

Boston College

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

May 31, 2023

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Boston College
Report on Federal Awards in Accordance with the Uniform Guidance
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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 Audit of the Consolidated Financial Statements

Opinion

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, 2023 and 2022, and the related consolidated statements of activities for the year ended May 31, 2023, and of cash flows for the years ended May 31, 2023 and 2022, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of May 31, 2023 and 2022, the changes in its net assets for the year ended May 31, 2023 and its cash flows for the years ended May 31, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

We previously audited the consolidated statement of financial position as of May 31, 2022, 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 30, 2022, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information for the year ended May 31, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Responsibilities of Management 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, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplemental 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, 2023 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. 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 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 29, 2023 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, 2023. 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.

RiceWaterhouseCoopers LLP

Boston, Massachusetts
September 29, 2023

Boston College
Consolidated Statements of Financial Position
As of May 31, 2023 and 2022

<i>(in thousands)</i>	2023	2022
Assets		
Cash and cash equivalents	\$ 26,608	\$ 24,015
Accounts receivable, net (Note B)	68,743	59,500
Contributions receivable, net (Note C)	213,140	227,188
Notes and other receivables, net (Note B)	20,275	22,608
Investments (Note E)	4,085,141	4,271,552
Funds held by trustees (Note E)	4,694	8,771
Other assets	13,171	10,058
Property, plant and equipment, net (Note G)	<u>2,077,720</u>	<u>2,043,951</u>
Total assets	<u>\$ 6,509,492</u>	<u>\$ 6,667,643</u>
Liabilities		
Accounts payable	\$ 9,147	\$ 8,626
Accrued liabilities	246,442	239,149
Deposits payable and deferred revenues	38,439	37,130
Bonds and mortgages payable, net (Note H)	1,505,080	1,542,137
U.S. Government loan advances	<u>4,208</u>	<u>6,357</u>
Total liabilities	<u>1,803,316</u>	<u>1,833,399</u>
Net Assets		
Without donor restrictions (Note I)	2,302,599	2,183,853
With donor restrictions (Note I)	<u>2,403,577</u>	<u>2,650,391</u>
Total net assets	<u>4,706,176</u>	<u>4,834,244</u>
Total liabilities and net assets	<u>\$ 6,509,492</u>	<u>\$ 6,667,643</u>

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

Boston College
Consolidated Statement of Activities
Year Ended May 31, 2023
(With Summarized Financial Information for the Year Ended May 31, 2022)

<i>(in thousands)</i>	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Operating				
Revenues and other support				
Tuition and fees	\$ 557,644	\$ -	\$ 557,644	\$ 542,261
Auxiliary enterprises	197,154	-	197,154	185,592
Sponsored research and other programs	73,801	-	73,801	73,337
Government financial aid programs	5,047	-	5,047	14,527
Sales and services	6,410	-	6,410	5,536
Other revenues	20,168	-	20,168	15,720
Nonoperating assets utilized or released from restrictions for operations	160,360	-	160,360	119,700
Total revenues and other support	<u>1,020,584</u>	<u>-</u>	<u>1,020,584</u>	<u>956,673</u>
Expenses				
Instruction	351,864	-	351,864	335,038
Academic support	124,341	-	124,341	116,549
Research	58,340	-	58,340	50,541
Student services	90,227	-	90,227	81,520
Public service	5,363	-	5,363	3,984
General administration	156,967	-	156,967	145,493
Auxiliary enterprises	233,312	-	233,312	223,384
Total expenses	<u>1,020,414</u>	<u>-</u>	<u>1,020,414</u>	<u>956,509</u>
Increase in net assets from operating activities	<u>170</u>	<u>-</u>	<u>170</u>	<u>164</u>
Nonoperating				
Contributions	5,399	120,591	125,990	227,705
Investment return, net	(23,369)	(65,878)	(89,247)	(146,872)
Other (losses) gains, net	(3,127)	(1,494)	(4,621)	23,714
Nonoperating assets utilized or released from restrictions for operations	(7,354)	(153,006)	(160,360)	(119,700)
Net assets reclassified or released from restrictions	<u>147,027</u>	<u>(147,027)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets from nonoperating activities	<u>118,576</u>	<u>(246,814)</u>	<u>(128,238)</u>	<u>(15,153)</u>
Total increase (decrease) in net assets	<u>118,746</u>	<u>(246,814)</u>	<u>(128,068)</u>	<u>(14,989)</u>
Net assets				
Beginning of year	<u>2,183,853</u>	<u>2,650,391</u>	<u>4,834,244</u>	<u>4,849,233</u>
End of year	<u>\$ 2,302,599</u>	<u>\$ 2,403,577</u>	<u>\$ 4,706,176</u>	<u>\$ 4,834,244</u>

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

Boston College

Consolidated Statements of Cash Flows

Years Ended May 31, 2023 and 2022

<i>(in thousands)</i>	2023	2022
Cash flows from operating activities		
Total decrease in net assets	\$ (128,068)	\$ (14,989)
Adjustments to reconcile change in net assets to cash, cash equivalents, and restricted cash provided by operating activities		
Depreciation, amortization and accretion	109,867	101,563
Allowance for uncollectible contributions	(1,969)	13,758
Discount on contributions	1,144	10,389
Net loss (gain) on retirement or disposal of property, plant and equipment	11	(17)
Contributions of property and equipment	(2,188)	(22,018)
Loan cancellations	557	870
Contributed securities	(18,352)	(28,267)
Proceeds from sale of contributed securities	4,375	7,044
Realized and unrealized investment losses, net	121,518	163,928
Changes in assets and liabilities		
Accounts receivable, net	(9,242)	(7,784)
Notes and other receivables	493	470
Contributions receivable	14,873	(71,776)
Accounts payable and accrued liabilities	7,325	(21,107)
Deposits payable and deferred revenue	1,309	4,289
Other assets	(3,114)	(3,474)
Contributions to be used for long-term investment	(80,092)	(94,236)
Net cash, cash equivalents, and restricted cash provided by operating activities	<u>18,447</u>	<u>38,643</u>
Cash flows from investing activities		
Proceeds from sales of investments	2,234,478	1,439,328
Purchases of investments	(1,940,489)	(1,689,780)
Student loans granted	(648)	(282)
Student loans collected	1,931	2,777
Purchases of property, plant and equipment	(145,789)	(161,880)
Proceeds from sale of property, plant and equipment	118	23
Change in funds held by trustees	4,077	(2,822)
Net cash, cash equivalents, and restricted cash provided by (used in) investing activities	<u>153,678</u>	<u>(412,636)</u>
Cash flows from financing activities		
Proceeds from issuance of debt	-	236,960
Cash premium received upon issuance of bonds	-	63,044
Debt issuance costs	-	(1,821)
Payment of bonds and mortgages payable	(32,356)	(30,690)
Change in U.S. Government loan advances	(2,149)	(2,839)
Payments to beneficiaries of split interest agreements	(1,976)	(2,360)
Proceeds from sale of contributed securities	13,977	21,223
Contributions to be used for long-term investment	80,092	94,236
Net cash, cash equivalents, and restricted cash provided by financing activities	<u>57,588</u>	<u>377,753</u>
Net increase in cash, cash equivalents, and restricted cash	229,713	3,760
Cash, cash equivalents, and restricted cash		
Beginning of year	27,202	23,442
End of year	<u>\$ 256,915</u>	<u>\$ 27,202</u>
Supplemental data		
Interest paid, net of amounts capitalized	\$ 57,141	\$ 53,628
Change in asset retirement obligations recognized	(365)	4,291

