



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, 2020

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, 2020

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

Independent Auditors' Report

The Board of Trustees
Boston University:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Boston University and its subsidiaries (the University), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Boston University and its subsidiaries as of June 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Emphasis of Matter

As discussed in note 1 to the consolidated financial statements, in 2020, the University adopted Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2020 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

KPMG LLP

Boston, Massachusetts
September 17, 2020

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2020 and 2019
(\$000)

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 440,879	\$ 187,190
Cash and cash equivalents-restricted	285,966	181,455
Short-term investments	464,657	899,426
Accounts and loans receivable, net.	224,318	233,526
Pledges receivable, net	218,845	226,307
Prepaid expenses and other assets	83,721	36,579
Investment in residual asset note	52,711	62,366
Right-of-use assets-operating leases	100,533	103,817
Long-term investments.	2,572,754	2,369,215
Property, plant, and equipment, net.	2,766,178	2,724,857
Total assets	\$ 7,210,562	\$ 7,024,738
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued payroll and related expenses	\$ 136,546	\$ 117,831
Accounts payable and accrued expenses	107,886	123,799
Deferred revenue	69,909	73,812
Student deposits.	111,594	120,783
Residual asset note obligation	16,014	26,665
Operating lease obligations	103,748	106,643
Finance lease obligations	81,066	132,528
Other long-term obligations	56,154	62,736
Deferred ground lease revenue.	96,392	97,554
Fair value of interest rate exchange agreements.	460,830	343,162
Bonds and notes payable, net	1,770,879	1,684,078
Total liabilities	3,011,018	2,889,591
Net assets:		
Without donor restrictions	2,423,654	2,415,508
With donor restrictions	1,775,890	1,719,639
Total net assets	4,199,544	4,135,147
Total liabilities and net assets	\$ 7,210,562	\$ 7,024,738

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2020 and 2019
(\$000)

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Student tuition and fees, net of student aid of \$456.6 million in 2020	\$ 1,168,192	\$	\$ 1,168,192
Sponsored programs-direct	333,773		333,773
Sponsored programs-indirect	105,695		105,695
External fringe benefit recoveries	44,457		44,457
Contributions	47,106		47,106
Sales and services	89,399		89,399
Spending formula amount and other investment income	92,044		92,044
Sponsored program income for student aid	31,038		31,038
Auxiliary enterprises, net of student aid of \$18.0 million in 2020	224,480		224,480
Contributions used for operations	12,661		12,661
Total operating revenues	2,148,845		2,148,845
OPERATING EXPENSES			
Salaries and wages	967,193		967,193
Employee benefits	271,852		271,852
Supplies and services	530,351		530,351
Utilities, rent, and repairs	89,376		89,376
Depreciation	131,397		131,397
Interest	60,119		60,119
Total operating expenses	2,050,288		2,050,288
Change in net assets from operating activities	98,557		98,557
NONOPERATING ACTIVITIES			
Contributions		33,826	33,826
Contributions used for operations		(12,661)	(12,661)
Reinvested endowment and other investment income	14,160	17,528	31,688
Net realized and unrealized gains on investments and other assets	64,045	80,915	144,960
Spending formula amount	(36,159)	(48,759)	(84,918)
Net realized and unrealized losses on interest rate exchange agreements	(145,021)		(145,021)
Net assets released from restrictions- building funds and other	13,612	(13,612)	
Other additions (deductions) and transfers, net	(1,048)	(986)	(2,034)
Net nonoperating activities	(90,411)	56,251	(34,160)
Change in net assets	8,146	56,251	64,397
Beginning net assets	2,415,508	1,719,639	4,135,147
Ending net assets	\$ 2,423,654	\$ 1,775,890	\$ 4,199,544

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2020 and 2019
(\$000)

		2019		
Without Donor Restrictions	With Donor Restrictions	Total		
\$ 1,164,242	\$	\$ 1,164,242		OPERATING REVENUES
304,614		304,614		Student tuition and fees, net of student aid of \$433.9 million in 2020
97,854		97,854		Sponsored programs-direct
39,951		39,951		Sponsored programs-indirect
43,049		43,049		External fringe benefit recoveries
107,415		107,415		Contributions
				Sales and services
97,786		97,786		Spending formula amount and other investment income
16,345		16,345		Sponsored program income for student aid
				Auxiliary enterprises, net of student aid of \$15.9 million in 2019
288,576		288,576		Contributions used for operations
10,821		10,821		Total operating revenues
<u>2,170,653</u>	<u></u>	<u>2,170,653</u>		OPERATING EXPENSES
				Salaries and wages
925,524		925,524		Employee benefits
273,213		273,213		Supplies and services
524,553		524,553		Utilities, rent, and repairs
99,207		99,207		Depreciation
128,846		128,846		Interest
61,461		61,461		Total operating expenses
<u>2,012,804</u>	<u></u>	<u>2,012,804</u>		Change in net assets from operating activities
157,849		157,849		NONOPERATING ACTIVITIES
	44,312	44,312		Contributions
	(10,821)	(10,821)		Contributions used for operations
15,316	17,547	32,863		Reinvested endowment and other investment income
				Net realized and unrealized gains on investments and other assets
95,320	66,066	161,386		Spending formula amount
(33,087)	(46,246)	(79,333)		Net realized and unrealized losses on interest rate exchange agreements
(97,914)		(97,914)		Net assets released from restrictions- building funds and other
	(31,077)			Other additions (deductions) and transfers, net
31,077				Net nonoperating activities
2,006	4,852	6,858		Change in net assets
<u>12,718</u>	<u>44,633</u>	<u>57,351</u>		Beginning net assets
				Ending net assets
170,567	44,633	215,200		
2,244,941	1,675,006	3,919,947		
<u>\$ 2,415,508</u>	<u>\$ 1,719,639</u>	<u>\$ 4,135,147</u>		

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2020 and 2019
(\$000)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 64,397	\$ 215,200
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	131,397	128,846
Amortization of debt premium and issuance costs, net	(3,767)	(1,422)
Amortization of right-of-use assets-financing	2,141	2,384
Amortization of right-of-use assets-operating	13,339	17,363
Loss on disposal of property and equipment	1,639	1,200
Unrealized losses on interest rate exchange agreements	117,668	73,536
Settlements on swap replacement transactions, net	9,654	9,520
Net realized and unrealized gains on investments	(155,032)	(179,357)
Contributions and pledge payments restricted for long-term investment . .	(41,285)	(52,924)
Gifts of securities and property	(25)	(2,959)
Unrealized gains on currency exchange	(657)	(998)
Bond issuance costs-redeemed debt	115	15
Changes in operating assets and liabilities:		
Decrease in accounts and loans receivable, net	5,885	18,042
Decrease in pledges receivable, net	7,462	8,613
Decrease in prepaid expenses and other assets	7,302	5,001
Increase (decrease) in accrued payroll and related expenses	18,715	(3,938)
(Decrease) increase in accounts payable and accrued expenses	(12,337)	617
Decrease in operating lease obligations	(12,950)	(15,942)
(Decrease) increase in deferred revenue	(3,903)	10,744
(Decrease) increase in student deposits	(9,189)	6,852
Decrease in other long-term obligations	(6,888)	(897)
Decrease in deferred ground lease revenue	(1,162)	(1,161)
Net cash provided by operating activities	132,519	238,335
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,166,779)	(2,396,540)
Proceeds from sales and maturities of investments	2,559,382	2,143,541
Purchases of property and equipment	(233,083)	(192,514)
Net cash provided by (used in) investing activities	159,520	(445,513)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bonds and notes	285,765	300,000
Bond premium received	12,240	
Payment of bonds, notes, and mortgages	(106,240)	(42,623)
Payment of bond issuance costs	(655)	(815)
Payment of finance lease obligations	(2,467)	(1,931)
Funds transferred to escrow for bond defeasance	(100,000)	
Prepayment to escrow of interest and refunding premiums	(54,444)	
Increase (decrease) in other long-term liabilities - annuity obligations . .	306	(4,225)
Contributions and pledge payments restricted for long-term investment . .	41,285	52,924
Proceeds from sale of restricted gifts of securities	25	2,351
Settlements on swap replacement transactions, net	(9,654)	(9,520)
Net cash provided by financing activities	66,161	296,161
Net increase in cash, cash equivalents, and restricted cash	358,200	88,983
Cash, cash equivalents, and restricted cash beginning of year	368,645	279,662
Cash, cash equivalents, and restricted cash end of year	\$ 726,845	\$ 368,645

For the years ended June 30, 2020 and 2019

1. Organization and Summary of Significant Accounting Policies

Organization:

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

Effective June 1, 2018, Wheelock College merged with and into the University, with the University as the surviving corporation. As a result of the merger, the University's School of Education was renamed the Boston University Wheelock College of Education & Human Development, combining the doctoral programs and research capabilities of the University's School of Education with the early childhood expertise of Wheelock College's School of Education, Child Life and Family Studies.

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

COVID-19 Pandemic:

In March 2020, the World Health Organization declared the novel coronavirus (COVID-19) a pandemic. As a result of the pandemic, beginning in March 2020, the University suspended in-person education and other campus-based activities and provided a combination of credits and refunds for a portion of residence and dining revenues, as described later in note 1. To address the potential impacts on future revenues and expected incremental costs required as a result of COVID-19 such as the transition to online education and enhanced work environments and required investments in testing as well as health and safety protocols, the University has taken proactive budget actions to build significant contingent budget reserves. These actions have included salary freezes, targeted operating and personnel budget reductions, and the suspension of retirement contributions for fiscal 2021 as described in note 9. As described later in note 1, the University received \$14,995,000 of funding under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), used to provide emergency financial aid to students during the year ended June 30, 2020.

The full extent of the impact of COVID-19 on the University's finances is uncertain and will depend on the duration and depth of the pandemic.

Summary of Significant Accounting Policies:

Basis of Presentation:

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

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

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

Net Asset Classification:

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

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

Net assets classified as with donor restrictions that expire by the passage of time totaled \$916,705,000 and \$880,982,000 as of June 30, 2020 and 2019, respectively. Net assets classified as with perpetual donor restrictions totaled \$859,185,000 and \$838,657,000 as of June 30, 2020 and 2019, respectively.

For the years ended June 30, 2020 and 2019

Collections:

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

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

Use of Estimates:

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

Related Party Transactions:

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

Cash and Cash Equivalents:

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

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

Fair Value Measurements:

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

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

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

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

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

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

For the years ended June 30, 2020 and 2019

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

Funds Held in Trust by Others:

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

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

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

Property, Plant, and Equipment:

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

For the years ended June 30, 2020 and 2019, the University acquired equipment and other assets of approximately \$5,145,000 and \$5,181,000, respectively, through the use of federal funds. In most cases, the University continues to maintain the assets after the granting agreement expires.

Depreciation is computed on a straight-line basis over the remaining useful lives of assets as follows: buildings, 50 years; renovations and improvements, 20 years or lease term, if shorter; University buildings used in sponsored research activities, 12 to 50 years, based on the distinct useful lives for each major building component; equipment, 2 to 20 years; internally used software, 20 years; and library books, 10 years. Depreciation expense for the years ended June 30, 2020 and 2019 was \$131,397,000 and \$128,846,000, respectively.

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

Leasing:

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

For the years ended June 30, 2020 and 2019

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

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

Conditional Asset Retirement Obligations:

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

The asset retirement obligation at June 30, 2020 and 2019 was \$12,808,000 and \$13,496,000, respectively, and is included in other long-term obligations in the Consolidated Statements of Financial Position.

Revenue from Contracts with Customers:

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

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

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

The composition of net student tuition and fees revenue was as follows for the years ended June 30, 2020 and 2019, in thousands of dollars:

	2020	2019
Undergraduate	\$ 707,357	\$ 695,329
Postgraduate	431,451	441,139
Other	29,384	27,774
Total	<u>\$ 1,168,192</u>	<u>\$ 1,164,242</u>

Net auxiliary enterprises revenue consists of the following for the years ended June 30, 2020 and 2019, in thousands of dollars:

	2020	2019
Residence and dining services, net of student aid	\$ 152,196	\$ 204,217
Arena, parking, and retail operations	72,284	84,359
Total	<u>\$ 224,480</u>	<u>\$ 288,576</u>

As a result of the COVID-19 pandemic, the University decided to close the residential campus effective March 22, 2020. Due to this closure, the University issued credits to students for room and board charges based on a prorated amount.

For the years ended June 30, 2020 and 2019

These credits amounted to \$29,276,000 for room and \$15,529,000 for board charges and resulted in a reduction of auxiliary enterprise revenue for the fiscal year ended June 30, 2020.

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

Revenue from Sponsored Programs:

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The University has elected the simultaneous release policy available under GAAP, which allows a nonprofit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Grant revenue used for the construction or acquisition of plant is reported within nonoperating activities. The University recognizes reimbursement of facilities and administrative costs relating to government and foundation contracts and grants at authorized rates each year. All funds expended in connection with government grants and contracts are subject to audit by granting agencies. In the opinion of management, any potential liability resulting from these audits will not have a material effect on the University's financial position. Total revenue from grants and contracts recognized in net assets without donor restrictions was \$470,506,000 and \$418,813,000 for the years ended June 30, 2020 and 2019, respectively. Payments received from sponsors in advance of conditions being met are reported as deferred revenue, and totaled \$59,884,000 and \$58,127,000 as of June 30, 2020 and 2019, respectively. Conditional awards from federal and other sponsors outstanding as of June 30, 2020 and 2019 were \$445,152,000 and \$269,024,000, respectively.

As a result of the COVID-19 pandemic, the University received \$14,995,000 from the Higher Education Emergency Relief Fund (HEERF). The funds were used for emergency financial aid grants to students under the 18004(a)(1) CARES Act and recognized as revenue under sponsored program income for student aid.

External Fringe Benefit Recoveries:

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

Contributions:

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

Income Taxes:

The University is generally exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC), except to the extent the University has unrelated business income. As of June 30, 2020 the University's federal net operating loss carryforwards prior to fiscal year 2019 are \$22,757,000, and expire in various years from 2024 to 2037. These losses may be applied to offset taxable income for any unrelated business activity earned in future years. IRC Section 512(a)(6), enacted in December 2017 as part of the Tax Cut and Jobs Act, requires tax exempt organizations with multiple sources of unrelated business income to separately compute ("silo") net unrelated business income and losses on an activity by activity basis; for taxable years beginning after December 31, 2017, expenses from one unrelated business activity may no longer be used to offset the income from another. Net operating loss carryforwards beginning July 1, 2018 through June 30, 2020 are \$10,270,000 and may be carried forward indefinitely, but may only be used to offset income from the activity generating the loss. The University believes that unrelated business activities will generate future taxable income during the periods in which these operating loss carryforwards will become deductible and has recorded deferred tax assets totaling \$2,647,000 and \$2,857,000 as of June 30, 2020 and 2019, respectively. The University has no material uncertain tax positions.

For the years ended June 30, 2020 and 2019

Nonoperating Activities:

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

Supplemental Disclosure of Cash Flow Information:

The following information is intended to supplement the Consolidated Statements of Cash Flows for the years ended June 30, 2020 and 2019, in thousands of dollars:

	2020	2019
Interest paid in cash, net of capitalized interest of \$679 and \$1,235	\$ 61,665	\$ 58,834
Noncash investing activities:		
Decrease in accounts payable for property, plant, and equipment	7,590	818
Increase (decrease) in payables for purchases of investments	4,014	(3,511)
Decrease in receivables for sales of investments	3,323	27,942

In January 2020, the University executed the purchase option of a finance lease releasing the obligation and disposing of the right-of-use assets at the net present value of \$48,995,000. The purchase of this property resulted in an increase in long-term investments.

The following table summarizes cash paid for amounts included in the measurement of lease liabilities, under ASC 842, for operating and finance leases as a lessee for the years ended June 30, 2020 and 2019, in thousands of dollars:

	2020	2019
Operating cash flows from finance leases	\$ 4,606	\$ 5,468
Operating cash flows from operating leases	16,982	18,767
Financing cash flows from finance leases	2,467	1,931

Recent Accounting Pronouncements:

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* that requires the statement of cash flows to explain changes during the period for the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The University adopted ASU 2016-18 in fiscal year 2020 and applied the changes retrospectively. Accordingly, amounts on the 2019 Consolidated Statements of Cash Flows have been restated.

