

# **Boston College**

**Report on Federal Awards in Accordance With  
the Uniform Guidance**

**May 31, 2021**

**EIN: 04-2103545**

**Boston College**  
**Report on Federal Awards in Accordance with the Uniform Guidance**  
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**May 31, 2021**

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**Part I**

**Consolidated Financial Statements and Schedule of  
Expenditures of Federal Awards**



## Report of Independent Auditors

To the Trustees of Boston College

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Boston College and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of May 31, 2021 and 2020, and the related consolidated statements of activities for the year ended May 31, 2021 and of cash flows for the years ended May 31, 2021 and 2020, and the related notes to the financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; 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 the 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 our 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, we consider internal control relevant to the University'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 University'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 College and its subsidiaries as of May 31, 2021 and 2020, and the changes in their net assets for the year ended May 31, 2021 and their cash flows for the years ended May 31, 2021 and 2020 in accordance with accounting principles generally accepted in the United States of America.



**Other Matters**

We previously audited the consolidated statement of financial position as of May 31, 2020, and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated September 25, 2020, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information as of May 31, 2020 and for the year then ended is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

**Other Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended May 31, 2021 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the consolidated financial statements. The 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2021 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 for the year ended May 31, 2021. 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 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.

*PricewaterhouseCoopers LLP*

Boston, Massachusetts  
September 24, 2021

**Boston College**  
**Consolidated Statements of Financial Position**  
**As of May 31, 2021 and 2020**

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 20,091	\$ 21,412
Accounts receivable, net (Note B)	51,716	45,384
Contributions receivable, net (Note C)	179,559	159,946
Notes and other receivables, net (Note B)	26,443	31,145
Investments (Note E)	4,182,832	3,155,299
Funds held by trustees (Note E)	5,949	5,977
Other assets	6,584	7,406
Property, plant and equipment, net (Note G)	<u>1,964,389</u>	<u>1,774,703</u>
Total assets	<u>\$ 6,437,563</u>	<u>\$ 5,201,272</u>
<b>Liabilities</b>		
Accounts payable	\$ 7,449	\$ 4,732
Accrued liabilities	259,498	252,433
Deposits payable and deferred revenues	32,841	43,069
Bonds and mortgages payable, net (Note H)	1,279,346	1,313,937
U.S. Government loan advances	<u>9,196</u>	<u>12,301</u>
Total liabilities	<u>1,588,330</u>	<u>1,626,472</u>
<b>Net Assets</b>		
Without donor restrictions (Note I)	2,163,110	1,736,888
With donor restrictions (Note I)	<u>2,686,123</u>	<u>1,837,912</u>
Total net assets	<u>4,849,233</u>	<u>3,574,800</u>
Total liabilities and net assets	<u>\$ 6,437,563</u>	<u>\$ 5,201,272</u>

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

**Boston College**  
**Consolidated Statement of Activities**  
**Year Ended May 31, 2021**  
**(With Summarized Financial Information for the Year Ended May 31, 2020)**

<i>(in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
<b>Operating</b>				
Revenues and other support				
Tuition and fees	\$ 507,632	\$ -	\$ 507,632	\$ 484,272
Auxiliary enterprises	153,744	-	153,744	149,823
Sponsored research and other programs	68,265	-	68,265	57,736
Government financial aid programs	13,003	-	13,003	4,362
Sales and services	5,253	-	5,253	5,028
Other revenues	9,267	-	9,267	13,258
Nonoperating assets utilized or released from restrictions for operations	132,680	-	132,680	155,414
Total revenues and other support	<u>889,844</u>	<u>-</u>	<u>889,844</u>	<u>869,893</u>
Expenses				
Instruction	315,249	-	315,249	314,540
Academic support	101,009	-	101,009	99,962
Research	48,647	-	48,647	47,758
Student services	73,877	-	73,877	72,522
Public service	3,995	-	3,995	4,358
General administration	139,980	-	139,980	134,159
Auxiliary enterprises	206,927	-	206,927	196,440
Total expenses	<u>889,684</u>	<u>-</u>	<u>889,684</u>	<u>869,739</u>
Increase in net assets from operating activities	<u>160</u>	<u>-</u>	<u>160</u>	<u>154</u>
<b>Nonoperating</b>				
Contributions	5,486	146,148	151,634	174,333
Investment return, net	415,882	715,704	1,131,586	137,189
Other gains (losses), net	4,497	(2,966)	1,531	538
Inherent contribution from acquisition	-	122,202	122,202	-
Nonoperating assets utilized or released from restrictions for operations	(29,491)	(103,189)	(132,680)	(155,414)
Net assets reclassified or released from restrictions	29,688	(29,688)	-	-
Increase in net assets from nonoperating activities	<u>426,062</u>	<u>848,211</u>	<u>1,274,273</u>	<u>156,646</u>
Total increase in net assets	<u>426,222</u>	<u>848,211</u>	<u>1,274,433</u>	<u>156,800</u>
<b>Net assets</b>				
Beginning of year	<u>1,736,888</u>	<u>1,837,912</u>	<u>3,574,800</u>	<u>3,418,000</u>
End of year	<u>\$ 2,163,110</u>	<u>\$ 2,686,123</u>	<u>\$ 4,849,233</u>	<u>\$ 3,574,800</u>

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

# Boston College

## Consolidated Statements of Cash Flows

### Years Ended May 31, 2021 and 2020

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Total increase in net assets	\$ 1,274,433	\$ 156,800
Adjustments to reconcile change in net assets to cash, cash equivalents, and restricted cash used in operating activities		
Depreciation, amortization and accretion	94,598	88,514
Allowance for uncollectible contributions	(19,405)	3,477
Discount on contributions	318	(2,529)
Net loss on retirement or disposal of property, plant and equipment	(4)	(3,232)
Gain on recognition of asset retirement obligation	(24)	(794)
Contributions of property and equipment	(948)	(2,183)
Inherent contribution from acquisition	(122,202)	-
Loan cancellations	687	776
Contributed securities	(29,348)	(44,960)
Proceeds from sale of contributed securities	4,958	6,414
Realized and unrealized investment gains, net	(1,108,873)	(121,018)
Gain from partial debt refunding	-	(15,498)
Changes in assets and liabilities		
Accounts receivable, net	(5,642)	(3,977)
Notes and other receivables	447	425
Contributions receivable	(240)	(2,901)
Accounts payable and accrued liabilities	5,935	23,402
Deposits payable and deferred revenue	(10,483)	12,568
Other assets	992	630
Contributions to be used for long-term investment	(82,738)	(120,573)
Net cash, cash equivalents, and restricted cash provided by (used in) operating activities	<u>2,461</u>	<u>(24,659)</u>
<b>Cash flows from investing activities</b>		
Proceeds from sales of investments	2,491,698	2,968,211
Purchases of investments	(2,439,268)	(3,175,845)
Student loans granted	(332)	(334)
Student loans collected	3,900	4,249
Purchases of property, plant and equipment	(163,196)	(165,443)
Proceeds from sale of property, plant and equipment	14	15,238
Cash contribution from acquisition	368	-
Change in funds held by trustees	28	(59)
Net cash, cash equivalents, and restricted cash used in investing activities	<u>(106,788)</u>	<u>(353,983)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of debt	-	298,446
Payment of bonds and mortgages payable	(31,535)	(30,475)
Repayment of PMC bonds and notes payable	(8,526)	-
Change in U.S. Government loan advances	(3,105)	(6,522)
Payments to beneficiaries of split interest agreements	(1,551)	(1,531)
Proceeds from sale of contributed securities	24,390	38,546
Contributions to be used for long-term investment	82,738	120,573
Net cash, cash equivalents, and restricted cash provided by financing activities	<u>62,411</u>	<u>419,037</u>
Net (decrease) increase in cash, cash equivalents, and restricted cash	(41,916)	40,395
<b>Cash, cash equivalents, and restricted cash</b>		
Beginning of year	<u>65,358</u>	<u>24,963</u>
End of year	<u>\$ 23,442</u>	<u>\$ 65,358</u>
<b>Supplemental data</b>		
Interest paid, net of amounts capitalized	\$ 47,028	\$ 46,018
Change in asset retirement obligations recognized	(135)	(2,737)
Proceeds from issuance of debt	-	189,123
Use of proceeds to refund debt	-	(189,123)

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



# Boston College

## Notes to Consolidated Financial Statements

### May 31, 2021 and 2020

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#### A. Accounting Policies

The accompanying consolidated financial statements include certain other entities under the financial control of Boston College, including Boston College Ireland, Ltd. ("BCI"), which is a non-profit entity established as an institute of education in the Republic of Ireland, and Pine Manor College ("PMC") (Note N).