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

Boston College

Notes to Consolidated Financial Statements

May 31, 2023 and 2022

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). Effective December 30, 2022, PMC was legally merged into Boston College.

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, 2023 and 2022

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 a 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 \$235,337,000 and \$234,296,000 was applied against published tuition and fees rates in the years ended May 31, 2023 and 2022, respectively. Student aid of \$8,494,000 and \$11,295,000 was applied against auxiliary revenues in the years ended May 31, 2023 and 2022, 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 \$100,276,000 and \$84,042,000 as of May 31, 2023 and May 31, 2022, respectively, are not recorded in the consolidated financial statements.

Nonoperating Activity

Nonoperating activity consists primarily of contributions, investment return, and other losses and gains on: postretirement healthcare benefits, life income adjustments, unfulfilled promises to give, foreign currency translation, 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.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

Contributions of nonfinancial assets, including books, artwork, and equipment are recorded at fair market value based on independent appraisal or prices of identical or similar products. The University recognized nonfinancial asset contributions of \$2,188,000 and \$22,018,000 as of May 31, 2023 and 2022, respectively, of which \$1,678,000 and \$21,888,000, were contributed artwork. Contributed artwork is not monetized and is held for educational purposes.

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.

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. Cash and short-term investments held in the investment portfolio are carried at market value and 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>	2023	2022
Cash and cash equivalents	\$ 26,608	\$ 24,015
Cash and restricted cash included in investments	<u>230,307</u>	<u>3,187</u>
Total cash, cash equivalents, and restricted cash shown in the consolidated statements of cash flows	<u>\$ 256,915</u>	<u>\$ 27,202</u>

Amounts included in cash and restricted cash included in investments relate to endowment, short-term investments, and student loans.

Boston College

Notes to Consolidated Financial Statements

May 31, 2023 and 2022

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 \$39,552,000 and \$46,525,000 as of May 31, 2023 and 2022, 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 9.4%. The liability of \$14,752,000 and \$15,989,000 as of May 31, 2023 and 2022, respectively, is adjusted during the term of the agreements for changes in actuarial assumptions.

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, 2022, from which the summarized information was derived.

Subsequent Events

The University has assessed the impact of subsequent events through September 29, 2023, 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.

Recent Accounting Pronouncements

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This amendment changed the presentation of contributed nonfinancial assets within the statement of activities and enhanced disclosure requirements for contributed nonfinancial assets, such as donor-imposed restrictions, fair value measurement, and qualitative information if the contributed nonfinancial assets were utilized or sold. The University adopted ASU 2020-07 retrospectively in the University's 2023 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, 2023 and 2022

B. Accounts, Notes and Other Receivables

Accounts receivable and notes receivable are stated net of allowances for doubtful accounts. As of May 31, 2023 and 2022, the allowance related to accounts receivable is \$3,340,000 and \$3,295,000, 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, 2023 and 2022, the amount due under the loan programs is \$7,573,000 and \$9,413,000, 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, 2023 and 2022, 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>	2023	2022
Unconditional promises scheduled to be collected in		
Less than one year	\$ 85,531	\$ 90,818
Between one year and five years	139,475	133,541
More than five years	31,779	47,299
Less: Discount and allowance for unfulfilled promises to give	<u>(43,645)</u>	<u>(44,470)</u>
Contributions receivable, net	<u>\$ 213,140</u>	<u>\$ 227,188</u>

A present value discount of \$24,257,000 and \$23,113,000 as of May 31, 2023 and 2022, 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 2023 and 2022 at fair value as determined in accordance with fair value accounting guidance.

Conditional promises from donors of \$41,680,000 and \$45,660,000 as of May 31, 2023 and 2022, respectively, are not recorded in the consolidated financial statements.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

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>	2023	2022
Financial assets		
Cash and cash equivalents	\$ 26,608	\$ 24,015
Accounts receivable, net	36,173	35,313
Contributions receivable	11,259	9,974
Short-term investments	619,996	636,349
Estimated endowment distribution	<u>190,576</u>	<u>182,298</u>
Total financial assets available within one year	884,612	887,949
Liquidity resources		
Line of credit	<u>75,000</u>	<u>75,000</u>
Total financial assets and liquidity resources available within one year	<u>\$ 959,612</u>	<u>\$ 962,949</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, 2023 and 2022, 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>	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 2,145,432	\$ 2,983,128	\$ 2,200,268	\$ 3,220,588
Fixed income	942,539	940,169	907,114	902,999
Real assets	<u>142,782</u>	<u>166,538</u>	<u>138,144</u>	<u>156,736</u>
	<u>\$ 3,230,753</u>	<u>\$ 4,089,835</u>	<u>\$ 3,245,526</u>	<u>\$ 4,280,323</u>

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

Equities include common stock, mutual funds, commingled funds, and limited partnership interests. Fixed income includes cash, 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, 2023, the University's investments include \$610,271,000 of Level I equities, \$927,740,000 of Level I fixed income securities, \$7,998,000 of Level II fixed income securities and \$4,431,000 of Level III fixed income securities. Excluded from the fair value hierarchy at May 31, 2023 are \$2,372,857,000 of equities and \$131,673,000 of real assets, for which fair value is measured at net asset value per share using the practical expedient.

