

Boston University

Consolidated Financial Report
June 30, 2024 and 2023





Letter from the President

I am pleased to convey Boston University's audited financial statements for fiscal year 2024. In the months preceding our leadership transition on July 1, 2024, President Ad Interim Kenneth W. Freeman and the teams leading our University's financial and academic programs continued to build on the momentum that has been achieved in recent years, improving quality in many areas of University life.

Notably, the University's total net assets increased over the prior year. Our fundraising efforts also increased at a significant rate due to the generosity of our donors, including our growing number of alumni supporters.

Boston University is truly one of the world's best urban research and teaching universities, and the number of applications to our programs reflects our strong reputation: In fiscal year 2024, our undergraduate applicants totaled 80,495, of which only 11% were accepted for the class that began their studies in the fall of 2023. In addition, the University's need-based financial aid program is increasing access to BU while diminishing the financial burden students face upon graduation.

As I embark on the early days of my presidency, I am buoyed by confidence in our financial stability and management. As we move forward, we will institute additional strategies to ensure positive operating margins and overall financial health. As we do, I am optimistic that the University will continue to make significant advances related to its strategic priorities and educational mission.

Sincerely,

A handwritten signature in black ink that reads "Melissa Gilliam". The signature is written in a cursive, flowing style.

Melissa L. Gilliam

Letter from the Treasurer

As we reflect on the fiscal year, it is essential to acknowledge the external pressures and factors that have influenced our operations and financial results. The fiscal year was marked by considerable global uncertainty, economic challenges, and the ongoing impact of conflicts abroad. Yet, through it all, Boston University has remained steadfast in its mission, continuing to thrive and fulfill its commitment to education, research, and community building.

Overall, the University's total net assets grew to \$5.96 billion, marking a 5.4% increase over the previous year. This significant growth is a testament to the extraordinary generosity of our alumni and donors, with cash fundraising surpassing \$349 million. Our endowment also continued its upward trajectory, exceeding \$3.5 billion, and we achieved yet another year of positive operating results, with gains of over \$84 million.

Research continues to be a strategic priority for Boston University, with awards totaling \$579 million. This is evident from various research projects like Professor Irving J. Bigio's work developing and refining optical techniques utilizing light and artificial intelligence to examine skin lesions. We continue to focus on interdisciplinary research, like the collaboration between Associate Professor of Mechanical Engineering Keith Brown and Associate Professor of Computer Engineering Emily Whiting on a project that used an autonomous robot to design and test helmet padding for US Army soldiers.

The University's commitment to fostering a community of dignity and respect has been especially important as we navigate global crises. The ongoing conflicts abroad remind us of the importance of our role in promoting peace, understanding, and cooperation. Our diverse and globally minded student body, coupled with a faculty dedicated to addressing the world's most pressing issues, positions us uniquely to lead in these turbulent times.

We now look to the future, as Melissa Gilliam begins her tenure as the University's 11th president. We are energized by her vision and the opportunities that lie ahead, fostering innovation, inclusivity, and academic excellence, which promise to build on the legacy of her predecessors. We look forward to the fresh perspectives and dynamic leadership she will bring as we continue to advance our mission and uphold the values that define our community.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicole Tirella".

Nicole Tirella
Senior Vice President, CFO, and Treasurer

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SELECT FINANCIAL & STATISTICAL DATA

unaudited

For the years ended June 30

(\$000s)

2020

2021

2022

2023

2024

CONSOLIDATED STATEMENTS OF ACTIVITIES HIGHLIGHTS

Student tuition and fees, net of financial aid	\$	1,168,192	\$	1,152,579	\$	1,297,659	\$	1,343,938	\$	1,357,339
Grants, contracts, and contributions		530,273		616,511		676,068		649,281		642,374
Auxiliary enterprises, net of financial aid		224,480		153,911		261,044		279,255		288,590
Other revenues		225,900		189,966		226,585		283,370		327,001
Total operating revenues		2,148,845		2,112,967		2,461,356		2,555,844		2,615,304
Total operating expenses		2,050,288		1,969,478		2,285,169		2,403,477		2,530,881
Net operating activities		98,557		143,489		176,187		152,367		84,423
Endowment and other long-term investment activities, net		91,730		895,298		(463,666)		64,302		178,834
Other non-operating activities, net		(125,890)		110,186		176,678		197,935		41,269
Net non-operating activity		(34,160)		1,005,484		(286,988)		262,237		220,103
Total change in net assets	\$	64,397	\$	1,148,973	\$	(110,801)	\$	414,604	\$	304,526

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION HIGHLIGHTS

Cash and investments	\$	3,816,967	\$	4,878,144	\$	4,517,918	\$	4,601,644	\$	4,890,730
Property, plant, and equipment, net		2,766,178		2,823,127		2,921,042		3,051,887		3,052,004
Other assets		627,417		590,611		585,730		667,957		546,605
Total assets		7,210,562		8,291,882		8,024,690		8,321,488		8,489,339
Debt, lease obligation, and interest rate swaps		2,416,523		2,324,424		2,138,033		2,064,465		1,998,053
Other liabilities		594,495		618,941		648,941		604,703		534,440
Total liabilities		3,011,018		2,943,365		2,786,974		2,669,168		2,532,493
Total net assets	\$	4,199,544	\$	5,348,517	\$	5,237,716	\$	5,652,320	\$	5,956,846
Total endowment assets	\$	2,440,824	\$	3,397,221	\$	2,989,671	\$	3,154,514	\$	3,541,514

CREDIT RATING

Standard & Poor's	AA-	AA-	AA-	AA-	AA-
Moody's	Aa3	Aa3	Aa3	Aa3	Aa3

STUDENTS

Student Full-Time Equivalent (FTE)**

Undergraduate	16,730	16,222	17,355	17,558	17,783
Graduate	10,512	10,455	11,818	11,994	11,661
Applications	62,224	61,007	75,778	80,796	80,495
First-Year Selectivity	19%	20%	19%	14%	11%
First-Year Yield	27%	24%	28%	31%	36%
Undergraduate Tuition Rate	\$ 54,720	\$ 56,854	\$ 58,560	\$ 61,050	\$ 63,798
Percent increase over prior year	3.60%	3.90%	3.00%	4.25%	4.50%

**End of fall semester full-time equivalent enrollment

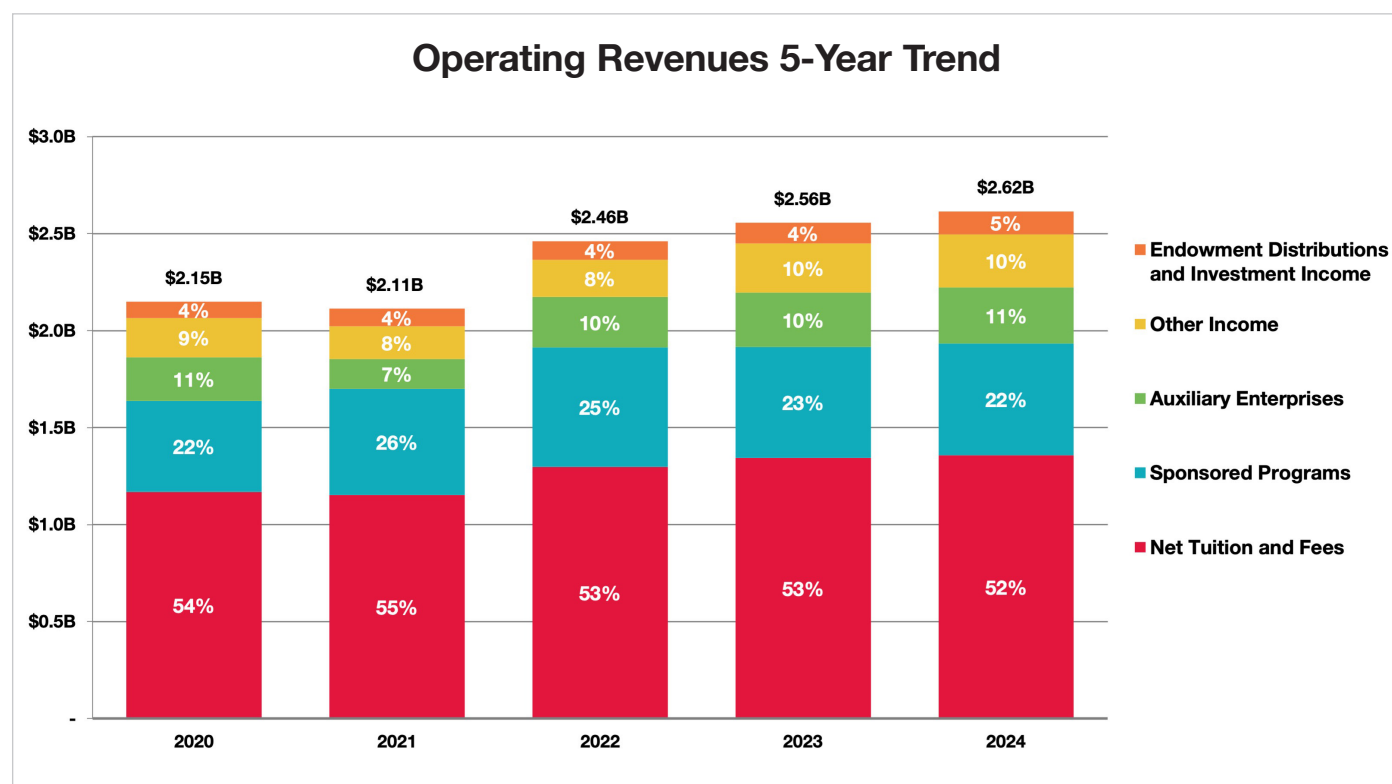
DISCUSSION OF FINANCIAL RESULTS

During the fiscal year, Boston University maintained its financial strength, with steady growth in the balance sheet and robust liquidity. We leveraged capital markets by completing a complex debt refinancing and swap termination. Furthermore, we achieved our most successful fundraising year to date and continued to excel in research endeavors.

Boston University ended the fiscal year with a net operating gain of \$84 million, compared to \$152 million in fiscal year 2023. While operating revenues surpassed previous years, the operating margin decreased mainly due to increased student financial aid, a planned initiative to expand access for an affordable higher educational experience. Increased financial aid is central to two parts of our strategy. First, to keep us competitive in the higher ed marketplace and ensure we maintain our ability to meet enrollment targets. The data shows that our prospective students associate excellence and desirability to attend a school with affordability, and the affordableBU investment has allowed us to compete on those all-important terms. Second, the increased financial aid has allowed us to create and maintain a diverse campus which is also a necessary part of building a world-class university brand. We've been intentionally increasing aid by nearly \$40 million per year over the last four years, resulting in over \$370 million across all classes during this timeframe.

Operating Revenues

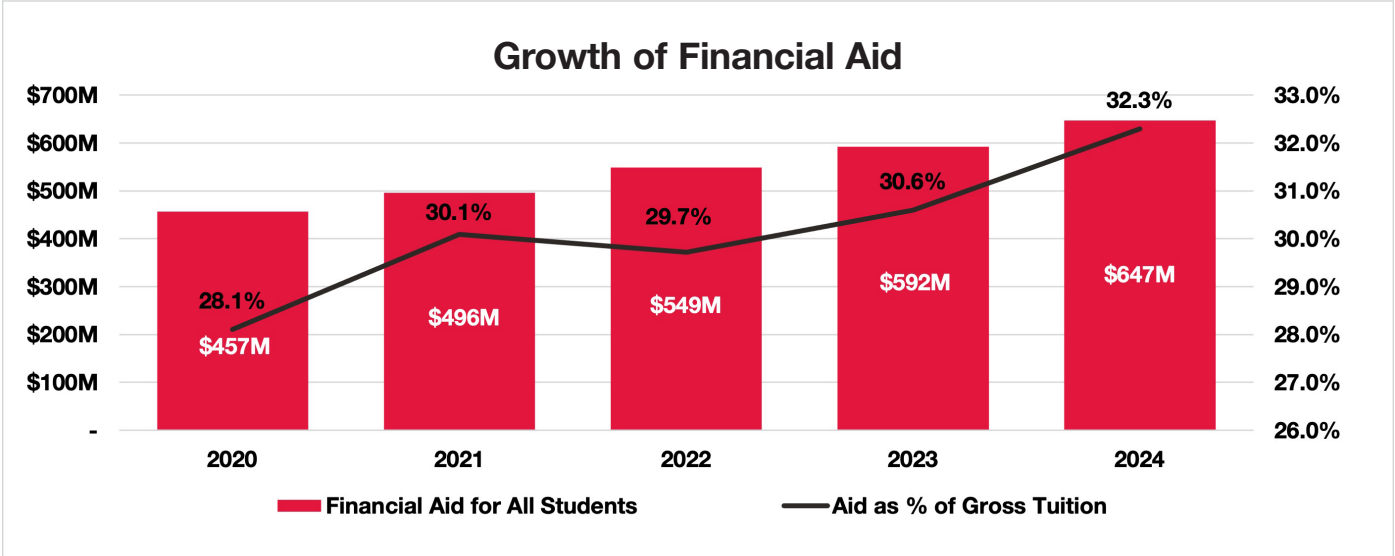
Operating revenues and other support, net of financial aid, totaled \$2.6 billion in fiscal year 2024, increasing \$59 million over the prior fiscal year.