The following table summarizes cash, cash equivalents, and restricted cash reported on the Consolidated Statements of Cash Flows as of June 30, 2020 and 2019, in thousands of dollars:

	2020	2019
Cash and cash equivalents	\$ 440,879	\$ 187,190
Cash and cash equivalents-restricted	285,966	181,455
Total cash, cash equivalents, and restricted cash	\$ 726,845	\$ 368,645

Reclassifications:

Certain 2019 balances previously reported have been reclassified to conform to the 2020 presentation.

For the years ended June 30, 2020 and 2019

2. Financial Assets and Liquidity Resources

As of June 30, 2020 and 2019, financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt are as follows, in thousands of dollars:

	2020	2019
Financial assets, at year-end	\$ 4,260,130	\$ 4,159,485
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Donor restricted endowment	1,367,099	1,301,461
Pledges receivable due in greater than one year or restricted for use	209,856	214,971
Restricted cash and cash equivalents.	285,966	181,455
Student loans receivable due in greater than one year.	44,895	50,693
Investment in residual asset note.	52,711	62,366
Board designations:		
Quasi-endowment funds.	1,054,016	991,076
Add: approved endowment spending distribution for next fiscal year	88,874	83,463
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,334,461</u>	<u>\$ 1,440,926</u>

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

3. Investments

Basis of Reporting:

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

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

For the years ended June 30, 2020 and 2019

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, 2020 and 2019, the University had no plans or intentions to sell investments at amounts different from NAV.

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

The fair value of non-core institutional real estate is based on independent appraisals and broker opinions of value, including recent sales of relevant properties in the same region and in an active market. The determination of whether a real estate market is active is based on the median number of days to sale for properties with a similar geographic location, type, size, condition, and long-term occupancy rate. When independent appraisals have not been carried out and where comparable sales information is not available, a direct capitalization model is used, with significant assumptions including rental rates ranging from \$15 to \$62 per square foot and weighted average capitalization rates of 6.1%. Significant changes in these inputs may result in a significantly lower or higher fair value measure.

Cash and investments included in the Consolidated Statements of Financial Position at June 30, 2020 and 2019 were as follows, in thousands of dollars:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 440,879	\$ 187,190
Cash and cash equivalents-restricted	285,966	181,455
Short-term investments	464,657	899,426
Investment in residual asset note	52,711	62,366
Long-term investments	<u>2,572,754</u>	<u>2,369,215</u>
	3,816,967	3,699,652
Less: assets not reported at fair value:		
Investment in residual asset note	(52,711)	(62,366)
Real estate partnerships accounted for under the equity method	<u>(26,966)</u>	<u>(25,468)</u>
Total cash and investments at fair value	<u>\$ 3,737,290</u>	<u>\$ 3,611,818</u>

For the years ended June 30, 2020 and 2019

The following tables summarize the University's cash and investments in the fair value hierarchy as of June 30, 2020 and 2019, in thousands of dollars:

As of June 30, 2020	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	\$	\$ 726,845	\$	\$	\$ 726,845
Common and preferred equities:					
Domestic	138,603	50,416			189,019
International	333,332	74,284	65,856		473,472
	471,935	124,700	65,856		662,491
Fixed income:					
Domestic		889	2,006		2,895
International		19	300		319
U.S. government and agencies		579,507	656		580,163
		580,415	2,962		583,377
Alternatives:					
Hedge	674,620				674,620
Natural resources	59,445				59,445
Private	600,540			333	600,873
Real estate	75,191			342,641	417,832
	1,409,796			342,974	1,752,770
Funds held in trust by others				11,807	11,807
Total assets at fair value	\$ 1,881,731	\$ 1,431,960	\$ 68,818	\$ 354,781	\$ 3,737,290
As of June 30, 2019					
Assets at fair value					
Cash and cash equivalents	\$	\$ 368,645	\$	\$	\$ 368,645
Common and preferred equities:					
Domestic	114,784	50,937			165,721
International	302,274	63,479	74,840		440,593
	417,058	114,416	74,840		606,314
Fixed income:					
Domestic		826	1,239		2,065
International		19	180		199
U.S. government and agencies		1,085,490	1,441		1,086,931
		1,086,335	2,860		1,089,195
Alternatives:					
Hedge	610,814				610,814
Natural resources	88,015				88,015
Private	482,653			333	482,986
Real estate	63,360			289,961	353,321
	1,244,842			290,294	1,535,136
Funds held in trust by others				12,528	12,528
Total assets at fair value	\$ 1,661,900	\$ 1,569,396	\$ 77,700	\$ 302,822	\$ 3,611,818

For the years ended June 30, 2020 and 2019

The following tables present a summary of the University's activity for the years ended June 30, 2020 and 2019 for investment classified in Level 3, in thousands of dollars:

2020	Alternatives		Funds	Total
	Private	Real Estate	Held in Trust by Others	Assets at Level 3
Fair value, July 1, 2019	\$ 333	\$ 289,961	\$ 12,528	\$ 302,822
Additions		53,288		53,288
Sales or redemptions		(608)		(608)
Unrealized loss			(721)	(721)
Fair value, June 30, 2020	\$ 333	\$ 342,641	\$ 11,807	\$ 354,781

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

The University's policy is to recognize transfers as of the end of the year. For the years ended June 30, 2020 and 2019, there were no transfers between Level 1 and Level 2, and no transfers between Level 2 and Level 3.

Investment Related Derivatives:

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

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

The purchase and sale of exchange-traded derivatives require collateral deposits with the Futures Commission Merchant (FCM). Collateral is posted and moved on a daily basis as required by the rules of the exchange on which the derivatives are traded. In the event of the FCM's insolvency, recovery may be limited to the University's pro-rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total cash or other collateral posted. The collateral is generally in the form of debt obligations issued by the U.S. Treasury or cash. Cash collateral and certain securities owned by the University were held at counterparty brokers to collateralize these positions and are included in cash and cash equivalents-restricted on the Consolidated Statements of Financial Position.

During the fiscal year 2020, the University sold these derivative investments; therefore, no notional exposure remains as of June 30, 2020. Realized losses on these assets were \$14,010,000 for the year ended June 30, 2020. As of June 30, 2019, the aggregate notional exposure on long-term assets was \$78,045,000. The associated unrealized gain on these assets was \$1,860,000 as of June 30, 2019.

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

For the years ended June 30, 2020 and 2019

purchase price of the note was \$25,244,000 and is non-recourse to the University. As of June 30, 2020 and 2019, the carrying value of the investment in residual asset note receivable is \$52,711,000 and \$62,366,000, respectively.

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

Real Estate Partnerships:

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

Investment Return:

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

For the year ended June 30, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 29,587	\$ 11,299	\$ 40,886
Net realized and unrealized gains on investments and other assets	64,045	80,915	144,960
Total return on investments and other assets . . .	93,632	92,214	185,846
Less: spending formula	(36,159)	(48,759)	(84,918)
Less: change in value of designated non-core	(2)		(2)
Less: other non-endowment income	(23,989)	(141)	(24,130)
	(60,150)	(48,900)	(109,050)
Excess of investment return over spending formula amount	\$ 33,482	\$ 43,314	\$ 76,796

For the year ended June 30, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 38,869	\$ 12,448	\$ 51,317
Net realized and unrealized gains on investments and other assets	95,320	66,066	161,386
Total return on investments and other assets . . .	134,189	78,514	212,703
Less: spending formula	(33,087)	(46,246)	(79,333)
Less: change in value of designated non-core	(12,426)		(12,426)
Less: other non-endowment income	(66,281)	(250)	(66,531)
	(111,794)	(46,496)	(158,290)
Excess of investment return over spending formula amount	\$ 22,395	\$ 32,018	\$ 54,413

For the years ended June 30, 2020 and 2019

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, 2020 and 2019 was \$436,463,000 and \$422,620,000, respectively. Of this amount, approximately 10% and 5% of commitments as of June 30, 2020 and 2019, respectively, was for funds whose investment period had expired. The timing and amount of capital calls expected to be exercised in any particular future year is uncertain.

Liquidity:

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

As of June 30, 2020	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents*	\$ 726,845	\$	\$	\$	\$	\$ 726,845
Common and preferred equities:						
Domestic	49,644	886	75,161	63,328		189,019
International	74,257	226,833	50,003	29,596	92,783	473,472
	123,901	227,719	125,164	92,924	92,783	662,491
Fixed income:						
Domestic	2,838	57				2,895
International	300	19				319
U.S. government and agencies .	580,163					580,163
	583,301	76				583,377
Alternatives:						
Hedge			137,438	380,964	156,218	674,620
Natural resources.					59,445	59,445
Private					600,873	600,873
Real estate				340,465	77,367	417,832
			137,438	721,429	893,903	1,752,770
Funds held in trust by others					11,807	11,807
	\$1,434,047	\$ 227,795	\$ 262,602	\$ 814,353	\$ 998,493	\$3,737,290

*Cash and cash equivalents includes \$285,043,000 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, 2020 and 2019

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

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

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. These assets are located in the greater Boston market. While activity has been reduced in this market due to COVID-19, there continue to be enough market participants to provide opportunities for sale under the right conditions. 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 \$770,729,000 and \$761,856,000, as well as investments with rolling lockup periods totaling \$227,764,000 and \$77,471,000 as of June 30, 2020 and 2019, respectively.

4. Endowment Funds

Total endowment assets as of June 30, 2020 and 2019 are \$2,440,824,000 and \$2,311,388,000, respectively. A pooled endowment fund is included as part of the University’s investments. The amounts distributed from the investment return of pooled investments in any one year may include interest, dividends, and a portion of accumulated investment gains. The distribution amount is established annually and is between 3% and 5% of the market value per share as of the most recent December 31. The actual distribution amount is recommended by management, and approved by the Trustee Executive Committee. If interest, dividends, and gains are not sufficient to support the current year drawdown, the balance is provided from prior year accumulated earnings. Income attributable to shares from new donor-restricted and institution designated endowment funds during the first six months after establishment is not spent; such income is included in net assets without donor restrictions or with donor restrictions, depending on the nature of the endowment fund. For the fiscal years ended June 30, 2020 and 2019, respectively, the distribution as a percentage of the prior December 31 fair value of the pooled endowment fund was 4.0% and 3.6%.

For the years ended June 30, 2020 and 2019

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

The University classifies as net assets with donor restrictions (a) the original value of contributions donated to the permanent endowment, (b) the original value of subsequent contributions to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Original gift amounts consist of donor restricted gifts to the University’s endowment to be held in perpetuity as well as gifts held in the endowment subject to donor time and purpose restrictions. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

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

The following table represents endowment net asset composition by type of fund as of June 30, 2020, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions			Total Funds 2020
		Original Gift	Accumulated Gains	Total	
Quasi	\$ 1,054,016	\$	\$	\$	\$1,054,016
Donor restricted:					
Underwater funds		690,652	676,447	1,367,099	1,367,099
All other funds					
Endowment net assets at end of year	\$ 1,054,016	\$ 690,652	\$ 676,447	\$ 1,367,099	\$2,421,115

For the years ended June 30, 2020 and 2019

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2020, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 991,076	\$ 1,301,461	\$ 2,292,537
Reinvested income distribution	7,959	1,788	9,747
Realized and unrealized gains	69,641	92,073	161,714
Less: spending formula	(36,159)	(48,759)	(84,918)
Undistributed investment income.	41,441	45,102	86,543
Contributions	5,445	8,902	14,347
Pledge payments	46	16,841	16,887
Net assets released from restrictions-other	4,151	(4,151)	
Other additions (deductions), transfers, and net asset reclassifications	11,857	(1,056)	10,801
Endowment net assets at end of year	<u>\$ 1,054,016</u>	<u>\$ 1,367,099</u>	<u>\$ 2,421,115</u>

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

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

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

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

For the years ended June 30, 2020 and 2019

5. Accounts Receivable and Pledges Receivable

Accounts Receivable:

Accounts and loans receivable at June 30, 2020 and 2019, in thousands of dollars, consist of the following:

	2020	2019
Accounts receivable, net:		
Students	\$ 19,135	\$ 18,679
Less: allowances	(6,469)	(7,398)
	12,666	11,281
Grants and contracts	77,517	68,767
Unsettled investment trades	47,062	50,385
Departmental sales, services, and other	42,598	50,826
Less: allowances	(8,941)	(9,109)
	158,236	160,869
Student loans	58,705	66,445
Less: allowances	(5,289)	(5,069)
	53,416	61,376
Total accounts and loans receivable, net	\$ 224,318	\$ 233,526

Federally sponsored student loans receivable represented \$27,088,000 and \$32,286,000 as of June 30, 2020 and 2019, respectively, of total student loans receivable, which consist of amounts due from current and former students under various federal government loan programs, including Perkins and health professional programs offered to graduate and undergraduate students. The University’s advances under Perkins and other federally funded student loan programs were \$34,012,000 and \$40,200,000 as of June 30, 2020 and 2019, respectively, and are included in other long-term obligations on the Consolidated Statements of Financial Position. The University has the right to assign loans disbursed under these programs to the federal government upon default by the borrower; therefore, no allowance has been provided for these loans.

Departmental sales, services, and other receivables include outstanding notes, mortgages, and advances bearing interest at rates up to 4.46% and 5.15% at June 30, 2020 and 2019, respectively, to certain employees. The aggregate amount as of June 30, 2020 and 2019 is \$9,104,000 and \$8,534,000, respectively.

Pledges Receivable:

Pledges consist of unconditional written promises by donors to contribute to the University in the future. At June 30, 2020 and 2019, pledges, in thousands of dollars, are expected to be realized in the following time frame:

	2020	2019
In one year or less	\$ 59,272	\$ 61,621
Between one year and five years	171,734	162,067
More than five years	29,075	46,775
	260,081	270,463
Discount to present value (at rates ranging from 1.16% to 4.02%) . .	(18,490)	(25,356)
Less: allowance for unfulfilled pledges	(22,746)	(18,800)
Total pledges receivable, net	\$ 218,845	\$ 226,307

As of June 30, 2020 and 2019, 70% of the gross contributions receivable were due from five donors.

For the years ended June 30, 2020 and 2019

6. Property, Plant, and Equipment

Property, plant, and equipment and related accumulated depreciation and amortization of right-of-use assets at June 30, 2020 and 2019, in thousands of dollars, consist of the following:

	2020	2019
Land	\$ 217,191	\$ 241,543
Buildings and improvements	3,477,121	3,469,243
Construction in progress	315,345	162,851
Software	57,558	57,558
Equipment	321,597	302,593
Library books	261,005	249,385
	<u>4,649,817</u>	<u>4,483,173</u>
Less: accumulated depreciation	(1,858,413)	(1,733,742)
Less: amortization of right-of-use assets	(25,226)	(24,574)
Total property, plant, and equipment, net.	<u>\$ 2,766,178</u>	<u>\$ 2,724,857</u>

As of June 30, 2020 and 2019, gross land, buildings and improvements and equipment include \$95,116,000 and \$148,346,000, respectively, associated with equipment and office, research, and retail space finance leases.

