 30, 2016, as short-term investments. Accordingly, the accompanying 2015 Consolidated Statement of Financial Position has been adjusted to present \$339,219,000 previously reported as cash equivalents as short-term investments, and the accompanying 2015 Consolidated Statement of Cash Flows has been adjusted to reflect changes in cash and cash equivalents based on this revised classification.

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.

For the years ended June 30, 2016 and 2015

The majority of the University's 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 that are deemed to have a 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 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.

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 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.

Investments in Perpetual Trusts Held by Others and Split-Interest Agreements:

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 fall within 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 under these agreements. 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 the 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 \$2,738,000 in 2016 and \$5,208,000 in 2015 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, by using 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, 2016 and 2015 was \$106,895,000 and \$103,354,000, 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, an impairment loss is recognized in an amount by which the asset's net carrying value exceeds its estimated fair value.

For the years ended June 30, 2016 and 2015

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, 2016 and 2015 was \$14,685,000 and \$14,807,000, respectively, and is included in other long-term obligations in the Consolidated Statements of Financial Position.

Tuition and Fees:

Student tuition and fees are reported as revenue in the year the related academic services are rendered. Student tuition and fees received in advance of services to be rendered are reported as student deposits.

Student Aid:

Student aid in the amount of \$332,221,000 and \$311,267,000 for the years ended June 30, 2016 and 2015, respectively, has been classified as a reduction of student tuition and fees. In addition, student aid in the amount of \$4,740,000 and \$4,670,000 for the years ended June 30, 2016 and 2015, respectively, has been presented as a reduction of auxiliary enterprises (room and board) revenue.

In addition to tuition, fees, and room and board, student support in the amount of \$9,812,000 and \$9,976,000 for the years ended June 30, 2016 and 2015, respectively, has been presented as an operating expense. Student support includes fellow stipends, University-funded work study, and other incremental costs to support students.

Sponsored Programs:

Revenues associated with contracts and grants are recognized as the related expenses or capital expenditures are incurred. 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 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.

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. Contributions other than cash are recorded at fair value at the date of contribution. Contributions with donor-imposed restrictions, which are reported as temporarily restricted revenues, are reclassified to unrestricted net assets when an expenditure is incurred that satisfies the restriction. 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.

Allocation of Expenses:

Certain indirect costs have been allocated to functional expenses in the Consolidated Statements of Activities. For the years ended June 30, 2016 and 2015, these expenses are comprised of, in thousands of dollars:

	2016	2015
Operation and maintenance of plant	\$ 105,536	\$ 107,598
Interest on indebtedness	34,219	41,987
Depreciation	106,895	103,354

For the years ended June 30, 2016 and 2015

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, post-retirement benefit related changes other than net periodic cost, and certain other nonrecurring activities.

Reclassifications:

Certain 2015 balances previously reported have been reclassified to conform to the 2016 presentation.

2. 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 split-interest agreements. 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, and 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, 2016 and 2015, the University had no plans or intentions to sell investments at amounts different from NAV.

Although the University's alternative fund managers adhere to fair value accounting as required by ASC 820, *Fair Value Measurements and Disclosures*, 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 \$30 to \$49 per square foot and weighted average capitalization rate of 7%. Significant changes in these inputs may result in a significantly lower or higher fair value measure.

For the years ended June 30, 2016 and 2015

Cash and investments included in the Consolidated Statements of Financial Position at June 30, 2016 and 2015 were as follows, in thousands of dollars:

	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	\$ 227,257	\$ 250,792
Cash and cash equivalents-restricted	300,049	190,048
Short-term investments	248,979	343,370
Investment in residual asset note	46,827	50,542
Long-term investments	<u>1,758,418</u>	<u>1,663,056</u>
	2,581,530	2,497,808
Less assets not reported at fair value:		
Investment in residual asset note	(46,827)	(50,542)
Real estate partnerships accounted for under the equity method	<u>(21,396)</u>	<u>(30,014)</u>
Cash and investments at fair value	<u>\$2,513,307</u>	<u>\$2,417,252</u>

The following tables summarize the University's cash and investments in the fair value hierarchy as of June 30, 2016 and 2015, in thousands of dollars:

As of June 30, 2016	Investments Measured at NAV	Investments Classified in the Fair Value Hierarchy			Total Fair Value
		Level 1	Level 2	Level 3	
Assets at fair value					
Cash and cash equivalents	\$	\$ 527,306	\$	\$	\$ 527,306
Common and preferred equities:					
Domestic	114,370	71,416			185,786
International	146,598	41,390	63,984		251,972
	<u>260,968</u>	<u>112,806</u>	<u>63,984</u>		<u>437,758</u>
Fixed income:					
Domestic		691	1,241		1,932
International		7	84		91
U.S. government and agencies		340,949	191		341,140
		<u>341,647</u>	<u>1,516</u>		<u>343,163</u>
Alternatives:					
Hedge	523,306				523,306
Natural resources	66,536				66,536
Private	218,971			3,363	222,334
Real estate	69,397			318,643	388,040
	<u>878,210</u>			<u>322,006</u>	<u>1,200,216</u>
Split-interest agreements held by third parties				4,864	4,864
Total assets at fair value	<u>\$ 1,139,178</u>	<u>\$ 981,759</u>	<u>\$ 65,500</u>	<u>\$ 326,870</u>	<u>\$ 2,513,307</u>

For the years ended June 30, 2016 and 2015

As of June 30, 2015	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	\$	\$ 440,840	\$	\$	\$ 440,840
Common and preferred equities:					
Domestic	109,208	76,428			185,636
International	162,009	67,517	57,877		287,403
	<u>271,217</u>	<u>143,945</u>	<u>57,877</u>		<u>473,039</u>
Fixed income:					
Domestic		466	1,557		2,023
International		2	135		137
U.S. government and agencies		431,859	751		432,610
		<u>432,327</u>	<u>2,443</u>		<u>434,770</u>
Alternatives:					
Hedge	501,242				501,242
Natural resources	52,976				52,976
Private	207,274			3,363	210,637
Real estate	70,943			227,700	298,643
	<u>832,435</u>			<u>231,063</u>	<u>1,063,498</u>
Split-interest agreements held by third parties				5,105	5,105
Total assets at fair value	\$ 1,103,652	\$ 1,017,112	\$ 60,320	\$ 236,168	\$ 2,417,252

The following tables present a summary of the University's activity for the years ended June 30, 2016 and 2015 for investment classified in Level 3, in thousands of dollars:

2016	Alternatives		Split-interest agreements held by third parties	Total Assets at Level 3
	Private	Real Estate		
Fair value, July 1, 2015	\$ 3,363	\$ 227,700	\$ 5,105	\$ 236,168
Purchases		2,329		2,329
Sales or redemptions		(2,787)		(2,787)
Unrealized gains		94,111	(241)	93,870
Transfer from Level 3		(2,710)		(2,710)
Fair value, June 30, 2016	<u>\$ 3,363</u>	<u>\$ 318,643</u>	<u>\$ 4,864</u>	<u>\$ 326,870</u>

2015	Alternatives		Split-interest agreements held by third parties	Total Assets at Level 3
	Private	Real Estate		
Fair value, July 1, 2014	\$ 3,224	\$ 223,777	\$ 4,883	\$ 231,884
Purchases	139	1,025		1,164
Sales or redemptions		(2,571)		(2,571)
Unrealized gains		5,469	222	5,691
Fair value, June 30, 2015	<u>\$ 3,363</u>	<u>\$ 227,700</u>	<u>\$ 5,105</u>	<u>\$ 236,168</u>

For the years ended June 30, 2016 and 2015

ASU 2015-10, *Technical Corrections and Improvements*, clarified one aspect of the definition of readily determinable fair value (RDFV), thereby affecting the measurement of and disclosure about certain equity investments. During 2016, based on this technical correction, management re-evaluated its investments historically measured using NAV as a practical expedient in structures with characteristics similar to a mutual fund as to whether they have an RDFV. Based on that re-evaluation, certain accounting policy and NAV disclosures have been amended, and certain investments aggregating \$57,877,000 previously accounted for using NAV as a practical expedient as of June 30, 2015 and previously excluded from the fair value hierarchy were determined to have an RDFV and have been included as Level 1 investments at that date.

The University's policy is to recognize transfers as of the end of the year. For the years ended June 30, 2016 and 2015, there were no transfers between Level 1 and Level 2. Transfers from Level 3 to NAV were due to changes in the underlying investments and refinements to the valuation methodology applied.

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, 2016 and 2015, the aggregate notional exposure on long-term assets was \$81,349,000 and \$103,480,000, respectively. The associated unrealized gain (loss) on these assets was \$1,761,000 and \$(870,000), respectively, as of June 30, 2016 and 2015. 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 (DBLF), 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 purchase price of the note was \$25,244,000 and is non-recourse to the University. As of June 30, 2016 and 2015, the carrying value of the investment in residual asset note receivable and related obligation was \$46,827,000 and \$50,542,000, 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 note and the related asset are 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.

For the years ended June 30, 2016 and 2015

Investment Return:

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

For the year ended June 30, 2016	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividend and interest income	\$ 9,061	\$ 7,654	\$ 704	\$ 17,419
Net realized and unrealized gains (losses) on investments and other assets.	101,608	(33,314)	552	68,846
Total return on investments and other assets. . .	110,669	(25,660)	1,256	86,265
Less: spending formula	(21,241)	(34,246)	(480)	(55,967)
Less: change in value of designated non-core	(99,145)			(99,145)
Less: gain on sale of academic properties	(22,776)			(22,776)
Less: other non-endowment income.	(5,257)		(11)	(5,268)
	(148,419)	(34,246)	(491)	(183,156)
Excess (deficit) of investment return over spending formula amount	\$ (37,750)	\$ (59,906)	\$ 765	\$ (96,891)
For the year ended June 30, 2015	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividend and interest income	\$ 9,878	\$ 7,119	\$ 442	\$ 17,439
Net realized and unrealized gains (losses) on investments and other assets.	12,178	11,686	(711)	23,153
Total return on investments and other assets. . .	22,056	18,805	(269)	40,592
Less: spending formula	(19,352)	(31,324)	(753)	(51,429)
Less: change in value of designated non-core. . .	(5,492)			(5,492)
Less: gain on sale of academic properties	(2,909)			(2,909)
Less: other non-endowment income.	(5,100)			(5,100)
	(32,853)	(31,324)	(753)	(64,930)
Excess (deficit) of investment return over spending formula amount	\$ (10,797)	\$ (12,519)	\$ (1,022)	\$ (24,338)

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, 2016 and 2015 was \$231,423,000 and \$183,071,000, respectively. Of this amount, approximately 12% and 15% of commitments as of June 30, 2016 and 2015, respectively, were 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.

For the years ended June 30, 2016 and 2015

Liquidity:

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

As of June 30, 2016	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents*	\$ 527,306	\$	\$	\$	\$	\$ 527,306
Common and preferred equities:						
Domestic	70,646	815	72,748	26,919	14,658	185,786
International	105,353	105,989	39,583		1,047	251,972
	<u>175,999</u>	<u>106,804</u>	<u>112,331</u>	<u>26,919</u>	<u>15,705</u>	<u>437,758</u>
Fixed income:						
Domestic	1,707	225				1,932
International	84	7				91
U.S. government and agencies .	341,140					341,140
	<u>342,931</u>	<u>232</u>				<u>343,163</u>
Alternatives:						
Hedge			220,833	207,753	94,720	523,306
Natural resources.			16,121	8,060	42,355	66,536
Private					222,334	222,334
Real estate				316,468	71,572	388,040
			<u>236,954</u>	<u>532,281</u>	<u>430,981</u>	<u>1,200,216</u>
Split-interest agreements held by third parties					4,864	4,864
	<u>\$1,046,236</u>	<u>\$ 107,036</u>	<u>\$ 349,285</u>	<u>\$ 559,200</u>	<u>\$ 451,550</u>	<u>\$2,513,307</u>

*Cash and cash equivalents includes \$299,588,000 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.

