

Northeastern University

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

For the Year Ended June 30, 2020

Entity Identification #04-1679980

Northeastern University
Report on Federal Awards in Accordance with the OMB Uniform Guidance
Index
For the year ended June 30, 2020

	Page(s)
Part I – Consolidated Financial Statements and Schedule of Expenditures of Federal Awards	
Report of Independent Auditors	1–2
Consolidated Financial Statements	3–30
Schedule of Expenditures of Federal Awards.....	31–39
Notes to Schedule of Expenditures of Federal Awards	40
Financial Responsibility Supplemental Schedule	41
Note to Financial Responsibility Supplemental Schedule.....	42
Part II - Reports on Internal Control and Compliance	
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43–44
Report of Independent Auditors on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance.....	45–46
Part III – Audit Findings and Questioned Costs	
Schedule of Findings and Questioned Costs.....	47–48
Schedule of Status of Prior Audit Findings	49

Part I
Consolidated Financial Statements



Report of Independent Auditors

To the Board of Trustees of
Northeastern University

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Northeastern University and its subsidiaries (“Northeastern University”), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities for the year ended June 30, 2020 and of cash flows for the years ended June 30, 2020 and 2019, and the related notes to the financial statements.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Northeastern University's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Northeastern University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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



Other Matters

We previously audited the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities and of cash flows for the year then ended (the statement of activities is not presented herein), and in our report dated October 7, 2019, we expressed an unmodified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying summarized financial information as of June 30, 2019 and for the year then ended is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2020 and schedule of financial responsibility as of and for the year ended June 30, 2020 are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Department of Education, respectively, and are not a required part of the consolidated financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of financial responsibility are fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2020 on our consideration of Northeastern University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2020. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeastern University's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Boston, Massachusetts
October 7, 2020

Northeastern University
Consolidated Statements of Financial Position
June 30, 2020 and 2019

<i>(in thousands of dollars)</i>	2020	2019
Assets		
Cash and cash equivalents	\$ 481,313	\$ 338,203
Accounts and other receivables, net	64,873	87,927
Prepays and other assets	61,513	49,414
Pledges receivable, net (Note 5)	190,953	103,653
Student and other loans receivable, net	21,141	25,520
Investments (Notes 4 and 6)	1,160,719	1,273,068
Property, plant and equipment, net (Note 7)	<u>1,616,929</u>	<u>1,543,666</u>
Total assets	<u>\$ 3,597,441</u>	<u>\$ 3,421,451</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 170,271	\$ 163,835
Accounts payable on construction projects	26,113	30,688
Deferred revenue and student deposits	190,125	193,038
Refundable advances	34,756	39,828
Interest rate swap agreement (Notes 4 and 9)	67,311	49,219
Capital lease obligation (Note 8)	21,424	22,857
Bonds and notes payable (Note 9)	<u>869,607</u>	<u>898,029</u>
Total liabilities	<u>1,379,607</u>	<u>1,397,494</u>
Net assets		
Without donor restrictions (Note 12)	1,509,658	1,427,755
With donor restrictions (Note 12)	<u>708,176</u>	<u>596,202</u>
Total net assets	<u>2,217,834</u>	<u>2,023,957</u>
Total liabilities and net assets	<u>\$ 3,597,441</u>	<u>\$ 3,421,451</u>

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

Northeastern University
Consolidated Statement of Activities
Year Ended June 30, 2020
(with summarized financial information for the year ended June 30, 2019)

<i>(in thousands of dollars)</i>	Without Donor Restrictions	With Donor Restrictions	2020	2019
Operating				
Revenues and other support				
Tuition and fees (after financial aid of \$363,406 in 2020 and \$352,663 in 2019)	\$ 1,045,968	\$ -	\$ 1,045,968	\$ 998,077
Contributions available for operations	5,374	95,466	100,840	21,010
Auxiliary enterprises	119,586	-	119,586	151,668
Sponsored support	144,029	-	144,029	123,049
Indirect cost recovery	33,878	-	33,878	31,418
Endowment spending available for operations (Note 13)	20,253	13,462	33,715	28,306
Other investment return available for operations	10,869	-	10,869	15,899
Other	35,037	-	35,037	35,744
Total operating revenues	<u>1,414,994</u>	<u>108,928</u>	<u>1,523,922</u>	<u>1,405,171</u>
Net assets released for operations	<u>25,784</u>	<u>(25,784)</u>	<u>-</u>	<u>-</u>
Total operating revenues and other support	<u>1,440,778</u>	<u>83,144</u>	<u>1,523,922</u>	<u>1,405,171</u>
Expenses				
Salary and benefits	752,574	-	752,574	714,390
Other operating expenses	475,484	-	475,484	445,883
Depreciation	73,874	-	73,874	69,359
Interest	37,418	-	37,418	39,824
Total operating expenses (Notes 7, 9 and 15)	<u>1,339,350</u>	<u>-</u>	<u>1,339,350</u>	<u>1,269,456</u>
Increase in net assets from operating activities	101,428	83,144	184,572	135,715
Nonoperating				
Contributions	5,085	126,014	131,099	91,321
Contributions available for operations	(5,374)	(95,466)	(100,840)	(21,010)
Endowment and other investment return	34,013	14,955	48,968	78,307
Endowment spending available for operations (Note 13)	(20,253)	(13,462)	(33,715)	(28,306)
Other investment return available for operations	(10,869)	-	(10,869)	(15,899)
Change in annuity and life income funds	-	(1,091)	(1,091)	(2,224)
Other nonoperating changes	(780)	-	(780)	9,137
Net realized and change in unrealized loss on interest rate swap agreements (Note 9)	(23,467)	-	(23,467)	(17,073)
Net assets released from restrictions and other transfers	<u>2,120</u>	<u>(2,120)</u>	<u>-</u>	<u>-</u>
Change in net assets	81,903	111,974	193,877	229,968
Net assets at beginning of year	<u>1,427,755</u>	<u>596,202</u>	<u>2,023,957</u>	<u>1,793,989</u>
Net assets at end of year	<u>\$ 1,509,658</u>	<u>\$ 708,176</u>	<u>\$ 2,217,834</u>	<u>\$ 2,023,957</u>

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

Northeastern University
Consolidated Statements of Cash Flows
Years Ended June 30, 2020 and 2019

(in thousands of dollars)

	2020	2019
Cash flows from operating activities		
Cash received from student-related revenues	\$ 1,166,371	\$ 1,129,875
Cash received from sponsored programs	190,493	125,512
Cash received from donors	28,899	26,317
Proceeds from sale of contributed securities	2,803	2,591
Cash received from endowment and other investment income	10,401	10,789
Cash received from auxiliary enterprises other than student housing	8,570	4,991
Cash received from other income	33,201	178,997
Cash paid to employees, students, and vendors	(1,232,998)	(1,158,039)
Interest and other payments	(45,760)	(45,025)
Net cash provided by operating activities	<u>161,980</u>	<u>276,008</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(151,472)	(180,757)
Acquisition of business	-	(9,045)
Proceeds from sale or maturities of investments	736,223	499,557
Purchases of investments	(586,432)	(592,909)
Student loans and other loans issued	(1,453)	(1,319)
Proceeds from student and other loans	5,581	5,569
Proceeds from sale of property	-	4,879
Net cash provided by/(used in) investing activities	<u>2,447</u>	<u>(274,025)</u>
Cash flows from financing activities		
(Decrease)/Increase in refundable advances	(5,072)	3,601
Interest and dividends restricted for long-term investments	503	715
Payments to annuitants and life income funds	(1,134)	(1,081)
Contributions for long-term investments	8,037	42,695
Proceeds from sale of restricted contributed securities	3,890	4,105
Payments on capital lease obligation	(1,433)	(1,365)
Debt refinancing	(31,000)	-
Net proceeds from issuance of long-term debt	31,000	70,349
Payments on bonds and notes payable	(26,108)	(22,188)
Net cash (used in)/provided by financing activities	<u>(21,317)</u>	<u>96,831</u>
Increase in cash and cash equivalents	143,110	98,814
Cash and cash equivalents		
Beginning of the year	<u>338,203</u>	<u>239,389</u>
End of the year	<u>\$ 481,313</u>	<u>\$ 338,203</u>
Supplemental non-cash financing disclosures		
Proceeds from issuance of debt	\$ -	\$ 68,315
Use of proceeds to refund debt	-	(68,315)

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

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

1. Background

Founded in 1898, Northeastern University (“the University” or “Northeastern”) is one of the largest private urban universities in North America. It is a world leader in experiential education, an academic approach that integrates academic study and professional work to ensure a more powerful learning experience. The University is also a leader in the production of use-inspired research that meets societal needs. Northeastern grants associate, bachelor, master and doctoral degrees. The University attracts students from all 50 states within the United States and more than 125 countries, with campuses in Boston, Charlotte, Seattle, the San Francisco Bay Area, Toronto, Vancouver, and London.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the University are set forth below.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis and in accordance with the reporting standards for not-for-profit organizations and include the University and its subsidiaries, the most significant of which includes a research institute and the New College of the Humanities based in the United Kingdom.

Generally Accepted Accounting Principles (“GAAP”) require classification of net assets and revenues, expenses, gains and losses, based on the existence or absence of donor restrictions. The categories, net assets without donor restrictions and net assets with donor restrictions, are defined as follows:

Net Assets Without Donor Restrictions – Net assets available for general use and not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by management or the Board of Trustees.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met either by the passage of time or the events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Net realized and change in unrealized gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Unconditional promises to give (“Pledges”) are recognized as donor restricted revenues in the period received. Pledges are recorded at the present value of expected future cash flows. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Gifts of noncash assets are recorded at their market value at the date of contribution.

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

The University has received beneficial interests in irrevocable charitable remainder trusts, for which the University does not serve as the trustee. For these trusts, the University recorded its beneficial interest in those assets as contributions revenue and pledges receivable at the present value of the expected future cash inflows. Trusts are recorded at the date the University has been notified of the trust's existence and sufficient information regarding the trust has been accumulated to form the basis for an accrual. Changes in the value of these assets are recorded as a nonoperating change in the valuation of pledges receivable in net assets with donor restrictions.

Expirations of donor-imposed restrictions on net assets are reported as reclassifications between the applicable classes of net assets in the statement of activities. Gifts with donor-imposed restrictions, which are reported as donor restricted revenues, are released to net assets without donor restrictions when used for an expenditure that satisfies the donor-imposed restriction. Gifts restricted for the purchase of land, buildings and equipment are reported as donor restricted nonoperating revenues and are released to net assets without donor restrictions when the assets are placed into service.

Revenues

Revenues are recognized when control of the promised goods or services is transferred to our customers, in an amount that reflects the consideration the University expects to be entitled to in exchange for those goods or services.

Tuition and fees are derived from students participating in degree programs as well as lifelong learning programs. Tuition is recognized ratably over the academic period of the course or program offered based on time elapsed and financial aid awarded to students reduces the amount of revenue recognized. The University's individual schools have various billing and academic cycles and the majority of our programs are designed to be completed within the fiscal year. Tuition and fees and auxiliary revenues received in advance of services to be rendered are recorded as deferred revenue and student deposits which totaled \$48,716,000 and \$48,498,000 respectively, at June 30, 2020 and 2019.

Scholarships applied to tuition and fees reflect student financial aid funded by the University's operating budget, restricted endowment funds, and federal and state assistance programs. Compensation of students for services provided and tuition benefits for employees are presented as expenses.

The University receives sponsored support from governmental and private sources. Sponsored support primarily consists of contribution revenue, which is recognized when qualifying expenditures are incurred. Sponsored support for which restrictions are met in the same year are reflected in revenues without donor restrictions. Federally funded operating grants and contracts for the years ended June 30, 2020 and 2019 were \$157,025,000 and \$137,917,000, respectively, including indirect costs of \$31,267,000 and \$28,982,000, respectively. Total conditional contributions remaining to be recognized from sponsors for the years ended June 30, 2020 and 2019 were \$191,035,000 and \$175,680,000, respectively, which primarily relate to support to be received from the federal government. Other sponsored support is considered exchange arrangements, and revenue under these agreements is recognized based on the University's fulfillment of the contract, which is typically based on costs incurred or the achievement of milestones.

Funding received in advance of recognition is recorded as refundable advances. Included in refundable advances at June 30, 2020 and 2019 are \$10,753,000 and \$9,324,000, respectively, of sponsored receipts, that have not been expended but generally are within next year. Indirect cost

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

recoveries by the University on U.S. Government contracts and grants are based upon a negotiated rate and are recorded in revenues without donor restrictions.

Auxiliary enterprises include the operation of student housing and dining services, the daycare center and managed properties and revenue is recognized ratably over the period during which the services are provided. Student housing and dining revenues received in advance of services to be rendered are recorded as deferred revenue and student deposits and are reflected above with those deposits related to tuition and fees.

Other revenues are recognized at the point in time goods or services are provided. During fiscal 2019, the University entered into a parking arrangement with a third party. The University received an upfront payment for which deferred revenue of \$144,168,000 was recorded for the year ended June 30, 2019. Deferred revenue recorded will be recognized on a straight-line basis over the fifty-year term of the parking arrangement and reflected in other revenues.

Nonoperating activities include all contributions, endowment and other investment return, change in annuity and life income funds, other nonoperating changes, net realized and changes in unrealized gains or losses on interest rate swap agreements, and net assets released from restrictions and other transfers during the period used for current operations. Nonoperating activities also include the portion of the endowment return/(loss) in connection with the University's spending policy in excess of the amount appropriated and other investment return. Contributions available for operations are presented as reductions to nonoperating revenues and are reclassified to operating revenues. All other activities are classified as operating.

Expenses incurred in carrying out the fundraising activities of the University, amounted to \$21,549,000 and \$22,217,000 for the years ended June 30, 2020 and 2019, respectively.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the University's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Cash and Cash Equivalents

Cash and cash equivalents consist primarily of cash management accounts, money market funds and short-term bond funds with maturities when purchased of three months or less.

