

Dartmouth College

Report on Federal Awards in
Accordance with the OMB Uniform Guidance

June 30, 2016
EIN #020222111

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Guidance
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Report of Independent Auditors

To the Board of Trustees of Dartmouth College:

We have audited the accompanying consolidated financial statements of Dartmouth College (“Dartmouth”), which comprise the consolidated statements of financial position as of June 30, 2016 and 2015 and the related consolidated statement of activities and statement of operating expenses for the year ended June 30, 2016, and statements of cash flows for the years ended June 30, 2016 and 2015, and the related notes to the financial statements.

Management’s Responsibility for the Consolidated Financial Statements

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

Auditors’ Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Dartmouth’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’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Dartmouth College at June 30, 2016 and 2015 and the changes in their net assets for the year ended June 30, 2016 and their cash flows for the years ended June 30, 2016 and 2015 in accordance with accounting principles generally accepted in the United States of America.



Other Matters

We previously audited the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, statement of operating expenses and cash flows for the year then ended (not presented herein), and in our report dated October 19, 2015, 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, 2015 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, 2016 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 25, 2016 on our consideration of Dartmouth'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 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 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's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

October 25, 2016

Dartmouth College

Consolidated Statement of Financial Position

As of June 30, 2016, with comparative information as of June 30, 2015
(in thousands)

	2016	2015
Assets		
Cash and cash equivalents	\$ 207,932	\$ 289,137
Receivables and other assets, net	143,976	143,339
Investment related receivables	51,484	9,157
Pledges receivable, net	211,455	164,368
Investments	5,697,656	5,704,691
Land, buildings, equipment, and construction in progress, net	954,922	968,902
Total assets	\$ 7,267,425	\$ 7,279,594
Liabilities		
Accounts payable and other liabilities	\$ 99,860	\$ 66,090
Investment related payables	85,833	30,627
Deferred revenues and deposits	41,048	43,298
Liability for split-interest agreements	49,527	49,894
Pension and other employment related obligations	420,710	451,354
Bonds, mortgages, and notes payable, net	1,247,984	1,098,157
Interest rate swap liabilities, at fair value	250,321	167,417
Conditional asset retirement obligations	24,522	23,804
Government advances for student loans	20,660	20,492
Total liabilities	2,240,465	1,951,133
Net Assets		
Unrestricted	1,104,557	1,312,188
Temporarily restricted	2,570,506	2,772,958
Permanently restricted	1,351,897	1,243,315
Total net assets	5,026,960	5,328,461
Total liabilities and net assets	\$ 7,267,425	\$ 7,279,594

See accompanying notes to the financial statements.

Dartmouth College

Consolidated Statement of Activities

For the year ended June 30, 2016, with summarized financial information for the year ended June 30, 2015
(in thousands)

	Unrestricted	Temporarily	Permanently	Total	
		Restricted	Restricted	2016	2015
Endowment Activities					
Gifts	\$ 63	\$ 2,327	\$ 68,966	\$ 71,356	\$ 46,029
Net investment return	(23,048)	(76,301)	(200)	(99,549)	349,917
Distributed for spending	(48,243)	(160,335)	(55)	(208,633)	(214,225)
Other changes	(2,195)	1,609	5,382	4,796	814
Amounts transferred (to) from other funds, net	5,758	4,677	32,508	42,943	12,737
Change in net assets from endowment activities	(67,665)	(228,023)	106,601	(189,087)	195,272
Operating Activities					
Revenues					
Tuition and fees	340,979	-	-	340,979	326,580
Student scholarships	(141,713)	-	-	(141,713)	(129,186)
Net tuition and fees	199,266	-	-	199,266	197,394
Sponsored research grants and contracts	183,083	-	-	183,083	182,118
Dartmouth College Fund and other gifts	76,288	10,863	-	87,151	84,833
Distributed endowment investment return	200,640	6,304	-	206,944	212,493
Other operating income	106,825	207	-	107,032	125,064
Auxiliaries	76,089	-	-	76,089	74,345
Net assets released from restrictions	21,331	(21,331)	-	-	-
Total revenues	863,522	(3,957)	-	859,565	876,247
Expenses					
Academic and student programs	592,068	-	-	592,068	568,685
Sponsored programs	133,016	-	-	133,016	136,150
General institutional services	107,229	-	-	107,229	101,125
Auxiliaries	85,798	-	-	85,798	85,468
Subtotal expenses for ongoing operations	918,111	-	-	918,111	891,428
Change in net assets from ongoing operations	(54,589)	(3,957)	-	(58,546)	(15,181)
Restructuring expenses	53,459	-	-	53,459	-
Change in net assets from operating activities	(108,048)	(3,957)	-	(112,005)	(15,181)
Non-operating Activities					
Gifts	-	65,713	416	66,129	86,185
Other non-operating changes, net	(4,746)	3,177	-	(1,569)	(2,543)
Loss on extinguishment of debt	(31,732)	-	-	(31,732)	-
Distributed endowment investment return	371	1,318	-	1,689	1,731
Increase/decrease in outstanding pledges	-	39,179	7,908	47,087	67,110
Pension and postretirement benefit related changes					
other than net periodic benefit costs	69,052	-	-	69,052	(40,739)
Disposals and non-capitalized expenditures	(6,794)	(386)	-	(7,180)	(5,810)
Change in unrealized gain (loss) related to					
interest rate swap agreements	(82,904)	-	-	(82,904)	(26,198)
Net assets released from restrictions	34,457	(34,457)	-	-	-
Amounts transferred (to) from endowment, net	(7,463)	(35,480)	-	(42,943)	(12,737)
Net change in split-interest agreements	(2,159)	(9,536)	(6,343)	(18,038)	(10,579)
Change in net assets from non-operating activities	(31,918)	29,528	1,981	(409)	56,420
Change in net assets	(207,631)	(202,452)	108,582	(301,501)	236,511
Net Assets, beginning of year	1,312,188	2,772,958	1,243,315	5,328,461	5,091,950
Net Assets, end of year	\$ 1,104,557	\$ 2,570,506	\$ 1,351,897	\$ 5,026,960	\$ 5,328,461

See accompanying notes to the financial statements.

Dartmouth College

Consolidated Statement of Operating Expenses

For the year ended June 30, 2016, with summarized financial information for the year ended June 30, 2015 (in thousands)

	Academic & Student Programs	Sponsored Programs	General Institutional Services				Auxiliaries	Total Expenses	
			Administrative Support	Facilities Operation & Maintenance	Development	Total		2016	2015
Salaries and wages	\$ 244,537	\$ 60,849	\$ 28,981	\$ 19,140	\$ 22,494	\$ 70,615	\$ 14,961	\$ 390,962	\$ 382,443
Employee benefits	105,535	15,236	11,461	7,569	8,895	27,925	5,917	154,613	135,622
Fellowships and student support	11,709	3,659	-	-	-	-	553	15,921	15,852
Materials, equipment, and supplies	38,098	9,896	8,247	2,271	2,214	12,732	17,292	78,018	74,892
Purchased services	39,656	39,379	5,853	2,546	4,509	12,908	10,455	102,398	116,358
Utilities, taxes, and occupancy	-	-	-	37,227	-	37,227	8,345	45,572	48,091
Depreciation and amortization	47,214	-	4,247	5,037	292	9,576	9,792	66,582	60,546
Lodging, travel, and similar costs	23,028	3,567	997	90	1,882	2,969	175	29,739	27,674
Interest	-	-	-	25,704	-	25,704	1,414	27,118	24,512
Other expenses	4,707	430	1,301	242	453	1,996	55	7,188	5,438
	514,484	133,016	61,087	99,826	40,739	201,652	68,959	918,111	891,428
Facilities operation & maintenance	77,584	-	5,313	(99,826)	90	(94,423)	16,839	0	
Total expenses for FY16	\$ 592,068	\$ 133,016	\$ 66,400	\$ -	\$ 40,829	\$ 107,229	\$ 85,798	\$ 918,111	
Total expenses for FY15	\$ 568,685	\$ 136,150	\$ 61,565	\$ -	\$ 39,560	\$ 101,125	\$ 85,468		\$ 891,428

See accompanying notes to the financial statements.

Consolidated Statement of Cash Flows

For the year ended June 30, 2016, with comparative information for the year ended June 30, 2015
(in thousands)

	2016	2015
Cash flows from operating activities		
Total change in net assets	\$ (301,501)	\$ 236,511
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation and amortization	67,326	60,989
Change in estimated value of interest rate swap agreements	82,904	26,198
Change in estimated pension and post-retirement benefit obligation	(45,198)	56,743
Net change in split-interest liability	(367)	(1,982)
Change in pledges receivable, net	(47,087)	(67,110)
Other non-cash transactions	1,025	(532)
Contributions, investment income, and other changes restricted for long-term investment	(130,870)	(80,390)
Net realized and unrealized (gains) losses	119,262	(330,960)
Changes in operating assets and liabilities:		
Receivables and other assets, net	(1,003)	4,415
Accounts payable and other liabilities	33,072	(5,516)
Deferred revenues and deposits	(2,250)	2,557
Employment related obligations	14,554	4,221
Net cash used in operating activities	<u>(210,133)</u>	<u>(94,856)</u>
Cash flows from investing activities		
Student loans granted	(11,767)	(8,242)
Student loans repaid	11,076	12,902
Purchases of land, buildings, and equipment	(51,888)	(74,518)
Net change in unsettled trades	12,879	13,785
Purchases of investments	(4,861,252)	(5,814,372)
Sales and maturities of investments	4,749,025	5,988,429
Net cash provided by (used in) investing activities	<u>(151,927)</u>	<u>117,984</u>
Cash flows from financing activities		
Proceeds from issuance of debt	642,065	-
Repayment of debt	(492,248)	(15,181)
Contributions, investment income, and other changes restricted for long-term investment in:		
Facilities	47,375	27,473
Endowment, life income, and similar funds	83,495	52,918
Changes in government advances for student loans	168	49
Net cash provided by financing activities	<u>280,855</u>	<u>65,259</u>
Net change in cash and cash equivalents	(81,205)	88,387
Cash and cash equivalents, beginning of year	289,137	200,750
Cash and cash equivalents, end of year	<u>\$ 207,932</u>	<u>\$ 289,137</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 63,470	\$ 53,273
Accounts payable related building and equipment additions	\$ 1,416	\$ 266
Contributed securities received	\$ 46,055	\$ 52,092

See accompanying notes to the financial statements.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2016 and 2015

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 2,000 graduate students. Established in 1769, Dartmouth includes the four-year undergraduate college, with graduate schools of business, engineering, and medicine, and several graduate programs in the 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, cost centers, or the professional 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 2016 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, 2015, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the fiscal year 2016 presentation.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2016 and 2015

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 fiscal 2015, Dartmouth adopted ASU 2015-07, Disclosures for Certain Entities That Calculate Net Asset Value per Share (or its Equivalent), which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as the practical expedient.

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 has chosen 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). Dartmouth is evaluating the impact of the remainder of the new guidance on the consolidated financial statements.