As of June 30, 2015	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents*	\$ 440,840	\$	\$	\$	\$	\$ 440,840
Common and preferred equities:						
Domestic	76,273	225	109,138			185,636
International	125,365	114,164	46,807		1,067	287,403
	<u>201,638</u>	<u>114,389</u>	<u>155,945</u>		<u>1,067</u>	<u>473,039</u>
Fixed income:						
Domestic	1,764	259				2,023
International	118	19				137
U.S. government and agencies .	432,610					432,610
	<u>434,492</u>	<u>278</u>				<u>434,770</u>
Alternatives:						
Hedge			208,727	219,138	73,377	501,242
Natural resources.			16,500		36,476	52,976
Private					210,637	210,637
Real estate				225,048	73,595	298,643
			<u>225,227</u>	<u>444,186</u>	<u>394,085</u>	<u>1,063,498</u>
Split-interest agreements held by third parties					5,105	5,105
	<u>\$1,076,970</u>	<u>\$ 114,667</u>	<u>\$ 381,172</u>	<u>\$ 444,186</u>	<u>\$ 400,257</u>	<u>\$2,417,252</u>

*Cash and cash equivalents includes \$189,587,000 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, 2016 and 2015

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 \$412,561,000 and \$382,398,000, as well as investments with rolling lockup periods totaling \$38,990,000 and \$17,859,000 as of June 30, 2016 and 2015, respectively.

3. Endowment Funds

Total endowment assets as of June 30, 2016 and 2015 are \$1,654,531,000 and \$1,644,117,000, 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 unrestricted or temporarily restricted net assets, depending on the nature of the endowment fund. For the fiscal years ended June 30, 2016 and 2015, respectively, the distribution as a percentage of the prior December 31 fair value of the pooled endowment fund was 3.5% and 3.4%.

At June 30, 2016 and 2015, respectively, approximately \$3,731,000 and \$234,000 of unrealized losses on donor-restricted endowment funds were classified as a reduction in the unrestricted net assets as the fair value of these funds was less than their original gift value. Unrestricted net assets will be replenished when the fair value equals the original gift value.

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 permanently restricted net assets (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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets 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

For the years ended June 30, 2016 and 2015

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, 2016, in thousands of dollars:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted.	\$ (3,731)	\$ 459,902	\$ 511,915	\$ 968,086
Institution designated.	625,100			625,100
Endowment net assets at end of year.	<u>\$ 621,369</u>	<u>\$ 459,902</u>	<u>\$ 511,915</u>	<u>\$1,593,186</u>

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2016, in thousands of dollars:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	\$ 592,240	\$ 520,839	\$ 463,515	\$1,576,594
Reinvested income distribution	2,948	1,422	1,230	5,600
Realized and unrealized gains (losses)	(16,509)	(25,660)	1,245	(40,924)
Less: spending formula	(21,241)	(34,246)	(480)	(55,967)
Undistributed investment income (losses)	(34,802)	(58,484)	1,995	(91,291)
Contributions	5,224	1,214	6,812	13,250
Pledge payments	142		37,369	37,511
Other additions (deductions), transfers, and net asset reclassifications	58,565	(3,667)	2,224	57,122
Endowment net assets at end of year.	<u>\$ 621,369</u>	<u>\$ 459,902</u>	<u>\$ 511,915</u>	<u>\$1,593,186</u>

The following table represents endowment net asset composition by type of fund as of June 30, 2015, in thousands of dollars:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted.	\$ (234)	\$ 520,839	\$ 463,515	\$ 984,120
Institution designated.	592,474			592,474
Endowment net assets at end of year.	<u>\$ 592,240</u>	<u>\$ 520,839</u>	<u>\$ 463,515</u>	<u>\$1,576,594</u>

For the years ended June 30, 2016 and 2015

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2015, in thousands of dollars:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	\$ 597,298	\$ 531,504	\$ 418,691	\$1,547,493
Reinvested income distribution	2,342	1,170	753	4,265
Realized and unrealized gains (losses)	9,999	14,807	(270)	24,536
Less: spending formula	(19,352)	(31,324)	(753)	(51,429)
Undistributed investment losses	(7,011)	(15,347)	(270)	(22,628)
Contributions	2,992	1,194	4,737	8,923
Pledge payments	1,301		39,657	40,958
Other additions (deductions), transfers, and net asset reclassifications	(2,340)	3,488	700	1,848
Endowment net assets at end of year	<u>\$ 592,240</u>	<u>\$ 520,839</u>	<u>\$ 463,515</u>	<u>\$1,576,594</u>

4. Accounts Receivable and Pledges Receivable

Accounts Receivable:

Accounts and loans receivable at June 30, 2016 and 2015, in thousands of dollars, consist of the following:

	2016	2015
Accounts receivable, net:		
Students	\$ 16,337	\$ 17,807
Less: allowances	(6,737)	(7,100)
	<u>9,600</u>	<u>10,707</u>
Grants and contracts	59,002	58,150
Departmental sales, services, and other	48,870	48,265
Less: allowances	(11,004)	(10,939)
	<u>96,868</u>	<u>95,476</u>
Student loans	79,092	79,897
Less: allowances	(3,234)	(3,248)
	<u>75,858</u>	<u>76,649</u>
Total accounts receivable, net	<u>\$ 182,326</u>	<u>\$ 182,832</u>

Federally sponsored student loans receivable represented \$44,578,000 and \$44,945,000 as of June 30, 2016 and 2015, 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 obligation to repay the federal government for the Perkins loan advances is \$39,254,000 and \$38,952,000, as of June 30, 2016 and 2015, respectively, and is 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 5.21% at June 30, 2016 and 2015, to certain employees. The aggregate amount as of June 30, 2016 and 2015 is \$7,886,000 and \$7,256,000, respectively.

For the years ended June 30, 2016 and 2015

Pledges Receivable:

Pledges consist of unconditional written promises by donors to contribute to the University in the future. At June 30, 2016 and 2015, pledges, in thousands of dollars, are expected to be realized in the following time frame:

	2016	2015
In one year or less	\$ 53,109	\$ 50,760
Between one year and five years	68,722	95,867
More than five years	35,414	31,739
	<u>157,245</u>	<u>178,366</u>
Discount to present value (at rates ranging from 1.51% to 5.14%) . .	(17,980)	(19,275)
Less allowance for unfulfilled pledges	(11,600)	(11,600)
Pledges receivable	<u>\$ 127,665</u>	<u>\$ 147,491</u>

5. Property, Plant, and Equipment

Property, plant, and equipment and related accumulated depreciation at June 30, 2016 and 2015, in thousands of dollars, consist of the following:

	2016	2015
Land	\$ 99,991	\$ 100,261
Buildings and improvements	2,827,903	2,728,435
Construction in progress	244,717	178,721
Software	56,224	55,722
Equipment	256,226	250,075
Library books	214,332	203,488
	<u>3,699,393</u>	<u>3,516,702</u>
Less: accumulated depreciation	(1,420,393)	(1,331,206)
Property, plant, and equipment, net	<u>\$ 2,279,000</u>	<u>\$ 2,185,496</u>

As of June 30, 2016 and 2015, buildings and improvements include \$94,548,000 and \$94,544,000 associated with office and research space under capital lease.

As of June 30, 2016 and 2015, capital expenditures of \$206,374,000 and \$203,879,000, respectively, were incurred for construction of the National Emerging Infectious Diseases Laboratories (NEIDL). Of this, \$42,815,000 and \$117,796,000 was placed in service during the years ended June 30, 2015 and 2012, respectively. The remaining expenditures are included within construction in progress at June 30, 2016 and 2015, and will be placed in service when the construction is complete and the project is ready for its intended use.

6. Other Long-Term Obligations

Other long-term obligations included in the Consolidated Statements of Financial Position at June 30, 2016 and 2015 were as follows, in thousands of dollars:

	2016	2015
Federal Perkins loan advances	\$ 39,254	\$ 38,952
Conditional asset retirement obligation	14,685	14,807
Annuities and split-interest agreements payable	12,485	13,620
Post-retirement obligation	3,300	4,000
	<u>\$ 69,724</u>	<u>\$ 71,379</u>

Prior to 2016, the University’s policy was to classify asset retirement obligations and government loan advances related to Perkins loans as accounts payable and accrued expenses. In 2016, due to the long-term nature of these liabilities, the University reclassified these liabilities to other long-term obligations. Accordingly, the accompanying 2015 Consolidated Statement of Financial Position has been adjusted to present \$53,759,000 previously reported as accounts payable and accrued expenses as other long-term obligations.

For the years ended June 30, 2016 and 2015

7. Indebtedness

Bonds and Notes Payable:

The principal amounts of bonds and notes payable at June 30, 2016 and 2015, 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, 2016	Interest Rate at June 30, 2015	Outstanding Principal	
				2016	2015
Fixed rate bonds and notes payable:					
MDFA Series P, blended fixed rate	5/15/59	5.63%	5.63%	\$ 100,000	\$ 100,000
MDFA Series T-1	n/a	n/a	5.00%		162,740
MDFA Series T-2 (taxable)	10/1/30	5.27%	5.27%	4,260	4,260
MDFA Series U-4	10/1/40	5.65%	5.65%	50,000	50,000
MDFA Series V-1	10/1/29	5.00%	5.00%	44,000	44,000
MDFA Series W (taxable)	10/1/45	5.20%	5.20%	100,470	100,470
MDFA Series X, blended fixed rate	10/1/48	4.78%	4.78%	111,485	111,485
MDFA Series Z-1	10/1/19	1.50%	1.50%	63,170	63,170
MDFA Series Z-2	10/1/19	1.50%	1.50%	10,200	10,200
Century notes (taxable)	7/15/97	7.63%	7.63%	100,000	100,000
Boston Medical Center note (taxable)	5/12/16	2.00%	2.00%		5,813
Boston Redevelopment Authority note (taxable)	6/15/21	0.00%	0.00%	5,725	6,870
Aetna loan (taxable)	9/15/18	10.20%	10.20%	2,332	3,114
Various notes payable (taxable)	various	various	various	2,503	3,562
Total fixed rate bonds and notes payable . .				<u>594,145</u>	<u>765,684</u>
Variable rate bonds payable:					
HEFA Series H	12/1/29	0.40%	0.05%	25,000	25,000
HEFA Series N (taxable)	10/1/34	0.41%	0.11%	30,005	30,385
MDFA Series U-1	10/1/40	0.99%	0.65%	50,000	50,000
MDFA Series U-2	10/1/40	0.72%	0.53%	50,000	50,000
MDFA Series U-3	10/1/40	0.39%	0.04%	50,000	50,000
MDFA Series U-5A	10/1/31	0.81%	0.05%	34,800	35,800
MDFA Series U-5B	10/1/31	0.81%	0.07%	36,300	37,300
MDFA Series U-6A	10/1/42	0.81%	0.47%	62,850	62,850
MDFA Series U-6C	10/1/42	0.36%	0.02%	52,545	52,545
MDFA Series U-6E	10/1/42	0.96%	0.62%	62,695	62,695
Royal Bank of Scotland (taxable)	8/15/29	1.05%	1.46%	29,968	36,924
MDFA Series Y	10/1/39	0.78%	0.44%	35,000	35,000
MDFA Series AA	10/1/39	0.96%	n/a	162,740	
Total variable rate bonds payable				<u>681,903</u>	<u>528,499</u>
Total bonds and notes payable				1,276,048	1,294,183
Plus: unamortized bond premium and discount, net				8,697	17,213
Less: unamortized bond issuance costs				(3,922)	(4,539)
Total bonds and notes payable, net				<u>\$ 1,280,823</u>	<u>\$ 1,306,857</u>

For the years ended June 30, 2016 and 2015

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 \$46,225,000 and \$48,579,000 as of June 30, 2016 and 2015, 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, 2016 and 2015.