Most of the University's banking activity, including cash and cash equivalents, is conducted with several national banks with investment grade credit ratings. From time to time in the regular course of business deposit amounts exceed federal insurance limits. It is the University's policy to monitor these banks' financial strength and deposit balances on a daily basis and no losses have been experienced to date.

Accounts and Loans Receivable

Accounts receivable are stated net of allowance for doubtful accounts of \$12,179,000 and \$9,488,000 at June 30, 2020 and 2019, respectively. Loans receivable are stated net of allowance for doubtful accounts of \$687,000 at June 30, 2020 and 2019. Loans receivable are principally amounts due from students under Federally Sponsored Loan Programs, which are subject to significant restrictions; accordingly, it is not practical to determine the fair value of such amounts.

The University records an allowance for doubtful accounts for student and other loans receivables including those under the Federal Perkins Loan Program. Management regularly assesses the

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

adequacy of the allowance for credit losses by performing evaluations on the student loan portfolio, current economic environment, and level of delinquent loans. The allowance is adjusted based on the results of these evaluations. Loans disbursed under the Federal Perkins Loan Program are able to be assigned to the Federal government in certain nonrepayment situations. Management believes that this allowance at June 30, 2020 and 2019 is adequate to absorb credit losses inherent in the portfolio as of that date.

Investments

Investments include short-term investments which are designated for long-term investment by the University. They also include fixed income and equity portfolios with broadly defined investment strategies. Managers of these portfolios may utilize hedging strategies, invest in securities denominated in foreign currencies, or invest in options, futures, forward contracts, or other financial instruments whose value and performance are derived, at least in part, from the performance of an underlying asset or index and the creditworthiness of the counterparty to the transactions. The University also invests in a number of limited partnerships which sell securities short and which use leverage.

The University values its financial assets and liabilities at fair value in accordance with GAAP.

Net investments return/(loss) is reported in the consolidated statement of activities and consists of interest and dividends, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Gains and losses upon sale of certain investments are calculated using average cost at trade date.

Property, Plant and Equipment

Property, plant and equipment are stated at cost on the date of acquisition, net of accumulated depreciation. Plant assets donated to the University are stated at fair market value on the date of the gift, net of subsequent accumulated depreciation.

Depreciation is calculated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	30 years
Furniture, equipment, and books	5–20 years
Software	4–7 years

Expenditures for maintenance and repairs are charged to operations as incurred; significant renewals and betterments are capitalized. Costs associated with construction of new facilities are reported as construction in progress until such projects are completed.

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 statement of activities.

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

The University recognized \$1,247,000 and \$1,228,000 of operating expenses related to the accretion of liabilities recorded for the years ended June 30, 2020 and 2019, respectively. Conditional asset retirement obligations of \$24,521,000 and \$23,785,000 at June 30, 2020 and 2019, respectively, are included in accounts payable and accrued liabilities on the consolidated statements of financial position.

Net Investment in Plant

Net investment in plant includes the net book value of all capital assets offset by outstanding liabilities associated with those capital assets. Capital assets include prepaid assets and property, plant and equipment (net of accumulated depreciation). Outstanding liabilities include the conditional asset retirement obligation, accounts payable associated with construction projects, premiums, unamortized debt issuance costs and discounts on bonds and notes payables, capital lease obligation and outstanding bonds and notes payable, including amounts of the associated interest rate swap agreement.

Endowment

The endowment includes both donor-restricted funds and funds designated by the Board of Trustees ("the Board") to function as endowments. The net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions in accordance with the laws of the Commonwealth of Massachusetts.

The Board has interpreted the Massachusetts Uniform Prudent Management of Institutional Funds Act ("UPMIFA" or "Act") for donor-restricted endowment funds as requiring the preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent explicit donor stipulations to the contrary. The University retains in perpetuity: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts 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, if any. Collectively these amounts are referred to as the historic dollar value of the fund.

In accordance with the Act, the University considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund; the purposes of the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources available; and investment policies.

Net assets without donor restrictions include funds designated by the Board to function as endowments.

The University has adopted endowment investment and spending policies that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of endowment assets. To achieve its long-term rate of return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized gains) and current yield (interest and dividends). The University expects its endowment funds, over time, to provide an average real rate of return of approximately 4% annually.

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

The University's endowment spending policy is calculated using 4% of a sixty-month moving average of the endowment fund's market value. This amount is distributed to the appropriate funds and treated as operating revenue in the statement of activities. These distributions consist of dividends, interest and, if necessary, a portion of accumulated investment gains. The amount distributed each year is subject to the Board's approval. During both fiscal years 2020 and 2019, the full payout amount was distributed.

Tax Status

The University and its subsidiaries are tax-exempt organizations as described in section 501(c)(3) of the Internal Revenue Code.

GAAP requires that the University evaluate tax positions taken by the University and recognize a tax liability (or asset) if the University has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The University has analyzed the tax positions taken and has concluded that as of June 30, 2020, there are no significant uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Use of Estimates

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results may differ from these estimates.

Recently Adopted Accounting Pronouncements

On July 1, 2018, the University adopted Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606) and Other Assets and Deferred Costs—Contracts with Customers (Subtopic 340-40)*, which outlines a single comprehensive framework for revenue recognition across all industries and supersedes most existing revenue recognition guidance. In addition, ASU 2014-09 requires new and enhanced disclosures. These changes do not have a material impact on the University's financial statements and have been applied to the University's financial statements and footnotes on a modified retrospective basis.

On July 1, 2018, the University adopted ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which amends the accounting guidance related to (1) evaluating whether transactions should be accounted for as contributions or exchange transactions, and (2) determining whether a contribution is conditional. The University has evaluated and applied the guidance on a modified prospective basis to the financial statements and added the required additional revenue disclosures. The adoption of this standard did not have a significant impact on the University's financial statements.

On July 1, 2018, the University adopted ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*. The guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provision of this guidance includes the presentation of two classes of net assets versus the previously required three. The guidance also enhances disclosures for liquidity and expenses by both their natural and functional classifications. These changes are reflected in the University's financial statements and footnotes and have been applied retrospectively, where applicable.

On July 1, 2018, the University adopted ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement*.

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

Following this new guidance, the University is no longer required to disclose the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy. For investments in certain entities that calculate net asset value, the requirement to disclose the estimated period of time over which the underlying assets might be liquidated is modified to only require disclosure if the investee has communicated the timing to the University or announced the timing publicly.

On July 1, 2019, the University adopted ASU 2017-07, Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost. Net benefit cost was formerly reported as an operating expense in its entirety. The amendment requires the bifurcation of net benefit cost. The service cost component is now presented with other employee costs in operating expenses. The other components are reported separately outside of operations and are not eligible for capitalization. The University applied this standard retrospectively in the consolidated statement of activities and the adoption did not have a material impact on the financial statements.

On July 1, 2019, the University early adopted ASU 2018-15, *Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement (CCA) that is a Service Contract*, which aligns the accounting for costs incurred to implement a CCA that is a service arrangement with the guidance on capitalizing costs associated with developing or obtaining internal-use software. As a result of the adoption of this standard the University recorded \$6,400,000 in other assets.

On July 1, 2019, the University adopted ASU 2016-18, *Statement of Cash Flows* (Topic 230): *Restricted Cash*. Under this new guidance, the University must identify all cash, cash equivalents and amounts generally described as restricted cash or cash equivalents within the consolidated statements of financial position for inclusion in the beginning and ending totals within the consolidated statements of cash flows. The University has evaluated and applied this guidance on a retrospective basis and included all applicable cash balances within the consolidated statements of cash flows. This standard did not have a material impact on the University's financial statements.

New Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases*, which, requires a lessee to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its balance sheet. The guidance also expands the required quantitative and qualitative disclosures surrounding leases. This ASU is effective for the University beginning fiscal year 2021. The University is evaluating the impact of the new guidance on the financial statements.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

3. Available Resources and Liquidity

As of June 30, 2020, the following table shows the total financial assets held by the University and the amounts of those financial assets could readily be made available within one year of the consolidated statements of financial position date to meet expenditures:

(in thousands of dollars)

Financial assets available to meet general expenditures over the next 12 months	2020
Cash and cash equivalents	\$ 481,313
Accounts and other receivables, net	64,873
Pledges receivable due in 1 year or less available for expenditures	28,497
Forecasted endowment spending available for operations	36,033
Other investments not invested in the endowment	54,235
	<u>\$ 664,951</u>

As of June 30, 2019, the following table shows the total financial assets held by the University and the amounts of those financial assets could readily be made available within one year of the consolidated statements of financial position date to meet expenditures:

(in thousands of dollars)

Financial assets available to meet general expenditures over the next 12 months	2019
Cash and cash equivalents	\$ 338,203
Accounts and other receivables, net	87,927
Pledges receivable due in 1 year or less available for expenditures	11,239
Forecasted endowment spending available for operations	33,786
Other investments not invested in the endowment	181,476
	<u>\$ 652,631</u>

Northeastern regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. When reviewing available resources required to meet its expenditures over a 12-month period, the University considers all expenditures related to its ongoing activities.

In addition to financial assets available to meet expenditures over the next 12 months, the University operates with a balanced budget and anticipates collecting sufficient revenue to cover expenditures not covered by donor-restricted resources. Refer to the consolidated statements of cash flows which identify the sources and uses of the University's cash and show positive cash generated by operations for fiscal years 2020 and 2019.

Additionally, the University has quasi endowment assets of \$639,488,000 and \$639,095,000 as of June 30, 2020 and June 30, 2019, respectively. Although the University does not intend to spend from its quasi endowment funds other than amounts appropriated for general expenditures as part of its annual budget approval and appropriation process, amounts from its quasi endowment could be made available if necessary. However, these funds contain investments with lock-up provisions

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

that reduce the total investments that could be made available (Please see Note 4 for disclosures about investments).

4. Fair Value Measurements

The University values its financial assets and liabilities at fair value in accordance with GAAP. GAAP defines fair value, establishes a framework for measuring fair value, and delineates the disclosures required about fair value measurements. Financial assets consist primarily of the endowment and other investments. Additionally, GAAP allows the University the use of estimates to fair value alternative investments at the measurement date using net asset values ("NAV") reported by the investment managers without further adjustment, provided that the University does not expect to sell the alternative investments at a value other than the NAV. The University performs due diligence procedures on its alternative investments to determine if the values recorded are appropriate.

GAAP clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. The University uses valuation techniques to measure fair value on investments that maximize use of observable inputs and minimize the use of unobservable inputs. As a basis for considering assumptions, this standard establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- Level 1 Valuations using quoted prices in active markets for identical assets or liabilities. Valuations of these products do not require a significant degree of judgment.
- Level 2 Valuations using observable inputs other than Level 1 prices such as quoted prices in active markets for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in markets that are not active; broker or dealer quotations; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets or liabilities.
- Level 3 Valuations using unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table presents information about assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2020, and indicates the fair value hierarchy utilized to determine such fair value:

	6/30/2020	Fair Value Measurements at the End of the Reporting Period Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<i>(in thousands of dollars)</i>				
Beneficial interest in charitable remainder trust investments	\$ 5,121	\$ -	\$ -	\$ 5,121
Endowment investments				
Short-Term Investments	5,403	5,403	-	-
Fixed income	62,933	62,933	-	-
Domestic equity	237,507	237,507	-	-
International equity	73,094	73,094	-	-
Private equity at NAV (a)	208,317	-	-	-
Hedge funds at NAV (a)	482,578	-	-	-
Other alternative investments at NAV (a)	18,638	-	-	-
Total endowment investments	1,088,470	378,937	-	-
Other investments				
Fixed income	52,588	52,588	-	-
Domestic equity	1,647	1,647	-	-
Auction rate securities and other	18,014	-	-	18,014
Total other investments	72,249	54,235	-	18,014
Total investments	1,160,719	433,172	-	18,014
Total assets	\$ 1,165,840	\$ 433,172	\$ -	\$ 23,135
Interest rate swap agreements – liability	\$ (67,311)	\$ -	\$ (67,311)	\$ -
Total liabilities	\$ (67,311)	\$ -	\$ (67,311)	\$ -

- a) Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Excluded from the fair value hierarchy at June 30, 2020 are \$208,317,000 of private equity, \$482,578,000 of hedge funds, and \$18,638,000 of other alternative investments for which fair value is measured at NAV per share using the practical expedient.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The following table presents information about assets and liabilities that are measured at fair value on a recurring basis as of June 30, 2019, and indicates the fair value hierarchy utilized to determine such fair value:

	6/30/2019	Fair Value Measurements at the End of the Reporting Period Using		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<i>(in thousands of dollars)</i>				
Beneficial interest in charitable remainder trust investments	\$ 4,498	\$ -	\$ -	\$ 4,498
Endowment investments				
Short-Term Investments	73,852	73,852	-	-
Fixed income	78,307	78,307	-	-
Domestic equity	225,695	225,695	-	-
International equity	139,244	139,244	-	-
Private equity at NAV (b)	179,417	-	-	-
Hedge funds at NAV (b)	356,315	-	-	-
Other alternative investments at NAV (b)	21,762	-	-	-
Total endowment investments	1,074,592	517,098	-	-
Other investments				
Fixed income	180,223	180,223	-	-
Domestic equity	1,253	1,253	-	-
Auction rate securities and other	17,000	-	-	17,000
Total other investments	198,476	181,476	-	17,000
Total investments	1,273,068	698,574	-	17,000
Total assets	\$ 1,277,566	\$ 698,574	\$ -	\$ 21,498
Interest rate swap agreements – liability	\$ (49,219)	\$ -	\$ (49,219)	\$ -
Total liabilities	\$ (49,219)	\$ -	\$ (49,219)	\$ -

- b) Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Excluded from the fair value hierarchy at June 30, 2019 are \$179,417,000 of private equity, \$356,315,000 of hedge funds, and \$21,762,000 of other alternative investments for which fair value is measured at NAV per share using the practical expedient.