Net tuition and fees continue to be the University’s largest revenue source, comprising over 50% of total operating income. Net tuition and fees rose by \$13 million (1%), driven by a 4.5% increase in tuition rates and a 1.3% rise in undergraduate enrollment. However, this growth was partially offset by an additional \$55 million (9.3%) in financial aid.

In addition, the University continues to take advantage of the high interest rate environment, maximizing interest income earned on the average investable working capital balance. Rates earned on working capital investments resulted in interest income of \$64 million in fiscal year 2024, an increase of \$20 million compared to the prior year.

The deliberate growth in financial aid reflects the University’s commitment to access and affordability for students from all socioeconomic backgrounds. The average undergraduate financial aid award per recipient increased by 11% in fiscal year 2024 alone, with a 32.3% discount rate of total tuition. Overall, financial aid has grown more than 42% or \$191 million since fiscal year 2020, at a compound annual growth rate of 9.1%.



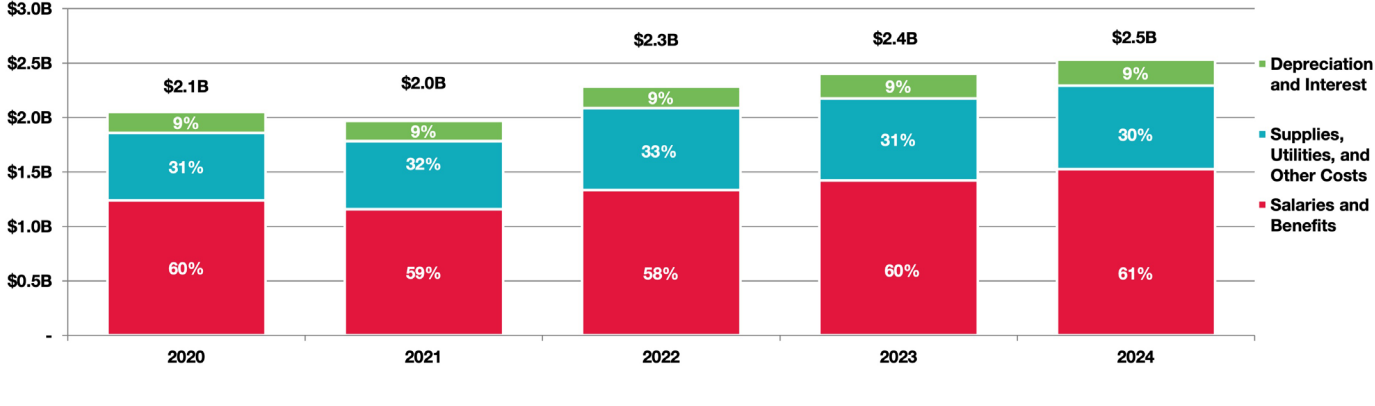
Operating Expenses

Fiscal year 2024 operating expenses increased \$127 million, or 5.3%, over the prior year with the primary driver being increased salary and benefit costs. Personnel costs represent over 60% of the University’s operating expenses. Salaries increased \$80 million, or 7.4%, primarily due to filling previously vacant positions and higher labor costs driven by market conditions. Employee benefits increased \$22 million, or 6.5%, driven by increased healthcare costs, employer contributions to retirement plans, and other statutory benefits.

The University incurred one-time operating costs replacing our customized 40-year-old legacy student information system to Oracle Campus Solutions system, also known as MyBU Student. This system is designed to support BU’s academic mission and give students, staff, and faculty a modern and seamless experience. In connection with this implementation and ongoing issues with the Department of Education’s Free Application for Federal Student Aid (FAFSA), management decided to delay issuing students bills for the upcoming fall semester. As a result, student deposits are temporarily down \$38 million compared to the prior year’s student deposits before the close of the fiscal year.

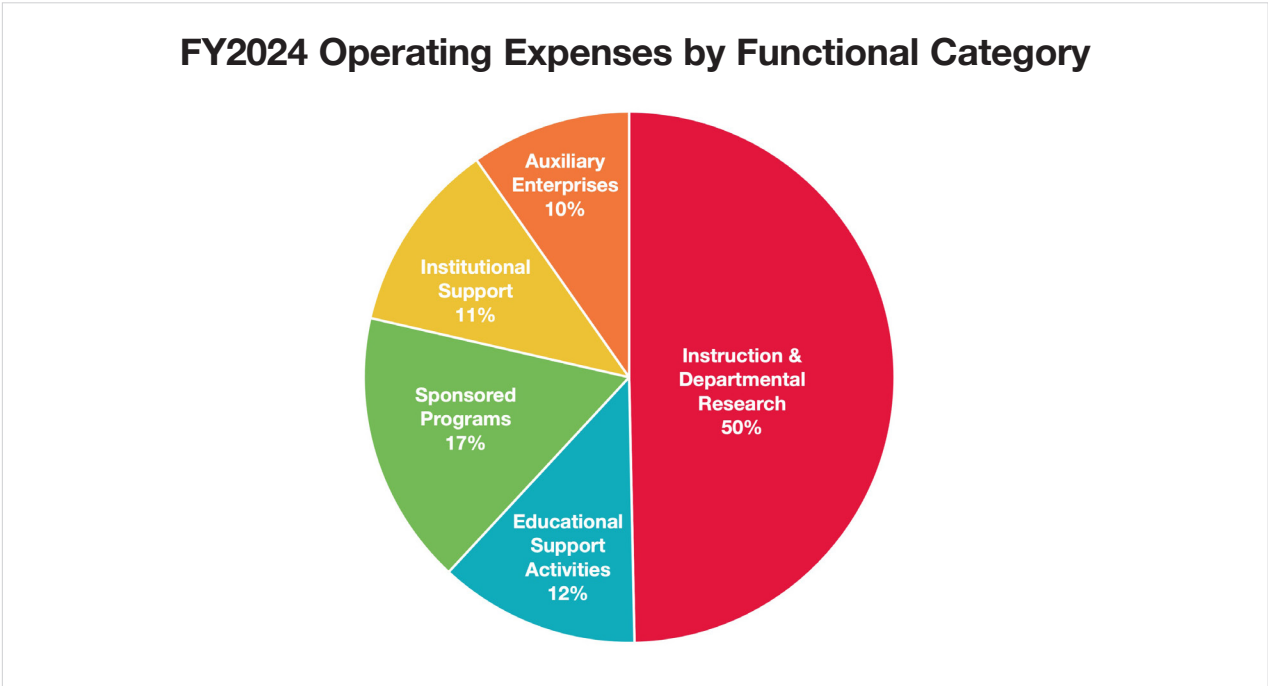
Operating expenses also include interest on the University’s debt portfolio, which increased \$7 million, or 9.8%, in fiscal year 2024 due to marginal increases in interest rates associated with variable rate debt. To mitigate the impact of variable rate debt during periods of rising interest rates, the University has interest rate swap agreements which offset rate settlements during the same period. Therefore, the higher interest expense reported in operating expenses was almost entirely offset by a decrease in interest rate swap settlements recognized within non-operating activities for financial reporting purposes.

Operating Expenses 5-Year Trend



Boston University’s commitment to its mission of providing a high-quality educational experience for our students as well as supporting innovative research is reflected in the functional analysis below.

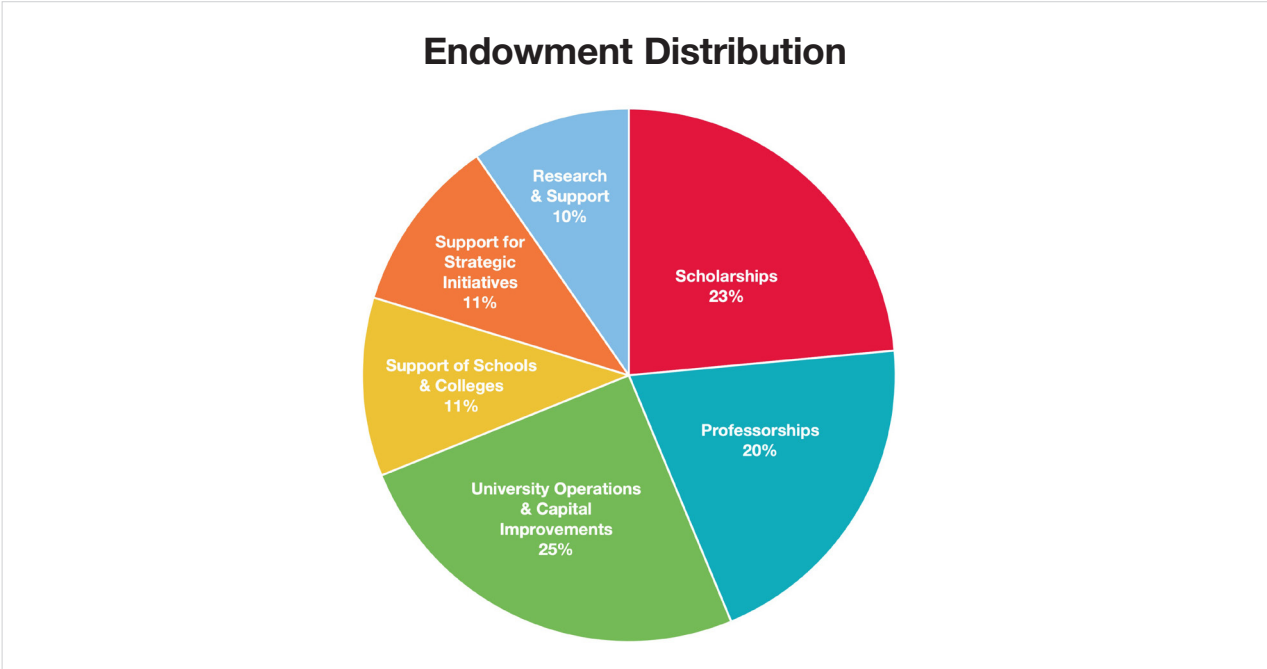
FY2024 Operating Expenses by Functional Category



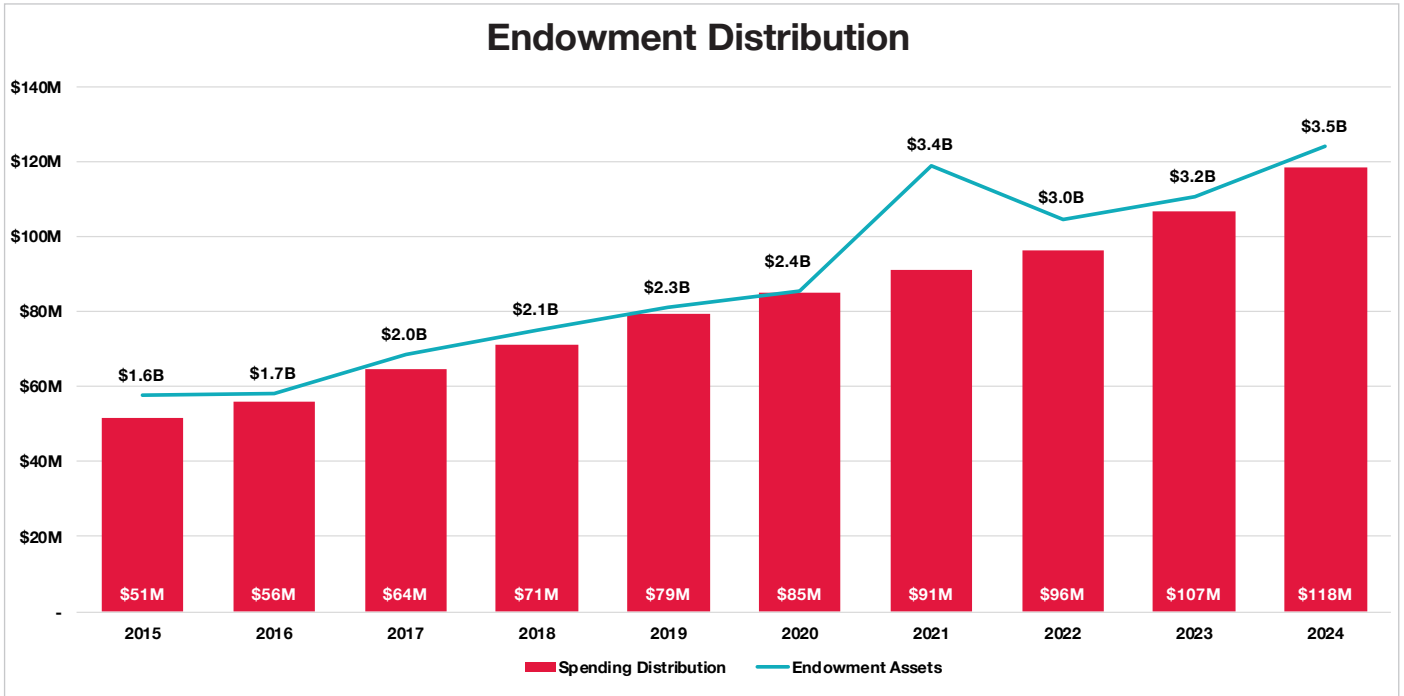
Endowment Assets and Distribution

The University’s endowment assets increased \$387 million, or 12.3%, to total \$3.5 billion as of June 30, 2024. Activity during fiscal year 2024 reflects strong investment returns in the equity markets combined with new gifts and additions of \$203 million, partially offset by spendable distributions of \$118 million. The University established 60 new endowments totaling \$109 million, including 28 endowed scholarships. Since 2014, the University’s endowment has grown by over \$1.9 billion, reflecting a compound annual growth rate of 8.2%.