Boston College and entities included herein are referred to individually and collectively as the "University."

The significant accounting policies followed by the University are set forth below and in other sections of these notes.

#### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis with net assets, revenues, expenses, gains, and losses classified into two categories based on the existence or absence of externally imposed restrictions. The net assets of the University are classified and defined as follows:

#### **Without Donor Restrictions**

Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Trustees.

#### **With Donor Restrictions**

Net assets where use is limited by law or donor-imposed stipulations that will either expire with the passage of time or be fulfilled or removed by actions of the University.

Net assets with donor restrictions also reflects the historical value of contributions (and in certain circumstances investment returns from those contributions) subject to donor-imposed stipulations, which require the corpus to be invested in perpetuity to produce income for general or specific purposes.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Operating expenses are reported as decreases in net assets without donor restrictions. Investment return, which includes realized and unrealized gains and losses on investments and investment income, net of investment fees, is reported as an increase or decrease in net assets without donor restrictions unless its use is restricted by explicit donor stipulation or by law.

#### **Revenue Recognition**

The University recognizes revenue through the five-step model prescribed by the Financial Accounting Standards Board ("FASB") in the Accounting Standards Codification ("ASC"), *Revenue from Contracts with Customers*: (1) identification of the contract with a customer; (2) identification of the performance obligations in the contract; (3) determination of the transaction price; (4) allocation of the transaction price to the performance obligations in the contract; and (5) recognition of revenue when a performance obligation is met. The University applies the practical expedient in ASC 606-10-50-14 and, therefore, does not disclose information about remaining performance obligations that have original expected durations of one year or less.

# **Boston College**

## **Notes to Consolidated Financial Statements**

### **May 31, 2021 and 2020**

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The University's most significant operating revenue streams are tuition and fees, residential life, sponsored research, athletics, and dining services. Residential life, athletics, and dining services revenues are all captured within auxiliary enterprises on the consolidated statement of activities.

The University recognizes revenue as performance obligations are satisfied over time during the course of an academic semester or academic year, typically within one fiscal year. Tuition and fees, residential life, and dining revenues are recognized ratably on straight-line basis over each academic semester.

The University's athletics revenue, which consists primarily of individual and season ticket sales as well as conference revenue sharing, is recognized as events occur over the course of each sports season or academic year.

The University reflects tuition and fees as well as auxiliary revenue net of student aid on the consolidated statement of activities. Student aid of \$233,237,000 and \$214,633,000 was applied against published tuition and fees rates in the years ended May 31, 2021 and 2020, respectively. Student aid of \$6,971,000 and \$6,283,000 was applied against auxiliary revenues in the years ended May 31, 2021 and 2020, respectively.

Revenues associated with nonexchange research and other contracts and grants are recognized when related costs are incurred. Facilities and administrative cost recovery on U.S. Government contracts and grants is based upon a predetermined negotiated rate and is recorded as revenue without donor restrictions.

Conditional promises related to sponsored research of \$57,914,000 and \$68,577,000 as of May 31, 2021 and May 31, 2020, respectively, are not recorded in the consolidated financial statements.

#### **Nonoperating Activity**

Nonoperating activity consists primarily of contributions, investment return, inherent contribution from acquisition, and other gains and losses on: postretirement healthcare benefits, life income adjustments, unfulfilled promises to give, foreign currency translation, sale or disposal of property, gains on partial debt refundings, and the recognition of asset retirement obligations. All other activity is classified as operating revenue or expense.

To the extent contributions, investment income, and gains are used for operations, they are reclassified as nonoperating assets utilized or released from restrictions for operations.

Expirations of time and purpose restrictions on net assets or other clarifications from donors are presented as net assets reclassified or released from restrictions.

#### **Contributions**

Contributions, including unconditional promises to give, are recognized as revenues in the appropriate net asset category in the year received. Contributions receivable are recorded at the present value of expected future cash flows, net of an allowance for estimated unfulfilled promises to give. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of noncash assets are recorded at fair market value.

Contributions and investment return with donor-imposed restrictions, which are reported as revenues with donor restrictions, are released to net assets without donor restrictions when an expense is incurred that satisfies the restriction.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

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Contributions restricted for the purchase of property, plant and equipment are reported as nonoperating revenues with donor restrictions and are released to net assets without donor restrictions upon acquisition, when the asset is placed into service, or earlier, based on explicit donor stipulations.

Contributions received for which the designation is pending by the donor are classified as net assets with donor restrictions. Once a designation is made by the donor, the contributions are reclassified to the appropriate net asset category as part of net assets reclassified or released from restrictions.

Contribution and sponsored research revenue with donor restrictions for which the restriction is met in the same period as the contribution or grant is received is recorded as revenue without donor restrictions.

**Cash and Cash Equivalents, Restricted Cash, and Investments**

Cash and cash equivalents consists of operating funds deposited in cash management accounts and other investments with maturities at the time of purchase of 90 days or less and are carried at market value. Cash and short-term investments held in the investment portfolio are included in investments.

Investment transactions are recorded on the trade date and dividend income is recorded on the ex-dividend date.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the consolidated statements of financial position that sums to the amounts shown in the consolidated statements of cash flows.

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$ 20,091	\$ 21,412
Cash and restricted cash included in investments	<u>3,351</u>	<u>43,946</u>
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	<u>\$ 23,442</u>	<u>\$ 65,358</u>

Amounts included in cash and restricted cash included in investments relate to the endowment and student loans, respectively.

**Split-Interest Agreements**

The University has split-interest agreements consisting primarily of charitable gift annuities, pooled income funds, charitable remainder trusts, and charitable lead trusts. Split-interest agreements which are included in investments amount to \$52,679,000 and \$38,358,000 as of May 31, 2021 and 2020, respectively. Contributions are recognized at the date the trusts are established net of a liability for the present value of the estimated future cash outflows to beneficiaries. The present value of payments is discounted with rates that range from 0.4% to 9.6%. The liability of \$18,347,000 and \$16,188,000 as of May 31, 2021 and 2020, respectively, is adjusted during the term of the agreements for changes in actuarial assumptions.

# Boston College

## Notes to Consolidated Financial Statements

### May 31, 2021 and 2020

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#### **Use of Estimates**

The preparation of consolidated financial statements in accordance with generally accepted accounting principles (“GAAP”) in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

#### **Income Taxes**

The University is a qualified tax-exempt organization under section 501(c)(3) of the Internal Revenue Code.

#### **Prior Year Summarized Information**

The consolidated financial statements include certain prior year summarized comparative information, but do not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University’s audited financial statements for the year ended May 31, 2020, from which the summarized information was derived.

#### **Subsequent Events**

The University has assessed the impact of subsequent events through September 24, 2021, the date the audited consolidated financial statements were issued, and concluded there were no such events that require adjustment to the audited consolidated financial statements or disclosure in the notes to the audited consolidated financial statements other than one event disclosed in Note H.

