



DARTMOUTH COLLEGE

Independent Auditors' Reports as Required by Office of
Management and Budget (OMB) Circular A-133 and
Government Auditing Standards and Related Information

Year ended June 30, 2011

(With Independent Auditors' Report Thereon)

DARTMOUTH COLLEGE

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KPMG LLP
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Independent Auditors' Report

The Board of Trustees
Dartmouth College:

We have audited the accompanying statement of financial position of Dartmouth College (Dartmouth) as of June 30, 2011, and the related statements of activities, operating expenses, and cash flows for the year then ended. These financial statements are the responsibility of Dartmouth's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from Dartmouth's 2010 financial statements and, in our report dated November 5, 2010, because we were unable to examine evidence regarding the fair value of certain unrecognized trust interests, we expressed a qualified opinion on those financial statements.

Except as discussed in the following paragraph, we conducted our audit 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 financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note L, assets and changes in net assets do not include Dartmouth's interests in certain third-party charitable trusts for which current fair values are not available. Accordingly, we were unable to apply adequate procedures to satisfy ourselves as to such fair values, and the effects of this departure from U.S. generally accepted accounting principles on Dartmouth's financial position and changes in net assets cannot be determined.

In our opinion, except for the effects of such adjustments deemed necessary had we examined evidence regarding the fair value of the unrecognized trust interests discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Dartmouth College as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.



In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2011 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

KPMG LLP

November 7, 2011

Dartmouth College

Statement of Financial Position

As of June 30, 2011, with comparative information as of June 30, 2010
(in thousands)

	2011	2010
Assets		
Cash and cash equivalents	\$ 319,584	\$ 300,703
Receivables and other assets, net	167,190	165,236
Investment related receivables	164,824	23,512
Pledges receivable, net	173,487	212,718
Investments held by bond trustees	22,834	86,466
Investments, at fair value	4,175,756	3,615,596
Land, buildings, equipment, and construction in progress, net	863,627	781,183
Total assets	5,887,302	5,185,414
Liabilities		
Accounts payable and other liabilities	87,249	71,160
Investment related payables	292,863	85,647
Deferred revenues and deposits	34,282	31,454
Liability for split-interest agreements	46,801	45,064
Pension and other employment related obligations	267,823	326,457
Bonds, mortgages, and notes payable, net	946,768	945,102
Interest rate swap liabilities, at fair value	89,403	117,174
Conditional asset retirement obligations	22,629	21,845
Government advances for student loans	20,024	19,873
Total liabilities	1,807,842	1,663,776
Total Net Assets	\$ 4,079,460	\$ 3,521,638
Net Assets		
Unrestricted	\$ 1,109,344	\$ 863,744
Temporarily restricted	1,996,557	1,744,414
Permanently restricted	973,559	913,480
Total Net Assets	\$ 4,079,460	\$ 3,521,638

See accompanying notes to the financial statements.

Dartmouth College

Statement of Activities

For the year ended June 30, 2011, with summarized financial information for the year ended June 30, 2010