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

Fiscal Year	Scheduled Principal Maturities
2017	\$ 7,742
2018	8,732
2019	8,670
2020	81,733
2021	8,629
Thereafter	<u>1,160,542</u>
Total	<u>\$1,276,048</u>

Scheduled principal maturities represent aggregate annual payments as required under long-term debt repayment schedules. As of June 30, 2016, the University's debt portfolio includes variable rate demand bonds (VRDBs) of \$157,550,000 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 2018 and May 2019. 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, 2016, aggregate scheduled loan repayments under the VRDB-related LOCs would be as follows: \$26,258,000, \$52,517,000, \$52,517,000, and \$26,258,000 in 2017, 2018, 2019, and 2020, respectively. The University has used VRDBs backed by bank LOCs for over 30 years, during which time there have been no instances where a bond failed to be remarketed and was put back to the University.

In October 2015, the University issued its Series AA tax exempt variable rate bonds in the amount of \$162,740,000. The proceeds from the Series AA bonds were used to redeem Series T-1 bonds on their October 1, 2015 call date and the new bonds have an amortization schedule and a final maturity date identical to the Series T-1 bonds. As a result of the redemption, the remaining unamortized bond premium and issuance costs of \$4,069,000 for Series T-1 were written off in other additions (deductions) and transfers, net in the Consolidated Statement of Activities for the year ended June 30, 2016.

In October 2014, the University issued its Series Y tax exempt variable rate bonds in the amount of \$35,000,000. The proceeds from the Series Y bonds were used to redeem Series S bonds on their October 1, 2014 call date and the new bonds have an amortization schedule and a final maturity date identical to the Series S bonds. As a result of the redemption, the remaining unamortized bond issuance costs of \$1,308,000 for Series S were written off in other additions (deductions) and transfers, net in the Consolidated Statement of Activities for the year ended June 30, 2015.

In October 2014, the University issued its Series Z-1 and Z-2 tax exempt fixed rate bonds in the aggregate amount of \$73,370,000 with a final maturity in 2019. The bonds were issued at par and proceeds were used to refinance existing Series V-2 and V-3 tax exempt fixed rate bonds that matured on October 1, 2014. Interest is payable semi-annually at a fixed rate of 1.5% per annum.

Bank Lines:

The University has \$140,000,000 in committed 364-day 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, 2016 and 2015. The current expiration date for all lines of credit is in April 2017. 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

For the years ended June 30, 2016 and 2015

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.

In connection with the counterparty's exercise of an existing swaption contract related to its Series T-1 bonds, the University entered into two swaps with a notional amount of \$162,740,000 effective October 1, 2015. Under the terms of the swap, the University pays a fixed rate of 4.95% and receives the SIFMA index from October 1, 2015 through October 1, 2039. The University entered into a novation agreement to replace the counterparty on the existing swap contract. The novated swap fully hedges the interest rate risk of the University's Series AA variable rate bonds.

In connection with the counterparty's exercise of an existing swaption contract related to its Series S bonds, the University entered into a swap with a notional amount of \$35,000,000 effective October 1, 2014. Under the terms of the swap, the University pays a fixed rate of 4.7% and receives the SIFMA index from October 1, 2014 through October 1, 2039. The swap fully hedges the interest rate risk of the University's Series Y variable rate bonds.

In connection with the October 2014 issuance of its Series Z-1 and Z-2 fixed rate bonds, the University entered into a fixed receiver swap with a notional amount of \$73,370,000 effective October 1, 2014, with a lump-sum maturity matching the Series Z-1 and Z-2 bonds. Under the terms of the swap, the University receives a fixed rate of 1.265% and pays the SIFMA Index from October 1, 2014 to August 1, 2019. This agreement was effected to offset a portion of the cost of the continuing long-term fixed payer swap agreements associated with Series Z-1 and Z-2 bonds.

Below is a summary of the terms of the University's outstanding debt related derivatives as of June 30, 2016 and 2015, in thousands of dollars:

Swap/Swaption Agreement	Notional Amount	Fair Value		Effective Date	Termination Date	University Pays	University Receives
		6/30/16	6/30/15				
Series H	\$ 25,000	\$ 11,082	\$ 8,997	10/30/1997	12/01/2027	5.28%	SIFMA
Series N	22,890	10,918	9,291	10/30/1997	10/01/2027	6.79%	LIBOR
Series U1-3	150,000	73,849	51,736	10/01/2007	10/01/2040	3.97%	69% of 1-Mo. USD LIBOR
Series U5	71,100	19,556	16,278	10/30/2001	10/01/2031	4.10%	67% of 1-Mo. USD LIBOR
Series U6	10,700	1,841	1,796	10/01/2002	10/01/2022	4.16%	67% of 1-Mo. USD LIBOR
Series U6	239,500	200,155	136,755	07/01/2008	10/01/2042	5.42%	SIFMA -1-Mo.
Royal Bank of Scotland	29,968	9,803	9,135	08/15/2006	08/15/2029	5.645%	3-Mo. GBP LIBOR +45 basis points
Series Z	73,370	(1,770)	(1,232)	10/01/2014	10/01/2019	SIFMA	1.265%
Series Y	35,000	21,306	14,134	10/01/2014	10/01/2039	4.70%	SIFMA -1-Mo.
Series T swaption			66,052	10/01/2015			
Series AA-1	81,370	49,773		10/01/2015	10/01/2039	4.95%	67% of 1-Mo. USD LIBOR -.027%*
Series AA-2	81,370	49,602		10/01/2015	10/01/2039	4.95%	67% of 1-Mo. USD LIBOR +.024%**
Less: credit valuation adjustment		(24,295)	(15,339)				
		<u>\$421,820</u>	<u>\$297,603</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

For the years ended June 30, 2016 and 2015

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 2016 and 2015, the University's net settlement payments on interest rate exchange agreements were \$32,399,000 and \$26,635,000, respectively. These net settlement costs have been reported in nonoperating activities 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 \$354,440,000 at June 30, 2016, are considered financing activities. During 2016 and 2015, respectively, \$14,287,000 and \$13,793,000 of the net settlement payments were classified as cash flows used in financing activities.

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, 2016 and 2015, the University was required to post collateral of \$295,116,000 and \$163,604,000, 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.

8. Pension and Other Employee Benefits

Defined Contribution Plan:

The University funds retirement plan contributions to Teachers Insurance and Annuity Association (TIAA), and Fidelity Investments for employees. This 403(b) plan is a defined contribution plan available to 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. The expenses for this program amounted to \$68,056,000 and \$65,625,000 in fiscal years 2016 and 2015, respectively.

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, provided they have 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. The University provides modest life insurance benefits to retirees in the Plan as of January 1, 2007.

Beginning in 2013, the valuation process for the University's post-retirement benefits plan liability was simplified, to reflect actual claims, interest cost, and the amortization of actuarial gains and losses over their expected life. Claims paid in 2016 and 2015, net of interest cost totaled \$700,000 and \$900,000, respectively. Actuarial losses and prior service credits previously recognized in the Consolidated Statements of Activities as nonoperating gains and losses are being amortized into operations over time. In 2016 and 2015, this amortization resulted in a net credit to operating expense of \$443,000 and \$2,543,000, respectively. The University's accrued post-retirement benefit obligation reflected in the Consolidated Statements of Financial Position totaled \$3,300,000 and \$4,000,000 as of June 30, 2016 and 2015, respectively.

For the years ended June 30, 2016 and 2015

9. Commitments and Contingencies

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 2033. Amounts scheduled include options to extend capital leases through the year 2066, in thousands of dollars, and are summarized below as of June 30, 2016:

	Operating	Capital
2017	\$ 18,780	\$ 4,021
2018	17,865	4,021
2019	18,123	4,021
2020	15,513	4,064
2021	13,382	4,064
Thereafter	74,925	180,664
	<u>\$ 158,588</u>	<u>\$ 200,855</u>
Less: Amounts representing interest		<u>(117,968)</u>
Capital lease obligation		<u>\$ 82,887</u>

For 2016 and 2015, rent expense for educational facilities and office space was \$24,052,000 and \$25,391,000, respectively. Certain of these leases provide an option to purchase the properties at fair value.

The University has two leases recorded as capital lease obligations related to a biomedical research facility at 670 Albany Street in Boston. Future aggregate minimum lease payments of approximately \$82,887,000 are to be paid over the 60-year term of the lease.

Joint Venture Commitments:

The University has entered into certain non-cancellable operating leases expiring through 2030 with its equity-method real estate partnerships. The partnerships have total assets of \$84,161,000 and \$105,362,000 and total liabilities of \$34,626,000 and \$37,366,000 as of June 30, 2016 and 2015, respectively. The total outstanding debt is equal to \$30,500,000 and \$32,588,000 as of June 30, 2016 and 2015, respectively. The University's share of the debt is \$14,820,000 and \$15,841,000 as of June 30, 2016 and 2015, respectively. The total minimum annual lease payments associated with these leases of approximately \$7,488,000 and \$7,523,000 for the years ended June 30, 2016 and 2015, respectively, are included in the lease commitment table above.

NEIDL:

In September 2003 the University received an award from the National Institutes of Health (NIH) for the construction of a Biosafety Level (BSL) 4 NEIDL on the University's Medical Campus. The NEIDL is to be used by the University and other organizations to study infectious diseases and to support the federal government's bio-defense effort.

Construction of the NEIDL was substantially completed in 2009. The use of the building for BSL-4 research has been delayed due to pending litigation; with the dismissal of litigation in Massachusetts Superior Court in April 2014, all pending litigation has been resolved, and the University is working to obtain regulatory approval for BSL-4 research from the Boston Public Health Commission. In March of 2012 the University received clearance from the Massachusetts Executive Office of Energy and Environmental Affairs to begin research at NEIDL at Biosafety Level 2 and as of March 2012, the related portion of the facility was placed into service and research began. In November 2014, the University received the final clearance from the Boston Public Health Commission to begin research at NEIDL at Biosafety Level 3 and the related portion of the facility was placed into service in November 2014.

The University and Boston Medical Center each committed \$28,300,000 toward construction, and each held a 50% equity interest in the project with the right to share equally in the future operating activities of the NEIDL. In May 2010, in accordance with the terms of the agreement between the University and Boston Medical Center, Boston Medical Center notified the University of its intent to withdraw from further participation in the NEIDL as of May 1, 2011. The agreement required the University to repay Boston Medical Center's equity commitment of \$29,064,000. Repayment

For the years ended June 30, 2016 and 2015

terms for this obligation were finalized in February of 2012, with repayment to be made over 5 years at an interest rate of 2%. In accordance with the terms of the agreement, the obligation was paid in full on May 1, 2016. The balance of this obligation as of June 30, 2015 is \$5,813,000, and is reflected in bonds and notes payable on the Consolidated Statements of Financial Position.

Total original construction costs were \$206,374,000 and \$203,879,000 as of June 30, 2016 and 2015, respectively. NIH has reimbursed \$140,921,000 as of June 30, 2016 and 2015, respectively. When initially received by the University, NIH funding for NEIDL construction was recorded as an increase to temporarily restricted net assets, to be reclassified from restrictions when the assets are placed in service. As noted above, over 60% of the building was placed into service during 2012, and an additional 21% in 2015. As a result, in 2015 and 2012, a pro-rata share of NIH funding, \$29,531,000 and \$86,507,000, respectively, was transferred from temporarily restricted net assets to unrestricted net assets.

Other:

As of June 30, 2016, the University has commitments of approximately \$289,246,000, related to open construction contracts and capital acquisitions. This amount is expected to be financed from operating cash flows, federal government grants, and borrowings.

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 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 is included in deferred revenue on the Consolidated Statements of Financial Position and will be amortized on a straight-line basis over the term of the lease. For the years ended June 30, 2016 and 2015, the University recognized rental revenue of \$515,000 related to the ground lease. The unamortized deferred rent as of June 30, 2016 and 2015 is \$36,823,000 and \$37,338,000, respectively.

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 2016 was approximately \$9,368,000.

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 eventual liability, if any, will not have a material effect on the University's financial position.

10. Subsequent Events

The University has assessed the impact of subsequent events through September 15, 2016, the date the Consolidated Financial Statements were issued.