Endowment spendable distributions increased 11.1% in fiscal year 2024, providing an additional \$12 million in operational support compared to the prior year. These distributions are a critical source of funds, with over 50% directed to specific programs, departments, or purposes and to be spent in accordance with terms set forth by the donor.



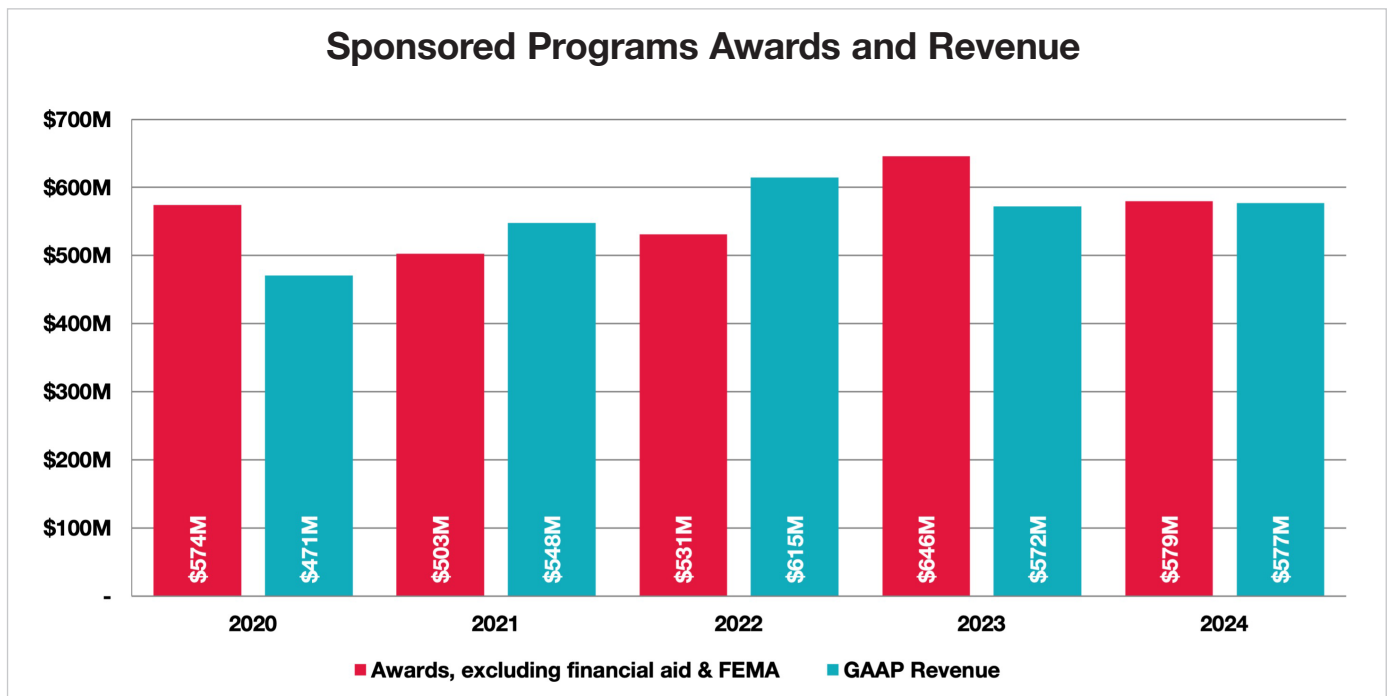
To facilitate annual budget development, several months before the start of each fiscal year, the University uses its endowment spending guideline to determine a spending rate, with a goal of providing steadily increasing support to operations. The spending guideline is calculated using the last 20 quarters’ average endowment value as of the most recent calendar year-end. Applying an average dampens the impact of market fluctuations on the University’s budget because it smooths out the spending distributions’ variability. More specifically, it slows distribution growth during bull markets and creates “savings” to support distributions during bear markets. To help maintain an appropriate balance between current and future generations, the annually selected distribution amount must also be between 3% and 5% of the endowment’s value as of the most recent calendar year end.



Sponsored Programs

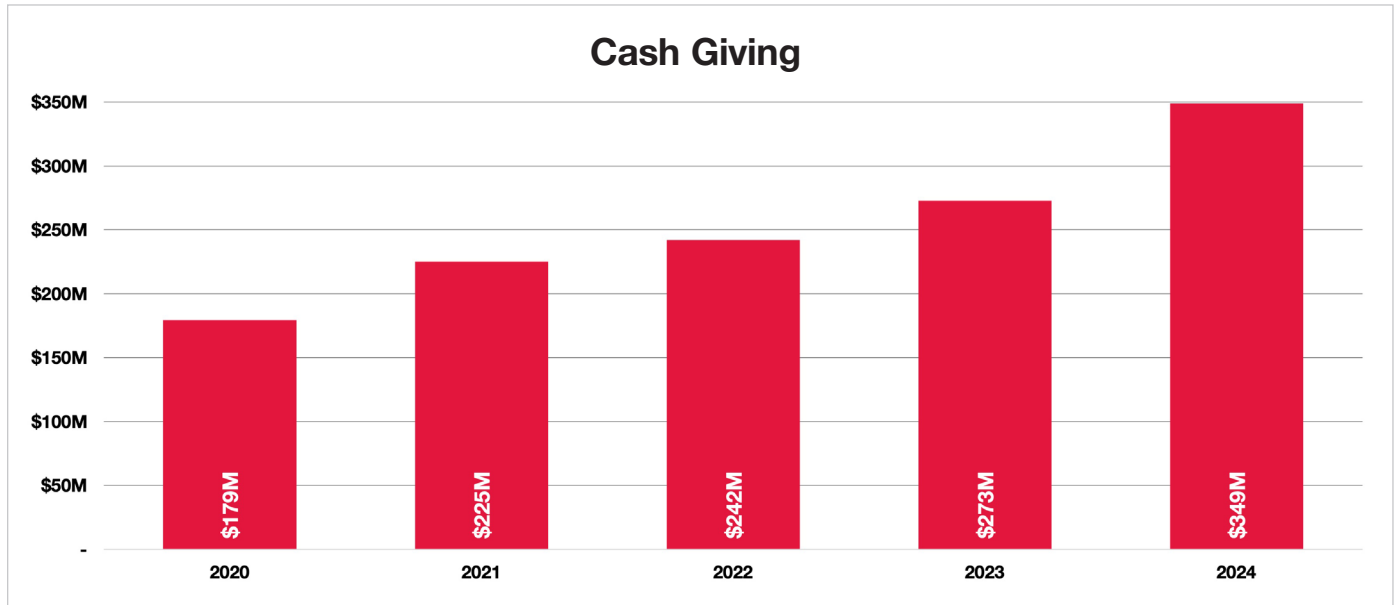
Sponsored program awards, resulting from the thousands of proposals submitted each year to federal, state, and foundational sponsors, support ongoing or future research expenditures. Typically, as research is performed and expenditures are made, the University requests reimbursement from sponsors and recognizes revenues. As such, there can be delays between when funds are awarded and when revenue is recognized.

Sponsored program activity continues at a healthy pace with awards, excluding financial aid, exceeding \$579 million in fiscal year 2024. Funding is primarily derived from federal agencies, such as the Department of Health and Human Services and National Science Foundation, representing 67% of awards.



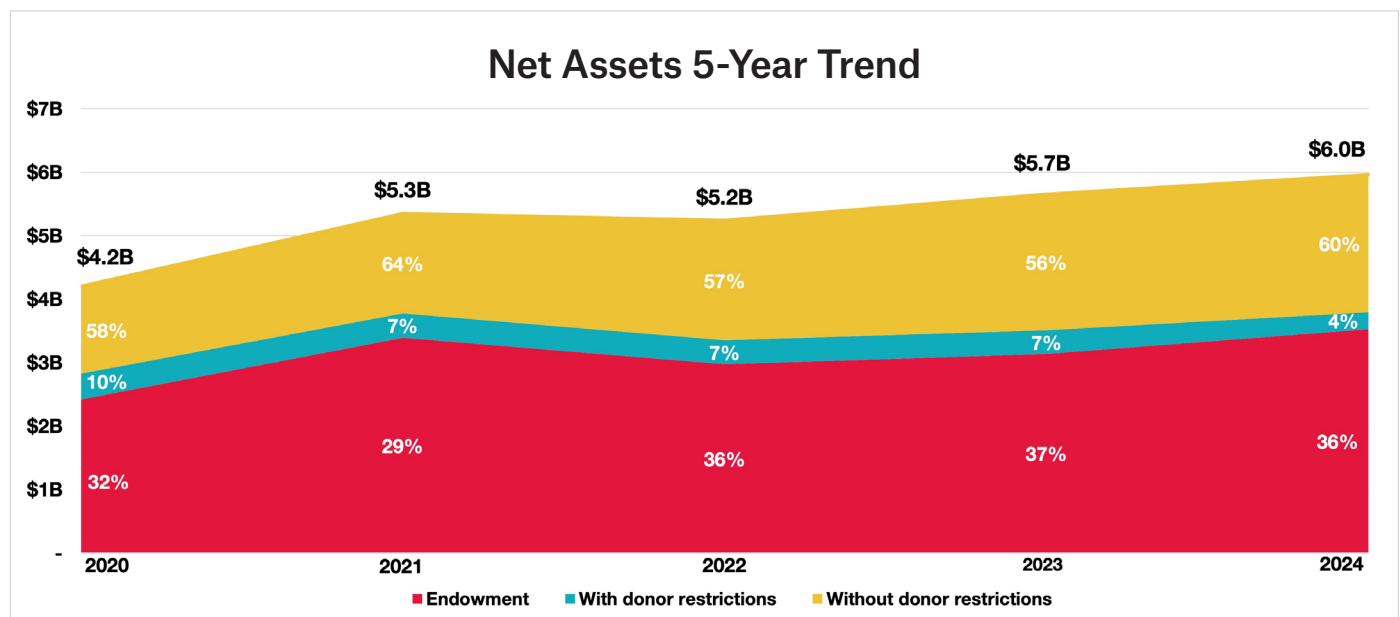
Philanthropy

Fiscal year 2024 was another record-breaking cash fundraising year, with \$349 million in cash gifts and foundational grants received. This significant increase also includes the advance receipt of \$60 million associated with the Aram V. Chobanian & Edward Avedisian School of Medicine naming gift.



Net Assets

Net assets increased \$305 million, or 5.4%, during fiscal year 2024, attributable to another year of net operating gains, strong investment returns, and positive gains derived from rising interest rates. Overall, net assets have grown more than 42% or \$1.8 billion since fiscal year 2020, at a compound annual growth rate of 9.1%.



Liquidity and Debt

The University actively manages its liquidity to maintain targeted levels sufficient to meet operating requirements and to maintain the endowment's reserves throughout the year. Excess liquidity is retained to ensure adequate security and liquidity under a variety of stress scenarios. The end of each fiscal year represents the traditional low point in the institution's liquidity, consistent with the ebb and flow of our business cycle. The University's unrestricted liquidity totaled \$1.8 billion at fiscal year-end, an increase of \$52 million. To provide supplemental liquidity support, the University maintains \$260 million in committed bank lines of credit.

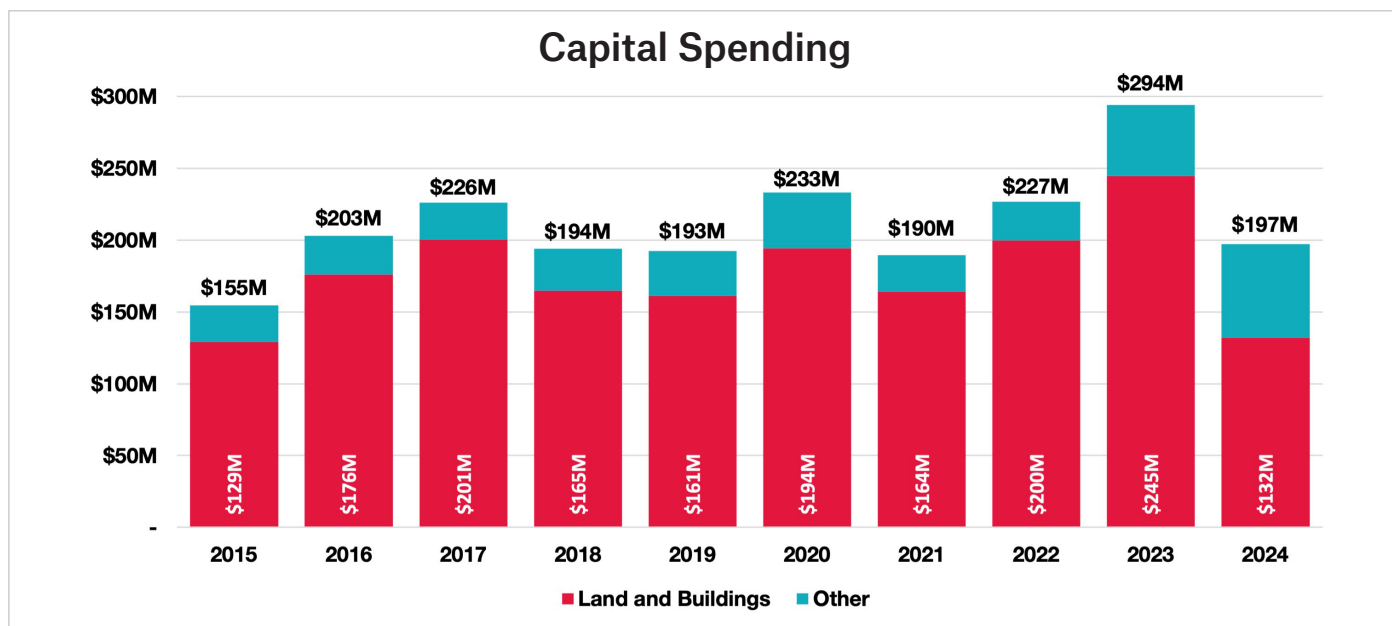
The University's net bonds and notes payable totaled \$1.7 billion, a decrease of \$15 million or 0.9%, at the end of fiscal year 2024. This decrease reflects scheduled principal payments and related amortization of bond premiums, discounts, and issuance costs. The University continually evaluates the opportunity to refund existing debt for savings, and the need and timing to borrow for future capital projects. In FY24, the University issued \$199.7 million in bonds to refinance five sub-series of existing bonds, cover issuance costs, and terminate two interest rate swaps. The transaction resulted in approximately \$17 million in debt service savings, reduced the University's weighted average cost of capital from 4.53% to 4.42%, simplified the debt profile by terminating long-dated swaps, and extended an FY24 debt maturity.