As of May 31, 2022, the University's investments include \$673,766,000 of Level I equities, \$890,001,000 of Level I fixed income securities, \$8,722,000 of Level II fixed income securities and \$4,276,000 of Level III fixed income securities. Excluded from the fair value hierarchy at May 31, 2022 are \$2,546,822,000 of equities and \$125,809,000 of real assets, for which fair value is measured at net asset value per share using the practical expedient.

As of May 31, 2023, \$27,123,000, \$7,998,000 and \$4,431,000 of split interest agreements are included in Level I, Level II, and Level III, respectively. As of May 31, 2022, \$33,527,000, \$8,722,000 and \$4,276,000 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>	2023			
	Equities	Fixed Income	Real Assets	Total
Redemption terms				
Within 30 days	\$ 221,897	\$ -	\$ -	\$ 221,897
Quarterly				
30-90 days prior written notice	532,496	-	-	532,496
Semi-annually, annually				
30-180 days prior written notice	281,126	-	-	281,126
Greater than 1 year	1,337,338	-	131,673	1,469,011
	<u>2,372,857</u>	<u>-</u>	<u>131,673</u>	<u>2,504,530</u>
Level I securities	610,271	927,740	-	1,538,011
Other investments	-	12,429	34,865	47,294
Total investments	<u>\$ 2,983,128</u>	<u>\$ 940,169</u>	<u>\$ 166,538</u>	<u>\$ 4,089,835</u>

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

<i>(in thousands)</i>	2022			
	Equities	Fixed Income	Real Assets	Total
Redemption terms				
Within 30 days	\$ 277,186	\$ -	\$ -	\$ 277,186
Quarterly				
30-90 days prior written notice	547,538	-	-	547,538
Semi-annually, annually				
30-180 days prior written notice	267,797	-	-	267,797
Greater than 1 year	1,454,301	-	125,809	1,580,110
	<u>2,546,822</u>	<u>-</u>	<u>125,809</u>	<u>2,672,631</u>
Level I securities	673,766	890,001	-	1,563,767
Other investments	-	12,998	30,927	43,925
	<u>-</u>	<u>12,998</u>	<u>30,927</u>	<u>43,925</u>
Total investments	<u>\$ 3,220,588</u>	<u>\$ 902,999</u>	<u>\$ 156,736</u>	<u>\$ 4,280,323</u>

The University is committed to invest up to an additional amount of \$743,900,000 and \$596,900,000 as of May 31, 2023 and 2022, 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's spending policy for its donor restricted endowment, as approved by the University's Board of Trustees, 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. Per the University's spending policy, the amount that can be expended for current operations is based on a weighted average of prior year spending adjusted for an inflationary factor and 5% of a twelve quarter moving average of market values. At its discretion, the Board of Trustees may authorize a higher or lower amount of spending from the restricted endowment to adjust for prior investment performance, current market conditions, or other factors to meet operating needs.

Boston College
Notes to Consolidated Financial Statements
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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, 2023 and 2022, there were 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>	2023	2022
Land and improvements	\$ 479,728	\$ 474,602
Buildings	2,301,764	2,213,979
Equipment	316,973	287,980
Library books	261,079	251,006
Rare book and art collections	58,465	55,676
Plant under construction	66,359	59,728
Property, plant and equipment, gross	3,484,368	3,342,971
Accumulated depreciation	(1,406,648)	(1,299,020)
Property, plant and equipment, net	\$ 2,077,720	\$ 2,043,951

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, 2023 and 2022 amounted to \$113,560,000 and \$105,788,000, 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 \$6,451,000 and \$7,099,000 in gross plant assets for the years ended May 31, 2023 and 2022, respectively.

Property, plant and equipment additions of \$14,112,000 and \$14,158,000 are included in accrued liabilities on the consolidated statements of financial position for the years ended May 31, 2023 and 2022, respectively.

The University recognized \$900,000 and \$714,000 of operating expenses relating to the accretion of liabilities associated with the retirement of long-lived assets for the years ended May 31, 2023 and 2022, respectively. Conditional asset retirement obligations of \$19,250,000 and \$18,735,000 as of May 31, 2023 and 2022, respectively, are included in accrued liabilities.

The University has commitments of \$72,419,000 and \$72,579,000 to complete various capital projects and property acquisitions as of May 31, 2023 and 2022, respectively.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

H. Bonds and Mortgages Payable

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

<i>(in thousands)</i>	2023	2022
Massachusetts Health and Educational Facilities Authority (MHEFA)		
Boston College Issues (fixed rate)		
Series M, 5.00 - 5.50%, due 2023 - 2035	\$ 129,360	\$ 129,360
Massachusetts Development Finance Agency (MDFA)		
Boston College Issues (fixed rate)		
Series S, 4.12 - 5.00%, due 2023-2038	82,990	88,645
Series T, 3.37 - 5.00%, due 2033-2042	129,305	129,305
Series U, 5.00%, due 2023-2040	125,645	138,260
Series V, 5.00%, due 2053-2055	101,960	101,960
Trustees of Boston College (fixed rate)		
Taxable bonds, Series 2013, 3.87 - 5.09%, due 2023-2043	136,275	142,040
Taxable bonds, Series 2017, 2.91 - 3.99%, due 2023-2047	257,769	265,345
Taxable bonds, Series 2019, 3.13%, due 2049-2053	300,000	300,000
Taxable bonds, Series 2021, 3.04%, due 2055-2057	135,000	135,000
Department of Education (fixed rate)		
Library building bonds, 3.41%	-	745
Bonds and mortgages payable, par	1,398,304	1,430,660
Unamortized original bond issue premium	114,270	119,309
Unamortized issuance cost on bonds	<u>(7,494)</u>	<u>(7,832)</u>
Bonds and mortgages payable, net	<u>\$ 1,505,080</u>	<u>\$ 1,542,137</u>

As of May 31, 2023, principal payments due on all long-term bonds and mortgages payable are as follows: \$33,750,000 in 2024, \$37,610,000 in 2025, \$36,295,000 in 2026, \$36,570,000 in 2027, \$35,485,000 in 2028, and \$1,218,594,000 thereafter.