7. Other Long-Term Obligations

Other long-term obligations at June 30, 2020 and 2019, in thousands of dollars, were as follows:

	2020	2019
Federal Perkins loan advances	\$ 34,012	\$ 40,200
Conditional asset retirement obligation	12,808	13,496
Annuities and split-interest agreements payable	7,645	7,340
Other	1,689	1,700
Total other long-term obligations	<u>\$ 56,154</u>	<u>\$ 62,736</u>

For the years ended June 30, 2020 and 2019

8. Indebtedness

Bonds and Notes Payable:

The principal amounts of bonds and notes payable at June 30, 2020 and 2019, 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, 2020	Interest Rate at June 30, 2019	Outstanding Principal	
				2020	2019
Fixed rate bonds and notes payable:					
MDFA Series P, blended fixed rate	05/15/2059	5.63%	5.63%	\$ 100,000	\$ 100,000
MDFA Series W (taxable)	10/01/2045	5.20%	5.20%	100,470	100,470
MDFA Series X, blended fixed rate	10/01/2048	4.78%	4.78%	111,485	111,485
MDFA Series Z-1	08/01/2019	n/a	1.50%		63,170
MDFA Series Z-2	08/01/2019	n/a	1.50%		10,200
MDFA Series BB-1	10/01/2046	4.78%	4.54%	111,270	111,270
MDFA Series BB-2	10/01/2040	3.95%	3.95%	52,260	52,260
MDFA Series BB-3	10/01/2029	5.00%	5.00%	38,290	38,290
MDFA Series DD-1	10/01/2042	5.00%	n/a	63,965	
MDFA Series DD-2	10/01/2033	5.00%	n/a	21,800	
Series CC (taxable)	10/01/2048	4.06%	4.06%	300,000	300,000
Series EE (taxable)	10/01/2050	3.17%	n/a	150,000	
Series EE (taxable)	10/01/2035	2.58%	n/a	50,000	
Century notes (taxable)	07/15/2097	7.63%	7.63%	100,000	100,000
Boston Redevelopment Authority					
note (taxable)	06/15/2021	0.00%	0.00%	1,145	2,290
Various notes payable (taxable)	various	various	various	598	910
Total fixed rate bonds and notes payable				<u>1,201,283</u>	<u>990,345</u>
Variable rate bonds and notes payable:					
HEFA Series H	12/01/2029	n/a	1.82%		25,000
HEFA Series N (taxable)	10/01/2034	0.15%	2.36%	26,650	27,715
MDFA Series U-1	10/01/2040	0.72%	2.16%	50,000	50,000
MDFA Series U-2	10/01/2040	0.51%	2.33%	50,000	50,000
MDFA Series U-3	10/01/2040	0.10%	1.78%	50,000	50,000
MDFA Series U-5A	10/01/2031	0.64%	2.46%	28,600	30,400
MDFA Series U-5B	10/01/2031	0.64%	2.46%	29,900	31,700
MDFA Series U-6A	10/01/2042	0.62%	2.39%	62,850	62,850
MDFA Series U-6C	10/01/2042	0.10%	1.80%	52,545	52,545
MDFA Series U-6E	10/01/2042	0.10%	1.87%	62,695	62,695
Royal Bank of Scotland (taxable)	08/15/2029	0.74%	1.26%	21,289	23,695
MDFA Series Y	10/01/2039	0.57%	2.34%	35,000	35,000
MDFA Series AA-1	10/01/2039	0.49%	2.30%	81,370	81,370
MDFA Series AA-2	10/01/2039	0.75%	2.30%	81,370	81,370
Total variable rate bonds and notes payable				<u>632,269</u>	<u>664,340</u>
Total bonds and notes payable				1,833,552	1,654,685
Plus: unamortized bond premium and discount, net				41,954	33,810
Less: unamortized bond issuance costs				(4,627)	(4,417)
Less: trust assets to refund Century notes				(100,000)	
Total bonds and notes payable, net				<u>\$ 1,770,879</u>	<u>\$ 1,684,078</u>

For the years ended June 30, 2020 and 2019

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 \$41,552,000 and \$42,550,000 as of June 30, 2020 and 2019, 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, 2020 and 2019.

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

Fiscal Year	Scheduled Principal Maturities
2021	\$ 8,629
2022	7,955
2023	8,274
2024	7,990
2025	9,205
Thereafter	<u>1,791,499</u>
Total	<u>\$ 1,833,552</u>

Scheduled principal maturities represent aggregate annual payments as required under long-term debt repayment schedules. As of June 30, 2020, the University’s debt portfolio includes variable rate demand bonds (VRDBs) of \$191,890,000 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 December 2021 and January 2023. In the event that a VRDB cannot be remarketed, the bond may be “put” to the LOC provider, resulting in a loan to the University to fund redemption of the bond. If all outstanding VRDBs had been “put” as of June 30, 2020, aggregate scheduled loan repayments under the VRDB-related LOCs would be as follows: \$31,982,000, \$63,963,000, \$63,963,000, and \$31,982,000 in fiscal years 2021, 2022, 2023, and 2024, respectively. There have been no instances where a bond failed to be remarketed and was put back to the University.

In August 2018, the University issued \$300,000,000 Series CC taxable bonds at a fixed interest rate of 4.06%. Final maturity of the bonds is through October 1, 2048. A portion of the Series CC bond proceeds were used to redeem a term loan in the amount of \$34,506,000 issued in June 2018 to defease Wheelock College Series C, tax exempt bonds assumed as a result of the merger with Wheelock College.

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

In June 2020, the University issued Series EE of taxable bonds totaling \$200,000,000, structured with two maturities: \$50,000,000 maturing in 15 years (2035) at a rate of 2.58%, and \$150,000,000 maturing in 30 years (2050) at a coupon rate of 3.17%, resulting in an annual net effective rate of 3.04%. Net proceeds of \$154,444,000 from this issuance, as determined and reported by an independent third-party escrow verification agent, were placed in an irrevocable trust for the defeasance of all interest and principal payment obligations of the Century notes through the call date of July 15, 2027. On the call date, the escrow agent will release the final payments due on the Century notes at a redemption price equal to 102.78% of par. Per the Refunding Escrow Agreement and consistent with the determination of the independent third-party escrow verification agent, the funds within the trust have been invested by the escrow agent primarily in U.S. Government securities and, including earnings, will be sufficient to pay all debt service requirements of the Century notes, including interest and principal, in full through the call date. Trust assets equal to the par value of the Century notes, \$100,000,000, are presented in the University’s Consolidated Statements of Financial Position as a contra-liability reduction of bonds and notes payable, net. The remaining \$54,444,000 of trust assets will be used to fund interest expense over the life of the notes and are included in the University’s Consolidated Statements of Financial Position within prepaid expenses and other assets. The remaining proceeds of approximately \$45,000,000 from the Series EE issuance will be utilized for operations.

For the years ended June 30, 2020 and 2019

Bank Lines:

The University has a total of \$190,000,000 in committed 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, 2020 and 2019. One line of credit totaling \$50,000,000 is set to expire in April 2021, while the remainder expire in January 2023. The University plans to renew the lines of credit upon expiration.

Debt-Related Derivatives:

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

Below is a summary of the terms of the University's outstanding debt-related derivatives as of June 30, 2020 and 2019, in thousands of dollars:

Swap	Notional Amount	Fair Value		Effective Date	Termination Date	University Pays	University Receives
		6/30/20	6/30/19				
Series DD-1	\$ 94,610	\$ (2,925)	\$	08/01/2019	10/01/2023	SIFMA	1.15%
Series DD-2	25,000	8,835	7,636	10/03/2008	12/01/2027	5.28%	SIFMA
Series N	19,855	7,751	6,654	10/03/2008	10/01/2027	6.79%	LIBOR
Series U1-3	75,000	39,391	27,858	10/03/2008	10/01/2040	4.01%	69% of 1-Mo. USD LIBOR
Series U1-3	75,000	38,964	27,353	10/01/2007	10/01/2040	3.94%	69% of 1-Mo. USD LIBOR
Series U5	58,500	14,092	11,638	10/03/2008	10/01/2031	4.10%	67% of 1-Mo. USD LIBOR
Series U6	59,750	55,977	40,783	10/03/2008	10/01/2042	5.39%	SIFMA
Series U6	90,000	85,237	62,262	10/03/2008	10/01/2042	5.44%	SIFMA
Series U6	30,000	28,399	20,746	07/01/2008	10/01/2042	5.44%	SIFMA
Series U6	59,750	55,951	40,768	07/01/2008	10/01/2042	5.39%	SIFMA
Series U6	8,200	456	599	10/03/2008	10/01/2022	4.16%	67% of 1-Mo. USD LIBOR
Series Y	35,000	23,611	17,090	10/01/2014	10/01/2039	4.70%	SIFMA
Series Z			108	10/01/2014	08/01/2019	SIFMA	1.265%
Series AA-1	81,370	54,562	40,381	10/01/2015	10/01/2039	4.95%	79% of 1-Mo. USD LIBOR -.0705%*
Series AA-2	81,370	53,112	39,673	10/01/2015	10/01/2039	4.95%	67% of 1-Mo. USD LIBOR +.024%**
Royal Bank of Scotland	21,289	5,548	5,729	08/15/2006	08/15/2029	5.645%	3-Mo. GBP LIBOR +45 basis points
Less: credit valuation adjustment . . .		(8,131)	(6,116)				
Total		<u>\$ 460,830</u>	<u>\$ 343,162</u>				

*Until April 1, 2025: 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, 2020 and 2019

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 2020 and 2019, the University's net settlement payments on interest rate exchange agreements were \$27,353,000 and \$24,378,000, respectively. These net settlement costs have been reported in nonoperating activities in net realized and unrealized gains on interest rate agreements on the Consolidated Statements of Activities.

For purposes of the Consolidated Statements of Cash Flows, net settlements under the University's interest rate exchange agreements are generally included in cash flows from operating activities. However, in October 2008, the University elected to terminate its existing interest rate exchange agreements with a subsidiary of Lehman Brothers after that firm's bankruptcy and simultaneously entered replacement agreements with new counterparties who provided cash to facilitate settlement of the existing agreements. Accordingly, future net settlements under various replacement agreements, with a total notional amount of \$313,585,000 at June 30, 2020, are considered financing activities. During 2020 and 2019, respectively, \$9,654,000 and \$9,520,000 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, 2020 and 2019, the University was required to post collateral of \$285,043,000 and \$165,877,000, 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.

9. Defined Contribution Plan

All employees who work at least 50% of a full-time schedule and have an appointment or an expected assignment duration of at least nine months are eligible to participate in defined contribution benefit plans. The University contributes a specified percentage of each employee's salary to the plan. Contributions for the years ended June 30, 2020 and 2019, respectively, were \$82,019,000 and \$78,954,000. In response to COVID-19, the University has suspended these contributions for the fiscal year 2021.

For the years ended June 30, 2020 and 2019

10. Leases

Leases:

The University is committed to minimum annual rent payments under several long-term non-cancellable operating and capital leases for educational and office space through fiscal year 2066.

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

	2020	2019
<i>Lease cost:</i>		
Finance lease expense:		
Amortization of right-of-use assets	\$ 2,141	\$ 2,384
Interest on lease liabilities	4,606	5,468
Operating lease expense	18,043	19,782
Short-term lease expense	3,920	8,859
Total lease expense	\$ 28,710	\$ 36,493

Other Information:

Right-of-use assets obtained in exchange for new operating lease liabilities . . .	\$ 10,055	\$ 556
Weighted-average remaining lease term-finance leases	45 years	36 years
Weighted-average remaining lease term-operating leases	7.8 years	7.6 years
Weighted-average discount rate-finance leases	4.28%	4.17%
Weighted-average discount rate-operating leases	3.21%	3.26%

Payments due include options to extend leases that are reasonably certain through fiscal year 2066, in thousands of dollars, and are summarized below as of June 30, 2020:

Fiscal Year	Operating	Finance
2021	\$ 16,648	\$ 4,189
2022	16,564	4,189
2023	14,306	4,064
2024	12,618	4,064
2025	12,719	4,064
Thereafter	46,056	164,408
	118,911	184,978
Less: amounts representing interest . .	(15,163)	(103,912)
Total lease obligations	\$ 103,748	\$ 81,066

The University is the lessor in several long-term non-cancellable leases for commercial space through fiscal year 2040. Future minimum rental revenue due is summarized below as of June 30, 2020, in thousands of dollars:

Fiscal Year	Operating
2021	\$ 10,500
2022	8,674
2023	6,460
2024	5,713
2025	5,149
Thereafter	31,994
Total	\$ 68,490

For the years ended June 30, 2020 and 2019

11. Commitments and Contingencies

Deferred Ground Lease Revenue:

In December 2012, in connection with the sale of a non-core asset, the University entered into a 75-year ground agreement to lease the related land to the purchaser of the building. The lease term is through 2087. In connection with this transaction, the University received a prepaid lease payment of \$38,625,000 that will be amortized on a straight-line basis over the term of the lease. For each of the years ended June 30, 2020 and 2019, the University recognized rental revenue of \$515,000 related to the ground lease. The unamortized deferred ground lease revenue as of June 30, 2020 and 2019 is \$34,762,000 and \$35,278,000, respectively.

In connection with the sale of non-core assets, the University entered into four 99-year agreements to lease the related land to the purchaser of the buildings. The lease term is through 2115. In connection with this transaction, the University received a prepaid lease payment of \$64,000,000 that will be amortized on a straight-line basis over the term of the lease. For the years ended June 30, 2020 and 2019, the University recognized rental revenue of \$646,000 related to the ground lease. The unamortized deferred rent as of June 30, 2020 and 2019 is \$61,630,000 and \$62,276,000, respectively.

Other:

As of June 30, 2020, the University has commitments of approximately \$419,113,000 related to open construction contracts and capital acquisitions. This amount is expected to be financed from operating cash flows, federal government grants, and borrowings.

Effective July 1, 1996, the University entered into a support agreement with Boston Medical Corporation, which was formed from the merger of Boston City Hospital and Boston Medical Center Hospital. The University agreed to continue its support of clinical department operations at a level of support proportionately consistent to what was provided before the merger. The University's commitment for fiscal year 2020 was approximately \$8,879,000.

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

12. Functional Classification of Expenses

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

Expenses presented by functional classification for the year ended June 30, 2020 are as follows, in thousands of dollars:

	Instruction and Departmental Research	Educational Support Activities	Sponsored Programs	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages	\$ 573,218	\$ 103,388	\$ 147,727	\$ 113,609	\$ 29,251	\$ 967,193
Employee benefits	159,562	28,499	30,027	46,455	7,309	271,852
Supplies and services	149,539	68,413	151,667	59,977	100,755	530,351
Utilities, rent, and repairs . .	46,228	4,481	3,019	9,688	25,960	89,376
Depreciation	81,876	8,747	5,486	7,151	28,137	131,397
Interest	30,004	196		11,630	18,289	60,119
Total operating expenses	<u>\$ 1,040,427</u>	<u>\$ 213,724</u>	<u>\$ 337,926</u>	<u>\$ 248,510</u>	<u>\$ 209,701</u>	<u>\$ 2,050,288</u>

For the years ended June 30, 2020 and 2019

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

	Instruction and Departmental Research	Educational Support Activities	Sponsored Programs	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages	\$ 559,734	\$ 98,798	\$ 139,466	\$ 99,106	\$ 28,420	\$ 925,524
Employee benefits	166,402	29,132	28,890	41,273	7,516	273,213
Supplies and services	163,124	62,521	132,355	56,753	109,800	524,553
Utilities, rent, and repairs	48,861	4,515	2,654	11,856	31,321	99,207
Depreciation	81,586	8,535	3,926	7,602	27,197	128,846
Interest	31,065	357		11,635	18,404	61,461
Total operating expenses	<u>\$ 1,050,772</u>	<u>\$ 203,858</u>	<u>\$ 307,291</u>	<u>\$ 228,225</u>	<u>\$ 222,658</u>	<u>\$ 2,012,804</u>

13. Subsequent Events

The University has assessed the impact of subsequent events through September 17, 2020, the date the Consolidated Financial Statements were issued.