Credit ratings are an indicator of the University's effectiveness in managing its financial resources. Stronger credit ratings reflect greater financial strength and flexibility and provide greater access to capital markets. In December 2023, Moody's Investor Service affirmed Boston University's long-term rating at Aa3, while in June 2023 Standard & Poor's affirmed the University's rating at AA- while revising the long-term outlook from neutral to positive.

Capital Spending

Property, plant, and equipment, net of depreciation expense of \$156 million, totaled \$3.1 billion as of June 30, 2024. Purchases of property and equipment totaled \$197 million and \$294 million during the fiscal year ending June 30, 2024 and 2023, respectively. Prior year's purchases reflects the final costs associated with the construction of the Center for Computing & Data Sciences building, one of the largest geothermal buildings in New England. In total, \$380 million was capitalized since the project broke ground in 2019. Although there are minimal large capital projects in progress during fiscal year 2024, the University capitalized \$10 million related to the student information system.

Over the past 10 years, the University has invested over \$2 billion in capital projects and across our campuses. The University has several capital projects in development, aimed at enhancing its campus facilities and in support of its academic mission.





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

Independent Auditors' Report

The Board of Trustees
Boston University:

Opinion

We have audited the consolidated financial statements of Boston University and its subsidiaries (the University), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the University as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 U.S. generally accepted accounting principles, 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 that 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 GAAS 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 GAAS, 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.

Other Information Included in the Consolidated Financial Report

Management is responsible for the other information included in the consolidated financial report. The other information comprises discussion of financial results but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

KPMG LLP

Boston, Massachusetts
September 26, 2024

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

June 30, 2024 and 2023
(\$000)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 222,683	\$ 230,799
Cash and cash equivalents-restricted	3,053	2,484
Short-term investments	977,051	995,766
Accounts and loans receivable, net.	246,869	243,824
Pledges receivable, net	154,330	268,377
Prepaid expenses and other assets	51,756	48,676
Investment in residual asset note	7,068	19,840
Right-of-use assets-operating leases	93,650	107,080
Long-term investments.	3,680,875	3,352,755
Property, plant, and equipment, net.	3,052,004	3,051,887
Total assets	\$ 8,489,339	\$ 8,321,488
LIABILITIES AND NET ASSETS		
Liabilities:		
Accrued payroll and related expenses	\$ 100,245	\$ 120,046
Accounts payable and accrued expenses	126,567	147,524
Deferred revenue	96,885	82,719
Student deposits.	97,927	135,911
Operating lease obligations	98,877	111,857
Finance lease obligations	63,095	78,932
Other long-term obligations	33,234	37,893
Deferred ground lease revenue.	79,582	80,610
Fair value of interest rate exchange agreements.	115,555	138,136
Bonds and notes payable, net	1,720,526	1,735,540
Total liabilities	2,532,493	2,669,168
Net assets:		
Without donor restrictions	3,652,365	3,488,599
With donor restrictions	2,304,481	2,163,721
Total net assets	5,956,846	5,652,320
Total liabilities and net assets	\$ 8,489,339	\$ 8,321,488

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2024 and 2023
(\$000)

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES			
Student tuition and fees, net of student aid of \$647.3 million	\$ 1,357,339	\$ -	\$ 1,357,339
Sponsored programs-direct	424,710	-	424,710
Sponsored programs-indirect	134,478	-	134,478
External fringe benefit recoveries	66,024	-	66,024
Contributions	51,127	-	51,127
Sales and services	102,344	-	102,344
Spending formula amount and other investment income	158,633	-	158,633
Sponsored program income for student aid	17,812	-	17,812
Auxiliary enterprises, net of student aid of \$38.4 million	288,590	-	288,590
Contributions used for operations	14,247	-	14,247
Total operating revenues	2,615,304	-	2,615,304
OPERATING EXPENSES			
Salaries and wages	1,164,784	-	1,164,784
Employee benefits	360,857	-	360,857
Supplies and services	661,612	-	661,612
Utilities, rent, and repairs	107,212	-	107,212
Depreciation	156,577	-	156,577
Interest	79,839	-	79,839
Total operating expenses	2,530,881	-	2,530,881
Change in net assets from operating activities	84,423	-	84,423
NONOPERATING ACTIVITIES			
Contributions	-	36,245	36,245
Contributions used for operations	-	(14,247)	(14,247)
Reinvested endowment and other investment income	25,934	20,428	46,362
Net realized and unrealized gains on investments and other assets	88,401	162,461	250,862
Spending formula amount	(53,632)	(64,758)	(118,390)
Net realized and unrealized gains on interest rate exchange agreements	12,624	-	12,624
Other additions and transfers, net	6,016	631	6,647
Net nonoperating activities	79,343	140,760	220,103
Change in net assets	163,766	140,760	304,526
Beginning net assets	3,488,599	2,163,721	5,652,320
Ending net assets	\$ 3,652,365	\$ 2,304,481	\$ 5,956,846

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF ACTIVITIES

For the years ended June 30, 2024 and 2023
(\$000)

2023			
Without Donor Restrictions	With Donor Restrictions	Total	
\$ 1,343,938	\$ -	\$ 1,343,938	OPERATING REVENUES
422,844	-	422,844	Student tuition and fees, net of student aid of \$592.4 million
130,157	-	130,157	Sponsored programs-direct
53,764	-	53,764	Sponsored programs-indirect
50,154	-	50,154	External fringe benefit recoveries
99,282	-	99,282	Contributions
130,324	-	130,324	Sales and services
19,051	-	19,051	Spending formula amount and other investment income
279,255	-	279,255	Sponsored program income for student aid
27,075	-	27,075	Auxiliary enterprises, net of student aid of \$33.1 million
2,555,844	-	2,555,844	Contributions used for operations
1,084,496	-	1,084,496	Total operating revenues
338,916	-	338,916	OPERATING EXPENSES
654,007	-	654,007	Salaries and wages
100,072	-	100,072	Employee benefits
153,273	-	153,273	Supplies and services
72,713	-	72,713	Utilities, rent, and repairs
2,403,477	-	2,403,477	Depreciation
152,367	-	152,367	Interest
-	186,785	186,785	Total operating expenses
-	(27,075)	(27,075)	Change in net assets from operating activities
16,152	18,490	34,642	NONOPERATING ACTIVITIES
68,425	67,766	136,191	Contributions
(44,299)	(62,232)	(106,531)	Contributions used for operations
37,134	-	37,134	Reinvested endowment and other investment income
105,384	(105,384)	-	Net realized and unrealized gains on investments and other assets
(1,067)	2,158	1,091	Spending formula amount
181,729	80,508	262,237	Net realized and unrealized gains on interest rate exchange agreements
334,096	80,508	414,604	Net assets released from restrictions- building funds and other
3,154,503	2,083,213	5,237,716	Other (deductions) additions and transfers, net
\$ 3,488,599	\$ 2,163,721	\$ 5,652,320	Net nonoperating activities
			Change in net assets
			Beginning net assets
			Ending net assets

See accompanying notes to consolidated financial statements.

BOSTON UNIVERSITY • CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30, 2024 and 2023
(\$000)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 304,526	414,604
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	156,577	153,273
Amortization of debt premium and issuance costs, net	(2,977)	(4,192)
Amortization of right-of-use assets-financing	1,491	1,693
Amortization of right-of-use assets-operating	13,430	14,643
Gains on disposal of property and equipment	(429)	(23,770)
Unrealized gains on interest rate exchange agreements	(19,740)	(55,248)
Settlements on swap replacement transactions, net	2,510	5,345
Net realized and unrealized gains on investments	(276,022)	(131,164)
Contributions and pledge payments restricted for long-term investment . .	(84,630)	(90,891)
Restricted gifts of securities	(66,989)	(3,310)
Unrealized losses on currency exchange	39	600
Gain from extinguishment of debt	(5,794)	-
Changes in operating assets and liabilities:		
Increase in accounts and loans receivable, net	(12,759)	(4,501)
Decrease (increase) in pledges receivable, net	114,047	(95,894)
(Increase) decrease in prepaid expenses and other assets	(3,080)	8,628
Decrease in accrued payroll and related expenses	(19,801)	(21,476)
Increase in accounts payable and accrued expenses	4,542	2,105
Decrease in operating lease obligations	(12,980)	(13,841)
Increase in deferred revenue	14,166	497
Decrease in student deposits	(37,984)	(2,349)
Decrease in other long-term obligations	(4,227)	(3,611)
Decrease in deferred ground lease revenue	(1,028)	(1,106)
Net cash provided by operating activities	62,888	150,035
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(2,295,472)	(2,857,684)
Proceeds from sales and maturities of investments	2,269,763	2,696,692
Purchases of property and equipment	(197,221)	(294,266)
Proceeds from sale of property and equipment	1,593	26,876
Proceeds from residual asset note	13,119	12,980
Net cash used in investing activities	(208,218)	(415,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bonds and notes	199,730	-
Bond premium received	17,641	-
Payment of bonds, notes, and mortgages	(222,625)	(7,691)
Payment of bond issuance costs	(1,028)	-
Payments for finance lease obligations	(441)	(658)
Payments of swap termination fees	(2,841)	(2,148)
Decrease in other long-term liabilities-annuity obligations	(432)	(1,509)
Contributions and pledge payments restricted for long-term investment . .	84,630	90,891
Proceeds from sale of restricted gifts of securities	65,659	2,338
Settlements on swap replacement transactions, net	(2,510)	(5,345)
Net cash provided by financing activities	137,783	75,878
Net decrease in cash, cash equivalents, and restricted cash	(7,547)	(189,489)
Cash, cash equivalents, and restricted cash beginning of year	233,283	422,772
Cash, cash equivalents, and restricted cash end of year	\$ 225,736	233,283

For the years ended June 30, 2024 and 2023

1. Organization and Summary of Significant Accounting Policies

Organization:

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

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

With the passing of the fifth anniversary of the merger and in accordance with the merger agreement, the University released \$98,497,000 of property, plant, and equipment from restriction in fiscal year 2023. These assets, previously classified as with donor restrictions, were used for academic or administrative space for the Boston University Wheelock College of Education & Human Development on the Wheelock Campus.

Summary of Significant Accounting Policies:

Basis of Presentation:

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

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

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

Effective July 1, 1996, the University entered into a support agreement with BMC, which was formed from the merger of Boston City Hospital and Boston University Medical Center Hospital. The University agreed to continue its support of clinical department operations at a level of support proportionately consistent to what was provided before the merger. Established in 1994, the Faculty Practice Foundation (FPF), also known as the Boston University Medical Group (BUMG), is an integrated multispecialty academic group practice with 18 clinical departments that collectively employ over 1,100 physicians, nonphysician clinicians, educators, and researchers. This nonprofit foundation was established to exclusively benefit the University, BMC, and the FPF's affiliated members and designed to improve the health of all, by leading through innovation and collaboration in patient care, education, and research; and to promote the professional and personal well-being of its physicians and other providers. The members of the FPF have faculty appointments at Boston University Chobanian & Avedisian School of Medicine or with the Boston University Henry M. Goldman School of Dental Medicine, and focus on clinical care, research, and teaching at BMC and Boston University Chobanian & Avedisian School of Medicine.

The University's financial support to BMC for the years-ended June 30, 2024 and 2023 was \$8,859,000 and \$8,991,000, respectively, and is reflected in the operating expenses of the University.

Net Asset Classification:

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

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

For the years ended June 30, 2024 and 2023

Net assets with donor restrictions that expire by the passage of time totaled \$1,129,863,000 and \$1,052,602,000 as of June 30, 2024 and 2023, respectively. Net assets with perpetual donor restrictions totaled \$1,174,618,000 and \$1,111,119,000 as of June 30, 2024 and 2023, respectively.

Reclassifications:

Certain 2023 balances previously reported have been reclassified between salaries and benefits to conform to the 2024 presentation.