#### **Recent Accounting Pronouncements**

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new lease guidance requires lessees to record a right-of-use asset and a lease liability, initially measured at present value of the lease payments, in its balance sheet. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. The University adopted ASU 2016-02 in the University’s 2021 fiscal year using the modified retrospective approach. The University elected the package of practical expedients to not reassess (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases, and (3) initial direct costs for any expired or existing leases. The University elected the short-term lease exemption policy as well as the practical expedient that allows lessees to treat lease and non-lease components as a single lease component. In addition, the University elected to use hindsight to reassess lease terms or impairment at the adoption date. There was no material impact to the consolidated financial statements as a result of adoption.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*. This standard removes the requirements to disclose transfers between level 1 and level 2 of the fair value hierarchy and changes in unrealized gains and losses for recurring Level 3 fair value measurements, among other disclosures. This standard modifies other disclosure requirements regarding transfers into and out of Level 3 of the fair value hierarchy and investments in entities that calculate net asset value. The standard adds requirements for disclosure of information related to the unobservable inputs used to develop Level 3 fair value measurements. The University adopted ASU 2018-13 in the University’s 2021 fiscal year. There was no material impact to the consolidated financial statements as a result of adoption.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

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**B. Accounts, Notes and Other Receivables**

Accounts receivable and notes receivable are stated net of allowances for doubtful accounts. As of May 31, 2021 and 2020, the allowance related to accounts receivable is \$3,330,000 and \$3,293,000, respectively.

Notes and other receivables consist of amounts due from students under U.S. Government and University sponsored loan programs and from the Weston Jesuit Community, Inc. under a ground lease agreement. As of May 31, 2021 and 2020, the amount due under the loan programs is \$12,778,000 and \$17,033,000, respectively. The notes receivable due from students under loan programs are subject to significant restrictions and, accordingly, it is not practicable to determine the fair value of such amounts. As of May 31, 2021 and 2020, the allowance related to student notes receivable is \$1,140,000.

**C. Contributions Receivable**

Contributions receivable are summarized as follows as of May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
<b>Unconditional promises scheduled to be collected in</b>		
Less than one year	\$ 74,628	\$ 102,908
Between one year and five years	105,080	76,401
More than five years	20,174	20,047
Less: Discount and allowance for unfulfilled promises to give	<u>(20,323)</u>	<u>(39,410)</u>
Contributions receivable, net	<u>\$ 179,559</u>	<u>\$ 159,946</u>

A present value discount of \$12,724,000 and \$12,406,000 as of May 31, 2021 and 2020, respectively, has been calculated using discount factors that approximate the risk and expected timing of future contribution payments.

The University has reflected contributions received during Fiscal 2021 and 2020 at fair value as determined in accordance with fair value accounting guidance.

Conditional promises from donors of \$49,140,000 and \$51,620,000 as of May 31, 2021 and 2020, respectively, are not recorded in the consolidated financial statements.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

**D. Financial Assets and Liquidity Resources**

Financial assets and liquidity resources available within one year consists of the following as of May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
<b>Financial assets</b>		
Cash and cash equivalents	\$ 20,091	\$ 21,412
Accounts receivable, net	32,772	26,571
Contributions receivable	9,841	8,678
Short-term investments	429,249	585,231
Estimated endowment distribution	<u>131,773</u>	<u>119,592</u>
Total financial assets available within one year	623,726	761,484
<b>Liquidity resources</b>		
Line of credit	<u>75,000</u>	<u>75,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 698,726</u>	<u>\$ 836,484</u>

The University structures financial assets to be available as general expenditures and other obligations come due and invests cash in excess of daily requirements in short-term investments.

The University does not intend to spend from board-designated endowment funds (Note I) other than amounts appropriated for general expenditure as part of the annual budget approval and appropriation process. Amounts from the board-designated endowment could be made available if necessary, subject to the lock-up provisions in Note E.

**E. Investments**

Investments are stated at fair value and include accrued income. The value of publicly traded securities is based upon quoted market prices and net asset values. Other securities, for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers or appraisers. Management has established procedures in place to evaluate and monitor third party valuations, including regular communication with fund managers, the review of partnership financial statements and monthly performance metrics, prior to investment and on a regular basis going forward. The University believes that these valuations are a reasonable estimate of fair value as of May 31, 2021 and 2020, but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed.

Investments, including funds held by trustees, consist of the following as of May 31:

<i>(in thousands)</i>	<b>2021</b>		<b>2020</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Equities	\$ 1,794,683	\$ 3,284,453	\$ 1,593,749	\$ 2,240,479
Fixed income	766,880	775,470	805,756	807,790
Real assets	<u>141,961</u>	<u>128,858</u>	<u>138,515</u>	<u>113,007</u>
	<u>\$ 2,703,524</u>	<u>\$ 4,188,781</u>	<u>\$ 2,538,020</u>	<u>\$ 3,161,276</u>

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

Equities include common stock, mutual funds, commingled funds, and limited partnership interests. Fixed income includes money market funds, commingled funds, limited partnership interests, and treasury and agency securities. Real assets include limited partnership interests and real estate.

A three level hierarchy of valuation inputs has been established based on the extent to which the inputs are observable in the marketplace. Level I is considered observable based on inputs such as quoted prices in active markets. Level II is considered observable based on inputs other than quoted prices in active markets, and Level III is considered unobservable.

As of May 31, 2021, the University's investments include \$809,189,000 of Level I equities, \$760,178,000 of Level I fixed income securities, \$10,464,000 of Level II fixed income securities and \$4,828,000 of Level III fixed income securities. Excluded from the fair value hierarchy at May 31, 2021 are \$2,475,264,000 of equities and \$96,927,000 of real assets, for which fair value is measured at net asset value per share using the practical expedient. Also excluded from the fair value hierarchy at May 31, 2021 are \$31,931,000 of real estate investments valued at cost.

As of May 31, 2020, the University's investments include \$659,732,000 of Level I equities, \$674,366,000 of Level I fixed income securities, \$8,379,000 of Level II fixed income securities and \$3,982,000 of Level III fixed income securities. Excluded from the fair value hierarchy at May 31, 2020 are \$1,580,747,000 of equities, \$121,063,000 of fixed income securities, and \$80,576,000 of real assets, for which fair value is measured at net asset value per share using the practical expedient. Also excluded from the fair value hierarchy at May 31, 2020 are \$32,431,000 of real estate investments valued at cost.

As of May 31, 2021, \$37,387,000, \$10,464,000 and \$4,828,000 of split interest agreements are included in Level I, Level II, and Level III, respectively. As of May 31, 2020, \$25,997,000, \$8,379,000 and \$3,982,000 of split interest agreements are included in Level I, Level II, and Level III, respectively.

The fair values of limited partnerships are represented by the net asset value of each partnership. The objective of these investments is to generate long-term returns significantly higher than public equity markets on a risk adjusted basis. Redemption terms for those investments valued at net asset value consist of the following as of May 31:

<i>(in thousands)</i>	2021			
	Equities	Fixed Income	Real Assets	Total
<b>Redemption terms</b>				
Within 30 days	\$ 338,144	\$ -	\$ -	\$ 338,144
Quarterly				
30-90 days prior written notice	517,868	-	-	517,868
Semi-annually, annually				
30-180 days prior written notice	435,541	-	-	435,541
Greater than 1 year	1,183,711	-	96,927	1,280,638
	<u>2,475,264</u>	<u>-</u>	<u>96,927</u>	<u>2,572,191</u>
Level I securities	809,189	760,178	-	1,569,367
Other investments	-	15,292	31,931	47,223
Total investments	<u>\$ 3,284,453</u>	<u>\$ 775,470</u>	<u>\$ 128,858</u>	<u>\$ 4,188,781</u>

**Boston College**  
**Notes to Consolidated Financial Statements**  
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<i>(in thousands)</i>	2020			
	Equities	Fixed Income	Real Assets	Total
<b>Redemption terms</b>				
Within 30 days	\$ 226,655	\$ 121,063	\$ -	\$ 347,718
Quarterly				
30-90 days prior written notice	258,325	-	-	258,325
Semi-annually, annually				
30-180 days prior written notice	389,887	-	-	389,887
Greater than 1 year	705,880	-	80,576	786,456
	<u>1,580,747</u>	<u>121,063</u>	<u>80,576</u>	<u>1,782,386</u>
Level I securities	659,732	674,366	-	1,334,098
Other investments	-	12,361	32,431	44,792
	<u>\$ 2,240,479</u>	<u>\$ 807,790</u>	<u>\$ 113,007</u>	<u>\$ 3,161,276</u>

The University is committed to invest up to an additional amount of \$362,700,000 and \$328,700,000 as of May 31, 2021 and 2020, respectively.