Interest expense for the years ended May 31, 2023 and 2022 amounted to \$52,102,000 and \$51,776,000, respectively. The University capitalized interest of \$1,737,000 and \$2,697,000 for the years ended May 31, 2023 and 2022, respectively.

The University has an agreement for a \$75,000,000 unsecured line of credit. As of May 31, 2023 and 2022, there was no balance outstanding on the line of credit.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

In June 2021, 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”). Series V was issued with an original issue premium of \$63,044,000, which is being amortized over the life of the bonds. The proceeds from Series V were used to finance certain capital needs, including the construction of 245 Beacon, which is the site of the Schiller Institute for Integrated Science and Society, 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 being 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 were capitalized and are being amortized over the life of the bonds.

I. Net Assets

Net assets consist of the following as of May 31:

<i>(in thousands)</i>	Without Donor Restrictions		With Donor Restrictions	
	2023	2022	2023	2022
Endowment net assets, beginning of year				
Board designated	\$ 1,369,782	\$ 1,387,571	\$ -	\$ -
Donor restricted	-	-	2,345,630	2,387,995
Contributions	-	-	56,146	132,479
Investment return, net	(40,907)	(56,933)	(65,954)	(87,412)
Appropriation of endowed assets for expenditure	(74,575)	(58,672)	(115,766)	(91,621)
Net assets reclassified or released from restrictions	71,817	97,955	1,661	4,386
Other losses	(83)	(139)	(505)	(197)
Endowment net assets, end of year				
Board designated	1,326,034	1,369,782	-	-
Donor restricted	-	-	2,221,212	2,345,630
Designated for specific purposes	219,980	195,476	-	-
Net investment in plant	756,585	618,595	-	-
Program support	-	-	118,636	112,428
Contributions for plant assets	-	-	62,941	80,015
Inherent contribution from acquisition	-	-	-	111,529
Student loans	-	-	788	789
Total net assets	\$ 2,302,599	\$ 2,183,853	\$ 2,403,577	\$ 2,650,391

Included in net assets with donor restrictions on the consolidated statements of financial position as of May 31, 2023 and 2022 are \$1,394,646,000 and \$1,344,660,000 of perpetually restricted funds and \$1,008,931,000 and \$1,305,731,000 of funds restricted for time or purpose, respectively.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

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

<i>(in thousands)</i>	2023	2022
Scholarships and fellowships	\$ 995,319	\$ 1,056,074
Educational purposes	813,998	975,589
Professorships	381,120	391,540
Contributions receivable, net	<u>213,140</u>	<u>227,188</u>
Total	<u>\$ 2,403,577</u>	<u>\$ 2,650,391</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>	2023					
	Salaries and Benefits	Operating Expenses	Depreciation/Amortization	Interest	Operations and Maintenance of Facilities	Total
Educational activities	\$ 321,029	\$ 63,761	\$ 41,304	\$ 18,546	\$ 36,928	\$ 481,568
Research	37,181	19,383	1,776	-	-	58,340
Student services	41,612	15,244	17,250	8,236	7,885	90,227
General administration	101,333	36,711	8,055	3,798	7,070	156,967
Auxiliary enterprises	70,767	67,267	41,118	19,643	34,517	233,312
Operations and maintenance of facilities	<u>50,584</u>	<u>29,502</u>	<u>4,435</u>	<u>1,879</u>	<u>(86,400)</u>	<u>-</u>
Total	<u>\$ 622,506</u>	<u>\$ 231,868</u>	<u>\$ 113,938</u>	<u>\$ 52,102</u>	<u>\$ -</u>	<u>\$ 1,020,414</u>

<i>(in thousands)</i>	2022					
	Salaries and Benefits	Operating Expenses	Depreciation/Amortization	Interest	Operations and Maintenance of Facilities	Total
Educational activities	\$ 307,129	\$ 52,122	\$ 39,745	\$ 20,809	\$ 35,766	\$ 455,571
Research	33,282	15,768	1,491	-	-	50,541
Student services	39,379	12,806	14,913	7,613	6,809	81,520
General administration	97,064	31,083	7,604	3,815	5,927	145,493
Auxiliary enterprises	66,292	65,901	39,309	17,552	34,330	223,384
Operations and maintenance of facilities	<u>49,155</u>	<u>28,505</u>	<u>3,185</u>	<u>1,987</u>	<u>(82,832)</u>	<u>-</u>
Total	<u>\$ 592,301</u>	<u>\$ 206,185</u>	<u>\$ 106,247</u>	<u>\$ 51,776</u>	<u>\$ -</u>	<u>\$ 956,509</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 \$31,408,000 and \$28,296,000 for the years ended May 31, 2023 and 2022, respectively.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

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, 2023 and 2022, the University's contributions to the retirement program are \$29,416,000 and \$29,200,000, 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>	2023	2022
Service cost	\$ 2,800	\$ 3,753
Net periodic postretirement benefit cost	<u>2,800</u>	<u>3,753</u>
Net gain	(2,559)	(29,162)
Interest cost	<u>3,850</u>	<u>3,149</u>
Other changes in plan assets and benefit obligation	<u>1,291</u>	<u>(26,013)</u>
Total recognized in net periodic benefit cost and net assets without donor restrictions	<u>\$ 4,091</u>	<u>\$ (22,260)</u>

For measurement purposes, the assumed annual rates of increase for measuring the obligation at May 31, 2022 and the cost for the year ending May 31, 2023 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 4.00% in 2028 for post-65 benefits and to 4.50% in 2028 for pre-65 benefits and to remain at those levels thereafter. The assumed annual rates of increase for measuring the obligation at May 31, 2023 and the cost for the year ending May 31, 2024 were 5.75% in the per capita cost of covered health care benefits for post-65 benefits and 7.00% in the per capita cost of covered health care benefits for pre-65 benefits. Rates were assumed to decrease gradually to 4.00% in 2029 for post-65 benefits and to 4.50% in 2029 for pre-65 benefits and to remain at those levels thereafter.