The composition of net assets as of June 30, 2024 and 2023, in thousands of dollars, is as follows:

	2024		Total Net Assets
	Without Donor Restrictions	With Donor Restrictions	
Endowment:			
General purpose	\$ 1,156,604	\$ 472,403	\$ 1,629,007
Scholarships	137,658	691,860	829,518
Professorships	136,378	564,689	701,067
Awards, prizes, fellowships, and other	34,784	150,044	184,828
Research	23,640	137,599	161,239
Annuities	-	22,965	22,965
Total endowment and annuity funds	<u>1,489,064</u>	<u>2,039,560</u>	<u>3,528,624</u>
Other funds:			
General and plant funds	1,887,627	-	1,887,627
Building and gift funds	134,742	38,357	173,099
Pledges	-	154,330	154,330
Student loan funds	22,563	32,821	55,384
Unexpended endowment distributions	118,369	39,413	157,782
Total other funds	<u>2,163,301</u>	<u>264,921</u>	<u>2,428,222</u>
Total net assets	<u>\$ 3,652,365</u>	<u>\$ 2,304,481</u>	<u>\$ 5,956,846</u>
		2023	
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Endowment:			
General purpose	\$ 1,037,405	\$ 432,518	\$ 1,469,923
Scholarships	127,260	598,789	726,049
Professorships	127,246	506,026	633,272
Awards, prizes, fellowships, and other	32,320	129,169	161,489
Research	22,130	105,391	127,521
Annuities	-	20,072	20,072
Total endowment and annuity funds	<u>1,346,361</u>	<u>1,791,965</u>	<u>3,138,326</u>
Other funds:			
General and plant funds	1,871,150	-	1,871,150
Building and gift funds	140,335	35,600	175,935
Pledges	-	268,377	268,377
Student loan funds	21,496	33,073	54,569
Unexpended endowment distributions	109,257	34,706	143,963
Total other funds	<u>2,142,238</u>	<u>371,756</u>	<u>2,513,994</u>
Total net assets	<u>\$ 3,488,599</u>	<u>\$ 2,163,721</u>	<u>\$ 5,652,320</u>

For the years ended June 30, 2024 and 2023

Collections:

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

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

Use of Estimates:

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

Related Party Transactions:

Under the University’s conflict of interest policy, all business and financial relationships among the University and entities affiliated with Trustees or Officers of the University are subject to the review and approval of the Audit Committee of the Board of Trustees. Disclosures about the University’s related party transactions, including those with affiliates, are described in notes 1, 3, and 10 to the consolidated financial statements.

Cash and Cash Equivalents:

Cash equivalents consist primarily of short-term money market mutual funds and treasury bills with original maturities of 90 days or less.

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

The following table summarizes cash, cash equivalents, and restricted cash reported on the statement of cash flows as of June 30, 2024 and 2023, in thousands of dollars:

	2024	2023
Cash and cash equivalents	\$ 222,683	\$ 230,799
Cash and cash equivalents-restricted	3,053	2,484
Total cash, cash equivalents, and restricted cash	\$ 225,736	\$ 233,283

Fair Value Measurements:

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

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

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

For the years ended June 30, 2024 and 2023

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

The NAVs or their equivalents, as estimated and reported by the general partners or investment managers, are reviewed, monitored, and evaluated by the University's Investment Office, in accordance with valuation procedures established by the University's Investment Committee, the Chief Investment Officer, and the Senior Vice President, CFO, and Treasurer. Valuation results, changes in valuation policies and procedures, and issues regarding valuation that may arise from time to time are reviewed with the University's Investment Committee, the Chief Investment Officer, and the Senior Vice President, CFO, and Treasurer.

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

Funds Held in Trust by Others:

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

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

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

Property, Plant, and Equipment:

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

For the years ended June 30, 2024 and 2023, the University acquired equipment and other assets of approximately \$7,979,000 and \$6,803,000, respectively, through the use of federal funds. In most cases, the University continues to maintain the assets after the granting agreement expires.

Depreciation is computed on a straight-line basis over the remaining useful lives of assets as follows: buildings, 50 years; renovations and improvements, 20 years or lease term, if shorter; University buildings used in sponsored research activities, 12 to 50 years, based on the distinct useful lives for each major building component; equipment, 2 to 20 years; internally used software, 20 years; and library books, 10 years. Depreciation expense for the years ended June 30, 2024 and 2023 was \$156,577,000 and \$153,273,000, respectively.

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

For the years ended June 30, 2024 and 2023

Leasing:

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

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

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

Conditional Asset Retirement Obligations:

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

Asset retirement obligations at June 30, 2024 and 2023 were \$10,546,000 and \$11,571,000, respectively, and are included in other long-term obligations in the Consolidated Statements of Financial Position.

Revenue from Contracts with Customers:

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

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

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

The composition of net student tuition and fees revenue was as follows for the years ended June 30, 2024 and 2023, in thousands of dollars:

	2024	2023
Undergraduate	\$ 797,978	\$ 771,912
Graduate and Postgraduate	527,929	542,940
Other	31,432	29,086
Total	<u>\$ 1,357,339</u>	<u>\$ 1,343,938</u>

For the years ended June 30, 2024 and 2023

Net auxiliary enterprises revenue consists of the following for the years ended June 30, 2024 and 2023, in thousands of dollars:

	2024	2023
Residence and dining services, net of student aid	\$ 225,187	\$ 216,815
Arena, parking, and retail operations	63,403	62,440
Total	\$ 288,590	\$ 279,255

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

Revenue from Sponsored Programs:

Grants and contracts awarded by federal and other sponsors, which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The University has elected the simultaneous release policy available under GAAP, which allows a not-for-profit organization to recognize a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized. Grant revenue used for the construction or acquisition of plant is reported within nonoperating activities. The University recognizes reimbursement of facilities and administrative costs relating to government and foundation contracts and grants at authorized rates each year. All funds expended in connection with government grants and contracts are subject to audit by granting agencies. In the opinion of management, any potential liability resulting from these audits will not have a material effect on the University’s financial position. Total revenue from grants and contracts recognized in net assets without donor restrictions was \$577,000,000 and \$572,052,000 for the years ended June 30, 2024 and 2023, respectively. Payments received from sponsors in advance of conditions being met are reported as deferred revenue, and totaled \$83,806,000 and \$70,382,000 as of June 30, 2024 and 2023, respectively. Conditional awards from federal and other sponsors outstanding as of June 30, 2024 and 2023 were \$235,265,000 and \$262,317,000, respectively.

In fiscal year 2024, the University received \$4,800,000 of federal relief through the Federal Emergency Management Agency (FEMA) and Massachusetts Emergency Management Agency (MEMA). This reimbursement related to expenses incurred from the University’s testing facility and other certain pandemic related costs.

External Fringe Benefit Recoveries:

External fringe benefit recoveries includes payments from affiliated organizations for the cost of fringe benefits paid by the University under a common paymaster agreement. A portion of the fringe benefit recoveries pertain to a Boston University sponsored defined contribution retirement plan available to all covered FPF employees and practitioners paid under a common paymaster agreement with the FPF’s affiliated members. Refer to note 9 to the consolidated financial statements for further details on the University’s plan.

Contributions:

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

Income Taxes:

The University is generally exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code, except to the extent the University has unrelated business income. As of June 30, 2024 the University’s federal net operating loss carryforwards prior to June 30, 2018 are \$12,190,000, and expire in various years from 2025 to 2037. These losses may be applied to offset taxable income for any unrelated business activity earned in future years. IRC section 512 (a)(6), enacted in December 2017 as part of the Tax Cut and Jobs Act, requires tax exempt organizations with multiple sources of unrelated business income to separately compute (“silo”) net unrelated business income and losses

For the years ended June 30, 2024 and 2023

on an activity by activity basis; for taxable years beginning after December 31, 2017, expenses from one unrelated business activity may no longer be used to offset the income from another. Net operating loss carryforwards beginning July 1, 2018 through June 30, 2024 are \$33,884,000 and may be carried forward indefinitely, but may only be used to offset income from the activity generating the loss. The University believes that unrelated business activities will generate future taxable income during the periods in which these operating loss carryforwards will become deductible and has recorded deferred tax assets totaling \$2,347,000 as of June 30, 2024 and \$2,647,000 as of June 30, 2023. The University has no material uncertain tax positions.

Nonoperating Activities:

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

Supplemental Disclosure of Cash Flow Information:

The following information is intended to supplement the Consolidated Statements of Cash Flows for the years ended June 30, 2024 and 2023, in thousands of dollars:

	2024	2023
Interest paid in cash, net of capitalized interest of \$1,518 and \$2,237.	\$ 82,299	\$ 74,919
Noncash investing activities:		
Decrease in accounts payable for property, plant, and equipment	(22,476)	(6,181)
Increase in investments for donated properties not sold	-	9,511
Increase in investments from donated assets	-	972
Increase in investments for residual note asset	(347)	(693)
Increase in purchases of investments for forward foreign currencies. .	244	448
(Decrease) increase in payables for purchases of investments . . .	(3,267)	1,297
Decrease (increase) in receivables for sales of investments	9,714	(5,004)

In June 2007, the Biosquare Realty Trust (BRT) was created by the University and BMC as equal beneficiaries in the trust, for the purpose of operating land property. In September 2009, BRT entered into a ground lease as the lessor with another third party who owned the building on the land. The building owned by the third party was leased to the University and BMC in March 2004. In December 2023, ownership of the building, along with interest in the ground lease, was transferred to another third party. Along with the transfer, BMC entered into an agreement to lease the entire building, of which a portion is subleased to the University through a lease amendment executed in December 2023. The lease term was extended by 30 years as part of the lease amendment. As a result of the lease amendment, the lease liability and lease asset of the University were reduced by \$15,396,000. Refer to footnote 10 for further details.

The following table summarizes cash paid for amounts included in the measurement of lease liabilities, under ASC 842, for operating and finance leases as a lessee for the years ended June 30, 2024 and 2023, in thousands of dollars:

	2024	2023
Operating cash flows from finance leases	\$ 3,408	\$ 3,406
Operating cash flows from operating leases	15,213	15,984
Financing cash flows from finance leases.	441	658

For the years ended June 30, 2024 and 2023

Recent Accounting Pronouncements:

In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which requires organizations to measure all expected credit losses for financial instruments held at the reporting date. This standard requires entities to not only assess historical events as part of collectability expectations but also potential future events for certain receivables applicable under this guidance. The ASU became effective for the University for the year ended June 30, 2024. The University’s adoption of the ASU on a modified retrospective basis did not have a material effect on its consolidated financial statements.

2. Financial Assets and Liquidity Resources

As of June 30, 2024 and 2023, financial assets and liquidity resources available within one year for general expenditures, including operating expenses, scheduled principal payments on debt, and capital construction costs not financed by debt are as follows, in thousands of dollars:

	2024	2023
Financial assets, at year-end	\$ 5,291,929	\$ 5,113,845
Less: those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Donor restricted endowment	(2,039,560)	(1,791,965)
Pledges receivable due in greater than one year or restricted for use	(149,624)	(260,100)
Restricted cash and cash equivalents.	(3,053)	(2,484)
Student loans receivable due in greater than one year.	(28,188)	(26,478)
Investment in residual asset note.	(7,068)	(19,840)
Board designations:		
Quasi-endowment funds.	(1,489,064)	(1,346,361)
Add: approved endowment spending distribution for next fiscal year	126,268	113,900
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,701,640	\$ 1,780,517

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

3. Investments

Basis of Reporting:

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

If an investment is held directly by the University and an active market with quoted prices exists, the market price of an identical security is used as the reported fair value. The majority of the University’s investments are in shares or units of institutional commingled funds and limited partnerships invested in equity, fixed income, hedge, natural resources, private equity, or real estate strategies. Hedge strategies involve funds whose managers have the authority

For the years ended June 30, 2024 and 2023

to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedge strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, which are valued by the investment manager. Private equity funds employ buyout, growth, venture capital, and distressed security strategies. Real estate and natural resources funds generally hold interests in private real estate, oil and gas partnerships, and mineral holdings.

The University's interests in commingled investment funds are generally reported at the NAV reported by the fund managers and determined to be reasonable by the University. NAV is used as a practical expedient to estimate the fair value of the University's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2024 and 2023, the University had no plans or intentions to sell investments at amounts different from NAV.

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

The fair value of non-core institutional real estate is based on independent appraisals and broker opinions of value, including recent sales of relevant properties in the same region and in an active market. The determination of whether a real estate market is active is based on the median number of days to sale for properties with a similar geographic location, type, size, condition, and long-term occupancy rate. When independent appraisals have not been carried out and where comparable sales information is not available, a direct capitalization model is used, with significant assumptions including rental rates ranging from \$15 to \$65 per square foot and weighted average capitalization rates of 5.0%. Significant changes in these inputs may result in a significantly lower or higher fair value measure.