The adoption of ASU 2015-07 and the provision of ASU 2016-01 did not have a material effect on Dartmouth's consolidated financial statements.

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 benefits 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, 2016 and 2015

Cash and Cash Equivalents

Cash and cash equivalents consist principally of U.S. treasury funds, money market accounts, certificates of deposit, commercial paper, and liquid short-term investments with maturities of 90 days or less at the date of acquisition. Cash and cash equivalents are carried at cost, which approximates fair value and is 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 66 percent of tuition and fees revenue for the years ended June 30, 2016 and 2015. 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 \$4,089,000 and \$5,921,000 for the years ended June 30, 2016 and 2015, respectively, which are not presented in the consolidated Statement of Activities.

In fiscal 2016, Dartmouth admitted students to its undergraduate program without regard to financial need. Beginning with the undergraduate class that will matriculate in fiscal 2017, Dartmouth plans to consider the financial need of international students during the admissions process. The financial aid program assists all students with demonstrated need, defined in accordance with a uniform formula, by providing a mix of scholarships, loans and/or employment designed to cover costs of attendance when combined with student and family contributions, based on ability to pay.

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 \$42,354,000 and \$42,121,000 during the years ended June 30, 2016 and 2015, 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, 2016, tax years ended June 30, 2013 through June 30, 2015 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, 2016 and 2015, Dartmouth paid approximately \$19.3 million and \$25.3 million, respectively, and received approximately \$24.0 million and \$26.5 million, respectively, in connection with these arrangements.

Dartmouth College
Notes to Consolidated Financial Statements
For the years ended June 30, 2016 and 2015

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 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 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, 2016 and June 30, 2015 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. The valuation policy includes: the estimated price that would be received from the sale of the asset in an orderly transaction between market participants, prices determined by independent external appraisals for approximately one third of the properties in a given year, or at cost which approximates fair value for properties held for less than a year or which are being actively developed.

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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 \$14,263,000 and \$13,136,000 for the years ended June 30, 2016 and 2015, 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.

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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 1.8% and 2.0% for June 30, 2016 and 2015, 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.

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B. Receivables and Other Assets

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

	<u>2016</u>	<u>2015</u>
Student accounts	\$ 493	\$ 2,277
Sponsored research grants and contracts	18,048	22,003
Other accounts	41,687	38,277
Notes and student loans	64,831	64,140
Less: allowance for uncollectible accounts	<u>(3,600)</u>	<u>(3,287)</u>
Receivables, net	\$ 121,459	\$ 123,410
Prepaid costs, inventories, and other assets	<u>22,517</u>	<u>19,929</u>
Total receivables and other assets, net	<u>\$ 143,976</u>	<u>\$ 143,339</u>

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):

	<u>2016</u>	<u>2015</u>
Gifts to support operations	\$ 87,151	\$ 84,833
Gifts for:		
Facilities and student loans	47,375	27,473
Other restricted uses	2,973	38,332
Endowment	71,356	46,029
Split-interest agreements	<u>15,781</u>	<u>20,380</u>
Total gifts and pledge payments	<u>\$ 224,636</u>	<u>\$ 217,047</u>

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):

	<u>2016</u>	<u>2015</u>
In one year or less	\$ 74,074	\$ 54,510
Between one year and five years	97,385	108,083
Six years and after	<u>49,796</u>	<u>13,183</u>
Gross pledges receivable	\$ 221,255	\$ 175,776
Less: present value discount	(7,955)	(6,915)
Less: allowance for uncollectible pledges	<u>(1,845)</u>	<u>(4,493)</u>
Pledges receivable, net	<u>\$ 211,455</u>	<u>\$ 164,368</u>

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

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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 predictable 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 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.

Marketable Alternative Strategies includes investments in commingled funds whose managers employ discrete and blended strategies, including long/short equity, absolute return, market neutral, distressed and credit strategies. Funds with marketable alternative strategies generally hold 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 through publicly traded mutual funds as well as directly held real estate. Other real asset investments 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):

	2016	2015
Endowment investments	\$ 4,538,696	\$ 4,729,487
Split-interest agreement investments	130,237	133,448
Operating and other investments	1,028,723	841,756
Total investments	\$ 5,697,656	\$ 5,704,691

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 investment in Level 1 includes cash and cash equivalents, actively listed 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.

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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, 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	<u>\$ 1,379,768</u>	<u>\$ 222,538</u>	<u>\$ 201,309</u>	<u>\$ 1,803,615</u>

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, 2015 (in thousands):

	Level 1	Level 2	Level 3	Total
Investments:				
Cash and cash equivalents	\$ 259,514	\$ -	\$ -	\$ 259,514
Fixed income	391,956	204,863	79	596,898
Global equity:				
US equity	521,312	-	523	521,835
International	18,130	-	-	18,130
Emerging markets	83,232	-	-	83,232
Real assets:				
Real estate	15,981	-	199,028	215,009
Other real assets	2	-	-	2
Other investments	-	122	1,728	1,850
Contribution in advance	32,000	-	-	32,000
Redemption receivable	109,301	-	-	109,301
Total investments	<u>\$ 1,431,428</u>	<u>\$ 204,985</u>	<u>\$ 201,358</u>	<u>\$ 1,837,771</u>

The following tables present Dartmouth's activity for the fiscal years ended June 30, 2016 and 2015 for investments measured at fair value in Level 3 (in thousands):

	Fixed Income	US Equity	Real Assets	Real Investments	Other 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)	
Transfers out	-	-	-	-	-	
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>	

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	Fixed Income	US Equity	Real Assets	Real Investments	Other Total	Balance	as of June 30,
2014	\$ 458	\$ 23	\$ 203,084	\$ 7,683	\$ 211,248		
Acquisitions / purchases	-	500	1,062	16	1,578		
Distributions/sales			(2,069)	(4,824)	(6,893)		
Transfers out	(318)	-	-	-	(318)		
Realized gain (loss)	-	-	362	(1,147)	(785)		
Change in unrealized gain (loss)	(61)	-	(3,411)	-	(3,472)		
Balance as of June 30, 2015	<u>\$ 79</u>	<u>\$ 523</u>	<u>\$ 199,028</u>	<u>\$ 1,728</u>	<u>\$ 201,358</u>		

All net realized and unrealized gains (losses) in the table above are reflected in the consolidated Statement of Activities. Unrealized gains (losses) relate to investments held by Dartmouth at June 30, 2016 and 2015. Transfers between levels of the fair value hierarchy are reported at the beginning of the reporting period in which they occur. For fiscal year 2015, transfers from Level 3 to Level 2 are primarily due to the increased observability of pricing inputs for certain securities.

The following table provides quantitative information about the significant unobservable inputs used in the valuation of directly held real estate as of June 30, 2016 and June 30, 2015. Investments in directly held real estate represent the total asset value of each of the underlying property investments. Significant changes in any one third party appraisal input would likely not result in a significant change in fair value measurement to the directly held real estate portfolio, however, actual results could differ materially from these estimates particularly during periods of investment and/or interest rate volatility.

June 30, 2016 (in thousands):

<u>Valuation Technique</u>	<u>Fair Value¹</u>	<u>Unobservable Inputs</u>	<u>Input Value(s)</u>
Third party appraisal-income approach & comparable sales	\$ 179,878	Capitalization rate	4.00 – 8.50%
Market bid	16,450	Not applicable	Not applicable
Tax assessed value – adjusted annually	2,274	State/Local equalization ratios	.876
Cost	<u>651</u>	Not applicable	Not applicable
Total	<u>\$ 199,253</u>		

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

June 30, 2015 (in thousands):

<u>Valuation Technique</u>	<u>Fair Value¹</u>	<u>Unobservable Inputs</u>	<u>Input Value(s)</u>
Third party appraisal-income approach & comparable sales	\$ 193,964	Capitalization rate	6.50 – 9.00%
Tax assessed value – adjusted annually	4,438	Discount rate	8.00
Cost	<u>626</u>	State/Local equalization ratios	.900 - .983
Total	<u>\$ 199,028</u>	Not applicable	Not applicable

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

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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	\$ -	Not applicable
Global equity:		Ranges from quarterly			
US equity ¹	637,179	to bi-annual	30 - 90	35,000	Not applicable
International ²	460,033	Ranges from semi-monthly to quarterly	3 - 180	-	Not applicable
Emerging markets ³	219,226	Ranges from daily to quarterly	30 - 180	-	Not applicable
Marketable alternative strategies ⁴	1,155,608	Ranges from quarterly to annually	30 - 90	54,342	Not applicable
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	<u>243,720</u>	Quarterly, Illiquid	30, Not applicable	<u>219,068</u>	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 Marketable alternative strategies 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, 2015 (in thousands):

	Fair Value	Redemption Terms	Days Notice	Remaining Unfunded Commitment	Remaining Life
Fixed income	\$ 41,405	Monthly	30 - 40	\$ -	Not applicable
Global equity:		Ranges from quarterly			
US equity ¹	689,016	to bi-annual ¹	30 - 90	35,000	Not applicable
International	335,524	Ranges from monthly to quarterly	3 - 60	-	Not applicable
Emerging markets	151,097	Ranges from daily to annually	30 - 180	-	Not applicable
Marketable alternative strategies ²	1,146,224	Ranges from quarterly to every three years ²	30 - 180	-	Not applicable
Private equity/ Venture capital	999,865	Illiquid	Not applicable	393,297	1 - 12 years
Real assets:					
Real estate	314,892	Illiquid	Not applicable	166,405	1 - 12 years
Other real assets	<u>188,897</u>	Illiquid	Not applicable	<u>196,910</u>	1 - 20 years
Total	<u>\$ 3,866,920</u>			<u>\$ 791,612</u>	

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

² Marketable alternative strategies includes funds that have restrictions on the ability to fully redeem up to five years, excluding illiquid securities and special investments.

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Investments reported in the Fair Value Leveling and Fair Value NAV tables total \$5,697,656,000 and \$5,704,691,000 and are presented on the consolidated Statement of Financial Position as of June 30, 2016 and 2015, respectively.

The following tables set forth the fair value of Dartmouth's derivative instruments for investment purposes by contract type as of June 30, 2016 and 2015 and gains/losses related to derivative activities for the years ended June 30, 2016 and 2015 (in thousands):

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>

June 30, 2015:

	Notional Exposure		Fair Value ¹		Net Gain/ (Loss) ²
	Long	Short	Asset	Liability	
Foreign currency forward contracts	\$ 32,408	\$ (16,672)	\$ 248	\$ (99)	\$ 1,868
Fixed income futures contracts	56,277	(81,919)	412	(116)	(880)
Interest rate swaps	-	-	3	(3)	-
Credit default swaps	5,551	(10,421)	203	(728)	(152)
Total	<u>\$ 94,236</u>	<u>\$ (109,012)</u>	<u>\$ 866</u>	<u>\$ (946)</u>	<u>\$ 836</u>

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

²The 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.

