

Dartmouth College

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

June 30, 2017

EIN #020222111

Dartmouth College
Report on Federal Awards in Accordance with the OMB Uniform
Guidance
June 30, 2017

	Page(s)
Report of the Independent Auditors.....	1-2
Financial Statements.....	3-6
Notes to the Financial Statements.....	7-29
Schedule of Expenditures of Federal Awards.....	30-43
Notes to the Schedule of Expenditures of Federal Awards.....	44
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>	45-46
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 OMB Uniform Guidance.....	47-48
Schedule of Findings and Questioned Costs.....	49
Summary Schedule of Prior Audit Findings.....	50



Report of Independent Auditors

To the Board of Trustees of Dartmouth College:

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Dartmouth College and its subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2017 and 2016, and the related consolidated statements of activities and of operating expenses for the year ended June 30, 2017 and of cash flows for the years ended June 30, 2017 and 2016.

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 Dartmouth College'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 Dartmouth College'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 Dartmouth College and its subsidiaries as of June 30, 2017 and 2016 and the changes in their net assets for the year ended June 30, 2017 and their cash flows for the years ended June 30, 2017 and 2016 in accordance with accounting principles generally accepted in the United States of America.



Other Matter

We previously audited the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, of operating expenses and of cash flows for the year then ended (not presented herein), and in our report dated October 25, 2016, 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, 2016 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, 2017 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2017 on our consideration of Dartmouth College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of 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 Dartmouth College's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

October 26, 2017

Dartmouth College

Consolidated Statement of Financial Position

As of June 30, 2017, with comparative information as of June 30, 2016
(in thousands)

	2017	2016
Assets		
Cash and cash equivalents	\$ 175,997	\$ 207,932
Receivables and other assets, net	137,687	140,713
Investment related receivables	52,591	51,484
Pledges receivable, net	244,714	211,455
Investments	6,318,176	5,697,656
Land, buildings, equipment, and construction in progress, net	967,639	954,922
Total assets	\$ 7,896,804	\$ 7,264,162
Liabilities		
Accounts payable and other liabilities	\$ 94,929	\$ 99,860
Investment related payables	157,308	85,833
Deferred revenues and deposits	39,975	41,048
Liability for split-interest agreements	52,715	49,527
Pension and other employment related obligations	400,872	420,710
Bonds, mortgages, and notes payable, net	1,211,124	1,244,721
Interest rate swap liabilities, at fair value	175,646	250,321
Conditional asset retirement obligations	25,314	24,522
Government advances for student loans	20,551	20,660
Total liabilities	2,178,434	2,237,202
Net Assets		
Unrestricted	1,329,106	1,104,557
Temporarily restricted	2,986,934	2,570,506
Permanently restricted	1,402,330	1,351,897
Total net assets	5,718,370	5,026,960
Total liabilities and net assets	\$ 7,896,804	\$ 7,264,162

See accompanying notes to the consolidated financial statements.

Dartmouth College

Consolidated Statement of Activities

For the year ended June 30, 2017, with summarized financial information for the year ended June 30, 2016

(in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2017	2016
Endowment Activities					
Gifts	\$ 37	\$ 21,399	\$ 35,363	\$ 56,799	\$ 71,356
Net investment return	140,956	488,122	1,305	630,383	(99,549)
Distributed for spending	(49,407)	(175,976)	(26)	(225,409)	(208,633)
Other changes	2,358	(5,544)	8,067	4,881	4,796
Amounts transferred (to) from other funds, net	(1,715)	15,691	1,460	15,436	42,943
Change in net assets from endowment activities	92,229	343,692	46,169	482,090	(189,087)
Operating Activities					
Revenues					
Tuition and fees	355,454	-	-	355,454	340,979
Student scholarships	(150,460)	-	-	(150,460)	(141,713)
Net tuition and fees	204,994	-	-	204,994	199,266
Sponsored research grants and contracts	171,007	-	-	171,007	183,083
Dartmouth College Fund and other gifts	71,763	15,236	-	86,999	87,151
Distributed endowment investment return	214,126	9,419	-	223,545	206,944
Other operating income	123,523	132	-	123,655	107,032
Auxiliaries	77,680	-	-	77,680	76,089
Net assets released from restrictions	8,805	(8,805)	-	-	-
Total revenues	871,898	15,982	-	887,880	859,565
Expenses					
Academic and student programs	557,969	-	-	557,969	592,068
Sponsored programs	129,780	-	-	129,780	133,016
General institutional services	101,821	-	-	101,821	107,229
Auxiliaries	83,553	-	-	83,553	85,798
Subtotal expenses for ongoing operations	873,123	-	-	873,123	918,111
Change in net assets from ongoing operations	(1,225)	15,982	-	14,757	(58,546)
Restructuring expenses	-	-	-	-	53,459
Environmental remediation and related expenses	26,950	-	-	26,950	-
Change in net assets from operating activities	(28,175)	15,982	-	(12,193)	(112,005)
Non-operating Activities					
Gifts	-	60,245	1,600	61,845	66,129
Other non-operating changes, net	44,822	6,583	-	51,405	(1,569)
Loss on extinguishment of debt	-	-	-	-	(31,732)
Distributed endowment investment return	559	1,305	-	1,864	1,689
Increase in outstanding pledges, net	-	31,524	1,735	33,259	47,087
Pension and postretirement benefit related changes					
other than net periodic benefit costs	37,422	-	-	37,422	69,052
Disposals and non-capitalized expenditures	(8,540)	(912)	-	(9,452)	(7,180)
Change in unrealized gain (loss) related to					
interest rate swap agreements	74,675	-	-	74,675	(82,904)
Net assets released from restrictions	10,023	(10,023)	-	-	-
Amounts transferred (to) from endowment, net	1,408	(16,844)	-	(15,436)	(42,943)
Net change in split-interest agreements	126	(15,124)	929	(14,069)	(18,038)
Change in net assets from non-operating activities	160,495	56,754	4,264	221,513	(409)
Change in net assets	224,549	416,428	50,433	691,410	(301,501)
Net Assets, beginning of year	1,104,557	2,570,506	1,351,897	5,026,960	5,328,461
Net Assets, end of year	\$ 1,329,106	\$ 2,986,934	\$ 1,402,330	\$ 5,718,370	\$ 5,026,960

See accompanying notes to the consolidated financial statements.

Dartmouth College

Consolidated Statement of Operating Expenses

For the year ended June 30, 2017, with summarized financial information for the year ended June 30, 2016
(in thousands)

	Academic & Student Programs	Sponsored Programs	General Institutional Services				Total	Auxiliaries	Total Expenses	
			Administrative Support	Facilities Operation & Maintenance	Development				2017	2016
Salaries and wages	\$ 230,629	\$ 50,216	\$ 30,757	\$ 19,504	\$ 20,510	\$ 70,771	\$ 15,038	\$ 366,654	\$ 390,962	
Employee benefits	84,089	18,309	11,214	7,111	7,478	25,803	5,483	133,684	154,613	
Fellowships and student support	13,496	3,567	-	-	-	-	27	17,090	15,921	
Materials, equipment, and supplies	37,608	9,090	6,904	629	1,012	8,545	17,127	72,370	78,018	
Purchased services	45,569	44,713	5,365	3,548	4,437	13,350	11,381	115,013	102,398	
Utilities, taxes, and occupancy	1,844	145	-	27,757	553	28,310	7,835	38,134	45,572	
Depreciation and amortization	47,246	-	4,020	4,822	293	9,135	9,808	66,189	66,582	
Lodging, travel, and similar costs	22,791	3,447	1,381	89	2,273	3,743	168	30,149	29,739	
Interest	-	-	-	25,943	-	25,943	1,413	27,356	27,118	
Other expenses	4,559	293	571	353	502	1,426	206	6,484	7,188	
	487,831	129,780	60,212	89,756	37,058	187,026	68,486	873,123	918,111	
Facilities operation & maintenance	70,138	-	4,470	(89,756)	81	(85,205)	15,067	0		
Total expenses for FY17	\$ 557,969	\$ 129,780	\$ 64,682	\$ -	\$ 37,139	\$ 101,821	\$ 83,553	\$ 873,123		
Total expenses for FY16	\$ 592,068	\$ 133,016	\$ 66,400	\$ -	\$ 40,829	\$ 107,229	\$ 85,798		\$ 918,111	

See accompanying notes to the consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended June 30, 2017, with comparative information for the year ended June 30, 2016
(in thousands)

	2017	2016
Cash flows from operating activities		
Total change in net assets	\$ 691,410	\$ (301,501)
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation and amortization	66,499	67,326
Change in estimated value of interest rate swap agreements	(74,675)	82,904
Change in estimated pension and post-retirement benefit obligation	(26,056)	(45,198)
Net change in split-interest liability	3,188	(367)
Change in pledges receivable, net	(33,259)	(47,087)
Other non-cash transactions	854	1,025
Contributions, investment income, and other changes restricted for long-term investment	(106,153)	(130,870)
Net realized and changes unrealized (gains) losses	(717,837)	119,262
Changes in operating assets and liabilities:		
Receivables and other assets, net	597	(1,003)
Accounts payable and other liabilities	(5,452)	33,072
Deferred revenues and deposits	(1,073)	(2,250)
Employment related obligations	6,218	14,554
Net cash used in operating activities	<u>(195,739)</u>	<u>(210,133)</u>
Cash flows from investing activities		
Student loans granted	(6,977)	(11,767)
Student loans repaid	10,559	11,076
Purchases of land, buildings, and equipment	(79,629)	(51,888)
Purchases of investments	(3,838,691)	(4,807,803)
Sales and maturities of investments	4,006,376	4,708,455
Net cash provided by (used in) investing activities	<u>91,638</u>	<u>(151,927)</u>
Cash flows from financing activities		
Proceeds from issuance of debt	-	642,065
Repayment of debt	(33,878)	(492,248)
Contributions, investment income, and other changes restricted for long-term investment in:		
Facilities	34,159	47,375
Endowment, life income, and similar funds	71,994	83,495
Changes in government advances for student loans	(109)	168
Net cash provided by financing activities	<u>72,166</u>	<u>280,855</u>
Net change in cash and cash equivalents	<u>(31,935)</u>	<u>(81,205)</u>
Cash and cash equivalents, beginning of year	207,932	289,137
Cash and cash equivalents, end of year	<u>\$ 175,997</u>	<u>\$ 207,932</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 50,703	\$ 63,470
Accounts payable related building and equipment additions	\$ 1,313	\$ 1,416
Contributed securities received	\$ 41,735	\$ 46,055

See accompanying notes to the consolidated financial statements.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

A. Summary of Significant Accounting Policies

Description of Organization

Dartmouth College (Dartmouth) is a private, nonprofit, co-educational, nonsectarian institution of higher education with approximately 4,300 undergraduate and 2,100 graduate students. Established in 1769, Dartmouth includes the four-year undergraduate college, with graduate schools of business, engineering, medicine, and arts and sciences.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis. Dartmouth's consolidated financial statements include the accounts of its wholly owned subsidiaries and certain affiliated organizations over which it has financial control. The wholly owned subsidiaries and financially controlled entities include real estate corporations, which own real estate in the Hanover, NH area; the Dartmouth Education Loan Corporation (DELC), which provides scholarships and loans to Dartmouth students who are unable to finance their education through other sources; and various separately incorporated entities which support experiential learning and other activities that enrich the experience of students and the community.

In accordance with U.S. generally accepted accounting principles (GAAP), net assets, revenues, gains, and losses are classified into three categories: unrestricted, temporarily restricted, or permanently restricted. Unrestricted net assets include all resources that are not subject to donor-imposed restrictions and therefore may be used for any purpose in furtherance of Dartmouth's mission. Under the authority of Dartmouth's management and Board of Trustees, in order to support Dartmouth's strategic initiatives, all or a portion of unrestricted net assets may be set aside in segregated Dartmouth-designated reserve accounts and earmarked for use in future years by specific departments, divisions or schools to cover program costs or contingencies. These Dartmouth-designated net assets include funds designated for operating initiatives, facilities, and long-term quasi-endowment. The purposes for which Dartmouth-designated net assets are earmarked may be changed under the authority of Dartmouth's management or Board of Trustees. The use of designated net assets is at the discretion of the responsible department. All expenses are recorded as a reduction of unrestricted net assets.

Temporarily restricted net assets carry donor-imposed restrictions on the expenditure or other use of contributed funds. Temporary restrictions may expire either because of the passage of time or because actions are taken to fulfill the restrictions. Temporarily restricted net assets include unexpended endowment return, unexpended restricted use gifts, term endowment funds, loan funds, certain uncollected pledges, and life income and similar funds. Donor-restricted resources intended for capital projects are released from their temporary restrictions and presented as unrestricted support when the related asset is placed in service. Temporarily restricted endowment distribution and donor-restricted gifts which are received, and either spent or deemed spent within the same fiscal year, are reported as unrestricted.

Permanently restricted net assets are those that are subject to donor-imposed restrictions which will never lapse, thus requiring that the net assets be retained permanently. Based upon a legal interpretation of New Hampshire State Law, Dartmouth has determined that appreciation on restricted endowment funds should be classified as temporarily restricted net assets until such time as the appreciation is appropriated by the Board of Trustees. Investment return from endowment activities that has been appropriated by Dartmouth's Board of Trustees is presented as an increase in operating or non-operating activities according to the unrestricted or temporarily restricted nature of the donor's intended use of the funds. In the case of quasi-endowment funds designated for long-term investment by Dartmouth, investment return that has been appropriated by Dartmouth's Board of Trustees is presented as an increase in unrestricted operating or non-operating activities, depending upon Dartmouth's intended use of the funds. Permanently restricted net assets consist of the original principal of endowment gifts, life income and similar funds, and certain pledges.

Comparative Financial Information

The 2017 consolidated financial statements are presented with certain prior-year comparative information summarized in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Dartmouth's consolidated financial statements for the year ended June 30, 2016, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the fiscal year 2017 presentation.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates in these consolidated financial statements are the fair value of investments, interest rate swap agreements, pension and postretirement benefit obligations, conditional asset retirement obligations, liabilities for self-insured programs and split-interest agreements, and allowances for uncollectible accounts and pledges receivable. Actual results could differ materially from these estimates, particularly during periods of investment and/or interest rate volatility.

Recent Accounting Pronouncements

In January 2016, the FASB issued ASU 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities, which addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The ASU is effective for Dartmouth's fiscal 2020; however, as permitted by the ASU, Dartmouth chose to early adopt the provision to eliminate the requirement to disclose the fair value of financial instruments measured at cost (such as the fair value of debt) in fiscal 2016. Dartmouth is evaluating the impact of the remainder of the new guidance on the consolidated financial statements.

In fiscal 2017, Dartmouth adopted ASU 2015-03, Simplifying the Presentation of Debt Issuance Costs, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from that debt liability, consistent with the presentation of a debt discount. The adoption of ASU 2015-03 is considered a change in accounting principle, and has been applied on a retrospective basis. For fiscal year ended June 30, 2017 and 2016, Dartmouth reclassified unamortized debt issuance costs from deferred assets to bonds payable liability in the amounts of \$3,025,000 and \$3,263,000, respectively.

Consolidated Statement of Activities

Operating activities presented in the Consolidated Statement of Activities consist of revenues earned, endowment net investment return appropriated by Dartmouth's Board of Trustees, and expenses incurred in conducting Dartmouth's programs and services. Auxiliary enterprises, primarily the operation of residence halls, dining services, and recreational facilities, are included in operating activities. Expenses such as development, public affairs, and central services and administration are reported as general institutional services. Depreciation and facilities operations and maintenance expenses are allocated to functional classifications of expenses based on the square footage of each building. Amortization expense of capitalized information technology costs is allocated to the functional classification that the technology supports. Interest expense is allocated to functional classifications of expenses based on the use of each building that has been debt financed.