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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:				
Johns Hopkins University	98.001	2003188510	\$ —	(851)
Massachusetts General Hospital	98.001	225810	—	(1,137)
Right to Care	98.001	Pass-Through Number Not Available	—	116,120
Right to Care	98.001	120160003000	—	455,931
The Health Economics and Epidemiology Research Office	98.001	HERO-005	—	(3,716)
The Health Economics and Epidemiology Research Office	98.001	Pass-Through Number Not Available	—	644,973
WITS Health Consortium	98.001	HERO-002	—	(8,026)
Subtotal			—	1,203,294
ABT Associates, Inc.	98.UNK	49842	—	19,767
Masimax Resources, Inc.	98.UNK	MM/S-007-002	—	479
Pharmaccess Namibia	98.UNK	Pass-Through Number Not Available	—	4
Right to Care	98.UNK	Pass-Through Number Not Available	—	(1)
Subtotal			—	20,249
Agency for International Development Total			—	1,223,543
Department of Agriculture:				
CRDF Global	10.001	DAA3-19-65672-1	—	11,353
Department of Agriculture	10.310	Direct	104,349	484,396
Rector & Visitors of the University of Virginia	10.680	GG12156.160437	—	9,075
Department of Agriculture	10.684	Direct	—	19,226
Department of Agriculture	10.UNK	Direct	—	36,243
Department of Agriculture Total			104,349	560,293
Department of Commerce:				
Georgetown University	11.016	AWD7772402-GR205663	—	175,650
Massachusetts Institute of Technology	11.417	S4607	—	19,598
University of Rhode Island	11.417	0007086/03292018	1,213	61,562
Subtotal			1,213	81,160
Global Foundation for Ocean Exploration	11.429	01-01-2019-001-BU	—	24,588
Department of Commerce	11.431	Direct	—	74,404
Trustees Of Columbia University In The City of New York	11.431	G12632	—	15,389
University Corporation for Atmospheric Research	11.431	SUBAWD001110	—	12,300
Subtotal			—	102,093
Department of Commerce	11.440	Direct	—	8
Department of Commerce	11.609	Direct	34,716	180,424
University of Delaware	11.478	51859	—	84,565
Department of Commerce Total			35,929	648,488
Department of Defense:				
Department of Defense	12.300	Direct	1,440,420	4,290,879
Arizona State University	12.300	17-205	—	124,643
Northwestern University	12.300	60053836 BOS	—	31,218
Regents of the University of Minnesota	12.300	A005988201	—	220,515
University of California, Santa Barbara	12.300	KK1755	—	78,961
University of Illinois	12.300	080035-14605 (AA669)	—	5,005
University of Massachusetts, Amherst	12.300	18-010270 B 02	—	40,482
Subtotal			1,440,420	4,791,703
Department of Defense	12.351	Direct	120,188	222,172
Department of Defense	12.420	Direct	1,113,857	4,484,464
Augusta University	12.420	31760-2	—	6,488
Bronx Veterans Medical Research Foundation	12.420	GW110054	—	16,111
Drexel University	12.420	840014_BU	—	3,274
Drexel University	12.420	840030_BU	—	8,172
Duke University	12.420	3130844	—	12,702
Duke University	12.420	3130929	—	13,499
Northern California Institute for Research and Education	12.420	CHAO2022-02	—	1,890
Nova Southeastern University	12.420	331252	—	3,539
The Henry M. Jackson Foundation	12.420	721595	—	(268)
The Henry M. Jackson Foundation	12.420	4545	—	41,022
The Regents of the University of California	12.420	11159sc	—	57,900
University Hospitals of Cleveland	12.420	W81XWH-15-1-0080	—	125,270
University of South Carolina	12.420	19-3715	—	25,885
University of Southern California	12.420	74911078	—	3,682
University of Texas Health Science Center	12.420	162153/155536	—	160,150
Subtotal			1,113,857	4,963,780

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Defense	12.431	Direct	\$ 662,915	2,083,012
Massachusetts Institute of Technology	12.431	36080	—	225,269
Subtotal			662,915	2,308,281
Department of Defense	12.630	Direct	—	76,589
University of Utah	12.630	10028801-BU-BPP	49,988	441,032
Subtotal			49,988	517,621
Department of Defense	12.800	Direct	—	1,780,671
Aim Photonics	12.800	Pass-Through Number Not Available	—	(84)
Florida International University	12.800	800011034-05UG	—	110,878
Northwestern University	12.800	SP0032777-PROJ0011974	—	93,461
University of California, Los Angeles	12.800	0965 G UA474	—	10,046
University of Texas, Arlington	12.800	12602015166	—	138,092
Subtotal			—	2,133,064
Department of Defense	12.900	Direct	—	51,819
Department of Defense	12.901	Direct	—	33,000
Department of Defense	12.910	Direct	120,165	395,680
Massachusetts General Hospital	12.910	234430	—	70,805
Massachusetts Institute of Technology	12.910	5710004066	—	3,986
Massachusetts Institute of Technology	12.910	111648	—	334,727
Northeastern University	12.910	505068-78051	—	(139)
President & Fellows of Harvard College	12.910	152304.5106733.0007	—	104
University of California, Berkeley	12.910	00009549	—	310,916
University of California, Berkeley	12.910	00010241	—	150,316
University of Washington	12.910	UWSC10498	—	195,020
Subtotal			120,165	1,461,415
Department of Defense	12.UNK	Direct	—	2,113,242
Beta Bionics, Inc.	12.UNK	W911NF-A	—	121,120
Charles River Analytics, Inc.	12.UNK	SC1816601	—	33,333
Charles River Analytics, Inc.	12.UNK	SC1825101	—	77,957
Charles River Analytics, Inc.	12.UNK	SC1930301	—	20,460
Draper Laboratory, Inc.	12.UNK	SC001-0000001215	—	265,474
Hansjorg Wyss Institute for Biologically	12.UNK	167898-5077770	—	(212)
HRL Laboratories, LLC	12.UNK	15082-193206-QS	—	70,004
Johns Hopkins University Applied Physics	12.UNK	142735	—	(1,105)
Leonardo DRS	12.UNK	69001727	—	25,000
LongShortWay, Inc	12.UNK	Pass-Through Number Not Available	—	50,049
Massachusetts Institute of Technology	12.UNK	S4596	—	139,570
Massachusetts Institute of Technology	12.UNK	S4966	—	45,172
Massachusetts Institute of Technology	12.UNK	7000384531	—	12,807
Massachusetts Institute of Technology	12.UNK	7000405841	—	19,601
Massachusetts Institute of Technology	12.UNK	7000443630	—	202,084
Massachusetts Institute of Technology	12.UNK	7000443517	—	78,143
Massachusetts Institute of Technology	12.UNK	7000448320	—	83,542
Northeastern University	12.UNK	505176-78051	—	425,096
Nova Southeastern University	12.UNK	331914	—	14,892
Power Fingerprinting, Inc.	12.UNK	BU-1015-DARPA-01	—	155,685
Regents of the University of Colorado	12.UNK	1556360	—	28,333
SOFAR Acoustics, LLC	12.UNK	Pass-Through Number Not Available	—	4,077
SOSSEC Consortium	12.UNK	PLA-0007	181,791	214,291
SRI International	12.UNK	PO2496	—	17,692
SRI International	12.UNK	37211	—	29,369
The Henry M. Jackson Foundation	12.UNK	988066	—	19,317
University of California, San Diego	12.UNK	127963670	—	101,447
University of Illinois at Urbana-Champaign	12.UNK	084424-16186	—	120,328
Subtotal			181,791	4,486,768
Department of Defense Total			3,689,324	20,969,623
Department of Education:				
Department of Education	84.015	Direct	—	37,951
Department of Education	84.022	Direct	—	4,545
Department of Education	84.305	Direct	194,192	277,166
University of Arkansas System	84.305	SA1508063	—	4,878
University of Missouri-Kansas City	84.305	0094167/00064391	—	96,682
Subtotal			194,192	378,726
Department of Education	84.324	Direct	210,687	798,977
Department of Education	84.325	Direct	—	39,341
University of Nebraska-Lincoln	84.365	24-1708-0112-002	—	24,004
SERP Institute	84.411	Pass-Through Number Not Available	—	85,914
Department of Education Total			404,879	1,369,458

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Energy:			\$	
Department of Energy	81.049	Direct	36,054	3,471,719
Northeastern University	81.049	503036-78050	—	167,630
Precision Combustion, Inc.	81.049	Pass-Through Number Not Available	—	48,250
The Leland Stanford Junior University	81.049	61351721-124215	—	70,749
The University of Iowa	81.049	S00459-01	—	64,113
University of Illinois	81.049	090634-16923	—	155,980
Subtotal			36,054	3,978,441
Department of Energy	81.086	Direct	32,614	160,257
Department of Energy	81.087	Direct	589	50,548
Department of Energy	81.089	Direct	26,602	242,764
Worcester Polytechnic Institute	81.089	10459-GR	—	16,868
Subtotal			26,602	259,632
Department of Energy	81.135	Direct	—	318,991
University of Delaware	81.135	46100	—	211,822
Subtotal			—	530,813
Argonne National Laboratory	81.UNK	9F-60168	—	9,956
Argonne National Laboratory	81.UNK	9F-60248	—	106,661
Brookhaven National Laboratory	81.UNK	354281	26,971	174,904
Brookhaven National Laboratory	81.UNK	357317	—	41,021
Brookhaven National Laboratory	81.UNK	360581	—	66,426
Brookhaven National Laboratory	81.UNK	380312	—	88,288
Fermi National Accelerator Laboratory	81.UNK	606923	—	58,503
Fermi National Accelerator Laboratory	81.UNK	633674	—	8,546
Fermi National Accelerator Laboratory	81.UNK	641399	—	35,692
Fermi National Accelerator Laboratory	81.UNK	649159	—	20,869
Fermi National Accelerator Laboratory	81.UNK	655628	—	25,892
Fermi National Accelerator Laboratory	81.UNK	662313	—	12,837
Fermi National Accelerator Laboratory	81.UNK	662310	—	8,126
Fermi National Accelerator Laboratory	81.UNK	663992	—	7,600
Fermi National Accelerator Laboratory	81.UNK	Pass-Through Number Not Available	—	74,824
Fermi National Accelerator Laboratory	81.UNK	662769	—	105,403
Honeywell Federal Manufacturing & Technology	81.UNK	N000321768	—	26,877
Lawrence Livermore National Laboratory	81.UNK	B637217	—	50,681
Lawrence Livermore National Laboratory	81.UNK	B639637	—	47,754
Pacific Northwest National Laboratory	81.UNK	434121	—	146,068
Pacific Northwest National Laboratory	81.UNK	503480	—	56,787
Saint-Gobain Ceramics and Plastics, Inc.	81.UNK	DE-EE0008377	—	61,327
Sandia National Laboratories	81.UNK	1797608	—	81,886
Sandia National Laboratories	81.UNK	2036428	—	116,487
University of Texas at Austin	81.UNK	UTA18-001353	—	16,774
Subtotal			26,971	1,450,189
Department of Energy Total			122,830	6,429,880
Department of Health and Human Services:				
Department of Health and Human Services	93.059	Direct	—	1,016,129
The Health Economics and Epidemiology Research Office	93.061	Pass-Through Number Not Available	—	48,184
Muhimbili University of Health	93.067	Pass-Through Number Not Available	—	(2,272)
Commonwealth of Massachusetts – Department of Public Health	93.073	INTF3122H78500224071	—	53,847
Commonwealth of Massachusetts – Department of Public Health	93.073	INTF3122H78500224081	—	284,642
Subtotal			—	338,489
American Heart Association	93.077	FX-ATRAC-BU-03	—	(23,608)
American Heart Association	93.077	FX-ATRAC-BU-05	—	(2,929)
Subtotal			—	(26,537)
Progeria Research Foundation	93.103	PRFFDA2-2019	—	58,476
SciMetrika	93.103	Pass-Through Number Not Available	—	(20,277)
SciMetrika	93.103	HHSF223201400021B	—	2,568
Subtotal			—	40,767
Department of Health and Human Services	93.110	Direct	123,720	738,380
Department of Health and Human Services	93.113	Direct	978,688	5,497,892
Duke University	93.113	203-7407	—	376
Harvard Pilgrim Health Care	93.113	PH000552E	—	17,456
Henry Ford Health System	93.113	B11166BU	—	103,860
Icahn School of Medicine at Mount Sinai	93.113	0255-1871-4609	—	43,471
Icahn School of Medicine at Mount Sinai	93.113	0255-0182-4609	—	29,690
Icahn School of Medicine at Mount Sinai	93.113	0255-B391-4609	—	54,986
President & Fellows of Harvard College	93.113	112150-5098856	—	64,787
The Brigham and Women's Hospital, Inc.	93.113	2018a008876	—	211,893
Trustees of Indiana University	93.113	IN-4684178-BUMC	—	11,266

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

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<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Trustees of Tufts College, Inc	93.113	101366-00001	\$ —	17,242
University of Connecticut Health Center	93.113	UCHC7-126071607	—	27,085
University of Michigan	93.113	SUBK00010621	—	30,196
Subtotal			<u>978,688</u>	<u>6,110,200</u>
Department of Health and Human Services	93.121	Direct	261,766	3,213,805
Forsyth Institute	93.121	BU024468-2495	—	6,636
Forsyth Institute	93.121	BUSM025020S1-2540	—	(509)
University of Puerto Rico	93.121	Pass-Through Number Not Available	—	2,350
Subtotal			<u>261,766</u>	<u>3,222,282</u>
Johns Hopkins University	93.135	2002892416	—	116,790
Boston Medical Center Corporation	93.136	7074	—	79,528
RAND Corporation	93.136	SCON-00000280	—	67,049
Subtotal			<u>—</u>	<u>146,577</u>
Department of Health and Human Services	93.143	Direct	488,158	1,249,154
Department of Health and Human Services	93.172	Direct	1,096	94,088
University of Massachusetts, Worcester	93.172	OSP2018040	—	20,044
Subtotal			<u>1,096</u>	<u>114,132</u>
Department of Health and Human Services	93.173	Direct	1,352,333	7,957,998
Brigham Young University	93.173	18-0529	—	86,268
Massachusetts Eye and Ear Infirmary & Physician Staff, Inc.	93.173	2300048	—	790
Massachusetts General Hospital	93.173	230322	—	394,662
Northwestern University	93.173	SP0037464-PROJ0010405	—	(158)
Subtotal			<u>1,352,333</u>	<u>8,439,560</u>
Boston Medical Center Corporation	93.186	BMC ID 6888	—	7,796
Department of Health and Human Services	93.213	Direct	106,764	344,171
Boston Medical Center Corporation	93.213	7531	—	12,179
Boston Medical Center Corporation	93.213	7532	—	49,698
Butler Hospital	93.213	9244-8311	—	1,581
Yale University	93.213	GR104630 (CON-80001478)	—	1,885
Yale University	93.213	GR104513 (CON-80001460)	—	795
Yale University	93.213	GR107891 (CON-80002015)	—	37,932
Yale University	93.213	GR107786 (CON-80002028)	—	22,855
Subtotal			<u>106,764</u>	<u>471,096</u>
Boston Medical Center Corporation	93.225	7474	—	143,850
Department of Health and Human Services	93.226	Direct	89,558	613,212
Duke Clinical Research Institute	93.226	203-7633	—	(1,759)
Duke Clinical Research Institute	93.226	203-7973	—	2,910
Duke Clinical Research Institute	93.226	A032551	—	7,154
The George Washington University	93.226	19-M31	—	113,711
University of Utah	93.226	10042477-03	—	20,277
Subtotal			<u>89,558</u>	<u>755,505</u>
Department of Health and Human Services	93.242	Direct	505,687	7,655,066
Beth Israel Deaconess Medical Center, Inc.	93.242	01029836	—	16,268
Beth Israel Deaconess Medical Center, Inc.	93.242	01061188	—	45,415
Boston Medical Center Corporation	93.242	7064	—	70,443
Brown University	93.242	00001522	—	2,971
Butler Hospital	93.242	5001571-RCT	—	11,514
Cleveland Clinic Lerner College of Medicine	93.242	1260-SUB	—	51,494
Duke University	93.242	A030163	—	6,180
Duke University	93.242	A032179	—	55,318
Emory University	93.242	A010793	—	20,280
Icahn School of Medicine at Mount Sinai	93.242	0255-4261-4609	—	19,489
Massachusetts General Hospital	93.242	229354	—	111,880
Massachusetts General Hospital	93.242	233148	—	310,396
Massachusetts Institute of Technology	93.242	S4406 PO 194827	—	132,269
Massachusetts Institute of Technology	93.242	6937063	—	754
McLean Hospital Corporation	93.242	401122	—	39,690
McLean Hospital Corporation	93.242	401566	—	21,785
Medical University of South Carolina	93.242	MUSC15-084-8B403	—	183,808
Michigan State University	93.242	RC105383Boston	—	7,749
Palo Alto Institute for Research and Education	93.242	WIS0003-01	—	19,768
Regents of the University of Colorado	93.242	FY20.941.004	—	29,352
Regents of the University of Michigan	93.242	SUBK00010055	—	47,975
Suffolk University	93.242	610215-165403	—	4,686
The Miriam Hospital	93.242	7147135JR	—	74,465
The Regents of the University of California	93.242	8315sc	—	13,091
Trustees Of Columbia University In The City of New York	93.242	6(GG012936-03)	—	260,412
University of California, San Diego	93.242	89881635	—	132,017