(in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2011	2010
Endowment Activities					
Gifts	\$ 60	\$ 827	\$ 39,451	\$ 40,338	\$ 60,302
Net investment return	141,316	399,122	1,111	541,549	298,314
Distributed for spending	(41,484)	(133,415)	-	(174,899)	(204,459)
Other changes	(8,315)	(10,298)	22,670	4,057	3,479
Amounts transferred from other funds, net	(772)	(664)	5,495	4,059	15,772
Change in net assets from endowment activities	90,805	255,572	68,727	415,104	173,408
Operating Activities					
Revenues					
Tuition and fees	266,674	-	-	266,674	247,819
Student scholarships	(114,533)	-	-	(114,533)	(108,256)
Net tuition and fees	152,141	-	-	152,141	139,563
Sponsored research grants and contracts	179,811	-	-	179,811	168,130
Dartmouth College Fund and other gifts	63,653	14,227	-	77,880	59,156
Distributed endowment investment return	166,516	6,731	-	173,247	202,390
Other operating income	118,023	103	-	118,126	104,233
Auxiliaries	61,559	-	-	61,559	59,738
Net assets released from restrictions	8,416	(8,416)	-	-	-
Total revenues	750,119	12,645	-	762,764	733,210
Expenses					
Academic and student programs	460,848	-	-	460,848	446,287
Sponsored programs	127,430	-	-	127,430	121,744
General institutional services	84,072	-	-	84,072	83,657
Auxiliaries	65,991	-	-	65,991	65,375
Total expenses	738,341	-	-	738,341	717,063
Change in net assets from operating activities	11,778	12,645	-	24,423	16,147
Non-operating Activities					
Gifts	-	19,043	-	19,043	22,882
Other non-operating changes, net	31,993	2,659	-	34,652	22,814
Distributed endowment investment return	370	1,282	-	1,652	2,069
Increase (decrease) in outstanding pledges	-	(27,133)	(12,098)	(39,231)	11,056
Pension and postretirement benefit related changes					
other than net periodic benefit costs	78,458	-	-	78,458	(61,082)
Disposals and non-capitalized expenditures	(7,657)	(535)	-	(8,192)	(13,727)
Net realized and unrealized gain (loss) related to					
interest rate swap agreements	27,771	-	-	27,771	(35,914)
Net assets released from restrictions	10,833	(10,833)	-	-	-
Amounts transferred to endowment, net	1,249	(5,308)	-	(4,059)	(15,772)
Net change in split-interest agreements	-	4,751	3,450	8,201	3,682
Change in net assets from non-operating activities	143,017	(16,074)	(8,648)	118,295	(63,992)
Change in net assets	245,600	252,143	60,079	557,822	125,563
Net Assets, beginning of year	863,744	1,744,414	913,480	3,521,638	3,396,075
Net Assets, end of year	\$ 1,109,344	\$ 1,996,557	\$ 973,559	\$ 4,079,460	\$ 3,521,638

See accompanying notes to the financial statements.

Dartmouth College

Statement of Operating Expenses

For the year ended June 30, 2011, with summarized financial information for the year ended June 30, 2010
(in thousands)

	Academic & Student Programs	Sponsored Programs	General Institutional Services				Auxiliaries	Total Expenses	
			Administrative Support	Facilities Operation & Maintenance	Development	Total		2011	2010
Salaries and wages	\$ 183,808	\$ 57,279	\$ 22,477	\$ 16,740	\$ 16,134	\$ 55,351	\$ 12,879	\$ 309,317	\$ 310,996
Employee benefits	80,621	17,267	9,126	6,797	6,551	22,474	5,238	125,600	120,174
Fellowships and student support	8,340	4,130	-	-	-	-	-	12,470	12,241
Materials, equipment, and supplies	30,987	12,066	5,760	1,763	1,615	9,138	15,543	67,734	65,341
Purchased services	37,745	33,515	4,150	2,946	5,811	12,907	6,722	90,889	82,886
Utilities, taxes, and occupancy	-	-	-	37,356	-	37,356	6,260	43,616	42,043
Depreciation	30,448	-	2,486	5,963	52	8,501	5,811	44,760	44,754
Lodging, travel, and similar costs	17,222	2,928	881	23	1,483	2,387	168	22,705	19,872
Interest and amortization	-	-	-	16,510	-	16,510	14	16,524	15,289
Other expenses	2,507	245	1,441	37	340	1,818	156	4,726	3,467
	391,678	127,430	46,321	88,135	31,986	166,442	52,791	738,341	\$ 717,063
Facilities operation & maintenance	69,170	-	5,647	(88,135)	118	(82,370)	13,200	-	
Total expenses for FY11	\$ 460,848	\$ 127,430	\$ 51,968	\$ -	\$ 32,104	\$ 84,072	\$ 65,991	\$ 738,341	
Total expenses for FY10	\$ 446,287	\$ 121,744	\$ 51,000	\$ -	\$ 32,657	\$ 83,657	\$ 65,375		\$ 717,063

See accompanying notes to the financial statements.

Dartmouth College

Statement of Cash Flows

For the year ended June 30, 2011, with comparative information for the year ended June 30, 2010
(in thousands)