All financial instruments are valued using a market approach involving identical or comparable assets or liabilities except for auction rate securities and the University's beneficial interest in charitable remainder trusts, which are valued using an income approach.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

At June 30, 2020, the change in the fair value of financial instruments valued using significant unobservable inputs (Level 3) is shown below:

<i>(in thousands of dollars)</i>	Auction Rate Securities and Other	Beneficial Interest in Charitable Remainder Trust	Total
Fair value recorded at June 30, 2018	\$ 17,000	\$ 4,153	\$ 21,153
Unrealized gains	-	345	345
Fair value recorded at June 30, 2019	17,000	4,498	21,498
Purchase	1,014	-	1,014
Unrealized gains	-	623	623
Fair value recorded at June 30, 2020	\$ 18,014	\$ 5,121	\$ 23,135

The fair values of marketable domestic and international equities and fixed income instruments are determined generally based on quoted market prices in active markets. Alternative investments include private equity funds, hedge funds and other alternative investments. Private equity investments may consist of commitments in a limited partnership that invests in private companies or properties. Hedge funds may include limited partnerships that invest in investments that are publicly traded and may be subject to redemption restrictions.

At June 30, 2020, liquidity terms for investments consist of the following:

(in thousands of dollars)

Redemption Terms	Within 30 Days	31-60 Days Prior Written Notice	61-90 Days Prior Written Notice	91-180 Days Prior Written Notice	181-365 Days Prior Written Notice	1-5 Years	Greater Than 6 Years	Total
Short-Term Investments	\$ 5,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,403
Fixed income	115,521	-	-	-	-	-	-	115,521
Domestic equity	239,154	-	-	-	-	-	-	239,154
International equity	73,094	-	-	-	-	-	-	73,094
Private equity (1)	-	-	-	-	-	-	208,317	208,317
Hedge funds (2)	70,613	78,250	40,162	168,411	55,731	68,328	1,083	482,578
Other alternative investments	-	18,638	-	-	-	-	-	18,638
Other investments	-	-	-	-	-	-	18,014	18,014
	\$ 503,785	\$ 96,888	\$ 40,162	\$ 168,411	\$ 55,731	\$ 68,328	\$ 227,414	\$ 1,160,719

- (1) Private equity funds include funds that are not available for redemptions.
- (2) Hedge funds include funds that have remaining lock-up provisions up to 23 months.

The University is the beneficiary of various charitable remainder trusts held and administered by outside trustees. A receivable is recorded at the present value of the amount held by the trustees that is due to the University, which is calculated using the life expectancy of the beneficiaries. Valuations are reviewed annually by management by updating life expectancy of the beneficiaries, discount rates and the fair value of the underlying investments. The discount rates used for the years ended June 30, 2020 and 2019 ranges from 0.29% to 1.18% and 1.76% to 2.91%, respectively based on ten-year daily treasury yield curve rates.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The University's auction rate securities at June 30, 2020 and 2019 were determined to have a fair value of \$17,000,000 and were reflective of a \$3,000,000 discount. The auction rate securities are valued using the income approach, specifically a discounted cash flow analysis. This valuation methodology includes utilizing unobservable inputs such as offered quotes and comparability adjustments to arrive at the estimated fair value. The University performs ongoing due diligence to determine that the auction rate securities' fair value is reasonable.

The estimated fair value of the interest rate swap agreement is based on an independent third-party valuation. The fair value of swap instruments represents the estimated cost to the University to cancel the agreements at the reporting date. The University has performed due diligence on the fair value of its interest rate swap agreement to determine fair value at June 30, 2020 and 2019.

5. Pledges Receivable

Pledges receivable as of June 30 are expected to be realized in the following time periods:

<i>(in thousands of dollars)</i>	2020	2019
One year or less	\$ 51,484	\$ 31,940
Between one and five years	137,474	68,843
Greater than five years	26,782	18,146
	<u>215,740</u>	<u>118,929</u>
Less: Discount	(17,863)	(10,268)
Allowance for doubtful pledges	(6,924)	(5,008)
	<u>\$ 190,953</u>	<u>\$ 103,653</u>

At June 30, 2020 and 2019, the University has a \$2,000,000 conditional pledge that is not reflected in the consolidated financial statements due to its conditional nature.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

6. Investments

Investments, stated at fair value, held by the University at June 30 were as follows:

<i>(in thousands of dollars)</i>	2020	2019
Short-Term Investments	\$ 5,403	\$ 73,852
Fixed income	115,521	258,530
Domestic equity	239,154	226,948
International equity	73,094	139,244
Private equity	208,317	179,417
Hedge funds	482,578	356,315
Other alternative investments	18,638	21,762
Other investments	18,014	17,000
	<u>\$ 1,160,719</u>	<u>\$ 1,273,068</u>

The unfunded commitments, consisting of commitments that the University has made to various private equity investments at June 30, 2020 and 2019 are listed below. These funds may be called for a period to extend between one year and until termination of the fund.

<i>(in thousands of dollars)</i>	2020	2019
Venture capital	\$ 147,742	\$ 106,621
Real estate	8,797	14,765
Energy & commodities	11,719	13,364
	<u>\$ 168,258</u>	<u>\$ 134,750</u>

7. Property, Plant and Equipment

Property, plant and equipment at June 30 consisted of the following:

<i>(in thousands of dollars)</i>	2020	2019
Land	\$ 28,498	\$ 28,498
Building and improvements	1,973,951	1,894,749
Capitalized lease	37,928	37,928
Furniture and equipment	329,154	302,160
Library books	62,451	59,685
Construction in progress	86,478	49,870
	<u>2,518,460</u>	<u>2,372,890</u>
Less: Accumulated depreciation	<u>(901,531)</u>	<u>(829,224)</u>
	<u>\$ 1,616,929</u>	<u>\$ 1,543,666</u>

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Depreciation expense amounted to \$73,874,000 and \$69,359,000 for the years ended June 30, 2020 and 2019, respectively, and is allocated in the functional and natural classification of expenses footnote to functional expenses based on specific use of the related facilities. Operation, maintenance and security of plant expense totaled \$85,844,000 and \$84,137,000 for the years ended June 30, 2020 and 2019, respectively, and is allocated to functional expense categories in the functional and natural classification of expenses footnote based on salary expense. Please refer to Note 15.

8. Capitalized Lease

The University commenced the residence hall lease in July 2001. The rent, over the 30-year term of the lease, is equal to the actual debt service plus customary fees payable with respect to the \$31,130,000 principal amount of the bonds issued to finance the building. The annual lease commitments for future years, principal plus interest, range from \$2,606,000 in 2021 to \$2,576,000 in 2032.

Approximate future annual principal requirements as of June 30, 2020 are as follows:

<i>(in thousands of dollars)</i>	Principal Payments
Year	
2021	\$ 1,505
2022	1,581
2023	1,661
2024	1,744
2025	1,833
2026-2032	13,100
	<u>\$ 21,424</u>

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

9. Bonds and Notes Payable

Bonds and notes payable consists of the following at June 30:

(in thousands of dollars)

	Rate	Maturity	2020	2019
Massachusetts Development Finance Agency				
Series T -1 (par value, \$63,260)	2.00%-5.00%	2037	\$ 60,635	\$ 61,085
Series T -2 (par value, \$66,315)	3.00%-5.00%	2037	63,690	64,140
Series T -3 (par value, \$70,000)	Variable	2037	67,400	67,850
Series 2010A (par value, \$251,635)	3.00%-5.00%	2035	168,660	179,315
Series 2012 (par value, \$54,385)	4.00%-5.00%	2035	54,385	54,385
Series 2014A (par value, \$150,000)	4.37%-5.25%	2044	150,000	150,000
Series 2018A (par value, \$61,005)	3.00%-5.00%	2033	58,070	61,005
Series Y-1 (par value, \$38,280)	5.00%-5.62%	2029	-	25,260
Series Y-2 (par value, \$25,545)	5.00%-5.50%	2024	-	8,720
Taxable Revenue Bonds				
Series 2010B (par value, \$75,460)	3.35%-6.43%	2035	54,930	57,855
Series 2014B (par value, \$100,000)	.098%-5.28%	2032	75,725	80,795
Series 2018B (par value, \$70,415)	4.12%	2048	70,415	70,415
Line of credit and other notes payable	2.5%-Variable	2021	30,932	125
			<u>854,842</u>	<u>880,950</u>
Add: Unamortized Premium on Bonds			19,106	21,925
Less: Unamortized Discount on Bonds			(2,823)	(3,152)
Less: Unamortized Issuance Cost on Bonds			(1,518)	(1,694)
			<u>\$ 869,607</u>	<u>\$ 898,029</u>

Approximate future annual principal requirements are below:

(in thousands of dollars)

	Principal Payments
Year	
2021	\$ 54,872
2022	25,005
2023	26,315
2024	27,480
2025	28,720
Thereafter	<u>692,450</u>
	<u>\$ 854,842</u>

The tables above reflect the contractual maturities of the debt agreements which were effective as of June 30, 2020.

On July 3, 2018, the University issued \$70,415,000 in US Bank National Association taxable bonds Series 2018B for the purpose of financing the Innovation Campus located on the Burlington, Massachusetts campus, various renovations on the main campus in Boston, Massachusetts, and

Northeastern University

Notes to Consolidated Financial Statements

June 30, 2020 and 2019

other future capital projects. Principal payments commence in October 2044 with final tender in October 2048.

On July 25, 2018, the Massachusetts Development Finance Agency (“MDFA”) Series 2018A bonds were issued in the amount of \$61,005,000. The proceeds were used to refund MDFA Series R bond for \$68,315,000. The MDFA Series 2018A bonds were issued with an original issuance premium of \$9,261,000. Principal payments commence in October 2019 with final tender in October 2033.

On October 1, 2019, the Massachusetts Health and Educational Facilities Authority Revenue Bonds, Series Y-1 and Y-2 were redeemed for the amounts of \$7,470,000 and \$23,530,000, respectively. The University financed the \$31,000,000 redemption utilizing its line of credit. This was subsequently paid off in July 2020 with the proceeds of Series 2020B as described below.

On July 7, 2020, the University issued \$300,000,000 in US Bank National Association taxable bonds Series 2020B. \$31,000,000 of the proceeds were used to pay off line of credit in July 2020. \$17,610,000 of the proceeds will be used to refund portion of MDFA 2010A bond in October 2020 and remaining funds will be used to fund future capital needs. Principal payments commence in October 2045 with final tender in October 2050.

On July 7, 2020, the Massachusetts Development Finance Agency (“MDFA”) Series 2020A bonds were issued in the amount of \$103,480,000 for the purpose of refunding a portion of MDFA 2010A bond for \$127,118,000 in October 2020. The MDFA Series 2020A bonds were issued with an original premium of \$27,047,000. Principal payments commence in October 2022 with final tender in October 2035.

Interest expense on bonds and notes payable totaled \$36,241,000 and \$38,575,000 for the years ended June 30, 2020 and 2019, respectively. Interest expense has been allocated to each functional expense category in the functional and natural classification of expenses footnote based on specific identification. Total amounts paid in 2020 and 2019 were \$45,616,000 and \$45,994,000, respectively, to meet interest costs including settlement costs on the related interest rate swap agreement. Please refer to Note 15.

The University entered into an interest rate swap agreement on December 22, 2006 to manage the interest cost and variable rate risk associated with its Series T3 outstanding debt. The interest rate swap agreement was not entered into for trading or speculative purposes. Under the terms of the agreement, the University pays a fixed rate, determined at inception, to a third-party who in turn pays the University a variable rate on these respective notional principal amounts.

The University records the interest rate swap at fair value. Net payments or receipts under the swap agreement along with the change in fair value of the swap are included in the nonoperating section on the consolidated statement of activities.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

The University has applied guidance related to the *Disclosures about Derivative Instruments and Hedging Activity*. Under this guidance, the University is required to disclose the location and amounts of derivatives within the consolidated financial statements. The tables below depict the impact the derivative has on both the consolidated statements of financial position and consolidated statement of activities.

<i>(in thousands of dollars)</i>	June 30, 2020 Fair Value	June 30, 2019 Fair Value
Interest rate swap agreement (liability)	\$ (67,311)	\$ (49,219)

Net realized and unrealized losses on the interest rate swap recorded in the consolidated statement of activities as nonoperating was as follows for the years ended June 30, 2020 and 2019:

<i>(in thousands of dollars)</i>	2020	2019
Realized loss	\$ (5,375)	\$ (4,312)
Change in unrealized loss	<u>(18,092)</u>	<u>(12,761)</u>
	<u>\$ (23,467)</u>	<u>\$ (17,073)</u>

The following schedule presents the notional principal amounts and fair value of the University's interest rate swap agreement at June 30, 2020:

<i>(in thousands of dollars)</i>					
Bond Issue	Counterparty	Trade Type	Notional Amount	Date Expiration October 1,	Fair Value at June 30, 2020
MDFA Series T	AIG	Swap	\$ 202,150	2037	\$ (67,311)

There is no collateral posting requirement for the University related to the swap with AIG. The University maintained a line of credit in the aggregate amount of \$50,000,000 for which there was \$31,000,000 outstanding for the year ended June 30, 2020 and no amount outstanding for the year ended June 30, 2019.