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. 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. These instruments are valued using market-based prices and are included in Level 2 in the Fair Value Leveling table. At June 30, 2016 and 2015, the fair value of Dartmouth's pledged collateral on futures contracts for investment purposes was \$0 and \$312,000 respectively and is included in investments on the consolidated Statement of Financial Position.

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.

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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, 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)
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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, June 30, 2014	\$ 1,036,651	\$ 2,307,195	\$ 1,124,373	\$ 4,468,219
Net investment return:				
Investment income	6,634	22,045	56	28,735
Net appreciation (depreciation)	73,410	247,127	645	321,182
Total net investment return	80,044	269,172	701	349,917
Gifts	141	1,929	43,959	46,029
Distribution of endowment return to all funds	(48,942)	(165,235)	(48)	(214,225)
Other changes, net	7,991	(5,185)	10,745	13,551
Endowment net assets, June 30, 2015	\$ 1,075,885	\$ 2,407,876	\$ 1,179,730	\$ 4,663,491

Other changes include additions to the endowment from the maturity of split-interest agreements and net transfers resulting from changes in donor restrictions or Dartmouth designations.

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 \$1,815,710,000 and \$2,027,492,000 at June 30, 2016 and 2015, respectively.

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	

Endowment net assets consist of the following as of June 30, 2015 (in thousands):

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Donor-restricted
endowment funds	\$ -	\$ 2,407,876	\$ 1,179,730	\$ 3,587,606	
Board-designated endowment funds	1,075,885	-	-	1,075,885	Total
endowment net assets	\$ 1,075,885	\$ 2,407,876	\$ 1,179,730	\$ 4,663,491	

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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 \$897,000 and \$0 as of June 30, 2016 and 2015, respectively. These events were a result of market declines since the endowment funds were established. A Board of Trustees policy limits the distribution from these funds, except in cases where the donor directs otherwise. In order to provide stable funding from 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 2016 endowment distribution of \$208,633,000 represents a 4.5% 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):

	<u>2016</u>	<u>2015</u>
Land	\$ 19,158	\$ 19,158
Buildings	1,283,309	1,175,416
Land improvements	114,498	112,339
Equipment and software	<u>339,917</u>	<u>315,845</u>
Land, buildings, and equipment	\$ 1,756,882	\$ 1,622,758
Less: accumulated depreciation	(835,201)	(768,809)
Construction in progress	<u>33,241</u>	<u>114,953</u>
Total net book value	<u>\$ 954,922</u>	<u>\$ 968,902</u>

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.

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G. Bonds, Mortgages, and Notes Payable

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

	<u>Fiscal Year</u> <u>Maturity</u>	<u>2016</u> <u>Interest Rate</u>	<u>2016</u>	<u>2015</u>
New Hampshire Health and Education Facilities Authority (NHHEFA):				
Tax-Exempt Fixed Rate:				
Series 2009	2019 – 2039	5.00% - 5.25%	\$ 52,800	\$ 198,875
Tax-Exempt Variable Rate:				
Series 2002	2032	.01% - .08%	-	101,000
Series 2003	2023	.01% - .43%	61,600	69,200
Series 2007A	2031	.01% - .02%	-	89,665
Series 2007B	2041	.01% - .42%	75,000	75,000
Series 2015AB	2040	.50% - .85%	101,000	-
Series 2015CD	2038	.50% - .85%	89,665	-
Series 2016A	2043	1.14%	165,000	-
Subtotal tax-exempt bonds			\$ 545,065	\$ 533,740
Taxable Bonds:				
NHHEFA Variable Rate:				
Series 2007C	2041	.14% - .16%	-	30,000
Fixed Rate				
Series 2009	2019	4.75%	150,000	250,000
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	-
Subtotal taxable bonds			\$ 620,000	\$ 500,000
Subtotal bonds			\$ 1,165,065	\$ 1,033,740
Mortgages on real estate investments:				
Fixed Rate	2017 - 2037	4.34% - 5.61%	46,065	47,568
Taxable commercial paper note:				
Variable Rate		.14% to .50%	36,300	12,600
Subtotal bonds, mortgages and notes payable			\$ 1,247,430	\$ 1,093,908
Original issue premium, net			554	4,249
Total bonds, mortgages, and notes payable, net			\$ 1,247,984	\$ 1,098,157

In August 2015, 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 April 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. The defeasance was achieved through the deposit of \$165,000,000 of the proceeds of the Series 2016A Bonds along with \$3,000,000 of institutional funds directly in a refunding trust and has been accounted for as legal defeasance. Accordingly, the defeased bonds and the assets in the defeasance trust were removed from the consolidated Statement of Financial Position in 2016. Future interest payments due to bondholders totaling \$19,371,000 is included in loss on extinguishment of debt in the consolidated Statement of Activities. Monies in the defeasance trust have been applied to the purchase of noncancelable direct obligations of the United States government. The government obligations, together with the interest thereon, will be sufficient in amount and available when necessary to pay the principal and interest on the defeased Series 2009 Bonds when due or called.

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

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

	2016	2015
<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	\$ 2,618	\$ 2,743
Operating Activities (amounts included in "Interest and Amortization" on the consolidated Statement of Operating Expenses)		
Interest expense on debt (including payments on interest rate swap agreements) used to finance facilities projects	25,708	24,603
Interest expense on other operating indebtedness	273	154
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	21,533	22,126
Total interest expense on the consolidated Statement of Activities	\$ 51,538	\$ 51,032
<u>Consolidated Statement of Financial Position:</u>		
Interest paid on debt used to finance facilities projects capitalized in connection with various construction projects	\$ 460	\$ 1,214

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
2017	\$ 27,578
2018	9,854
2019	168,153
2020	10,616
Thereafter	994,929
Total	\$ 1,211,130

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Principal due after June 30, 2020, includes the following “balloon” payments due on Dartmouth’s indebtedness (in thousands):

<u>June 30</u>	<u>Indebtedness</u>	<u>Payment</u>
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 TE bonds	\$ 165,000
2046	2016 Series A bond	\$ 250,000

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, 2016, 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:

<u>Expiration Date</u>	<u>Notional Amount (in thousands)</u>	<u>Fixed Interest Rate %</u>	<u>% of LIBOR BBA</u>
06/01/2032	\$ 100,000	3.75	67
06/01/2041	\$ 100,000	3.73	70
06/01/2027	\$ 31,910	3.77	72
06/01/2028	\$ 52,585	3.78	72
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, 2016 and 2015 based on various factors contained in the interest rate swap agreements and certain interest rate assumptions, was approximately \$250,321,000 and \$167,417,000, respectively, and is considered a Level 2 measurement. The increase in the liability of \$82,904,000 and \$26,198,000 for the years ended June 30, 2016 and 2015, respectively, 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 counter-party 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 \$136,600,000 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, 2016 and 2015 under these agreements.

Dartmouth has a \$100,000,000 line of credit with a maturity date of December 15, 2016. There have been no borrowings under this line of credit.

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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):

	2016	2015
Retirement and postretirement benefits	\$ 380,087	\$ 418,113
Compensated absences, severance plans, and other commitments	28,456	21,907
Self-insured benefits	12,167	11,334
Total employment related obligations	\$ 420,710	\$ 451,354

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	
	2016	2015	2016	2015
Change in benefit obligation:				
Beginning of year	\$ 132,431	\$ 134,216	\$ 396,179	\$ 336,563
Service cost	2,573	2,785	8,733	8,327
Interest cost	5,579	5,557	19,010	15,633
Benefits paid	(7,736)	(8,100)	(8,072)	(6,568)
Actuarial (gain)/loss	10,852	(2,027)	(62,919)	42,224
End of year	\$ 143,699	\$ 132,431	\$ 352,931	\$ 396,179
Change in estimated fair value of plan assets:				
Beginning of year	\$ 128,317	\$ 127,229	\$ -	\$ -
Actual return on plan assets	16,954	5,188	-	-
Employer contributions	4,000	4,000	8,072	6,568
Benefits paid	(7,736)	(8,100)	(8,072)	(6,568)
End of year	\$ 141,535	\$ 128,317	\$ -	\$ -
Funded status (plan assets less than benefits obligation)	\$ (2,164)	\$ (4,114)	\$ (352,931)	\$ (396,179)
Net periodic benefit (income) cost included the following:				
Service cost	\$ 2,573	\$ 2,785	\$ 8,733	\$ 8,327
Interest cost	5,579	5,557	19,010	15,633
Expected return on assets	(7,086)	(7,170)	-	-
Amortization of prior service cost (credit)	240	240	(3,487)	(7,186)
Recognized net actuarial loss	967	2,293	9,397	6,093
Net periodic benefit cost	\$ 2,273	\$ 3,705	\$ 33,653	\$ 22,867

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	Pension Benefits		Postretirement Benefits	
	2016	2015	2016	2015
Weighted-average assumptions:				
Discount rate used to determine net periodic benefit cost	4.40%	4.30%	4.85%	4.70%
Expected return on plan assets	6.10%	6.70%	-	-
Rate of compensation increase	3.00%	3.00%	-	-
Discount rate used to determine benefit obligations	3.68%	4.40%	4.15%	4.85%

The decrease in the post-retirement benefit obligation is primarily due to changes in pre-65 claims methodology and utilization assumptions, which are reflected in the 2016 actuarial gain of \$62,919,000.

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 2016	Total 2015
Amounts recognized in non-operating activities:				
Net actuarial gain(loss)	\$ (984)	\$ 62,919	\$ 61,935	\$ (42,179)
Amortization of gain	967	9,397	10,364	8,386
Amortization of prior service cost (credit)	<u>240</u>	<u>(3,487)</u>	<u>(3,247)</u>	<u>(6,946)</u>
Total non-operating gain (loss)	223	68,829	69,052	(40,739)
Amounts recognized in operating activities:				
Net periodic benefit cost	<u>(2,273)</u>	<u>(33,653)</u>	<u>(35,926)</u>	<u>(26,571)</u>
Total gain (loss)	<u>\$ (2,050)</u>	<u>\$ 35,176</u>	<u>\$ 33,126</u>	<u>\$ (67,309)</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	
	2016	2015	2016	2015
Prior service cost	\$ -	\$ 240	\$ (4,951)	\$ (8,438)
Net (gain) loss	<u>14,148</u>	<u>14,131</u>	<u>60,047</u>	<u>132,362</u>
Total	<u>\$ 14,148</u>	<u>\$ 14,371</u>	<u>\$ 55,096</u>	<u>\$ 123,924</u>

The estimated costs that will be amortized into net periodic benefit costs in fiscal 2017 are as follows (in thousands):

	Pension Benefits	Postretirement Benefits
Prior service cost	\$ -	\$ (3,486)
Net (gain) loss	<u>1,252</u>	<u>2,073</u>
Total	<u>\$ 1,252</u>	<u>\$ (1,413)</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, 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	<u>2,433</u>	Illiquid	Not applicable	<u>388</u>	1 – 5 years
Total	<u>\$ 140,358</u>			<u>\$ 388</u>	

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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 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, 2015 (in thousands):

	Amount	Redemption Terms	Days Notice	Remaining Unfunded Commitment	Remaining Life
Fixed income	\$ 54,590	Daily	2	\$ -	Not applicable
Global equity	65,661	Daily	2	-	Not applicable
Private equity/ Venture capital	<u>2,896</u>	Illiquid	Not applicable	<u>463</u>	1 – 5 years
Total	<u>\$ 123,147</u>			<u>\$ 463</u>	

In addition to the investments disclosed above, the Plan also held \$5,170,000 in cash and cash equivalents at June 30, 2015, 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 2017.