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
 Year ended June 30, 2016

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	\$ 137,076	\$ 847,012
Center for Health Research, Universitas Hero (South Africa)	98.001	Pass-Through Number Not Available	—	3,916
Hero (South Africa)	98.001	HERO-004	—	8,017
Hero (South Africa)	98.001	HERO-005	—	20,461
Management Sciences For Health	98.001	SIAPS-15-002	—	131,665
Save the Children International In Zambia	98.001	84000825	—	164,896
SPR Advanced Technologies Inc.	98.001	Pass-Through Number Not Available	—	13,421
United States Pharmacopoeial Convention	98.001	FOG-15-012	—	48,968
Wis Health Consortium	98.001	HERO-002	—	410,256
Subtotal			<u>137,076</u>	<u>1,648,612</u>
Right To Care	98.UNK	Pass-Through Number Not Available	—	123,266
Right To Care	98.UNK	Pass-Through Number Not Available	—	37,341
Subtotal			—	<u>160,607</u>
Agency for International Development Total			<u>137,076</u>	<u>1,809,219</u>
Department of Agriculture:				
Department of Agriculture	10.001	Direct	—	(18)
University Of Kentucky	10.253	3518	—	26,875
University Of Missouri	10.255	2012-04061	—	18,611
Department of Agriculture	10.310	Direct	11,473	24,264
Department of Agriculture	10.684	Direct	—	65,629
Department of Agriculture	10.UNK	Direct	—	31,523
Department of Agriculture Total			<u>11,473</u>	<u>166,884</u>
Department of Commerce:				
Department of Commerce	11.013	Direct	—	13,517
University of Rhode Island	11.417	5575	—	2,117
Woods Hole Oceanographic Institution	11.417	A101116	—	49,948
Subtotal			—	<u>52,065</u>
Department of Commerce	11.420	Direct	—	(253)
Department of Commerce	11.431	Direct	—	136,918
University of Rhode Island	11.440	4055-031414	—	75,991
Department of Commerce	11.UNK	Direct	—	(87)
Department of Commerce Total			—	<u>278,151</u>
Department of Defense:				
Navy	12.300	Direct	1,402,513	2,796,036
Massachusetts Institute of Technology	12.300	5710002645	—	113,942
Massachusetts Institute of Technology	12.300	5710003312	—	14,457
University Of California, Santa Barbara	12.300	KK1629	—	88,955
University of Illinois, Urbana-Champaign	12.300	2013-03174-03 (AA669)	—	148,474
University of Washington	12.300	UWSC 6062	—	162,175
Woods Hole Oceanographic Institution	12.300	A101110	—	(3,219)
Subtotal			<u>1,402,513</u>	<u>3,320,820</u>
Defense Threat Reduction Agency	12.351	Direct	60,380	130,869
The Geneva Foundation	12.351	S-1340-01	—	140,286
Subtotal			<u>60,380</u>	<u>271,155</u>
Institute of International Education	12.357	2603-BU-12-015-PO1	—	234,733
Institute of International Education	12.357	2603-BU-12-GO-017-PO	—	166,834
Subtotal			—	<u>401,567</u>
Army	12.420	Direct	3,709,022	7,548,889
Brigham & Women's Hospital	12.420	113197	—	16,412
Children's Hospital, Boston	12.420	RSTFD0000599809	—	281,149
Dartmouth College	12.420	1577	—	23,515
Drexel University	12.420	202353	—	35,252
Henry M. Jackson Foundation	12.420	W81XWH-07-2-0067	—	99,529
Icahn School Of Medicine At Mount Sinai	12.420	0258-0791-4609	—	14,866
Massachusetts General Hospital	12.420	225098	—	5,475
University Hospitals Of Cleveland	12.420	W81XWH-15-1-0080	—	317,135
Virginia Commonwealth University	12.420	PT-108802-SC107142	—	8,735
Subtotal			<u>3,709,022</u>	<u>8,350,957</u>
Army	12.431	Direct	503,488	1,434,758
Massachusetts General Hospital	12.431	224591	—	11,436
Massachusetts Institute of Technology	12.431	5710003052	—	49,922
University of Texas At Austin	12.431	UTA12-001015	—	232,660
Subtotal			<u>503,488</u>	<u>1,728,776</u>
Defense Threat Reduction Agency	12.630	Direct	—	68,279
University of Utah	12.630	10028801-BU-BPP	49,932	625,487
Subtotal			<u>49,932</u>	<u>693,766</u>
Air Force	12.800	Direct	165,043	1,128,149
University of California, San Diego	12.800	10312239-SUB	—	15,774
University of Illinois, Urbana-Champaign	12.800	2010-07331-01	—	5,933
Subtotal			<u>165,043</u>	<u>1,149,856</u>

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
 Year ended June 30, 2016

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 Security Agency	12.901	Direct	\$ —	\$ 33,000
Defense Advanced Research Projects Agency	12.910	Direct	78,056	369,036
Carnegie Mellon University	12.910	1141246-340845	—	25,710
Massachusetts Institute of Technology	12.910	5710004066	—	1,615
Northeastern University	12.910	505068-78051	—	3,291
University of Maryland, Baltimore County	12.910	12012	—	123,886
University of Massachusetts, Worcester	12.910	WA00393759-OSP201615	—	22,207
University of Pennsylvania	12.910	PO#3303375	—	270,658
Subtotal			78,056	849,403
Air Force	12.UNK	Direct	—	531,952
Army	12.UNK	Direct	469,427	1,141,261
Defense Advanced Research Projects Agency	12.UNK	Direct	—	80,560
Navy	12.UNK	Direct	—	160,427
Aurora Flight Sciences	12.UNK	AFS15-1465	—	(2)
Battelle Memorial Institute	12.UNK	US001-0000320215	—	37,812
Battelle Memorial Institute	12.UNK	471878	—	31,779
Fisketech, LLC	12.UNK	FA8750-15-C-0240	—	86,221
Fulcrum	12.UNK	FUL-14-S010	—	72,442
Hansjorg Wyss Institute for Biologically	12.UNK	167898-5077770	—	52,038
Johns Hopkins University Applied Physics Laboratory	12.UNK	126450	20,000	378,916
Leidos	12.UNK	P010162564	—	142,986
Longshortway, Inc	12.UNK	Pass-Through Number Not Available	—	142,727
Macaulay-Brown, Inc.	12.UNK	DSC3089-04	—	14,155
Massachusetts Institute of Technology	12.UNK	5710003952-002	—	196,745
Massachusetts Institute of Technology	12.UNK	5710003940	—	178,869
Massachusetts Institute of Technology	12.UNK	PO 7000319355	—	5,482
Raytheon Company	12.UNK	9500010646	—	(5)
San Diego Composites	12.UNK	SDC15-1125	—	16,488
Sofar Acoustics, LLC	12.UNK	Pass-Through Number Not Available	—	77,662
Sofar Acoustics, LLC	12.UNK	Pass-Through Number Not Available	—	14,018
University of Michigan	12.UNK	3003264246	—	59,370
White River Technologies, Inc.	12.UNK	WRT-BU20150716	—	41,870
Woods Hole Oceanographic Institution	12.UNK	A101244 Revised	—	10,324
Subtotal			489,427	3,474,097
Department of Defense Total			6,457,861	20,240,397
Department of Education:				
Department of Education	84.015	Direct	—	630,781
Department of Education	84.022	Direct	—	23,812
Department of Education	84.133	Direct	28,324	405,243
Kent State University	84.133	401006-BU	—	19,461
Rehabilitation Institute of Chicago	84.133	80498	—	41,871
Subtotal			28,324	466,575
University of Arkansas	84.305	SA1508063	—	94,410
Department of Education	84.324	Direct	87,806	256,650
Commonwealth of Massachusetts – Department of Higher Education	84.367	CTRGTFY08BOSTONUNIVI	(3,052)	(3,052)
Department of Education Total			113,078	1,469,176
Department of Energy:				
Department of Energy	81.049	Direct	170,287	4,025,955
Fermi National Accelerator Laboratory	81.049	607489	—	(1,139)
Pennsylvania State University	81.049	4331-BU-SU-9105	—	75,512
Subtotal			170,287	4,100,328
Department of Energy	81.086	Direct	—	14,839
Department of Energy	81.087	Direct	65,000	272,524
Department of Energy	81.089	Direct	—	269,542
National Energy Technology Lab	81.135	Direct	173,552	358,282
Infinium Metals Inc.	81.135	Pass-Through Number Not Available	—	158,513
Subtotal			173,552	516,795
Battelle Energy Alliance, LLC	81.UNK	128776	50,915	156,319
Battelle Memorial Inst/Pacific Northwest National Laboratory	81.UNK	246515	—	63,136
Battelle Memorial Inst/Pacific Northwest National Laboratory	81.UNK	272101	—	60,434
Battelle Memorial Inst/Pacific Northwest National Laboratory	81.UNK	272743	—	67,080
Brookhaven National Laboratory	81.UNK	277220	—	4,914
Brookhaven National Laboratory	81.UNK	312168	—	26,941
Fermi National Accelerator Laboratory	81.UNK	PO 611357	—	135,773
Fermi National Accelerator Laboratory	81.UNK	PO 615323	—	12,949
Fermi National Accelerator Laboratory	81.UNK	617650	—	172,964
Fermi National Accelerator Laboratory	81.UNK	621572	—	93,166
Fermi National Accelerator Laboratory	81.UNK	621941	—	21,655
Fermi National Accelerator Laboratory	81.UNK	606923	—	13,867
Fermi National Accelerator Laboratory	81.UNK	preaward	—	(47,005)
Fermi National Accelerator Laboratory	81.UNK	626342	—	35,374
Newton Energy Group LLC	81.UNK	Pass-Through Number Not Available	—	23,564
San Diego State University	81.UNK	1222895	—	52,391
Sandia National Laboratories	81.UNK	1585781	—	92,157
Subtotal			50,915	985,679
Department of Energy Total			459,754	6,159,707
Department of Health and Human Services:				
Center for Disease Control	93.067	Direct	—	132,243
Muhimbili University of Health and Allie	93.067	Pass-Through Number Not Available	—	7,117
Subtotal			—	139,360