10. Retirement Plan

The University sponsors a retirement plan under which full-time faculty and staff may elect to contribute an amount of their eligible compensation up to the Internal Revenue Service published limit toward the purchase of contracts with Teachers Insurance and Annuity Association of America and College Retirement Equities Fund and/or Fidelity Management Trust Company. After two years of employment, the University contributes 10% of each participant's eligible compensation to each participant's account providing that the participant contributes a minimum of 5% of eligible compensation to the plan. The cost of the University's contribution to this plan was \$35,630,000 and \$33,499,000 for the years ended June 30, 2020 and 2019, respectively.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

11. Post-Retirement Medical Plan

The University sponsors a post-retirement medical plan under which faculty and staff who are 55 years of age and have at least 10 years of service can participate. Under the plan, retirees can contribute 50% of the premium for the medical plan selected. The plan is provided for pre-Medicare coverage and such coverage terminates at age 65. Spouses and dependent children may elect coverage under the plan by contributing 100% of the premium. Spouses are eligible until they are able to participate in Medicare and dependent children until age 26.

For the year ended June 30, net periodic post-retirement medical benefits cost includes the following:

<i>(in thousands of dollars)</i>	2020	2019
Service cost	\$ 923	\$ 781
Interest cost	386	470
	<u>\$ 1,309</u>	<u>\$ 1,251</u>

Changes in the post-retirement medical benefit obligations are as follows:

<i>(in thousands of dollars)</i>	2020	2019
Benefit obligations at beginning of year	\$ 13,567	\$ 12,792
Service cost	923	781
Interest cost	386	470
Participant contributions	607	551
Actuarial loss	1,643	476
Benefits paid	<u>(1,655)</u>	<u>(1,503)</u>
Benefit obligations at end of year	<u>\$ 15,471</u>	<u>\$ 13,567</u>

The service cost is allocated to the salaries and benefits expense line item in the statement of activities. Other costs are reflected in other non-operating activities in the statement of activities. The accrued post-retirement benefit obligation in the table above is included in accounts payable and accrued liabilities on the consolidated statement of financial position. The plan does not hold assets and is funded as benefits are paid.

For measurement purposes, the assumed annual rate of increase in the per capita cost of covered medical benefits was 5.50% for the year ending June 30, 2020, graded down ratably until reaching an ultimate medical trend rate of 3.50% for fiscal year 2028 and thereafter. The discount rate used to determine the accumulated benefit obligation is 1.94% and 2.96% as of June 30, 2020 and 2019, respectively. The discount rate used to determine the net periodic post-retirement benefit cost is 2.96% and 3.82% for the years ended June 30, 2020 and 2019, respectively. The cumulative amount in net assets without donor restrictions related to unamortized losses is \$1,500,000 as of June 30, 2020.

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A one-percentage point change in assumed health care cost trend rates would have the following effect:

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

<i>(in thousands of dollars)</i>	2020	2019
Impact of 1% increase in health care cost trend		
on interest cost plus service cost during the past year	\$ 201	\$ 171
on accumulated post-retirement benefit obligation	1,385	1,117
Impact of 1% decrease in health care cost trend		
on interest cost plus service cost during the past year	(174)	(149)
on accumulated post-retirement benefit obligation	(1,232)	(999)

Expected future benefit payments and cash contributions to the plan are as follows:

<i>(in thousands of dollars)</i>	Future Benefit Payments
Year	
2021	\$ 828
2022	837
2023	909
2024	979
2025	1,066
2026-2030	6,420
	<u>\$ 11,039</u>

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

12. Net Assets

The University's net assets are summarized as follows as of June 30:

<i>(in thousands of dollars)</i>	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating funds			
Net invested in plant	\$ 692,608	\$ -	\$ 692,608
Other unrestricted	177,562	-	177,562
Donor restricted for:			
Instruction and academic administration	-	127,789	127,789
Research	-	13,062	13,062
Scholarships, fellowships and other aid	-	23,944	23,944
Capital construction and maintenance	-	27,719	27,719
Other programs	-	19,697	19,697
Total operating funds	<u>870,170</u>	<u>212,211</u>	<u>1,082,381</u>
Endowment and life income funds:			
Quasi endowment funds	639,488	-	639,488
Donor restricted for :			
Instruction and academic administration	-	205,082	205,082
Research	-	35,107	35,107
Scholarships, fellowships and other aid	-	214,078	214,078
Capital construction and maintenance	-	2,654	2,654
Other programs	-	25,522	25,522
Life income funds	-	13,522	13,522
Total endowment and life income funds	<u>639,488</u>	<u>495,965</u>	<u>1,135,453</u>
Total net assets	<u>\$ 1,509,658</u>	<u>\$ 708,176</u>	<u>\$ 2,217,834</u>
<i>(in thousands of dollars)</i>	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Operating funds			
Net invested in plant	\$ 599,216	\$ -	\$ 599,216
Other unrestricted	189,444	-	189,444
Donor restricted for:			
Instruction and academic administration	-	42,611	42,611
Research	-	11,876	11,876
Scholarships, fellowships and other aid	-	21,449	21,449
Capital construction and maintenance	-	3,593	3,593
Other programs	-	25,510	25,510
Total operating funds	<u>788,660</u>	<u>105,039</u>	<u>893,699</u>
Endowment and life income funds:			
Quasi endowment funds	639,095	-	639,095
Donor restricted for :			
Instruction and academic administration	-	203,646	203,646
Research	-	35,656	35,656
Scholarships, fellowships and other aid	-	210,309	210,309
Capital construction and maintenance	-	2,654	2,654
Other programs	-	25,923	25,923
Life income funds	-	12,975	12,975
Total endowment and life income funds	<u>639,095</u>	<u>491,163</u>	<u>1,130,258</u>
Total net assets	<u>\$ 1,427,755</u>	<u>\$ 596,202</u>	<u>\$ 2,023,957</u>

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

Included in net assets with donor restrictions on the consolidated statements of financial position as of June 30, 2020 and 2019 are \$307,884,000 and \$303,221,000 of perpetually restricted funds, and \$400,292,000 and \$292,981,000 of funds restricted for time or purpose, respectively.

13. Endowment and Similar Net Assets

Changes in endowment and similar net assets for the fiscal year ended June 30, 2020:

<i>(in thousands of dollars)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment and similar net assets at July 1, 2019	\$ 639,095	\$ 491,163	\$ 1,130,258
Total endowment return	22,592	15,962	38,554
Contributions	(289)	5,656	5,367
Endowment spending for operations and reinvestment	(20,253)	(13,462)	(33,715)
Other expenses and transfers	<u>(1,657)</u>	<u>(3,354)</u>	<u>(5,011)</u>
Endowment and similar net assets at June 30, 2020	<u>\$ 639,488</u>	<u>\$ 495,965</u>	<u>\$ 1,135,453</u>

Changes in endowment and similar net assets for the fiscal year ended June 30, 2019:

<i>(in thousands of dollars)</i>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment and similar net assets at July 1, 2018	\$ 472,991	\$ 409,003	\$ 881,994
Total endowment return	36,076	26,510	62,586
Contributions	55	68,374	68,429
Endowment spending for operations and reinvestment	(16,101)	(12,205)	(28,306)
Other expenses and transfers	<u>146,074</u>	<u>(519)</u>	<u>145,555</u>
Endowment and similar net assets at June 30, 2019	<u>\$ 639,095</u>	<u>\$ 491,163</u>	<u>\$ 1,130,258</u>

Endowment and similar net assets classified as net assets without donor restrictions include gifts without donor restrictions and other funds designated by the University as endowment for the long-term support of the University. Endowment and similar net assets consist of those funds designated by donors to be invested in perpetuity to provide a permanent source of income, including any accumulated income and appreciation as well as life income, annuities, and trust funds (net of actuarial liability). Endowment and similar net assets are primarily used to fund scholarships and professorships.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). These deficits usually result from unfavorable market fluctuations that generally occur shortly after the investment

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

of recently established endowments. The University has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law.

There were no underwater endowment funds at June 30, 2019. At June 30, 2020 funds with deficiencies were reported in net assets with donor restrictions as follows:

<i>(in thousands of dollars)</i>	2020
Fair value of underwater endowment funds	\$ 402
Original endowment gift amount	410
Deficiencies of underwater endowment funds	<u>\$ (8)</u>

14. Lease Commitments and Contingencies

The University is subject to certain legal proceedings and claims which arise in the normal course of operations. In the opinion of management, the ultimate outcome of these actions will not have a material effect on the University's financial position.

The University leases property, plant, and equipment under leases classified as operating. The annual operating minimum lease commitments for property rentals are approximated below:

<i>(in thousands of dollars)</i>	Minimum Lease Commitments
Year	
2021	\$ 58,354
2022	45,398
2023	41,966
2024	36,504
2025	33,423
Thereafter	<u>195,236</u>
	<u>\$ 410,881</u>

Total rental expense, including computer software licenses, for the University was \$63,281,000 and \$61,379,000 for the years ended June 30, 2020 and 2019, respectively.

The University has entered into contracts for various construction, maintenance and renovation projects for which a balance of \$121,414,000 is committed at June 30, 2020.

15. Functional and Natural Classification of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the university. Expenses reported by functional categories include allocations of costs for operation and maintenance of plant, interest on indebtedness and depreciation and amortization expense. The University applies various methods to allocate costs

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

among the program and support functions, the most significant of which is by the amount of building space utilized.

Operating expenses by functional and natural classification for the year ended June 30, 2020 are as follows:

<i>(in thousands of dollars)</i>	Salary and benefits	Other operating expenses	Depreciation	Interest	Total
Instruction	\$ 365,970	\$ 92,358	\$ 19,084	\$ 4,778	\$ 482,190
Research	84,960	80,678	9,374	10,341	185,353
Academic support	118,645	84,628	8,347	5,202	216,822
Student services	70,694	76,801	6,635	853	154,983
Institutional support	93,592	52,340	15,006	2,033	162,971
Auxiliary	17,111	80,531	15,328	14,211	127,181
Other	1,602	8,148	100	-	9,850
Total	<u>\$ 752,574</u>	<u>\$ 475,484</u>	<u>\$ 73,874</u>	<u>\$ 37,418</u>	<u>\$ 1,339,350</u>

Operating expenses by functional and natural classification for the year ended June 30, 2019 were as follows:

<i>(in thousands of dollars)</i>	Salary and benefits	Other operating expenses	Depreciation	Interest	Total
Instruction	\$ 346,397	\$ 103,046	\$ 18,005	\$ 5,047	\$ 472,495
Research	79,592	72,304	8,308	9,938	170,142
Academic support	112,507	74,560	7,863	5,561	200,491
Student services	64,722	64,452	6,191	1,406	136,771
Institutional support	91,773	45,486	13,988	2,207	153,454
Auxiliary	17,669	84,403	14,902	15,665	132,639
Other	1,730	1,632	102	-	3,464
Total	<u>\$ 714,390</u>	<u>\$ 445,883</u>	<u>\$ 69,359</u>	<u>\$ 39,824</u>	<u>\$ 1,269,456</u>

16. Subsequent Events

The University has assessed the impact of subsequent events through October 7, 2020, the date the audited consolidated financial statements were issued, and has concluded that there were no such events that require adjustment to the audited consolidated financial statements or additional disclosure in the notes to the audited consolidated financial statement other than the event disclosed in Footnote 9.

Northeastern University
Notes to Consolidated Financial Statements
June 30, 2020 and 2019

17. Department of Education Financial Responsibility Supplemental Schedules

As disclosed in the accompanying supplemental schedule, the Department of Education finalized new borrower defense rules that require the inclusion of a supplemental schedule to the audited financial statements that contains all financial elements needed to calculate the composite score ratios with a cross-reference to the financial statement line, or notes disclosure, that contains the element. The required financial elements as of June 30, 2020 not already included in a previous footnote are outlined as follows:

(in thousands)

Financial Element	2020
Property, plant, and equipment - pre-implementation	\$ 1,469,237
Property, plant, and equipment - post-implementation with outstanding debt for original purchase	111,085
Construction in Process	36,607
Long-term debt- for long term purposes - pre-implementation	891,031

Part I, continued

Schedule of Expenditures of Federal Awards
and
Notes to Schedule of Expenditures of Federal Awards