**F. Endowment**

The net assets associated with the University's endowment funds are classified in accordance with relevant state law as interpreted by the Board of Trustees. These classifications are without donor restrictions and with donor restrictions based on the existence or absence of donor-imposed restrictions. Net assets without donor restrictions include board-designated funds and any accumulated income and appreciation thereon. Net assets with donor restrictions include contributions not yet designated by donors and accumulated appreciation on funds classified as with donor restrictions. Net assets with donor restrictions also includes contributions designated by donors to be invested in perpetuity to produce income for general or specific purposes.

The long-term performance objective of the endowment portfolio is to attain an average annual total return that exceeds the University's spending rate plus inflation within acceptable levels of risk over a full market cycle. To achieve 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 is subject to the Massachusetts Uniform Prudent Management of Institutional Funds Act of 2009 ("UPMIFA"), under which donor-restricted endowment funds may be appropriated for expenditure by the Board of Trustees of the University in accordance with the standard of prudence prescribed by UPMIFA.

The University has a spending policy for its donor restricted endowment, as approved by the University's Board of Trustees, that aims to provide a stable and predictable source of funding for the University's academic and strategic initiatives and also to protect the real value of the endowment over time. Under this policy the amount that can be expended for current operations is a weighted average based on two components: prior year spending adjusted for an inflationary factor and 5% of a twelve quarter moving average of market values.



**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

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The University does not distribute from funds with market values less than historical value. To the extent that the fair value of a donor restricted endowment fund falls below its historic dollar value it is reported as a reduction of net assets with donor restrictions. As of May 31, 2021 and 2020, there are no endowment funds with a market value less than historical value.

**G. Property, Plant and Equipment**

The physical plant assets of the University are stated at cost on the date of acquisition or at fair market or in the case of contributions appraised value on the date of donation. Physical plant assets consist of the following as of May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
Land and improvements	\$ 459,809	\$ 339,080
Buildings	2,009,870	1,924,796
Equipment	276,574	249,009
Library books	240,934	231,912
Rare book and art collections	33,361	32,504
Purchase options	2,855	2,855
Plant under construction	141,486	101,429
Property, plant and equipment, gross	3,164,889	2,881,585
Accumulated depreciation	(1,200,500)	(1,106,882)
Property, plant and equipment, net	\$ 1,964,389	\$ 1,774,703

Annual provisions for depreciation of physical plant assets are computed on a straight-line basis over the expected useful lives of the individual assets, averaging 20 years for land improvements, 25-60 years for buildings, 2-15 years for equipment, and 10 or 50 years for library books. Rare book and art collections are reflected at historical cost and are not depreciated. Depreciation for the years ended May 31, 2021 and 2020 amounted to \$96,715,000 and \$90,186,000, respectively.

Maintenance and repairs are expensed as incurred and improvements are capitalized. When assets are retired or disposed of, the cost and accumulated depreciation thereon are removed from the accounts and gains or losses are included in the consolidated statement of activities. The University retired or disposed of \$3,454,000 and \$53,093,000 in gross plant assets for the years ended May 31, 2021 and 2020, respectively.

Property, plant and equipment additions of \$17,219,000 and \$17,247,000 are included in accrued liabilities on the consolidated statements of financial position for the years ended May 31, 2021 and 2020, respectively.

The University recognized \$678,000 and \$760,000 of operating expenses relating to the accretion of liabilities associated with the retirement of long-lived assets for the years ended May 31, 2021 and 2020, respectively. Conditional asset retirement obligations of \$13,730,000 and \$12,965,000 as of May 31, 2021 and 2020, respectively, are included in accrued liabilities.

The University has commitments of \$59,281,000 to complete various capital projects as of May 31, 2021.

**Boston College**  
**Notes to Consolidated Financial Statements**  
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**H. Bonds and Mortgages Payable**

Bonds and mortgages payable consist of the following as of May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
<b>Massachusetts Health and Educational Facilities Authority (MHEFA)</b>		
Boston College Issues (fixed rate)		
Series M, 5.00 - 5.50%, due 2023 - 2035	\$ 129,360	\$ 129,360
<b>Massachusetts Development Finance Agency (MDFA)</b>		
Boston College Issues (fixed rate)		
Series Q, 4.25 - 5.00%, due 2021-2029	-	7,245
Series R, 4.00 - 5.00%, due 2021-2040	-	5,695
Series S, 4.12 - 5.00%, due 2021-2038	95,100	100,390
Series T, 3.37 - 5.00%, due 2033-2042	129,305	129,305
Series U, 5.00%, due 2021-2040	148,820	148,820
<b>Trustees of Boston College (fixed rate)</b>		
Taxable bonds, Series 2013, 3.51 - 5.09%, due 2021-2043	147,600	152,975
Taxable bonds, Series 2017, 2.45 - 3.99%, due 2021-2047	272,745	279,985
Taxable bonds, Series 2019, 3.13%, due 2049-2053	300,000	300,000
<b>Department of Education (fixed rate)</b>		
Library building bonds, 3.41%, due 2021-2022	1,460	2,150
Bonds and mortgages payable, par	1,224,390	1,255,925
Unamortized original bond issue premium	61,300	64,643
Unamortized issuance cost on bonds	(6,344)	(6,631)
Bonds and mortgages payable, net	<u>\$ 1,279,346</u>	<u>\$ 1,313,937</u>

As of May 31, 2021, principal payments due on all long-term bonds and mortgages payable are as follows: \$30,690,000 in 2022, \$32,355,000 in 2023, \$33,750,000 in 2024, \$37,610,000 in 2025, \$36,295,000 in 2026, and \$1,053,690,000 thereafter.

Interest expense for the years ended May 31, 2021 and 2020 amounted to \$45,831,000 and \$43,644,000, respectively. The University capitalized interest of \$3,887,000 and \$4,263,000 for the years ended May 31, 2021 and 2020, respectively.

The University has an agreement for a \$75,000,000 unsecured line of credit. As of May 31, 2021 and 2020, there was no balance outstanding on the line of credit.

In March 2020, the University issued \$148,820,000 of MDFA Series U Revenue Bonds ("Series U"). The Series U was issued with an original issue premium of \$38,645,000, which will be amortized over the life of the bonds. The entire net proceeds from Series U, \$186,408,000, were used to refund a portion of existing Series M, Series Q, and Series R bonds. The retirement of Series M was comprised of \$4,925,000 repayment of par value and \$105,000 interest prepayment. The retirement of Series Q was comprised of \$41,660,000 of par value and \$565,000 of interest prepayment. The retirement of Series R was comprised of \$135,980,000 of par value and \$3,361,000 of interest prepayment. The University incurred costs of \$1,162,000 associated with the issuance of Series U, which were capitalized and will be amortized over the life of the bonds, and recognized a net gain of \$15,498,000 on the partial refunding, which was recorded within other gains (losses), net in the consolidated statement of activities.

**Boston College**  
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In June 2021, subsequent to year end, the University issued \$101,960,000 of MDFA Series V Revenue Bonds ("Series V") and \$135,000,000 of Trustees of Boston College Taxable Bonds Series 2021 ("Series 2021"). The proceeds from Series V will be used to finance certain capital needs, including the construction of the Schiller Institute for Integrated Science and Society and project costs related to the demolition and offload of Cushing Hall, Central Heating Plant upgrades, and the demolition and reclamation of the Flynn Recreation Complex. The proceeds from Series 2021 are expected to be used to finance certain capital needs, including the construction, renovation, and improvement of University facilities. The University incurred costs of \$1,821,000 associated with the issuance of Series V and Series 2021, which will be capitalized and amortized over the life of the bonds. Series V was issued with an original issue premium of \$63,044,000, which will be amortized over the life of the bonds. The University will record this transaction as part of the Fiscal 2022 consolidated financial statements.