	2011	2010
Cash flows from operating activities		
Total change in net assets	\$ 557,822	\$ 125,563
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation and amortization	45,095	45,089
Change in estimated value of interest rate swap agreements	(27,771)	35,914
Other non-cash transactions	919	2,177
Contributions, investment income, and other changes restricted for long-term investment	(60,838)	(85,625)
Net realized and unrealized investment return	(580,383)	(333,286)
Changes in operating assets and liabilities:		
Receivables and other assets, net	951	(66)
Pledges receivable, net	39,231	(11,056)
Accounts payable and other liabilities	16,872	5,029
Deferred revenues and deposits	2,828	1,101
Pension and other employment related obligations	(58,634)	75,326
Net cash used by operating activities	(63,908)	(139,834)
Cash flows from investing activities		
Student loans granted	(17,333)	(13,315)
Student loans repaid	13,691	5,918
Purchases of land, buildings, and equipment	(134,270)	(72,711)
Proceeds from the sale of land, buildings, and equipment	6,555	8
Net change in split-interest agreements	1,737	1,400
Net change in unsettled trades	65,905	62,541
Purchases of investments	(8,037,740)	(8,743,957)
Sales and maturities of investments	8,057,963	8,618,531
Net cash used by investing activities	(43,492)	(141,585)
Cash flows from financing activities		
Proceeds from issuance of debt	10,650	-
Repayment of debt	(8,990)	(4,788)
Change in investments held by bond trustee	63,632	68,658
Contributions, investment income, and other changes restricted for long-term investment in:		
Facilities	14,113	17,096
Endowment, life income, and similar funds	46,725	68,529
Changes in government advances for student loans	151	218
Net cash provided by financing activities	126,281	149,713
Net change in cash and cash equivalents	18,881	(131,706)
Cash and cash equivalents, beginning of year	300,703	432,409
Cash and cash equivalents, end of year	\$ 319,584	\$ 300,703

See accompanying notes to the financial statements.

Dartmouth College
Notes to Financial Statements

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 4,200 undergraduate and 1,900 graduate students. Established in 1769, Dartmouth includes the four-year co-educational undergraduate college, with graduate schools of business, engineering, and medicine, and several graduate programs in the Arts and Sciences.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis. Dartmouth's 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 local area; the Dartmouth Education Loan Corporation (DELC), which provides scholarships and low-cost loans to Dartmouth students who are unable to finance their education through other sources; and various separately incorporated foundations, which support 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 the management and Dartmouth's 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 the management and Dartmouth's 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, 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 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, loan funds, and certain pledges.

Comparative Financial Information

The 2011 financial statements are presented with certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Dartmouth's financial statements for the year ended June 30, 2010, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the fiscal year 2011 presentation.

Dartmouth College
Notes to Financial Statements

Use of Estimates

The preparation of 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 financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates in these financial statements are the fair value of investments, interest rate swap agreements and bonds payable (for disclosure only), 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 from these estimates, particularly during periods of investment and/or interest rate volatility.

Statement of Activities

Operating activities presented in the 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. 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 Statement of Activities consist of gifts, grants, investment income, other earnings, and endowment investment return appropriated by Dartmouth's Board of Trustees for loan programs and the construction or purchase 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 Statement of Activities consist of gifts that are restricted by donors to investment 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.

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.

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 67 percent of tuition and fees revenue. Student scholarships provided by Dartmouth are presented in the 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 \$6,007,000 and \$5,952,000 for the years ended June 30, 2011 and 2010, respectively, which are not presented in the Statement of Activities. Dartmouth admits students to its undergraduate program without regard to financial need. 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 was based upon negotiated predetermined cost rates through June 30, 2011. Dartmouth currently has a provisional rate agreement which is effective until a new rate is finalized.

Dartmouth College

Notes to Financial Statements

with the U.S. government. Dartmouth recovered facilities and administrative costs of approximately \$46,141,000 and \$42,958,000 in the years ended June 30, 2011 and 2010, 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. Dartmouth believes it has taken no significant uncertain tax positions.

Affiliation with Dartmouth-Hitchcock Medical Center

Dartmouth, through the Dartmouth Medical School (DMS), 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 clinical faculty at DMS, with the Hitchcock Hospital and the VAMC acting as principal sites of clinical instruction for the students of DMS. Each member 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 DMS 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, 2011 and 2010, Dartmouth paid approximately \$26.3 million and \$24.2 million, respectively, and received approximately \$27.3 million and \$26.2 million, respectively, in connection with these arrangements.

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, comprehensive 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 three 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 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 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 and pledges 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 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.

Dartmouth College
Notes to Financial Statements

Investments

Investments are carried at estimated fair value. 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. 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. Derivative financial instruments held for investment purposes are carried at estimated fair values with resulting gains and losses included in investment return. Cash designated for investment purposes is included in investments and may include money market funds, foreign currency held for investment purposes, and fixed income securities with an original or remaining maturity of three months or less when purchased.