Non-operating activities presented in the Consolidated Statement of Activities consist of gifts for facilities projects and gifts whose purpose has not yet been finalized, grants, investment income, other earnings, and endowment investment return appropriated by Dartmouth's Board of Trustees for loan programs and the construction, purchase or sale of capital assets, non-capitalizable construction in progress, net change in life income and similar split-interest agreements, the net change in pledges receivable, the net change in the estimated value of interest rate swap agreements, and postretirement benefit changes other than net periodic benefit costs.

Endowment activities presented in the Consolidated Statement of Activities consist of gifts that are restricted by donors to invest in perpetuity, amounts designated by Dartmouth's management and Board of Trustees for long-term investment, the net investment return on these invested funds, and the annual distribution of an amount appropriated by Dartmouth's Board of Trustees to support operating and non-operating activities. Other endowment activities include increases in endowment net assets from certain matured split-interest agreements.

Endowment and non-operating activities also include transfers of net assets that occur when donors change the restrictions on certain gifts or when Dartmouth changes the designation of unrestricted funds.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Cash and Cash Equivalents

Cash and cash equivalents may include U.S. treasury funds, money market accounts, certificates of deposit, commercial paper, foreign currency and currency related contracts, and liquid short-term investments with maturities of 90 days or less at the date of acquisition. Cash and cash equivalents are carried at fair value and considered Level 1 in the fair value hierarchy.

Tuition and Fees and Student Scholarships

Tuition and fees revenue is recognized in the fiscal year in which substantially all of the academic program occurs. Tuition and fees revenue from undergraduate enrollment represents approximately 65 percent of tuition and fees revenue for the years ended June 30, 2017 and 2016. Student scholarships provided by Dartmouth are presented in the Consolidated Statement of Activities as a reduction in tuition and fees revenue. In addition, Dartmouth acts as an agent for recipients of scholarships from other sponsors in the amounts of \$3,475,000 and \$4,089,000 for the years ended June 30, 2017 and 2016, respectively, which are not presented in the Consolidated Statement of Activities.

Prior to fiscal 2017, all students admitted to Dartmouth's undergraduate program were admitted without regard to financial need. Beginning in fiscal 2017, for international applicants only, Dartmouth considers the financial need of those applicants as part of the admissions process. All admitted students are offered financial aid to fully meet their demonstrated need, which is defined using a uniform formula that determines the ability to pay based on the family's income and assets, along with many other factors. The full amount of demonstrated need is met with a financial aid package that includes a combination of employment eligibility, grants, and in some cases, loans.

Sponsored Research Grants and Contracts

Revenues from government and private sponsored research grants and contracts are recognized when the direct costs associated with the sponsored program are incurred. Revenue from the reimbursement of facilities and administrative costs incurred by Dartmouth on U.S. government grants and contracts is based upon negotiated predetermined cost rates through June 30, 2017. Dartmouth recovered facilities and administrative costs of approximately \$42,718,000 and \$42,354,000 during the years ended June 30, 2017 and 2016, respectively.

Taxes

Dartmouth is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code), except with regard to unrelated business income, which is taxed at corporate income tax rates. Dartmouth is also subject to state and local property tax on the value of dormitories and dining and kitchen facilities in excess of \$150,000, as well as on the value of its off-campus rental properties, commercial properties, and other real estate holdings to the extent they are not used or occupied for Dartmouth's tax exempt purposes. Certain Dartmouth real estate entities are exempt from federal income tax under Sections 501(c)(2) and 501(c)(25) of the Code. As of June 30, 2017, tax years ended June 30, 2014 through June 30, 2016 remain open and are subject to federal and state taxing authority examination. Dartmouth believes it has taken no significant uncertain tax positions.

Affiliation with Dartmouth-Hitchcock Medical Center

Dartmouth, through the Geisel School of Medicine (Geisel), is a member of the Dartmouth-Hitchcock Medical Center (DHMC), a confederation of health care organizations intended to coordinate medical education and health care delivery for the residents of New Hampshire and Vermont. DHMC is a nonprofit, tax-exempt corporation organized under New Hampshire State Law. The other members of DHMC are: (i) Mary Hitchcock Memorial Hospital (Hitchcock Hospital), (ii) Dartmouth-Hitchcock Clinic (Clinic), and (iii) Veterans Administration Medical Center of White River Junction, Vermont (VAMC). The staff of the Clinic serves as the primary resource for Geisel clinical faculty, with the Hitchcock Hospital and the VAMC acting as principal sites of clinical instruction for Geisel students. Each member of DHMC is a separately organized, governed, and operated institution, with Dartmouth having no ownership interest in any other member.

Certain costs, including salaries, facilities use (including construction planning and management, and facilities operation and maintenance), and direct and indirect research, incurred by Geisel and the other members of DHMC are shared among the members based on negotiated allocations of the costs on an annual or project specific basis. The members of DHMC, excluding the VAMC, are also parties to a Condominium Ownership Agreement that governs the ownership and operation of the DHMC facilities. During the years ended June 30, 2017 and 2016, Dartmouth paid approximately \$19.3 million and \$19.3 million, respectively, and received approximately \$9.1 million and \$24.0 million, respectively, in connection with these arrangements.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Insurance

Dartmouth maintains several insurance arrangements with the objective of providing the most cost effective and comprehensive coverage for most insurable risks. Both conventional and alternative insurance coverage approaches, including utilization of appropriate deductible or self-insured retention amounts, are in place to cover trustee errors and omissions and employment practices, crime bond, commercial general and automobile liability, pension trust fiduciary errors and omissions liability, and property losses. Workers' compensation losses are covered by a self-insured retention and excess insurance program. Dartmouth currently participates in two risk retention groups that provide general liability and professional and medical malpractice liability insurance.

Dartmouth's annual premium payments for conventional insurance coverage are included in operating expenses. Estimated liabilities for losses under Dartmouth's deductible and/or self-insurance retention limits are reflected in the Consolidated Statement of Financial Position, which includes estimates for known losses and for losses incurred but not yet reported. Insurance reserves are based on actuarial analysis and/or estimates of historical loss experience, and while management believes that the reserves are adequate, the ultimate liabilities may be different than the amounts provided.

Gifts and Pledges Receivable

Total contributions to Dartmouth include gifts that are received and the net change in pledges receivable during a period. Gifts, pledges and pledge payments are recognized as increases in the appropriate category of net assets in the period the gift or pledge is received. The net change in total pledges is recorded as a net increase (decrease) in non-operating activities in the Consolidated Statement of Activities. Contributions of capitalizable assets other than cash are recorded at their estimated fair value at the date of gift. Pledges are stated at the estimated present value of future cash flows, net of an allowance for uncollectible amounts. Conditional promises to give are not recognized until the conditions on which they depend are substantially met.

Investments

Investments are reported at fair value in accordance with U.S. GAAP. Purchases and sales of securities are recorded on the trade date, and realized gains and losses are determined on the basis of the average cost of securities sold. Cash and cash equivalents designated for investment purposes is included in Investments and may include money market funds, foreign currency of financial contracts held for investment purposes, and U.S. treasury securities with an original or remaining maturity of three months or less when purchased. These investments are valued based on market price or cost which approximates fair value. Advance contributions to commingled fund investments and redemptions receivable from commingled fund investments at June 30, 2017 and June 30, 2016 are included within Investments as presented on the Consolidated Statement of Financial Position.

For investments held directly by Dartmouth for which an active market with quoted prices exists, the market price of an identical security is used as fair value. Fair values for shares in listed commingled funds are based on the quoted market value or share prices reported as of the last business day of the fiscal year. Dartmouth's interest in certain other private commingled funds and private partnership interests are reported at the net asset value (NAV) as determined by the external fund manager. As permitted by GAAP, Dartmouth uses NAV as a practical expedient to estimate the fair value of Dartmouth's ownership interest, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. Dartmouth performs due diligence procedures related to these investments to support recognition at fair value at fiscal year-end. Because many of these investments are not readily marketable, the estimates of fair value involve assumptions and estimation methods which are uncertain, and therefore the estimates could differ from actual results.

Directly held real estate is reflected at fair value in accordance with Dartmouth's valuation policy. Management estimates fair value for these properties using primarily inputs from independent third-party appraisals, which are conducted not less than once every 12 months, but may consider other metrics including discounted cash flow analysis or recent tax assessments, or at cost which approximates fair value for properties held for less than one year or which are being actively developed.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Total investment return (interest, dividends, rents, royalties, and net realized and changes in unrealized gains and losses) earned by Dartmouth's endowment investments is included in endowment activities on the Consolidated Statement of Activities, while the net income earned by the non-endowment investments is included in operating or non-operating activities, as appropriate, on the Consolidated Statement of Activities. Dividend income is recognized, net of applicable withholding taxes, on the ex-dividend date. Non-cash dividends are recorded at the fair value of the securities received on the date of distribution. Interest income and expenses are recorded net of applicable withholding taxes on the accrual basis of accounting. Dartmouth amortizes bond premiums and accretes bond discounts using the effective yield method. Fees charged by external investment managers are generally based on contractual percentages of the fair value of assets under management or on annual total investment return and are, in most cases, netted against investment return. However, certain expenses paid directly by Dartmouth for investment management and custody services, including certain internal costs, amounted to approximately \$15,817,000 and \$14,263,000 for the years ended June 30, 2017 and 2016, respectively, and have been netted against total investment return and other operating and non-operating income in the accompanying Consolidated Statement of Activities.

The asset allocation of Dartmouth's investment portfolio involves exposure to a diverse set of markets. The investments within these markets involve various risks such as price, interest rate, sovereign, currency, liquidity, and credit risks. Additionally, investments in real assets through commingled funds and direct real estate expose Dartmouth to a unique set of risks such as operational, environmental, and political risks. Dartmouth anticipates that the value and composition of its investments may, from time to time, fluctuate substantially in response to any or all of the risks described herein.

Endowment

Dartmouth's endowment consists of gifts restricted by donors and unrestricted net assets designated by management and the Board of Trustees for long-term support of Dartmouth's activities, and the accumulated investment return on these gifts and designated net assets. Accumulated investment return consists of endowment net investment return that has not been appropriated by the Board of Trustees for expenditure to support Dartmouth's operating and non-operating activities. Generally, only a portion of accumulated net investment return is made available for spending each year in accordance with a Board of Trustees-approved endowment utilization policy and New Hampshire State Law. However, certain donor restricted endowment funds do allow for the expenditure of principal, and Dartmouth-designated endowment funds are unrestricted net assets that may be re-designated for authorized expenditures.

Giving consideration to the New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA), Dartmouth classifies as permanently restricted net assets all endowment funds that must be retained permanently in accordance with stipulations imposed by a donor at the time of a gift, plus the original value of assets donated to permanent endowment, along with any investment earnings that are directed by the donor to be reinvested in perpetuity (i.e., historic book value). The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA and in accordance with purpose designated by the donor.

Unrestricted endowment net assets include Dartmouth funds and certain unrestricted gifts from donors, and any accumulated investment return thereon, which may be expended; however, by trustee or management designation, these net assets may remain invested in the endowment for the long-term support of Dartmouth activities. Investment return on unrestricted endowment net assets and the annual distribution of a portion of accumulated investment return to operating and non-operating activities are presented as changes in unrestricted net assets in the Consolidated Statement of Activities. Temporarily restricted endowment net assets include certain expendable endowment gifts, and any retained income and appreciation thereon, which are restricted by the donor to a specific purpose or by law. When the temporary restrictions on these funds have been met, the gifts ordinarily remain in the endowment by trustee designation to continue supporting the same activities as those specified by the donors, but the net assets are reclassified to unrestricted endowment net assets.

Investment return on temporarily and permanently restricted net assets are generally presented as changes in temporarily restricted net assets in the Consolidated Statement of Activities.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Split-Interest Agreements

Certain donors have established irrevocable split-interest agreements with Dartmouth, primarily charitable gift annuities, pooled life income funds, and irrevocable charitable remainder trusts, whereby the donated assets are invested and distributions are made to the donor and/or other beneficiaries in accordance with the agreement for a specified period of time, after which time the remaining assets and future investment return are retained by Dartmouth. At the discretion of the donor, Dartmouth may or may not serve as trustee for the split-interest agreement.

Dartmouth has recorded the estimated fair value of the investments associated with irrevocable split-interest agreements and an estimated liability, using a discount rate of 2.4% and 1.8% for June 30, 2017 and 2016, respectively, for the net present value of the future cash outflows to beneficiaries of the agreements for which Dartmouth serves as trustee. When Dartmouth is not the trustee of the assets associated with a split-interest agreement, a receivable for Dartmouth's beneficial interest is established when Dartmouth is notified of the trust's existence and when the third-party trustee has provided Dartmouth with sufficient reliable information to estimate the value of the receivable, which Dartmouth considers a Level 3 measurement. Dartmouth requests information regularly from third-party trustees for financial reporting purposes; however, these trustees are not obligated to provide Dartmouth with the information necessary to estimate fair value and record the asset. Dartmouth respects the privacy of donors and trustees in these limited instances. Dartmouth reports the net change in split-interest agreements as a non-operating change in net assets in the Consolidated Statement of Activities.

Land, Buildings, Equipment, and Construction in Progress

Land, buildings, equipment, and construction in progress are recorded at cost at the date of acquisition or, if acquired by gift, at the estimated fair value as of the date of the gift. Purchases, construction, and renovations of assets which exceed Dartmouth's specified dollar threshold and have a useful life greater than one year are capitalized, while scheduled maintenance and minor renovations of less than that amount are charged to operations.

Land, buildings, and equipment are reflected net of accumulated depreciation calculated on a straight-line basis over the following estimated economic lives.

Buildings and building components	13 – 50 years
Depreciable land improvements	15 – 20 years
Equipment	5 – 20 years

Depreciation expense for facilities that are primarily used for sponsored research is based on the estimated economic lives of each component.

Collections

Dartmouth's collections include works of art, literary works, historical treasures, and artifacts that are maintained in its museum and libraries. These collections are protected and preserved for public exhibition, education, research, and the furtherance of public service. Each of the items is cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed continuously. The collections are subject to a policy that requires proceeds from their sale to be used to acquire other items for collections.

The collections, which were acquired through purchases and contributions since Dartmouth's inception, are not recognized as assets in the Consolidated Statement of Financial Position. Purchases of collection items are recorded in the Consolidated Statement of Activities as non-operating decreases in unrestricted net assets in the year in which the items are acquired or in temporarily restricted net assets if the assets used to purchase the items are restricted by donors. Contributed collection items are not recorded in the consolidated financial statements.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

B. Receivables and Other Assets

Receivables and other assets consisted of the following at June 30 (in thousands):

	2017	2016
Student accounts	\$ 1,884	\$ 493
Sponsored research grants and contracts	20,149	18,048
Other accounts	35,858	41,687
Notes and student loans	61,249	64,831
Less: allowance for uncollectible accounts	(2,446)	(3,600)
Receivables, net	\$ 116,694	\$ 121,459
Prepaid costs, inventories, and other assets	20,993	19,254
Total receivables and other assets, net	\$ 137,687	\$ 140,713

Federally sponsored student loans with mandated interest rates and repayment terms are subject to significant restrictions as to their transfer and disposition. Amounts received from the Federal government to fund a portion of the Perkins student loans are ultimately refundable to the Federal government and are classified as government advances for student loans in the Consolidated Statement of Financial Position. Due to the nature and terms of student loans funded by the Federal government, and restricted and unrestricted Dartmouth funds, it is not practical to estimate the fair value of such loans. All other receivables are carried at estimated net realizable value.