**I. Net Assets**

Net assets consist of the following as of May 31:

<i>(in thousands)</i>	<b>Without Donor Restrictions</b>		<b>With Donor Restrictions</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Endowment net assets, beginning of year				
Board designated	\$ 918,371	\$ 912,464	\$ -	\$ -
Donor restricted	-	-	1,661,091	1,561,669
Contributions	-	-	93,734	91,815
Investment return, net	412,964	45,629	715,798	75,855
Appropriation of endowed assets for expenditure	(46,314)	(43,345)	(78,715)	(71,088)
Net assets reclassified or released from restrictions	103,871	3,775	(1,823)	3,761
Other losses	(1,321)	(152)	(2,090)	(921)
Endowment net assets, end of year				
Board designated	1,387,571	918,371	-	-
Donor restricted	-	-	2,387,995	1,661,091
Designated for specific purposes	174,911	233,490	-	-
Net investment in plant	600,628	585,027	-	-
Program support	-	-	97,720	80,996
Contributions for plant assets	-	-	88,090	95,018
Inherent contribution from acquisition	-	-	111,529	-
Student loans	-	-	789	807
<b>Total net assets</b>	<b>\$ 2,163,110</b>	<b>\$ 1,736,888</b>	<b>\$ 2,686,123</b>	<b>\$ 1,837,912</b>

Included in net assets with donor restrictions on the consolidated statements of financial position as of May 31, 2021 and 2020 are \$1,216,068,000 and \$1,139,915,000 of perpetually restricted funds and \$1,470,055,000 and \$697,997,000 of funds restricted for time or purpose, respectively.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

Net assets with donor restrictions consist of the following as of May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
Scholarships and fellowships	\$ 939,274	\$ 763,586
Educational purposes	1,166,959	639,830
Professorships	400,331	274,550
Contributions receivable, net	<u>179,559</u>	<u>159,946</u>
Total	<u>\$ 2,686,123</u>	<u>\$ 1,837,912</u>

**J. Classification of Expenses**

Expenses are presented by functional classification in accordance with the overall service mission of the University. Each functional classification displays all expenses related to the underlying operations by natural classification. Depreciation expense is allocated based on square footage occupancy. Interest expense on external debt is allocated to the functional categories which have benefited from the proceeds of the external debt. Expenses associated with the operations and maintenance of facilities are allocated to the appropriate functional classifications based on square footage calculations and each functional area's corresponding use of those services.

Expenses by functional classification for the year ended May 31 consist of the following:

<i>(in thousands)</i>	<b>2021</b>					
	<b>Salaries and Benefits</b>	<b>Operating Expenses</b>	<b>Depreciation/Amortization</b>	<b>Interest</b>	<b>Operations and Maintenance of Facilities</b>	<b>Total</b>
Educational activities	\$ 297,278	\$ 40,014	\$ 36,369	\$ 14,576	\$ 32,016	\$ 420,253
Research	30,665	16,540	1,442	-	-	48,647
Student services	37,419	9,874	12,096	7,676	6,812	73,877
General administration	94,938	27,837	7,736	3,915	5,554	139,980
Auxiliary enterprises	62,222	60,005	36,697	17,787	30,216	206,927
Operations and maintenance of facilities	<u>46,947</u>	<u>23,092</u>	<u>2,682</u>	<u>1,877</u>	<u>(74,598)</u>	<u>-</u>
Total	<u>\$ 569,469</u>	<u>\$ 177,362</u>	<u>\$ 97,022</u>	<u>\$ 45,831</u>	<u>\$ -</u>	<u>\$ 889,684</u>

<i>(in thousands)</i>	<b>2020</b>					
	<b>Salaries and Benefits</b>	<b>Operating Expenses</b>	<b>Depreciation/Amortization</b>	<b>Interest</b>	<b>Operations and Maintenance of Facilities</b>	<b>Total</b>
Educational activities	\$ 291,269	\$ 49,394	\$ 34,419	\$ 13,591	\$ 30,187	\$ 418,860
Research	28,863	17,562	1,333	-	-	47,758
Student services	36,639	12,497	9,535	7,410	6,441	72,522
General administration	93,244	24,852	7,181	3,768	5,114	134,159
Auxiliary enterprises	60,780	54,703	35,485	17,440	28,032	196,440
Operations and maintenance of facilities	<u>45,518</u>	<u>20,293</u>	<u>2,528</u>	<u>1,435</u>	<u>(69,774)</u>	<u>-</u>
Total	<u>\$ 556,313</u>	<u>\$ 179,301</u>	<u>\$ 90,481</u>	<u>\$ 43,644</u>	<u>\$ -</u>	<u>\$ 869,739</u>

Included in the general administration expense category on the consolidated statement of activities are expenses incurred in carrying out the fundraising activities of the University, which amounted to \$23,391,000 and \$26,869,000 for the years ended May 31, 2021 and 2020, respectively.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

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**K. Retirement Programs**

All eligible full-time personnel may elect to participate in a defined contribution retirement program. Under the program, the University makes contributions, currently limited to 8-10% of the annual wages of participants, up to defined limits. Voluntary contributions by participants are made subject to IRS limitations. The limitation applicable to University contributions is on a combined plan basis. For the years ended May 31, 2021 and 2020, the University's contributions to the retirement program are \$28,569,000 and \$28,170,000, respectively.

The University provides certain health care benefits for retired employees through either a defined benefit retirement medical program or a Retirement Medical Savings Account depending upon certain age and service requirements. Employees will become eligible for this benefit if they reach retirement while employed by the University. The plan does not hold assets and is funded as benefits are paid. The estimated future cost of providing postretirement health care benefits is recognized on an accrual basis over the period of service during which benefits are earned.

The net periodic postretirement health care benefit cost and other changes in plan assets and benefit obligation recognized in net assets without donor restrictions are determined as follows for the years ended May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
Service cost	\$ 3,846	\$ 3,258
Net periodic postretirement benefit cost	<u>3,846</u>	<u>3,258</u>
Net (gain) loss	(9,943)	11,802
Interest cost	<u>3,184</u>	<u>3,962</u>
Other changes in plan assets and benefit obligation	<u>(6,759)</u>	<u>15,764</u>
Total recognized in net periodic benefit cost and net assets without donor restrictions	<u>\$ (2,913)</u>	<u>\$ 19,022</u>

In Fiscal 2022, an unrecognized net loss of \$180,000 is expected to be amortized as a component of net periodic postretirement benefit cost.

For measurement purposes, the assumed annual rates of increase for measuring the obligation at May 31, 2020 and the cost for the year ending May 31, 2021 were 5.50% in the per capita cost of covered health care benefits for post-65 benefits and 6.5% in the per capita cost of covered health care benefits for pre-65 benefits. Rates were assumed to decrease gradually to 5.00% in 2027 for pre-65 benefits and to 5.00% in 2023 for post-65 benefits and to remain at those levels thereafter. The assumed annual rates of increase for measuring the obligation at May 31, 2021 and the cost for the year ending May 31, 2022 were 5.25% in the per capita cost of covered health care benefits for post-65 benefits and 6.00% in the per capita cost of covered health care benefits for pre-65 benefits. Rates were assumed to decrease gradually to 5.00% in 2027 for pre-65 benefits and to 5.00% in 2023 for post-65 benefits and to remain at those levels thereafter.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

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A one percentage point change in the assumed health care cost trend rates would have the following effect:

<i>(in thousands)</i>	<b>Increase</b>	<b>Decrease</b>
Effect on total of service and interest cost components	\$ 600	\$ (487)
Effect on postretirement benefit obligation	12,600	(10,466)

The discount rate used to determine the accumulated benefit obligation is 3.00% as of May 31, 2021 and May 31, 2020. The discount rate used to determine the net periodic postretirement benefit cost is 3.00% as of May 31, 2021 and 4.00% as of May 31, 2020.

A reconciliation of the accumulated postretirement benefit obligation and plan assets are as follows as of May 31:

<i>(in thousands)</i>	<b>2021</b>	<b>2020</b>
<b>Reconciliation of accumulated postretirement benefit obligation</b>		
Benefit obligation, beginning of year	\$ 115,524	\$ 99,340
Service cost	3,846	3,258
Interest cost	3,184	3,962
Plan participant contributions	1,384	1,193
Benefits paid	(4,334)	(4,031)
Actuarial (gain) loss	(9,943)	11,802
Benefit obligation, end of year	<u>\$ 109,661</u>	<u>\$ 115,524</u>
<b>Amounts not yet recognized as a component of net periodic benefit cost</b>		
Net actuarial loss	<u>\$ 12,757</u>	<u>\$ 23,140</u>
	<u>\$ 12,757</u>	<u>\$ 23,140</u>

As of May 31, 2021 and 2020, the benefit obligation is reflected in accrued liabilities on the consolidated statements of financial position.