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
2017	\$ 13,100	\$ 8,500
2018	9,800	9,400
2019	9,800	10,400
2020	9,800	11,500
2021	10,100	12,600
Years 2022 -2026	46,400	76,900

The accumulated benefit obligation (ABO) of the defined benefit plan was \$136,800,000 and \$125,675,000 at June 30, 2016 and 2015, 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 6.75% and 7.5% in year 2016, decrease gradually to 5% and 5% in fiscal year 2023, 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.

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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	\$ 4,854	\$ (4,173)
Increase (decrease) in postretirement benefit obligation	\$ 61,660	\$ (62,961)

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 will estimate 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 will account for it prospectively starting in fiscal 2017. The reduction in service and interest costs for fiscal 2017 associated with this change in estimate will be approximately \$630,000 for pension benefits and \$2,800,000 for post-retirement benefits.

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, 2016 and 2015 were \$26,060,000 and \$25,170,000, 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):

	<u>2016</u>	<u>2015</u>
Medical School clinical services and other support	\$ 43,881	\$ 54,267
Foreign study and continuing education programs	13,214	13,158
Student activities and other program revenues	13,085	11,729
Athletics revenues	4,247	4,526
Hopkins Center and Hood Museum revenues	1,349	1,372
Other revenues	20,354	21,671
Investment income	<u>10,902</u>	<u>18,341</u>
Total other operating income	<u>\$ 107,032</u>	<u>\$ 125,064</u>

J. Net Assets

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

	<u>2016</u>			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Detail of net assets:				
Operating funds	\$ 287,506	\$ 70,938	\$ -	\$ 358,444
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	50,930	-	385,955
Interest rate swap agreements	(250,321)	-	-	(250,321)
Student loan funds	20,212	23,517	-	43,729
Other non-operating activities	59,010	6,587	-	65,597
Life income, annuity, and similar funds	-	54,865	27,516	82,381
Endowment funds	<u>1,008,220</u>	<u>2,179,853</u>	<u>1,286,331</u>	<u>4,474,404</u>
Total net assets	<u>\$ 1,104,557</u>	<u>\$ 2,570,506</u>	<u>\$ 1,351,897</u>	<u>\$ 5,026,960</u>

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	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Detail of net assets:				
Operating funds	\$ 356,275	\$ 66,228	\$ -	\$ 422,503
Pledges	-	137,601	26,767	164,368
Postretirement and pension benefit obligations	(400,293)	-	-	(400,293)
Third-party charitable trusts	-	5,674	4,010	9,684
Facilities and capital	347,886	37,613	-	385,499
Interest rate swap agreements	(167,417)	-	-	(167,417)
Student loan funds	20,761	22,754	-	43,515
Other non-operating activities	79,091	44,813	-	123,904
Life income, annuity, and similar funds	-	50,399	32,808	83,207
Endowment funds	1,075,885	2,407,876	1,179,730	4,663,491
Total net assets	\$ 1,312,188	\$ 2,772,958	\$ 1,243,315	\$ 5,328,461

K. Commitments and Contingencies

Outstanding commitments on uncompleted construction contracts total \$24,322,000 at June 30, 2016.

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.

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Notes to Consolidated Financial Statements
For the years ended June 30, 2016 and 2015

The table below describes the \$53,459,000 in restructuring expense reported in the consolidated Statement of Activities and the \$44,917,000 of accrued liabilities, of which \$36,265,000 is reported in Accounts payable and other liabilities line and \$8,652,000 is reported in the Pension and other employment related obligations line on the consolidated Statement of Financial Position (in thousands):

	<u>Total Restructuring Cost</u>	<u>Paid as of June 30, 2016</u>	<u>Liabilities as of June 30, 2016</u>
Faculty and Staff Termination Benefits	\$ 14,393	\$ 5,741	\$ 8,652
Financial Support ¹	18,273	-	18,273
Occupancy, research administration and other services ²	17,461	-	17,461
Consulting	3,332	2,801	531
Total Restructuring Costs	\$ 53,459	\$ 8,542	\$ 44,917

¹Financial support includes designated departmental reserves, restricted gifts and endowment distributions. Restricted funds are expected to be available to Dartmouth-Hitchcock, for the purpose required by the donor, for the four years ending June 30, 2020.

²Certain of the occupancy and research administration and other support costs will be provided by Geisel to Dartmouth-Hitchcock at no charge during the two years ending June 30, 2018.

N. Subsequent Events

For purposes of determining the effects of other subsequent events on these consolidated financial statements, management has evaluated events subsequent to June 30, 2016 and through October 25, 2016, 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, 2016

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	\$ -	\$ 24,199	Michigan State University	RC104693A	\$ 24,199	\$ -
Agriculture and Food Research Initiative (AFRI)	10.310	294,402	-			294,402	36,576
Forest Service							
Forestry Research	10.652	44,296	-			44,296	14,621
Forest Health Protection	10.680	39,723	-			39,723	-
Forest Service	10.RD	49,262	-			49,262	-
		<u>427,683</u>	<u>24,199</u>			<u>451,882</u>	<u>51,197</u>
DEPARTMENT OF COMMERCE							
National Institute of Standards and Technology (NIST)							
Measurement and Engineering Research and Standards	11.609	11,729	-			11,729	-
		<u>11,729</u>	<u>-</u>			<u>11,729</u>	<u>-</u>
DEPARTMENT OF DEFENSE							
Department of the Navy, Office of the Chief of Naval Research							
Basic and Applied Scientific Research	12.300	2,814,814	-			2,814,814	1,078,746
Basic and Applied Scientific Research	12.300	-	2,428	Carnegie Mellon University	1141273-351713	2,428	-
U.S. Army Medical Command							
Military Medical Research and Development	12.420	1,465,657	-			1,465,657	167,340
Military Medical Research and Development	12.420	-	7,422	Creare, LLC.	80232	7,422	-
Military Medical Research and Development	12.420	-	8,947	University of Texas, Houston	0009671B	8,947	-
Military Medical Research and Development	12.420	-	42,009	Rutgers the State University	#5296/PO S2051959	42,009	-
Basic Scientific Research	12.431	271,504	-			271,504	-
Basic Scientific Research	12.431	-	48,742	University of California, San Diego	10291747	48,742	36,375
Basic Scientific Research	12.431	-	108,556	University of Wisconsin-Madison	419K812	108,556	-
Basic Scientific Research	12.431	-	315,950	George Mason University	E2030472	315,950	-
Basic Scientific Research	12.431	-	66,441	University of Sydney	G174385	66,441	-
Basic Scientific Research	12.431	7,209	-			7,209	-
Department of the Air Force, Materiel Command							
Air Force Defense Research Sciences Program	12.800	73,611	-			73,611	-
Air Force Defense Research Sciences Program	12.800	-	55,403	University of New Hampshire	15-012	55,403	-
Air Force Defense Research Sciences Program	12.800	-	155,985	Securboraton, Inc.	N/A	155,985	-

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Advanced Research Projects Agency							
Research and Technology Development	12.910	224,594	-			224,594	-
Research and Technology Development	12.910	-	231,847	University of Pennsylvania	564000	231,847	-
Research and Technology Development	12.910	-	9,051	California Institute of Technology	675A-1096880	9,051	-
Research and Technology Development	12.RD	-	85,874	Creare, LLC.	74367	85,874	-
Department of Defense							
Department of Defense	12.RD	107,657	-			107,657	32,992
Department of Defense	12.RD	-	1,496,595	Clinical Research Management, Inc.	Dartmouth-13-01	1,496,595	-
Department of Defense	12.RD	-	530	Clinical Research Management, Inc.	10320526	530	-
Department of Defense	12.RD	-	13,242	Massachusetts Institute of Technology	PO 7000267034	13,242	-
Department of Defense	12.RD	-	60,280	Advanced Preservation Technologies, Inc.	N/A	60,280	-
Department of Defense	12.RD	-	256,932	Fast-Track Drugs and Biologics, Inc.	0047-1062-CPP-DHMC	256,932	-
		<u>4,965,046</u>	<u>2,966,234</u>			<u>7,931,280</u>	<u>1,315,453</u>
DEPARTMENT OF EDUCATION							
Office of Special Education and Rehabilitative Services							
National Institute on Disability and Rehabilitation Research	84.133	(51,161)	-			(51,161)	-
National Institute on Disability and Rehabilitation Research	84.133	-	34,808	Howard University	0008512-1000054351	34,808	-
National Institute on Disability and Rehabilitation Research	84.133	-	61,623	Boston University	Boston University	61,623	-
National Institute on Disability and Rehabilitation Research	84.133	-	8,615	University of Massachusetts Memorial Medical Center	WA00253991/RFS2015115	8,615	-
National Institute on Disability and Rehabilitation Research	84.133	(95,105)	-			(95,105)	-
		<u>(146,266)</u>	<u>105,046</u>			<u>(41,220)</u>	<u>-</u>
DEPARTMENT OF ENERGY							
Department of Energy							
Office of Science Financial Assistance Program	81.049	423,615	-			423,615	-
University Coal Research	81.057	30,518	-			30,518	-
Renewable Energy Research and Development	81.087	170,208	-			170,208	11,501
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	-	33,638	University of Illinois	2010-01251-01	33,638	-
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	-	89,938	University of Illinois	2015-06805-10	89,938	-