C. Gifts and Pledges Receivable

Gifts and pledge payments received during the years ended June 30 were as follows (in thousands):

	2017	2016
Gifts to support operations	\$ 86,999	\$ 87,151
Gifts for:		
Facilities and student loans	34,159	47,375
Other restricted uses	4,838	2,973
Endowment	56,799	71,356
Split-interest agreements	22,848	15,781
Total gifts and pledge payments	\$ 205,643	\$ 224,636

Unconditional pledges as of June 30 are expected to be realized in the following periods, discounted at rates ranging from 0.7% to 6.2% (in thousands):

	2017	2016
In one year or less	\$ 60,631	\$ 74,074
Between one year and five years	150,323	97,385
Six years and after	47,847	49,796
Gross pledges receivable	\$ 258,801	\$ 221,255
Less: present value discount	(10,722)	(7,955)
Less: allowance for uncollectible pledges	(3,365)	(1,845)
Pledges receivable, net	\$ 244,714	\$ 211,455

The change in net pledges receivable is presented as a non-operating activity in the Consolidated Statement of Activities.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

D. Investments

Dartmouth's endowment and other investment portfolios include investments in various asset classes, each with different return expectations, risk characteristics, and liquidity provisions.

Fixed Income includes strategies based on capital preservation and yield as well as more opportunistic strategies focused on generating return through price appreciation. These strategies generally include corporate debt securities, government securities, mortgage backed and asset backed securities and other financial instruments. Exposures to these investments may include directly held securities as well as investments through commingled funds and derivatives, including fixed income futures and forwards, and interest rate and credit default swaps.

Global Equity includes investments in directly held equity securities and commingled funds, whose managers primarily invest in global public long-only and long/short equity securities with portfolios that are directionally exposed to the market.

Hedge funds include investments in commingled funds whose managers employ discrete and blended strategies, including long/short equity, absolute return, market neutral, distressed and credit strategies. Hedge funds generally hold long and short securities or other financial instruments for which a ready market exists, and may include stocks, bonds, put or call options, swaps, futures, currency hedges, and other financial instruments.

Dartmouth also invests in venture capital, private equity, real estate, other real assets, and other debt-related strategies primarily through private limited partnerships, which are illiquid. These investments often require the estimation of fair value by the general partner in the absence of readily determinable market values. The private portfolio is based primarily in the United States but includes managers who may invest globally. Real Estate investments also include real estate investment trust securities held directly or through publicly traded mutual funds as well as direct real estate. Other real asset investments may include limited partnerships, commingled fund and public index exposure targeting natural resource investments.

Investments at fair value consisted of the following at June 30 (in thousands):

	2017	2016
Endowment investments	\$ 5,069,078	\$ 4,538,696
Split-interest agreement investments	142,773	130,237
Operating and other investments	1,106,325	1,028,723
Total investments	\$ 6,318,176	\$ 5,697,656

The framework for measuring fair value utilizes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical investments as of the reporting date. The type of investments in Level 1 includes cash and cash equivalents, actively listed and traded equities, U.S. treasury securities, and exchange traded and registered funds all held directly by Dartmouth, and excludes listed equities and other securities held indirectly through commingled funds.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The type of investments in Level 2 includes fixed income securities and derivatives.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The type of investments in Level 3 includes directly held real estate and other illiquid investments.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

The inputs or methodology used to value or classify investments for financial reporting purposes is not necessarily an indication of the risk associated with investing in those investments.

The following Fair Value Leveling table summarizes Dartmouth's investments that are reported at fair value by their fair value hierarchy classification as of June 30, 2017 (in thousands):

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 153,411	\$ -	\$ -	\$ 153,411
Fixed income	491,471	245,763	1	737,235
Global equity:				
US equity	423,837	-	23	423,860
International	24,601	-	-	24,601
Emerging markets	109,178	-	-	109,178
Real assets:				
Real estate	17,367	-	189,934	207,301
Other real assets	42,700	-	-	42,700
Other investments	-	85	2,151	2,236
Contributions in advance	15,000	-	-	15,000
Redemption receivable	101,396	-	-	101,396
Total investments	\$ 1,378,961	\$ 245,848	\$ 192,109	\$ 1,816,918

The following Fair Value Leveling table summarizes Dartmouth's investments that are reported at fair value by their fair value hierarchy classification as of June 30, 2016 (in thousands):

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 65,410	\$ -	\$ -	\$ 65,410
Fixed income	492,876	222,410	79	715,365
Global equity:				
US equity	481,225	-	523	481,748
International	37,414	-	-	37,414
Emerging markets	40,971	-	-	40,971
Real assets:				
Real estate	18,460	-	199,253	217,713
Other real assets	71,466	-	-	71,466
Other investments	-	128	1,454	1,582
Contributions in advance	95,377	-	-	95,377
Redemption receivable	76,569	-	-	76,569
Total investments	\$ 1,379,768	\$ 222,538	\$ 201,309	\$ 1,803,615

The following tables present Dartmouth's activity for the fiscal years ended June 30, 2017 and 2016 for investments measured at fair value in Level 3 (in thousands):

	Fixed Income	US Equity	Real Assets	Other Investments	Total
Balance as of June 30, 2016	\$ 79	\$ 523	\$ 199,253	\$ 1,454	\$ 201,309
Acquisitions / purchases	-	-	3,315	908	4,223
Distributions / sales	(8)	(652)	(27,895)	(211)	(28,766)
Realized gain (loss)	8	152	13,626	-	13,786
Change in unrealized gain (loss)	(78)	-	1,635	-	1,557
Balance as of June 30, 2017	\$ 1	\$ 23	\$ 189,934	\$ 2,151	\$ 192,109

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

	Fixed Income	US Equity	Real Assets	Other Investments	Total
Balance as of June 30, 2015	\$ 79	\$ 523	\$ 199,028	\$ 1,728	\$ 201,358
Acquisitions / purchases	-	-	667	8	675
Distributions / sales	-	-	(3,769)	(282)	(4,051)
Realized gain (loss)	-	-	185	-	185
Change in unrealized gain (loss)	-	-	3,142	-	3,142
Balance as of June 30, 2016	<u>\$ 79</u>	<u>\$ 523</u>	<u>\$ 199,253</u>	<u>\$ 1,454</u>	<u>\$ 201,309</u>

All net realized and unrealized gains (losses) in the table above are reflected in the Consolidated Statement of Activities. Cumulative unrealized gains related to Level 3 investments totaled \$23,436,000 and \$22,704,000 as of June 30, 2017 and 2016, respectively. The net change in unrealized gains (losses) related to Level 3 investments held at June 30, 2017, and June 30, 2016, are disclosed in the table above. Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur.

The following tables provide quantitative information about the significant unobservable inputs used in the valuation of directly held real estate as of June 30, 2017 and June 30, 2016. Investments in real estate represent the estimated asset value of each of the underlying property investments, which are primarily informed by third party appraisals. Actual results could differ materially from these estimates particularly during periods of investment and/or interest rate volatility.

June 30, 2017 (in thousands):

Valuation Technique	Fair Value ¹	Unobservable Inputs	Input Value(s)
Third party appraisal-income capitalization approach	\$ 168,590	Capitalization rate	4.00 – 7.00%
Third party appraisal-comparable sales	15,832	Recent sales	
Third party appraisal-comparable sales	2,070	Discount rate	25.00%
Tax assessed value – adjusted annually	2,753	State / Local equalization ratios	0.834
Cost	689	Not applicable	Not applicable
Total	<u>\$ 189,934</u>		

¹The fair value may be determined using multiple valuation techniques.

June 30, 2016 (in thousands):

Valuation Technique	Fair Value ¹	Unobservable Inputs	Input Value(s)
Third party appraisal-income capitalization approach	\$ 155,954	Capitalization rate	4.00 – 8.50%
Third party appraisal-comparable sales	23,924	Recent sales	
Market bid	16,450	Not applicable	Not applicable
Tax assessed value – adjusted annually	2,274	State / Local equalization ratios	0.876
Cost	651	Not applicable	Not applicable
Total	<u>\$ 199,253</u>		

¹The fair value may be determined using multiple valuation techniques.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

The following Fair Value NAV table lists specified investment terms by asset category for Dartmouth's interest in certain commingled funds and private partnership interests that are reported using NAV as the practical expedient to estimate fair value as of June 30, 2017 (in thousands):

	Fair Value	Redemption Terms	Days Notice	Remaining Unfunded Commitment	Remaining Life
Fixed income	\$ 61,016	Monthly	30 – 40	\$ -	No Limit
Global equity:					
US equity ¹	929,131	Ranges from monthly to bi-annual	30 – 90	35,000	No Limit
International	628,969	Ranges from semi-monthly to quarterly	3 – 180	-	No Limit
Emerging markets ²	214,692	Ranges from monthly to annually	45 – 180	-	No Limit
Hedge funds ³	1,202,445	Ranges from quarterly to annually	30 – 90	68,132	No Limit
Private equity / Venture capital	940,667	Illiquid	Not applicable	511,477	1 – 12 years
Real assets:					
Real estate	213,982	Illiquid	Not applicable	255,343	1 – 12 years
Other real assets	310,356	Quarterly, Illiquid	30, Not applicable	209,767	1 – 20 years
Total	<u>\$ 4,501,258</u>			<u>\$ 1,079,719</u>	

¹ US equity includes funds that have restrictions on the ability to fully redeem up to three years.

² Emerging markets includes funds that have restrictions on the ability to fully redeem up to three years.

³ Hedge funds includes funds that have restrictions on the ability to fully redeem up to five years, excluding illiquid securities and special investments.

The following Fair Value NAV table lists specified investment terms by asset category for Dartmouth's interest in certain commingled funds and private partnership interests that are reported using NAV as the practical expedient to estimate fair value as of June 30, 2016 (in thousands):

	Fair Value	Redemption Terms	Days Notice	Remaining Unfunded Commitment	Remaining Life
Fixed income	\$ 44,094	Monthly	30 – 40	\$ -	No Limit
Global equity:					
US equity ¹	637,179	Ranges from quarterly to bi-annual	30 – 90	35,000	No Limit
International ²	460,033	Ranges from semi-monthly to quarterly	3 – 180	-	No Limit
Emerging markets ³	219,226	Ranges from daily to quarterly	30 – 180	-	No Limit
Hedge funds ⁴	1,155,608	Ranges from quarterly to annually	30 – 90	54,342	No Limit
Private equity / Venture capital	874,207	Illiquid	Not applicable	548,887	1 – 12 years
Real assets:					
Real estate	259,974	Illiquid	Not applicable	183,787	1 – 12 years
Other real assets	243,720	Quarterly, Illiquid	30, Not applicable	219,068	1 – 20 years
Total	<u>\$ 3,894,041</u>			<u>\$ 1,041,084</u>	

¹ US equity includes funds that have restrictions on the ability to fully redeem up to three years.

² International includes one fund with partial capital in lockup through December 31, 2016.

³ Emerging markets includes funds that have restrictions on the ability to fully redeem up to three years.

⁴ Hedge funds includes funds that have restrictions on the ability to fully redeem up to five years, excluding illiquid securities and special investments.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Investments reported in the Fair Value Leveling and Fair Value NAV tables total \$6,318,176,000 and \$5,697,656,000 and are presented on the Consolidated Statement of Financial Position as of June 30, 2017 and 2016, respectively.

The following tables set forth the fair value of Dartmouth's derivative instruments for investment purposes by contract type as of June 30, 2017 and 2016 and gains/losses related to derivative activities for the years ended June 30, 2017 and 2016 (in thousands):

June 30, 2017:

	Notional Exposure		Fair Value ¹		Net Gain/(Loss) ²
	Long	Short	Asset	Liability	
Foreign currency forward contracts	\$ 42,958	\$ (44,757)	\$ 718	\$ (600)	\$ (86)
Fixed income futures contracts	48,197	(61,497)	139	(299)	1,365
Interest rate swaps ³	11,661	-	289	(7)	(60)
Credit default swaps	3,532	(6,749)	55	(415)	(435)
Total	<u>\$ 106,348</u>	<u>\$ (113,003)</u>	<u>\$ 1,201</u>	<u>\$ (1,321)</u>	<u>\$ 784</u>

June 30, 2016:

	Notional Exposure		Fair Value ¹		Net Gain/(Loss) ²
	Long	Short	Asset	Liability	
Foreign currency forward contracts	\$ 19,182	\$ (11,115)	\$ 143	\$ (464)	\$ 172
Fixed income futures contracts	72,754	(71,487)	1,309	(1,972)	(2,630)
Interest rate swaps	-	-	-	-	(19)
Credit default swaps	9,131	(9,101)	226	(332)	(115)
Total	<u>\$ 101,067</u>	<u>\$ (91,703)</u>	<u>\$ 1,678</u>	<u>\$ (2,768)</u>	<u>\$ (2,592)</u>

¹ The net fair value of these derivative instruments is included in the Consolidated Statement of Financial Position as investments at fair value.

² The net gain/(loss) from these derivative instruments is presented in the operating and non-operating sections of the Consolidated Statement of Activities as other operating income and other non-operating changes.

³ The notional amount of these contracts represents a structure which pay based on a fixed rate and receive based on a variable rate.

Dartmouth enters into foreign currency forward contracts and government bond futures and forwards to efficiently manage portfolio exposures to global currencies and interest rates. These instruments may be used to hedge the portfolio from unwanted currency and interest rate risk, but also to efficiently implement active duration and relative value currency strategies. In certain circumstances Dartmouth is obligated to pledge to the appropriate broker cash or securities to be held as collateral, as determined by exchange margin requirements for futures contracts held. At June 30, 2017 and 2016, Dartmouth had no pledged collateral on futures contracts for investment purposes.

Dartmouth enters into swap contracts for investment purposes. Interest rate swap contracts are used to efficiently manage portfolio exposures to interest rates. These instruments may be used to hedge the portfolio from unwanted interest rate risk, but also to efficiently implement active duration strategies. These instruments are valued using market-based prices and are included in Level 2 in the Fair Value Leveling table. The fair value of the contracts is included in the Consolidated Statement of Financial Position as investments at fair value. The gain on these contracts is presented in the operating and non-operating sections of the Consolidated Statement of Activities.