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
 Year ended June 30, 2016

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
Center for Disease Control	93.073	Direct	\$ —	\$ 199,356
Commonwealth of Massachusetts – Department of Public Health	93.073	INTF3122H78500224038	—	419,391
Subtotal			—	618,747
Commonwealth of Massachusetts – Department of Public Health	93.074	INTF6208HH4300522126	—	327,342
American Heart Association	93.077	FX-ATRAC-BU-01	—	388,786
American Heart Association	93.077	FX-ATRAC-BU-01S	—	62,260
Commonwealth of Massachusetts – Department of Public Health	93.077	INTF122HH2706811032	—	(6,371)
Subtotal			—	444,675
Assistant Secretary for Preparedness	93.095	Direct	15,142	232,432
Dartmouth College	93.103	1629	—	7,699
University of Massachusetts, Worcester	93.107	WA00366281/OSP201610	—	23,438
Health Resources and Services Administration	93.110	Direct	76,694	924,811
Genetic Alliance	93.110	Pass-Through Number Not Available	—	23,982
Association of Maternal and Child Health Programs	93.110	Pass-Through Number Not Available	—	4,642
Subtotal			76,694	953,435
National Institute of Environmental Health Sciences	93.113	Direct	443,356	2,393,699
Agiltron, Inc	93.113	NIH101800111	—	7,109
Duke University	93.113	14-NIH-1127	—	103,193
Harvard Pilgrim Health Care	93.113	PH000552B	—	8,768
President and Fellows of Harvard College	93.113	112116.5038586	—	44,841
Tufts University	93.113	HS2651	—	176
Tufts University	93.113	P01ES011624	—	6,098
University Of California, Berkeley	93.113	00008929 Revised	—	143,977
University of California, Irvine	93.113	2012-2845	—	7,930
Subtotal			443,356	2,715,791
National Institute of Dental and Craniofacial Research	93.121	Direct	317,848	3,633,004
Boston Medical Center	93.121	3816	—	31,666
Forsyth Institute	93.121	BU024468-2495	—	120,629
Michigan State University	93.121	RC104367BU	—	19,763
Subtotal			317,848	3,805,062
Johns Hopkins University	93.135	2002892416	—	243,396
National Institute of Environmental Health Sciences	93.143	Direct	1,063,688	3,042,192
University of Massachusetts, Worcester	93.145	WA00359214/OSP201608	—	12,920
University of Massachusetts, Worcester	93.145	WA00218314/RFS201503	—	9,402
Subtotal			—	22,322
Boston Medical Center	93.156	1556	—	213,618
National Human Genome Research Institute	93.172	Direct	289,809	710,660
University of Massachusetts, Worcester	93.172	WA00311232/RFS201515	—	54,278
Subtotal			289,809	764,938
National Institute on Deafness and Other Communication Disorders	93.173	Direct	967,821	5,772,034
Beth Israel Deaconess Medical Center	93.173	1026514	—	154,846
Massachusetts Eye And Ear Infirmary	93.173	20000-0000017223	—	1,384
Massachusetts Institute of Technology	93.173	5710003037	—	162,762
Northwestern University	93.173	SP0019717-PROJ000496	—	259,454
Subtotal			967,821	6,350,480
National Center for Complementary and Alternative Medicine	93.213	Direct	131,849	950,714
Beth Israel Deaconess Medical Center	93.213	1026085	—	19,009
Boston Medical Center	93.213	4194	—	83,799
Massachusetts General Hospital	93.213	228246	—	4,699
University of Connecticut	93.213	7067	—	102,947
Subtotal			131,849	1,161,168
Agency for Healthcare Research and Quality	93.226	Direct	—	67,815
Boston Medical Center	93.226	4868	—	23,338
George Washington University	93.226	15-M63	—	65,803
Georgetown University	93.226	AWD777-1612GR204469	—	77,996
Yale University	93.226	M13A11548 (A09033)	—	70,704
Subtotal			—	305,656
National Jewish Health	93.233	20091201	—	57,150
National Institute of Mental Health	93.242	Direct	1,938,262	10,596,500
National Institute of Neurological Disorders and Stroke	93.242	Direct	78,000	326,947
National Institute of Mental Health	93.242	Direct	—	868,947
Boston Medical Center	93.242	1793	—	9,879
Butler Hospital	93.242	9032-8311	—	19,934
Dartmouth College	93.242	1257R108	—	7,571
Dartmouth College	93.242	R779	—	36,699
Judge Baker Children's Center (Harvard affiliate)	93.242	5000.46666	—	1,450
Massachusetts General Hospital	93.242	216307	—	2,848
Massachusetts General Hospital	93.242	218390	—	1,526
Massachusetts General Hospital	93.242	223260	—	19,191
Massachusetts Institute of Technology	93.242	5710003997	—	48,929
McLean Hospital	93.242	401122	—	91,969
Medical University Of South Carolina	93.242	MUSC15-084	—	84,736
Palo Alto Veterans Institute For Research	93.242	WIS0001-06	—	11,689
President and Fellows of Harvard College	93.242	150167.5074173.0004	—	155,129
University of California, San Francisco	93.242	83155c	—	157,361
Veterans Medical Research Foundation	93.242	08152-02-302636	—	30,613
Subtotal			2,016,262	12,471,918

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
 Year ended June 30, 2016

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
Center for Disease Control	93.262	Direct	\$ 37,205	\$ 210,320
George Washington University	93.262	14-M51	—	26,402
George Washington University	93.262	15-M41	—	35,802
University of Southern California	93.262	57385643	—	85,536
Subtotal			<u>37,205</u>	<u>358,060</u>
Duke Clinical Research Institute	93.266	203-8085	—	5,577
National Institute on Alcohol Abuse and Alcoholism	93.273	Direct	87,913	1,332,258
Boston Medical Center	93.273	3014	—	84,227
Boston Medical Center	93.273	4297	—	79,627
Syracuse University	93.273	27189-04107-S01	—	133,020
Yellowstone Scientific Instruments	93.273	2R44AA022559-02	—	48,065
Subtotal			<u>87,913</u>	<u>1,677,197</u>
National Institute on Drug Abuse	93.279	Direct	140,774	1,720,713
Boston Medical Center	93.279	2115	—	95,145
Boston Medical Center	93.279	2138	—	88,280
Boston Medical Center	93.279	2563	—	45,843
Boston Medical Center	93.279	2765	—	13,761
Boston Medical Center	93.279	326901	—	70,480
Boston Medical Center	93.279	4268	—	104,316
McLean Hospital	93.279	401108	—	259,154
President and Fellows of Harvard College	93.279	152373.5073034.0002	—	85,710
Research Triangle Institute	93.279	3-312-0214377-52070L	—	19,027
University of Texas At Austin	93.279	UTA14-000122	—	26,033
Yale University	93.279	M14A11732 (A09415)	—	133,603
Fordham University	93.279	FORD0013	—	9,401
Subtotal			<u>140,774</u>	<u>2,671,466</u>
Center for Disease Control	93.283	Direct	—	5,513
International Society of Travel Medicine	93.283	5U50CK000189-04	—	253,147
Subtotal			<u>—</u>	<u>258,660</u>
National Institute of Biomedical Imaging and Bioengineering	93.286	Direct	1,609,617	3,765,578
AI Biosciences, Inc.	93.286	Pass-Through Number Not Available	—	11,062
Brigham & Women's Hospital	93.286	110714	—	3,796
Brigham & Women's Hospital	93.286	113955	—	40,316
Columbia University	93.286	4(GG012366-03)	—	55,195
Hansjorg Wyss Institute for Biologically	93.286	Chen.NIH.UH3	—	195,793
Massachusetts General Hospital	93.286	226420	1,757	73,607
Rutgers University	93.286	5676	—	112,850
The Joan & Sanford I. Weill Medical Coll	93.286	15121870-03	—	24,585
Tufts University	93.286	HS4976	—	192,009
Subtotal			<u>1,611,374</u>	<u>4,474,781</u>
President and Fellows of Harvard College	93.292	5044460-114897	—	77,482
National Center on Minority Health and Health Disparities	93.307	Direct	2,703	307,098
Boston Medical Center	93.307	4156	—	44,926
Massachusetts General Hospital	93.307	227351	—	9,536
New York University	93.307	F7447-01	—	144,445
President and Fellows of Harvard College	93.307	112527-5096607-P3	—	151,512
President and Fellows of Harvard College	93.307	112527-5096602-CEC	6,000	74,830
Subtotal			<u>8,703</u>	<u>732,347</u>
National Cancer Institute	93.310	Direct	—	818,806
National Institute of Arthritis and Musculoskeletal and Skin Diseases	93.310	Direct	237,917	248,024
National Institute of General Medical Sciences	93.310	Direct	—	228,860
National Institute of Neurological Disorders and Stroke	93.310	Direct	—	390,371
Office of the Director, National Institutes of Health	93.310	Direct	31,988	338,624
University of Massachusetts, Worcester	93.310	WA00338347/RFS201604	—	64,107
Subtotal			<u>269,905</u>	<u>2,088,792</u>
National Center for Advancing Translational Sciences	93.350	Direct	36,441	5,818,794
National Center for Health Research Resources	93.350	Direct	—	(7,769)
Subtotal			<u>36,441</u>	<u>5,811,025</u>
Office of the Director, National Institutes of Health	93.351	Direct	—	2,096
Boston Medical Center	93.361	5310	—	3,509
National Center for Health Research Resources	93.389	Direct	—	(153,547)
National Cancer Institute	93.393	Direct	761,020	6,268,982
Beth Israel Deaconess Medical Center	93.393	1027119	—	192,130
Georgetown University	93.393	GR410057	—	1,185
Georgetown University	93.393	411168_GR411064-BUMC	—	7,268
Miriam Hospital	93.393	710-9691	—	21,643
Roswell Park Cancer Institute	93.393	63-01	—	675,359
University of California, Los Angeles	93.393	1562GQB312	—	(14,114)
Subtotal			<u>761,020</u>	<u>7,152,453</u>
National Cancer Institute	93.394	Direct	59,778	884,902
Columbia University	93.394	1 (GG004019)	—	27,312
Massachusetts General Hospital	93.394	220509	—	23,364
The Regents Of The University Of California	93.394	8110sc	—	16,832
University of California, Los Angeles	93.394	1562GNC385	—	164,472
University of California, Los Angeles	93.394	1562GTA938	—	54,395
University of Texas Health Science Center, San Antonio	93.394	153174	96,807	126,109
University of Wisconsin	93.394	188K661	—	19,405
Subtotal			<u>156,585</u>	<u>1,316,791</u>

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
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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 Cancer Institute	93.395	Direct	\$ 154,491	\$ 461,204
Beth Israel Deaconess Medical Center	93.395	BIDMC--NIH NCI	—	(31,560)
Beth Israel Deaconess Medical Center	93.395	1026146	—	135,786
Carmot Therapeutics, Inc.	93.395	Pass-Through Number Not Available	—	14,182
Whitehead Institute for Biomedical Research	93.395	11-1766-9902	—	199,570
Subtotal			<u>154,491</u>	<u>779,182</u>
National Cancer Institute	93.396	Direct	—	779,104
Harvard School of Public Health	93.396	113098-5093071	—	75,391
University of Utah	93.396	10026603-2	—	81,201
Subtotal			<u>—</u>	<u>935,696</u>
Johns Hopkins University	93.397	2002014652	—	9,879
National Cancer Institute	93.398	Direct	—	330,389
Administration for Community Living	93.433	Direct	423,028	2,377,222
University of Massachusetts, Worcester	93.433	WA00373815-OSP201612	—	5,767
Subtotal			<u>423,028</u>	<u>2,382,989</u>
Health Resources and Services Administration	93.516	Direct	388,071	903,571
Dartmouth College	93.536	R780	—	6,820
Center for Disease Control	93.542	Direct	—	19,143
Brandeis University	93.575	402283	—	29,571
Commonwealth of Massachusetts	93.586	CTSJC201608311522292	—	29,992
National Center for Health Research Resources – ARRA	93.701	Direct	—	1,974
National Heart, Lung, and Blood Institute – ARRA	93.701	Direct	—	(2)
Subtotal			<u>—</u>	<u>1,972</u>
Health Resources and Services Administration	93.732	Direct	—	5,605
Commonwealth of Massachusetts – Department of Public Health	93.758	INTF1200HH4300522006	—	146,381
National Heart, Lung, and Blood Institute	93.837	Direct	551,991	11,124,330
Boston Medical Center	93.837	277201	—	(10,162)
Boston Medical Center	93.837	3985	—	114,431
Boston Public Health Commission	93.837	FY16016959	—	23,028
Brigham & Women's Hospital	93.837	114126	—	20,064
Brigham & Women's Hospital	93.837	114139	—	3,258
Cincinnati Children's Hospital Medical Center	93.837	109363	—	23,895
Cincinnati Children's Hospital Medical Center	93.837	131950	—	24,477
Emory University	93.837	T451396	—	16,988
Johns Hopkins University	93.837	2002953683	—	16,608
Joslin Diabetes Center	93.837	100028	—	3,485
Massachusetts General Hospital	93.837	225575	—	105,361
Massachusetts General Hospital	93.837	218179	—	133,010
Massachusetts General Hospital	93.837	222359	—	249,447
Massachusetts General Hospital	93.837	227547	—	28,616
Temple University	93.837	257816	—	31,488
The University of Iowa	93.837	W000507502	—	24,826
University of Mississippi Medical Center	93.837	66100160212-BU	—	122,005
University of Pennsylvania	93.837	559908	—	15,524
University of Pennsylvania	93.837	561970	—	179,018
University of Pennsylvania	93.837	564894	—	74,177
University of Utah	93.837	10022504-00	—	12,262
University of Washington	93.837	749258	—	(17,081)
University of Washington	93.837	726191	—	(10,378)
University of Washington	93.837	756861	—	45,097
University of Washington	93.837	761550	—	83,638
University of Washington	93.837	UWSC8258	—	29,792
University of Washington	93.837	UWSC7565	—	60,515
University of Washington	93.837	UWSC8709	—	21,509
University of Washington	93.837	WU-13-91	—	101,942
Washington University	93.837	WU-14-110-MOD-2	—	71,524
Washington University	93.837	WU-15-252-MOD-1	—	42,706
Washington University	93.837	WU-16-214-MOD-1	—	17,751
Subtotal			<u>551,991</u>	<u>12,783,151</u>
National Cancer Institute	93.838	Direct	89,414	162,524
National Heart, Lung, and Blood Institute	93.838	Direct	854,648	6,501,360
Boston Medical Center	93.838	2309	—	(1,807)
Brigham & Women's Hospital	93.838	110676	—	321,539
Brigham & Women's Hospital	93.838	109283	—	67,100
Children's Hospital, Seattle	93.838	10215SUB	—	(123)
Harvard School of Public Health	93.838	5077080-113087	—	214,689
Mayo Clinic	93.838	63874526	—	63,606
President and Fellows of Harvard College	93.838	113063-5037484	—	77,293
University of Rochester	93.838	416531	—	70,413
University of Vermont	93.838	28530SUB51632 BU	—	303,400
Subtotal			<u>944,062</u>	<u>7,779,994</u>
National Heart, Lung, and Blood Institute	93.839	Direct	470,173	2,565,269
Boston Medical Center	93.839	2139	—	117,042
Myosyntax Corporation	93.839	1R43HL124679-01	—	27,099
The Wistar Institute	93.839	23584-02-314	—	13,356
Subtotal			<u>470,173</u>	<u>2,722,766</u>