Expected benefit payments, net of participant contributions, are as follows: \$3,480,000 in 2022, \$3,740,000 in 2023, \$4,040,000 in 2024, \$4,400,000 in 2025, \$4,730,000 in 2026, and \$29,600,000 in the five fiscal years thereafter.

**L. Related Party**

The University has mortgages, loans, and notes due from various related parties of \$22,884,000 and \$23,906,000 as of May 31, 2021 and 2020, respectively.

**Boston College**  
**Notes to Consolidated Financial Statements**  
**May 31, 2021 and 2020**

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**M. Commitments and Contingencies**

The University has several legal cases pending that have arisen in the normal course of its operations. The University believes that the outcome of these cases will have no material adverse effect on the financial position of the University.

**N. Pine Manor College Integration**

In June 2020, the University entered into an Integration Agreement with Pine Manor College. Effective June 30, 2020, the University became the sole member of a reorganized and reconstituted PMC (the "New PMC"). As the sole corporate member, the University assumed responsibility for the management of New PMC and its assets and liabilities.

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

Assets received in the transaction totaled \$134,316,000, primarily consisting of endowment investments, land, and buildings. Liabilities assumed totaled \$12,114,000, including bonds and notes payable of \$8,010,000 which were retired by the University subsequent to the integration. An inherent contribution was recognized by the University in the consolidated statement of activities for \$122,202,000 to represent the excess of the fair value of assets over liabilities assumed. The University is required to complete a teach out period and operate and oversee the PMC campus until the second anniversary of the integration on June 30, 2022. Accordingly, the inherent contribution has been classified as net assets with donor restrictions.

## **Schedule of Expenditures of Federal Awards**



# Boston College

## Schedule of Expenditures of Federal Awards

### Year Ended May 31, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity	Pass-Through Entity's ID Number	Federal Expenditures	Amount passed to Subrecipient
<b>Research and Development Cluster</b>					
<b>Direct Programs</b>					
<b>Department of Defense</b>					
<b>Department of the Navy, Office of the Chief of Naval Research</b>					
Basic and Applied Scientific Research	12.300			\$ 207,175	\$ -
<b>Department of the Army</b>					
Basic, Applied, and Advanced Research in Science and Engineering	12.630			191,336	-
<b>U.S. Army Medical Research Acquisition Activity</b>					
Military Medical Research and Development	12.420			85,043	-
<b>Department of Army Material Command</b>					
Basic Scientific Research	12.431			185,580	-
<b>Department of the Air Force, Material Command</b>					
Air Force Defense Research Sciences Program	12.800			868,785	-
Air Force Defense Research Sciences Program	12.800			151,570	14,796
Air Force Defense Research Sciences Program	12.800			1,964,697	24,953
Air Force Defense Research Sciences Program	12.800			90,301	65,757
Air Force Defense Research Sciences Program	12.800			275,828	103,108
<b>Defense Advanced Research Projects Agency</b>					
Research and Technology Development	12.910			71,645	-
<b>Department of the Air Force</b>					
Air Force Research Laboratory	12.RD			136,742	-
Air Force Research Laboratory	12.RD			12,241	-
Air Force Research Laboratory	12.RD			616,903	366,023
<b>Department of Interior</b>					
<b>U.S. Geological Survey</b>					
Earthquake Hazards Research Grants	15.807			56,190	-
<b>Department of Justice</b>					
<b>Office on Violence Against Women</b>					
Office on Violence Against Women Research and Evaluation Program	16.026			13,336	1,482
<b>Department of Transportation</b>					
Federal Aviation Administration	20.RD			210,409	-
<b>National Aeronautics and Space Administration</b>					
<b>NASA Research Announcements/Research Opportunities in Space and Earth Sciences</b>					
Science	43.001			31,719	-
<b>National Science Foundation</b>					
Engineering Grants	47.041			385,122	-
Engineering Grants	47.041			10,315	10,315
Mathematical and Physical Sciences	47.049			2,088,914	-
Mathematical and Physical Sciences	47.049			115,137	70,680
Geosciences	47.050			393,075	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

**Boston College**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity	Pass-Through Entity's ID Number	Federal Expenditures	Amount passed to Subrecipient
Computer and Information Science and Engineering	47.070			159,193	-
Biological Sciences	47.074			529,527	-
Biological Sciences	47.074			259,736	107,441
COVID-19 Social, Behavioral, and Economic Sciences	47.075			264,898	-
Social, Behavioral, and Economic Sciences	47.075			1,082,430	-
Education and Human Resources	47.076			520,502	-
Education and Human Resources	47.076			38,055	3,694
Education and Human Resources	47.076			96,061	5,829
Education and Human Resources	47.076			115,875	97,149
Education and Human Resources	47.076			325,466	142,370
Education and Human Resources	47.076			283,416	238,528
<b>Department of Energy</b>					
Office of Science Financial Assistance Program	81.049			841,298	-
<b>Department of Education</b>					
<b>Institute of Education Sciences</b>					
Graduate Assistance in Areas of National Need	84.200			107,014	-
Education Research, Development and Dissemination	84.305			460,988	-
Education Research, Development and Dissemination	84.305			306,030	203,451
<b>Department of Health and Human Services</b>					
<b>National Institutes of Health</b>					
Research Related to Deafness and Communication Disorders	93.173			1,339	-
Research Related to Deafness and Communication Disorders	93.173			88,032	26,410
Mental Health Research Grants	93.242			1,017,299	-
Mental Health Research Grants	93.242			83,990	21,468
Mental Health Research Grants	93.242			98,870	24,502
Mental Health Research Grants	93.242			44,317	44,317
Mental Health Research Grants	93.242			95,375	82,326
Mental Health Research Grants	93.242			723,029	174,743
Alcohol Research Programs	93.273			68,363	-
Minority Health and Health Disparities Research	93.307			110,393	43,128
Minority Health and Health Disparities Research	93.307			466,038	260,915
Minority Health and Health Disparities Research	93.307			675,120	520,349
Trans-NIH Research Support	93.310			551,525	-
National Center for Advancing Translational Sciences	93.350			52,264	-
Nursing Research	93.361			73,054	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			441,959	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847			385,221	201,597
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853			741,028	417,519
Allergy and Infectious Diseases Research	93.855			1,591,858	-
Allergy and Infectious Diseases Research	93.855			232,309	40,592
Allergy and Infectious Diseases Research	93.855			199,105	106,972
Allergy and Infectious Diseases Research	93.855			359,676	359,118
Allergy and Infectious Diseases Research	93.855			1,498,267	934,096