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster ("R&D Cluster")							
DEPARTMENT OF AGRICULTURE							
Department of Agriculture	10.RD	\$ 18,552	\$ -			\$ 18,552	\$ -
Consumer Data and Nutrition Research	10.253	632	-			632	-
DEPARTMENT OF AGRICULTURE Total		19,184	-			19,184	-
DEPARTMENT OF COMMERCE							
National Oceanic and Atmospheric Administration (NOAA)							
NOAA Mission-Related Education Awards	11.008	-	2,024	Museum of Science - Boston	4746-NEU-01	2,024	-
Ocean Exploration	11.011	67,006	-			67,006	1,938
Sea Grant Support	11.417	-	89,900	Massachusetts Institute of Technology	S4606 PO#209339	89,900	-
Sea Grant Support	11.417	-	43,369	Mississippi State University	015900.340564.01	43,369	-
Sea Grant Support	11.417	23,933	-			23,933	694
Coastal Zone Management Administration Awards	11.419	-	16,556	Oregon State University	U1296A-A	16,556	-
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	98,408	-			98,408	2,871
Climate and Atmospheric Research	11.431	8,247	-			8,247	-
Unallied Management Projects	11.454	(567)	-			(567)	-
Congressionally Identified Awards and Projects	11.469	-	50,893	Nature Conservancy	NAR00C11816	50,893	-
Unallied Science Program	11.472	-	9,094	Rutgers University	SUB #1109 PO #1225357	9,094	-
Center for Sponsored Coastal Ocean Research Coastal Ocean Program	11.478	-	-			-	-
National Oceanic and Atmospheric Administration (NOAA) Total		337,898	211,836			549,734	133,559
National Institute of Standards and Technology (NIST)							
Measurement and Engineering Research and Standards	11.609	(219)	-			(219)	-
National Institute of Standards and Technology (NIST) Total		(219)	-			(219)	-
DEPARTMENT OF COMMERCE Total		337,679	211,836			549,515	133,559
DEPARTMENT OF DEFENSE							
COVID-19 Department of Defense	12.RD	-	182,784	MIT Lincoln Labs	7000483009	182,784	-
COVID-19 Department of Defense	12.RD	-	462,799	MIT Lincoln Labs	7000486637	462,799	-
Department of Defense	12.RD	11,153,349	-			11,153,349	7,487,521
Department of Defense	12.RD	-	490,369	BBN Technologies Corp	90065 / PO 4201985287	490,369	-
Department of Defense	12.RD	-	277,078	Black River Systems	FA8750-19-C-0040 BRSC-1905-S18	277,078	-
Department of Defense	12.RD	-	181,922	Charles River Analytics, Inc.	INV/OICE@CRA.COM	181,922	-
Department of Defense	12.RD	-	46,182	Charles River Analytics, Inc.	SC1526802	46,182	-
Department of Defense	12.RD	-	28,006	Charles River Analytics, Inc.	SC1719001	28,006	-
Department of Defense	12.RD	-	73,811	Charles River Analytics, Inc.	SC1830601	73,811	-
Department of Defense	12.RD	-	(3,683)	Gallup, Inc.	18091117	(3,683)	-
Department of Defense	12.RD	-	672,651	Gallup, Inc.	D17PC00002-007 PHASE II	672,651	-
Department of Defense	12.RD	-	17,729	Metron, Inc.	6G89-NEU	17,729	-
Department of Defense	12.RD	-	(2,302)	MIT Lincoln Labs	7000398370	(2,302)	-
Department of Defense	12.RD	-	33,182	MIT Lincoln Labs	7000442811	33,182	-
Department of Defense	12.RD	-	83,560	MIT Lincoln Labs	FA8702-15-D-0001/PO#7000445658	83,560	-
Department of Defense	12.RD	-	50,984	MIT Lincoln Labs	PO #7000419992	50,984	-
Department of Defense	12.RD	-	41,019	MIT Lincoln Labs	PO #7000452147	41,019	-
Department of Defense	12.RD	-	63,679	MIT Lincoln Labs	PO #7000454768	63,679	-
Department of Defense	12.RD	-	108,739	Rockwell Collins	4507339889	108,739	-
Department of Defense	12.RD	-	113,433	Stanford University	61838804-134010	113,433	-
Department of Defense	12.RD	-	153,494	Systems and Technology Research	2018-0042	153,494	-
Department of Defense	12.RD	-	33,718	Systems and Technology Research	2020-0014	33,718	-
Department of Defense	12.RD	-	124,731	Technical Data Analysis Inc.	2076-001-031	124,731	-
Department of Defense	12.RD	-	143,163	The SURVICE Engineering Company, LLC	S18-110002	143,163	-
Department of Defense	12.RD	-	136,659	Univ Of Southern California	120956476	136,659	39,313
Department of Defense	12.RD	-	108,326	Univ Of Southern California	94687168	108,326	-
Department of Defense	12.RD	-	178,745	University of Virginia	GG12102.2124677	178,745	-
Department of Defense	12.RD	-	27,447	VRC METAL SYSTEMS LLC	W912HZ19P0031-S	27,447	-
Department of Defense	12.RD	-	55,321	Winchester Technologies	N6833518C0109	55,321	-
Department of Defense	12.RD	-	108,330	Winchester Technologies	PO W911NF18C0098.	108,330	-
Department of Defense	12.RD	-	145,887	Winchester Technologies	W9113M-19-C-0063	145,887	-
Department of Defense	12.RD	-	53,872	Winchester Technologies	W911NF-18-C-0095	53,872	-
Commercial Technologies for Maintenance Activities Program	12.225	8,802	-			8,802	-
Commercial Technologies for Maintenance Activities Program	12.225	-	301,719	National Center for Manufacturing Sciences	2019130-141028	301,719	-
Department of Defense Total		11,162,151	4,493,354			16,655,505	7,526,834

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
Department of the Navy, Office of the Chief of Naval Research							
Estuary Habitat Restoration Program	12.130	23,410	-			23,410	-
Basic and Applied Scientific Research	12.300	3,646,161	-			3,646,161	895,792
Basic and Applied Scientific Research	12.300	-	157,369	Boston University	4500003071	157,369	-
Basic and Applied Scientific Research	12.300	-	114,804	H.F. Webster Engineering Services, Inc	W911NF1920329	114,804	-
Basic and Applied Scientific Research	12.300	-	63,063	Massachusetts Institute of Technology	5710004229	63,063	-
Basic and Applied Scientific Research	12.300	-	57,788	North Carolina State University	2019-3057-01	57,788	-
Basic and Applied Scientific Research	12.300	-	155,892	Research Foundation for The State University of New York	79054/1141738	155,892	-
Basic and Applied Scientific Research	12.300	-	33,253	Research Foundation of the City University of New York	CM00001283-00	33,253	-
Basic and Applied Scientific Research	12.300	-	28,030	Tufts University	EP0164446/ONR028	28,030	-
Basic and Applied Scientific Research	12.300	-	130,044	Univ Of Southern California	69722883/NO0014-15-1-2550	130,044	-
Basic and Applied Scientific Research	12.300	-	118,066	University of California	0190 G VB292	118,066	-
Basic and Applied Scientific Research	12.300	-	266,663	University of California Santa Barbara	KK1756	266,663	-
Department of the Navy, Office of the Chief of Naval Research Total		3,669,571	1,124,972			4,794,543	895,792
Defense Threat Reduction Agency							
Scientific Research - Combating Weapons of Mass Destruction	12.351	-	44,756	The Ohio State University	60040869	44,756	-
Defense Threat Reduction Agency Total		-	44,756			44,756	-
U.S. Army Medical Command							
Military Medical Research and Development	12.420	-	85,301	Tufts University	AR0003 / PO# EP0178002	85,301	-
Military Medical Research and Development	12.420	398,680	-			398,680	-
U.S. Army Medical Command Total		398,680	85,301			483,981	-
U.S. Army Materiel Command							
Basic Scientific Research	12.431	6,305,407	-			6,305,407	4,049,286
Basic Scientific Research	12.431	-	(38,069)	BBN Technologies Corp	W911NF-09-2-0053	(38,069)	-
Basic Scientific Research	12.431	-	(1,351)	Harvard University	133668 / W911NF-11-1-0036	(1,351)	-
Basic Scientific Research	12.431	-	9,361	North Carolina Agricultural and Technical State University	210214A	9,361	-
Basic Scientific Research	12.431	-	8,958	Raytheon Company	420211596A	8,958	-
Basic Scientific Research	12.431	-	(6,910)	SoarTech	1029I.OI.NEU	(6,910)	-
Basic Scientific Research	12.431	-	98,254	Univ Of Southern California	110638389 PTE# W911NF-17-012	98,254	-
Basic Scientific Research	12.431	-	33,493	University of Rochester	417422 / URFAO: GR510844	33,493	-
U.S. Army Materiel Command Total		6,305,407	103,736			6,409,143	4,049,286
Office of the Secretary of Defense							
Basic, Applied, and Advanced Research in Science and Engineering	12.630	151,599	-			151,599	11,416
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	138,092	Advanced Robotics for Manufacturing Institute	ARM-17-01-C18	138,092	5,452
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	245,492	Pennsylvania State University	6002-NU-ARMY-0045	245,492	-
Office of the Secretary of Defense Total		151,599	383,584			535,183	16,868
Department of the Air Force, Materiel Command							
Air Force Defense Research Sciences Program	12.800	699,487	-			699,487	-
Air Force Defense Research Sciences Program	12.800	-	34,151	Massachusetts Institute of Technology	S4508, PO# 128971	34,151	-
Air Force Defense Research Sciences Program	12.800	-	46,164	MIT Lincoln Labs	PO 7000287618	46,164	-
Air Force Defense Research Sciences Program	12.800	-	46,164	MIT Lincoln Labs	PO 7000366852	46,164	-
Air Force Defense Research Sciences Program	12.800	-	97,013	Northwestern University	60054100 NEU	97,013	-
Air Force Defense Research Sciences Program	12.800	-	49,008	University of Texas at Austin	UTA18-001490	49,008	-
Department of the Air Force, Materiel Command Total		699,487	272,500			971,987	-
National Security Agency							
Information Security Grants	12.902	190,963	-			190,963	-
National Security Agency Total		190,963	-			190,963	-
Advanced Research Projects Agency							
Research and Technology Development	12.910	3,154,883	-			3,154,883	432,791
Research and Technology Development	12.910	-	238,227	BBN Technologies Corp	14721 PO LBN9513586	238,227	-
Research and Technology Development	12.910	-	(603)	Draper Laboratory	HR0011-15-C-0138	(603)	-
Research and Technology Development	12.910	-	212,537	Harvard University	153284.5109542.0011	212,537	-
Research and Technology Development	12.910	-	9,634	INTEL Corporation	CW2049341	9,634	-
Research and Technology Development	12.910	-	(35,602)	Qorvo Texas, LLC	W911NF-17-C0029	(35,602)	-
Research and Technology Development	12.910	-	4,109	Rutgers University	976581	4,109	-
Research and Technology Development	12.910	-	107,560	The University of Melbourne	GL038998-NU-Y1	107,560	-
Research and Technology Development	12.910	-	12,854	University of Washington	PO# BPO26233	12,854	-
Advanced Research Projects Agency Total		3,154,883	548,716			3,703,599	432,791
DEPARTMENT OF DEFENSE Total		25,732,741	7,056,919			32,789,660	12,921,571

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
DEPARTMENT OF THE INTERIOR							
Safety and Environmental Enforcement Research and Data Collection for Offshore Energy and Mineral Activities	15.441	-	15,900	Simpson Gumpertz & Heger Inc.	191153	15,900	-
Bureau of Reclamation							
Water Desalination Research and Development	15.506	17,293	-			17,293	-
Bureau of Reclamation Total		<u>17,293</u>	<u>-</u>			<u>17,293</u>	<u>-</u>
U.S. Geological Survey							
U.S. Geological Survey Research and Data Collection	15.808	113,041	-			113,041	-
U.S. Geological Survey Total		<u>113,041</u>	<u>-</u>			<u>113,041</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR Total		<u>130,334</u>	<u>15,900</u>			<u>146,234</u>	<u>-</u>
DEPARTMENT OF JUSTICE							
Department of Justice	16.RD	-	36,448	Massachusetts Children's Alliance	2016-VA-GX-0031	36,448	-
Office of Justice Programs							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	793,259	-			793,259	298,809
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	2,994	Boston University	4500001766	2,994	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	2,263	Boston University	4500002239	2,263	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	91,813	Research Foundation of the City University of New York	CM00000481	91,813	-
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	83,247	University of California Davis	A-15-0200-S002	83,247	-
Crime Victim Assistance/Discretionary Grants	16.582	-	13,224	International Assoc of Chiefs of Police Inc	IACP-2019-7612-02	13,224	-
Office of Justice Programs Total		<u>793,259</u>	<u>193,541</u>			<u>986,800</u>	<u>298,809</u>
DEPARTMENT OF JUSTICE Total		<u>793,259</u>	<u>229,989</u>			<u>1,023,248</u>	<u>298,809</u>
DEPARTMENT OF STATE							
Department of State	19.010	-	20,090	Institute of International Education	S-ECAGD-19-CA-0047	20,090	-
DEPARTMENT OF STATE Total		<u>-</u>	<u>20,090</u>			<u>20,090</u>	<u>-</u>
DEPARTMENT OF TRANSPORTATION							
Department of Transportation	20.RD	-	6,368	University of Pittsburgh	AWD00000923-1	6,368	-
Highway Research and Development Program	20.200	-	21,875	Texas A&M University	M1803601	21,875	-
DEPARTMENT OF TRANSPORTATION Total		<u>-</u>	<u>28,243</u>			<u>28,243</u>	<u>-</u>
DEPARTMENT OF THE TREASURY							
Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States	21.015	-	82,749	Louisiana State University	PO-0000073102	82,749	-
DEPARTMENT OF THE TREASURY Total		<u>-</u>	<u>82,749</u>			<u>82,749</u>	<u>-</u>
GENERAL SERVICES ADMINISTRATION							
General Services Administration	39.RD	77,125	-			77,125	-
GENERAL SERVICES ADMINISTRATION Total		<u>77,125</u>	<u>-</u>			<u>77,125</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration	43.RD	218,160	-			218,160	-
National Aeronautics and Space Administration	43.RD	-	104,289	Sandia National Laboratories	PO#1926743	104,289	-
Science	43.001	131,076	-			131,076	-
Science	43.001	-	33,921	Bay Area Environmental Research Institute	NASA-NNX12AD05A	33,921	-
Science	43.001	-	41,440	California Institute of Technology, Jet Propulsion Lab	1563313	41,440	-
Space Operations	43.007	156,711	-			156,711	-
Space Operations	43.007	-	40,166	Guardion, Inc.	GN2018001	40,166	-
Space Operations	43.007	-	67,056	Trustees of Dartmouth College	R1161	67,056	-
Office of Stem Engagement (OSTEM)	43.008	-	22,693	Research Foundation of the City University of New York	CM00004005	22,693	-
Space Technology	43.012	-	10,806	California Institute of Technology	S422788	10,806	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Total		<u>505,947</u>	<u>320,371</u>			<u>826,318</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE ARTS							
Promotion of the Arts Grants to Organizations and Individuals	45.024	8,497	-			8,497	-
NATIONAL ENDOWMENT FOR THE ARTS Total		<u>8,497</u>	<u>-</u>			<u>8,497</u>	<u>-</u>