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
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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 Institute of Arthritis and Musculoskeletal and Skin Diseases	93.846	Direct	\$ 1,136,835	\$ 8,370,832
Beth Israel Deaconess Medical Center	93.846	1026873	—	152,617
Boston VA Research Institute, Inc.	93.846	Pass-Through Number Not Available	—	(57)
Brigham & Women's Hospital	93.846	108331	—	73,155
Brigham & Women's Hospital	93.846	109379	—	103,769
Brigham & Women's Hospital	93.846	113176	—	60,619
Hebrew Rehabilitation Center for the Aged	93.846	90054	—	96,972
Massachusetts General Hospital	93.846	224534	—	22,819
Massachusetts General Hospital	93.846	227032	—	28,638
Tufts – New England Medical Center	93.846	5011097-SERV	—	14,282
Tufts – New England Medical Center	93.846	5012624-SERV	—	27,172
University of Massachusetts, Worcester	93.846	UMASS WORCESTER--NI	—	—
University of Massachusetts, Worcester	93.846	WAO0112562/RFS201400	—	125,328
University of Pennsylvania	93.846	560224	—	8,793
University of Pennsylvania	93.846	565354	—	19,390
University of Pennsylvania	93.846	567538	—	106,157
University Of Tennessee At Memphis	93.846	U OF TN-MEMPHIS--NI	—	(1,883)
Subtotal			<u>1,136,835</u>	<u>9,208,775</u>
National Institute of Diabetes and Digestive and Kidney Diseases	93.847	Direct	1,219,419	8,898,837
Beth Israel Deaconess Medical Center	93.847	1028538	—	125,383
Boston Medical Center	93.847	2616	—	(22)
Boston Medical Center	93.847	4861	—	22,419
Boston Medical Center	93.847	4849	—	1,280
Boston Nutrition Obesity Research Center	93.847	3809	—	26,690
Brigham & Women's Hospital	93.847	108909	—	26,257
Broad Institute	93.847	BROAD INSTITUTE – NI	—	17,690
Georgia Regents University	93.847	25732-19	—	1,392
Georgia Regents University	93.847	30367-1	—	39,858
Joslin Diabetes Center	93.847	SUB_P30DK036836_KASI	—	242,930
Joslin Diabetes Center	93.847	Sub_P30DK036836_P&F	68,906	160,193
Joslin Diabetes Center	93.847	2-20-877-38	—	28,124
Massachusetts General Hospital	93.847	226236	—	19,905
Massachusetts General Hospital	93.847	218446	—	(5,190)
Massachusetts General Hospital	93.847	223192	—	30,702
Massachusetts General Hospital	93.847	226142	—	287,245
New England Research Institutes	93.847	R21DK100820	—	68,285
Ohio University	93.847	UT19243	—	11,726
University of Minnesota	93.847	P004760201	—	121,995
University of Pennsylvania	93.847	565369	—	123,837
Vanderbilt University	93.847	VANDERBILT – NIDDK	—	2,958
Washington University	93.847	WU-15-110-MOD-1	—	180,958
Subtotal			<u>1,288,325</u>	<u>10,433,452</u>
National Institute of Neurological Disorders and Stroke	93.853	Direct	2,311,603	9,417,735
California Institute Of Technology	93.853	18B-1096662	—	67,665
Cold Spring Harbor Laboratory	93.853	64100115	—	26,670
Harvard Medical School	93.853	150935.5081742.0008	—	6,176
Mayo Clinic	93.853	63774175	—	223,617
University of Colorado, Denver	93.853	FY16.414.004 AMD3 (B	—	17,847
University of Colorado, Denver	93.853	FY16.414.002	—	177,189
University of Texas Health Science Center, Houston	93.853	0010073B	—	81,900
University of Utah	93.853	10028348	—	116,820
Whitehead Institute for Biomedical Research	93.853	11-4011-0102	—	114,067
Subtotal			<u>2,311,603</u>	<u>10,249,686</u>
National Institute of Allergy and Infectious Diseases	93.855	Direct	4,101,922	24,266,689
Boston Medical Center	93.855	2821	—	109,146
Boston Medical Center	93.855	4275	—	120,064
Boston Medical Center	93.855	4700	—	121,735
Boston Medical Center	93.855	4916	—	99,152
Boston Medical Center	93.855	4940	—	76,307
Boston Medical Center	93.855	4946	—	106,839
Boston Medical Center	93.855	5037	—	23,470
Boston Medical Center	93.855	5322	—	3,810
Children's Hospital, Boston	93.855	74344	—	25,387
Colorado State University	93.855	G-4887-2	—	18,253
Duke University	93.855	2031952	—	183,196
Duke University	93.855	2032065	—	(45,252)
Fraunhofer USA	93.855	3358-SUBA	—	2,557
Fraunhofer USA	93.855	3358-SUBC	—	4,069
Georgia Institute of Technology	93.855	RC670-G1	—	73,829
Georgia Regents University	93.855	23069-38	—	382
Georgia Tech Research Corporation	93.855	RG532-G2	—	39,811
Hektoen Institute for Medical Research, L.L.C.	93.855	50612-324-BU1-AI0349	—	25,326
Hektoen Institute for Medical Research, L.L.C.	93.855	50667-324-BU-AI03499	—	37,402
Massachusetts General Hospital	93.855	224673	—	5,958
Nexgen Arrays LLC	93.855	R43AI1185254-01	—	27,296
Prothera, Inc.	93.855	5R42 A1062095-05	—	(49)
Tufts University	93.855	100638-00001	—	18,185
University of New Mexico	93.855	3RZ17	—	12,771
University of Kansas	93.855	FY2015-005	—	63,403
University of Rochester	93.855	415290-G	—	6,240
University of Wisconsin	93.855	561K234	—	815,154
Vanderbilt University	93.855	VUMC57216	—	74,119
Wits Health Consortium	93.855	D1403300-04	—	172,152
Woods Hole Oceanographic Institution	93.855	A101253	—	15,384
Subtotal			<u>4,101,922</u>	<u>26,502,785</u>

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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 Institute of General Medical Sciences	93.859	Direct	\$ 602,835	\$ 10,957,767
Acpharis, Inc.	93.859	Pass-Through Number Not Available	—	65,947
Nanovalent Pharmaceuticals, Inc.	93.859	116530-01A1SUB	—	23,858
Pennsylvania State University	93.859	5059-BU-DHHS-3268	—	55,728
Physical Sciences, Inc.	93.859	65328-1853-46	—	(1,623)
President and Fellows of Harvard College	93.859	James_Chuang_152369	—	28,373
Texas A&M University	93.859	02-S150244	—	146,321
The University Of California, Santa Cruz	93.859	A00-0506-S002-P05573	—	40,523
University of Cincinnati	93.859	COEUS # 008632-003	—	21,360
University of Illinois, Urbana-Champaign	93.859	2010-00365-03	—	10,142
University of Southern California	93.859	47735772	—	33,456
University of Texas	93.859	0009463A	—	53,275
University of Texas	93.859	preaward	—	13,390
Subtotal			<u>602,835</u>	<u>11,448,517</u>
Harvard School of Public Health	93.864	23570-114045	—	(1)
Eunice Kennedy Shriver National Institute of Child Health and Human Development	93.865	Direct	1,028,194	3,903,454
Mayo Clinic	93.865	BOS-201208	—	35,652
Queen'S University At Kingston	93.865	1	—	133,771
Simbex, LLC	93.865	SIMBEX-001	—	70,149
University of Massachusetts, Worcester	93.865	WA00311233/RFS201515	—	106,176
University of Michigan	93.865	3003795363	—	19,795
University of Minnesota	93.865	N004615201	—	2,302
Vanderbilt University	93.865	VUMC 55245	—	74,213
Washington University	93.865	WU-15-13	—	4,129
Washington University	93.865	WU-15-92	—	30,006
Washington University	93.865	WU-15-93	—	43,193
Washington University	93.865	WU-16-90	—	105,871
Washington University	93.865	WU-16-146	—	122,016
Subtotal			<u>1,028,194</u>	<u>4,650,727</u>
National Institute on Aging	93.866	Direct	1,605,837	11,805,895
Banner Alzheimer's Institute	93.866	0435-02-45053	—	12,677
Boston Medical Center	93.866	270501	—	(22,655)
Boston Medical Center	93.866	2533	—	130,977
Boston Medical Center	93.866	4044	—	129,011
Boston Medical Center	93.866	4041	—	132,079
Brandeis University	93.866	402461	—	33,812
Brigham & Women's Hospital	93.866	109638	—	189,959
Brigham & Women's Hospital	93.866	113049	—	47,107
California Pacific Medical Center	93.866	2803226-S160	—	52,099
California Pacific Medical Center	93.866	2803227-S183	10,800	87,444
California Pacific Medical Center	93.866	280201008-S189	—	16,311
Hebrew Rehabilitation Center for the Aged	93.866	90053	—	72,718
Hebrew Rehabilitation Center for the Aged	93.866	10.10.90060	—	7,271
Hebrew Seniorlife	93.866	90067	—	157,730
Jackson Laboratory	93.866	659980	—	(344)
Jackson Laboratory	93.866	PO 204971	—	35,544
Johns Hopkins University	93.866	2002404455	—	27,356
New York University School of Medicine	93.866	14-A0-00-003310-01 P	—	3,332
Northwestern University	93.866	60034742 BU	—	51,197
Oregon State University	93.866	P0330A-A	—	12,705
University of California, Los Angeles	93.866	1580 G HF562	(7,645)	(5,777)
University of California, San Diego	93.866	UC SAN DIEGO--NIH N	—	(1,404)
University of California, San Diego	93.866	3796342-001	—	8,548
University of California, San Diego	93.866	45891078	—	69,420
University of California, San Diego	93.866	46292454	—	37,363
University of California, San Diego	93.866	64588650	—	29,635
University of California, San Diego	93.866	66602940	—	301,868
University of Mississippi Medical Center	93.866	66104160315-BU	—	25,554
University of Pennsylvania	93.866	UNIV OF PENN--NIH N	—	5,264
University of Pennsylvania	93.866	564315/RIS 8849	—	527,375
University of Pennsylvania	93.866	557704/10029981/1435	—	64,558
University of Pennsylvania	93.866	566914	—	366,566
University of Washington	93.866	763246	—	30,668
University of Washington	93.866	UWSC7719	—	31,902
We Biosciences, LLC	93.866	WE1001	—	35
Subtotal			<u>1,608,992</u>	<u>14,473,800</u>
National Eye Institute	93.867	Direct	26,172	2,815,514
Northwestern University	93.867	SP0004560/PROJ000155	—	(6)
Northwestern University	93.867	SP0028943-PROJ000759	—	35,735
University of Pennsylvania	93.867	564057	—	27,605
University of Southern California	93.867	75683842	—	7,623
Subtotal			<u>26,172</u>	<u>2,886,471</u>
Health Resources and Services Administration	93.884	Direct	—	585,996
Commonwealth of Massachusetts – Department of Public Health	93.917	INTF4971M04500824090	—	132,360
Commonwealth of Massachusetts – Department of Public Health	93.918	INTF3712M04500824247	—	41,130
Health Resources and Services Administration	93.924	Direct	201,533	287,335
Health Resources and Services Administration	93.928	Direct	88,512	584,143
University of California, San Francisco	93.928	6767sc	—	66,846
Subtotal			<u>88,512</u>	<u>650,989</u>
Commonwealth of Massachusetts – Department of Public Health	93.940	INTF4971M04500824097	—	45,403
Health Resources and Services Administration	93.964	Direct	—	85,135
Fogarty International Center	93.989	Direct	12,827	99,574
Dartmouth College Medical School	93.989	1268	—	68,733
Subtotal			<u>12,827</u>	<u>168,307</u>