Total investment return (interest, dividends, rents, royalties, and net realized and unrealized gains and losses) earned by Dartmouth's endowment investments is included in endowment activities, while the net income earned by the non-endowment investments is included in other operating and non-operating income. Fees charged by external investment managers are generally based on contractual percentages of the fair market 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 \$11,735,000 and \$11,480,000 for the years ended June 30, 2011 and 2010, respectively, and have been netted against endowment return and other operating and non-operating income in the accompanying Statement of Activities.

Endowment

Dartmouth's endowment and similar funds consist 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), in the absence of any explicit donor restrictions to the contrary, for accounting and financial statement purposes, Dartmouth classifies the original value of assets donated to permanent endowment as permanently restricted net assets, along with any net investment earnings that are directed by the donor to be reinvested in perpetuity (i.e. historic book value).

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 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 and the annual distribution of a portion of the accumulated investment return to operating and non-operating activities are generally presented as changes in temporarily restricted net assets in the Statement of Activities.

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, at which time the remaining assets and future investment return are retained by Dartmouth. At the discretion of the donor, Dartmouth may or may not serve as trustee for the split-interest agreement.

Dartmouth has recorded the estimated fair value of the investments associated with irrevocable split-interest agreements and an estimated liability, using a discount rate of 2.8% (3.2% for FY10), for the net present value of the future cash outflows to

Dartmouth College
Notes to Financial Statements

beneficiaries of the agreements for which Dartmouth serves as trustee. In the case of irrevocable split-interest agreements whose assets are held in trusts not administered by Dartmouth (third-party charitable trusts), 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. Dartmouth reports the net change in split-interest agreements as a non-operating change in net assets in the Statement of Activities. See Note L for additional discussion of third-party charitable trusts.

Investments Held by Bond Trustees

Investments held by Bond Trustees consist primarily of unexpended debt proceeds that have been invested in accordance with the various resolutions and loan agreements in connection with the New Hampshire Health and Education Facilities Authority (NHHEFA) Bonds. Unexpended debt proceeds are invested in cash and short-term investments and are reported at estimated fair value.

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	10 - 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 Statement of Financial Position. Purchases of collection items are recorded as 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 financial statements.

B. Receivables and Other Assets

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

	2011	2010
Student accounts	\$ 917	\$ 2,107
Sponsored research grants and contracts	23,070	25,559
Other accounts	40,254	38,172
Notes and student loans	88,788	85,146
Less: allowance for uncollectible accounts	(2,969)	(2,565)
Receivables, net	\$ 150,060	\$ 148,419
Prepaid costs, inventories, and other assets	17,130	16,817
Total receivables, and other assets, net	\$ 167,190	\$ 165,236

Dartmouth College
Notes to Financial Statements

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 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>2011</u>	<u>2010</u>
Gifts to support operations	\$ 77,880	\$ 59,156
Gifts for:		
Facilities and student loans	14,136	17,106
Other restricted uses	4,907	5,776
Endowment	40,338	60,302
Split-interest agreements	<u>2,268</u>	<u>2,111</u>
Total gifts and pledge payments	<u>\$ 139,529</u>	<u>\$ 144,451</u>

Unconditional pledges as of June 30 are expected to be realized in the following periods, discounted at rates ranging from 1.8% to 6.2% (in thousands):

	<u>2011</u>	<u>2010</u>
In one year or less	\$ 90,533	\$ 83,698
Between one year and five years	75,862	127,250
Six years and after	<u>23,774</u>	<u>31,857</u>
Gross pledges receivable	\$ 190,169	\$ 242,805
Less: present values discount	(7,682)	(12,968)
Less: allowance for uncollectible pledges	<u>(9,000)</u>	<u>(17,119)</u>
Pledges receivable, net	<u>\$ 173,487</u>	<u>\$ 212,718</u>

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

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

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

	<u>2011</u>	<u>2010</u>
Land	\$ 19,090	\$ 19,090
Buildings	870,189	863,004
Land improvements	94,099	93,360
Equipment	<u>235,641</u>	<u>219,291</u>
Land, buildings, and equipment	\$ 1,219,019	\$ 1,194,745
Less: accumulated depreciation	(555,726)	(512,926)
Construction in progress	<u>200,334</u>	<u>99,364</u>
Total net book value	<u>\$ 863,627</u>	<u>\$ 781,183</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.