Cash and investments included in the Consolidated Statements of Financial Position at June 30, 2024 and 2023 were as follows, in thousands of dollars:

	2024	2023
Cash and cash equivalents	\$ 222,683	\$ 230,799
Cash and cash equivalents-restricted	3,053	2,484
Short-term investments	977,051	995,766
Investment in residual asset note	7,068	19,840
Long-term investments	3,680,875	3,352,755
	<u>4,890,730</u>	<u>4,601,644</u>
Less: assets not reported at fair value:		
Investment in residual asset note	(7,068)	(19,840)
Real estate partnerships accounted for under the equity method	(9,381)	(26,947)
Total cash and investments at fair value	<u>\$ 4,874,281</u>	<u>\$ 4,554,857</u>

For the years ended June 30, 2024 and 2023

The following tables summarize the University's cash and investments in the fair value hierarchy as of June 30, 2024 and 2023, in thousands of dollars:

As of June 30, 2024	Investments	Investments Classified in the Fair Value Hierarchy			Total Fair Value
	Measured at NAV	Level 1	Level 2	Level 3	
Assets at fair value:					
Cash and cash equivalents	\$ -	\$ 225,736	\$ -	\$ -	\$ 225,736
Common and preferred equities:					
Domestic	230,617	87,086	-	-	317,703
International	316,619	99,910	29,131	-	445,660
	<u>547,236</u>	<u>186,996</u>	<u>29,131</u>	<u>-</u>	<u>763,363</u>
Fixed income:					
Domestic	-	975	1,201	-	2,176
International	-	-	6	-	6
U.S. government and agencies	-	1,125,577	579	-	1,126,156
	<u>-</u>	<u>1,126,552</u>	<u>1,786</u>	<u>-</u>	<u>1,128,338</u>
Alternatives:					
Hedge	1,078,352	-	-	-	1,078,352
Natural resources	51,886	-	-	-	51,886
Private	1,127,745	-	-	333	1,128,078
Real estate	119,827	-	-	364,928	484,755
	<u>2,377,810</u>	<u>-</u>	<u>-</u>	<u>365,261</u>	<u>2,743,071</u>
Funds held in trust by others	-	-	-	13,773	13,773
Total assets at fair value	\$ 2,925,046	\$ 1,539,284	\$ 30,917	\$ 379,034	\$ 4,874,281
As of June 30, 2023					
Assets at fair value:					
Cash and cash equivalents	\$ -	\$ 233,283	\$ -	\$ -	\$ 233,283
Common and preferred equities:					
Domestic	184,944	80,925	-	-	265,869
International	326,515	75,604	26,357	-	428,476
	<u>511,459</u>	<u>156,529</u>	<u>26,357</u>	<u>-</u>	<u>694,345</u>
Fixed income:					
Domestic	-	978	1,289	-	2,267
International	-	7	100	-	107
U.S. government and agencies	-	1,130,063	1	-	1,130,064
	<u>-</u>	<u>1,131,048</u>	<u>1,390</u>	<u>-</u>	<u>1,132,438</u>
Alternatives:					
Hedge	889,038	-	-	-	889,038
Natural resources	65,953	-	-	-	65,953
Private	1,036,932	-	-	333	1,037,265
Real estate	122,145	-	-	366,591	488,736
	<u>2,114,068</u>	<u>-</u>	<u>-</u>	<u>366,924</u>	<u>2,480,992</u>
Funds held in trust by others	-	-	-	13,799	13,799
Total assets at fair value	\$ 2,625,527	\$ 1,520,860	\$ 27,747	\$ 380,723	\$ 4,554,857

For the years ended June 30, 2024 and 2023

The following tables present a summary of the University's activity for the years ended June 30, 2024 and 2023 for investments categorized in Level 3, in thousands of dollars:

2024	Alternatives		Funds	Total
	Private	Real Estate	Held in Trust by Others	Assets in Level 3
Fair value, July 1, 2023	\$ 333	\$ 366,591	\$ 13,799	\$ 380,723
Additions	-	21,015	-	21,015
Unrealized losses	-	(22,678)	(26)	(22,704)
Fair value, June 30, 2024	<u>\$ 333</u>	<u>\$ 364,928</u>	<u>\$ 13,773</u>	<u>\$ 379,034</u>

2023	Alternatives		Funds	Total
	Private	Real Estate	Held in Trust by Others	Assets in Level 3
Fair value, July 1, 2022	\$ 333	\$ 367,980	\$ 13,529	\$ 381,842
Additions	-	18,303	-	18,303
Sales or redemptions	-	(911)	-	(911)
Transfer out to property, plant, and equipment	-	(13,185)	-	(13,185)
Unrealized (losses) gains	-	(5,596)	270	(5,326)
Fair value, June 30, 2023	<u>\$ 333</u>	<u>\$ 366,591</u>	<u>\$ 13,799</u>	<u>\$ 380,723</u>

Investment Related Derivatives:

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

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

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

As of June 30, 2024, the aggregate notional exposure on long-term investment assets was \$77,113,000. The associated unrealized gain on these assets was \$64,000 as of June 30, 2024. The associated asset value recorded was \$2,588,000 as of June 30, 2024. As of June 30, 2023, the aggregate notional exposure on long-term investment assets was \$37,894,000. The associated unrealized gain on these assets was \$144,000 as of June 30, 2023. The associated asset value recorded was \$1,035,000 as of June 30, 2023.

Residual Asset Note:

In June 2006, the University securitized its interest in an investment banking partnership that owned rights to future cash flows. To effect a securitization, the rights to receive the future cash flows were transferred from the University to a 100% owned, bankruptcy remote, special purpose limited liability corporation (LLC). The LLC issued a zero coupon note to Deutsche Bank Litigation Fee Trust (DBLF) collateralized by future cash flow rights. The note had an initial face value of \$88,227,000, the aggregate amount of the expected cash flows between 2007 and 2021. The note was acquired by DBLF for \$25,244,000 and is non-recourse to the University.

For the years ended June 30, 2024 and 2023

The LLC is consolidated in the financial statements of the University. The LLC’s investment is recorded as an asset and the discounted note obligation is recorded as a liability on the Consolidated Statements of Financial Position. The discount on the note is amortized over its scheduled maturity using the effective interest method and the note obligation decreases as future cash flows are received.

Upon extinguishment of the note in fiscal year 2022, residual payments to the University commenced. The LLC’s investment is valued based on a present value analysis using readily available and observable market discount factors. As of June 30, 2024 and 2023, the carrying value of the investment is \$7,068,000 and \$19,840,000, respectively. For the year ended June 30, 2024, payments received totaled \$13,119,000.

Real Estate Partnerships:

The University owns a 50% share in a certain University business-related real estate partnership with a related party, which has been accounted for using the equity method. The University’s ownership interest in this partnership has been recorded within long-term investments on the Consolidated Statements of Financial Position.

Investment Return:

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

For the year ended June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 71,273	\$ 10,766	\$ 82,039
Net realized and unrealized gains on investments and other assets	88,401	162,461	250,862
Total return on investments and other assets . . .	\$ 159,674	\$ 173,227	\$ 332,901

For the year ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Dividend and interest income	\$ 50,301	\$ 9,049	\$ 59,350
Net realized and unrealized gains on investments and other assets	68,425	67,766	136,191
Total return on investments and other assets . . .	\$ 118,726	\$ 76,815	\$ 195,541

Commitments:

Private equity, natural resources, and real estate investments are generally made through private limited partnerships. Under the terms of the partnership agreements, the University makes a commitment of a specific amount of capital to a partnership and is obligated to remit committed funding periodically when capital calls are exercised by the General Partner as the partnership executes on its investment strategy. Private equity, natural resources, and real estate funds are typically structured with investment periods of 3 to 7 years. Subsequent to the expiration of the investment period, a fund is usually prohibited from calling capital for new investments. The aggregate amount of unfunded commitments associated with private limited partnerships as of June 30, 2024 and 2023 was \$619,194,000 and \$592,808,000, respectively. Of this amount, approximately 22% and 20% of commitments as of June 30, 2024 and 2023, respectively, was for funds whose investment period had expired. The timing and amount of capital calls expected to be exercised in any particular future year is uncertain.

For the years ended June 30, 2024 and 2023

Liquidity:

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

As of June 30, 2024	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents*	\$ 225,736	\$ -	\$ -	\$ -	\$ -	\$ 225,736
Common and preferred equities:						
Domestic	85,959	1,128	94,883	103,285	32,448	317,703
International	99,900	245,404	-	17,153	83,203	445,660
	<u>185,859</u>	<u>246,532</u>	<u>94,883</u>	<u>120,438</u>	<u>115,651</u>	<u>763,363</u>
Fixed income:						
Domestic	2,162	14	-	-	-	2,176
International	1	5	-	-	-	6
U.S. government and agencies	1,126,156	-	-	-	-	1,126,156
	<u>1,128,319</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,128,338</u>
Alternatives:						
Hedge	-	-	372,013	264,959	441,380	1,078,352
Natural resources.	-	-	-	-	51,886	51,886
Private	-	-	-	-	1,128,078	1,128,078
Real estate	-	-	-	362,751	122,004	484,755
	<u>-</u>	<u>-</u>	<u>372,013</u>	<u>627,710</u>	<u>1,743,348</u>	<u>2,743,071</u>
Funds held in trust by others	-	-	-	-	13,773	13,773
Total assets at fair value	<u>\$1,539,914</u>	<u>\$ 246,551</u>	<u>\$ 466,896</u>	<u>\$ 748,148</u>	<u>\$1,872,772</u>	<u>\$4,874,281</u>

*Cash and cash equivalents includes \$2,588,000 of collateral posted with counterparties under the terms of certain derivative agreements; these funds are held in escrow and earn interest at short-term rates.

As of June 30, 2023	Daily	Monthly	Quarterly	Annually	>1 Year	Total
Cash and cash equivalents*	\$ 233,283	\$ -	\$ -	\$ -	\$ -	\$ 233,283
Common and preferred equities:						
Domestic	79,877	1,076	75,575	84,999	24,342	265,869
International	75,599	202,944	22,804	29,963	97,166	428,476
	<u>155,476</u>	<u>204,020</u>	<u>98,379</u>	<u>114,962</u>	<u>121,508</u>	<u>694,345</u>
Fixed income:						
Domestic	2,247	20	-	-	-	2,267
International	100	7	-	-	-	107
U.S. government and agencies	1,130,064	-	-	-	-	1,130,064
	<u>1,132,411</u>	<u>27</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,132,438</u>
Alternatives:						
Hedge	-	-	281,808	281,770	325,460	889,038
Natural resources.	-	-	-	-	65,953	65,953
Private	-	-	-	-	1,037,265	1,037,265
Real estate	-	-	-	364,415	124,321	488,736
	<u>-</u>	<u>-</u>	<u>281,808</u>	<u>646,185</u>	<u>1,552,999</u>	<u>2,480,992</u>
Funds held in trust by others	-	-	-	-	13,799	13,799
Total assets at fair value	<u>\$1,521,170</u>	<u>\$ 204,047</u>	<u>\$ 380,187</u>	<u>\$ 761,147</u>	<u>\$1,688,306</u>	<u>\$4,554,857</u>

*Cash and cash equivalents includes \$2,019,000 of collateral posted with counterparties under the terms of certain derivative agreements; these funds are held in escrow and earn interest at short-term rates.

For the years ended June 30, 2024 and 2023

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

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

Investments in the “>1 Year” category include non-redeemable assets totaling \$1,411,748,000 and \$1,349,134,000, as well as investments with rolling lockup periods totaling \$461,024,000 and \$339,172,000 as of June 30, 2024 and 2023, respectively.

4. Endowment Funds

Total endowment assets as of June 30, 2024 and 2023 are \$3,541,514,000 and \$3,154,514,000, respectively. A pooled endowment fund is included as part of the University’s investments. The amounts distributed from the investment return of pooled investments in any one year may include interest, dividends, and a portion of accumulated investment gains. The distribution amount is established annually and is between 3% and 5% of the market value per share as of the most recent December 31. The actual distribution amount is recommended by management and approved by the Trustee Executive Committee. If interest, dividends, and gains are not sufficient to support the current year drawdown, the balance is provided from prior year accumulated earnings. Income attributable to shares from new donor-restricted and institution designated endowment funds during the first six months after establishment is not spent; such income is included in net assets without donor restrictions or with donor restrictions, depending on the nature of the endowment fund. For the fiscal years ended June 30, 2024 and 2023, respectively, the distribution as a percentage of the prior December 31 fair value of the pooled endowment fund was 3.8% and 3.0%.