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
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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 Cancer Institute	93.UNK	Direct	\$ —	\$ 208,091
National Heart, Lung, and Blood Institute	93.UNK	Direct	439,835	6,588,991
National Institute of Environmental Health Sciences	93.UNK	Direct	—	18,558
NIH Clinical Center	93.UNK	Direct	487,545	1,259,216
Public Health Contracts	93.UNK	Direct	—	(919)
Public Health Contracts	93.UNK	Direct	—	(2,874)
Eunice Kennedy Shriver National Institute of Child Health and Human Development	93.UNK	Direct	—	498
Boston Biomedical Innovation Center	93.UNK	112485	—	28,983
Boston Medical Center	93.UNK	315801	—	124,081
Brigham & Women's Hospital	93.UNK	101949	—	13,502
Cleveland Clinic Lerner College of Medicine of Case Western	93.UNK	Pass-Through Number Not Available	—	1,755
Duke University	93.UNK	2031988	—	611,211
Duke University	93.UNK	Pass-Through Number Not Available	—	(1,746)
Duke University	93.UNK	preaward	—	1,477
McKing Consulting Corporation	93.UNK	01-6238	—	80,159
McKing Consulting Corporation	93.UNK	BU-02-6240	—	3,861
National Committee for Quality Assurance	93.UNK	Pass-Through Number Not Available	—	17,322
President and Fellows of Harvard College	93.UNK	112527-5091238_Admi	—	26,052
Rand Corporation	93.UNK	9920160005	—	149,122
Scimetrika	93.UNK	HHSF223201400021B	—	8,947
University of Arizona	93.UNK	260904	—	30,440
University of Mississippi	93.UNK	pre-award	—	6,349
University of Mississippi Medical Center	93.UNK	66102690414-04BU	—	46,880
Veterans Affairs Medical Center of Washington DC	93.UNK	688D52025	—	11,306
Veterans Affairs Medical Center of Washington DC	93.UNK	PO# 688-D25013	—	(6,459)
Washington University	93.UNK	WU-16-246-MOD-1	—	6,416
Association of Maternal and Child Health Programs	93.UNK	5102022	—	61,203
Subtotal			<u>927,380</u>	<u>9,292,422</u>
Department of Health and Human Services Total			<u>24,699,335</u>	<u>190,387,898</u>
Department of Homeland Security:				
Northeastern University	97.061	505035-78050	—	380,710
Department of Homeland Security	97.UNK	Direct	—	133,435
Northeastern University	97.UNK	505020	—	32,235
Subtotal			<u>—</u>	<u>165,670</u>
Department of Homeland Security Total			<u>—</u>	<u>546,380</u>
Department of Housing and Urban Development:				
Department of Housing and Urban Development	14.906	Direct	19,462	33,229
Harvard School of Public Health	14.906	114941-5085771	—	13,383
Department of Housing And Urban Development Total			<u>19,462</u>	<u>46,612</u>
Department of Justice:				
Department of Justice	16.560	Direct	253,106	873,439
Boston Medical Center	16.560	3984	—	28,524
Flashscan3D, LLC.	16.560	NIJ01	—	8,021
University of Illinois, Urbana-Champaign	16.560	2013-05860-01	—	21,760
Subtotal			<u>253,106</u>	<u>931,744</u>
Portland State University	16.726	203KEL366	—	34,989
University of Massachusetts, Boston	16.726	201424553-01	—	36,134
Subtotal			<u>—</u>	<u>71,123</u>
Department of Justice Total			<u>253,106</u>	<u>1,002,867</u>
Department of Labor:				
Institute for Educational Leadership	17.720	Pass-Through Number Not Available	—	45,572
City of Boston	17.268	EDIC- 191-261-112	—	404,870
Department of Labor Total			<u>—</u>	<u>450,442</u>
Department of State:				
Institute of International Education	19.010	3067_BU_S-ECAGD-15-C	—	205,714
Department of State Total			<u>—</u>	<u>205,714</u>
Department of The Interior:				
Merrimack Valley Planning Commission	15.153	32324-F	32,505	184,843
Merrimack Valley Planning Commission	15.153	32324-B	—	128,251
Subtotal			<u>32,505</u>	<u>313,094</u>
Department of The Interior	15.944	Direct	—	15,974
University of Washington	15.945	Pass-Through Number Not Available	—	3,075
Department of The Interior	15.979	Direct	—	42,524
Department of The Interior	15.UNK	Direct	—	320,972
Department of The Interior Total			<u>32,505</u>	<u>695,639</u>
Department of Transportation:				
Department of Transportation	20.109	Direct	55,831	311,285
Department of Transportation Total			<u>55,831</u>	<u>311,285</u>
Department of Veterans Affairs:				
Department of Veterans Affairs	64.UNK	Direct	—	4,079,790
Department of Veterans Affairs Total			<u>—</u>	<u>4,079,790</u>
Environmental Protection Agency:				
New England Interstate Water Pollution Control Commission	66.437	2013-039	—	22,600
The Research Foundation For The State Un	66.437	66833	—	28,241
Subtotal			<u>—</u>	<u>50,841</u>
Environmental Protection Agency	66.509	Direct	—	(24,208)
Duke University	66.509	15-EPA-1056	—	135,542
Subtotal			<u>—</u>	<u>111,334</u>

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 Supplementary Schedule of Expenditures of Federal Awards
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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
Environmental Protection Agency	66.514	Direct	\$ —	\$ 18,955
RTI International	66.UNK	4-312-0213426-51926L	—	(128)
Environmental Protection Agency Total			—	181,002
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration	43.001	Direct	596,438	4,611,717
Massachusetts Institute of Technology	43.001	570020467	—	1,808
Mercyhurst College	43.001	M0250-BU-201518	—	17,277
Planetary Science Institute	43.001	1220	—	41,494
Smithsonian Astrophysical Observatory	43.001	GO6-17105X	—	7,874
South Dakota State University	43.001	3TB613	—	62,035
State University of New York at Stony Brook	43.001	68198-1117928-2	—	63,962
Universities Space Research Association	43.001	SOF 04-0014	—	3,000
Universities Space Research Association	43.001	SOF 04-0028	—	3,000
Universities Space Research Association	43.001	SOF 04-0055	—	2,999
Universities Space Research Association	43.001	SOF 04-0025	—	3,000
Universities Space Research Association	43.001	SOF 04-0070	—	2,999
Universities Space Research Association	43.001	SOF 04-0152	—	3,000
Universities Space Research Association	43.001	SOF 04-0068	—	143
University of Maryland	43.001	9940-Z6867001	—	65,582
University of Massachusetts, Boston	43.001	S20130000022528	—	(337)
University of Massachusetts, Boston	43.001	S20140000018700	—	33,987
University of Massachusetts, Lowell	43.001	S5000000021252	—	26,981
University of Massachusetts, Lowell	43.001	S52000000027333	—	17,780
University of New Hampshire	43.001	15-011	—	27,071
University of Wisconsin	43.001	397K740	—	(1,069)
Woods Hole Oceanographic Institution	43.001	WHRC-JG0866-01	—	60,238
Woods Hole Research Center	43.001	WHRC - WG0871-01	—	82,364
Subtotal			596,438	5,136,905
National Aeronautics and Space Administration	43.003	Direct	—	283,354
Center for the Advancement of Science in Space	43.007	GA-2015-209	—	52,086
National Aeronautics and Space Administration	43.009	Direct	—	84,628
Subtotal			—	84,628
National Aeronautics and Space Administration	43.UNK	Direct	—	1,930
Atmospheric and Environmental Research, Inc	43.UNK	P1864-001	—	115,461
DRS Sensors and Targeting Systems	43.UNK	9504150	—	19,717
Jet Propulsion Laboratory	43.UNK	1500040	—	21,163
Jet Propulsion Laboratory	43.UNK	1503094	—	33,094
Jet Propulsion Laboratory	43.UNK	1544181	—	14,856
Massachusetts Institute of Technology	43.UNK	PO#4501795683	—	(523)
Neurala, LLC	43.UNK	Pass-Through Number Not Available	—	2,966
Space Telescope Science Institute	43.UNK	HST-GO-13328.001-A	—	(840)
Space Telescope Science Institute	43.UNK	HST-GO-13795.001-A	—	25,420
Space Telescope Science Institute	43.UNK	HST-GO-13794.001-A	—	30,150
Space Telescope Science Institute	43.UNK	HST-GO-14036.002-A	—	39,429
Space Telescope Science Institute	43.UNK	HST-GO-13775.001-A	—	15,836
Space Telescope Science Institute	43.UNK	HST-GO-14193.001-A	—	1,991
Space Telescope Science Institute	43.UNK	HST-GO-14048.001-A	—	10,508
Space Telescope Science Institute	43.UNK	HST-GO-14267.002-A	—	2,638
Space Telescope Science Institute	43.UNK	HST-GO-14105.002-A	—	15,863
University of Colorado	43.UNK	1000320450	—	187,858
Subtotal			—	537,517
National Aeronautics and Space Administration Total			596,438	6,094,490
National Endowment for the Humanities:				
National Endowment for the Humanities	45.161	Direct	—	104,262
National Endowment for the Humanities Total			—	104,262
National Science Foundation:				
National Science Foundation	47.041	Direct	51,514	3,630,782
Massachusetts Institute of Technology	47.041	IIP-1152605	—	73,228
Rensselaer Polytechnic Institute	47.041	Pass-Through Number Not Available	23,649	436,590
University of Michigan	47.041	3772	—	35,375
Subtotal			75,163	4,175,975
National Science Foundation	47.049	Direct	289,751	5,747,584
Columbia University	47.049	1 (GG006141)	—	568,202
Columbia University	47.049	2 (GG006141)	—	112,814
Subtotal			289,751	6,428,600
National Science Foundation	47.050	Direct	193,892	1,895,677
Conservation International	47.050	PO #T322A6	—	27,099
Massachusetts Institute of Technology	47.050	PO #T329A6	—	96,178
Massachusetts Institute of Technology	47.050	PO #T333A6	—	106,670
Pennsylvania State University	47.050	T346A6	—	6,653
University of Southern California	47.050	T346B6	—	4,236
Subtotal			193,892	2,136,513
National Science Foundation	47.070	Direct	76,930	7,332,619
Hansjorg Wyss Institute for Biologically	47.070	61468-10043	—	62,593
Raytheon BBN Technologies Corp.	47.070	11479	—	7,948
Raytheon BBN Technologies Corp.	47.070	1315774	—	15,590
University of Illinois, Urbana-Champaign	47.070	167907-5084537	—	142,302
Subtotal			76,930	7,561,052