Dartmouth College
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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):

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2010	\$ 741,904	\$ 1,428,789	\$ 827,609	\$ 2,998,302
Investment return:				
Investment income	5,693	17,818	-	23,511
Net gain in fair value:				
Realized	28,481	87,785	-	116,266
Unrealized	<u>107,142</u>	<u>293,519</u>	<u>1,111</u>	<u>401,772</u>
Total investment return	141,316	399,122	1,111	541,549
Gifts	60	827	39,451	40,338
Distribution of endowment return to all funds	(41,484)	(133,415)	-	(174,899)
Other changes, net	<u>(9,087)</u>	<u>(10,962)</u>	<u>28,165</u>	<u>8,116</u>
Endowment net assets, June 30, 2011	<u>\$ 832,709</u>	<u>\$ 1,684,361</u>	<u>\$ 896,336</u>	<u>\$ 3,413,406</u>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, June 30, 2009	\$ 709,490	\$ 1,355,693	\$ 759,711	\$ 2,824,894
Investment return:				
Investment income	3,478	10,660	-	14,138
Net gain in fair value:				
Realized	22,974	68,472	-	91,446
Unrealized	<u>60,947</u>	<u>130,920</u>	<u>863</u>	<u>192,730</u>
Total investment return	87,399	210,052	863	298,314
Gifts	63	14,203	46,036	60,302
Distribution of endowment return to all funds	(50,371)	(154,088)	-	(204,459)
Other changes, net	<u>(4,677)</u>	<u>2,929</u>	<u>20,999</u>	<u>19,251</u>
Endowment net assets, June 30, 2010	<u>\$ 741,904</u>	<u>\$ 1,428,789</u>	<u>\$ 827,609</u>	<u>\$ 2,998,302</u>

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 \$1,392,904,000 and \$1,138,363,000 at June 30, 2011 and 2010, respectively.

Endowment net assets consist of the following as of June 30, 2011 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (68)	\$ 1,619,732	\$ 896,336	\$ 2,516,000
Board-designated endowment funds	<u>832,777</u>	<u>64,629</u>	<u>-</u>	<u>897,406</u>
Total endowment net assets	<u>\$ 832,709</u>	<u>\$ 1,684,361</u>	<u>\$ 896,336</u>	<u>\$ 3,413,406</u>

Endowment net assets consist of the following as of June 30, 2010 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (7,229)	\$ 1,360,667	\$ 827,609	\$ 2,181,047
Board-designated endowment funds	<u>749,133</u>	<u>68,122</u>	<u>-</u>	<u>817,255</u>
Total endowment net assets	<u>\$ 741,904</u>	<u>\$ 1,428,789</u>	<u>\$ 827,609</u>	<u>\$ 2,998,302</u>

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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. In accordance with GAAP, events of this nature are reported as reductions in unrestricted net assets and were \$68,000 and \$7,229,000 as of June 30, 2011 and 2010, 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 to current income only.

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. 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. Historical averages indicate that an annual return between 8% - 10% is needed to meet this goal. 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. Investments at Fair Value

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

	2011	2010
Endowment investments	\$ 3,482,988	\$ 3,061,762
Split-interest agreement investments	107,128	97,674
Operating and other investments	585,640	456,160
Total investments	\$ 4,175,756	\$ 3,615,596

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 reported fair value. Fair values for shares in commingled funds are based on share prices reported by the funds as of the last business day of the fiscal year. Dartmouth's interest in marketable alternative strategies is reported at the net asset value (NAV) reported by the fund managers. NAV is used as practical expedient to estimate the fair value of Dartmouth's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2011 and 2010, Dartmouth had no plans or intentions to sell investments at amounts different from NAV.

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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 listed equities held in Dartmouth's name, 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.

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. Investments in this category generally include privately held investments and partnership interests.

Classification in Level 2 or 3 is based on Dartmouth's ability to redeem its interest at or near the date of the statement of financial position, and if the interest can be redeemed in the near term, the investment is classified in Level 2.