Credit default swaps are used to simulate long or short positions or to reduce credit risk where exposure exists. The buyer of a credit default swap is obligated to pay to the seller a periodic stream of payments over the term of the contract in return for a contingent payment upon occurrence of a contracted credit event. The seller of a credit default swap bears the obligation to pay the buyer upon occurrence of a contracted credit event in return for a periodic stream of fixed payments from the buyer over the term of the contract. These instruments are valued using market-based prices and are included in Level 2 in the Fair Value Leveling table. The fair value of these credit default swap contracts is included in the Consolidated Statement of Financial Position as investments at fair value. The net gain/loss on these credit default swap contracts is presented in the operating and non-operating sections of the Consolidated Statement of Activities.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

E. Endowment

The changes in fair value of net assets held in endowment and similar funds for the years ended June 30 were as follows (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2016	\$ 1,008,220	\$ 2,179,853	\$ 1,286,331	\$ 4,474,404
Net investment return:				
Investment income	3,371	13,052	34	16,457
Net appreciation (depreciation)	137,585	475,070	1,271	613,926
Total net investment return	140,956	488,122	1,305	630,383
Gifts	37	21,399	35,363	56,799
Distribution of endowment return to all funds	(49,407)	(175,976)	(26)	(225,409)
Transfers and other changes, net	643	10,147	9,527	20,317
Endowment net assets, June 30, 2017	\$ 1,100,449	\$ 2,523,545	\$ 1,332,500	\$ 4,956,494
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2015	\$ 1,075,885	\$ 2,407,876	\$ 1,179,730	\$ 4,663,491
Net investment return:				
Investment income	5,481	17,521	46	23,048
Net appreciation (depreciation)	(28,529)	(93,822)	(246)	(122,597)
Total net investment return	(23,048)	(76,301)	(200)	(99,549)
Gifts	63	2,327	68,966	71,356
Distribution of endowment return to all funds	(48,243)	(160,335)	(55)	(208,633)
Transfers and other changes, net	3,563	6,286	37,890	47,739
Endowment net assets, June 30, 2016	\$ 1,008,220	\$ 2,179,853	\$ 1,286,331	\$ 4,474,404

Transfers and other changes, net include additions to the endowment from matured split-interest agreements, net transfers resulting from changes in donor restrictions or Dartmouth designations, and other internal charges including certain fundraising costs.

Included in temporarily restricted endowment net assets at the end of the year is the remaining amount of expendable accumulated appreciation on permanent endowment funds of \$2,090,499,000 and \$1,815,710,000 at June 30, 2017 and 2016, respectively.

Endowment net assets consist of the following as of June 30, 2017 (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 2,523,545	\$ 1,332,500	\$ 3,856,045
Board-designated endowment funds	1,100,449	-	-	1,100,449
Total endowment net assets	\$ 1,100,449	\$ 2,523,545	\$ 1,332,500	\$ 4,956,494

Endowment net assets consist of the following as of June 30, 2016 (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	\$ -	\$ 2,179,853	\$ 1,286,331	\$ 3,466,184
Board-designated endowment funds	1,008,220	-	-	1,008,220
Total endowment net assets	\$ 1,008,220	\$ 2,179,853	\$ 1,286,331	\$ 4,474,404

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

From time to time, the fair values of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires to retain as a fund of perpetual duration due to market declines. In accordance with GAAP, events of this nature are reported as reductions in unrestricted net assets and were \$0 and \$897,000 as of June 30, 2017 and 2016, respectively. These events were a result of market declines since the endowment funds were established. In order to provide stable funding for the programs supported by the endowment, in fiscal 2017 Dartmouth's Board of Trustees voted to amend the distribution policy to allow spending from a portion of the historic book value on underwater funds provided there are no donor-imposed restrictions that prohibit such spending. No more than 20% of the historic book value may be distributed, except in cases where the donor directs otherwise.

Dartmouth employs a total return endowment utilization policy that establishes the amount of investment return made available for spending each fiscal year. The amount appropriated for expenditure each year is independent of the actual return for the year, but the appropriated amount cannot exceed the total accumulated return in an individual fund at the time of distribution. The Board approves the formula that determines the amount appropriated from endowment each year. The resulting fiscal 2017 endowment distribution of \$225,409,000 represents a 5.0% distribution rate when measured against the previous year's June 30th endowment value. Investment return earned in excess of the amount appropriated annually is reinvested in the funds, but can be appropriated in future years in accordance with the utilization policy. The net appreciation on most of the permanently and temporarily restricted endowment funds is reported together with temporarily restricted net assets until such time as all or a portion of the appreciation is appropriated for spending in accordance with the utilization policy and applicable state law.

The overall investment performance objective for the endowment is to generate real (inflation-adjusted) returns net of investment expenses sufficient to support Dartmouth's current operating needs while maintaining the long-term purchasing power of the endowment. The Investment Committee of the Board of Trustees has determined that a well-diversified mix of assets offers the best opportunity for maximum return with acceptable risk over time. Dartmouth relies on a total return strategy in which investment returns are achieved through both capital appreciation (both realized and unrealized) and current yield (interest and dividends). Investment decisions are made with a view toward maximizing long-term return opportunities while maintaining an acceptable level of investment risk and liquidity.

F. Land, Buildings, Equipment, and Construction in Progress

Land, buildings, equipment, and construction in progress balances at June 30 were as follows (in thousands):

	2017	2016
Land	\$ 19,651	\$ 19,158
Buildings	1,318,032	1,283,309
Land improvements	119,286	114,498
Equipment and software	352,416	339,917
Land, buildings, and equipment	\$ 1,809,385	\$ 1,756,882
<i>Less: accumulated depreciation</i>	(898,130)	(835,201)
Construction in progress	56,384	33,241
Total net book value	\$ 967,639	\$ 954,922

Dartmouth has conditional asset retirement obligations arising from legal obligations to perform certain activities in connection with the retirement, disposal, or abandonment of assets, including asbestos abatement, leasehold improvements, hazardous materials, and equipment disposal and cleanup. The liability was initially recorded at fair value, and is adjusted for accretion expense, and changes in the amount or timing of cash flows. The corresponding asset retirement costs are capitalized as part of the carrying values of the related long-lived assets and depreciated over the useful lives of the assets.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

G. Bonds, Mortgages, and Notes Payable

Indebtedness at June 30 consisted of the following (in thousands):

	<u>Fiscal Year</u> <u>Maturity</u>	<u>2017</u> <u>Interest Rate</u>	<u>2017</u>	<u>2016</u>
New Hampshire Health and Education Facilities Authority (NHHEFA):				
Tax-Exempt Fixed Rate:				
Series 2009	2019 – 2039	5.00%	\$ 52,800	\$ 52,800
Tax-Exempt Variable Rate:				
Series 2003	2023	.38% - .92%	53,700	61,600
Series 2007B	2041	.25% - .93%	75,000	75,000
Series 2015AB	2040	.86% - 1.22%	101,000	101,000
Series 2015CD	2038	.86% - 1.22%	89,665	89,665
Series 2016A	2043	1.14%	165,000	165,000
Subtotal tax-exempt bonds			<u>\$ 537,165</u>	<u>\$ 545,065</u>
Taxable Bonds:				
Fixed Rate				
Series 2009	2019	4.75%	150,000	150,000
Series 2012A	2042	4.00%	70,000	70,000
Series 2012B	2043	3.76%	150,000	150,000
Series 2016A	2046	3.47%	250,000	250,000
Subtotal taxable bonds			<u>\$ 620,000</u>	<u>\$ 620,000</u>
Subtotal bonds			<u>\$ 1,157,165</u>	<u>\$ 1,165,065</u>
Mortgages on real estate investments:				
Fixed Rate	2017 – 2037	4.34% - 5.61%	26,387	46,065
Taxable commercial paper note:				
Variable Rate		0.5% - 1.05%	30,000	36,300
Subtotal bonds, mortgages and notes payable			<u>\$ 1,213,552</u>	<u>\$ 1,247,430</u>
Original issue premium, net			597	554
Unamortized debt issuance costs			(3,025)	(3,263)
Total bonds, mortgages, and notes payable, net			<u>\$ 1,211,124</u>	<u>\$ 1,244,721</u>

In fiscal year 2016, Dartmouth College refunded \$101,000,000 NHHEFA Series 2002 and \$89,700,000 NHHEFA Series 2007A variable rate demand bonds and replaced them with a floating rate direct placement of debt with a bank. The \$30,000,000 NHHEFA Series 2007C taxable variable rate demand bonds were also refunded at the same time and replaced with taxable commercial paper notes.

In fiscal year 2016, Dartmouth issued New Hampshire Health and Education Facilities Authority (NHHEFA) Revenue Bonds Dartmouth College Issue, Series 2016A (the "Series 2016A Bonds") in the amount of \$165,000,000. The primary purpose of this issue was to refinance \$146,075,000 of the NHHEFA Series 2009 Bonds.

In fiscal year 2016, Dartmouth redeemed \$100,000,000 of the Series 2009 taxable bonds. Dartmouth incurred a \$10,830,000 make-whole call premium on the early redemption, which is included in loss on extinguishment of debt in the Consolidated Statement of Activities.

In fiscal year 2016, Dartmouth issued \$250,000,000 of fixed rate taxable debt to be used for future strategic initiatives.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Interest expense for the years ended June 30 consists of (in thousands):

	2017	2016
<u>Consolidated Statement of Activities:</u>		
Endowment Activities		
Interest expense on mortgage and debt used to finance endowment-related real estate projects, presented as a reduction in endowment investment return	\$ 2,499	\$ 2,618
Operating Activities (amounts included in "Interest and Amortization" on the Consolidated Statement of Operating Expenses)		
Interest expense of debt (including payments on interest rate swap agreements) used to finance facilities projects	27,142	27,102
Interest expense on other operating indebtedness	344	273
Non-Operating Activities (amounts presented as a deduction from other non-operating earnings)		
Interest expense on debt used to finance student loans	1,406	1,406
Interest expense on other non-operating indebtedness	18,312	21,533
Total interest expense on the Consolidated Statement of Activities	\$ 49,703	\$ 52,932
<u>Consolidated Statement of Financial Position:</u>		
Interest paid on debt used to finance facilities projects capitalized in connection with various construction projects	\$ 44	\$ 460

Scheduled principal payments due for each of the next five years ending June 30 and thereafter are as follows, excluding maturity of commercial paper and unamortized discounts and premiums are (in thousands):

June 30	Principal Due
2018	9,854
2019	168,154
2020	10,616
2021	11,005
2022	11,412
Thereafter	972,511
Total	\$ 1,183,552

Principal due after June 30, 2022, includes the following "balloon" payments due on Dartmouth's indebtedness (in thousands):

June 30	Indebtedness	Payment
2028	NHHEFA Series 2009 bonds	\$ 32,190
2029	NHHEFA Series 2009 bonds	12,690
2036	NHHEFA Series 2007B bonds	18,000
2038	2015 Series C&D bonds	89,665
2040	2015 Series A&B bonds	101,000
2041	NHHEFA Series 2007B bonds	57,000
2042	2012 Series A bonds	70,000
2043	2012 Series B bonds	150,000
2043	NHHEFA Series 2016A bonds	165,000
2046	2016 Series A bonds	250,000

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

The NHHEFA bonds are a general obligation collateralized only by Dartmouth's pledge of full faith and credit and by funds held from time to time by the trustee for the benefit of the holders of the bonds under the respective bond resolutions. Dartmouth has agreed to certain covenants with respect to encumbrance or disposition of its core campus.

During fiscal year 2009, Dartmouth entered into six interest rate swap agreements. Information related to these interest rate swap agreements as of June 30, 2017, including the fixed interest rate paid by Dartmouth and percent of LIBOR BBA (1 month) received on the notional principal, is presented in the table below:

Expiration Date	Notional Amount (in thousands)	Fixed Interest Rate %	% of LIBOR BBA
06/01/2027	\$ 31,910	3.77	72
06/01/2028	52,585	3.78	72
06/01/2032	100,000	3.75	67
06/01/2041	100,000	3.73	70
06/01/2042	100,000	3.73	70
06/01/2043	165,000	3.74	70

The fair value of these agreements at June 30, 2017 and 2016 based on various factors contained in the interest rate swap agreements and certain interest rate assumptions, was approximately \$175,646,000 and \$250,321,000, respectively, and is considered a Level 2 measurement. The decrease in the liability of \$74,675,000 for the year ended June 30, 2017 is presented as an unrealized gain and the increase in the liability of \$82,904,000 for the year ended June 30, 2016 is presented as a change in unrealized loss in the non-operating section of the Consolidated Statement of Activities. Net payments or receipts under the swap agreements associated with facilities debt are reflected as interest expense. These financial instruments involve counterparty credit exposure.

Commercial paper consists of notes issued in the short-term taxable market, and is sold at a discount from par. The maturities of individual notes are issued in ranges from one day to no more than 270 days, and fall on average in a range of thirty to ninety days. Dartmouth reports commercial paper at carrying value, which closely approximates fair value for those liabilities.

Dartmouth maintains stand-by bond purchase agreements with financial institutions totaling approximately \$128,700,000 to provide alternative liquidity to support its variable rate demand bonds in the event that the bonds cannot be remarketed. Financing obtained through these stand-by credit agreements to fund the repurchase of such bonds would bear interest rates different from those associated with the original bond issues, and mature over a three or a five-year period following repurchase. The agreements have various maturity dates between June 2019 and December 2019. There were no amounts outstanding at June 30, 2017 and 2016 under these agreements.

Dartmouth has two lines of credit totaling \$250,000,000. The maturity dates are June 30, 2018 and June 30, 2019. There is no outstanding borrowing on either line of credit.

H. Pension and Other Employment Related Obligations

Liabilities for retirement and postretirement medical benefits, salaries, wages, and other benefits under employment agreements consisted of the following at June 30 (in thousands):

	2017	2016
Retirement and postretirement benefits	\$ 360,114	\$ 380,087
Compensated absences, severance plans, and other commitments	25,833	28,456
Self-insured benefits	14,925	12,167
Total employment related obligations	\$ 400,872	\$ 420,710

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

In fiscal year 1998, Dartmouth revised its pension benefit for staff and non-union service employees, giving each participant a one-time option to either remain in the defined benefit plan or enroll in the defined contribution plan effective January 1, 1998. Staff and non-union service employees hired since that date receive retirement benefits under the defined contribution plan. Effective January 1, 2006, all union employees are enrolled in the defined contribution plan.

Dartmouth's postretirement medical benefits consist of medical insurance coverage for retirees. Employees hired prior to July 1, 2009 that are 55 or older and have at least ten continuous years of service in a benefits-eligible position immediately prior to retirement are currently eligible for a subsidy toward the purchase of Retiree Medical Benefits. The subsidy amount was based on the employee's annual salary, age, and years of service as of June 30, 2009. For retirees under the age of 65, the medical insurance options are the same as for active employees. At age 65, the retiree would enroll in the Dartmouth College Medicare Supplement (DCMS) plan. New employees hired on or after July 1, 2009 are eligible to participate in a Retirement Savings Match and are eligible to purchase the retiree group medical insurance at full cost if they qualify at retirement.

Information pertaining to the pension and postretirement benefits at June 30 include (in thousands):

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
Change in benefit obligation:				
Beginning of year	\$ 143,699	\$ 132,431	\$ 352,931	\$ 396,179
Service cost	2,621	2,573	6,214	8,733
Interest cost	4,505	5,579	12,193	19,010
Benefits paid	(8,732)	(7,736)	(7,775)	(8,072)
Actuarial (gain)/loss	(3,195)	10,852	(34,523)	(62,919)
End of year	<u>\$ 138,898</u>	<u>\$ 143,699</u>	<u>\$ 329,040</u>	<u>\$ 352,931</u>
Change in estimated fair value of plan assets:				
Beginning of year	\$ 141,535	\$ 128,317	\$ -	\$ -
Actual return on plan assets	6,833	16,954	-	-
Employer contributions	-	4,000	7,775	8,072
Benefits paid	(8,732)	(7,736)	(7,775)	(8,072)
End of year	<u>\$ 139,636</u>	<u>\$ 141,535</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status (plan assets more (less) than benefits obligation)	<u>\$ 738</u>	<u>\$ (2,164)</u>	<u>\$ (329,040)</u>	<u>\$ (352,931)</u>
Net periodic benefit (income) cost included the following:				
Service cost	\$ 2,621	\$ 2,573	\$ 6,214	\$ 8,733
Interest cost	4,505	5,579	12,193	19,010
Expected return on assets	(6,967)	(7,086)	-	-
Amortization of prior service cost (credit)	-	240	(3,487)	(3,487)
Recognized net actuarial loss	1,252	967	2,073	9,397
Net periodic benefit cost	<u>\$ 1,411</u>	<u>\$ 2,273</u>	<u>\$ 16,993</u>	<u>\$ 33,653</u>
	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
Weighted-average assumptions for determining net periodic benefit cost:				
Discount Rate – Benefit Obligation	3.68%	4.40%	4.15%	4.85%
Discount Rate – Service Cost	3.93%	4.40%	4.47%	4.85%
Discount Rate – Interest Cost	3.18%	4.40%	3.50%	4.85%
Expected return on plan assets	5.55%	6.10%	-	-
Weighted-average assumptions for determining benefit obligations:				
Rate of compensation increase	2.50%	2.50%	-	-
Discount rate used to determine benefit obligations	3.84%	3.68%	4.15%	4.15%

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

The decrease in the post-retirement benefit obligation is primarily due to actual 2017 claims experience, adjusted trend assumptions and a reduction in excise tax liability, which are reflected in the 2017 actuarial gain of \$34,523,000.