Dartmouth College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	-	287,995	Schweitzer Engineering Laboratories, Inc.	N/A	287,995	-
Department of Energy	81.RD	202,986	-			202,986	-
Department of Energy	81.RD	-	(26)	University of New Hampshire	08-028	(26)	-
Department of Energy	81.RD	-	2,098,084	Battelle	4000115284	2,098,084	-
Department of Energy	81.RD	-	31,720	HiFunda LLC	N/A	31,720	-
		<u>827,327</u>	<u>2,541,349</u>			<u>3,368,676</u>	<u>11,501</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Administration for Community Living							
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	804,241	-			804,241	-
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	107,337	Boston University	4500002059	107,337	-
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	60,238	Boston University	4500002060	60,238	-
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	25,005	University of Massachusetts, Worcester	WA00373819/OSP2016121	25,005	-
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.632	-	3,726	University of New Hampshire	13-055C	3,726	-
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.652	203,980	-			203,980	10,216
Evidence-Based Falls Prevention Programs Financed Solely by Prevention and Public Health Funds (PPHF)	93.761	193,843	-			193,843	-
		<u>1,202,064</u>	<u>196,306</u>			<u>1,398,370</u>	<u>10,216</u>
Agency for Healthcare Research and Quality							
Research on Healthcare Costs, Quality and Outcomes	93.226	1,301,581	-			1,301,581	94,567
Research on Healthcare Costs, Quality and Outcomes	93.226	-	350	Children's Hospital of Philadelphia (CHOP)	PO# 961812RSUB	350	-
Research on Healthcare Costs, Quality and Outcomes	93.226	-	2,073	Union College	NIH-TS2	2,073	-
		<u>1,301,581</u>	<u>2,423</u>			<u>1,304,004</u>	<u>94,567</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Centers for Disease Control and Prevention							
Global AIDS	93.067	-	108,354	Muhimbili University of Health & Allied Sciences (MUHAS)	N/A	108,354	-
Centers for Research and Demonstration for Health Promotion and Disease Prevention	93.135	1,414,314	-			1,414,314	252,745
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	697,191	-			697,191	-
National Syndromic Surveillance Program Community of Practice (NSSP CoP)	93.852	-	5,053	University of Vermont	28373SUB51600	5,053	-
Assistance Programs for Chronic Disease Prevention and Control	93.945	-	5,923	University of California, Berkeley	00009000	5,923	-
		<u>2,111,505</u>	<u>119,330</u>			<u>2,230,835</u>	<u>252,745</u>
Centers for Medicare and Medicaid Services							
Health Care Innovation Awards (HCIA)	93.610	-	21,892	Feinstein Institute for Medical Research	500559-DAR-03	21,892	1,467
Health Care Innovation Awards (HCIA)	93.610	-	50	Vinfen Corporation	N/A	50	-
		<u>-</u>	<u>21,942</u>			<u>21,942</u>	<u>1,467</u>
Food and Drug Administration							
Food and Drug Administration_Research	93.103	-	39,696	New England Pediatric Device Consortium	NEPDC-002	39,696	15,226
		<u>-</u>	<u>39,696</u>			<u>39,696</u>	<u>15,226</u>
Health Resources and Services Administration							
Area Health Education Centers	93.107	89,396	-			89,396	52,179
Maternal and Child Health Federal Consolidated Programs	93.110	14,511	-			14,511	-
Public Health Training Centers Program	93.516	-	11,208	Boston University	4500001665	11,208	-
PPHF Geriatric Education Centers	93.969	682,395	-			682,395	-
		<u>786,302</u>	<u>11,208</u>			<u>797,510</u>	<u>52,179</u>
National Institutes of Health							
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	-	39,408	University of Hawaii Cancer Center	KA150011	39,408	-
Environmental Health	93.113	2,333,727	-			2,333,727	953,743
Environmental Health	93.113	-	3,619	Research Foundation of SUNY	1094771-2-57490	3,619	-
Environmental Health	93.113	-	38,455	University of Chicago	FP055589-A	38,455	-
Oral Diseases and Disorders Research	93.121	642,504	-			642,504	295,581
NIEHS Superfund Hazardous Substances_Basic Research and Education	93.143	2,797,708	-			2,797,708	276,717
Human Genome Research	93.172	-	29,615	University of Chicago	FP055133	29,615	-
Research Related to Deafness and Communication Disorders	93.173	872,582	-			872,582	371,421
Research and Training in Complementary and Integrative Health	93.213	(2)	-			(2)	-

**Dartmouth College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016**

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Training in Complementary and Integrative Health	93.213	-	7,800	University of Michigan	3003875908	7,800	-
Mental Health Research Grants	93.242	4,911,185	-			4,911,185	1,042,955
Mental Health Research Grants	93.242	-	27,254	Allegheny-Singer Research Institute	492435	27,254	-
Mental Health Research Grants	93.242	-	51,629	Boston University	4500000977	51,629	-
Mental Health Research Grants	93.242	-	24,996	Boston University	4500001758	24,996	-
Mental Health Research Grants	93.242	-	47,903	Butler Hospital	9225-8340	47,903	-
Mental Health Research Grants	93.242	-	22,316	Yale University	M13A11533 (A09085)	22,316	-
Alcohol Research Programs	93.273	1,375,699	-			1,375,699	7,811
Drug Abuse and Addiction Research Programs	93.279	5,080,916	-			5,080,916	516,750
Drug Abuse and Addiction Research Programs	93.279	-	129,925	HealthSim	N/A	129,925	44,335
Drug Abuse and Addiction Research Programs	93.279	-	39,100	Johns Hopkins University	2001706094	39,100	-
Drug Abuse and Addiction Research Programs	93.279	-	46,525	Johns Hopkins University	2002558271	46,525	-
Drug Abuse and Addiction Research Programs	93.279	-	1,622	McLean Hospital	400579	1,622	-
Drug Abuse and Addiction Research Programs	93.279	-	47,560	Miriam Hospital	710-9865	47,560	-
Drug Abuse and Addiction Research Programs	93.279	-	12,550	National Development and Research Institutes, Inc.	631D	12,550	-
Drug Abuse and Addiction Research Programs	93.279	-	26,975	Oregon Research Institute	N/A	26,975	-
Drug Abuse and Addiction Research Programs	93.279	-	8,128	University of California, Los Angeles	2000 G SD265	8,128	-
Drug Abuse and Addiction Research Programs	93.279	-	32,638	University of Vermont	24927	32,638	-
Drug Abuse and Addiction Research Programs	93.279	-	32,003	University of Wisconsin-Madison	416K080	32,003	-
Drug Abuse and Addiction Research Programs	93.279	-	211,677	Westat, Inc.	s8954	211,677	-
Mental Health National Research Service Awards for Research Training	93.282	281,148	-			281,148	168,142
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	797,677	-			797,677	7,094
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	14,472	University of Massachusetts Memorial Medical Ctr	WA00435215/OSP2016198	14,472	-
Trans-NIH Research Support	93.310	1,104,734	-			1,104,734	-
Trans-NIH Research Support	93.310	-	6,362	University of Washington	UWSC8712/PO#BP010540	6,362	-
Trans-NIH Research Support	93.310	-	6,934	University of Washington	UWSC8712/PO#BP012266	6,934	-
National Center for Advancing Translational Sciences	93.350	6,523,761	-			6,523,761	2,032,561
Research Infrastructure Programs	93.351	263,610	-			263,610	-
Nursing Research	93.361	93,212	-			93,212	-
Cancer Cause and Prevention Research	93.393	3,369,083	-			3,369,083	880,957
Cancer Cause and Prevention Research	93.393	-	4,077	Albert Einstein College of Medicine	310968	4,077	-
Cancer Cause and Prevention Research	93.393	-	2,873	Brigham & Women's Hospital	109109	2,873	-
Cancer Cause and Prevention Research	93.393	-	(1)	Brigham & Women's Hospital	109272	(1)	-

**Dartmouth College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016**

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Cancer Cause and Prevention Research	93.393	-	249,918	Brigham & Women's Hospital	111048	249,918	-
Cancer Cause and Prevention Research	93.393	-	13,155	Emory University	T259757	13,155	-
Cancer Cause and Prevention Research	93.393	-	10,085	Emory University	T458928	10,085	-
Cancer Cause and Prevention Research	93.393	-	31,061	Fred Hutchinson Cancer Research Center	0000810611	31,061	-
Cancer Cause and Prevention Research	93.393	-	45,322	Fred Hutchinson Cancer Research Center	0000830521	45,322	-
Cancer Cause and Prevention Research	93.393	-	20,180	Fred Hutchinson Cancer Research Center	0000963147	20,180	-
Cancer Cause and Prevention Research	93.393	-	55,917	Group Health Research Institute	2013169197	55,917	-
Cancer Cause and Prevention Research	93.393	-	165,160	Group Health Research Institute	CA154292-04	165,160	144,152
Cancer Cause and Prevention Research	93.393	-	233,841	Group Health Research Institute	CA154292-05	233,841	169,611
Cancer Cause and Prevention Research	93.393	-	10,515	Group Health Research Institute	PO#2014188789	10,515	-
Cancer Cause and Prevention Research	93.393	-	109,127	Group Health Research Institute	PO#2014188790	109,127	95,668
Cancer Cause and Prevention Research	93.393	-	50,751	Group Health Research Institute	PO#2015175056	50,751	-
Cancer Cause and Prevention Research	93.393	-	150,003	Group Health Research Institute	PO#2015175057	150,003	91,756
Cancer Cause and Prevention Research	93.393	-	54,764	Harvard University	150144.507561.0004	54,764	-
Cancer Cause and Prevention Research	93.393	-	9,305	Stanford University	60373226-110835	9,305	-
Cancer Cause and Prevention Research	93.393	-	55,830	Stanford University	60373226-110835-K	55,830	-
Cancer Cause and Prevention Research	93.393	-	33,960	University of Chicago	44706-A	33,960	-
Cancer Cause and Prevention Research	93.393	-	(1,850)	University of Hawaii Cancer Center	Z10074296	(1,850)	-
Cancer Cause and Prevention Research	93.393	-	903,122	University of North Carolina at Chapel Hill	5033528	903,122	-
Cancer Cause and Prevention Research	93.393	-	480	University of Pittsburgh	0019106 (120429-3)	480	-
Cancer Cause and Prevention Research	93.393	-	16,510	University of Texas, Houston	0009805A	16,510	-
Cancer Cause and Prevention Research	93.393	-	34,343	University of Texas, M D Anderson Cancer Center	00002207	34,343	-
Cancer Cause and Prevention Research	93.393	-	47,879	University of Texas, M D Anderson Cancer Center	00003017	47,879	-
Cancer Cause and Prevention Research	93.393	-	(9,405)	University of Washington	724576	(9,405)	-
Cancer Cause and Prevention Research	93.393	-	120,774	University of Washington	UWSC6180/PO 6827	120,774	-
Cancer Cause and Prevention Research	93.393	-	214	Vanderbilt University	VUMC 40616	214	-
Cancer Detection and Diagnosis Research	93.394	5,896,942	-	-	-	5,896,942	1,038,774
Cancer Detection and Diagnosis Research	93.394	-	46,958	RyTek Medical, Inc.	N/A	46,958	-
Cancer Detection and Diagnosis Research	93.394	-	7,496	University of California, Irvine	2014-3022	7,496	-
Cancer Treatment Research	93.395	1,300,209	-	-	-	1,300,209	-
Cancer Treatment Research	93.395	-	22,518	Brigham & Women's Hospital	110408	22,518	-
Cancer Treatment Research	93.395	-	21,097	Brigham & Women's Hospital	NH012	21,097	-
Cancer Treatment Research	93.395	-	3,120	Celdara Medical, LLC.	N/A	3,120	-
Cancer Treatment Research	93.395	-	89,010	Children's Hospital of Philadelphia (CHOP)	COG PCR	89,010	-
Cancer Treatment Research	93.395	-	20,149	ECOG-ACRIN Cancer Research Group	N/A	20,149	-
Cancer Treatment Research	93.395	-	1,092	Fred Hutchinson Cancer Research Center	0000816302	1,092	-
Cancer Treatment Research	93.395	-	97	Fred Hutchinson Cancer Research Center	833176	97	-
Cancer Treatment Research	93.395	-	366	John Wayne Cancer Institute	MSLT-11	366	-
Cancer Treatment Research	93.395	-	177,424	Massachusetts General Hospital	225634	177,424	-
Cancer Treatment Research	93.395	-	253,185	Massachusetts General Hospital	225638	253,185	-