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Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
University of Connecticut	93.242	313994	\$ —	15,134
University of Massachusetts, Boston	93.242	B000732887	—	168,302
University of Massachusetts, Boston	93.242	B000732890	—	2,349
University of New England	93.242	230068-101	—	3,335
University of Pittsburgh	93.242	AWD00002015 (134205-1)	—	3,287
Subtotal			<u>505,687</u>	<u>9,536,942</u>
Department of Health and Human Services	93.250	Direct	—	117,379
Department of Health and Human Services	93.262	Direct	52,291	423,912
Harvard School of Public Health	93.262	114960-5109547	—	19,979
Icahn School of Medicine at Mount Sinai	93.262	0254-5943-4609	—	7,293
President & Fellows of Harvard College	93.262	114960-5097784	—	78,498
Subtotal			<u>52,291</u>	<u>647,061</u>
Department of Health and Human Services	93.273	Direct	423,420	6,235,882
Boston Medical Center Corporation	93.273	0240501	—	(3,935)
Boston Medical Center Corporation	93.273	5584	—	94,874
Boston Medical Center Corporation	93.273	6242	—	30,371
Boston Medical Center Corporation	93.273	6196	—	2,540
Boston Medical Center Corporation	93.273	6437	—	1,184
Boston Medical Center Corporation	93.273	BMC ID 6884	—	169,533
Boston Medical Center Corporation	93.273	7585	—	9,768
Butler Hospital	93.273	9053-8311	—	9,693
Butler Hospital	93.273	9132-8311	—	29,933
Butler Hospital	93.273	9452-8311	—	6,984
Butler Hospital	93.273	5001411-BLEVINS	—	27,109
Butler Hospital	93.273	5001491-ABRANTES	—	15,111
Colorado Research Partners LLC	93.273	2019-02	—	91,646
Syracuse University	93.273	27189-04107-S01	—	263,128
Syracuse University	93.273	SP-27189-1-04460-S01	—	8,927
The Regents of the University of California	93.273	9820sc	—	29,399
The Regents of the University of California	93.273	10444sc	—	36,701
Vanderbilt University Medical Center	93.273	VUMC 64150	—	50,180
Subtotal			<u>423,420</u>	<u>7,109,028</u>
Department of Health and Human Services	93.279	Direct	559,396	3,463,443
Boston Medical Center Corporation	93.279	4268	—	127,630
Boston Medical Center Corporation	93.279	5777	—	4,040
Boston Medical Center Corporation	93.279	6064	—	51,101
Boston Medical Center Corporation	93.279	6049	—	3,934
Boston Medical Center Corporation	93.279	6162	—	157,238
Boston Medical Center Corporation	93.279	BMC ID 6660	—	25,126
Boston Medical Center Corporation	93.279	BMC ID 7096	—	3,861
Boston Medical Center Corporation	93.279	7349	—	1,687,136
Boston Medical Center Corporation	93.279	7281	—	54,722
Boston Medical Center Corporation	93.279	7314	—	19,594
Brandeis University	93.279	Pass-Through Number Not Available	—	51,744
Brown University	93.279	00001196	—	48,939
Butler Hospital	93.279	9240-8311	—	3,018
Butler Hospital	93.279	9242-8311	—	5,795
Butler Hospital	93.279	5001461BU-ABRANTES	—	38,068
Butler Hospital	93.279	5001471BU-ABRANTES	—	44,248
Denver Health Medical Center	93.279	A19-0001-S006	—	30,666
Howard University	93.279	0009590-1000090551	—	25,177
McLean Hospital Corporation	93.279	401108	—	295,848
The Leland Stanford Junior University	93.279	61608847-124841	—	34,499
The Miriam Hospital	93.279	7109993MLD	—	3,330
The Miriam Hospital	93.279	7149993ELC	—	4,577
The Scripps Research Institute	93.279	5-53667	—	89,477
The University of Tennessee on behalf of its Health Science Center	93.279	20-3595-BOSTN	—	13,720
University of Wisconsin System	93.279	813K385	—	35,572
Weill Medical College of Cornell	93.279	201851-2	—	67,675
Weill Medical College of Cornell	93.279	191194-1	—	33,137
Weill Medical College of Cornell	93.279	193098-1	—	30,588
Yale University	93.279	GK000429 (CON-80000245)	—	12,272
Yale University	93.279	GK000703 (CON-80000646)	—	56,132
Yale University	93.279	Pass-Through Number Not Available	—	1,680
Subtotal			<u>559,396</u>	<u>6,523,987</u>
Boston Medical Center Corporation	93.283	0252804	—	(2,541)
International Society of Travel Medicine	93.283	Pass-Through Number Not Available	—	209
Subtotal			<u>—</u>	<u>(2,332)</u>

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Department of Health and Human Services	93.286	Direct	\$ 822,903	3,125,511
Hansjorg Wyss Institute for Biologically	93.286	Chen.NIH.UH3	—	53,380
Massachusetts General Hospital	93.286	231361	—	18,493
Massachusetts General Hospital	93.286	234776	—	75,539
Massachusetts General Hospital	93.286	234765	—	10,356
Massachusetts General Hospital	93.286	235502	—	136,974
Northeastern University	93.286	500632-78050	—	40,140
Photothermal Spectroscopy Corp.	93.286	1R43EB027018-01	—	(2,371)
The Brigham and Women's Hospital, Inc.	93.286	121687	—	48,804
Tristan Technologies	93.286	TTIBU001-02	—	93,552
Subtotal			822,903	3,600,378
Department of Health and Human Services	93.307	Direct	38,401	132,774
Massachusetts General Hospital	93.307	227351	—	13,917
New York University	93.307	F0611-01	—	47,238
President & Fellows of Harvard College	93.307	112527-5096607-P3	—	186,013
President & Fellows of Harvard College	93.307	112527-5091238	—	25,822
President & Fellows of Harvard College	93.307	112527-5096602-CEC	8,400	50,136
President & Fellows of Harvard College	93.307	112527-5096605-P1	—	52,542
President & Fellows of Harvard College	93.307	112527-5109037-DS	—	72,992
University of Miami	93.307	SPC-001294	—	120,536
Wake Forest University	93.307	100730-110219	—	20,480
Subtotal			46,801	722,450
Department of Health and Human Services	93.310	Direct	88,198	831,359
Massachusetts General Hospital	93.310	232124	—	164,918
The Brigham and Women's Hospital, Inc.	93.310	119919	—	352,421
The Brigham and Women's Hospital, Inc.	93.310	122469	—	55,226
University of Massachusetts, Worcester	93.310	RFS2016047	—	1,908
University of North Carolina at Chapel Hill	93.310	5111874	—	19,376
University of North Carolina at Chapel Hill	93.310	5114829	—	78,883
University of Wisconsin System	93.310	0000000336	—	57,268
Subtotal			88,198	1,561,359
Department of Health and Human Services	93.350	Direct	433,279	2,928,052
Boston Medical Center Corporation	93.350	6244	—	127,812
Hansjorg Wyss Institute for Biologically	93.350	167998-5109799	—	65,014
President & Fellows of Harvard College	93.350	027269.746796.0005	—	3,692
President & Fellows of Harvard College	93.350	027269.746796.0008	—	1,900
President & Fellows of Harvard College	93.350	027269.746796.0009	—	3,744
University of Pittsburgh	93.350	AWD00000243 (132627-41)	—	31,373
Subtotal			433,279	3,161,587
Department of Health and Human Services	93.351	Direct	—	335,424
Department of Health and Human Services	93.353	Direct	624,265	857,223
University of Washington	93.353	UWSC11511	—	18,550
Subtotal			624,265	875,773
Department of Health and Human Services	93.360	Direct	19,326,368	24,121,804
Boston Medical Center Corporation	93.361	5310	—	58,634
Butler Hospital	93.361	9241-8311	—	53,517
Subtotal			—	112,151
Department of Health and Human Services	93.393	Direct	307,995	6,523,153
City of Hope	93.393	52454.2002720.669305	—	17,313
Health Research, Inc.	93.393	325-01	—	120,065
Health Research, Inc.	93.393	328-01	—	112,530
Rector & Visitors of the University of Virginia	93.393	GB10416 PO 2139060	—	51,951
Vanderbilt University Medical Center	93.393	VUMC 58931	—	92,897
Vanderbilt University Medical Center	93.393	VUMC59137	—	79,530
Subtotal			307,995	6,997,439
Department of Health and Human Services	93.394	Direct	725,061	2,024,274
Boston Medical Center Corporation	93.394	7619	—	22,450
Boston Medical Center Corporation	93.394	7618	—	13,109
Mayo Clinic	93.394	BOS-211750-05	—	68,596
Photothermal Spectroscopy Corp.	93.394	Pass-Through Number Not Available	—	94,765
University of California, Los Angeles	93.394	1562GTA938	—	453,773
Subtotal			725,061	2,676,967
Department of Health and Human Services	93.395	Direct	331,643	766,536
Boston Medical Center Corporation	93.395	5276	—	15
Northwestern University	93.395	60050593 BU	—	136,689
Virginia Commonwealth University	93.395	FP00006681-SA001	—	258,774
Subtotal			331,643	1,162,014

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Department of Health and Human Services	93.396	Direct	\$ 451,559	2,122,423
Dana-Farber Cancer Institute	93.396	1204602	—	236,984
Fluent BioSciences Inc.	93.396	1	—	82,208
Harvard School of Public Health	93.396	113098-5093071	—	99,535
Harvard School of Public Health	93.396	113098-5109804	—	26,035
Subtotal			451,559	2,567,185
Dana-Farber Cancer Institute	93.397	1205202	—	40,783
Department of Health and Human Services	93.398	Direct	—	607,488
Department of Health and Human Services	93.399	Direct	—	55,177
Department of Health and Human Services	93.433	Direct	208,815	1,680,350
Kent State University	93.433	403014-BU	—	(320)
Rehabilitation Institute of Chicago	93.433	80498	—	(1,974)
Spaulding Rehabilitation Hospital	93.433	500498	—	62,953
Spaulding Rehabilitation Hospital	93.433	500497	—	52,103
University of Massachusetts, Medical School	93.433	WA00498474/OSP2017117	—	42,663
University of Massachusetts, Worcester	93.433	OSP30799-01	—	14,010
Subtotal			208,815	1,849,785
Department of Health and Human Services	93.516	Direct	271,105	962,515
Department of Health and Human Services	93.575	Direct	5,708	19,734
Brandeis University	93.575	403599	—	59,394
Subtotal			5,708	79,128
Department of Health and Human Services	93.701	Direct	—	(18,707)
Commonwealth of Massachusetts – Department of Public Health	93.758	INTF1200M04191028045	—	430,008
Department of Health and Human Services	93.837	Direct	4,201,584	13,957,985
Albert Einstein College of Medicine	93.837	31159A	—	201,740
American Heart Association	93.837	FX-ATRAC-2U54HL120163-BU	—	209,230
American Heart Association	93.837	FX-ATRAC-2U54HL120163-BU	—	77,096
American Heart Association	93.837	FX-ATRAC-2U54HL120163-BU	143,819	425,066
Augusta University Research Institute Inc.	93.837	35616-1	—	75,127
Beth Israel Deaconess Medical Center, Inc.	93.837	01029109	—	192,588
Boston Medical Center Corporation	93.837	BMC ID 7094	—	13,596
Boston Medical Center Corporation	93.837	7365	—	167,032
Broad Institute, Inc., The	93.837	5100153-5500000879	—	145,855
Broad Institute, Inc., The	93.837	Pass-Through Number Not Available	—	189,252
Cedars-Sinai Medical Center	93.837	0001409087	—	33,691
Cedars-Sinai Medical Center	93.837	1684030	—	98,450
Cedars-Sinai Medical Center	93.837	1569389	—	80,101
Hansjorg Wyss Institute for Biologically	93.837	Chen.NIH.R01	—	67,676
Hansjorg Wyss Institute for Biologically	93.837	Chen.NIH.R01	—	2,635
Johns Hopkins University	93.837	2002953683	—	73,024
Johns Hopkins University	93.837	2004337122	—	15,000
Joslin Diabetes Center	93.837	100028	—	27,876
Massachusetts General Hospital	93.837	229760	—	434,465
Massachusetts General Hospital	93.837	232371	—	217,335
Massachusetts General Hospital	93.837	235136	—	7,859
Massachusetts General Hospital	93.837	227547	—	132,456
Massachusetts General Hospital	93.837	234357	—	117,676
Mayo Clinic	93.837	BOS-252386/PO 66579059	—	102,125
McGill University Health Center	93.837	PO 603	—	155,494
RTI International	93.837	2-312-0217030-65775L	—	29,258
The Brigham and Women's Hospital, Inc.	93.837	114599	—	5,327
The Brigham and Women's Hospital, Inc.	93.837	120475	—	58,640
The Brigham and Women's Hospital, Inc.	93.837	121823	—	139,369
Trustees of the University of Pennsylvania	93.837	569052	—	(6,100)
University of Maryland	93.837	1701192 REQUEST: 3337	—	6,104
University of Maryland d.b.a. University of Maryland Baltimore Campus	93.837	1701192	—	(4,174)
University of Maryland d.b.a. University of Maryland Baltimore Campus	93.837	1701192 Request: 3239	—	9,982
University of Maryland d.b.a. University of Maryland Baltimore Campus	93.837	1701192 Request: 3329	—	10,230
University of Maryland d.b.a. University of Maryland Baltimore Campus	93.837	1701192 Request:3240	—	10,013
University of Maryland, Baltimore County	93.837	1701192	—	(57)
University of Massachusetts, Lowell	93.837	S51110000032770	—	164,979
University of Rochester	93.837	417486G UR FAO GR510894	—	59,417
University of Texas, Houston	93.837	0013477B	—	43,142
University of Washington	93.837	UWSC10616	—	41,479
University of Washington	93.837	UWSC11247	—	20,142
Yale University	93.837	GK000497 (CON-80000517)	—	27,424
Yale University	93.837	GR100589 (CON-80000842)	—	99,787
Subtotal			4,345,403	17,935,392