The increase (decrease) in unrestricted net assets resulting from the change in pension and post-retirement benefit obligations consisted of the following (in thousands):

	Pension Benefits	Postretirement Benefits	Total 2017	Total 2016
Amounts recognized in non-operating activities:				
Net actuarial gain	\$ 3,061	\$ 34,523	\$ 37,584	\$ 61,935
Amortization of gain	1,252	2,073	3,325	10,364
Amortization of prior service cost (credit)	-	(3,487)	(3,487)	(3,247)
Total non-operating gain	4,313	33,109	37,422	69,052
Amounts recognized in operating activities:				
Net periodic benefit cost	(1,411)	(16,993)	(18,404)	(35,926)
Total gain	<u>\$ 2,902</u>	<u>\$ 16,116</u>	<u>\$ 19,018</u>	<u>\$ 33,126</u>

The cumulative amounts in unrestricted net assets that have not yet been recognized as components of net periodic benefit cost are as follows (in thousands):

	Pension Benefits		Postretirement Benefits	
	2017	2016	2017	2016
Prior service cost	\$ -	\$ -	\$ (1,464)	\$ (4,951)
Net (gain) loss	9,834	14,148	23,451	60,047
Total	<u>\$ 9,834</u>	<u>\$ 14,148</u>	<u>\$ 21,987</u>	<u>\$ 55,096</u>

The estimated costs that will be amortized into net periodic benefit costs in fiscal 2018 are as follows (in thousands):

	Pension Benefits	Postretirement Benefits
Prior service cost	\$ -	\$ (1,464)
Net (gain) loss	279	-
Total	<u>\$ 279</u>	<u>\$ (1,464)</u>

The following table lists specified investment terms by asset category for defined benefit pension plan investments in certain commingled funds and private partnership interests that are reported using NAV as the practical expedient as of June 30, 2017 (in thousands):

	Amount	Redemption Terms	Days Notice	Remaining Unfunded Commitment	Remaining Life
Fixed income	\$ 65,680	Daily	2	\$ -	Not applicable
Global equity	69,402	Daily	2	-	Not applicable
Private equity / Venture capital	2,146	Illiquid	Not applicable	318	1 – 5 years
Total	<u>\$ 137,228</u>			<u>\$ 318</u>	

In addition to the investments disclosed above, the Plan also holds \$2,408,000 in cash and cash equivalents at June 30, 2017, which is classified as a Level 1 investment in the fair value hierarchy.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

The following table lists specified investment terms by asset category for defined benefit pension plan investments in certain commingled funds and private partnership interests that are reported using NAV as the practical expedient as of June 30, 2016 (in thousands):

	Amount	Redemption Terms	Days Notice	Remaining Unfunded Commitment	Remaining Life
Fixed income	\$ 74,588	Daily	2	\$ -	Not applicable
Global equity	63,337	Daily	2	-	Not applicable
Private equity / Venture capital	2,433	Illiquid	Not applicable	388	1 – 5 years
Total	<u>\$ 140,358</u>			<u>\$ 388</u>	

In addition to the investments disclosed above, the Plan also holds \$1,177,000 in cash and cash equivalents at June 30, 2016, which is classified as a Level 1 investment in the fair value hierarchy.

The overall investment strategy of the defined benefit pension plan (the Plan) is to utilize an asset mix that is designed to meet the near and longer term benefit payment obligations of the Plan. Over time, the asset mix may include global equity and fixed income exposures. Global equity exposure is designed to capture the equity market performance of developed markets while fixed income exposure provides a predictable yield as well as a hedge against changing interest rates by holding corporate bonds and other financial instruments. Other types of investments may include private equity, venture capital, and other private real asset partnerships that employ different underlying strategies. Outside investment advisors are utilized to manage the Plan assets and are selected based on their investment style, philosophy, and past performance. Dartmouth's investment office is responsible for managing the asset allocation and investment risk management of the Plan.

Dartmouth makes annual contributions to maintain funding for the defined benefit plan on an actuarially recommended basis. Dartmouth currently does not expect to contribute to the defined benefit plan in fiscal year 2018.

Benefit payments, which reflect expected future service, as appropriate, are expected to be paid in each of the next five years ending June 30 and thereafter as follows (in thousands):

	Pension Benefits	Postretirement Benefits
2018	\$ 12,500	\$ 8,700
2019	9,800	9,600
2020	9,900	10,600
2021	10,000	11,600
2022	10,300	12,500
Years 2023 – 2027	46,100	75,000

The accumulated benefit obligation (ABO) of the defined benefit plan was \$131,099,000 and \$136,800,000 at June 30, 2017 and 2016, respectively.

Assumed health care cost trend rates have a significant effect on the estimated amounts reported for the postretirement benefit plan. The medical cost trend rates for pre-age 65 and post-age 65 retirees, respectively, are assumed to be 8.38% and 9.5% in year 2017, decrease gradually to 4.5% and 4.5% in fiscal year 2026, respectively, and remain level thereafter. Dartmouth's estimate of postretirement benefit expense and obligations also reflects the impact of the Medicare Prescription Drug Improvement and Modernization Act, which provides for tax-free subsidies to employers that offer retiree medical benefit plans with qualifying drug coverage.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

A one percentage point increase (decrease) in assumed health care cost trend rates would have the following effect (in thousands):

Increase (decrease) in total of service and interest cost components	\$ 4,205	\$ (3,236)
Increase (decrease) in postretirement benefit obligation	\$ 62,797	\$ (49,581)

Through June 30, 2016, Dartmouth estimated the service and interest cost components for pension and post-retirement benefits using a single weighted average discount rate derived from the yield curves used to measure the benefit obligation at the beginning of the period. Effective July 1, 2016, Dartmouth is estimating the costs of the service and interest components through a full yield curve approach by applying the specific spot rates along the yield curve used in the determination of the net periodic expense to the relevant present value of projected cash flows. This change is a refinement to the correlation between projected benefit cash flows and the corresponding yield curve spot rates. Dartmouth has accounted for this change as a change in estimate and is accounting for it prospectively beginning in fiscal 2017.

Dartmouth also maintains defined contribution retirement plans for its employees. These benefits are individually funded and are subject to various vesting requirements. Under these arrangements, Dartmouth makes contributions to individual self-directed retirement investment accounts for the participants. These contributions for the years ended June 30, 2017 and 2016 were \$24,953,000 and \$26,060,000, respectively. Dartmouth also maintains deferred compensation plans. The liabilities for the plans are included in pension and other employment related obligations in the Consolidated Statement of Financial Position.

I. Other Operating Income

The major components of other operating income for the years ended June 30 were as follows (in thousands):

	2017	2016
Medical School clinical services and other support	\$ 15,256	\$ 43,881
Foreign study and continuing education programs	12,127	13,214
Student activities and other program revenues	13,936	13,085
Athletics revenues	5,039	4,247
Hopkins Center and Hood Museum revenues	1,241	1,349
Other revenues	27,960	20,354
Investment income	48,096	10,902
Total other operating income	\$ 123,655	\$ 107,032

J. Net Assets

Additional information pertaining to Dartmouth's net assets at June 30 is presented below (in thousands):

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Detail of net assets:				
Operating funds	\$ 282,061	\$ 72,201	\$ -	\$ 354,262
Pledges	-	208,305	36,409	244,714
Postretirement and pension benefit obligations	(328,302)	-	-	(328,302)
Third-party charitable trusts	-	7,214	3,044	10,258
Facilities and capital	353,662	75,118	-	428,780
Interest rate swap agreements	(175,646)	-	-	(175,646)
Student loan funds	23,057	18,565	-	41,622
Other non-operating activities	73,825	21,176	-	95,001
Life income, annuity, and similar funds	-	60,810	30,377	91,187
Endowment funds	1,100,449	2,523,545	1,332,500	4,956,494
Total net assets	\$ 1,329,106	\$ 2,986,934	\$ 1,402,330	\$ 5,718,370

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Detail of net assets:				
Operating funds	\$ 287,506	\$ 63,574	\$ -	\$ 351,080
Pledges	-	176,780	34,675	211,455
Postretirement and pension benefit obligations	(355,095)	-	-	(355,095)
Third-party charitable trusts	-	7,036	3,375	10,411
Facilities and capital	335,025	50,192	-	385,217
Interest rate swap agreements	(250,321)	-	-	(250,321)
Student loan funds	20,212	23,517	-	43,729
Other non-operating activities	59,010	14,689	-	73,699
Life income, annuity, and similar funds	-	54,865	27,516	82,381
Endowment funds	1,008,220	2,179,853	1,286,331	4,474,404
Total net assets	<u>\$ 1,104,557</u>	<u>\$ 2,570,506</u>	<u>\$ 1,351,897</u>	<u>\$ 5,026,960</u>

K. Commitments and Contingencies

Outstanding commitments on uncompleted construction contracts total \$38,123,000 at June 30, 2017.

Investment related commitments as of June 30, 2017 and 2016 are disclosed in the Fair Value NAV tables in Note D, Investments.

All funds expended by Dartmouth in connection with government sponsored grants and contracts are subject to audit by governmental agencies. The ultimate liability, if any, from such audits, is not expected to have a material adverse effect on Dartmouth's financial position.

In conducting its activities, Dartmouth from time to time is the subject of various claims and also has claims against others. The ultimate resolution of such claims is not expected to have either a material adverse or favorable effect on Dartmouth's financial position.

L. Related Party Transactions

Members of Dartmouth's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with Dartmouth. Dartmouth has a written conflict of interest policy that requires annual reporting by each Trustee, as well as senior management. Additionally, Dartmouth has a policy on Pecuniary Benefit Transactions and Related Party Investments. This policy supplements the Dartmouth College Conflict of Interest Policy with regard to pecuniary benefit transactions, as defined by New Hampshire law, including but not limited to Dartmouth's investment in investment vehicles in which Trustees have a financial interest. These policies include, among other things, that no member of the Board of Trustees can participate in any decision in which he or she (or an immediate family member) has a material financial interest. When such relationships exist, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of Dartmouth, and in accordance with applicable conflict of interest laws.

M. Restructuring Costs and Liability

During the year ended June 30, 2016, Dartmouth restructured a number of activities at the Geisel School of Medicine (Geisel) to address increasing financial constraints, to improve Geisel's education and research programs, and to align resources and support for these activities. These changes include: creation of a new department of Medical Education, reorganization of the Basic Science departments, and migration of the operations and fiscal responsibility for clinical academic activities from Dartmouth to Dartmouth-Hitchcock Clinic and Mary Hitchcock Memorial Hospital (operating jointly as "Dartmouth-Hitchcock"). Responsibility for the employment, finances, and operational support for clinical research programs, as well as the clinical practice of psychiatry, transferred from Geisel to Dartmouth-Hitchcock on July 1, 2016.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2017 and 2016

Restructuring expenses of \$53,459,000 are reported in the Consolidated Statement of Activities as of June 30, 2016. Associated accrued liabilities totaled \$18,440,000 and \$44,917,000 as of June 30, 2017 and 2016, respectively. Of these amounts \$13,478,000 and \$36,265,000 are reported in Accounts payable and other liabilities line and \$4,962,000 and \$8,652,000 are reported in the Pension and other employment related obligations line on the Consolidated Statement of Financial Position as of June 30, 2017 and 2016, respectively.

N. Environmental Remediation and Related Costs

From the mid-1960s until 1978, Dartmouth used a quarter-acre portion of a 223-acre piece of property it owns in Hanover, NH (known as "Rennie Farm") as a licensed burial site for animal carcasses used in medical and other research. Site remediation was approved by the New Hampshire Department of Health and Human Services, Radiological Health Section (RHS) and began in late October 2011. In November 2011, unexpected hazardous chemical waste was encountered. Dartmouth has continued to monitor groundwater quality and has conducted a phased investigation consistent with state environmental requirements. During fiscal 2017 Dartmouth completed the installation of a pump and treat system to treat and remove contaminated groundwater from the source area. Dartmouth will remediate the site and continue monitoring groundwater wells and selected drinking water supply wells with oversight from New Hampshire Department of Environmental Services.

In February 2017, Dartmouth College established a Value Assurance Program ("VAP") to protect the value of eligible properties located in the Rennie Farm neighborhood. The VAP, which is a voluntary program, will run until February 1, 2022. Under the terms of the VAP, owners of eligible properties who meet certain requirements will be compensated if they are unable to sell their home at market value due to the stigma of the Rennie Farm remediation. If an owner of an eligible property is unable to sell his/her home after meeting certain requirements, Dartmouth College will purchase the property.

During fiscal 2017, Dartmouth incurred \$5,140,000 in costs related to the environmental remediation of Rennie Farm and establishment of the VAP. Dartmouth has accrued \$21,810,000 for estimated future costs of all remediation activities as well as an estimate of expenses of the VAP. Total environmental remediation and related expenses are reported as a separate line in the operating section of the Consolidated Statement of Activities and the accrued liabilities are reported in the accounts payable and other liabilities line in the Consolidated Statement of Financial Position as of June 30, 2017. Actual future remediation costs and VAP expenses could differ from the amounts recorded as of June 30, 2017.

O. Subsequent Events

On October 20, 2017, Dartmouth issued a conditional notice of redemption to call the \$150,000,000 of outstanding Series 2009 Taxable Bonds for redemption on November 20, 2017. The redemption is conditional upon receipt by the Trustee of money sufficient to pay the principal and interest due on the bonds. The redemption price is the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the bonds.

For purposes of determining the effects of other subsequent events on these consolidated financial statements, management has evaluated events subsequent to June 30, 2017 and through October 26, 2017, the date on which the consolidated financial statements were issued, and has concluded that there were no other subsequent events requiring adjustment or disclosure.