Dartmouth College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Cancer Treatment Research	93.395	-	5,623	Mayo Clinic	64029258	5,623	-
Cancer Treatment Research	93.395	-	3,953	Mayo Clinic	PO# 63434762	3,953	-
Cancer Treatment Research	93.395	-	177	Miami University	G02486	177	-
Cancer Treatment Research	93.395	-	20,435	Ohio State University Research Foundation	60039916	20,435	-
Cancer Treatment Research	93.395	-	11,789	University of North Carolina at Chapel Hill	27469-34	11,789	-
Cancer Treatment Research	93.395	-	42,947	University of Texas, M D Anderson Cancer Center	00002987	42,947	-
Cancer Biology Research	93.396	716,983	-			716,983	-
Cancer Biology Research	93.396	-	55,940	Harvard University	113098-5093073	55,940	-
Cancer Biology Research	93.396	-	5,762	Medical College of Wisconsin	1634634	5,762	-
Cancer Biology Research	93.396	-	21,112	Vanderbilt University	VUMC 40709	21,112	-
Cancer Biology Research	93.396	-	18,747	Wistar Institute	24581-02-365	18,747	-
Cancer Centers Support Grants	93.397	4,762,515	-			4,762,515	613,986
Cancer Centers Support Grants	93.397	-	16,539	University of Michigan	3002191972	16,539	-
Cancer Research Manpower	93.398	768,048	-			768,048	-
Trans-NIH Recovery Act Research Support	93.701	-	(261)	EMMES Corporation	3501-001	(261)	-
Trans-NIH Recovery Act Research Support	93.701	-	371	EMMES Corporation	N/A	371	-
Cardiovascular Diseases Research	93.837	1,588,001	-			1,588,001	383,056
Cardiovascular Diseases Research	93.837	-	29,907	Celdara Medical, LLC.	2RRHL097464-02A1	29,907	-
Cardiovascular Diseases Research	93.837	-	(106)	Duke University	177494	(106)	-
Cardiovascular Diseases Research	93.837	-	6,742	Duke University	179452	6,742	-
Cardiovascular Diseases Research	93.837	-	38,006	Emory University	T286230	38,006	-
Cardiovascular Diseases Research	93.837	-	15,002	Emory University	T441731	15,002	-
Cardiovascular Diseases Research	93.837	-	46,727	Northeast Ohio Medical University	34520-A	46,727	-
Cardiovascular Diseases Research	93.837	-	25,735	Vanderbilt University	VUMC57248	25,735	-
Lung Diseases Research	93.838	1,279,615	-			1,279,615	178,973
Lung Diseases Research	93.838	-	(559)	Childrens Hospital Boston	74159	(559)	-
Blood Diseases and Resources Research	93.839	-	13,147	Emory University	T445707	13,147	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	1,552,463	-			1,552,463	114,446
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	38,744	Boston University	4500001443	38,744	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	20,989	Boston University	4500001680	20,989	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	44,953	Boston University	4500001683	44,953	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	222,787	Boston University	4500001924	222,787	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	95,546	Boston University	4500001926	95,546	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	135,436	Celdara Medical, LLC.	N/A	135,436	-

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	9,152	Cornerstone Partners, LLC	N/A	9,152	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	-	22,377	Washington University	WU-10-157/PO 2911467A	22,377	-
Diabetes, Digestive, and Kidney Diseases	93.847	640,264	-			640,264	91,780
Diabetes, Digestive, and Kidney Diseases	93.847	-	121,330	Beth Israel Deaconess Medical Center	01027777	121,330	-
Diabetes, Digestive, and Kidney Diseases	93.847	-	10,074	Children's Hospital of Philadelphia (CHOP)	DK066174	10,074	-
Diabetes, Digestive, and Kidney Diseases	93.847	-	8,911	University of North Carolina at Chapel Hill	5-31662	8,911	-
Diabetes, Digestive, and Kidney Diseases	93.847	-	3,059	Washington University	WU-15-183/PO#2922637Y	3,059	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	2,114,997	-			2,114,997	328,745
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	36,872	Northwestern University	60036745 DC	36,872	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	34,612	University of Vermont	28377 SUB51601	34,612	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	7,666	Yale University	M10A10508	7,666	-
Allergy and Infectious Diseases Research	93.855	8,498,951	-			8,498,951	835,504
Allergy and Infectious Diseases Research	93.855	-	90,302	Avatar Medical, LLC	N/A	90,302	-
Allergy and Infectious Diseases Research	93.855	-	3,891	Children's Hospital Medical Center	RSTFD0000679396	3,891	-
Allergy and Infectious Diseases Research	93.855	-	201,196	Cornell University	64289-9879	201,196	-
Allergy and Infectious Diseases Research	93.855	-	37,600	Georgetown University	411101_GR410721-DC	37,600	-
Allergy and Infectious Diseases Research	93.855	-	(815)	Harvard University	152471.5061742.0002	(815)	-
Allergy and Infectious Diseases Research	93.855	-	481,531	Harvard University	152482.5064964.0206	481,531	-
Allergy and Infectious Diseases Research	93.855	-	1,248	Harvard University	152482.5064984.0206	1,248	-
Allergy and Infectious Diseases Research	93.855	-	24,300	Harvard University	152482.5085244.0209	24,300	-
Allergy and Infectious Diseases Research	93.855	-	3,891	Harvard University	152519.5064964.0406	3,891	-
Allergy and Infectious Diseases Research	93.855	-	12,210	ImmuNext, Inc.	5R44AI098261-03	12,210	-
Allergy and Infectious Diseases Research	93.855	-	193,135	ImmuNext, Inc.	N/A	193,135	-
Allergy and Infectious Diseases Research	93.855	-	8,986	Massachusetts General Hospital	219894	8,986	-
Allergy and Infectious Diseases Research	93.855	-	47,512	Massachusetts General Hospital	225021	47,512	-
Allergy and Infectious Diseases Research	93.855	-	108,200	Massachusetts General Hospital	226850	108,200	-
Allergy and Infectious Diseases Research	93.855	-	18,967	Regents of the University of Minnesota	N003235801	18,967	-
Allergy and Infectious Diseases Research	93.855	-	68,069	Stealth Biologics, LLC	N/A	68,069	-
Allergy and Infectious Diseases Research	93.855	-	486,871	Symbiotix Biotherapies, Inc.	N/A	486,871	-
Allergy and Infectious Diseases Research	93.855	-	29,942	University of California, San Francisco	8972SC	29,942	-
Allergy and Infectious Diseases Research	93.855	-	41,907	Johns Hopkins University	LDR 01	41,907	-
Microbiology and Infectious Diseases	93.856	942,317	-			942,317	434,139
Microbiology and Infectious Diseases	93.856	-	8,085	University of Alabama	000406257-017	8,085	-

Dartmouth College

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Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Biomedical Research and Research Training	93.859	18,740,572	-			18,740,572	2,660,130
Biomedical Research and Research Training	93.859	-	135,281	Johns Hopkins University	2002228702	135,281	-
Biomedical Research and Research Training	93.859	-	42,979	Marine Biological Laboratory	45397	42,979	-
Child Health and Human Development Extramural Research	93.865	1,468,033	-			1,468,033	12,545
Child Health and Human Development Extramural Research	93.865	-	2,996	Boston Medical Center	3266	2,996	-
Child Health and Human Development Extramural Research	93.865	-	50,219	Boston University	4500000689	50,219	-
Child Health and Human Development Extramural Research	93.865	-	(9,779)	Boston University	N/A	(9,779)	-
Child Health and Human Development Extramural Research	93.865	-	(2,942)	Childrens Hospital Boston	PO#RSTFD0000537943	(2,942)	-
Child Health and Human Development Extramural Research	93.865	-	413,695	Harvard University	152765.5094095.1305	413,695	-
Child Health and Human Development Extramural Research	93.865	-	1,832	Harvard University	152765.5094095.1405	1,832	-
Child Health and Human Development Extramural Research	93.865	-	28,364	Simbex	N/A	28,364	-
Child Health and Human Development Extramural Research	93.865	-	72,666	Simbex	SIMBEX-002	72,666	-
Child Health and Human Development Extramural Research	93.865	-	63,194	Simbex	SIMBEX-003	63,194	-
Child Health and Human Development Extramural Research	93.865	-	16,759	The Administrators of the Tulane Educational Fund	TUL-HSC-553711-15/16	16,759	-
Child Health and Human Development Extramural Research	93.865	-	1,712	The Administrators of the Tulane Educational Fund	TUL-HSC-567-14/15	1,712	-
Child Health and Human Development Extramural Research	93.865	-	3,303	University of Massachusetts, Worcester	6147954/RFS2013101	3,303	-
Child Health and Human Development Extramural Research	93.865	-	8,235	University of Texas, Dallas	1301522	8,235	-
Aging Research	93.866	3,435,963	-			3,435,963	667,718
Aging Research	93.866	-	(156)	Thomas Jefferson University	080-19000-S01001	(156)	-
Aging Research	93.866	-	(4,523)	University of California, San Diego	1566	(4,523)	-
Aging Research	93.866	-	4,485	University of Maryland	SR00002920	4,485	-
Aging Research	93.866	-	59,108	University of Michigan	3003576791	59,108	-
Vision Research	93.867	651,707	-			651,707	-
Vision Research	93.867	-	21,310	University of California, San Francisco	5640	21,310	-
Vision Research	93.867	-	4,275	University of California, San Francisco	5640sc	4,275	-
Medical Library Assistance	93.879	389,777	-			389,777	-
Medical Library Assistance	93.879	-	22,263	University of Massachusetts, Worcester	WA00364376/OSP2016105	22,263	-