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA number	Direct award or pass-through entity identifying number	Passed through to subrecipients	Total federal expenditures
Department of Health and Human Services	93.838	Direct	\$ 879,750	7,935,477
Cincinnati Children's Hospital Medical Center	93.838	137990	—	396,984
Massachusetts General Hospital	93.838	230841	—	56,788
Mayo Clinic	93.838	BOS-196079-04	—	(26,520)
Mechanobiologix, LLC	93.838	06302019	—	44,507
Northwestern University	93.838	60053561 BOS	—	19,203
Northwestern University	93.838	60055357 BU	—	6,175
The Brigham and Women's Hospital, Inc.	93.838	110676	—	258
The Brigham and Women's Hospital, Inc.	93.838	117080	—	9,597
The Brigham and Women's Hospital, Inc.	93.838	118677	—	27,091
The Brigham and Women's Hospital, Inc.	93.838	117432	—	90,925
The Brigham and Women's Hospital, Inc.	93.838	120957	—	135,136
The Regents of the University of California	93.838	9760	—	670,966
University of Rochester	93.838	416531	—	(19)
Subtotal			<u>879,750</u>	<u>9,366,568</u>
Department of Health and Human Services	93.839	Direct	145,243	1,979,788
Boston Medical Center Corporation	93.839	5846	—	84,561
Boston Medical Center Corporation	93.839	7375	—	83,621
Subtotal			<u>145,243</u>	<u>2,147,970</u>
Department of Health and Human Services	93.846	Direct	775,485	4,821,809
Cincinnati Children's Hospital Medical Center	93.846	306894	—	19,715
Hebrew Rehabilitation Center For Aged, Inc.	93.846	90094	—	8,514
Hebrew SeniorLife	93.846	90070	—	4,693
Hebrew SeniorLife	93.846	90077	—	64,811
Massachusetts General Hospital	93.846	224534	—	(1,538)
Massachusetts General Hospital	93.846	234823	—	82,158
Nevada System Of Higher Education	93.846	UNR-17-71	—	(1,605)
President & Fellows of Harvard College	93.846	133876-5105271	—	100,726
President & Fellows of Harvard College	93.846	168025-5112901	—	17,241
The Brigham and Women's Hospital, Inc.	93.846	113176	—	105,524
The Brigham and Women's Hospital, Inc.	93.846	119689	—	39,581
The Brigham and Women's Hospital, Inc.	93.846	121167	—	35,990
The Brigham and Women's Hospital, Inc.	93.846	235440	—	33,399
The University of Iowa	93.846	S00516-01	—	126,720
University of Pittsburgh	93.846	0055852 (132102-4)	—	15,576
University of Pittsburgh	93.846	CNVA0055852 (133696-2)	—	91,436
University of Pittsburgh	93.846	0053241 (132387-2)	—	6,557
Subtotal			<u>775,485</u>	<u>5,571,307</u>
Department of Health and Human Services	93.847	Direct	7,282,417	12,834,119
Boston Medical Center Corporation	93.847	6751	—	10,546
Boston Medical Center Corporation	93.847	6956	—	191,338
Colorado Research Partners LLC	93.847	2018-02	—	50,349
Duke University	93.847	A031897	—	30,642
Massachusetts General Hospital	93.847	233268	—	144,176
Massachusetts General Hospital	93.847	226142	—	230,957
Massachusetts General Hospital	93.847	229965	—	15,228
Medical University of South Carolina	93.847	A00-3838-S001	—	9,535
President & Fellows of Harvard College	93.847	153335.5109126.0002	—	71,264
Regents of the University of Colorado	93.847	FY16.810.001	—	66,369
Regents of the University of Minnesota	93.847	P004760201	—	88,915
Regents of the University of Minnesota	93.847	P006540204	—	265
SRI International	93.847	PO4705	—	158,944
The University of Alabama at Birmingham	93.847	UA17-031	1,645	5,493
The University of Alabama at Tuscaloosa	93.847	A19-0479-S003	—	105,369
University of Texas at Austin	93.847	UTA16-001014	—	26,689
Weill Medical College of Cornell	93.847	201882	—	204,062
Weill Medical College of Cornell	93.847	201474	—	241,298
Subtotal			<u>7,284,062</u>	<u>14,485,558</u>
Department of Health and Human Services	93.853	Direct	2,434,844	10,726,892
Aquinnah Pharmaceuticals, Inc.	93.853	Pass-Through Number Not Available	—	(7,884)
California Institute Of Technology	93.853	S407700	—	7,350
Cold Spring Harbor Laboratory	93.853	64100315	—	(24,614)
Louisiana State University	93.853	19-11-100	—	166,552
Massachusetts General Hospital	93.853	234782	—	35,602
Massachusetts General Hospital	93.853	232201	—	26,347
Mayo Clinic	93.853	BOS-193537-04	—	52,457
Regents of the University of Colorado	93.853	FY16.414.002	—	35,416
The Brigham and Women's Hospital, Inc.	93.853	119414	—	22,076
Trustees Of Columbia University In The City of New York	93.853	2(GG014833-01)	—	133,432
University of Texas Health Science Center	93.853	0010073B	—	49
University of Texas Health Science Center	93.853	165168/165164	—	255,773
University of Texas Health Science Center	93.853	166220/165999	—	124,345
Subtotal			<u>2,434,844</u>	<u>11,553,793</u>

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Department of Health and Human Services	93.855	Direct	\$ 1,883,438	23,683,827
Benaroya Research Institute at Virginia	93.855	FY171TN254	—	14,027
Boston Medical Center Corporation	93.855	4700	—	64,726
Boston Medical Center Corporation	93.855	5322	—	52,796
Boston Medical Center Corporation	93.855	5582	—	105,446
Boston Medical Center Corporation	93.855	6612	—	64,856
Boston Medical Center Corporation	93.855	6613	—	5,425
Boston Medical Center Corporation	93.855	BMC ID: 6761	—	74,508
Boston Medical Center Corporation	93.855	7514	—	37,650
Chicago BioSolutions, Inc.	93.855	Pass-Through Number Not Available	—	34,360
Duke University	93.855	2036966	—	15,593
Duke University	93.855	A031479	—	16,387
Georgia State University	93.855	SP00013377-02	—	15,991
Georgia State University	93.855	SP00012813-04	—	211,304
Governing Council of the University of Toronto	93.855	501095-Subgrant2	—	202,245
Harvard Pilgrim Health Care	93.855	R21AL143386/AH707	—	21,645
Integrated BioTherapeutics, Inc.	93.855	5R01AI132204	—	48,006
Integrated BioTherapeutics, Inc.	93.855	5R42AI122403	—	41,968
Massachusetts General Hospital	93.855	233837	—	79,038
Michigan State University	93.855	RC107329BU	—	131,365
Michigan State University	93.855	RC110792BU	—	25,433
President & Fellows of Harvard College	93.855	117164-5113035	—	10,618
Purdue University	93.855	110000450-007	—	302,225
Purdue University	93.855	11000905-020	—	83,091
Rutgers, The State University of New Jersey	93.855	0791	—	17,361
Rutgers, The State University of New Jersey	93.855	1214	—	189,381
The Children's Hospital Corporation	93.855	GENFD0001751967	—	88,338
The Miriam Hospital	93.855	710-9160	—	(6,499)
The Miriam Hospital	93.855	7109155HA	—	1,817
The Miriam Hospital	93.855	7109156LW	—	3,947
The Miriam Hospital	93.855	7147100TK	—	161,121
The Miriam Hospital	93.855	7109155AB	—	1,986
The Miriam Hospital	93.855	7147107MM	—	72,628
The Miriam Hospital	93.855	7147101JR	—	20,029
The Miriam Hospital	93.855	7141705JB	—	7,930
The Miriam Hospital	93.855	7147101JGM	—	35,829
The Miriam Hospital	93.855	7147101WEJ	—	3,772
The Miriam Hospital	93.855	7147108LSM	—	56,746
The Regents of the University of California	93.855	9299SC	—	141
The Scripps Research Institute	93.855	5-53753	—	104,094
The University of Iowa	93.855	S00528-01	—	192,510
The Washington University	93.855	WU-19-238-MOD-2	—	296,816
The Washington University	93.855	WU-20-23	—	109,025
Trustees of Tufts College, Inc	93.855	101315-00001 / HH4165	—	71,355
University of Massachusetts, Medical School	93.855	OSP2018100	—	35,565
University of Wisconsin System	93.855	0000000159	—	901,240
Vanderbilt University Medical Center	93.855	VUMC 65588	—	(24)
Vanderbilt University Medical Center	93.855	VUMC 73531	—	49,520
WITS Health Consortium	93.855	D1403300-05	—	121,355
Yale University	93.855	GR105322 (CON-80001637)	—	9,984
Subtotal			<u>1,883,438</u>	<u>27,888,497</u>
Department of Health and Human Services	93.859	Direct	844,507	16,191,624
Carnegie Mellon University	93.859	1090515-390618	—	106,241
Massachusetts General Hospital	93.859	230194	—	243,545
Massachusetts General Hospital	93.859	232924	—	77,458
Massachusetts Institute of Technology	93.859	S4796 / PO 295871	—	119,486
NanoValent Pharmaceuticals, Inc.	93.859	Pass-Through Number Not Available	—	331,578
President & Fellows of Harvard College	93.859	James_Chuang_153204_2019	—	2,371
Q-Chem Inc.	93.859	1 R43 GM126804-01A1	—	2,370
Silicon Therapeutics	93.859	BU-PHASE 2-SBIR	—	82,384
The University of California, Santa Cruz	93.859	A00-0506-S002-P0557351	—	3,513
The University of California, Santa Cruz	93.859	A19-0429-S001-P0707042	—	1,048
University of Utah	93.859	10047369-S1	—	62,514
Subtotal			<u>844,507</u>	<u>17,224,132</u>
International Society of Travel Medicine	93.860	Pass-Through Number Not Available	—	111,654
Department of Health and Human Services	93.865	Direct	3,210,945	8,158,138
Africa Health Research Institute	93.865	LoA R51	—	80,764
Boston Medical Center Corporation	93.865	6259	—	23,084
Boston Medical Center Corporation	93.865	6986	—	541,642
Boston Medical Center Corporation	93.865	6929	—	37,217
Boston Medical Center Corporation	93.865	6930	—	36,929
Children's Research Institute	93.865	30004438-03	—	170,849
Dartmouth-Hitchcock Clinic	93.865	GC10075-02-06	—	242,591
Florida State University	93.865	R01955	—	59,656
Georgia Institute of Technology	93.865	AWD-000312-G2	—	33,458

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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
Hansjorg Wyss Institute for Biologically	93.865	167971-5099650	\$ —	115,714
Queen's University at Kingston	93.865	1	—	10,441
Regents of the University of Michigan	93.865	3003795363	—	64,601
Regents of the University of Minnesota	93.865	N006344002	—	11,633
Research Foundation for Mental Hygiene	93.865	146182	—	275,290
The Washington University	93.865	WU-18-9	—	24,405
Trustees of Indiana University	93.865	IN-4682016-BU	—	9,748
University of Maryland	93.865	43924-Z0751001	—	196,251
University of Maryland	93.865	69916-Z0194201	—	14,266
University of Massachusetts, Worcester	93.865	WA00421402/OSP2016189	—	34,623
University of North Carolina at Chapel Hill	93.865	5108778	—	27,818
University of Wisconsin, Madison	93.865	0000000217	—	44,918
Subtotal			<u>3,210,945</u>	<u>10,214,036</u>
Department of Health and Human Services	93.866	Direct	5,180,719	31,765,238
AnthroTronix, Inc.	93.866	070119-0002-BU	—	105,543
Boston Medical Center Corporation	93.866	4044	—	(7,617)
Boston Medical Center Corporation	93.866	4041	—	14,822
Boston Medical Center Corporation	93.866	7610	—	3,789
Brandeis University	93.866	402461	—	(4,626)
Brandeis University	93.866	403861	—	4,493
Brandeis University	93.866	403861	—	22,928
California Pacific Medical Center	93.866	2803226-S160	—	(3,199)
California Pacific Medical Center	93.866	280201008-S189	—	61,613
California Pacific Medical Center	93.866	280201018-S241	34,661	552,840
California Pacific Medical Center	93.866	280201018-S252	—	169,376
Case Western Reserve University	93.866	RES514792	—	275,927
Duke University	93.866	A032412	—	54,267
Harvard University	93.866	114963-5096729	—	38,198
Icahn School of Medicine at Mount Sinai	93.866	0255-A981-4609	—	4,591
Icahn School of Medicine at Mount Sinai	93.866	0255-B851-4609	—	193,504
Icahn School of Medicine at Mount Sinai	93.866	0255-B701-4609	—	38,980
Jackson Laboratory	93.866	210011-0620-03	—	9,595
Massachusetts General Hospital	93.866	224936	—	684
Massachusetts General Hospital	93.866	234538	—	85,521
Massachusetts General Hospital	93.866	234945	—	22,001
New York University School of Medicine	93.866	18-A0-00-10014999	—	18,851
Northwestern University	93.866	60034742 BU	—	(1,108)
Northwestern University	93.866	60044936 BU	—	49,465
Northwestern University	93.866	60053943 BOS	—	66,727
Ohio State University	93.866	60070049	—	40,293
Sage Bionetworks	93.866	AMP2019BUSupp	—	135,806
The Brigham and Women's Hospital, Inc.	93.866	121975	—	27,141
The Brigham and Women's Hospital, Inc.	93.866	115904	—	14,275
The Brigham and Women's Hospital, Inc.	93.866	117618	—	429,187
The Brigham and Women's Hospital, Inc.	93.866	121786	—	186,448
The Washington University	93.866	WU-20-480	—	687,273
The Washington University	93.866	WU-20-158	—	145,445
Trustees Of Columbia University In The City of New York	93.866	1(GG014803)	—	102,216
Trustees of the University of Pennsylvania	93.866	564315	—	(400)
Trustees of the University of Pennsylvania	93.866	568785/10047877/14658-01	—	317,727
Trustees of the University of Pennsylvania	93.866	579320/10052383/19533	—	229,439
Trustees of the University of Pennsylvania	93.866	579320/10052383/19532	—	43,792
Trustees of the University of Pennsylvania	93.866	579279	—	6,170
Trustees of Tufts College, Inc	93.866	102782-00001-BU	—	58,206
University of California, Davis	93.866	A18-2546-S002	—	7,487
University of California, Davis	93.866	A18-2550-S002	—	44,385
University of California, Los Angeles	93.866	155 G WA844	—	128,996
University of California, San Diego	93.866	64588650	—	17,864
University of California, San Diego	93.866	66602940	—	139,084
University of California, San Diego	93.866	74138593	—	44,807
University of California, San Diego	93.866	79786571	—	8,185
University of California, San Diego	93.866	95993052	—	254
University of Florida	93.866	UFDSP00012165	—	2,620
University of Massachusetts, Lowell	93.866	S51110000037006	—	38,856
University of Southern California	93.866	75696109	—	21,810
University of Southern California	93.866	79685083	—	26,643
University of Southern California	93.866	109991221	—	146,774
University of Texas Health Science Center	93.866	Pass-Through Number Not Available	—	86,493
University of Texas Health Science Center	93.866	163899/163897	—	(4,908)
University of Texas Health Science Center	93.866	164205/163074	—	970,354
University of Texas Health Science Center	93.866	164552/163910	—	43,899
University of Texas Health Science Center	93.866	164536/164533	—	12,345
University of Texas Health Science Center	93.866	164387/164378	—	282,684
University of Washington	93.866	752694	—	(2,976)
University of Washington	93.866	UWSC7719	—	38,395
University of Washington	93.866	UWSC10019	—	2,952
University of Washington	93.866	UWSC10173	—	62,926