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster							
DEPARTMENT OF AGRICULTURE							
National Institute of Food and Agriculture							
Agriculture and Food Research Initiative (AFRI)	10.310	\$ -	\$ 65,150	Michigan State University	RC104693A	\$ 65,150	\$ -
Agriculture and Food Research Initiative (AFRI)	10.310	444,169				444,169	38,185
Biomass Research and Development Initiative	10.312	354,902				354,902	
Competitive Grants Program (BRDI)							
Forest Service							
Forestry Research	10.652		8,633	Northeastern States Research Cooperative	14-088	8,633	6,684
Forest Health Protection	10.680	28,686				28,686	
International Forestry Programs	10.684	66,607				66,607	30,000
Forest Service	10.RD	24,598				24,598	
		<u>918,962</u>	<u>73,783</u>			<u>992,745</u>	<u>74,869</u>
DEPARTMENT OF COMMERCE							
National Oceanic and Atmospheric Administration (NOAA)							
National Oceanic and Atmospheric Administration (NOAA)	11.432		1,223	University of New Hampshire	17-041	1,223	
			<u>1,223</u>			<u>1,223</u>	<u>-</u>
DEPARTMENT OF DEFENSE							
Department of the Navy, Office of the Chief of Naval Research							
Basic and Applied Scientific Research	12.300	1,693,176				1,693,176	560,127
Basic and Applied Scientific Research	12.300		27,247	Carnegie Mellon University	1141273-351713	27,247	
Basic and Applied Scientific Research	12.300		140,302	Securborator, Inc.	N/A	140,302	
Basic and Applied Scientific Research	12.300		49,689	Siege Technologies, LLC	RR0001	49,689	
U.S. Army Medical Command							
Military Medical Research and Development	12.420	1,367,219				1,367,219	57,852
Military Medical Research and Development	12.420		28,113	Creare, LLC.	80232	28,113	
Military Medical Research and Development	12.420		35,228	Rutgers the State University	#5296/PO 52051959	35,228	
Military Medical Research and Development	12.420		11,820	University of Texas, Houston	0009671B	11,820	
U.S. Army Materiel Command							
Basic Scientific Research	12.431	434,217				434,217	
Basic Scientific Research	12.431		218,053	George Mason University	E2030472	218,053	
Basic Scientific Research	12.431		56,785	University of Sydney	G174385	56,785	
Basic Scientific Research	12.431		30,444	University of Wisconsin-Madison	419K812	30,444	
Office of the Secretary of Defense							
Basic, Applied, and Advanced Research in Science and Engineering	12.630	30,962				30,962	
Department of the Air Force, Materiel Command							
Air Force Defense Research Sciences Program	12.800	185,348				185,348	
Air Force Defense Research Sciences Program	12.800		27,769	Securborator, Inc.	N/A	27,769	
National Security Agency							
Information Security Grants	12.902		79,510	University of Illinois	2014-03127-03	79,510	
Advanced Research Projects Agency							
Research and Technology Development	12.910	831,533				831,533	219,436
Research and Technology Development	12.910		54,323	California Institute of Technology	67SA-1096880	54,323	
Research and Technology Development	12.910		30,686	University of Pennsylvania	564000	30,686	
Research and Technology Development	12.910		210,289	University of Pennsylvania	569456	210,289	
Research and Technology Development	12.RD		3,509	Creare, LLC.	74367	3,509	
Department of Defense							
Department of Defense	12.RD	279,735				279,735	
Department of Defense	12.RD		282,818	Clinical Research Management, Inc.	Dartmouth-13-01	282,818	
Department of Defense	12.RD		13,340	Creare, LLC.	74367	13,340	
Department of Defense	12.RD		14,001	Gallup, Inc.	D17PC00002-002	14,001	
Department of Defense	12.RD		215,686	Kitware, Inc.	K001892-00-501	215,686	
US Army Medical Research and Materiel Command (USAMRMC)							
US Army Medical Research and Materiel Command (USAMRMC)	12.RD		23,878	Fast-Track Drugs and Biologics, Inc.	0047-1062-CPP-DHMC	23,878	
		<u>4,822,190</u>	<u>1,553,490</u>			<u>6,375,680</u>	<u>837,415</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
DEPARTMENT OF EDUCATION							
Department of Education							
Department of Education	84.RD		(3,420)	Howard University	0008512-1000054351	(3,420)	
		-	(3,420)			(3,420)	-
DEPARTMENT OF ENERGY							
Department of Energy							
Office of Science Financial Assistance Program	81.049	344,108				344,108	
Renewable Energy Research and Development	81.087	185,161				185,161	33,682
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		175,874	University of Illinois	078620-15704	175,874	
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		(1,296)	University of Illinois	2010-01251-01	(1,296)	
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122		70,636	University of Illinois	2015-06805-10	70,636	
Advanced Research Projects Agency - Energy	81.135		118,016	Ocean Renewable Power Company, LLC	SUB-16014	118,016	
Department of Energy	81.RD		1,804,130	Battelle	4000115284	1,804,130	
Department of Energy	81.RD		18,280	HiFunda LLC	N/A	18,280	
		529,269	2,185,640			2,714,909	33,682
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Food and Drug Administration Research							
Food and Drug Administration Research	93.103	46,790				46,790	
Food and Drug Administration Research	93.103		36,030	New England Pediatric Device Consortium	NEPDC-002	36,030	9,593
		46,790	36,030			82,820	9,593
National Institutes of Health							
Environmental Health	93.113	1,948,223				1,948,223	265,267
Environmental Health	93.113		11,213	Brown University	00001008	11,213	
Environmental Health	93.113		4,929	Emory University	T701316	4,929	
Environmental Health	93.113		1,643	Emory University	T720029	1,643	
Environmental Health	93.113		71,383	University of Chicago	FP055589-A	71,383	
Oral Diseases and Disorders Research	93.121	657,383				657,383	305,094
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.143	2,432,360				2,432,360	261,831
Human Genome Research	93.172		551	University of Chicago	FP055133	551	
Research Related to Deafness and Communication Disorders	93.173	781,071				781,071	401,821
Research and Training in Complementary and Integrative Health	93.213		15,507	University of Michigan	3003875908	15,507	
National Center on Sleep Disorders Research	93.233	1,282				1,282	
Mental Health Research Grants	93.242	6,225,324				6,225,324	1,411,938
Mental Health Research Grants	93.242		25,932	Boston University	4500001758	25,932	
Mental Health Research Grants	93.242		4,998	Boston University	4500001978	4,998	
Mental Health Research Grants	93.242		58,214	Boston University	4500002263	58,214	
Mental Health Research Grants	93.242		(5,980)	Butler Hospital	9225-8340	(5,980)	
Mental Health Research Grants	93.242		11,702	Center for Social Innovation	N/A	11,702	
Mental Health Research Grants	93.242		32,348	Yale University	M13A11533 (A09085)	32,348	
Mental Health Research Grants	93.242		111,957	Yale University	M16A12444(A10642)	111,957	
Mental Health Research Grants	93.242	514,497				514,497	186,255
Alcohol Research Programs	93.273	1,498,762				1,498,762	14,804
Alcohol Research Programs	93.273		12,083	Stanford University	61528905-127851	12,083	
Drug Abuse and Addiction Research Programs	93.279	6,671,483				6,671,483	1,645,215
Drug Abuse and Addiction Research Programs	93.279		65,354	HealthSim	N/A	65,354	45,176
Drug Abuse and Addiction Research Programs	93.279		(498)	Johns Hopkins University	2001706094	(498)	
Drug Abuse and Addiction Research Programs	93.279		39,164	Johns Hopkins University	2003026709	39,164	

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
Drug Abuse and Addiction Research Programs	93.279		31,603			31,603	
Drug Abuse and Addiction Research Programs	93.279		21,259	Oregon Research Institute	N/A	21,259	
Drug Abuse and Addiction Research Programs	93.279		50,000	University of Maryland	41759-20745001	50,000	
Drug Abuse and Addiction Research Programs	93.279		28,357	University of Wisconsin-Madison	416K080	28,357	
Drug Abuse and Addiction Research Programs	93.279		185,863	Westat, Inc.	s8954	185,863	
Drug Abuse and Addiction Research Programs	93.279	415,399				415,399	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	1,108,288		La Salle University	20160719	1,108,288	90,929
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		17,493	Massachusetts General Hospital	228196	17,493	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		129,923	Pacific Northwest National Laboratory	330142	129,923	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		12,364	University of Massachusetts Memorial Medical Ctr	WA00435214/OSP2016200	12,364	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		31,961	University of Massachusetts Memorial Medical Ctr	WA00435215/OSP2016198	31,961	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		6,655	University of Massachusetts Memorial Medical Ctr	WA00526352/OSP2016200	6,655	
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286		26,380	University of Massachusetts Memorial Medical Ctr	WA00536353/OSP2018198	26,380	
Trans-NIH Research Support	93.310	1,847,362				1,847,362	9,210
Trans-NIH Research Support	93.310		14,717	University of Washington	UWSC8712/PO#BP012266	14,717	
National Center for Advancing Translational Sciences	93.350	3,855,561				3,855,561	1,065,505
National Center for Advancing Translational Sciences	93.350		154,190	Harvard University	149749_5100776.4465	154,190	
National Center for Advancing Translational Sciences	93.350		20,606	Harvard University	152765.5094095.1405	20,606	
Cancer Cause and Prevention Research	93.393	2,827,609				2,827,609	562,096
Cancer Cause and Prevention Research	93.393		23,248	Albert Einstein College of Medicine	310968	23,248	
Cancer Cause and Prevention Research	93.393		13,500	Albert Einstein College of Medicine	PO#578555	13,500	
Cancer Cause and Prevention Research	93.393		318,264	Brigham & Women's Hospital	111048	318,264	
Cancer Cause and Prevention Research	93.393		5,682	CairnSurgical LLC	N/A	5,682	
Cancer Cause and Prevention Research	93.393		86,583	Doseoptics	N/A	86,583	
Cancer Cause and Prevention Research	93.393		(1)	Emory University	T259757	(1)	
Cancer Cause and Prevention Research	93.393		22,961	Fred Hutchinson Cancer Research Center	0000863147	22,961	
Cancer Cause and Prevention Research	93.393		36,139	Harvard University	150144.507561.0004	36,139	
Cancer Cause and Prevention Research	93.393		12,509	Kaiser Permanente Washington Health Research Institute	2013169197	12,509	
Cancer Cause and Prevention Research	93.393		182,143	Kaiser Permanente Washington Health Research Institute	CA154292-05	182,143	123,683
Cancer Cause and Prevention Research	93.393		13,639	Kaiser Permanente Washington Health Research Institute	PO#2015175056	13,639	
Cancer Cause and Prevention Research	93.393		37,278	Research Institute	PO#2015175057	37,278	19,912
Cancer Cause and Prevention Research	93.393		122,393	Massachusetts General Hospital	225634	122,393	16,909
Cancer Cause and Prevention Research	93.393		171,063	Massachusetts General Hospital	225638	171,063	
Cancer Cause and Prevention Research	93.393		45,979	Stanford University	60373226-110835	45,979	
Cancer Cause and Prevention Research	93.393		5,308	University of California, San Francisco	10006sc	5,308	
Cancer Cause and Prevention Research	93.393		382,776	University of North Carolina at Chapel Hill	5033528	382,776	
Cancer Cause and Prevention Research	93.393		77,340	University of Texas, M D Anderson Cancer	00003017	77,340	
Cancer Cause and Prevention Research	93.393		46,543	University of Washington	UWSC6180/PO 6827	46,543	
Cancer Detection and Diagnosis Research	93.394	5,870,180				5,870,180	1,102,462

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
Cancer Detection and Diagnosis Research	93.394		20,932	RyTek Medical, Inc.	N/A	20,932	
Cancer Detection and Diagnosis Research	93.394		8,826	University of California, Irvine	2014-3022	8,826	
Cancer Detection and Diagnosis Research	93.394		19,897	University of Michigan	3004034934	19,897	
Cancer Detection and Diagnosis Research	93.394		79,591	University of Michigan	300404934	79,591	
Cancer Treatment Research	93.395	1,038,474			110408	1,038,474	
Cancer Treatment Research	93.395		28,945	Brigham & Women's Hospital		28,945	
Cancer Treatment Research	93.395		16,829	Brigham & Women's Hospital	NH012	16,829	
Cancer Treatment Research	93.395		54,512	Children's Hospital of Philadelphia (CHOP)	COG PCR	54,512	
Cancer Treatment Research	93.395		60,797	ECOG-ACRIN Cancer Research Group	N/A	60,797	
Cancer Treatment Research	93.395		203	John Wayne Cancer Institute	MSLT-11	203	
Cancer Treatment Research	93.395		31,637	Massachusetts General Hospital	225634	31,637	13,676
Cancer Treatment Research	93.395		20,276	Massachusetts General Hospital	225638	20,276	
Cancer Treatment Research	93.395		116,234	Mayo Clinic	64029258	116,234	
Cancer Treatment Research	93.395		3,625	Mayo Clinic	DAR-222511	3,625	
Cancer Treatment Research	93.395		6,161	National Childhood Cancer Foundation	15134	6,161	
Cancer Treatment Research	93.395		21,472	Ohio State University Research Foundation	60039916	21,472	
Cancer Treatment Research	93.395		10,275	Physical Sciences, Inc.	N/A	10,275	
Cancer Treatment Research	93.395		3,817	University of North Carolina at Chapel Hill	27469-34	3,817	
Cancer Treatment Research	93.395		2,869	University of Texas, M D Anderson Cancer	00002987	2,869	
Cancer Biology Research	93.396	720,920				720,920	
Cancer Biology Research	93.396		56,665	Harvard University	113098-5093073	56,665	
Cancer Biology Research	93.396		591	Wistar Institute	24581-02-365	591	
Cancer Centers Support Grants	93.397	4,133,261				4,133,261	249,099
Cancer Centers Support Grants	93.397		41,224	University of Michigan	3002191972	41,224	
Cancer Research Manpower	93.398	552,965				552,965	
Cancer Research Manpower	93.398	49,660				49,660	
Cancer Control	93.399		6,085	Southwest Oncology Group	CA37429	6,085	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	444,805				444,805	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		1,968	Boston University	4500002059	1,968	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		3,547	Boston University	4500002060	3,547	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		44,460	Brandeis University	403315	44,460	
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		2,238	Howard University	0008512-1000054351	2,238	
Trans-NIH Recovery Act Research Support	93.701		12,966	EMMES Corporation	N/A	12,966	
Cardiovascular Diseases Research	93.837	1,858,165				1,858,165	339,886
Cardiovascular Diseases Research	93.837		(696)	Duke University	179452	(696)	
Cardiovascular Diseases Research	93.837		2,155	Duke University	SPS #193938	2,155	
Cardiovascular Diseases Research	93.837		1,010	Emory University	T286230	1,010	
Cardiovascular Diseases Research	93.837		10,938	Icahn School of Medicine at Mount Sinai	0255-3106-4605	10,938	