The discount rate used to determine the accumulated benefit obligation is 5.25% as of May 31, 2023 and 4.50% as of May 31, 2022. The discount rate used to determine the net periodic postretirement benefit cost is 4.50% as of May 31, 2023 and 3.00% as of May 31, 2022.

The long-term interest crediting rate on Retiree Medical Savings Accounts used to determine the accumulated benefit obligation is 5.00% as of May 31, 2023 and May 31, 2022. The long-term interest crediting rate on Retiree Medical Savings Accounts used to determine the net periodic postretirement benefit cost is 5.00% as of May 31, 2023 and May 31, 2022.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

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

<i>(in thousands)</i>	2023	2022
Reconciliation of accumulated postretirement benefit obligation		
Benefit obligation, beginning of year	\$ 83,989	\$ 109,661
Service cost	2,800	3,753
Interest cost	3,850	3,149
Plan participant contributions	1,644	1,533
Benefits paid	(5,516)	(4,945)
Actuarial gain	<u>(2,559)</u>	<u>(29,162)</u>
Benefit obligation, end of year	<u>\$ 84,208</u>	<u>\$ 83,989</u>
Amounts not yet recognized as a component of net periodic benefit cost		
Net actuarial gain	<u>\$ (18,558)</u>	<u>\$ (16,405)</u>
	<u>\$ (18,558)</u>	<u>\$ (16,405)</u>

The significant gains related to changes in the benefit obligation for the period ending May 31, 2023 were primarily due to changes in the discount rate. The significant gains related to changes in the benefit obligation for the period ending May 31, 2022 were primarily due to changes in the discount rate, the age-grading, and the healthcare cost trend rate assumption.

As of May 31, 2023 and 2022, 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: \$4,110,000 in 2024, \$4,480,000 in 2025, \$4,800,000 in 2026, \$5,170,000 in 2027, \$5,580,000 in 2028, and \$32,920,000 in the five fiscal years thereafter.

L. Related Party

The University has mortgages, loans, and notes due from various related parties of \$26,858,000 and \$22,754,000 as of May 31, 2023 and 2022, respectively.

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.

Boston College
Notes to Consolidated Financial Statements
May 31, 2023 and 2022

The integration with Pine Manor College was 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 was 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 the year then ended May 31, 2021 for \$122,202,000 to represent the excess of the fair value of assets over liabilities assumed. The University was 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. Upon the second anniversary of the PMC integration and completion of the two year teach out period, the University released \$110,454,000 in net assets from restriction as the purpose restriction was met.

Schedule of Expenditures of Federal Awards

Boston College

Schedule of Expenditures of Federal Awards

Year Ended May 31, 2023

Cluster / Federal Program	Assistance Listing Number	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity's ID Number	Total Federal Expenditures	Passed to Subrecipients
Research and Development Cluster ("R&D Cluster")							
Department of Agriculture							
Agriculture and Food Research Initiative (AFRI)	10.310	\$ 51,949	\$ -			\$ 51,949	\$ -
Department of Commerce							
National Oceanic and Atmospheric Administration (NOAA)	11.432	-	26,963	University Corp for Atmospheric Research	SUBCON003031	26,963	-
National Oceanic and Atmospheric Administration (NOAA)	11.432	-	21,597	University Corp for Atmospheric Research	SUBCON003884	21,597	-
Department of Defense							
Department of the Navy, Office of the Chief of Naval Research							
Basic and Applied Scientific Research	12.300	200,938	-			200,938	-
Department of the Army							
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351	-	115,599	Radiation Monitoring Devices, Inc	C21-36	115,599	-
Department of Army Material Command							
Basic Scientific Research	12.431	45,824	-			45,824	-
Basic Scientific Research	12.431	-	53,459	Massachusetts Institute of Technology	s5840, PO #806210	53,459	-
Department of Air Force							
Community Investment	12.600	34,538	-			34,538	-
Basic, Applied and Advanced Research in Science and Engineering							
Basic, Applied and Advanced Research in Science and Engineering	12.630	1,256,199	-			1,256,199	-
Department of Air Force, Material Command							
Air Force Defense Research Sciences Program	12.800	3,845,521	-			3,845,521	-
Air Force Defense Research Sciences Program	12.800	114,182	-			114,182	109,487
Air Force Defense Research Sciences Program	12.800	277,362	-			277,362	134,998
Air Force Defense Research Sciences Program	12.800	-	120,064	Massachusetts Institute of Technology	S5503 PO# 676251	120,064	-
Air Force Defense Research Sciences Program	12.800	-	46,341	University of California - Santa Barbara	KK2330	46,341	-
Air Force Defense Research Sciences Program	12.800	-	38,788	University of California - Los Angeles	1295 G LA311	38,788	-
Defense Advanced Research Projects Agency							
Research and Technology Development	12.910	-	194,299	Physical Sciences Inc	1008843-108069-46	194,299	-
Department of Air Force							
Air Force Research Laboratory	12.RD	-	46,773	Atmospheric and Environmental Research Inc	P2247-06	46,773	-
Air Force Research Laboratory	12.RD	-	161,776	Earth Resources Technology, Inc. (ERT)	3643-SUB01	161,776	-
Air Force Research Laboratory	12.RD	-	53,106	Earth Resources Technology, Inc. (ERT)	3663-SUB01	53,106	-
Air Force Research Laboratory	12.RD	-	76,963	Earth Resources Technology, Inc. (ERT)	3669-SUB01	76,963	-
Air Force Research Laboratory	12.RD	-	56,860	University of North Carolina at Charlotte	20190588-02-BOS	56,860	-
Air Force Research Laboratory	12.RD	-	22,901	NanoLab, Inc.	3129	22,901	-
Department of Justice							
Office on Violence Against Women Research and Evaluation Program	16.026	5,082	-			5,082	5,082
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	33,689	Research Foundation of Cuny	CM00008914-00	33,689	-
Department of State							
Public Diplomacy Programs	19.040	-	40,441	Albanian Center for Quality Journalism	2	40,441	-
National Aeronautics and Space Administration							
NASA Research Announcements/Research Opportunities in Space and Earth Sciences							
Science	43.001	184,412	-			184,412	-
Science	43.001	26,547	-			26,547	3,470
Science	43.001	-	6,660	Southwest Research Institute	N99060EH	6,660	-
Exploration	43.003	-	19,686	University of Central Florida	24086235-05	19,686	-
Space Operations	43.007	-	57,057	Space Telescope Science Institute	51399	57,057	-
NASA Technical Reports Server	43.RD	-	36,747	Universities Space Research Association	09-0046	36,747	-