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

**Boston College**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity	Pass-Through Entity's ID Number	Federal Expenditures	Amount passed to Subrecipient
Biomedical Research and Research Training	93.859			4,953,541	-
Child Health and Human Development Extramural Research	93.865			20,171	9,421
Child Health and Human Development Extramural Research	93.865			344,480	181,029
Child Health and Human Development Extramural Research	93.865			461,366	197,663
Aging Research	93.866			153,872	-
Aging Research	93.866			31,323	6,005
International Research and Research Training	93.989			28,664	1,730
<b>Social Security Administration</b>					
Social Security Research and Demonstration	96.007			136,370	128,870
Social Security Research and Demonstration	96.007			1,354,674	194,727
Social Security Research and Demonstration	96.007			1,066,776	731,364
<b>U.S. Agency for International Development</b>					
USAID Foreign Assistance for Programs Overseas	98.001			5,853	-
<b>Research and Development Cluster Direct Programs Subtotal</b>				<b>31,708,073</b>	<b>6,164,437</b>
<b>Research and Development Cluster</b>					
<b>Pass-through Programs</b>					
<b>Department of Defense</b>					
<b>Department of the Navy, Office of the Chief of Naval Research</b>					
Basic and Applied Scientific Research	12.300	University of Texas at Austin	UTA16-000557	175,088	-
<b>Department of the Air Force, Material Command</b>					
Air Force Defense Research Sciences Program	12.800	New York University	F1428-01	82,837	-
Air Force Defense Research Sciences Program	12.800	University of North Carolina at Charlotte	20190588-02-BOS	13,302	-
<b>Defense Advanced Research Projects Agency</b>					
Research and Technology Development	12.910	Physical Sciences Inc	1008843-108069-46	79,549	-
<b>Department of the Air Force</b>					
U.S. Air Force	12.RD	Astra LLC	162-01	7,604	-
U.S. Air Force	12.RD	Systems & Technology Research	2016-1108	130,389	-
U.S. Air Force	12.RD	Creare LLC	S650	22,196	-
Air Force Research Laboratories	12.RD	Atmospheric & Environmental Research Inc	P2247-06	8,773	-
Air Force Research Laboratories	12.RD	Earth Resources Technology, Inc. (ERT)	3643-SUB01	133,595	-
Air Force Research Laboratories	12.RD	Earth Resources Technology, Inc. (ERT)	3663-SUB01	6,791	-
<b>National Aeronautics and Space Administration</b>					
<b>NASA Research Announcements/Research Opportunities in Space and Earth Sciences</b>					
Science	43.001	Southwest Research Institute	N99060EH	5,136	-
Science	43.001	Embry Riddle Aeronautical University	61559-1	8,929	-
Exploration	43.003	University of Central Florida	24086235-05	4,837	-
Space Operations	43.007	Universities Space Research Association	SOF 07-0039	11,771	-
Space Operations	43.007	Space Telescope Science Institute	51399	79,691	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

**Boston College**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity	Pass-Through Entity's ID Number	Federal Expenditures	Amount passed to Subrecipient
NASA Technical Reports Server	43.RD	Analytical Mechanics Associates, Inc.	PO T3-0382-FY19	16,728	-
<b>National Science Foundation</b>					
Mathematical and Physical Sciences	47.049	University of California - Los Angeles	0980 G YB825	89,364	-
Mathematical and Physical Sciences	47.049	University of California, Berkeley	00010391	18,560	-
Geosciences	47.050	Woods Hole Oceanographic Institution	A101422	23,756	-
Geosciences	47.050	Woods Hole Oceanographic Institution	A101416	11,265	-
Education and Human Resources	47.076	Education Development Center, Inc.	12074	121,200	-
Education and Human Resources	47.076	Mosesian Center for the Arts	1811166-01	13,337	-
Education and Human Resources	47.076	Massachusetts Institute of Technology	S5033	143,136	-
Office of Integrative Activities	47.083	Boise State University	6800-D	6,772	-
<b>Department of Energy</b>					
Renewable Energy Research and Development Program	81.087	University of Michigan	3004665442	86,662	-
<b>Department of Education</b>					
<b>Office of Elementary and Secondary Education</b>					
Title I Grants to Local Educational Agencies	84.010	Jamestown City School District	Not Available	10,017	-
<b>Institute of Education Sciences</b>					
Education Research, Development and Dissemination	84.305	Stanford University	62437297-137991	42,868	-
Education Research, Development and Dissemination	84.305A	Educational Testing Service	BC-ED-305A	46,080	-
<b>Department of Health and Human Services</b>					
<b>National Institute on Deafness and Other Communication Disorders</b>					
Research Related to Deafness and Communication Disorders	93.173	Oregon Health & Science University	1007001_BOSTON	9,294	-
<b>Substance Abuse and Mental Health Services Administration</b>					
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243	Boston Children's Hospital	GENFD0001400646	9,393	-
<b>Centers for Disease Control and Prevention</b>					
Occupational Safety and Health Program	93.262	Harvard University	114960-5097782	11,334	-
Occupational Safety and Health Program	93.262	Harvard University	114960-5097862	46,788	-
Drug Abuse and Addiction Research Programs	93.279	University of Connecticut	PO#371505-KFS# 56544	14,925	-
Drug Abuse and Addiction Research Programs	93.279	Giner, Inc	404062	30,283	-
Minority Health and Health Disparities Research	93.307	University of Miami	OS00000149	67,261	-
<b>National Institute on Nursing Research</b>					
Nursing Research	93.361	Oregon Health & Science University	1006975_BOSTON	81,350	-
Nursing Research	93.361	Oregon Health & Science University	5115364	99,497	-
Nursing Research	93.361	Massachusetts General Hospital	233238	30,928	-
Nursing Research	93.361	Oregon Health & Science University	1018913_BOSTON	3,366	-
<b>National Cancer Institute</b>					

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

**Boston College**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended May 31, 2021**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity	Pass-Through Entity's ID Number	Federal Expenditures	Amount passed to Subrecipient
Cancer Detection and Diagnosis Research	93.394	Oregon Health & Science University	1012407_BOSTON	14,070	-
<b>National Institutes of Health</b>					
Cardiovascular Diseases Research	93.837	Brigham and Women's Hospital	115074	4,136	-
Cardiovascular Diseases Research	93.837	Brigham and Women's Hospital	Not Available	20,718	-
Cardiovascular Diseases Research	93.837	Northeastern University	500537-78051	294	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	Massachusetts General Hospital	227074	54,194	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Auburn University	16-CVM-201300-BC	103,634	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	University of Florida	UFDSP00011964	105,880	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	Medical College of Wisconsin	Not Available	23,206	-
Allergy and Infectious Diseases Research	93.855	Harvard University	117271-5115621	31,122	-
Allergy and Infectious Diseases Research	93.855	Cornell University	Not Available	35,503	-
Microbiology and Infectious Diseases Research	93.856	Massachusetts General Hospital	224838	24,205	-
Biomedical Research and Research Training	93.859	Massachusetts Institute of Technology	5710004064	18,618	-
Child Health and Human Development Extramural Research	93.865	Tulane University Health Sciences Center	TUL-HSC-558355-20/21	11,771	-
Child Health and Human Development Extramural Research	93.865	Tulane University Health Sciences Center	TUL-HSC-558356-20/21	144,413	-
Child Health and Human Development Extramural Research	93.865	Massachusetts General Hospital	Not Available	8,375	-
Aging Research	93.866	University of Massachusetts - Worcester	OSP2018106	6,649	-
Aging Research	93.866	Brandeis University	402461	432	-
Aging Research	93.866	Brandeis University	403800	28,724	-
Aging Research	93.866	Rutgers University	0241	16,441	-
Aging Research	93.866	Rutgers University	1443565	33,157	-
Aging Research	93.866	Massachusetts General Hospital	300325	86,427	-
Aging Research	93.866	Montclair State University	1R01AG067836-BC	51,945	-
International Research and Research Training	93.989	The Washington University	WU-20-273	12,388	-
<b>U.S. Agency for International Development</b>					
USAID Foreign Assistance for Programs Overseas	98.001	John Snow, Inc.	PP-GM-004	304,102	-
<b>Research and Development Cluster Pass-through Programs Subtotal</b>				<u>2,945,056</u>	<u>-</u>
<b>Total Research and Development Cluster</b>				<u>34,653,129</u>	<u>6,164,437</u>
<b>Student Financial Assistance Cluster</b>					
<b>Department of Education</b>					
<b>Office of Federal Student Aid</b>					
Federal Supplemental Educational Opportunity Grants	84.007			1,445,850	-
Federal Work-Study Program	84.033			1,681,925	-
Federal Perkins Loan					
Outstanding loans as of June 1, 2020	84.038			10,682,758	-
New loans issued during FY2021	84.038			-	-
Administrative Cost Allowance	84.038			-	-
Federal Pell Grant Program	84.063			6,648,450	-
Federal Direct Student Loan	84.268			87,661,973	-