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
NATIONAL SCIENCE FOUNDATION							
COVID-19 Engineering Grants	47.041	20,476	-	-	-	20,476	-
Engineering Grants	47.041	4,884,594	-	-	-	4,884,594	20,778
Engineering Grants	47.041	-	39,894	Colorado State University	G-001151-2 / CBET-1444758	39,894	-
Engineering Grants	47.041	-	25,486	Guardion, Inc.	GN2019001	25,486	-
Engineering Grants	47.041	-	14,715	Massachusetts General Hospital	233171	14,715	-
Engineering Grants	47.041	-	45,338	ThermoBionics LLC	1913993 - NEU1	45,338	-
Engineering Grants	47.041	-	38,534	UCLA	0140 G SA031	38,534	-
Engineering Grants	47.041	-	166,521	UCLA	0140-G SA031	166,521	-
Engineering Grants	47.041	-	40,000	University of California-San Francisco	CDMI MOU	40,000	-
Engineering Grants	47.041	-	36,967	University Of Minnesota	H007209101	36,967	-
Engineering Grants	47.041	-	28,723	University of Pennsylvania	566982/10051397/15160	28,723	-
Engineering Grants	47.041	-	286,701	University of Tennessee	A12-0044-S001-A10	286,701	-
COVID-19 Mathematical and Physical Sciences	47.049	53,115	-	-	-	53,115	-
Mathematical and Physical Sciences	47.049	2,836,459	-	-	-	2,836,459	145,761
Mathematical and Physical Sciences	47.049	-	5,452	American Physical Society	OMG-2018-3	5,452	-
Mathematical and Physical Sciences	47.049	-	193,179	Princeton University	SUB0000179	193,179	-
Mathematical and Physical Sciences	47.049	-	50,256	Rice University	R3F205	50,256	-
Mathematical and Physical Sciences	47.049	-	79,220	Rice University	R3F993	79,220	-
Mathematical and Physical Sciences	47.049	-	62,187	University of California, Merced	E251GVA410	62,187	-
Geosciences	47.050	1,744,982	-	-	-	1,744,982	-
Geosciences	47.050	-	6,822	Consortium of Univ for the Advancement of Hydrologic Science	EAR-1849458-000	6,822	-
Geosciences	47.050	-	426	University of Massachusetts Amherst	14-007840 A 00	426	-
Geosciences	47.050	-	20,735	Woods Hole Oceanographic Institution	A101423	20,735	-
COVID-19 Computer and Information Science and Engineering	47.070	13,147	-	-	-	13,147	-
Computer and Information Science and Engineering	47.070	19,567,380	-	-	-	19,567,380	7,642,877
Computer and Information Science and Engineering	47.070	-	37,502	Boston University	4500002551	37,502	-
Computer and Information Science and Engineering	47.070	-	55,730	Indiana University	BL-4829890-NE, PO#0102234	55,730	-
Computer and Information Science and Engineering	47.070	-	21,143	Massachusetts Institute of Technology	S4823 - PO 340824	21,143	-
Computer and Information Science and Engineering	47.070	-	51,470	Research Foundation for SUNY on Behalf of U. at Buffalo	R1209938	51,470	-
Computer and Information Science and Engineering	47.070	-	18,521	Research Foundation for The State University of New York	72427-1127168-2	18,521	-
Computer and Information Science and Engineering	47.070	-	104,669	Syracuse University	29055-04455-S01 PTE#1637559	104,669	-
Computer and Information Science and Engineering	47.070	-	138,423	Syracuse University	29417-04736-S01	138,423	-
Computer and Information Science and Engineering	47.070	-	55,804	Syracuse University	29769-04771-S01	55,804	-
Computer and Information Science and Engineering	47.070	-	453,378	US Ignite	PAWR PPO TO #1	453,378	-
COVID-19 Biological Sciences	47.074	19,986	-	-	-	19,986	-
Biological Sciences	47.074	2,647,949	-	-	-	2,647,949	22,757
Biological Sciences	47.074	-	72,873	Rutgers University	PO #805465 / SUB #0410	72,873	-
Biological Sciences	47.074	-	8,197	The Woods Hole Research Center	WHRC-LGX370-02	8,197	-
Biological Sciences	47.074	-	5,155	University of Florida	UFDSP00011178	5,155	-
Social, Behavioral, and Economic Sciences	47.075	1,419,226	-	-	-	1,419,226	190,243
Education and Human Resources	47.076	5,104,953	-	-	-	5,104,953	559,250
Education and Human Resources	47.076	-	104,970	Business Higher Education Forum	DUE-1331063 / 770-60	104,970	-
Education and Human Resources	47.076	-	8,141	Technical Education Research Centers	33455	8,141	-
Education and Human Resources	47.076	-	29,383	Tufts University	102982-00001 /SF0068 EP0191883	29,383	-
Education and Human Resources	47.076	-	15,864	University of Connecticut	136058	15,864	-
Office of International Science and Engineering	47.079	64,955	-	-	-	64,955	-
NATIONAL SCIENCE FOUNDATION Total		38,377,222	2,322,379			40,699,601	8,581,666
U.S. SECURITIES AND EXCHANGE COMMISSION							
Securities and Exchange Commission	58.RD	294,784	-	-	-	294,784	-
U.S. SECURITIES AND EXCHANGE COMMISSION Total		294,784	-			294,784	-
DEPARTMENT OF VETERAN AFFAIRS							
Department of Veterans Affairs	64.RD	96,961	-	-	-	96,961	-
DEPARTMENT OF VETERAN AFFAIRS Total		96,961	-			96,961	-
ENVIRONMENTAL PROTECTION AGENCY							
Office of Research and Development Consolidated Research/Training/Fellowships	66.511	-	4,003	Virginia Tech	451533-19357	4,003	-
Science To Achieve Results (STAR) Research Program	66.509	465,379	-	-	-	465,379	292,380
Science To Achieve Results (STAR) Research Program	66.509	-	13,990	Yale University	C16P12351 (P00385) / 83587101	13,990	-
Science To Achieve Results (STAR) Research Program	66.509	-	151,467	Yale University	GR108270 (CON-80002117)	151,467	-
ENVIRONMENTAL PROTECTION AGENCY Total		465,379	169,460			634,839	292,380

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
DEPARTMENT OF ENERGY							
Department of Energy	81.RD	-	14,450	Lawrence Livermore National Laboratory	B638272	14,450	-
Department of Energy	81.RD	-	51,473	Lawrence Livermore National Laboratory	B640008	51,473	-
Department of Energy	81.RD	-	33,922	Pacific Northwest National Labs	439906	33,922	-
Department of Energy	81.RD	-	(20,766)	Sandia National Laboratories	1942728	(20,766)	-
Department of Energy	81.RD	-	122,322	Sandia National Laboratories	PO #1936283	122,322	-
Department of Energy	81.RD	-	23,707	Sandia National Laboratories	PO #2055483	23,707	-
Department of Energy	81.RD	-	51,944	UT - Battelle	4000174485	51,944	-
Office of Science Financial Assistance Program	81.049	1,838,449	-			1,838,449	663,892
Office of Science Financial Assistance Program	81.049	-	19,539	Purdue University	4105-65003	19,539	-
Office of Science Financial Assistance Program	81.049	-	132,403	Skyre, Inc.	DE-SC0017853-NEU	132,403	-
Office of Science Financial Assistance Program	81.049	-	46,371	Temple University	262850-03	46,371	-
Office of Science Financial Assistance Program	81.049	-	92,328	UT - Battelle	4200000729	92,328	-
Renewable Energy Research and Development	81.087	925,202	-			925,202	186,136
Advanced Research Projects Agency - Energy	81.135	660,632	-			660,632	-
Advanced Research Projects Agency - Energy	81.135	-	49,504	Ford Motor Co.	RQ17-138R03	49,504	-
Advanced Research Projects Agency - Energy	81.135	-	(11)	Sustainable Innovations, Inc.	DE-AR0000810	(11)	-
DEPARTMENT OF ENERGY Total		3,424,283	617,186			4,041,469	850,028
DEPARTMENT OF EDUCATION							
Office of Postsecondary Education							
Fund for the Improvement of Postsecondary Education	84.116	144,192	-			144,192	-
Office of Postsecondary Education Total		144,192	-			144,192	-
Office of Special Education and Rehabilitative Services							
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind	84.160	377,389	-			377,389	-
Office of Special Education and Rehabilitative Services Total		377,389	-			377,389	-
Institute of Education Services							
Research in Special Education	84.324	174,440	-			174,440	-
Research in Special Education	84.324	-	68,020	University of Kansas Center for Research	FY2019-105	68,020	-
Institute of Education Services Total		174,440	68,020			242,460	-
DEPARTMENT OF EDUCATION Total		696,021	68,020			764,041	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Department of Health and Human Services	93.RD	235,409	-			235,409	-
Department of Health and Human Services	93.RD	-	16,680	Kaiser Permanente Washington Health Research Institute	2018114481 / RNG003046-BUDG02	16,680	-
Department of Health and Human Services	93.RD	-	104,842	Masimo Corporation	1001-03	104,842	-
Department of Health and Human Services	93.RD	-	11,362	Massachusetts Dept of Public Health	INTF4104HH2500224040	11,362	-
Department of Health and Human Services	93.RD	-	45,788	Massachusetts Dept of Public Health	INTF7311HH2500224120	45,788	-
Department of Health and Human Services	93.RD	-	2,039	Pennsylvania State University	5323-NU-DHHS-0200	2,039	-
Department of Health and Human Services Total		235,409	180,711			416,120	-
Centers for Disease Control and Prevention							
Prevention of Disease, Disability, and Death by Infectious Diseases	93.084	-	31,983	Harvard Pilgrim Health Care, Inc.	2036219	31,983	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	-	37,563	Boston Medical Center	ID7087/0559801/PO11643718-S	37,563	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	-	9,727	New York University	PO# IB00387272	9,727	-
Injury Prevention and Control Research and State and Community Based Programs	93.136	-	19,652	Wayne State University	WSU20026 INDEX 423912	19,652	-
Occupational Safety and Health Program	93.262	(18,634)	-			(18,634)	(2,412)
Occupational Safety and Health Program	93.262	-	(4,093)	Center For Construction Research and Training	3001-603-02	(4,093)	-
Occupational Safety and Health Program	93.262	-	84,182	Center For Construction Research and Training	3001-608-01	84,182	-
Occupational Safety and Health Program	93.262	-	173,090	Harvard School of Public Health	114960-5097864	173,090	-
Centers for Disease Control and Prevention Total		(18,634)	352,104			333,470	(2,412)
Substance Abuse and Mental Health Services							
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	-	54,716	Boston Public Health Commission	FY19020284 PO# 201901484	54,716	-
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	-	32,620	Curators of the University of Missouri	00066827-1	32,620	-
Substance Abuse and Mental Health Services Total		-	87,336			87,336	-
Health Resources and Services Administration							
Maternal and Child Health Federal Consolidated Programs	93.110	-	52,440	Massachusetts Dept of Public Health	INTF3121HH2500224035	52,440	-
Maternal and Child Health Federal Consolidated Programs	93.110	-	99	UMass Medical School	OSP2018095 / WA00808455	99	-
Nurse Anesthetist Traineeship	93.124	32,143	-			32,143	-
Autism Collaboration, Accountability, Research, Education, and Support	93.877	56,035	-			56,035	-
Health Resources and Services Administration Total		88,178	52,539			140,717	-