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
University of Washington	93.866	UWSC10728	\$ —	17,280
University of Washington	93.866	WU-20-158	—	56,808
University of Wisconsin, Madison	93.866	0000000094	—	61,969
Subtotal			<u>5,215,380</u>	<u>38,221,407</u>
Department of Health and Human Services	93.867	Direct	71,649	3,031,554
Duke University	93.867	A031459	—	43,370
Northwestern University	93.867	SP0028943-PROJ0007596	—	29,827
Subtotal			<u>71,649</u>	<u>3,104,751</u>
Department of Health and Human Services	93.879	Direct	—	194,846
Department of Health and Human Services	93.884	Direct	54,755	602,518
Boston Medical Center Corporation	93.884	5422	—	37,706
Boston Medical Center Corporation	93.884	5423	—	70,702
Subtotal			<u>54,755</u>	<u>710,926</u>
Department of Health and Human Services	93.989	Direct	78,631	510,867
Dartmouth College	93.989	R1047	—	89,061
Dartmouth College Medical School	93.989	R265	—	(5,058)
Harvard School of Public Health	93.989	5101819-116559	—	5,232
Subtotal			<u>78,631</u>	<u>600,102</u>
Department of Health and Human Services	93.UNK	Direct	200,715	6,317,907
ABT Associates, Inc.	93.UNK	50554	—	31,000
ABT Associates, Inc.	93.UNK	50942	—	106,736
Antigen Pharmaceuticals, Inc.	93.UNK	Pass-Through Number Not Available	—	12,932
Arizona Board of Regents, University of Arizona	93.UNK	441924	—	85,098
Brown University	93.UNK	Pass-Through Number Not Available	—	1,445
Commonwealth of Massachusetts – Department of Public Health	93.UNK	INTF3122H78500224080	—	182,007
Fenway Community Health Center, Inc.	93.UNK	511-B.U.	—	19,583
Leidos	93.UNK	19X100Q	—	13,105
Massachusetts General Hospital	93.UNK	Pass-Through Number Not Available	—	1,906
McKing Consulting Corporation	93.UNK	BU-02-6240	—	4,721
McKing Consulting Corporation	93.UNK	BU-02-6240	—	144,989
Medical College of Georgia	93.UNK	Pass-Through Number Not Available	—	13,538
MRI Global	93.UNK	733-111015-1	—	693,810
President & Fellows of Harvard College	93.UNK	109786.5110769	—	29,544
Texas Biomedical Research Institute	93.UNK	US001-0000703470	—	79,345
Texas Biomedical Research Institute	93.UNK	US001-0000703470	—	4,988
Texas Biomedical Research Institute	93.UNK	US001-0000703661	—	80,127
Texas Biomedical Research Institute	93.UNK	US001-0000703661	—	1,822
The Broad Institute, Inc.	93.UNK	5100611-5500000961	—	14,535
University of Massachusetts, Boston	93.UNK	Pass-Through Number Not Available	—	9,300
University of Mississippi Medical Center	93.UNK	66111350819-06	—	27,870
University of Witwatersrand	93.UNK	Pass-Through Number Not Available	—	8,400
Vanderbilt University	93.UNK	Pass-Through Number Not Available	—	(3,879)
Westat, Inc.	93.UNK	6579-S36	—	53,653
Subtotal			<u>200,715</u>	<u>7,934,482</u>
Department of Health and Human Services Total			<u>56,011,384</u>	<u>265,910,897</u>
Department of Housing and Urban Development:				
Department of Housing and Urban Development	14.906	Direct	—	41,145
Department of Housing and Urban Development Total			<u>—</u>	<u>41,145</u>
Department of Homeland Security:				
Northeastern University	97.061	505035-78050	—	361,707
Northeastern University	97.061	505126-78050	—	(2,453)
Department of Homeland Security Total			<u>—</u>	<u>359,254</u>
Department of Justice:				
National Opinion Research Center	16.026	G168.BU.01	—	22,076
Department of Justice	16.560	Direct	72,972	729,005
Flashscan3D, LLC.	16.560	NIJ02	—	1
RTI International	16.560	116230-5099851	—	7,778
RTI International	16.560	1-340-0215510-52935L	—	9,066
Subtotal			<u>72,972</u>	<u>745,850</u>
Medical University of South Carolina	16.582	A00-3311-S001	—	449,142
Department of Justice	16.752	Direct	—	48,050
Boston Public Health Commission	16.817	FY20021197	—	50,775
Department of Justice Total			<u>72,972</u>	<u>1,315,893</u>
Department of Labor:				
Ohio State University Research Foundation	17.UNK	RF01505779	—	30,697
Department of Labor Total			<u>—</u>	<u>30,697</u>

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Department of the State:				
Institute of International Education	19.010	IIE0138_BU_7.1.17	\$ —	(22,932)
Institute of International Education	19.010	HHH1901_BU_7.1.19	—	229,406
Department of the State Total			—	206,474
Department of the Interior:				
Department of the Interior	15.807	Direct	—	54,636
University of Southern California	15.807	118058054	—	16,757
Subtotal			—	71,393
Department of the Interior	15.808	Direct	15,209	129,620
University of Arizona	15.808	547363	—	7,479
Subtotal			15,209	137,099
Department of the Interior	15.944	Direct	—	95,103
Department of the Interior	15.UNK	Direct	—	343,537
Systems and Technology Research	15.UNK	2017-0030	—	(22,962)
Subtotal			—	320,575
Department of the Interior Total			15,209	624,170
Department of Transportation:				
Department of Transportation	20.109	Direct	—	137,356
Department of Transportation Total			—	137,356
Department of Veterans Affairs:				
Department of Veterans Affairs	64.UNK	Direct	—	2,947,869
Department of Veterans Affairs Total			—	2,947,869
Environmental Protection Agency:				
President & Fellows of Harvard College	66.509	112546-5096985_Admi	—	12,611
President & Fellows of Harvard College	66.509	112546-5102006_P3	—	108,958
President & Fellows of Harvard College	66.509	112546-5102002_P1	—	16,365
President & Fellows of Harvard College	66.509	112546-5102000_CEC	3,600	74,419
President & Fellows of Harvard College	66.509	112544-5107548	—	29,701
Subtotal			3,600	242,054
Environmental Protection Agency	66.514	Direct	—	3,190
Environmental Protection Agency Total			3,600	245,244
National Aeronautics and Space Administration:				
National Aeronautics and Space Administration	43.001	Direct	212,140	5,894,199
Atmospheric and Environmental Research, Inc.	43.001	P2088-001	—	57,138
Barnard College	43.001	BU-80NSSC19K1549	—	21,863
City University of New York	43.001	CM0001778-03	—	67,695
Dartmouth College	43.001	R1058	—	25,916
Jet Propulsion Laboratory	43.001	1595788	—	5,873
Jet Propulsion Laboratory	43.001	1602815	—	46,688
Jet Propulsion Laboratory	43.001	1610365	—	8,816
Jet Propulsion Laboratory	43.001	1624627	—	11,348
Jet Propulsion Laboratory	43.001	1621816	130,479	168,854
Jet Propulsion Laboratory	43.001	1621175	—	10,063
Jet Propulsion Laboratory	43.001	1624307	—	10,100
Jet Propulsion Laboratory	43.001	1628925	—	52,199
Jet Propulsion Laboratory	43.001	1623540	—	1,521
Jet Propulsion Laboratory	43.001	1631244	—	106,595
Massachusetts Institute of Technology	43.001	316080	—	5,717
Massachusetts Institute of Technology	43.001	316080	—	5,632
Massachusetts Institute of Technology	43.001	316080	—	4,500
Massachusetts Institute of Technology	43.001	316080	—	1,574
Massachusetts Institute of Technology	43.001	316080	—	5,534
Massachusetts Institute of Technology	43.001	316080	—	5,534
Planetary Science Institute	43.001	1553 Boston Univ	—	24,580
Regents of the University of Minnesota	43.001	H006201402	—	992
Space Science Institute	43.001	00959	—	591
State University of New York at Buffalo	43.001	R1202595	—	16,615
The George Washington University	43.001	18-M78	—	12,205
The Regents of the University of Colorado	43.001	1000713692	—	266,465
Trustees Of Columbia University In The City of New York	43.001	1(GG012542)	—	6,643
Trustees Of Columbia University In The City of New York	43.001	2(GG012542-03)	—	18,901
Universities Space Research Association	43.001	SOF-06-0214-Pillai	—	5,470
Universities Space Research Association	43.001	SOF 06-0012	—	17,928
Universities Space Research Association	43.001	SOF 06-0047	—	51,121
Universities Space Research Association	43.001	SOF-06-0039-Clemens	—	23,515
Universities Space Research Association	43.001	SOF-06-0014-Clemens	—	10,015
Universities Space Research Association	43.001	SOF-06-0180-Pillai	—	15,925
Universities Space Research Association	43.001	SOF 07-0012	—	4,399

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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
Universities Space Research Association	43.001	SOF 07-0013	\$ —	8,194
Universities Space Research Association	43.001	SOF 07-0221	—	15,067
Universities Space Research Association	43.001	SOF 07-0159	—	8,906
Universities Space Research Association	43.001	SOF 07-0238	—	26,133
University of Michigan	43.001	3004063795	—	168,733
University of Wisconsin, Madison	43.001	775K736	—	49,676
Woods Hole Research Center	43.001	WHRC – WG0871-01	—	(31,378)
Subtotal			<u>342,619</u>	<u>7,238,055</u>
National Aeronautics and Space Administration	43.UNK	Direct	—	245,303
Center for the Advancement of Science in Space, Inc.	43.UNK	GA-2019-009	—	166,718
Jet Propulsion Laboratory	43.UNK	1625837	—	42,795
Smithsonian Astrophysical Observatory	43.UNK	GO8-19016A	—	9,363
Space Telescope Science Institute	43.UNK	HST-GO-14267.002-A	—	(244)
Space Telescope Science Institute	43.UNK	HST-GO-14634.002-A	—	23,938
Space Telescope Science Institute	43.UNK	HST-AR-14576.001-A	—	36,786
Space Telescope Science Institute	43.UNK	HST-GO-15098.001-A	—	(174)
Space Telescope Science Institute	43.UNK	HST-GO-15097.001-A	—	(92)
Space Telescope Science Institute	43.UNK	HST-GO-15165.001-A	—	32,801
Space Telescope Science Institute	43.UNK	HST-GO-15147.001-A	—	12,293
Space Telescope Science Institute	43.UNK	HST-GO-15638.002-A	—	84,987
Space Telescope Science Institute	43.UNK	HST-HF2-51450.001-A	—	60,960
Space Telescope Science Institute	43.UNK	HST-GO-15595.002-A	—	20,817
Space Telescope Science Institute	43.UNK	HST-GO-15918.006-A	—	1,023
Space Telescope Science Institute	43.UNK	HST-GO-15976.001-A	—	11,793
Space Telescope Science Institute	43.UNK	HST-GO-16010.002-A	—	12,036
The Regents of the University of Colorado	43.UNK	1000320450	—	132,725
The Regents of the University of Colorado	43.UNK	1556355	—	80,173
University of California, Berkeley	43.UNK	00009763	—	39,152
Subtotal			<u>—</u>	<u>1,013,153</u>
National Aeronautics and Space Administration Total			<u>342,619</u>	<u>8,251,208</u>
Nathional Endowment for the Humanities				
Nathional Endowment for the Humanities	45.161	Direct	—	64,474
Nathional Endowment for the Humanities Total			<u>—</u>	<u>64,474</u>
National Science Foundation:				
National Science Foundation	47.041	Direct	2,082,618	7,522,199
FAST Ceramics LLC	47.041	Pass-Through Number Not Available	—	65
Florida International University	47.041	800009861-01UG	—	20,673
Massachusetts Institute of Technology	47.041	5710003977	—	102,934
Nanoview Diagnostics Inc.	47.041	Pass-Through Number Not Available	—	42,502
Nanoview Diagnostics Inc.	47.041	Pass-Through Number Not Available	—	57,044
President & Fellows of Harvard College	47.041	168022-5112585	—	11,470
Trustees of the University of Pennsylvania	47.041	570440	—	122,471
University of California, San Diego	47.041	79408553	—	131,356
Vibronix, Inc.	47.041	IIP-1830918-BU	—	47,777
Subtotal			<u>2,082,618</u>	<u>8,058,491</u>
National Science Foundation	47.049	Direct	30,663	4,308,695
Cornell University	47.049	78877-11086	—	131,255
Cornell University	47.049	79433-20674	—	36,382
CRDF Global	47.049	OISE-17-63073-1	1,637	1,768
Massachusetts Institute of Technology	47.049	62197	—	101,872
The Children's Hospital Corporation	47.049	GENFD0001847066	—	31,007
The Research Foundation for the State University of New York	47.049	76749/1136652/2Tier2	—	668,410
The Research Foundation for the State University of New York	47.049	76749/1136652/2M&O	—	128,358
The Research Foundation for the State University of New York	47.049	76749/1136652/2R&D	—	54,789
Trustees Of Columbia University In The City of New York	47.049	10(GG016228)	—	34,586
University of California, Santa Barbara	47.049	KK2024	—	3,588
University of Chicago	47.049	AWD100085-01-PR (SUB0000	—	41,108
University of Wisconsin, Madison	47.049	811K716	—	178,141
University of Wisconsin, Madison	47.049	823K126	—	84,570
Vanderbilt University	47.049	UNIV60348	—	17,958
Subtotal			<u>32,300</u>	<u>5,822,487</u>
National Science Foundation	47.050	Direct	24,507	1,579,609
IODP Management International, Inc.	47.050	IODP-MI-10-02	—	(250)
Marine Biological Laboratory	47.050	52679	—	10,598
Trustees Of Columbia University In The City of New York	47.050	92(GG009393)	—	18,018
University of Southern California	47.050	90931209	—	2,244
Subtotal			<u>24,507</u>	<u>1,610,219</u>

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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	47.070	Direct	\$ 319,790	8,079,591
Hansjorg Wyss Institute for Biologically	47.070	167907-5084537	—	36,821
Raytheon BBN Technologies	47.070	14564	—	80,918
Trustees of Tufts College, Inc	47.070	103262-00001	—	42,146
University of Illinois	47.070	14449	—	23,914
Virginia Polytechnic Institute and State University	47.070	479859-19C90	—	30,651
Virginia Polytechnic Institute and State University	47.070	479590-19C90	—	47,751
Subtotal			<u>319,790</u>	<u>8,341,792</u>
National Science Foundation	47.074	Direct	48,809	2,042,854
Cary Institute of Ecosystem Studies	47.074	3340/200201857	—	23,195
Massachusetts Institute of Technology	47.074	S4877/PO370723	—	28,587
Oregon State University	47.074	S1798A-A	—	10,010
President & Fellows of Harvard College	47.074	131706-5056666	—	68
President & Fellows of Harvard College	47.074	131721-5109144	—	115,907
Rector & Visitors of the University of Virginia	47.074	GA11020-142303	—	25,346
Rector & Visitors of the University of Virginia	47.074	GA11374.PO 2108133	—	38,865
University of California, Santa Barbara	47.074	KK1988	—	190,253
University of Denver	47.074	SC37363-02-02	—	45,124
University of Michigan	47.074	SUBK00010703	—	63,940
University of Wisconsin System	47.074	173405016	—	68,774
Subtotal			<u>48,809</u>	<u>2,652,923</u>
National Science Foundation	47.075	Direct	113,928	1,770,312
Arizona State University	47.075	ASUB00000185	—	28,611
Rutgers, The State University of New Jersey	47.075	0078	—	(674)
Subtotal			<u>113,928</u>	<u>1,798,249</u>
National Science Foundation	47.076	Direct	116,655	4,668,871
Association of Public and Land-grant Universities	47.076	1834518	—	4,124
Museum of Science	47.076	4573-BU-01	—	27,207
University of Wisconsin, Madison	47.076	782K460	—	30,586
University of Wisconsin, Madison	47.076	886K535	—	7,734
Young People's Project, Inc.	47.076	Pass-Through Number Not Available	—	35,156
Subtotal			<u>116,655</u>	<u>4,773,678</u>
National Science Foundation	47.079	Direct	—	68,490
National Science Foundation	47.UNK	Direct	—	189,249
Beth Israel Deaconess Medical Center, Inc.	47.UNK	01060902	—	104,342
Draper Laboratory, Inc.	47.UNK	PO001-0001057378	—	47,031
Hansjorg Wyss Institute for Biologically	47.UNK	168022- NSF NRI 2.0	—	12,030
Subtotal			<u>—</u>	<u>352,652</u>
National Science Foundation Total			<u>2,738,607</u>	<u>33,478,981</u>
Social Security Administration:				
Social Security Administration	96.007	5002112-02	—	24,954
Social Security Administration Total			<u>—</u>	<u>24,954</u>
Research and Development Cluster Total			<u>63,541,702</u>	<u>344,839,901</u>
Student Financial Assistance Cluster:				
Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	Direct	—	3,165,347
Federal Work Study	84.033	Direct	—	3,571,556
Perkins Loan Program	84.038	Direct	—	31,439,622
Federal Pell Grant Program	84.063	Direct	—	15,114,359
Pell Administrative Cost Allowance	84.063	Direct	—	15,790
Federal Direct PLUS Loan Program	84.268	Direct	—	92,095,587
Federal Direct Stafford Loan Program	84.268	Direct	—	144,528,915
Teacher Education Assistance for College and Higher Education Grants	84.379	Direct	—	40,334
Department of Education Total			<u>—</u>	<u>289,971,510</u>
Department of Health and Human Services:				
Health Professions Student Loans – Dental	93.342	Direct	—	918,060
Health Professions Student Loans – Medical	93.342	Direct	—	2,878
Loans for Disadvantaged Students – Dental	93.342	Direct	—	406,914
Loans for Disadvantaged Students – Medical	93.342	Direct	—	179,339
Medical – Primary Care	93.342	Direct	—	553,802
Department of Health and Human Services Total			<u>—</u>	<u>2,060,993</u>
Student Financial Assistance Cluster Total			<u>—</u>	<u>292,032,503</u>
TRIO Cluster:				
TRIO Upward Bound	84.047	Direct	—	689,951
TRIO Cluster Total			<u>—</u>	<u>689,951</u>