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

# Boston College

## Schedule of Expenditures of Federal Awards

### Year Ended May 31, 2021

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity	Pass-Through Entity's ID Number	Federal Expenditures	Amount passed to Subrecipient
Teacher Education Assistance for College and Higher Education Grants	84.379			11,316	-
<b>Department of Health and Human Services</b>					
<b>Health Resources and Services Administration</b>					
Nursing Student Loans					
Outstanding loans as of June 1, 2020	93.364			1,413,909	-
New loans issued during FY2021	93.364			287,274	-
<b>Total Student Financial Assistance Cluster</b>				<u>109,833,455</u>	<u>-</u>
<b>TRIO Cluster</b>					
<b>TRIO Direct Programs</b>					
<b>Department of Education</b>					
<b>Office of Postsecondary Education</b>					
TRIO-Student Support Services	84.042			334,749	-
TRIO-McNair Post-Baccalaureate Achievement	84.217			259,423	-
<b>Total TRIO Cluster</b>				<u>594,172</u>	<u>-</u>
<b>Other Programs</b>					
<b>Direct Programs</b>					
<b>Department of State</b>					
Public Diplomacy Programs	19.040			14,471	-
<b>National Aeronautics and Space Administration</b>					
<b>NASA Research Announcements/Research Opportunities in Space and Earth Sciences</b>					
Science	43.001			10,438	-
<b>National Science Foundation</b>					
Mathematical and Physical Sciences	47.049			722	-
<b>Department of Education</b>					
Bonds Payable to U.S. Department of Education					
Par value at June 1, 2020	84.U00			2,150,000	-
<b>Office of Postsecondary Education</b>					
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E			6,043,588	-
COVID-19 Higher Education Emergency Relief Fund - Institution Portion	84.425F			8,911,130	-
<b>Total Other Direct Programs</b>				<u>17,130,349</u>	<u>-</u>
<b>Other Programs</b>					
<b>Pass-through Programs</b>					
<b>Department of Justice</b>					
Capital Case Litigation Initiative	16.746	Committee for Public Counsel Services	VC6000156860	64,962	-
<b>Department of Health and Human Services</b>					
<b>National Institutes of Health</b>					
Cancer Cause and Prevention Research	93.393	Dana-Farber Cancer Institute	1309401	9,273	-
Cancer Manpower Grants	93.398	Dana-Farber Cancer Institute	1178006 and 1178007	11,547	-
<b>Total Other Pass-Through Programs</b>				<u>85,782</u>	<u>-</u>
<b>Total Other Programs</b>				<u>17,216,131</u>	<u>-</u>
<b>Total Federal Award Expenditures</b>				<u>\$ 162,296,887</u>	<u>\$ 6,164,437</u>

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

# **Boston College**

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

### **May 31, 2021**

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#### **1. Summary of Significant Accounting Policies for Federal Awards and Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of the University under programs of the federal government for the year ended May 31, 2021. Because the Schedule presents only the federal award activity of the University, it is not intended to and does not present the financial position, changes in net assets and cash flows of the University. Negative amounts, if present on the Schedule, represent adjustments to expenditures reported in the prior year. Full CFDA numbers and pass-through numbers are provided when available.

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 to the University by nonfederal organizations pursuant to federal grants, contracts and similar agreements.

Expenditures for federal student financial aid programs are recognized as incurred and include such items as Federal Pell Grants to students, the federal share of the Supplemental Educational Opportunity Grants, Federal Work-Study program earnings and administrative cost allowances where applicable. Expenditures for research and other federal award programs are determined using the cost accounting principles and procedures set forth in Title 2, U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Under these cost principles, certain expenditures are not allowable or are limited as to reimbursement.

The Schedule has been prepared using the accrual basis of accounting.

#### **2. De Minimis F&A Rate**

Expenditures for awards (other than student financial aid) include facilities and administrative cost recoveries ("F&A"), relating primarily to facilities operation and maintenance, facilities and equipment depreciation and general departmental administration services, which are allocated to direct costs based on negotiated rates. F&A costs allocated to such awards for the year ended May 31, 2021 were based on predetermined fixed rates the University negotiated with the Department of Health and Human Services ("DHHS") Division of Cost Allocation. The University's current F&A rate agreement runs through May 31, 2022. Recoveries of F&A costs under sponsored programs are classified as unrestricted revenues in the University's consolidated financial statements. The University elected not to use the 10% de minimis F&A rate as allowed by Uniform Guidance. The University has a negotiated F&A rate agreement established with DHHS, its cognizant agency, as such there is no requirement for the University to use the 10% de minimis F&A rate.

**Boston College**  
**Notes to Schedule of Expenditures of Federal Awards**  
**May 31, 2021**

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**3. Federal Student Loan Programs**

The Federal Perkins and Nursing Student Loans programs are administered directly by the University and balances and transactions relating to these programs are included in the University's consolidated financial statements. The balances of loans outstanding at May 31, 2021 consist of:

Federal Perkins Loan Program	\$ 7,721,668
Nursing Student Loans	
Undergraduate	1,082,978
Graduate	<u>277,829</u>
Total campus-based loans	<u>\$ 9,082,475</u>

**4. Loan Programs**

As of May 31, 2021, the University had \$1,460,000 in debt payable to the Department of Education (CFDA #84.U00). Details of the debt balances outstanding, maturity dates and other related information is included in Note H to the consolidated financial statements.



## **Part II**

### **Reports on Internal Control and Compliance**



## **Report of Independent Auditors 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**

To the Trustees of Boston College

We have audited, 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, the consolidated financial statements of Boston College and its subsidiaries (the "University"), which comprise the consolidated statement of financial position as of May 31, 2021, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 24, 2021.

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

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting ("internal control") as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

Boston, Massachusetts  
September 24, 2021



**Report of Independent Auditors on Compliance with Requirements  
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over  
Compliance in Accordance with the Uniform Guidance**

To the Trustees of Boston College

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

We have audited Boston College 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 May 31, 2021. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The University's consolidated financial statements include the operations of Pine Manor College ("PMC"), which is not included in the University's schedule of expenditures of federal awards during the year ended May 31, 2021. Our audit, described below, did not include the federal expenditures associated with PMC because a discrete report in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is issued for this entity.

***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 each major federal program. 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 May 31, 2021.



### **Other Matter**

As indicated in Part I to the accompanying Schedule of Findings and Questioned Costs, we have audited the Student Financial Assistance cluster as a major program. Also, as indicated in the first paragraph of this report, we performed our audit of compliance using the compliance requirements contained in the OMB Compliance Supplement, including those contained in Part V 5.3, Compliance Requirement N, Special Tests and Provisions, Section 10 “Gramm-Leach-Bliley Act-Student Information Security.” This section includes three suggested audit procedures with respect to verification that the institution (1) designated an individual to coordinate the information security program, (2) performed a risk assessment that addresses the three required areas in 16 CFR 314.4(b), and (3) documented a safeguard for each risk identified. Our procedures in relation to these three items were limited to inquiry of and obtaining written representation from management and obtaining and reading management’s documentation related to these three items. Our procedures did not include an analysis of the adequacy or completeness of the risk assessment performed or the safeguards for each risk identified by management.

### **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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*PricewaterhouseCoopers LLP*

Boston, Massachusetts  
November 12, 2021

## **Part III**

### **Audit Findings and Questioned Costs**

**Boston College**  
**Schedule of Findings and Questioned Costs**  
**Year Ended May 31, 2021**

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**I. Summary of Auditors' Results**

**FINANCIAL STATEMENTS**

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified?  Yes  No
- ◆ Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None reported
- ◆ Noncompliance material to financial statements noted?  Yes  No

**FEDERAL AWARDS**

Internal control over major programs:

- ◆ Material weakness(es) identified?  Yes  No
- ◆ Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

**IDENTIFICATION OF MAJOR PROGRAMS**

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Assistance Cluster
Various	Research and Development Cluster
84.425E	Higher Education Emergency Relief Fund Student Aid Portion
84.425F	Higher Education Emergency Relief Fund Institutional Portion

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee?  Yes  No

**Boston College**  
**Schedule of Findings and Questioned Costs**  
**Year Ended May 31, 2021**

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**II. Findings Related to the Financial Statements**

None noted.

**III. Federal Awards Findings and Questioned Costs**

None noted.



**Boston College**  
**Schedule of Status of Prior Audit Findings**  
**Year Ended May 31, 2021**

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There are no findings from prior years that require an update in this report.