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
National Institutes of Health							
Environmental Health	93.113	1,026,726	-			1,026,726	724,116
Environmental Health	93.113	-	45,215	Sciome, LLC	R43ES029901	45,215	-
Environmental Health	93.113	-	135,839	Silent Spring Institute	7151-NEU-Y01	135,839	-
Environmental Health	93.113	-	3,080	Tufts University	HH0350-01	3,080	-
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143	3,194,076	-			3,194,076	1,865,854
Human Genome Research	93.172	456,329	-			456,329	-
Human Genome Research	93.172	-	31,005	Arizona State University	17-090	31,005	-
Human Genome Research	93.172	-	4,026	Boston University Medical Center	1R01HG007746-01, 4500002682	4,026	-
Research Related to Deafness and Communication Disorders	93.173	184,760	-			184,760	-
Research Related to Deafness and Communication Disorders	93.173	-	75,669	Oregon Health and Science University	1005685_NEU / 2R01DC009834-06A	75,669	-
Mental Health Research Grants	93.242	1,583,211	-			1,583,211	387,558
Mental Health Research Grants	93.242	-	26,150	Beth Israel Deaconness Medical Center	1061188	26,150	-
Mental Health Research Grants	93.242	-	36,649	Beth Israel Deaconness Medical Center	1R01MH115949-01	36,649	-
Mental Health Research Grants	93.242	-	70,278	Brigham and Women's Hospital Inc	230399	70,278	-
Mental Health Research Grants	93.242	-	60,105	Harvard University	153094.5112550.0004	60,105	-
Mental Health Research Grants	93.242	-	(2,647)	Massachusetts Institute of Technology	6939223	(2,647)	-
Mental Health Research Grants	93.242	-	18,290	Physical Sciences Inc	10-01573-108035-46	18,290	-
Mental Health Research Grants	93.242	-	44,895	University of Pennsylvania	573359 / POW#4471410	44,895	-
Mental Health Research Grants	93.242	-	31,023	Yale University	GK000126 (CON-80000436)	31,023	-
Alcohol Research Programs	93.273	113,696	-			113,696	96,102
Alcohol Research Programs	93.273	-	32,625	University of Washington	BPO28252	32,625	-
Drug Abuse and Addiction Research Programs	93.279	3,262,688	-			3,262,688	1,002,886
Drug Abuse and Addiction Research Programs	93.279	-	46,420	Baystate Medical Center	19-142	46,420	-
Drug Abuse and Addiction Research Programs	93.279	-	70,638	Boston Medical Center	ID 7339 / ACTIVITY 0589901	70,638	-
Drug Abuse and Addiction Research Programs	93.279	-	56,684	Emory University	A003534	56,684	-
Drug Abuse and Addiction Research Programs	93.279	-	143,816	McLean Hospital Corporation	401477	143,816	-
Drug Abuse and Addiction Research Programs	93.279	-	12,814	PafosPharma, LLC	1R41DA044048-01A1	12,814	-
Drug Abuse and Addiction Research Programs	93.279	-	269	TheraNano LLC	NU-R41CA043974	269	-
Drug Abuse and Addiction Research Programs	93.279	-	312,055	Univ Of Southern California	78842373	312,055	-
Drug Abuse and Addiction Research Programs	93.279	-	115,979	University of Arizona	419486	115,979	-
Drug Abuse and Addiction Research Programs	93.279	-	73,063	University of California San Diego	63203137 / S9001032	73,063	-
Drug Abuse and Addiction Research Programs	93.279	-	23,354	University of California San Diego	65480895 / POW#S9001135	23,354	-
Drug Abuse and Addiction Research Programs	93.279	-	2,508	University of California-San Francisco	SUB 9080SC	2,508	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	2,126,022	-			2,126,022	694,004
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	2,391	Massachusetts General Hospital	230009	2,391	-
Minority Health and Health Disparities Research	93.307	174,414	-			174,414	40,643
Trans-NIH Research Support	93.310	3,546,681	-			3,546,681	1,900,450
Trans-NIH Research Support	93.310	-	73,811	Duke University	A03-2334	73,811	-
Trans-NIH Research Support	93.310	-	(19,912)	Morgan State University	NU-NIH-01-14	(19,912)	-
Trans-NIH Research Support	93.310	-	29,386	Univ Of Southern California	123460823	29,386	-
National Center for Advancing Translational Sciences	93.350	-	18,346	Tufts Medical Center	102188-00010-STEPHEN_INTILLE	18,346	-
National Center for Advancing Translational Sciences	93.350	-	(1,375)	Tufts University	102188-00010 EP0179728	(1,375)	-
National Center for Advancing Translational Sciences	93.350	-	(15)	Tufts University	102188-00010 EP0179729	(15)	-
National Center for Advancing Translational Sciences	93.350	-	(312)	Tufts University	102188-00010 EP0180239	(312)	-
National Center for Advancing Translational Sciences	93.350	-	25,643	Tufts University	POW EP0197966	25,643	-
Research Infrastructure Programs	93.351	-	23,764	The Jackson Laboratory	210315-0320-02 / POW# 211809	23,764	-
Nursing Research	93.361	200,058	-			200,058	47,625
Nursing Research	93.361	-	73,729	Boston Medical Center	ACTIVITY 0477401 / 11756147	73,729	-
Cancer Cause and Prevention Research	93.393	769,408	-			769,408	376,140
Cancer Cause and Prevention Research	93.393	-	72,902	University of Chicago	AWD100143-01 (SUB00000074)	72,902	-
Cancer Detection and Diagnosis Research	93.394	1,179,982	-			1,179,982	519,302
Cancer Detection and Diagnosis Research	93.394	-	216,247	Sloan Kettering Institute for Cancer Research	BD518441/R01CA199673	216,247	-
Cancer Treatment Research	93.395	343,175	-			343,175	-
Cancer Treatment Research	93.395	-	14,666	TheraNano LLC	NU-R41CA224646-2017	14,666	-
Cancer Biology Research	93.396	100,308	-			100,308	-
Cancer Biology Research	93.396	-	5,473	Boston Childrens Hospital	GENFD0001675076	5,473	-
Cancer Biology Research	93.396	-	46,188	Dana-Farber Cancer Institute, Inc.	1261504	46,188	-
Cancer Research Manpower	93.398	262,515	-			262,515	18,868
Cardiovascular Diseases Research	93.837	1,566,039	-			1,566,039	93,721
Cardiovascular Diseases Research	93.837	-	5,815	Brigham and Women's Hospital Inc	118869	5,815	-
Cardiovascular Diseases Research	93.837	-	48,681	Massachusetts General Hospital	231833	48,681	-
Cardiovascular Diseases Research	93.837	-	(102)	Rhode Island Hospital	#701-5552/ 5R01HL110791-03	(102)	-
Cardiovascular Diseases Research	93.837	-	(765)	UCLA	1R01HL1214437-02	(765)	-
Cardiovascular Diseases Research	93.837	-	61,269	UMass Medical School	OSP2018075 / WA00691204	61,269	-
Cardiovascular Diseases Research	93.837	-	85,924	UMass Medical School	PO#WA00810783	85,924	-
Cardiovascular Diseases Research	93.837	-	38,248	UMass Medical School	WA00697087/OSP2018079	38,248	-
Cardiovascular Diseases Research	93.837	-	286,616	Univ Of Southern California	1U01HL146327-01 / POW# 50846137	286,616	-

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Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
Cardiovascular Diseases Research	93.837	-	78,325	University of Pittsburgh	1R56HL143010-01	78,325	-
Cardiovascular Diseases Research	93.837	-	1,299	University of Pittsburgh	AWD0000108 (134474-2)	1,299	-
Cardiovascular Diseases Research	93.837	-	170,781	University of Pittsburgh	AWD0000108 PTE1R61HL144669-01	170,781	-
Cardiovascular Diseases Research	93.837	-	171,703	University of Pittsburgh	AWD00000940 (133431-1)	171,703	-
Lung Diseases Research	93.838	-	202,084	Brigham and Women's Hospital Inc	115960	202,084	-
Lung Diseases Research	93.838	-	160,363	Brigham and Women's Hospital Inc	117868	160,363	-
Lung Diseases Research	93.838	-	(709)	Vanderbilt Univ Medical Center	VUMC 57312	(709)	-
Lung Diseases Research	93.838	67,023	-			67,023	11,850
Blood Diseases and Resources Research	93.839	581,984	-			581,984	275,497
Blood Diseases and Resources Research	93.839	-	209,552	University of Illinois	092532-17153	209,552	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	149,948	-			149,948	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	69,272	Boston Childrens Hospital	GENFD0001676738	69,272	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	18,015	University of Massachusetts Lowell	S5111000039081 POWL000774501	18,015	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	574,559	-			574,559	34,841
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	22,373	University of California	S-001176	22,373	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1,270,741	-			1,270,741	194,243
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	213,157	Azevan Pharmaceuticals, Inc.	R43NS110343	213,157	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	146,499	Icahn School of Medicine at Mount Sinai	0255-A851-4609 / R01NS107462	146,499	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	227,342	Massachusetts Eye and Ear Infirmary	530657	227,342	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	28,200	Tufts University	PO# EP0192077	28,200	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	100,012	Univ Of Southern California	118573369 PTE#1R01NS111744-01	100,012	-
Allergy and Infectious Diseases Research	93.855	5,195,849	-			5,195,849	2,464,172
Allergy and Infectious Diseases Research	93.855	-	26,254	Beth Israel Deaconess Medical Center	1029970	26,254	-
Allergy and Infectious Diseases Research	93.855	-	159,998	Beth Israel Deaconess Medical Center	1061182	159,998	-
Allergy and Infectious Diseases Research	93.855	-	71,581	Beth Israel Deaconess Medical Center	1061596	71,581	-
Allergy and Infectious Diseases Research	93.855	-	39,872	Beth Israel Deaconess Medical Center	1061317	39,872	-
Allergy and Infectious Diseases Research	93.855	-	51,102	Boston College	5105252-1	51,102	-
Allergy and Infectious Diseases Research	93.855	-	62,505	Iowa State University	020626A R01AI043957	62,505	-
Allergy and Infectious Diseases Research	93.855	-	(549)	Iowa State University	2R01AI043957-16A1	(549)	-
Allergy and Infectious Diseases Research	93.855	-	(15,701)	St. Jude Children's Research Hospital	111996050-7846847	(15,701)	-
Allergy and Infectious Diseases Research	93.855	-	102,091	University of California-Irvine	2018-3637	102,091	-
Allergy and Infectious Diseases Research	93.855	-	85,629	University of Florida	UFDSP00012292	85,629	-
Allergy and Infectious Diseases Research	93.855	-	169,960	University Of Georgia	SUB00001483	169,960	-
Biomedical Research and Research Training	93.859	2,460,674	-			2,460,674	442,508
Biomedical Research and Research Training	93.859	-	96,974	Boston Children's Hospital	GENFD0001736331	96,974	-
Biomedical Research and Research Training	93.859	-	70,069	Boston University	4500002523	70,069	-
Biomedical Research and Research Training	93.859	-	(9,939)	Fred Hutchinson Cancer Research Center	0000947299 / 5U54 GM111274	(9,939)	-
Biomedical Research and Research Training	93.859	-	17,109	Fred Hutchinson Cancer Research Center	PO#0000847531	17,109	-
Biomedical Research and Research Training	93.859	-	29,050	Loyola University of Chicago	LUJ21589NE	29,050	-
Biomedical Research and Research Training	93.859	-	55,925	Mayo Clinic Rochester	PO# 66169893	55,925	-
Biomedical Research and Research Training	93.859	-	127,474	University of Utah	5P41GM103545-21 / U000214181	127,474	-
Child Health and Human Development Extramural Research	93.865	2,571,431	-			2,571,431	636,364
Child Health and Human Development Extramural Research	93.865	-	386	Governing Council of the University of Toronto	503689-SUBGRANT1	386	-
Child Health and Human Development Extramural Research	93.865	-	191,903	New Jersey Institute of Technology	996797-P1905952	191,903	-
Child Health and Human Development Extramural Research	93.865	-	51,307	Rhode Island Hospital	701-7137504	51,307	-
Child Health and Human Development Extramural Research	93.865	-	2,565	Rowan University	51497-2	2,565	-
Child Health and Human Development Extramural Research	93.865	-	127,514	Univ Of Southern California	61175970	127,514	-
Child Health and Human Development Extramural Research	93.865	-	16,162	University of Wisconsin - Madison	706K392	16,162	-
Aging Research	93.866	1,058,551	-			1,058,551	160,119
Aging Research	93.866	-	700	Brandeis University	3P30AG048785-	700	-
Aging Research	93.866	-	50,601	Brandeis University	403861	50,601	-
Aging Research	93.866	-	39,760	Brandeis University	403861-P	39,760	-
Aging Research	93.866	-	29,878	Kaiser Foundation Research Institute	RNG210274-NEU-02	29,878	-
Aging Research	93.866	-	5,320	NeuroFieldz Inc.	NJ-R41AG057250	5,320	-
Aging Research	93.866	-	45,984	University of Kansas Medical Center Research Institute, Inc.	ZAL00030	45,984	-
Aging Research	93.866	-	19,747	University of Massachusetts Lowell	S5111000037006; PO#L000660706	19,747	-
Aging Research	93.866	-	1,408,225	University of Pittsburgh	0052186(128617-4)	1,408,225	-
Aging Research	93.866	-	32,267	University of Pittsburgh	AWD00001073 (133339-2)	32,267	-
Aging Research	93.866	-	649	Vigorous Mind, Inc.	1R43AG061928-01	649	-
Vision Research	93.867	955,962	-			955,962	203,331
Vision Research	93.867	-	36,430	Massachusetts Eye and Ear Infirmary	530760 R21EY030587	36,430	-
Vision Research	93.867	-	7,988	NeuroFieldz Inc.	NJ-R41EY028466	7,988	-
Vision Research	93.867	-	93,000	Oregon Health and Science University	1005935_NEU	93,000	-
Vision Research	93.867	-	36,376	The Ohio State University	60067874 / PO# RF01553989	36,376	-
Medical Library Assistance	93.879	307,565	-			307,565	119,284
Medical Library Assistance	93.879	-	121,689	University of California San Diego	119893181 MP INVOICE #S9002368	121,689	-
International Research and Research Training	93.989	-	67,735	Boston University	4500003247	67,735	-
International Research and Research Training	93.989	-	32,527	University of Utah	10039172-02 POWU000161166	32,527	-
National Institutes of Health Total		35,284,375	7,952,805			43,237,180	12,309,478

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
R&D Cluster, continued							
Office of the Secretary							
Family Planning Services	93.217	-	(9,756)	Boston Children's Hospital	GENFD0001739491	(9,756)	-
National Community Centers of Excellence in Women's Health	93.290	-	9,558	Harvard School of Public Health	114960-5097780	9,558	-
National Community Centers of Excellence in Women's Health	93.290	-	67,250	Harvard School of Public Health	114960-5097864	67,250	-
Office of the Secretary Total		-	67,052			67,052	-
Agency for Healthcare Research and Quality							
Research on Healthcare Costs, Quality and Outcomes	93.226	4,620	-			4,620	-
Research on Healthcare Costs, Quality and Outcomes	93.226	-	78,608	Boston Medical Center	6189/AC 0534502/ R18HS025131	78,608	-
Research on Healthcare Costs, Quality and Outcomes	93.226	-	43,745	Brigham and Women's Hospital Inc	119975 / PTE# 1R18HS026613-01	43,745	-
Research on Healthcare Costs, Quality and Outcomes	93.226	-	115,319	Duke University	2034864 / 1R01HS023821-01A1	115,319	-
Research on Healthcare Costs, Quality and Outcomes	93.226	-	213,830	Harvard School of Public Health	115380-5094465	213,830	-
Research on Healthcare Costs, Quality and Outcomes	93.226	-	43,005	Harvard University	152690.5112714.0004	43,005	-
Agency for Healthcare Research and Quality Total		4,620	494,507			499,127	-
Administration for Community Living							
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	5,106	Duke University	90RE5023-01-00	5,106	-
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	172,298	Shepherd Center	SHEP-19-0003	172,298	-
Administration for Community Living Total		-	177,404			177,404	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES Total		35,593,948	9,364,458			44,958,406	12,307,066
DEPARTMENT OF HOMELAND SECURITY							
Department of Homeland Security	97.RD	2,194,316	-			2,194,316	544,179
Assistance to Firefighters Grant	97.044	457,637	-			457,637	138,167
Centers for Homeland Security	97.061	5,009,595	-			5,009,595	3,050,496
DEPARTMENT OF HOMELAND SECURITY Total		7,661,548	-			7,661,548	3,732,842
AGENCY FOR INTERNATIONAL DEVELOPMENT, AGENCY FOR INTERNATIONAL DEVELOPMENT							
US Agency for International Development	98.RD	187,300	-			187,300	-
USAID Foreign Assistance for Programs Overseas	98.001	-	9,932	National Academy of Sciences	2000009616	9,932	-
AGENCY FOR INTERNATIONAL DEVELOPMENT, AGENCY FOR INTERNATIONAL DEVELOPMENT Total		187,300	9,932			197,232	-
Total Research and Development Cluster		114,402,212	20,517,532			134,919,744	39,117,921
Economic Development Cluster							
DEPARTMENT OF COMMERCE							
Economic Adjustment Assistance	11.307	9,391	-			9,391	-
Total Economic Development Cluster		9,391	-			9,391	-
Highway Planning and Construction Cluster							
DEPARTMENT OF TRANSPORTATION							
Highway Planning and Construction	20.205	-	80,397	Massachusetts Department of Transportation	BD-18-1030-0P100-0P021-27339	80,397	-
Total Highway Planning and Construction Cluster		-	80,397			80,397	-
Foreign Food Donation Cluster							
AGENCY FOR INTERNATIONAL DEVELOPMENT							
Food for Peace Development Assistance Program (DAP)	98.007	-	96,625	Tufts University	AID046 / EP0136372	96,625	-
Food for Peace Development Assistance Program (DAP)	98.007	-	64,597	Tufts University	N710001-AI9012 PO# EP0136372	64,597	-
Total Foreign Food Donation Cluster		-	161,222			161,222	-
Other Sponsored Programs							
DEPARTMENT OF DEFENSE							
Department of Defense	12.U01	55,792	-			55,792	-
DEPARTMENT OF DEFENSE Total		55,792	-			55,792	-
DEPARTMENT OF JUSTICE							
Violence Against Women Office							
Legal Assistance for Victims	16.524	-	20,587	Casa Myrna Vazquez	2009106	20,587	-
Legal Assistance for Victims	16.524	-	18,560	Casa Myrna Vazquez	2016-WL-AX-0017	18,560	-
Violence Against Women Office Total		-	39,147			39,147	-