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, 2023

Cluster / Federal Program	Assistance Listing Number	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity's ID Number	Total Federal Expenditures	Passed to Subrecipients
National Science Foundation							
Engineering	47.041	279,347	-			279,347	-
Mathematical and Physical Sciences	47.049	3,771,283	-			3,771,283	-
Mathematical and Physical Sciences	47.049	-	185,915	University of California - Los Angeles	0980 G YB825	185,915	-
Mathematical and Physical Sciences	47.049	-	88,217	University of California, Berkeley	00010391	88,217	-
Geosciences	47.050	445,452	-			445,452	-
Geosciences	47.050	-	4,030	Woods Hole Oceanographic Institution	A101422	4,030	-
Geosciences	47.050	-	27,026	Woods Hole Oceanographic Institution	A101416	27,026	-
Geosciences	47.050	-	22,746	Boston University	4500003157	22,746	-
Geosciences	47.050	-	26,572	ASTRA LLC	315-01	26,572	-
Geosciences	47.050	-	155,944	Woods Hole Oceanographic Institution	A101557	155,944	-
Computer and Information Science and Engineering	47.070	471,132	-			471,132	-
Computer and Information Science and Engineering	47.070	-	24,489	University of California - Los Angeles	1295 G LA310	24,489	-
Computer and Information Science and Engineering	47.070	-	77,976	Computing Research Association	2021CIF-Boston-01	77,976	-
Biological Sciences	47.074	292,536	-			292,536	-
Social, Behavioral, and Economic Sciences	47.075	912,893	-			912,893	-
Social, Behavioral, and Economic Sciences	47.075	-	196,151	University of Notre Dame	204044BC	196,151	-
Social, Behavioral, and Economic Sciences	47.075	-	23,663	Indiana University	9525-BC	23,663	-
Social, Behavioral, and Economic Sciences	47.075	152,621	-			152,621	12,476
Education and Human Resources	47.076	1,332,838	-			1,332,838	-
Education and Human Resources	47.076	28,992	-			28,992	27,279
Education and Human Resources	47.076	274,991	-			274,991	105,238
Education and Human Resources	47.076	132,847	-			132,847	32,376
Education and Human Resources	47.076	196,849	-			196,849	108,841
Education and Human Resources	47.076	-	39,853	Massachusetts Institute of Technology	S5305	39,853	-
Education and Human Resources	47.076	-	40,640	Carnegie Mellon University	1122856-443324	40,640	-
Polar Programs	47.078	83,412	-			83,412	-
Interactive Activities	47.083	-	10,903	Boise State University	6800-D	10,903	-
Technology, Innovation and Partnerships	47.084	66,597	-			66,597	-
Technology, Innovation and Partnerships	47.084	-	54,745	Massachusetts Institute of Technology	S5950 PO#880760	54,745	-
Department of Energy							
Office Of Science Financial Assistance Program	81.049	718,499	-			718,499	-
Office Of Science Financial Assistance Program	81.049	192,348	-			192,348	51,958
Office Of Science Financial Assistance Program	81.049	-	11,115	Wayne State University	WSU23056	11,115	-
Department of Energy	81.RD	-	30,179	Iowa State University	SC-22-559	30,179	-
Department of Education							
Graduate Assistance In Areas of National Need	84.200	77,671	-			77,671	-
Education Research, Development And Dissemination	84.305	450,280	-			450,280	-
Education Research, Development And Dissemination	84.305	227,647	-			227,647	154,962
Education Research, Development And Dissemination	84.305	-	54,300	Educational Testing Service	BC-ED-305A	54,300	-
Education Research, Development And Dissemination	84.305	-	47,304	Stanford University	62437297-137991	47,304	-
Education Research, Development And Dissemination	84.305A	-	130,771	New York University	F1428-01	130,771	-
Education Research, Development And Dissemination	84.305A	-	30,611	Georgia State University	n/a	30,611	-
Investing in Innovation	84.411	503,099	-			503,099	-
Department of Health and Human Services							
Family Smoking Prevention And Tobacco Control Act Regulatory Research	93.077	224,011	-			224,011	-
Environmental Health	93.113	57,116	-			57,116	-
National Institute on Deafness and Other Communication Disorders							
Research Related to Deafness and Communication Disorders	93.173	42,068	-			42,068	2,317
Research Related to Deafness and Communication Disorders	93.173	-	75,954	Vanderbilt Medical Center	n/a	75,954	-
NIH/Natl Inst of Mental Health							
Mental Health Research Grants	93.242	884,566	-			884,566	-
Mental Health Research Grants	93.242	207,782	-			207,782	12,630
Mental Health Research Grants	93.242	87,184	-			87,184	49,037
Mental Health Research Grants	93.242	(169)	-			(169)	(169)
Mental Health Research Grants	93.242	512,121	-			512,121	233,895
Mental Health Research Grants	93.242	-	75,496	University of California, San Francisco	13564sc	75,496	-
Mental Health Research Grants	93.242	-	13,982	Brown University	00002180	13,982	-