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

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
Child Nutrition Cluster:				
Summer Food Service Program for Children Commonwealth of Massachusetts	10.559	13-035-SF-30	\$ —	11,592
Child Nutrition Cluster Total			—	11,592
Special Education Cluster (IDEA):				
Special Education Grants to States Commonwealth of Massachusetts	84.027	268-001-7-3412-R	—	349
Special Education Cluster Total			—	349
Other Program Awards:				
Agency for International Development:				
USAID Foreign Assistance for Programs Overseas Management Sciences for Health Emerging Markets Group, LTD	98.001 98.UNK	MTaPS-19-001 4390-CPFF-07-02 Mod 5	— —	49,781 (1,131)
Agency for International Development Total			—	48,650
Corporation for National and Community Service:				
AmeriCorps	94.006	840200	—	73,457
Massachusetts Service Alliance Massachusetts Service Alliance	94.UNK 94.UNK	A-19-C-042103547 A-20-C-042103547	— —	(28,021) 514,898
Subtotal			—	486,877
Corporation for National and Community Service Total			—	560,334
Department of Defense:				
Basic and Applied Scientific Research Department of Defense	12.300 12.UNK	Direct Direct	— —	29,449 38,321
Department of Defense Total			—	67,770
Department of Education:				
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015	Direct	—	463,778
Rehabilitation Training Technical Assistance Centers Institute for Educational Leadership	84.264	Pass-Through Number Not Available	—	59,456
Ready-To-Learn Television Public Broadcasting Service	84.295	Pass-Through Number Not Available	—	184,264
Gaining Early Awareness and Readiness for Undergraduate Programs Commonwealth of Massachusetts State of Connecticut	84.334 84.334	2014 2015 MA GEAR UP CT GEAR UP	— —	2,800 2,900
Subtotal			—	5,700
COVID-19 - Education Stabilization Fund COVID-19 - Education Stabilization Fund	84.425E 84.425F	Direct Direct	— —	7,497,658 7,497,658
Subtotal			—	14,995,316
Department of Education Total			—	15,708,514
Department of Health and Human Services:				
Training in General, Pediatric, and Public Health Dentistry Global AIDS	93.059	Direct	—	189,367
Muhimbili University of Health Public Health Emergency Preparedness	93.067	Pass-Through Number Not Available	—	(13,362)
Commonwealth of Massachusetts – Department of Public Health Birth Defects and Developmental Disabilities – Prevention and Surveillance	93.069	INTF6208HH4005212094	—	(5,091)
Boston Medical Center Corporation Prevention of Disease, Disability, and Death by Infectious Diseases	93.073	6788	—	53,978
Stanford University	93.084	62332489-148206	—	5,606
Maternal and Child Health Federal Consolidated Programs Association of Maternal and Child Health Association of Maternal and Child Health	93.110 93.110 93.110	Direct 5111588 120519-30	1,916,058 — —	2,981,495 13,188 28,960
Subtotal			1,916,058	3,023,643
Research on Healthcare Costs, Quality and Outcomes Policy Research and Evaluation Grants	93.226	Direct	—	134,743
University of Wisconsin System	93.239	0000000484	—	11,775
Substance Abuse and Mental Health Services Projects of Regional and National Significance				
Casa Esperanza, Inc. Commonwealth of Massachusetts Institute for Health and Recovery, Inc. Jewish Family & Children's Service	93.243 93.243 93.243 93.243	Direct 1H79TI025272-02 INTF4107M04W16012090 Pass-Through Number Not Available Pass-Through Number Not Available	61,874 — — —	161,603 (2,530) 24,330 73,934 78,832
Subtotal			61,874	336,169

BOSTON UNIVERSITY

Supplementary Schedule of Expenditures of Federal Awards

Year ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal CFDA number</u>	<u>Direct award or pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				
AdCare Educational Institute, Inc.	93.354	163	\$ —	34,381
HIV Emergency Relief Project Grants	93.914	Direct	354,954	693,104
Ryan White HIV/AIDS Dental Reimbursement and Community Based Dental Partnership Grants	93.924	Direct	185,708	1,015,311
Special Projects of National Significance	93.928	Direct	379,624	1,157,075
Block Grants for Prevention and Treatment of Substance Abuse				
Boston Medical Center Corporation	93.959	7565	—	28,124
C4 Innovations, LLC	93.UNK	BRSS TACS-OY2-BU	—	624
C4 Innovations, LLC	93.UNK	BRSS TACS-OY3-Boston Uni	—	12,058
Subtotal			—	12,682
Department of Health and Human Services Total			<u>2,898,218</u>	<u>6,677,505</u>
Department of Interior:				
Department of Interior	15.UNK	Direct	—	1,280
Department of Interior Total			—	1,280
Department of State:				
Academic Exchange Programs – Scholars	19.401	Direct	—	21,146
Department of State	19.UNK	Direct	—	14,819
Department of State Total			—	35,965
National Aeronautics and Space Administration:				
Science				
University Corporation for Atmospheric Research	43.001	SUBAWD001458	—	48,993
University of Toledo	43.001	N-125107-01 (F-2016-22)	—	418,402
National Aeronautics and Space Administration Total			—	467,395
National Endowment for the Arts:				
Promotion of the Arts Grants to Organizations and Individuals	45.024	Direct	—	14,018
National Endowment for the Arts	45.UNK	Direct	—	20,000
National Endowment for the Arts Total			—	34,018
National Endowment for the Humanities:				
Promotion of the Humanities Fellowships and Stipends	45.160	Direct	—	30,003
American Antiquarian Society	45.160	Pass-Through Number Not Available	—	16,799
Subtotal			—	46,802
Promotion of the Humanities Professional Development	45.163	Direct	—	25,698
Promotion of the Humanities Public Programs				
Brandeis University	45.164	403774	—	14,870
National Endowment for the Humanities Total			—	87,370
Other Program Awards Total			<u>2,898,218</u>	<u>24,390,693</u>
Total expenditures of federal awards			<u>\$ 66,439,920</u>	<u>661,263,097</u>

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, 2020

(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, 2020. The information in the 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* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the 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 basis of accounting and federal cost 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 Cost Rates

The University elected not to use the 10% de minimus indirect cost rate allowed under the Uniform Guidance. The University has an approved predetermined facilities and administrative cost rate effective through fiscal year June 30, 2023 for on campus and off campus sponsored research activities. The base rates in effect for the year ended June 30, 2020 were 65.0% for on campus research and 26.0% for off campus research. Facilities and administrative cost recoveries are reported as part of federal expenditures on the Schedule.

BOSTON UNIVERSITY

Notes to Supplementary Schedule of Expenditures of Federal Awards
Year ended June 30, 2020

(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 June 30, 2019	Loans issued	Payments received	Balance as of June 30, 2020
Perkins loan program	84.038	\$ 31,439,622	—	(5,726,287)	25,713,335
Medical-primary care	93.342	553,802	—	(209,491)	344,311
Health professions					
Student loans (HPSL):					
Medical	93.342	903,060	15,000	(173,447)	744,613
Dental	93.342	2,878	—	—	2,878
Loans for Disadvantaged					
Students (LDS):					
Medical	93.342	179,339	—	(57,539)	121,800
Dental	93.342	406,914	—	(51,087)	355,827
Totals		\$ <u>33,485,615</u>	<u>15,000</u>	<u>(6,217,851)</u>	<u>27,282,764</u>

The amounts reported on the accompanying Schedule for these loan programs reflect the outstanding balance of loans at the beginning of the year, current year loaned amounts, and any administrative charges related to the loan programs. There were no new federal capital contributions during the year ended June 30, 2020.

Federal Direct Loans

Federally guaranteed loans distributed to students of the University through the Federal Direct Student Loan Program during the year ended June 30, 2020 are summarized as follows:

	Federal CFDA number	Loans distributed
Federal Direct Stafford Loan Program	84.268	\$ 144,528,915
Federal Direct PLUS Loan Program	84.268	<u>92,095,587</u>
Total William D. Ford Federal Direct Loans		\$ <u>236,624,502</u>

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



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

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

The Board of Trustees
Boston University:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Boston University and its subsidiaries (the University), which comprise the consolidated statement of financial position as of June 30, 2020, 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 17, 2020. Our report contains an emphasis of matter paragraph referring to the University's adoption, in 2020, of Accounting Standards Update No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*.

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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

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

Compliance and Other Matters

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



Purpose of this Report

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

KPMG LLP

Boston, Massachusetts
September 17, 2020



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

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

The Board of Trustees
Boston University:

Report on Compliance for Each Major Federal Program

We have audited Boston University and its subsidiaries' (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2020. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each 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 each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on the major federal program is not modified with respect to this matter.



The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, which we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University is also responsible for preparing a corrective action plan to address each audit finding included in our auditors' report. The University's response and corrective action plan were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response or the corrective action plan.

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



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

We have audited the consolidated financial statements of the University as of and for the year ended June 30, 2020, and have issued our report thereon dated September 17, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

KPMG LLP

Boston, Massachusetts
April 14, 2021

BOSTON UNIVERSITY
Schedule of Findings and Questioned Costs
Year ended June 30, 2020

(1) Summary of Auditors' Results

- (a) Type of report issued on whether the consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles: **Unmodified**
- (b) Internal control deficiencies over financial reporting disclosed by the audit of the consolidated financial statements:
 - Material weaknesses: **No**
 - Significant deficiencies: **None reported**
- (c) Noncompliance material to the consolidated financial statements: **No**
- (d) Internal control deficiencies over major programs disclosed by the audit:
 - Material weaknesses: **No**
 - Significant deficiencies: **Yes, 2020-001**
- (e) Type of report issued on compliance for major programs: **Unmodified**
- (f) Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?: **Yes, 2020-001**
- (g) Major programs:
 - Student Financial Assistance Cluster – various CFDA numbers
 - Research and Development Cluster – various CFDA numbers
 - Higher Education Emergency Relief Fund – CFDA 84.425E, 84.425F
 - Maternal and Child Health Federal Consolidated Programs – CFDA 93.110
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$3,000,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

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

None

BOSTON UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2020

(3) Findings and Questioned Costs Relating to Federal Awards

<i>Finding No.:</i>	2020-001 – Enrollment Reporting
<i>Federal Agency:</i>	Department of Education
<i>Pass-through Agency:</i>	Direct
<i>Program Name:</i>	Student Financial Assistance Cluster – Federal Direct Loan Program, Federal Pell Grant Program
<i>CFDA Number:</i>	84.268, 84.063
<i>Federal Award Numbers:</i>	P268K200183
<i>Federal Award Year:</i>	July 1, 2019 – June 30, 2020

Criteria or Requirement

According to 34 CFR Section 685.309, under the Federal Direct loan program, institutions must complete and return the Enrollment Reporting roster file via the National Students Loan Data System (NSLDS) within 15 days of receipt. Enrollment information must be reported within 30 days whenever attendance changes for students, unless a roster will be submitted within 60 days. An institution must notify the Secretary of Education if it discovers that a loan under Title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended. The Department of Education lists several certification methods for enrollment reporting, including certifying directly through the NSLDS web site, certifying through the NLSDS's batch enrollment reporting process, or through certification of rosters provided to the National Student Clearinghouse (NSC).

Per 2 CFR 200.303, a non-federal entity must establish and maintain effective internal control over the federal award that provides reasonable assurance that the non-federal entity is managing the federal award in compliance with federal statutes, regulations, and terms and conditions of the federal award.

Condition Found, Including Perspective

The University generally certifies its enrollment reports through rosters provided to the NSC. Of the forty (40) students with enrollment changes we selected for test work, we noted three students whose changes in enrollment status were not timely or accurately transmitted to NSLDS, as follows:

- For two students, the University was notified of each student's enrollment status change from full-time to withdrawn in May 2020, as each student was either short credits to graduate or was pending grading of spring 2020 semester courses. Accordingly, their status changes should have been transmitted after the spring semester, within 60 days being notified of the changes. However, the University did not report the students as withdrawn until the submission of the fall 2020 enrollment roster, 135 days following notification of the status changes.
- For one student, the University was notified of the student's status change from full-time to graduated in May 2020, when the student graduated with a dual degree. Accordingly, the status change should have been transmitted after the spring semester, within 60 days of being notified of the change.

BOSTON UNIVERSITY

Schedule of Findings and Questioned Costs

Year ended June 30, 2020

However, the University did not report status change until the submission of the fall 2020 enrollment roster, 135 days following notification of the change in status. In addition, the status change was reported to NSLDS as withdrawn instead of graduated due to reporting issues from NSC to NSLDS for dual-degree students.

Possible Cause and Effect

The University's internal control processes did not operate consistently to ensure that all enrollment status changes are submitted timely and accurately to NSLDS.

Possible Asserted Effect

Inaccurate and delayed submission of student enrollment status information affects the determinations that lenders and servicers of student loans make related to in-school status, deferments, grace periods, and repayment schedules, as well as the federal government's payment of interest subsidies.

Questioned Costs

No questioned costs were identified.

Statistical Sampling

The sample was not intended to be, and was not, a statistically valid sample.

Repeat Finding

This was not a finding in the prior year.

Recommendation

We recommend that the University review its process to ensure that any enrollment changes are reported within the required 30 or 60 day time frame. The University should work with NSC as needed to ensure proper protocols of transmission to NSLDS occur. Additionally, a review of the submitted enrollment changes to the NSLDS should be performed to ensure current student status is properly reflected.

View of University Officials

Representing Enrollment and Student Administration (ENSA), the University's Registrar met with NSC staff, to discuss the cause of any delays in updating student loan records for Boston University students at NSLDS, and to identify the steps NSC can take to resolve issues identified, to ensure that student status updates, including withdrawals and graduations, are recorded timely at NSLDS. NSC acknowledged that the NSC had changed their process and that the modified system used to complete the Student Status Confirmation Report for NSLDS did not work for data submitted from legacy student information systems. They volunteered to make the updates from a new file that ENSA staff will update and send each graduation cycle until Boston University transitions to Campus Solutions. The University will also request information about the internal controls in place to ensure the completeness and accuracy of the updates provided by the University in NSC's records and at NSLDS, and how the NSC tests the effectiveness of these controls. ENSA will continue to work with the University's internal audit function, to determine the best way to review these control environments periodically, to ensure they are continuing to function.



Reference:

2020-001

Finding:

The University generally certifies its enrollment reports through rosters provided to the National Student Clearinghouse (NSC). Of the forty (40) students with enrollment changes that were selected for test work, three students whose changes in enrollment status were not timely or accurately transmitted to National Student Loans Data System (NSLDS).

Contact Person:

Christine S. Paal, Assistant Vice President and University Registrar

Corrective Actions:

The University continues to work with the National Student Clearinghouse to ensure that student status changes are captured correctly from the legacy Student Information System, including utilizing a graduates-only file for future transmissions to the NSC for their use in populating the Student Status Confirmation Report (SSCR) as well as performing a review of student records from the SSCR to verify that records were updated correctly. In the longer term, the move to Campus Solutions as a student information system and the change to an August graduation date will also be important factors in the accuracy of student status changes.

Completion Date:

December 31, 2021