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

Northeastern University

Schedule of Expenditures of Federal Awards for the year ended June 30, 2020

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Other sponsored programs, continued							
Office of Justice Programs							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	16,974	Harvard School of Public Health	5108011-115785	16,974	-
Office of Justice Programs Total		-	16,974			16,974	-
DEPARTMENT OF JUSTICE Total		-	56,121			56,121	-
DEPARTMENT OF STATE							
Department of State	19.U01	-	2,287	Institute of International Education	HHH1801_NORTHEASTERN_02.01.18	2,287	-
DEPARTMENT OF STATE Total		-	2,287			2,287	-
NATIONAL ENDOWMENT FOR THE HUMANITIES							
Promotion of the Humanities Division of Preservation and Access	45.149	26,153	-			26,153	-
Promotion of the Humanities Research	45.161	58,538	-			58,538	-
Promotion of the Humanities Professional Development	45.163	19,648	-			19,648	-
Promotion of the Humanities Office of Digital Humanities	45.169	196,704	-			196,704	-
NATIONAL ENDOWMENT FOR THE HUMANITIES Total		301,043	-			301,043	-
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
National Leadership Grants	45.312	42,415	-			42,415	29,469
INSTITUTE OF MUSEUM AND LIBRARY SERVICES Total		42,415	-			42,415	29,469
DEPARTMENT OF VETERAN AFFAIRS							
Department of Veterans Affairs	64.U01	25,107	-			25,107	-
Department of Veterans Affairs	64.U02	36,976	-			36,976	-
Department of Veterans Affairs	64.U03	24,200	-			24,200	-
DEPARTMENT OF VETERAN AFFAIRS Total		86,283	-			86,283	-
DEPARTMENT OF EDUCATION							
COVID-19 Higher Education Emergency Relief Fund - Student Portion	84.425E	5,374,708	-			5,374,708	-
COVID-19 Higher Education Emergency Relief Fund - Institution Portion	84.425F	5,824,406	-			5,824,406	-
Total Department of Education		11,199,114	-			11,199,114	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							
AmeriCorps	94.006	-	49,096	Jumpstart	2080200	49,096	-
AmeriCorps	94.006	-	509,179	Massachusetts Service Alliance	A-20-C-041679980	509,179	-
AmeriCorps	94.006	-	-	Massachusetts Service Alliance	MASS PROMISE FELLOWSHIP 10-17	-	-
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE Total		-	558,275			558,275	-
Total Other Sponsored Programs		11,684,647	616,683			12,301,330	29,469
Student Financial Assistance Cluster							
DEPARTMENT OF EDUCATION							
Federal Pell Grant	84.063	13,111,863	-			13,111,863	-
Federal Supplemental Educational Opportunity Grant	84.007	3,663,090	-			3,663,090	-
Federal Work Study	84.033	3,562,762	-			3,562,762	-
Federal Perkins Loan							
Outstanding Loans as of July 1, 2019	84.048	18,152,662	-			18,152,662	-
New loans issued during 2020	84.048	-	-			-	-
Administrative cost allowance	84.048	-	-			-	-
Federal Direct Student Loan	84.268	135,224,738	-			135,224,738	-
Total Department of Education		173,715,115	-			173,715,115	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Health Professions Student Loan Program (HPSL)							
Outstanding Loans as of July 1, 2019	93.342	2,400,091	-			2,400,091	-
New loans issued during 2020	93.342	553,318	-			553,318	-
Nursing Student Loan Program							
Outstanding Loans as of July 1, 2019	93.364	3,441,119	-			3,441,119	-
New loans issued during 2020	93.364	335,557	-			335,557	-
Nurse Faculty Loan							
Outstanding Loans as of July 1, 2019	93.264	342,550	-			342,550	-
New loans issued during 2020	93.264	-	-			-	-
ARRA - Nurse Faculty Loan							
Outstanding Loans as of July 1, 2019	93.408	31,377	-			31,377	-
New loans issued during 2020	93.408	-	-			-	-
Total Department of Health and Human Services		7,104,012	-			7,104,012	-
Total Student Financial Assistance Cluster		180,819,127	-			180,819,127	-
Total Federal Award Expenditures		\$ 306,915,377	\$ 21,375,834			\$ 328,291,211	\$ 39,147,390

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

Northeastern University
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2020

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) summarizes the expenditures of Northeastern University (the “University”) under programs of the federal government for the year ended June 30, 2020. The Schedule includes its wholly owned subsidiary Kostas Research Institute (“KRI”) at Northeastern University, LLC. The information presented in the Schedule is presented on the accrual basis of accounting, which is in accordance with the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only the federal award activity of the University, it is not intended to and does not present the financial position, changes in net assets and cash flows of the University. For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and agencies and departments of the federal government and all sub-awards to the University by non-federal organizations pursuant to federal grants, contracts and similar agreements.

Negative numbers in the Schedule represent adjustments to amounts reported in prior years in the normal course of business. CFDA numbers and pass-through numbers are provided when available.

2. Indirect Cost Recovery

The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

3. Federal Student Loan Programs

The Perkins Loan Program, the Health Professions Student Loan Program (HPSL), and the Nursing Student Loan Program are administered directly by the University and balances and transactions relating to these programs are included in the University’s financial statements. The University is responsible for the performance of certain administrative duties with respect to federally guaranteed student loan programs. The balances of loans outstanding under the programs administered directly by the University at June 30, 2020 consist of:

Perkins Loan Program (CFDA #84.038)	\$ 14,208,805
HPSL (CFDA #93.342)	2,332,697
Nursing Student Loan Program (CFDA #93.364)	2,958,040
Nurse Faculty Loan (CFDA #93.264)	291,025
ARRA - Nurse Faculty Loan (CFDA #93.408)	30,729
	<hr/>
Total Outstanding Loans	\$ 19,821,296

Part I, continued

Financial Responsibility Supplemental Schedule
and
Note to Financial Responsibility Supplemental Schedule

Northeastern University

Financial Responsibility Supplemental Schedule

June 30, 2020

<i>(in thousands)</i>	Financial Element	Amount
Reference	Primary Reserve Ratio	
Expendable Net Assets:		
Consolidated Statements of Financial Position- Net Assets without Donor Restrictions	Net assets without donor restrictions	\$ 1,509,658
Consolidated Statements of Financial Position- Net Assets with Donor Restrictions	Net assets with donor restrictions	708,176
N/A	Secured and unsecured related party receivable	-
N/A	Less: Unsecured related party receivables	-
Consolidated Statements of Financial Position- Property, Plant and Equipment, net	Property, plant, and equipment, net (includes construction in progress)	1,616,929
Note 17 - Property, plant, and equipment- pre-implementation	Less: Property, plant, and equipment- pre-implementation	1,469,237
Note 17 - Property, plant, and equipment- post-implementation with outstanding debt for original purchase	Less: Property, plant, and equipment- post-implementation with outstanding debt for original purchase	111,085
Note 17 - Construction in Process	Less: Construction in Process	36,607
N/A	Lease right-of-use asset, net	-
N/A	Less: Lease right-of-use asset, pre-implementation	-
N/A	Less: Lease right-of-use asset, post-implementation	-
N/A	Less: Intangible assets	-
Note 11 - Benefit obligation at end of year	Post-employment and retirement liabilities	15,471
N/A	Long-term debt- for long term purposes	891,031
Note 17 - Long-term debt- for long term purposes pre-implementation	Long-term debt- for long term purposes pre-implementation	891,031
N/A	Long-term debt- for long term purposes post-implementation	-
N/A	Line of credit for construction in progress	-
N/A	Lease right-of-use asset liability, net	-
N/A	Pre-implementation right-of-use asset liability	-
N/A	Post-implementation right-of-use asset liability	-
N/A	Less: Annuities with donor restrictions	-
N/A	Less: Term endowments with donor restrictions	-
Note 12 - Life income funds	Less: Life income funds with donor restrictions	13,522
Note 12 - Perpetually restricted funds	Less: Net assets with donor restrictions: restricted in perpetuity	307,884
	Total Expendable Net Assets:	\$ 1,186,001
Expenses and Losses Without Donor Restriction:		
Consolidated Statement of Activities- Total operating expenses	Total expenses without donor restrictions	\$ 1,339,350
Consolidated Statement of Activities- Net realized and change in unrealized loss on interest rate swap and other nonoperating changes	Non-operating and net investment loss	24,247
N/A	Less: Net investment loss	-
N/A	Less: Change in the value of life income funds	-
Note 11 - Interest Cost	Less: Pension related changes other than net periodic costs	386
	Total Expenses and Losses Without Donor Restriction:	\$ 1,363,211
Equity Ratio		
Modified Net Assets:		
Consolidated Statement of Financial Position- Net Assets without donor restrictions	Net assets without donor restrictions	\$ 1,509,658
Consolidated Statement of Financial Position- Net Assets with donor restrictions	Net assets with donor restrictions	708,176
N/A	Less: Intangible assets	-
N/A	Secured and Unsecured related party receivables	-
N/A	Unsecured related party receivables	-
	Total Modified Net Assets:	\$ 2,217,834
Modified Assets:		
Consolidated Statement of Financial Position- Total Assets	Total assets	\$ 3,597,441
N/A	Less: Lease right-of-use asset, pre-implementation	-
N/A	Lease right-of-use liability, pre-implementation	-
N/A	Less: Intangible assets	-
N/A	Secured and Unsecured related party receivables	-
N/A	Unsecured related party receivables	-
	Total Modified Assets:	\$ 3,597,441
Net Income Ratio		
Change in Net Assets Without Donor Restrictions:		
Consolidated Statement of Activities- Change in net assets	Change in net assets without donor restrictions	\$ 81,903
	Total Change in Net Assets Without Donor Restrictions:	\$ 81,903
Revenues and Gains Without Donor Restriction:		
Consolidated Statement of Activities- Total operating revenue and other Support, Contributions, Contributions available for operations, Endowment and other investment return, Endowment spending available for operations, Other investment return available for operations and Net assets released from restrictions and other transfers	Total operating revenue and other additions (gains)	\$ 1,445,500
	Total Revenues and Gains Without Donor Restrictions:	\$ 1,445,500

Northeastern University
Note to Financial Responsibility Supplemental Schedule
June 30, 2020

1. Basis of Presentation

The accompanying schedule of financial responsibility (the "Schedule") of Northeastern University and its subsidiaries (the "University") provides financial information required by the Department of Education to calculate the primary reserve ratio, equity ratio, net income ratio and the composite score as defined in Subpart L of 34 CFR 668 for the fiscal year-ended June 30, 2020. The financial information in the Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The Schedule is presented for purposes of additional analysis as required by the Department of Education and is not a required part of the basic financial statements.

Part II

Reports on Internal Control and Compliance



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

To the Board of Trustees of
Northeastern University

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Northeastern University and its subsidiaries (“Northeastern University”), which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeastern University’s internal control over financial reporting (“internal control”) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northeastern University’s internal control. Accordingly, we do not express an opinion on the effectiveness of Northeastern University’s internal control.

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

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

Compliance and Other Matters

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



Purpose of this Report

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

PricewaterhouseCoopers LLP

Boston, Massachusetts
October 7, 2020



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

To the Board of Trustees of
Northeastern University

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Northeastern University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Northeastern University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Northeastern University's internal control over



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

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

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

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

PricewaterhouseCoopers LLP

Boston, Massachusetts
April 13, 2021

Part III

Audit Findings and Questioned Costs

Northeastern University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

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

FEDERAL AWARDS

Internal control over major programs:

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

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

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

IDENTIFICATION OF MAJOR PROGRAMS

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

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

Auditee qualified as low-risk auditee? Yes No

Northeastern University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings to be reported.

Northeastern University
Schedule of Status of Prior Audit Findings
For the Year Ended June 30, 2020

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