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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	47.074	Direct	\$ 24,160	\$ 2,874,402
Cary Institute Of Ecosystem Studies	47.074	BA_FY14/5_Sun	—	11,938
Cornell University	47.074	BA_FY14/5_DiCarlo	—	22,968
Harvard Medical School	47.074	1000268607 0	—	7,077
President and Fellows of Harvard College	47.074	5710003729	—	73,163
University of Denver	47.074	5710003379	—	(4,621)
University of Denver	47.074	5710003495	—	29,309
University of Illinois, Urbana-Champaign	47.074	4754-BU-NSF-0507	—	2
University of Virginia	47.074	4676-BU-NSF-7440	—	26,623
Subtotal			<u>24,160</u>	<u>3,040,861</u>
National Science Foundation	47.075	Direct	151,616	2,025,994
National Science Foundation	47.076	Direct	73,405	2,945,040
Michigan State University	47.076	RC103138BU	—	25,681
University of Wisconsin	47.076	490K755	—	38,692
Education Development Center Inc	47.076	MCU dtd 7-31-13	—	36,595
San Diego State University	47.076	131706-50566666	—	1,459
University of Cincinnati	47.076	9500012010	—	13,756
Subtotal			<u>73,405</u>	<u>3,061,223</u>
National Science Foundation	47.078	Direct	—	10,126
National Science Foundation	47.079	Direct	—	39,337
Boston Medical Center	47.079	A12020	—	20,921
Subtotal			<u>—</u>	<u>60,258</u>
National Science Foundation	47.080	Direct	—	30,702
National Science Foundation – ARRA	47.082	Direct	14,438	70,175
National Science Foundation	47.UNK	Direct	—	841,621
Boston Area Research Initiative	47.UNK	4204	—	5,000
J&F Enterprise	47.UNK	SA0000424 58085A P43	—	2,432
Subtotal			<u>—</u>	<u>849,053</u>
National Science Foundation Total			<u>899,355</u>	<u>29,450,532</u>
Research and Development Cluster Total			<u>33,735,274</u>	<u>263,680,447</u>

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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
Student Financial Assistance Cluster (note 4):				
Department of Education:				
Federal Direct Stafford Loan Program	84.268	Direct	\$ —	\$ 146,737,309
Federal Direct PLUS Loan Program	84.268	Direct	—	85,035,689
Federal Pell Grant Program	84.063	Direct	—	10,867,025
Federal Supplemental Educational Opportunity Grants	84.007	Direct	—	2,742,965
Federal Work Study	84.033	Direct	—	2,555,981
Perkins Administrative Cost Allowance	84.038	Direct	—	12,990
Perkins Loan Program	84.038	Direct	—	48,560,247
Teacher Education Assistance for College and Higher Education Grants	84.379	Direct	—	24,102
Department of Education Total			—	296,536,308
Department of Health and Human Services:				
Health Professions Student Loans – Dental	93.342	Direct	—	1,195,292
Health Professions Student Loans – Medical	93.342	Direct	—	2,878
Loans for Disadvantaged Students – Dental	93.342	Direct	—	623,896
Loans for Disadvantaged Students – Medical	93.342	Direct	—	270,869
Medical – Primary Care	93.342	Direct	—	1,397,923
Department of Health and Human Services Total			—	3,490,858
Student Financial Assistance Cluster Total			—	300,027,166
Other Program Awards:				
TRIO Cluster:				
Trio Direct Programs:				
Department of Education	84.047	Direct	—	631,464
Department of Education Total			—	631,464
TRIO Cluster Total			—	631,464
Child Nutrition Cluster:				
Child Nutrition Pass-through Programs:				
Commonwealth of Massachusetts:				
Department of Agriculture	10.559	Direct	—	15,915
Commonwealth of Massachusetts Total			—	15,915
Child Nutrition Cluster Total			—	15,915
Special Education Cluster (IDEA):				
Special Education Pass-through Programs:				
Commonwealth of Massachusetts:				
Department of Education	84.027	Direct	29,899	164,538
Commonwealth of Massachusetts Total			29,899	164,538
Special Education Cluster Total			29,899	164,538
Direct Programs:				
Department of Defense:				
Army	12.UNK	Direct	—	165,614
National Security Agency	12.901	Direct	—	3,057
Department of Defense Total			—	168,671
Department of Education:				
Commonwealth of Massachusetts	84.334	Direct	—	6,000
Department of Education	84.305	Direct	242,495	340,888
Department of Education Total			242,495	346,888
Department of Energy:				
Department of Energy	81.UNK	Direct	—	214,244
Department of Energy Total			—	214,244
Department of Health and Human Services:				
Commonwealth of Pennsylvania	93.599	Direct	—	4,750
Administration for Community Living	93.433	Direct	72,469	580,157
Agency for Healthcare Research and Quality	93.226	Direct	10,103	15,158
Health Resources and Services Administration	93.924	Direct	—	660,202
Health Resources and Services Administration	93.928	Direct	30,192	270,848
Substance Abuse and Mental Health Service Administration	93.243	Direct	106,575	630,279
Department of Health and Human Services Total			219,339	2,161,394
Department of State:				
Department of State	19.021	Direct	—	4,325
Department of State Total			—	4,325
Department of The Interior:				
Department of The Interior	15.UNK	Direct	—	101,689
Department of The Interior Total			—	101,689
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration	43.UNK	Direct	—	12,974
National Aeronautics and Space Administration Total			—	12,974
National Endowment For The Arts:				
National Endowment For The Arts	45.024	Direct	—	50,342
National Endowment for the Arts Total			—	50,342
National Endowment For The Humanities:				
National Endowment For The Humanities	45.161	Direct	—	113,693
National Endowment For The Humanities	45.163	Direct	—	48,563
National Endowment For The Humanities Total			—	162,256
Other Program Awards Total			461,834	3,222,783

BOSTON UNIVERSITY
 Supplementary Schedule of Expenditures of Federal Awards
 Year ended June 30, 2016

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
Other Program Awards:				
Pass-through Awards:				
Corporation for National and Community Service:				
Jumpstart For Young Children, Inc.	94.006	CFDA-94.006-JS-SITE	\$ —	\$ 56,400
Greenlight Fund, Inc.	94.019	#B-04	—	145,315
Corporation for National and Community Service Total			—	201,715
Department of Agriculture:				
Kansas State University	10.200	S15040	—	10,807
Department of Agriculture Total			—	10,807
Department of Defense:				
Bronx Veterans Medical Research Foundation	12.630	Pass-Through Number Not Available	—	52,873
Academy of Applied Sciences, Inc.	12.630	Pass-Through Number Not Available	—	9,000
Beth Israel Deaconess Medical Center	12.UNK	US001-0000295807	—	(9,432)
Beth Israel Deaconess Medical Center	12.UNK	W81XWH-13-1-0050	—	61,794
Charles Stark Draper Laboratory, Inc.	12.UNK	001-0001033814	—	8,197
Department of Defense Total			—	122,432
Department of Education:				
City of Boston/Boston Public Schools	84.010	PO # 0000568330	—	95
Public Broadcasting Service	84.295	Pass-Through Number Not Available	—	55,245
Public Broadcasting Service	84.295	Pass-Through Number Not Available	—	104,810
City of Boston/Boston Public Schools	84.UNK	BPS01-9000054977	—	5,795
West African Research Center	84.UNK	Pass-Through Number Not Available	—	8,865
Department of Education Total			—	174,810
Department of Energy:				
President and Fellows of Harvard College	81.049	Pass-Through Number Not Available	—	(1,273)
BCS Incorporated	81.UNK	P0 0001	—	67,906
Department of Energy Total			—	66,633
Department of Health and Human Services:				
Muhimbili University of Health and Allie	93.067	Pass-Through Number Not Available	—	113,174
Commonwealth of Massachusetts – Department of Public Health	93.074	INTF6208HH4300522138	—	2,126
University of Massachusetts, Worcester	93.107	WA00240389/RFS201510	—	5,871
Casa Esperanza, Inc.	93.243	Pass-Through Number Not Available	—	2,398
Casa Esperanza, Inc.	93.243	1H79TI025576-01	—	52,300
Casa Esperanza, Inc.	93.243	1H79TI025272-02	—	18,232
Casa Esperanza, Inc.	93.243	1H79SM060845-01	—	23,395
Casa Esperanza, Inc.	93.243	5H79TI024693-03	—	50,329
Casa Esperanza, Inc.	93.243	1H79TI025576-02	—	66,846
Casa Esperanza, Inc.	93.243	1H79TI025272-03	—	49,665
Casa Esperanza, Inc.	93.243	1H79SM060845-02	—	54,584
Casa Esperanza, Inc.	93.243	1H79TI026380-01	—	41,370
Commonwealth of Massachusetts – Department of Public Health	93.243	INTF4107M04W16012090	—	4,574
Institute for Health and Recovery, Inc.	93.243	5U79SM059460-06	—	24,418
Institute for Health and Recovery, Inc.	93.243	5U79SM059460-07	—	47,287
Tapestry Health Systems, Inc.	93.243	93.243 HIV OATTS	—	25,618
Tapestry Health Systems, Inc.	93.243	93.243 HIV OATTS	—	40,867
Kent State University	93.433	403014-BU	—	71,473
Faienstein Institute for Medical Research	93.610	500559-BOS-01	—	18,816
City of Boston/Boston Public Health Commission	93.738	FY15015222	—	136,917
Boston Public Health Commission	93.914	FY16016041	—	48,342
Center for Social Innovation, LLC	93.UNK	BRSS TACS-OY4-BU	—	3,866
Department of Health and Human Services Total			—	902,468
National Aeronautics and Space Administration:				
Massachusetts General Hospital	43.001	217923.261975	—	6,756
University of Toledo	43.001	N-125107-01 (F-2016)	—	72,265
Start International, Inc.	43.UNK	Pass-Through Number Not Available	—	29,976
National Aeronautics and Space Administration Total			—	108,997
Other Program Awards Pass-through Total			—	1,587,862
Other Program Awards Total			461,834	4,810,645
Total Expenditures of Federal Awards			\$ 34,227,007	\$ 569,330,175

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

BOSTON UNIVERSITY

Notes to Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2016

(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, 2016. 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 non-federal 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 has an approved predetermined facilities and administrative cost rate effective through fiscal year June 30, 2016 for on campus and off campus sponsored research activities. The base rates in effect for the year ended June 30, 2016 were 63.7% 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, 2016

(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:

	Federal CFDA number	Balance as of July 1, 2015	Loans issued	Administrative cost allowance	Payments received	Balance as of June 30, 2016
Perkins Loan Program	84.038	\$ 41,724,377	6,304,289	531,581	(7,136,142)	41,424,105
Medical-Primary Care	93.342	1,397,923	—	—	(155,392)	1,242,531
Health Professions Student Loans (HPSL):						
Medical	93.342	2,878	—	—	—	2,878
Dental	93.342	1,030,292	165,000	—	(116,572)	1,078,720
Loans for Disadvantaged Students (LDS):						
Medical	93.342	270,869	—	—	(20,408)	250,461
Dental	93.342	518,896	105,000	—	(44,524)	579,372
Totals		\$ 44,945,235	6,574,289	531,581	(7,473,038)	44,578,067

There were no new federal capital contributions during the year ended June 30, 2016.

Federal Direct Loans

Federally-guaranteed loans distributed to students of the University through the William D. Ford Federal Direct Loan Program during the year ended June 30, 2016 are summarized as follows:

	Federal CFDA number	Loans distributed
Federal Direct Stafford Loan Program	84.268	\$ 146,737,309
Federal Direct PLUS Loan Program	84.268	85,035,689
Total William D. Ford Federal Direct Loans		\$ 231,772,998

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



KPMG LLP
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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, 2016, 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 15, 2016.

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 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 the consolidated 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

December 9, 2016



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

Independent Auditors' Reports on Compliance for Major Federal Program and on Internal Control Over Compliance 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's) 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, 2016. 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 the 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the 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, 2016.



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 its 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 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.

KPMG LLP

December 9, 2016

BOSTON UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2016

(1) Summary of Auditors' Results

Consolidated Financial Statements

Type of auditors' report issued on whether consolidated financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ yes X none reported

Noncompliance material to the financial statements noted?

_____ yes X no

Federal Awards

Internal control over major program:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(s) identified? _____ 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?

_____ yes X no

Identification of Major Program

<u>Name of federal program/cluster</u>	<u>CFDA numbers</u>
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.