**Dartmouth College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016**

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Medical Library Assistance	93.879	-	(18,127)	University of Pennsylvania	567329	(18,127)	-
International Research and Research Training	93.989	968,417	-			968,417	610,804
		<u>86,163,318</u>	<u>7,944,308</u>			<u>94,107,626</u>	<u>15,069,854</u>
Department of Health and Human Services							
Department of Health and Human Services	93.RD	(8,480)	-			(8,480)	22,768
Department of Health and Human Services	93.RD	-	23,092	Boston University	4500001907	23,092	-
Department of Health and Human Services	93.RD	-	31,391	Creare, LLC.	75406	31,391	-
Department of Health and Human Services	93.RD	-	8,075	Dana Farber Cancer Institute	UNIV OF CHICAGO	8,075	-
Department of Health and Human Services	93.RD	-	25,160	Doseoptics	N/A	25,160	-
Department of Health and Human Services	93.RD	-	97,297	Doseoptics	N/A	97,297	-
Department of Health and Human Services	93.RD	-	43,812	Group Health Research Institute	HHSN261201100031C-Dartmouth	43,812	-
Department of Health and Human Services	93.RD	-	10,878	ICF Macro	13EDSK0109	10,878	-
Department of Health and Human Services	93.RD	-	3,423	J&J Solutions, Inc. (Corvida Medical)	01910759	3,423	-
Department of Health and Human Services	93.RD	-	42	JSI Research & Training Institute	JSI/CHI 6904	42	-
Department of Health and Human Services	93.RD	-	83,160	Massachusetts General Hospital	217706	83,160	-
Department of Health and Human Services	93.RD	-	(2,926)	Muhimbili University of Health & Allied Sciences (MUHAS)	Westat # 6101-S-Sub-contract_B	(2,926)	-
Department of Health and Human Services	93.RD	-	20,043	Muhimbili University of Health & Allied Sciences (MUHAS)	Westat #6101-S-sub-contract_B2	20,043	-
Department of Health and Human Services	93.RD	-	20,043	Muhimbili University of Health & Allied Sciences (MUHAS)	Westat #6101-S-Sub-contract_C1	20,043	-
Department of Health and Human Services	93.RD	-	1,459	New England Research Institutes, Inc.	STUDY #FED14217	1,459	-
Department of Health and Human Services	93.RD	-	568,059	NH Dept of Health & Human Services	1021329	568,059	6,820
Department of Health and Human Services	93.RD	-	180	Northwestern University	60036745DC	180	-
Department of Health and Human Services	93.RD	-	97	Northwestern University	N/A	97	-
Department of Health and Human Services	93.RD	-	226,350	University of Florida	UFDSP00010663	226,350	-
Department of Health and Human Services	93.RD	-	29,238	University of South Florida	PO 0000223148	29,238	-
Department of Health and Human Services	93.RD	-	246	University of South Florida	U01-DK061055	246	-
Department of Health and Human Services	93.RD	-	27,021	University of Vermont	28377 SUB51601	27,021	-
		<u>(8,480)</u>	<u>1,216,140</u>			<u>1,207,660</u>	<u>29,588</u>
		<u>91,556,290</u>	<u>9,551,353</u>			<u>101,107,643</u>	<u>15,525,842</u>
DEPARTMENT OF JUSTICE							
National Institute of Justice							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	-	101,729	University of New Hampshire	15-019	101,729	-
		-	<u>101,729</u>			<u>101,729</u>	-

Dartmouth College

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Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
DEPARTMENT OF THE INTERIOR							
U.S. Geological Survey							
Assistance to State Water Resources Research Institutes	15.805	-	22,724	University of New Hampshire	15-047	22,724	-
		-	22,724			22,724	-
ENVIRONMENTAL PROTECTION AGENCY							
Office of Research and Development (ORD)							
Science To Achieve Results (STAR) Research Program	66.509	588,708	-			588,708	126,682
		588,708	-			588,708	126,682
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration							
Science	43.001	2,923,275	-			2,923,275	911,695
Science	43.001	-	37,064	Boston University	4500001613	37,064	-
Science	43.001	-	14,098	California Institute of Technology	44A-1096597	14,098	-
Science	43.001	-	34,875	Johns Hopkins University	113901	34,875	-
Science	43.001	-	77,404	Massachusetts Institute of Technology	5710003372	77,404	-
Science	43.001	-	38,384	Regents of the University of Minnesota	A004527201	38,384	-
Science	43.001	-	10,635	Smithsonian Astrophysical Observatory (SAO)	GO2-13150A	10,635	-
Science	43.001	-	19,516	University of Connecticut	91595	19,516	-
Science	43.001	-	14,336	University of Iowa	W000726838	14,336	-
Science	43.001	-	145,371	University of New Hampshire	10-092	145,371	-
Science	43.001	-	47,030	University of New Hampshire	14-085	47,030	-
Science	43.001	-	11,395	University of New Hampshire	15-038	11,395	-
Science	43.001	-	(823)	University of Wyoming	1001478	(823)	-
Aeronautics	43.002	-	270,156	National Space Biomedical Research Institute	CA03401	270,156	112,456
Aeronautics	43.002	-	375,576	National Space Biomedical Research Institute	NBPF03801	375,576	-
Education	43.008	-	32,528	University of New Hampshire	16-003	32,528	-
Education	43.008	-	77,112	University of New Hampshire	16-015	77,112	-
Education	43.008	-	20,871	University of New Hampshire	16-024	20,871	-
Education	43.008	-	1,195	University of New Hampshire	N/A	1,195	-
National Aeronautics and Space Administration	43.RD	-	12,742	Johns Hopkins University	107457	12,742	-
National Aeronautics and Space Administration	43.RD	-	178,939	Regents of the University of Minnesota	X5336545104	178,939	-
National Aeronautics and Space Administration	43.RD	-	49,024	University of New Hampshire	13-049	49,024	-
National Aeronautics and Space Administration	43.RD	-	248,102	University of New Hampshire	13-065	248,102	69,774
National Aeronautics and Space Administration	43.RD	-	30,807	University of New Hampshire	14-072	30,807	-
		2,923,275	1,746,337			4,669,612	1,093,925
NATIONAL ENDOWMENT FOR THE HUMANITIES							
National Endowment for the Humanities							
Promotion of the Humanities_Office of Digital Humanities	45.169	54,157	-			54,157	35,662
		54,157	-			54,157	35,662

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Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
NATIONAL SCIENCE FOUNDATION							
National Science Foundation							
Engineering Grants	47.041	953,763	-			953,763	115,848
Engineering Grants	47.041	-	70,818	Clarisond, Inc.	N/A	70,818	-
Engineering Grants	47.041	-	42,332	University of Tulsa	14-2-1206626-94802	42,332	-
Mathematical and Physical Sciences	47.049	2,461,334	-			2,461,334	-
Geosciences	47.050	5,670,551	-			5,670,551	3,324,780
Geosciences	47.050	-	30,394	Stanford University	60398977-109515-A	30,394	-
Computer and Information Science and Engineering	47.070	2,117,873	-			2,117,873	110,072
Biological Sciences	47.074	2,488,542	-			2,488,542	560,457
Biological Sciences	47.074	-	990	Purdue University	4101-19822	990	-
Biological Sciences	47.074	-	4,659	University of Maryland, Baltimore County	16783	4,659	-
Biological Sciences	47.074	-	420,318	University of North Carolina at Chapel Hill	5037375	420,318	16,882
Biological Sciences	47.074	-	(262)	University of North Carolina at Chapel Hill	5-54963	(262)	-
Biological Sciences	47.074	-	54,852	University of Pennsylvania	567347/10052591/15276	54,852	-
Biological Sciences	47.074	-	4,760	Virginia Polytechnic Institute & State University	479065-19715	4,760	-
Social, Behavioral, and Economic Sciences	47.075	371,044	-			371,044	14,250
Social, Behavioral, and Economic Sciences	47.075	-	11,700	Indiana University	PO1406354/BL4843920DC	11,700	-
Social, Behavioral, and Economic Sciences	47.075	-	5,369	University of Texas, Austin	UTA15-001207	5,369	-
Education and Human Resources	47.076	1,172,561	-			1,172,561	492,417
Education and Human Resources	47.076	-	43,992	University of Vermont	25399	43,992	-
Education and Human Resources	47.076	-	58,704	University of Vermont	25399SUB52028	58,704	-
Education and Human Resources	47.076	-	10,950	Community College System of New Hampshire	DUE-1104106	10,950	2,858
Polar Programs	47.078	359,300	-			359,300	3,922
Polar Programs	47.078	-	55,189	University of Colorado-Boulder	1548198	55,189	-
Office of International Science and Engineering	47.079	-	40,481	Oregon State University	S1315A-F	40,481	-
National Science Foundation	47.R&D	-	32,780	Applied GeoSolutions, LLC	NSF1433756-2	32,780	-
National Science Foundation	47.R&D	-	395,867	University of New Hampshire	PZ 12-044	395,867	-
		<u>15,594,968</u>	<u>1,283,893</u>			<u>16,878,861</u>	<u>4,641,486</u>
SOCIAL SECURITY ADMINISTRATION							
Social Security Administration							
Social Security_Research and Demonstration	96.007	<u>142</u>	-			<u>142</u>	-
		<u>142</u>	-			<u>142</u>	-
Total Research and Development Cluster		<u>116,803,059</u>	<u>18,342,864</u>			<u>135,145,923</u>	<u>22,801,748</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

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	-	676,381	Republic of Rwanda Ministry of Health	N/A	676,381	-
USAID Foreign Assistance for Programs Overseas	98.001	-	63,568	University Research Co., LLC	FY11-A08-7500	63,568	-
USAID Foreign Assistance for Programs Overseas	98.001	-	125,140	World Learning for International Development	S04-AID-167-A-14-00001	125,140	-
		-	865,089			865,089	-
DEPARTMENT OF AGRICULTURE							
Natural Resources Conservation Service							
Conservation Stewardship Program	10.310	3,439	-			3,439	-
Conservation Stewardship Program	10.924	95,000	-			95,000	-
		98,439	-			98,439	-
DEPARTMENT OF DEFENSE							
National Security Agency							
Mathematical Sciences Grants Program	12.901	7,361	-			7,361	-
Mathematical Sciences Grants Program	12.901	20,002	-			20,002	-
		27,363	-			27,363	-
Information Security Grants	12.902	-	119,199	University of Illinois	2014-03127-03	119,199	-
GenCyber Grants Program	12.903	8,958	-			8,958	-
		36,321	119,199			155,520	-
DEPARTMENT OF EDUCATION							
Office of Postsecondary Education							
Graduate Assistance in Areas of National Need	84.200	67,951	-			67,951	-
Graduate Assistance in Areas of National Need	84.200	334,350	-			334,350	-
		402,301	-			402,301	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
Centers for Disease Control and Prevention							
Global AIDS	93.067	-	11,457	Muhimbili University of Health & Allied Sciences (MUHAS)	N/A	11,457	-
Environmental Public Health and Emergency Response	93.070	-	81,708	NH Department of Environmental Services	03-44-44-442010-2047-102.5	81,708	16,626
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	-	202,817	NH Dept of Health & Human Services	N/A	202,817	-
Centers for Disease Control and Prevention							
Disabilities Prevention	93.184	-	5,877	University of Massachusetts, Worcester	WA00269565RFS2015133	5,877	-
Disabilities Prevention	93.184	-	16,637	University of Massachusetts, Worcester	WA00388231/OSP2016138	16,637	-
		-	22,514			22,514	-