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
Cardiovascular Diseases Research	93.837		104,389	Icahn School of Medicine at Mount Sinai	1255-3107-4605	104,389	
Cardiovascular Diseases Research	93.837		50,611	Northeast Ohio Medical University	34520-A	50,611	
Cardiovascular Diseases Research	93.837		333	Seattle Children's Hospital Research	1350SUB	333	
Cardiovascular Diseases Research	93.837		1,791	Vanderbilt University Medical Center	VUMC57248	1,791	
Lung Diseases Research	93.838	1,015,901				1,015,901	
Lung Diseases Research	93.838		(250)	Childrens Hospital Boston	74159	(250)	
Lung Diseases Research	93.838		499	University of California, San Francisco	7914sc	499	
Blood Diseases and Resources Research	93.839		15,999	Zata Pharmaceuticals, Inc.	N/A	15,999	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1,578,261				1,578,261	67,266
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		20,515	Boston University	4500001443	20,515	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		35,645	Boston University	4500001924	35,645	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		19,277	Boston University	4500001926	19,277	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		106,745	Celdara Medical, LLC.	N/A	106,745	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		40,934	Cornerstone Partners, LLC	N/A	40,934	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		16,218	Washington University	WU-10-157/PO 2911467A	16,218	
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	145,120				145,120	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	830,789				830,789	245,474
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		142,253	Beth Israel Deaconess Medical Center	01027777	142,253	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		73,952	Brigham & Women's Hospital	114935	73,952	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		1,327	Children's Hospital of Philadelphia (CHOP)	DK066174	1,327	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847		1,158	Regents of the University of Minnesota	N005115003	1,158	
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	(806)				(806)	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	2,169,685				2,169,685	297,773
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		636	Mayo Clinic	U01 NS080168	636	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		2,209	Northwestern University	60036745 DC	2,209	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		69,952	University of Medicine & Dentistry of NJ	99-705	69,952	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		(5,249)	University of Vermont	26913SUB51363	(5,249)	
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		16,312	Worcester Polytechnic Institute	16-210950-01	16,312	
Allergy and Infectious Diseases Research	93.855	7,521,924				7,521,924	370,156
Allergy and Infectious Diseases Research	93.855		48,532	Avatar Medical, LLC	N/A	48,532	
Allergy and Infectious Diseases Research	93.855		178	Avatar Medical, LLC	under NIAID prime	178	
Allergy and Infectious Diseases Research	93.855		7,877	BIOMERE	N/A	7,877	
Allergy and Infectious Diseases Research	93.855		64,197	Childrens Hospital Boston	GENFD0001211211	64,197	
Allergy and Infectious Diseases Research	93.855		117,884	Children's Hospital Medical Center	RSTFD0000679396	117,884	
Allergy and Infectious Diseases Research	93.855		193,166	Cornell University	64289-9879	193,166	
Allergy and Infectious Diseases Research	93.855		335,648	Duke University	2035380	335,648	
Allergy and Infectious Diseases Research	93.855		40,669	Georgetown University	412161_GR412004-DC	40,669	
Allergy and Infectious Diseases Research	93.855		14,933	Harvard University	152482.5064964.0206	14,933	
Allergy and Infectious Diseases Research	93.855		535,488	Harvard University	152519.5064964.0406	535,488	
Allergy and Infectious Diseases Research	93.855		24,300	Harvard University	152519.5085244.0409	24,300	
Allergy and Infectious Diseases Research	93.855		6,438	Les Centres Gheskio	N/A	6,438	
Allergy and Infectious Diseases Research	93.855		40,077	ImmuNext, Inc.	N/A	40,077	
Allergy and Infectious Diseases Research	93.855		9,560	Massachusetts General Hospital	225021	9,560	
Allergy and Infectious Diseases Research	93.855		5,323	Massachusetts General Hospital	226850	5,323	

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
Allergy and Infectious Diseases Research	93.855		128,958	Massachusetts General Hospital	229186	128,958	
Allergy and Infectious Diseases Research	93.855		19,109	Regents of the University of Minnesota	N003235801	19,109	
Allergy and Infectious Diseases Research	93.855		133,198	Symbiotix Biotherapies, Inc.	N/A	133,198	
Allergy and Infectious Diseases Research	93.855		18,958	Tufts University	101507-00001	18,958	
Allergy and Infectious Diseases Research	93.855		107,494	University of California, San Francisco	8972c	107,494	
Allergy and Infectious Diseases Research	93.855		54	University of California, San Francisco	89725C	54	
Allergy and Infectious Diseases Research	93.855		334	University of Pittsburgh	0042268 (127887-2)	334	
Allergy and Infectious Diseases Research	93.855	634,200				634,200	
Allergy and Infectious Diseases Research	93.855		16,079	Johns Hopkins University	LDR 01	16,079	
Allergy and Infectious Diseases Research	93.855		22,512	Johns Hopkins University	LDR 01 Mod 02	22,512	
Microbiology and Infectious Diseases Research	93.856	34,985				34,985	41,544
Microbiology and Infectious Diseases Research	93.856		(3,246)	University of Alabama	000406257-017	(3,246)	
Microbiology and Infectious Diseases Research	93.856		62,633	University of Michigan	3003676791	62,633	
Biomedical Research and Research Training	93.859	19,797,755				19,797,755	3,493,485
Biomedical Research and Research Training	93.859		94,108	Johns Hopkins University	2002228702	94,108	
Biomedical Research and Research Training	93.859		33,046	Marine Biological Laboratory	PO 52776/45397	33,046	
Child Health and Human Development Extramural Research	93.865	1,859,861				1,859,861	401,006
Child Health and Human Development Extramural Research	93.865		2,882	Boston Medical Center	3266	2,882	
Child Health and Human Development Extramural Research	93.865		(20,842)	Harvard University	152765.5094095.1305	(20,842)	
Child Health and Human Development Extramural Research	93.865		433,192	Harvard University	152765.5094095.1405	433,192	
Child Health and Human Development Extramural Research	93.865		30,270	Harvard University	152765.5094095.1405	30,270	
Child Health and Human Development Extramural Research	93.865		1,783	Magee-Womens Research Institute and	3503	1,783	
Child Health and Human Development Extramural Research	93.865		8,773	Michigan State University	RC106691A	8,773	
Child Health and Human Development Extramural Research	93.865		128,984	Simbex	SIMBEX-002	128,984	
Child Health and Human Development Extramural Research	93.865		92,703	Simbex	SIMBEX-003	92,703	
Child Health and Human Development Extramural Research	93.865		1,103	University of Texas, Dallas	1301522	1,103	
Aging Research	93.866	3,353,679				3,353,679	351,589
Aging Research	93.866		18,339	Brigham & Women's Hospital	115359	18,339	
Aging Research	93.866		49,021	Brown University	0000996	49,021	
Aging Research	93.866		4,999	Columbia University	2(GG010946-02)	4,999	
Aging Research	93.866		(12,771)	University of Michigan	3003576791	(12,771)	
Aging Research	93.866		13,371	University of Michigan	3003576791	13,371	
Vision Research	93.867	905,392				905,392	
Vision Research	93.867		2,486	University of California, San Francisco	5640	2,486	
Medical Library Assistance	93.879	546,336				546,336	
Medical Library Assistance	93.879		7,934	University of Massachusetts, Worcester	WA00364376/OSP2016105	7,934	
International Research and Research Training	93.989	420,211				420,211	308,305
International Research and Research Training	93.989	691,637				691,637	162,353
		<u>86,957,964</u>	<u>7,040,257</u>			<u>93,998,221</u>	<u>13,869,719</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
Centers for Disease Control and Prevention							
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	1,124,563				1,124,563	69,356
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283		227,197	NH Div of Public Health Services	PO#1024261	227,197	
Centers for Disease Control and Prevention_ Investigations and Technical Assistance Assistance Programs for Chronic Disease Prevention and Control	93.283 93.945		478,161 72,733	NH Div of Public Health Services University of California, Berkeley	PO#1054230 00009000	478,161 72,733	
		<u>1,124,563</u>	<u>778,091</u>			<u>1,902,654</u>	<u>69,356</u>
Agency for Toxic Substances and Disease Registry							
Health Program for Toxic Substances and Disease Registry	93.161	186,614				186,614	25,572
		<u>186,614</u>	<u>-</u>			<u>186,614</u>	<u>25,572</u>
Agency for Healthcare Research and Quality							
Research on Healthcare Costs, Quality and Outcomes	93.226	4,344,067				4,344,067	808,827
Research on Healthcare Costs, Quality and Outcomes	93.226		54,009	Harvard University	115390-5099016	54,009	
Research on Healthcare Costs, Quality and Outcomes	93.226		39,737	University of Michigan	3004099454	39,737	
Research on Healthcare Costs, Quality and Outcomes	93.226		36,665	University of Michigan	3004171737	36,665	
Research on Healthcare Costs, Quality and Outcomes	93.226		56,326	University of Michigan	3004263157	56,326	
Research on Healthcare Costs, Quality and Outcomes	93.226		4,433	University of Pennsylvania	570280/PO 3690429	4,433	
		<u>4,344,067</u>	<u>191,170</u>			<u>4,535,237</u>	<u>808,827</u>
Administration for Community Living							
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	298,261				298,261	214
		<u>298,261</u>	<u>-</u>			<u>298,261</u>	<u>214</u>
Centers for Medicare and Medicaid Services							
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations	93.779	3,503				3,503	-
		<u>3,503</u>	<u>-</u>			<u>3,503</u>	<u>-</u>
Office of the Secretary							
National Bioterrorism Hospital Preparedness Program	93.889	144,316				144,316	-
		<u>144,316</u>	<u>-</u>			<u>144,316</u>	<u>-</u>
Department of Health and Human Services							
Department of Health and Human Services	93.RD	417,720				417,720	
Department of Health and Human Services	93.RD		123,833	Creare, LLC.	83666	123,833	
Department of Health and Human Services	93.RD		680	Dana Farber Cancer Institute	UNIV OF CHICAGO	680	
Department of Health and Human Services	93.RD		127,601	Doseoptics	N/A	127,601	
Department of Health and Human Services	93.RD		73,458	Duke University	2035753	73,458	