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, 2023

Cluster / Federal Program	Assistance Listing Number	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity's ID Number	Total Federal Expenditures	Passed to Subrecipients
Occupational Safety and Health Program							
Occupational Safety and Health Program	93.262	-	11,762	Harvard T.H. Chan School of Public Health	115034-5119379	11,762	-
Occupational Safety and Health Program	93.262	-	72,909	Harvard T.H. Chan School of Public Health	115034-5119381	72,909	-
NIH/National Institute on Alcohol Abuse and Alcoholism							
Alcohol Research Programs	93.273	169,744	-			169,744	-
Centers for Disease Control and Prevention							
Drug Abuse and Addiction Research Programs	93.279	-	87,170	Giner, Inc.	407050	87,170	-
Drug Abuse and Addiction Research Programs	93.279	-	8,445	Duke University	303-000504	8,445	-
NIH/National Institute on Minority Health and Health Disparities							
Minority Health and Health Disparities Research	93.307	156,319	-			156,319	-
Minority Health and Health Disparities Research	93.307	239,150	-			239,150	140,455
Minority Health and Health Disparities Research	93.307	533,346	-			533,346	123,855
Minority Health and Health Disparities Research	93.307	-	281,132	University of Miami	OS00000149	281,132	-
Minority Health and Health Disparities Research	93.307	-	90,408	University of Florida	SUB00003239	90,408	-
Minority Health and Health Disparities Research	93.307	-	27,731	Nationwide Children's Hospital	700235-0622-00	27,731	-
NIH/National Human Genome Research Institute							
Trans-NIH Research Support	93.310	534,253	-			534,253	-
NIH/NCATS							
National Center For Advancing Translational Sciences	93.350	25,126	-			25,126	-
NIH/Office of the Director							
Research Infrastructure Programs	93.351	1,022,631	-			1,022,631	-
National Institute on Nursing Research							
Nursing Research	93.361	139,503	-			139,503	-
Nursing Research	93.361	102,538	-			102,538	35,264
Nursing Research	93.361	237,719	-			237,719	67,400
Nursing Research	93.361	149,552	-			149,552	7,018
Nursing Research	93.361	-	92,902	University of North Carolina at Chapel Hill	5115364	92,902	-
Nursing Research	93.361	-	15,464	Massachusetts General Hospital	233238	15,464	-
Nursing Research	93.361	-	47,270	Oregon Health and Science University	1018913_BOSTON	47,270	-
National Cancer Institute							
Cancer Cause and Prevention Research	93.393	-	6,517	Dana-Farber Cancer Institute	1309401	6,517	-
Cancer Research Manpower	93.398	-	2,639	Dana-Farber Cancer Institute	1178008	2,639	-
Cancer Research Manpower	93.398	-	8,125	Dana-Farber Cancer Institute	1178009	8,125	-
National Cancer Institute							
Cancer Detection and Diagnosis Research	93.394	-	57,889	Oregon Health and Science University	1012407_BOSTON	57,889	-
Refugee and Entrant Assistance Discretionary Grants							
Refugee and Entrant Assistance Discretionary Grants	93.576	-	26,945	International Rescue Committee	90RB0052-04-01	26,945	-
NIH/National Institute of Diabetes and Digestive and Kidney Diseases							
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	65,069	-			65,069	-
NIH/National Institute of Neurological Disorders and Stroke							
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	392,826	-			392,826	128,926
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	326,972	-			326,972	291,640
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	379,294	-			379,294	248,517
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	37,793	Auburn University	16-CVM-201300-BC	37,793	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	16,341	University of Florida	UFDSP00011964	16,341	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	24,393	Medical College of Wisconsin	n/a	24,393	-
NIH/National Institute of Allergy and Infectious Disease							
Allergy and Infectious Diseases Research	93.855	1,236,151	-			1,236,151	-
Allergy and Infectious Diseases Research	93.855	33,636	-			33,636	33,636
Allergy and Infectious Diseases Research	93.855	146,860	-			146,860	146,860
Allergy and Infectious Diseases Research	93.855	89,030	-			89,030	29,501
Allergy and Infectious Diseases Research	93.855	927,370	-			927,370	403,868
Allergy and Infectious Diseases Research	93.855	414,633	-			414,633	117,089
Allergy and Infectious Diseases Research	93.855	-	7,434	Harvard T.H. Chan School of Public Health	117271-5115621	7,434	-
Allergy and Infectious Diseases Research	93.855	-	86,077	Cornell University	215433	86,077	-
Allergy and Infectious Diseases Research	93.855	-	326,981	Cornell University	211594	326,981	-
Allergy and Infectious Diseases Research	93.855	-	67,383	St. Jude Children's Research Hospital	11305301A-8060163	67,383	-
Allergy and Infectious Diseases Research	93.855	-	36,671	St. Jude Children's Research Hospital	11278001A-8060065	36,671	-
Allergy and Infectious Diseases Research	93.855	-	56,357	St. Jude Children's Research Hospital	11326001A-8097069	56,357	-
Allergy and Infectious Diseases Research	93.855	-	12,755	Broad Institute	5001647-5500001834	12,755	-
Allergy and Infectious Diseases Research	93.855	-	16,828	The Washington University	WU-22-0409-MOD-1	16,828	-
Allergy and Infectious Diseases Research	93.855	-	60,384	University of Louisville Research Foundation	ULRF_21-0377-01	60,384	-