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Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Centers for Disease Control and Prevention							
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	91,167	-			91,167	-
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	(110)	NH Div of Public Health Services	1017170	(110)	(110)
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	190,314	NH Div of Public Health Services	1031557	190,314	27,968
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	(184)	NH Div of Public Health Services	FY14	(184)	(184)
Centers for Disease Control and Prevention_Investigations and Technical Assistance	93.283	-	14,852	NH Div of Public Health Services	FY15	14,852	7,833
		<u>91,167</u>	<u>204,872</u>			<u>296,039</u>	<u>35,507</u>
Food and Drug Administration							
Food and Drug Administration_Research	93.103	-	49,418	Society for Vascular Surgery	15111825-05	49,418	-
Health Resources and Services Administration							
Area Health Education Centers	93.107	59,214	-			59,214	48,013
Maternal and Child Health Federal Consolidated Programs	93.110	772,880	-			772,880	674,894
Emergency Medical Services for Children	93.127	173,786	-			173,786	-
Emergency Medical Services for Children	93.127	<u>219,132</u>	<u>-</u>			<u>219,132</u>	<u>-</u>
		<u>392,918</u>	<u>-</u>			<u>392,918</u>	<u>-</u>
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	67,972	-			67,972	47,387
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	320,185	-			320,185	78,413
		<u>388,157</u>	<u>-</u>			<u>388,157</u>	<u>125,800</u>
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	93.912	-	49,106	New London Hospital	201502	49,106	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	363,098	-			363,098	245,373
PPHF Geriatric Education Centers	93.969	37,039	-			37,039	13,896
HIV-Related Training and Technical Assistance	93.145	-	11,330	University of Massachusetts, Worcester	WA002218321/RFS2015022	11,330	-
HIV-Related Training and Technical Assistance	93.145	-	54,060	University of Massachusetts, Worcester	WA00359210/OSP2016087	54,060	-
		<u>-</u>	<u>65,390</u>			<u>65,390</u>	<u>-</u>

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Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Centers for Medicare and Medicaid Services							
The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	93.536	-	11,797	NH Dept of Health & Human Services	1021329	11,797	-
The Affordable Care Act Medicaid Incentives for Prevention of Chronic Disease Demonstration Project	93.536	-	70,970	University of Rochester	5-23462 416548	70,970	-
		-	<u>82,767</u>			<u>82,767</u>	<u>-</u>
Centers for Medicare and Medicaid Services							
Health Care Innovation Awards (HCIA)	93.610	1,115,002	-			1,115,002	775,622
Administration for Children and Families							
Child Care and Development Block Grant	93.575	-	165,093	VT Dept for Children & Families	03440-30041-16-CCCSA	165,093	-
Administration for Community Living							
University Centers for Excellence in Developmental Disabilities Education, Research, and Service	93.652	435,727	-			435,727	-
Office of the Secretary							
National Bioterrorism Hospital Preparedness Program	93.889	-	36,551	NH Dept of Health & Human Services	90077021	36,551	-
National Bioterrorism Hospital Preparedness Program	93.889	-	2,096	NH Div of Public Health Services	STNHFY15	2,096	1,499
National Bioterrorism Hospital Preparedness Program	93.889	-	108,413	NH Div of Public Health Services	STNHFY16	108,413	3,660
		-	<u>147,060</u>			<u>147,060</u>	<u>5,159</u>
Substance Abuse and Mental Health Services Administration							
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	-	166,147	VT Dept of Health	03420-A16106S	166,147	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	126,690	-			126,690	28,552
		<u>126,690</u>	<u>166,147</u>			<u>292,837</u>	<u>28,552</u>
Block Grants for Community Mental Health Services	93.958	-	28,629	Montana Department of Public Health and Human Services	14-331-74078-0	28,629	-
		<u>3,781,892</u>	<u>1,276,978</u>			<u>5,058,870</u>	<u>1,969,442</u>
DEPARTMENT OF STATE							
Bureau of Educational and Cultural Affairs	19.009	-	86,324	International Research and Exchanges Board	FY15-YALI-Dartmouth-02	86,324	-
Bureau of Educational and Cultural Affairs	19.009	-	33,718	International Research and Exchanges Board	FY16-YALI-BE-Dartmouth-03	33,718	-
		-	<u>120,042</u>			<u>120,042</u>	<u>-</u>

Dartmouth College
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
INSTITUTE OF MUSEUM AND LIBRARY SERVICES							
Institute of Museum and Library Services							
National Leadership Grants	45.312	24,962	-			24,962	-
National Leadership Grants	45.312	-	10,415	Missouri Botanical Garden	MLS06873D	10,415	-
		<u>24,962</u>	<u>10,415</u>			<u>35,377</u>	<u>-</u>
Museums for America	45.301	11,216	-			11,216	-
		<u>36,178</u>	<u>10,415</u>			<u>46,593</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration							
National Aeronautics and Space Administration	43.000	-	82,091	University of New Hampshire	11-015	82,091	-
National Aeronautics and Space Administration Science	43.001	34,326	-			34,326	-
National Aeronautics and Space Administration Aeronautics	43.002	-	28,073	National Space Biomedical Research Institute	CA02701	28,073	-
National Aeronautics and Space Administration Aeronautics	43.002	-	51,704	National Space Biomedical Research Institute	PF04103	51,704	-
		<u>-</u>	<u>79,777</u>			<u>79,777</u>	<u>-</u>
National Aeronautics and Space Administration Education	43.008	46,627	-			46,627	-
		<u>80,953</u>	<u>161,868</u>			<u>242,821</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE ARTS							
National Endowment for the Arts							
Promotion of the Arts_Grants to Organizations and Individuals	45.024	28,000	-			28,000	-
National Endowment for the Arts Promotion of the Arts_Grants to Organizations and Individuals	45.025	-	10,000	New England Foundation for the Arts	15-29686	10,000	-
National Endowment for the Arts Promotion of the Arts_Grants to Organizations and Individuals	45.025	-	6,700	New England Foundation for the Arts	15-29688	6,700	-
National Endowment for the Arts Promotion of the Arts_Grants to Organizations and Individuals	45.025	-	10,500	New England Foundation for the Arts	15-30185	10,500	-
		<u>-</u>	<u>27,200</u>			<u>27,200</u>	<u>-</u>
		<u>28,000</u>	<u>27,200</u>			<u>55,200</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES							
National Endowment for the Humanities							
Promotion of the Humanities_Office of Digital Humanities	45.169	72,159	-			72,159	-
		<u>72,159</u>	<u>-</u>			<u>72,159</u>	<u>-</u>
Total Other Sponsored Programs		<u>4,536,243</u>	<u>2,580,791</u>			<u>7,117,034</u>	<u>1,969,442</u>

Dartmouth College

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

Federal Program	CFDA	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Student Financial Assistance Program							
DEPARTMENT OF EDUCATION							
Federal Supplemental Educational Opportunity Grants	84.007	799,883	-			799,883	-
Federal Work-Study Program FY16	84.033	1,001,434	-			1,001,434	-
Federal Work-Study Program FY15	84.033	25,947	-			25,947	-
Federal Perkins Loan (<i>Footnote 4</i>)							
Outstanding loans as of July 1, 2015	84.038	23,576,678	-			23,576,678	-
New loans issued during 2016	84.038	3,777,033	-			3,777,033	-
Administrative cost allowance	84.038	265,685	-			265,685	-
Health Education Assistance Loans							
Outstanding loans as of July 1, 2015	93.108	128,531	-			128,531	-
New loans issued during 2016	93.108	-	-			-	-
Federal Pell Grant Program	84.063	2,535,155	-			2,535,155	-
Federal Direct Student Loan	84.268	27,865,784	-			27,865,784	-
Total Student Financial Assistance Cluster		<u>59,976,130</u>	<u>-</u>			<u>59,976,130</u>	<u>-</u>
Highway Safety Cluster							
DEPARTMENT OF TRANSPORTATION							
National Highway Traffic Safety Administration (NHTSA)	20.600	-	37,195	NH Highway Safety Agency	304-155-001	37,195	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	13,275	NH Highway Safety Agency	304-155-003	13,275	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	3,803	NH Highway Safety Agency	304-155-004	3,803	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	17,530	NH Highway Safety Agency	304-155-005	17,530	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	3,289	NH Highway Safety Agency	304-155-006	3,289	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	101,023	NH Highway Safety Agency	304-165-002	101,023	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	76,446	NH Highway Safety Agency	304-165-003	76,446	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	21,030	NH Highway Safety Agency	304-165-004	21,030	-
National Highway Traffic Safety Administration (NHTSA)	20.600	-	9,853	NH Highway Safety Agency	304-165-005	9,853	-
Total Highway Safety Cluster		<u>-</u>	<u>283,444</u>			<u>283,444</u>	<u>-</u>
Total Federal Award Expenditures		<u>\$ 181,315,432</u>	<u>\$ 21,207,099</u>			<u>\$ 202,522,531</u>	<u>\$ 24,771,190</u>

Dartmouth College

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2016

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, 2016. The information in this schedule is presented in accordance with the requirements of the 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, OMB Circular A-21, *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. The College 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 2016 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 Dartmouth's financial statements. Loans made to eligible students and parents under federal student loan programs during the year ended June 30, 2016 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 Dartmouth's financial statements.

The balances outstanding on these loans at June 30, 2016 are as follows:

Perkins – 84.038	\$ 23,794,200
HEAL – 93.108	87,962
	<hr/>
	\$ 23,882,162
	<hr/>



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 statement of financial position as of June 30, 2016, and the related consolidated statement of activities and statement of operations 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 25, 2016.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 25, 2016



**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**

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, 2016. 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, 2016.



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

January 25, 2017

Dartmouth College
Schedule of Findings and Questioned Costs
Year Ended June 30, 2016

1. 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 CFR200.516(a)? _____ yes ___x___ no

Identification of Major Programs:

CFDA Number(s)	Name of Federal Program or Cluster
Various 93.110	Research and Development Cluster Maternal and Child Health Federal Consolidated Programs
Dollar threshold used to distinguish between type A and type B programs:	<u>\$3,000,000</u>
Auditee qualified as low-risk auditee?	___x___ yes _____ no

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

No findings noted.

3. Federal Award Findings and Questioned Costs

No findings noted.

Dartmouth College

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2016

Finding 2015-001

Research and Development Cluster

Grantor: National Center for Advancing Translational Sciences and Clinical Research
Management, Inc (Subcontract)

Grant Name: Biomedical Informatics Year 2 and CPP cGMP CLIN 0001

CFDA Number: 93.350, 12.XXX

Award Year: July 1, 2014 - June 30, 2015

Condition

Of four selected grants that had capitalizable equipment purchases during fiscal year 2015, three out of six of the equipment items were not listed on the report of federally funded equipment.

Recommendation

PwC recommended that the College implement the necessary procedures to ensure all federally funded equipment purchases are properly recorded within the fixed asset system.

Status

The College has changed the notification process around federally funded equipment purchases such that the process includes centrally monitored email accounts to ensure appropriate notification and recording of assets. Additionally, Dartmouth has updated its Oracle Fixed Assets system so that the applicable Award Number and CFDA number is stored on the asset record for each piece of federally funded equipment. During the 2016 audit, no issues were noted that related to the completeness of the federally funded equipment listing.