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
Department of Health and Human Services	93.RD		23,933	ICF Macro	13EDSK0109	23,933	
Department of Health and Human Services	93.RD		2,029	Kaiser Permanente Washington Health	HHSN261201100031C-Dartmouth	2,029	
Department of Health and Human Services	93.RD		175,396	Leidos Biomedical Research, Inc.	16X233	175,396	
Department of Health and Human Services	93.RD		11,500	Lewin Group, Inc.	N/A	11,500	
Department of Health and Human Services	93.RD		15,919	Massachusetts General Hospital	217706	15,919	
Department of Health and Human Services	93.RD		4,763	New England Research Institutes, Inc.	STUDY #FED14217	4,763	
Department of Health and Human Services	93.RD		42,281	NH Dept of Health & Human Services	1021329	42,281	
Department of Health and Human Services	93.RD		2,119	Northwestern University	60036745DC	2,119	
Department of Health and Human Services	93.RD		(97)	Northwestern University	N/A	(97)	
Department of Health and Human Services	93.RD		2,746	RyTek Medical, Inc.	N/A	2,746	
Department of Health and Human Services	93.RD		147,288	University of Florida	UFDSP00010663	147,288	
Department of Health and Human Services	93.RD		47,665	University of South Florida	PO 0000223148	47,665	
Department of Health and Human Services	93.RD		19,776	University of Vermont	28377 SUB51601	19,776	
Department of Health and Human Services	93.RD		103,803	Westat, Inc.	6410	103,803	
		<u>417,720</u>	<u>924,693</u>			<u>1,342,413</u>	<u>-</u>
		<u>93,523,798</u>	<u>8,970,241</u>			<u>102,494,039</u>	<u>14,783,281</u>
DEPARTMENT OF JUSTICE							
National Institute of Justice							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		94,285	University of New Hampshire	15-019	94,285	
Criminal Justice Research and Development_ Graduate Research Fellowships	16.562	<u>32,846</u>				<u>32,846</u>	
		<u>32,846</u>	<u>94,285</u>			<u>127,131</u>	<u>-</u>
DEPARTMENT OF THE INTERIOR							
U.S. Geological Survey							
Assistance to State Water Resources Research Institutes	15.805		16,919	University of New Hampshire	17-020	16,919	
National Park Service							
National Center for Preservation Technology and Training	15.923	<u>21,047</u>				<u>21,047</u>	
		<u>21,047</u>	<u>16,919</u>			<u>37,966</u>	<u>-</u>
DEPARTMENT OF VETERANS AFFAIRS							
Department of Veterans Affairs							
Department of Veterans Affairs	64.RD	<u>8,660</u>				<u>8,660</u>	
		<u>8,660</u>	<u>-</u>			<u>8,660</u>	<u>-</u>
ENVIRONMENTAL PROTECTION AGENCY							
Environmental Protection Agency							
Great Lakes Program	66.469		23,653	Loyola University Chicago	516995-Dartmouth College	23,653	
Office of Research and Development (ORD)							
Science To Achieve Results (STAR) Research Program	66.509	<u>728,071</u>				<u>728,071</u>	<u>255,017</u>
		<u>728,071</u>	<u>23,653</u>			<u>751,724</u>	<u>255,017</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
Institute of Museum and Library Services							
National Leadership Grants	45.312	5,365				5,365	
		<u>5,365</u>	<u>-</u>			<u>5,365</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration							
Science	43.001	2,027,721				2,027,721	733,221
Science	43.001		53,379	Boston University	4500001613	53,379	
Science	43.001		112,357	California Institute of Technology	44A-1096597	112,357	
Science	43.001		14,080	Johns Hopkins University	113901	14,080	
Science	43.001		82,877	Massachusetts Institute of Technology	5710003372	82,877	
Science	43.001		37,375	Regents of the University of Minnesota	A004527201	37,375	
Science	43.001		5,002	Smithsonian Astrophysical Observatory (SAO)	G07-18093X	5,002	
Science	43.001		18,910	University of Colorado-Boulder	1549373	18,910	
Science	43.001		45,888	University of Colorado-Boulder	1552473	45,888	
Science	43.001		20,124	University of Connecticut	91595	20,124	
Science	43.001		86,898	University of Iowa	W000726838	86,898	
Science	43.001		12,650	University of New Hampshire	10-092	12,650	
Science	43.001		48,652	University of New Hampshire	14-085	48,652	
Science	43.001		7,604	University of New Hampshire	15-038	7,604	
Aeronautics	43.002		200,622	National Space Biomedical Research Institute	CA03401	200,622	104,959
Aeronautics	43.002		390,380	National Space Biomedical Research Institute	NBPF03801	390,380	
Education	43.008		249,261	University of New Hampshire	16-003	249,261	
Education	43.008		172,256	University of New Hampshire	16-015	172,256	
Education	43.008		59,054	University of New Hampshire	16-024	59,054	
Education	43.008		44,211	University of New Hampshire	16-059	44,211	
Education	43.008		(1,195)	University of New Hampshire	N/A	(1,195)	
Education	43.008		67,707	University of Vermont	30373	67,707	
Education	43.008		4,014	University of Vermont	30373	4,014	
National Aeronautics and Space Administration	43.RD		9,273	Regents of the University of Minnesota	X5336545104	9,273	
		<u>2,027,721</u>	<u>1,741,379</u>			<u>3,769,100</u>	<u>838,180</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES							
National Endowment for the Humanities							
Promotion of the Humanities_Division of Preservation and Access	45.149	67,250				67,250	
		<u>67,250</u>	<u>-</u>			<u>67,250</u>	<u>-</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development Cluster, continued							
NATIONAL SCIENCE FOUNDATION							
National Science Foundation							
Engineering Grants	47.041	1,210,145				1,210,145	330,296
Engineering Grants	47.041		29,011	Clarisond, Inc.	N/A	29,011	
Engineering Grants	47.041		14,073	University of Tulsa	14-2-1206626-94802	14,073	
Mathematical and Physical Sciences	47.049	2,100,618				2,100,618	
Geosciences	47.050	6,274,148				6,274,148	3,264,061
Geosciences	47.050		115,039	Stanford University	60398977-109515-A	115,039	
Geosciences	47.050		34,556	University of Louisiana at Lafayette	330091-01	34,556	
Computer and Information Science and Engineering	47.070	2,617,262				2,617,262	145,610
Biological Sciences	47.074	1,501,997				1,501,997	321,927
Biological Sciences	47.074		16,783	Cary Institute of Ecosystem Studies	3340/200201869	16,783	
Biological Sciences	47.074		970	University of Maryland, Baltimore County	16783	970	
Biological Sciences	47.074		232,197	University of North Carolina at Chapel Hill	5037375	232,197	15,382
Biological Sciences	47.074		49,100	University of North Carolina at Chapel Hill	5106361	49,100	
Biological Sciences	47.074		100,647	University of Pennsylvania	567347/10052591/15276	100,647	
Social, Behavioral, and Economic Sciences	47.075	493,793				493,793	5,700
Social, Behavioral, and Economic Sciences	47.075		13,368	University of South Carolina	Sub#16-3019/PO#2000018768	13,368	
Social, Behavioral, and Economic Sciences	47.075		42,116	University of Texas, Austin	UTA15-001207	42,116	
Education and Human Resources	47.076	1,745,911				1,745,911	1,037,165
Education and Human Resources	47.076		60,445	University of Vermont	25399SUB52028	60,445	
Education and Human Resources	47.076		35,503	Community College System of New Hampshire	DUE-1104106	35,503	15,142
Polar Programs	47.078	169,669				169,669	
Polar Programs	47.078		43,532	University of Colorado-Boulder	1548198	43,532	
Office of International Science and Engineering	47.079		149,179	Oregon State University	S1315A-F	149,179	
Office of Integrative Activities	47.083	522,974				522,974	147,479
National Science Foundation	47.RD		238,873	University of New Hampshire	PZ 12-044	238,873	
		<u>16,636,517</u>	<u>1,175,392</u>			<u>17,811,909</u>	<u>5,282,762</u>
OFFICE OF PERSONNEL MANAGEMENT							
Office of Personnel Management							
Intergovernmental Personnel Act (IPA) Mobility Program	27.011	186,239				186,239	
		<u>186,239</u>	<u>-</u>			<u>186,239</u>	<u>-</u>
SOCIAL SECURITY ADMINISTRATION							
Social Security Administration							
Social Security_Research and Demonstration	96.007		15,742	National Bureau of Economic Research	51180-Dartmouth	15,742	
		<u>-</u>	<u>15,742</u>			<u>15,742</u>	<u>-</u>
Total Research and Development Cluster		<u>119,507,935</u>	<u>15,848,327</u>			<u>135,356,262</u>	<u>22,105,206</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Other Sponsored Programs							
AGENCY FOR INTERNATIONAL DEVELOPMENT							
Agency for International Development							
USAID Foreign Assistance for Programs Overseas	98.001		76,613	World Learning for International Development	S04-AID-167-A-14-00001	76,613	
USAID Foreign Assistance for Programs Overseas	98.001		118,124	University Research Co., LLC	FY11-A08-7500	118,124	
		<u>-</u>	<u>194,737</u>			<u>194,737</u>	<u>-</u>
DEPARTMENT OF AGRICULTURE							
Forest Service							
Urban and Community Forestry Program	10.675	42,814				42,814	
Natural Resources Conservation Service							
Wildlife Habitat Incentive Program	10.914	40,000				40,000	
Natural Resources Conservation Service	10.RD	54,890				54,890	
		<u>137,704</u>	<u>-</u>			<u>137,704</u>	<u>-</u>
DEPARTMENT OF DEFENSE							
U.S. Army Materiel Command							
Basic Scientific Research	12.431	15,353				15,353	
National Security Agency							
Mathematical Sciences Grants Program	12.901	29,000				29,000	
GenCyber Grants Program	12.903	21,165				21,165	
		<u>65,518</u>	<u>-</u>			<u>65,518</u>	<u>-</u>
DEPARTMENT OF EDUCATION							
Office of Postsecondary Education							
Graduate Assistance in Areas of National Need	84.200	21,868				21,868	
Graduate Assistance in Areas of National Need	84.200	291,871				291,871	
		<u>313,739</u>	<u>-</u>			<u>313,739</u>	<u>-</u>
DEPARTMENT OF ENERGY							
Department of Energy							
Office of Science Financial Assistance Program	81.049	15,000				15,000	
		<u>15,000</u>	<u>-</u>			<u>15,000</u>	<u>-</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Centers for Disease Control and Prevention							
Global AIDS	93.067		69,490	Muhimbili University of Health & Allied Sciences (MUHAS)	N/A	69,490	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		203,477	NH Dept of Health & Human Services	1032588	203,477	
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		(25,751)	NH Dept of Health & Human Services	1032588	(25,751)	
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283		20,212	NH Div of Public Health Services	1031557	20,212	5,588
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283		215,682	NH Div of Public Health Services	1032588	215,682	29,693
			<u>-</u>			<u>483,110</u>	<u>35,281</u>
Administration for Children and Families							
Child Care and Development Block Grant	93.575		81,193	VT Dept for Children & Families	03440-30041-16-CCCSA	81,193	
Adoption Opportunities	93.652		408,632	NH Dept of Health & Human Services	42100300	408,632	
Adoption Opportunities	93.652	497,259				497,259	
Adoption Opportunities	93.652		19,622	NH Dept of Health & Human Services	42100300	19,622	
		<u>497,259</u>	<u>509,447</u>			<u>1,006,706</u>	<u>-</u>
Administration for Community Living							
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632		2,842	University of New Hampshire	13-055d	2,842	
		<u>-</u>	<u>2,842</u>			<u>2,842</u>	<u>-</u>
Centers for Medicare and Medicaid Services							
The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	93.536		77,010	University of Rochester	5-23462 416548	77,010	
		<u>-</u>	<u>77,010</u>			<u>77,010</u>	<u>-</u>
Food and Drug Administration							
Food and Drug Administration_Research	93.103		102,842	Society for Vascular Surgery	15111825-05	102,842	
Food and Drug Administration_Research	93.103		36,660	Society for Vascular Surgery	15111825-05	36,660	
		<u>-</u>	<u>139,502</u>			<u>139,502</u>	<u>-</u>
Health Education Assistance Loans							
Health Education Assistance Loans	93.108	87,962				87,962	
		<u>87,962</u>	<u>-</u>			<u>87,962</u>	<u>-</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Health Resources and Services Administration							
Area Health Education Centers	93.107	257,384				257,384	193,077
Maternal and Child Health Federal Consolidated Programs	93.110	12,061				12,061	
Emergency Medical Services for Children	93.127	136,266				136,266	
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	361,725				361,725	271,840
Public Health Training Centers Program	93.516		26,383	Boston University	4500001907	26,383	
Public Health Training Centers Program	93.516		30,102	Boston University	4500002201	30,102	
PPHF Geriatric Education Centers	93.969	848,858				848,858	
Maternal and Child Health Federal Consolidated Programs	93.110	799,757				799,757	726,942
Emergency Medical Services for Children	93.127	57,430				57,430	
HIV-Related Training and Technical Assistance	93.145		54,924	University of Massachusetts, Worcester	OSP2016087	54,924	
HIV-Related Training and Technical Assistance	93.145		(2,645)	University of Massachusetts, Worcester	WA00359210/OSP2016087	(2,645)	
Disabilities Prevention	93.184		5,054	University of Massachusetts, Worcester	WA00388231/OSP2016138	5,054	
Disabilities Prevention	93.184		22,719	University of Massachusetts, Worcester	WA00523692/OSP2016138	22,719	
National Research Service Award in Primary Care Medicine	93.186	52,168				52,168	
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	<u>328,482</u>				<u>328,482</u>	<u>174,723</u>
		<u>2,854,131</u>	<u>136,537</u>			<u>2,990,668</u>	<u>1,366,582</u>
Substance Abuse and Mental Health Services Administration							
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243		229,518	VT Dept of Health	03420-A161065	229,518	
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	272,754				272,754	88,268
Block Grants for Community Mental Health Services	93.958		1,729	Montana Department of Public Health and Human	14-331-74078-0	1,729	
		<u>272,754</u>	<u>231,247</u>			<u>504,001</u>	<u>88,268</u>
Office of the Secretary							
National Bioterrorism Hospital Preparedness Program	93.889		5,890	NH Div of Public Health Services	STNHFY16	5,890	3,511
		<u>-</u>	<u>5,890</u>			<u>5,890</u>	<u>3,511</u>
DEPARTMENT OF STATE							
Bureau of Educational and Cultural Affairs							
Academic Exchange Programs - Undergraduate	19.009		116,282	IREX	FY16-YALI-BE-Dartmouth-03	116,282	
Academic Exchange Programs - Undergraduate	19.009		34,641	IREX	S-ECAGD-16-CA-1146	34,641	
		<u>-</u>	<u>150,923</u>			<u>150,923</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
Institute of Museum and Library Services							
Museums for America	45.301	22,558				22,558	
		<u>22,558</u>	<u>-</u>			<u>22,558</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration							
Science	43.001	36,799				36,799	
Aeronautics	43.002		29,530	National Space Biomedical Research Institute	CA02701	29,530	
Aeronautics	43.002		16,742	National Space Biomedical Research Institute	PF04103	16,742	
Education	43.008	58,256				58,256	
		<u>95,055</u>	<u>46,272</u>			<u>141,327</u>	<u>-</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2017

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
NATIONAL ENDOWMENT FOR THE ARTS							
National Endowment for the Arts							
Promotion of the Arts_Grants to Organizations and Individuals	45.024	48,000				48,000	
Promotion of the Arts_Grants to Organizations and Individuals	45.024		3,600	Mid Atlantic Arts Foundation	28590	3,600	
Promotion of the Arts_Partnership Agreements	45.025		7,000	New England Foundation for the Arts	16-31306	7,000	
Promotion of the Arts_Partnership Agreements	45.025		7,500	New England Foundation for the Arts	16-31334	7,500	
Promotion of the Arts_Partnership Agreements	45.025		5,842	New England Foundation for the Arts	16-31754	5,842	
		<u>48,000</u>	<u>23,942</u>			<u>71,942</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES							
National Endowment for the Humanities							
Promotion of the Humanities_Office of Digital Humanities	45.169	37,167				37,167	
		<u>37,167</u>	<u>-</u>			<u>37,167</u>	<u>-</u>
OFFICE OF PERSONNEL MANAGEMENT							
Office of Personnel Management							
Intergovernmental Personnel Act (IPA) Mobility	27.011	343,659				343,659	
Intergovernmental Personnel Act (IPA) Mobility	27.011		14,195	Veterans Educ & Resrch Assoc of New England (VERANNE)	N/A	14,195	
		<u>343,659</u>	<u>14,195</u>			<u>357,854</u>	<u>-</u>
Total Other Sponsored Programs		<u>4,790,506</u>	<u>2,015,654</u>			<u>6,806,160</u>	<u>1,493,642</u>
Student Financial Assistance Cluster							
DEPARTMENT OF EDUCATION							
Federal Supplemental Educational Opportunity Grants	84.007	799,883				799,883	
Federal Work-Study Program	84.033	998,523				998,523	
Federal Pell Grant Program	86.063	2,704,944				2,704,944	
Federal Direct Student Loans	84.268	30,926,847				30,926,847	
Federal Perkins Loan (Footnote 4)							
Outstanding loans as of July 1, 2016	84.038	23,794,200				23,794,200	
New loans issued during 2017	84.038	1,759,653				1,759,653	
Administrative cost allowance	84.038	190,830				190,830	
Total Student Financial Assistance Cluster		<u>61,174,880</u>	<u>-</u>			<u>61,174,880</u>	<u>-</u>
Highway Safety Cluster							
DEPARTMENT OF TRANSPORTATION							
National Highway Traffic Safety Administration (NHTSA)							
State and Community Highway Safety	20.600		45,027	NH Highway Safety Agency	304-165-002	45,027	
State and Community Highway Safety	20.600		56,803	NH Highway Safety Agency	304-165-003	56,803	
State and Community Highway Safety	20.600		4,607	NH Highway Safety Agency	304-165-004	4,607	
State and Community Highway Safety	20.600		89,355	NH Highway Safety Agency	304-175001	89,355	
State and Community Highway Safety	20.600		96,547	NH Highway Safety Agency	304-175-002	96,547	
State and Community Highway Safety	20.600		59,752	NH Highway Safety Agency	304-175-003	59,752	
National Priority Safety Programs	20.616		6,845	NH Highway Safety Agency	304-165-005	6,845	
Total Highway Safety Cluster		<u>-</u>	<u>358,936</u>			<u>358,936</u>	<u>-</u>
Total Federal Award Expenditures		<u>\$ 185,473,321</u>	<u>\$ 18,222,917</u>			<u>\$ 203,696,238</u>	<u>\$ 23,598,848</u>

Dartmouth College
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2017

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) summarizes the expenditures of Dartmouth College (“Dartmouth”) under federal government programs for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Uniform Guidance, *Audits of States, Local Governments and Nonprofit Organizations*. Negative amounts on the Schedule represent adjustments to expenditures reported in the prior year. The Schedule includes Catalog of Federal Domestic Assistance (CFDA) and pass-through award numbers when available.

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the Dartmouth and agencies and departments of the federal government and all subawards to the Dartmouth by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

2. Summary of Significant Accounting Policies for Federal Award Expenditures

Expenditures for direct and indirect costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the OMB Uniform Guidance, *Cost Principles for Educational Institutions*, and the regulations of the specific programs. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement.

3. Facilities and Administrative Costs

Dartmouth recovers facilities and administrative (F&A) costs associated with research and development pursuant to arrangements negotiated with the Department of Health and Human Services (DHHS). Dartmouth submitted an indirect cost proposal in the fall of 2015 for negotiated rates that became effective on April 5, 2016. Dartmouth applies its predetermined approved facilities & 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. Dartmouth’s F&A cost rate for fiscal year 2017 is 62% for on-campus research.

4. Federal Student Loan Programs

Federal direct loans are issued by the U.S. Department of Education directly to students and their parents.

The balances and transactions relating to these loans are not included in financial statements. Loans made to eligible students and parents under federal student loan programs during the year ended June 30, 2017 are included in the Schedule of Federal Expenditures above. The Federal Perkins loans (Perkins) are administered and serviced directly by Dartmouth. In addition, Dartmouth continues to service Health Education Assistance Loans (HEAL), which were issued in previous years. Balances and transactions relating to these loans are included in the financial statements.

The balances outstanding on these loans at June 30, 2017 are as follows:

Perkins – 84.038	\$ 20,927,375
HEAL – 93.108	57,117
	<u>\$ 20,984,492</u>



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 Dartmouth College:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Dartmouth College (“Dartmouth”), which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statement of activities and statement of operating expenses and statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 26, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Dartmouth’s internal control over financial reporting (“internal control”) to determine 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 Dartmouth's internal control. Accordingly, we do not express an opinion on the effectiveness of Dartmouth'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 Dartmouth’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 determination of financial statement amounts. 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

October 26, 2017



**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 Dartmouth College:

Report on Compliance for Each Major Federal Program

We have audited Dartmouth College's ("Dartmouth") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Dartmouth's major federal programs for the year ended June 30, 2017. Dartmouth's major federal programs are identified in the summary of auditor's 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 Dartmouth'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 Dartmouth'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 Dartmouth's compliance.

Opinion on Each Major Federal Program

In our opinion, Dartmouth 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, 2017.



Report on Internal Control Over Compliance

Management of Dartmouth 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 Dartmouth'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 Dartmouth'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

December 19, 2017

Dartmouth College
Schedule of Findings and Questioned Costs
Year Ended June 30, 2017

I. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(s) identified that are not considered to be material weakness(es)? _____ yes x none reported

Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(s) identified that are not considered to be material weaknesses? _____ yes x none reported

Type of auditor's 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 x no

Identification of Major Programs:

CFDA Number(s)

Name of Federal Program or Cluster

Various

Research and Development Cluster

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

Auditee qualified as low-risk auditee? X yes _____ no

II. Findings Relating to the Financial Statements Reported in Accordance with Government Auditing Standards

None.

III. Federal Award Findings and Questioned Costs

None.

Dartmouth College
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2017

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