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

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

- (1) The duration, preservation, and purpose of the fund
- (2) General economic conditions, including inflation and deflation
- (3) The investment policies, including expected total return of investments

For the years ended June 30, 2024 and 2023

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

The following table represents endowment net asset composition by type of fund as of June 30, 2024, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions		Total with Donor Restrictions	Total
		Original Gift	Accumulated Gains (losses)		
Quasi.	\$ 1,489,064	\$ -	\$ -	\$ -	\$1,489,064
Donor restricted:					
Underwater funds.	-	111,516	(8,127)	103,389	103,389
All other funds.	-	905,184	1,030,987	1,936,171	1,936,171
Endowment net assets at end of year.	<u>\$ 1,489,064</u>	<u>\$1,016,700</u>	<u>\$ 1,022,860</u>	<u>\$ 2,039,560</u>	<u>\$3,528,624</u>

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2024, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year	\$ 1,346,361	\$ 1,791,965	\$ 3,138,326
Reinvested income distribution	13,880	3,054	16,934
Realized and unrealized gains	129,758	172,551	302,309
Less: spending formula	(53,632)	(64,758)	(118,390)
Undistributed investment income.	90,006	110,847	200,853
Contributions	3,858	27,579	31,437
Pledge payments	85	107,680	107,765
Other additions, transfers, and net asset reclassifications	48,754	1,489	50,243
Endowment net assets at end of year.	<u>\$ 1,489,064</u>	<u>\$ 2,039,560</u>	<u>\$ 3,528,624</u>

For the years ended June 30, 2024 and 2023

The following table represents endowment net asset composition by type of fund as of June 30, 2023, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions			Total
		Original Gift	Accumulated Gains (losses)	Total with Donor Restrictions	
Quasi	\$ 1,346,361	\$ -	\$ -	\$ -	\$ 1,346,361
Donor restricted:					
Underwater funds	-	89,129	(6,888)	82,241	82,241
All other funds	-	790,717	919,007	1,709,724	1,709,724
Endowment net assets at end of year	<u>\$ 1,346,361</u>	<u>\$ 879,846</u>	<u>\$ 912,119</u>	<u>\$ 1,791,965</u>	<u>\$ 3,138,326</u>

The following table represents changes in endowment net assets for the fiscal year ended June 30, 2023, in thousands of dollars:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets at beginning of year . . .	\$ 1,268,731	\$ 1,704,621	\$ 2,973,352
Reinvested income distribution	10,729	2,834	13,563
Realized and unrealized gains	54,195	76,438	130,633
Less: spending formula	(44,299)	(62,232)	(106,531)
Undistributed investment income	20,625	17,040	37,665
Contributions	5,649	14,799	20,448
Pledge payments	53	51,158	51,211
Other additions, transfers, and net asset reclassifications	51,303	4,347	55,650
Endowment net assets at end of year	<u>\$ 1,346,361</u>	<u>\$ 1,791,965</u>	<u>\$ 3,138,326</u>

For the years ended June 30, 2024 and 2023

5. Accounts Receivable and Pledges Receivable

Accounts Receivable:

Accounts and loans receivable at June 30, 2024 and 2023, in thousands of dollars, consist of the following:

	2024	2023
Accounts receivable, net:		
Students	\$ 26,750	\$ 21,203
Less: allowances	(5,294)	(5,924)
	21,456	15,279
Grants and contracts	106,346	110,263
Unsettled investment trades	14,639	24,353
Departmental sales, services, and other	79,464	65,307
Less: allowances	(9,045)	(8,749)
	191,404	191,174
Student loans	37,268	40,634
Less: allowances	(3,259)	(3,263)
	34,009	37,371
Total accounts and loans receivable, net	\$ 246,869	\$ 243,824

Federally sponsored student loans receivable represented \$10,151,000 and \$13,195,000 as of June 30, 2024 and 2023, respectively, of total student loans receivable, which consist of amounts due from current and former students under various federal government loan programs, including Perkins and health professional programs offered to graduate and undergraduate students. The University’s advances under Perkins and other federally funded student loan programs were \$14,749,000 and \$17,946,000 as of June 30, 2024 and 2023, respectively, and are included in other long-term obligations on the Consolidated Statements of Financial Position. The University has the right to assign loans disbursed under these programs to the federal government upon default by the borrower; therefore, no allowance has been provided for these loans.

Departmental sales, services, and other receivables include outstanding notes, mortgages, and advances bearing interest at rates up to 4.05% at June 30, 2024 and 2023, respectively, to certain employees. The aggregate amount as of June 30, 2024 and 2023 is \$10,642,000 and \$9,447,000, respectively.

Pledges Receivable:

Pledges consist of unconditional written promises by donors to contribute to the University in the future. At June 30, 2024 and 2023, pledges, in thousands of dollars, are expected to be realized in the following time frame:

	2024	2023
In one year or less	\$ 137,566	\$ 162,964
Between one year and five years	51,619	123,225
More than five years	20,752	32,480
	209,937	318,669
Discount to present value (at rates ranging from 1.29% to 5.36%)	(11,621)	(21,669)
Less: allowance for unfulfilled pledges	(43,986)	(28,623)
Total pledges receivable, net	\$ 154,330	\$ 268,377

As of June 30, 2024 and 2023, over 70% of the University’s gross pledges receivable was due from four donors.

For the years ended June 30, 2024 and 2023

6. Property, Plant, and Equipment

Property, plant, and equipment and related accumulated depreciation and amortization of right-of-use assets at June 30, 2024 and 2023, in thousands of dollars, consist of the following:

	2024	2023
Land	\$ 236,299	\$ 237,057
Buildings and improvements	4,256,372	4,219,863
Construction in progress	220,867	164,052
Software	94,854	60,511
Equipment	399,861	370,194
Library books	296,257	295,803
	<u>5,504,510</u>	<u>5,347,480</u>
Less: accumulated depreciation	(2,421,052)	(2,265,061)
Less: amortization of right-of-use assets	(31,454)	(30,532)
Total property, plant, and equipment, net.	<u>\$ 3,052,004</u>	<u>\$ 3,051,887</u>

As of June 30, 2024 and 2023, gross land, buildings and improvements and equipment include \$79,151,000 and \$95,116,000, respectively, associated with equipment and office, research, and retail space finance leases.

In January 2023, the University purchased 11–19 Deerfield Street for \$56,099,000, net of closing costs. With the execution of the purchase, the land lease associated with the building was terminated, releasing \$12,353,000 of deferred ground lease deposits previously received, which adjusted the purchase price. The University intends to utilize the building and associated land for institutional purposes, therefore, the net basis of the building totaling \$43,647,000 was recorded within property, plant, and equipment. Land on which the building sits, valued at \$13,185,000, was previously recognized as non-core institutional real estate within long-term investments. As a result of this transaction, the University reclassified the land from long-term investments to property, plant, and equipment.

7. Other Long-Term Obligations

Other long-term obligations at June 30, 2024 and 2023, in thousands of dollars, were as follows:

	2024	2023
Federal loan advances	\$ 14,749	\$ 17,946
Conditional asset retirement obligation.	10,546	11,571
Annuities and split-interest agreements payable	6,277	6,709
Other.	1,662	1,667
Total other long-term obligations	<u>\$ 33,234</u>	<u>\$ 37,893</u>

For the years ended June 30, 2024 and 2023

8. Indebtedness

Bonds and Notes Payable:

The principal amounts of bonds and notes payable at June 30, 2024 and 2023, in thousands of dollars, are summarized in the table below. Tax exempt and certain taxable bonds were issued through the Massachusetts Development Finance Agency (MDFA) and through the Massachusetts Health and Educational Facilities Authority (HEFA) prior to its merger with MDFA.

	Final Bond Maturity	Interest Rate at June 30, 2024	Interest Rate at June 30, 2023	Outstanding Principal	
				2024	2023
Fixed rate bonds and notes payable:					
MDFA Series P, blended fixed rate	05/15/2059	5.63%	5.63%	\$ 100,000	\$ 100,000
MDFA Series W (taxable)	10/01/2045	5.20%	5.20%	100,470	100,470
MDFA Series X, blended fixed rate	10/01/2048	4.00%	4.78%	25,000	111,485
MDFA Series BB-1	10/01/2046	4.54%	4.54%	111,270	111,270
MDFA Series BB-2	10/01/2040	3.95%	3.95%	52,260	52,260
MDFA Series BB-3	10/01/2029	5.00%	5.00%	38,290	38,290
MDFA Series DD-1	10/01/2023	N/A	5.00%	-	63,965
MDFA Series DD-2	10/01/2023	N/A	5.00%	-	21,800
Series CC (taxable)	10/01/2048	4.06%	4.06%	300,000	300,000
Series EE (taxable)	10/01/2050	3.17%	3.17%	150,000	150,000
Series EE (taxable)	10/01/2035	2.58%	2.58%	50,000	50,000
Century notes (taxable)	07/15/2097	7.63%	7.63%	100,000	100,000
MDFA Series FF	10/01/2048	4.83%	N/A	149,360	-
MDFA Series GG	10/01/2042	5.00%	N/A	50,370	-
Total fixed rate bonds and notes payable				<u>1,227,020</u>	<u>1,199,540</u>
Variable rate bonds and notes payable:					
HEFA Series N (taxable)	10/01/2034	5.35%	5.11%	21,510	22,980
MDFA Series U-1	10/01/2040	3.77%	2.93%	50,000	50,000
MDFA Series U-2	10/01/2040	4.29%	4.58%	50,000	50,000
MDFA Series U-3	10/01/2040	4.49%	4.58%	50,000	50,000
MDFA Series U-5A	08/01/2023	N/A	4.73%	-	22,800
MDFA Series U-5B	08/01/2023	N/A	4.73%	-	23,900
MDFA Series U-6A	10/01/2042	4.34%	4.47%	62,850	62,850
MDFA Series U-6C	10/01/2042	4.60%	3.55%	52,545	52,545
MDFA Series U-6E	10/01/2042	4.90%	3.55%	62,695	62,695
Royal Bank of Scotland (taxable)	08/15/2029	5.77%	5.50%	13,688	15,854
MDFA Series Y	10/01/2039	3.85%	3.92%	35,000	35,000
MDFA Series AA-1	10/01/2039	4.68%	4.44%	81,370	81,370
MDFA Series AA-2	10/01/2039	4.68%	4.29%	81,370	81,370
Total variable rate bonds and notes payable				<u>561,028</u>	<u>611,364</u>
Total bonds and notes payable				1,788,048	1,810,904
Add: unamortized bond premium and discount, net				36,445	28,332
Less: unamortized bond issuance costs				(3,967)	(3,696)
Less: trust assets to refund Century notes				(100,000)	(100,000)
Total bonds and notes payable, net				<u>\$ 1,720,526</u>	<u>\$ 1,735,540</u>

For the years ended June 30, 2024 and 2023

Certain bond and bank obligations are collateralized by a pledge on tuition revenues, and certain other notes payable are collateralized by plant and property with a net carrying value of \$37,228,000 and \$37,968,000 as of June 30, 2024 and 2023, respectively. The University’s bank agreements require annual compliance with financial covenants, including a minimum level of debt service coverage and a minimum level of expendable resources relative to debt. The University was in compliance with all debt covenants as of June 30, 2024 and 2023.

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

Fiscal Year	Scheduled Principal Maturities
2025	\$ 8,650
2026	9,340
2027	24,313
2028	25,819
2029	21,645
Thereafter	<u>1,698,281</u>
Total	<u>\$ 1,788,048</u>

Scheduled principal maturities represent aggregate annual payments as required under long-term debt repayment schedules. As of June 30, 2024, the University’s debt portfolio includes variable rate demand bonds (VRDBs) of \$136,750,000, Series N, U-6C, and U-6E, that are supported by irrevocable letters of credit (LOCs). The LOCs are provided by a diverse group of financial institutions to secure bond repayment and interest obligations and have various maturity dates between September 2026 and May 2027. In the event that a VRDB cannot be remarketed, the bond may be “put” to the LOC provider, resulting in a loan to the University to fund redemption of the bond. If all outstanding VRDBs had been “put” as of June 30, 2024, aggregate scheduled loan repayments under the VRDB-related LOCs would be as follows: \$22,792,000, \$45,583,000, \$45,583,000, and \$22,792,000 in fiscal years 2025, 2026, 2027, and 2028, respectively. There have been no instances where a bond failed to be remarketed and was put back to the University.

In June 2020, the University issued Series EE of taxable bonds totaling \$200,000,000, of which \$154,444,000 was deposited into an irrevocable trust for the defeasance of all interest and principal payment obligations of the Century notes. On the call date, the escrow agent will release the final payments due on the Century notes. Trust assets equal to the par value of the Century notes, \$100,000,000, are presented in the University’s Consolidated Statements of Financial Position as a contra-liability reduction of bonds and notes payable, net. The remaining \$54,444,000 of trust assets will be used to fund interest expense over the life of the notes and are included in the University’s Consolidated Statements of Financial Position within prepaid expenses and other assets. On March 8, 2023, the University directed the escrow trustee to invest \$3,613,000 of previously uninvested cash in government securities that will mature on or before July 15, 2027. An independent CPA firm provided a verification report documenting sufficiency of the escrow after this purchase. Any excess earnings not required for escrow payments will be returned to the University. The balance of trust assets remaining as of June 30, 2024 was \$116,048,000. The remaining proceeds of approximately \$45,556,000 from the Series EE issuance were utilized for operations.

On July 12, 2023, the University issued Series FF and GG, tax-exempt bonds totaling \$149,360,000 and \$50,370,000, respectively. Series FF and GG bonds were each issued at a premium, generating proceeds of \$168,508,000 and \$56,004,000, respectively. The Series FF bonds mature between 2024 and 2048, while the Series GG bonds mature between 2040 and 2042 and have a mandatory put in 2028. The two series of bonds were issued at a combined interest rate of 4.08%.

Total proceeds, combined with \$2,903,000 of University funds, were used to pay issuance costs and swap termination payments, with the remaining deposited with bond trustees to call the bonds when due. For bonds redeemed on August 1, 2023, total proceeds of \$46,875,000 were deposited to fund \$22,800,000 of principal for Series U-5A, \$23,900,000 of principal for Series U-5B, and \$175,000 of interest for both series. For bonds to be redeemed on October 1, 2023, total proceeds of \$177,371,000 were deposited with a trustee to fund \$86,485,000 of principal for Series X, \$63,965,000 of principal for Series DD-1, \$21,800,000 of principal for Series DD-2, and \$4,306,000 of interest across all series. An

For the years ended June 30, 2024 and 2023

independent verification agent has confirmed that funds deposited in the trust accounts are sufficient to pay the principal and interest on the bonds, when due.

Lastly, the University terminated two fixed-payer interest rate swaps, Series DD-2 and Series U-5AB, with notional amounts of \$25,000,000 and \$46,700,000, respectively, as part of Series FF and GG issuance. The DD-2 swap was terminated on June 23, 2023, at a cost of \$2,148,000 and was funded by the University. The Series U-5AB swap was terminated on July 12, 2023, at a cost of \$2,841,000 and was funded by a combination of bond proceeds and the University. The Series DD-1 fixed-receiver swap with a notional amount of \$61,400,000 was extended through July 1, 2028.