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, 2023

Cluster / Federal Program	Assistance Listing Number	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity's ID Number	Total Federal Expenditures	Passed to Subrecipients
NIH/National Institute of General Medical Science							
Biomedical Research and Research Training	93.859	5,119,525	-			5,119,525	-
NIH/National Institute of Child Health and Human Development							
Child Health and Human Development Extramural Research	93.865	2,262	-			2,262	-
Child Health and Human Development Extramural Research	93.865	588,414	-			588,414	382,840
Child Health and Human Development Extramural Research	93.865	572,633	-			572,633	263,374
Child Health and Human Development Extramural Research	93.865	-	12,041	Tulane University Health Sciences Center	TUL-HSC-558355-20/21	12,041	-
Child Health and Human Development Extramural Research	93.865	-	187,977	Tulane University Health Sciences Center	TUL-HSC-558356-20/21	187,977	-
Child Health and Human Development Extramural Research	93.865	-	82,074	Massachusetts General Hospital	239084	82,074	-
Child Health and Human Development Extramural Research	93.865	-	70,882	Harvard Pilgrim Health Care Inc.	PH000730B	70,882	-
NIH/National Institute on Aging							
Aging Research	93.866	141,774	-			141,774	-
Aging Research	93.866	89,133	-			89,133	778
Aging Research	93.866	-	110,462	Montclair State University	1R01AG067836-BC	110,462	-
Aging Research	93.866	-	25,164	Magee-Womens Research Institute and Foundation	6595	25,164	-
Aging Research	93.866	-	22,444	University of Chicago	AWD101293 (SUB00000532)	22,444	-
NIH/Fogarty International Center							
International Research and Research Training	93.989	2,295	-			2,295	-
International Research and Research Training	93.989	-	35,783	Washington University in St. Louis	WU-23-0070	35,783	-
Administration for Strategic Preparedness and Response							
Administration for Strategic Preparedness and Response	93.RD	-	45,493	GRIP Molecular Technologies, Inc	75A50122C00039	45,493	-
AmeriCorps							
AmeriCorps	94.006	-	1,183	Encore.org	n/a	1,183	-
Social Security Administration							
Social Security Research and Demonstration	96.007	1,347,651	-			1,347,651	-
Social Security Research and Demonstration	96.007	51,985	-			51,985	51,224
Social Security Research and Demonstration	96.007	1,295,053	-			1,295,053	691,376
U.S. Agency for International Development							
USAID Foreign Assistance for Programs Overseas	98.001	-	359,977	John Snow, Inc.	PP-GM-004	359,977	-
Total Research and Development Cluster ("R&D Cluster")		35,201,014	5,218,536			40,419,550	4,207,498
Special Education Cluster (IDEA)							
Department of Education							
Special Education Grants to States	84.027	-	28,986	MA Dept of Elementary and Secondary Education	CTDOE19CT6519RFWQSEP	28,986	-
Total Special Education Cluster ("IDEA Cluster")		-	28,986			28,986	-
Student Financial Assistance Cluster							
Department of Education							
Office of Federal Student Aid							
Federal Supplemental Educational Opportunity Grants	84.007	1,466,077	-			1,466,077	-
Federal Work-Study Program	84.033	2,361,395	-			2,361,395	-
Federal Perkins Loan							
Outstanding loans as of June 1, 2022	84.038	5,224,029	-			5,224,029	-
New loans issued during FY2023	84.038	-	-			-	-
Administrative Cost Allowance	84.038	-	-			-	-
Federal Pell Grant Program	84.063	7,167,517	-			7,167,517	-
Federal Direct Student Loan	84.268	93,597,544	-			93,597,544	-
Teacher Education Assistance for College and Higher Education Grants	84.379	7,072	-			7,072	-
Department of Health and Human Services							
Health Resources and Services Administration							
Nursing Student Loans							
Outstanding loans as of June 1, 2022	93.364	1,371,854	-			1,371,854	-
New loans issued during FY2023	93.364	648,282	-			648,282	-
Total Student Financial Assistance Cluster		111,843,770	-			111,843,770	-

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, 2023

Cluster / Federal Program	Assistance Listing Number	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity's ID Number	Total Federal Expenditures	Passed to Subrecipients
TRIO Cluster							
Department of Education							
Office of Postsecondary Education							
TRIO-Student Support Services	84.042	299,976	-			299,976	-
TRIO-McNair Post-Baccalaureate Achievement	84.217	250,895	-			250,895	-
Total TRIO Cluster		550,871	-			550,871	-
Other Programs							
Department of Justice							
Capital Case Litigation Initiative	16.746	-	32,670	Committee for Public Counsel Services	VC6000156860	32,670	-
Capital Case Litigation Initiative	16.746	-	80,306	Committee for Public Counsel Services	15PBJA-22-GG-03898-WRNG	80,306	-
Department of Justice Subtotal		-	112,976			112,976	-
Department of State							
Public Diplomacy Programs	19.040	30,000	-			30,000	-
Public Diplomacy Programs	19.040	-	15,472	Albanian Center for Quality Journalism	n/a	15,472	-
Department of State Subtotal		30,000	15,472			45,472	-
National Aeronautics and Space Administration							
NASA Research Announcements/Research Opportunities in Space and Earth Sciences							
Science	43.001	36,762	-			36,762	-
National Endowment for the Humanities							
Promotion of the Humanities Professional Development	45.163	500	-			500	-
National Science Foundation							
Geosciences	47.050	22,854	-			22,854	-
Department of Health and Human Services							
Substance Abuse and Mental Health Services Administration							
Substance Abuse and Mental Health Services, Projects of Regional and National Significance	93.243	-	17,022	Boston Children's Hospital	GENFD0002245320	17,022	-
FEMA Disaster Assistance							
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	7,367,155	-			7,367,155	-
Department of Education							
Office of Postsecondary Education							
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E	290,582	-			290,582	-
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F	153,490	-			153,490	-
Department of Education							
Bonds Payable to U.S. Department of Education							
Par value at June 1, 2022	84.U01	745,000	-			745,000	-
Total Other Programs		8,646,343	145,470			8,791,813	-
Total Federal Award Expenditures		\$ 156,241,998	\$ 5,392,992			\$ 161,634,990	\$ 4,207,498

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, 2023

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, 2023. 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 Assistance listing numbers and pass-through numbers are provided when available. The Schedule includes \$7,367,155 of expenditures under the FEMA Disaster Assistance award that were incurred in a prior year.

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, 2023 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, 2027. 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, 2023

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, 2023 consist of:

Federal Perkins Loan Program	\$ 3,414,518
Nursing Student Loans	
Undergraduate	1,574,169
Graduate	<u>272,405</u>
Total campus-based loans	<u>\$ 5,261,092</u>

4. Loan Programs

As of May 31, 2023, the University had \$0 in debt payable to the Department of Education (Assistance Listing #84.U01). The debt was fully paid off during fiscal year 2023.

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, 2023, and the related consolidated statements of activities and of cash flows for the year then ended, including the related notes (collectively referred to as the “consolidated financial statements”), and have issued our report thereon dated September 29, 2023.

Report on 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 consolidated 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 or significant deficiencies may exist that were not identified.

Report on 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.

RiceWaterhouseCoopers LLP

Boston, Massachusetts
September 29, 2023



Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

To the Trustees of Boston College

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Boston College and its subsidiaries' (the "University") compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

In our opinion, the University complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always



detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

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 13 "Gramm-Leach-Bliley Act-Student Information Security." This section includes three suggested audit procedures with respect to verification that the institution (1) designated an employee or employees 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

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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 13, 2023

Part III

Audit Findings and Questioned Costs

Boston College
Schedule of Findings and Questioned Costs
Year Ended May 31, 2023

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>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various	Research and Development Cluster
Various	Student Financial Assistance Cluster
97.036	COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)
Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Boston College
Schedule of Findings and Questioned Costs
Year Ended May 31, 2023

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, 2023

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