Bank Lines:

The University has a total of \$260,000,000 in committed lines of credit with six financial institutions. There were no draws or outstanding loans under these lines of credit as of and for the years ended June 30, 2024 and 2023. The current expiration dates for all lines of credit is November 2025. The University plans to renew the lines of credit upon expiration.

Debt-Related Derivatives:

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

Below is a summary of the terms of the University’s outstanding debt-related derivatives as of June 30, 2024 and 2023, in thousands of dollars:

Swap	Notional Amount	Fair Value		Effective Date	Termination Date	University Pays	University Receives***
		6/30/24	6/30/23				
Series DD-1	\$ -	\$ -	\$ 672	08/01/2019	10/01/2023	SIFMA	1.15%
Series FF/GG	61,410	485	-	10/01/2023	07/01/2028	SIFMA	2.88%
Series N	16,225	1,096	1,547	10/03/2008	10/01/2027	6.79%	SOFR
Series U1-3	75,000	8,201	10,826	10/01/2007	10/01/2040	3.94%	69% of 1-Mo. USD SOFR
Series U1-3	75,000	8,678	11,229	10/03/2008	10/01/2040	4.01%	69% of 1-Mo. USD SOFR
Series U5	-	-	2,904	10/03/2008	10/01/2031	4.10%	67% of 1-Mo. USD SOFR
Series U6	59,750	16,029	19,072	07/01/2008	10/01/2042	5.39%	SIFMA
Series U6	90,000	24,940	29,339	03/01/2023	10/01/2042	5.44%	SIFMA
Series U6	30,000	8,239	9,779	07/01/2008	10/01/2042	5.44%	SIFMA - 1-Mo.
Series U6	59,750	16,177	19,070	03/01/2023	10/01/2042	5.39%	SIFMA - 1-Mo.
Series Y	35,000	5,649	6,713	10/01/2014	10/01/2039	4.70%	SIFMA - 1-Mo.
Series AA-1	81,370	13,613	15,611	10/01/2015	10/01/2039	4.95%	79% of 1-Mo. USD SOFR -.0705%*
Series AA-2	81,370	13,751	15,022	10/01/2015	10/01/2039	4.95%	79% of 1-Mo. USD SOFR +.032%**
Royal Bank of Scotland	13,759	316	(48)	08/15/2006	08/15/2029	5.645%	Daily SONIA +.1193 +45 basis points
Less: credit valuation adjustment		(1,619)	(3,600)				
Total		\$ 115,555	\$ 138,136				

*Until April 1, 2025; thereafter SIFMA

**Until April 1, 2026; thereafter SIFMA

***Effective July 1, 2023, the underlying London Interbank Offered Rate (LIBOR) floating rate index changed from 1-Month LIBOR to 1-Month Secured Overnight Financing Rate (SOFR) plus a spread adjustment

SIFMA—Securities Industry and Financial Markets Association Municipal Swap Index

SONIA—Sterling Overnight Index Average

For the years ended June 30, 2024 and 2023

A \$46,700,000 interest rate swap was terminated on July 12, 2023 at a cost of \$2,841,000. A \$25,000,000 interest rate swap was terminated on June 23, 2023 at a cost of \$2,148,000. Refer to the bonds and notes payable, net section of this footnote above for further details.

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

In 2024 and 2023, the University's net settlement payments on interest rate exchange agreements were \$7,116,000 and \$18,114,000, respectively. These net settlement costs have been reported in nonoperating activities in net realized and unrealized gains on interest rate agreements on the Consolidated Statements of Activities.

For purposes of the Consolidated Statements of Cash Flows, net settlements under the University's interest rate exchange agreements are generally included in cash flows from operating activities. However, in October 2008, the University elected to terminate its existing interest rate exchange agreements with a subsidiary of Lehman Brothers after that firm's bankruptcy and simultaneously entered replacement agreements with new counterparties who provided cash to facilitate settlement of the existing agreements. Accordingly, future net settlements under various replacement agreements, with a total notional amount of \$249,945,000 at June 30, 2024 and \$298,115,000 at June 30, 2023, are considered financing activities. During 2024 and 2023, respectively, \$2,510,000 and \$5,345,000 of the net settlement payments were classified as cash flows used in financing activities.

The University's interest rate exchange agreements necessarily involve counterparty credit exposure. The counterparties for the University's agreements are a diversified group of major financial institutions that meet the University's criteria for financial stability and creditworthiness. Interest rate exchange agreements provide for two-way collateral posting requirements intended to mitigate credit risk. At June 30, 2024 and 2023, the University was required to post collateral of \$0 and \$984,000, respectively. Posted collateral balances are included on the Consolidated Statements of Financial Position in cash and cash equivalents-restricted. Contractual bilateral collateral posting levels are based on counterparty public debt ratings; current University posting amounts could increase or decrease should the University's credit ratings change. Additionally, interest rate exchange contracts provide for early termination should a counterparty's credit ratings fall below investment grade.

9. Defined Contribution Plan

All employees who work at least 50% of a full-time schedule and have an appointment or an expected assignment duration of at least nine months are eligible to participate in the University's defined contribution benefit plans. The University contributes a specified percentage of eligible employee compensation and matches employee contributions up to 3.00%. Contributions for the year ended June 30, 2024 and 2023 were \$98,384,000 and \$93,006,000, respectively.

For the years ended June 30, 2024 and 2023

10. Leases

Leases:

The University is committed to minimum annual rent payments under several long-term non-cancellable operating and capital leases for educational and office space through fiscal year 2079.

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

	2024	2023
<i>Lease cost:</i>		
Finance lease expense:		
Amortization of right-of-use assets	\$ 1,491	\$ 1,693
Interest on lease liabilities	3,408	3,406
Operating lease expense	16,684	17,643
Short-term lease expense	10,307	7,630
Total lease expense	\$ 31,890	\$ 30,372

Other Information:

Right-of-use assets obtained in exchange for new and amended operating lease liabilities	\$ -	\$ 9,610
Weighted-average remaining lease term-finance leases	65 years	43 years
Weighted-average remaining lease term-operating leases	9 years	9.8 years
Weighted-average discount rate-finance leases	5.44%	4.28%
Weighted-average discount rate-operating leases	2.30%	2.30%

Payments due include options to extend leases that are reasonably certain through fiscal year 2079, in thousands of dollars, and are summarized below as of June 30, 2024:

Fiscal Year	Operating	Finance
2025	\$ 15,537	\$ 3,635
2026	15,891	3,635
2027	14,835	3,635
2028	9,617	3,635
2029	9,020	3,635
Thereafter	43,177	179,936
	108,077	198,111
Less: amounts representing interest	(9,200)	(135,016)
Total	\$ 98,877	\$ 63,095

The University is the lessor in several long-term non-cancellable leases for commercial space through fiscal year 2040. Future minimum rental revenue due, excluding from ground leases discussed in note 11, is summarized below as of June 30, 2024, in thousands of dollars:

Fiscal Year	Operating
2025	\$ 7,488
2026	6,770
2027	4,867
2028	3,400
2029	2,577
Thereafter	25,333
Total	\$ 50,435

For the years ended June 30, 2024 and 2023

11. Commitments and Contingencies

Deferred Ground Lease Revenue:

In December 2012, in connection with the sale of a non-core asset, the University entered into a 75-year ground agreement to lease the related land to the purchaser of the building. The lease term is through 2087. In connection with this transaction, the University received a prepaid lease payment of \$38,625,000 that will be amortized on a straight-line basis over the term of the lease. For each of the years ended June 30, 2024 and 2023, the University recognized rental revenue of \$515,000 related to the ground lease. The unamortized deferred ground lease revenue as of June 30, 2024 and 2023 is \$32,702,000 and \$33,217,000, respectively.

In connection with the sale of non-core assets, the University entered into four 99-year agreements to lease the related land to the purchaser of the buildings. The lease term is through 2115. In connection with this transaction, the University received a prepaid lease payment of \$64,000,000 that will be amortized on a straight-line basis over the term of the lease. For each of the years ended June 30, 2024 and 2023, the University recognized rental revenue of \$513,000 and \$591,000, respectively related to the ground lease. The unamortized deferred rent as of June 30, 2024 and 2023 is \$46,880,000 and \$47,393,000, respectively. On January 31, 2023, Boston University purchased back one of the parcels related to the 99 year lease. As a result, the ground lease related to the one parcel was terminated and the \$12,353,000 of deferred revenue reduced the purchase price.

Other:

As of June 30, 2024, the University has commitments of approximately \$86,805,000 related to open construction contracts and capital acquisitions. This amount is expected to be financed from operating cash flows, federal government grants, and borrowings.

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

12. Functional Classification of Expenses

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

Expenses presented by functional classification for the year ended June 30, 2024 are as follows, in thousands of dollars:

	Instruction and Departmental Research	Educational Support Activities	Sponsored Programs	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages	\$ 679,950	\$ 118,654	\$ 191,717	\$ 136,589	\$ 37,874	\$ 1,164,784
Employee benefits	220,005	38,187	46,336	45,176	11,153	360,857
Supplies and services	156,502	138,467	172,796	78,075	115,772	661,612
Utilities, rent, and repairs	54,018	5,888	4,897	12,131	30,278	107,212
Depreciation	107,028	7,879	6,354	7,859	27,457	156,577
Interest	39,815	261	-	15,475	24,288	79,839
Total operating expenses	<u>\$ 1,257,318</u>	<u>\$ 309,336</u>	<u>\$ 422,100</u>	<u>\$ 295,305</u>	<u>\$ 246,822</u>	<u>\$ 2,530,881</u>

For the years ended June 30, 2024 and 2023

Expenses presented by functional classification for the year ended June 30, 2023 are as follows, in thousands of dollars:

	Instruction and Departmental Research	Educational Support Activities	Sponsored Programs	Institutional Support	Auxiliary Enterprises	Total
Salaries and wages	\$ 639,100	\$ 109,450	\$ 178,041	\$ 122,410	\$ 35,495	\$ 1,084,496
Employee benefits	212,114	37,090	37,281	42,044	10,387	338,916
Supplies and services	158,601	112,541	194,843	75,930	112,092	654,007
Utilities, rent, and repairs . .	51,783	3,337	4,897	12,490	27,565	100,072
Depreciation	101,952	8,669	5,916	8,187	28,549	153,273
Interest	36,341	63	-	14,189	22,120	72,713
Total operating expenses	<u>\$ 1,199,891</u>	<u>\$ 271,150</u>	<u>\$ 420,978</u>	<u>\$ 275,250</u>	<u>\$ 236,208</u>	<u>\$ 2,403,477</u>

13. Subsequent Events

The University has assessed the impact of subsequent events through September 26, 2024, the date the Consolidated Financial Report was issued.

THE CORPORATION

THE FOUNDERS	Lee Claflin	Isaac Rich	Jacob Sleeper
THE ASSOCIATE FOUNDERS	Augusta E. Corbin Chester C. Corbin Albert V. Danielsen Edward H. Dunn Rafik B. al-Hariri Charles Hayden	Arthur G. B. Metcalf Stephen P. Mugar Anne A. Ramsey John R. Robinson Roswell R. Robinson	Alden Speare Dewey David Stone Harry K. Stone Gerald Tsai, Jr. An Wang
THE TRUSTEES	Maureen A. Alphonse-Charles Cassandra M. Clay Shamim A. Dahod Nathaniel Dalton Cynthia R. Cohen <i>Vice Chair</i> Malek Sukkar <i>Vice Chair</i> Kenneth W. Freeman <i>President Ad Interim</i>	Rajen A. Kilachand Ranch C. Kimball Antoinette R. Leatherberry Kenneth Lin Joseph Loscalzo Kevin Merida Ruth A. Moorman Alicia C. Mullen Rebecca A. Norlander Jonathan Priestester S. D. Shibulal	Hugo X. Shong Kenneth Z. Slater Kevin E. Smith Elizabeth C. Thors Peter L. Wexler Stephen M. Zide
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THE UNIVERSITY ADMINISTRATION*			
<i>President Ad Interim</i> Kenneth W. Freeman, B.S.B.A., M.B.A.	<i>Chief Investment Officer</i> Lila C. Hunnewell, B.A., M.B.A.	<i>Senior Vice President for Development & Alumni Relations</i> Karen Engelbourg, B.A.	<i>Senior Vice President, General Counsel, and Secretary of the Board</i> Erika Geetter, B.A., J.D.
<i>University Provost & Chief Academic Officer Ad Interim</i> Kenneth R. Lutchen, B.S., M.S., Ph.D.	<i>Senior Vice President, Chief Financial Officer, and Treasurer</i> Nicole Tirella, B.S., M.S., C.P.A.	<i>Senior Vice President for Operations</i> Derek Howe, B.S.B.A.	<i>Senior Diversity Officer</i> Andrea L. Taylor, B.S.
<i>Provost of the Medical Campus</i> Karen H. Antman, B.S., M.D.	<i>Senior Vice President for External Affairs</i> Stephen P. Burgay, B.A., J.D.		

*On July 1, 2024, Melissa L. Gilliam, B.A., M.A., M.D., M.P.H., became President and Gloria Waters, B.A., M.A., Ph.D., became University Provost & Chief Academic Officer.

Effective June 30, 2024