The following table summarizes Dartmouth's assets and liabilities that are reported at fair value by their fair value hierarchy classification as of June 30, 2011 (in thousands):

	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets:						
Investments:						
Cash and cash equivalents	\$ 176,374	\$ -	\$ -	\$ 176,374	Daily	1
Fixed income ¹	78,376	371,197	(5,812)	443,761	Daily-Annual	1-90
Global equity:						
US equity ²	188,699	309,342	188,689	686,730	Daily- Bi-annual	1-90
International	26,888	123,187	-	150,075	Monthly	5-10
Emerging markets	40,460	126,748	-	167,208	Monthly- Quarterly- Quarterly-	3-120
Marketable alternative strategies ³	-	96,599	737,198	833,797	Annual	30-180
Private equity/venture capital	-	-	952,914	952,914	Illiquid	Not Applicable
Real assets:						
Real estate ⁴	-	192,241	336,454	528,695	Illiquid	Not Applicable
Other real assets	-	-	233,604	233,604	Illiquid	Not Applicable
Other investments	-	2,180	418	2,598	Not Applicable	Not Applicable
Total investments	510,797	1,221,494	2,443,465	4,175,756		
Other Assets:						
Investments held by bond trustees	22,834	-	-	22,834	Daily	1
Third-party charitable trusts	-	-	10,501	10,501	Not Applicable	Not Applicable
Total Assets	<u>\$ 533,631</u>	<u>\$ 1,221,494</u>	<u>\$ 2,453,966</u>	<u>\$ 4,209,091</u>		
Liabilities:						
Interest rate swap agreements	<u>\$ -</u>	<u>\$ 89,403</u>	<u>\$ -</u>	<u>\$ 89,403</u>	Not Applicable	Not Applicable

¹ Level 3 includes US Treasury forwards.

² US Equity includes funds that may have restrictions on the ability to fully redeem up to five years, excluding special investments.

³ Marketable Alternative Strategies includes one fund having an initial lock-up expiring on or before September 30, 2011. Other funds may have restrictions on the ability to fully redeem up to three years, excluding illiquid securities and special investments.

⁴ Real estate investments include limited partnerships, which are illiquid, as well as directly held real estate.

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Notes to Financial Statements

The following table summarizes Dartmouth's assets and liabilities that are reported at fair value by their fair value hierarchy classification as of June 30, 2010 (in thousands):

	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets:						
Investments:						
Cash and cash equivalents	\$ 181,708	\$ -	\$ -	\$ 181,708	Daily	1
Fixed income	74,638	253,683	42,874	371,195	Daily-Annual	1-90
Global equity:						
US equity ¹	154,083	221,670	15	375,768	Daily- Quarterly	1-60
International	16,287	141,580	-	157,867	Monthly	5-10
Emerging markets	2,202	98,011	-	100,213	Monthly- Quarterly	3-120
Marketable alternative strategies ²	-	70,615	699,023	769,638	Quarterly- Annual	30-180
Private equity/venture capital	-	-	960,632	960,632	Illiquid	Not Applicable
Real assets:						
Real estate ³	-	192,876	263,859	456,735	Illiquid	Not Applicable
Other real assets	-	-	238,824	238,824	Illiquid	Not Applicable
Other investments	-	2,598	418	3,016	Not Applicable	Not Applicable
Total investments	428,918	981,033	2,205,645	3,615,596		
Other Assets:						
Investments held by bond trustees	86,466	-	-	86,466	Daily	1
Third-party charitable trusts	-	-	10,658	10,658	Not Applicable	Not Applicable
Total Assets	<u>\$ 515,384</u>	<u>\$ 981,033</u>	<u>\$ 2,216,303</u>	<u>\$ 3,712,720</u>		
Liabilities:						
Interest rate swap agreements	<u>\$ -</u>	<u>\$ 117,174</u>	<u>\$ -</u>	<u>\$ 117,174</u>	Not Applicable	Not Applicable

¹ Level 3 includes one privately held security that is illiquid.

² Marketable alternative strategies include two funds having an initial lock-up expiring on or before December 31, 2010. Other funds may have restrictions on the ability to fully redeem up to three years, excluding illiquid securities and special investments.

³ Real estate investments include limited partnerships, which are illiquid, as well as directly held real estate.

The Fixed Income portfolio includes strategies based on capital preservation and predictable yield as well as more opportunistic strategies focused on generating return through price appreciation. Funds with these strategies generally hold corporate debt securities, government securities, mortgage backed and asset backed securities and other financial instruments. The structures of these investments include directly held securities as well as investments through commingled funds.

The Global Equity portfolio includes managers who primarily invest in public long-only and long/short equity securities with portfolios that are directionally exposed to the market. The structures of these investments include directly held securities as well as investments through commingled funds.

The Marketable Alternative Strategies portfolio 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, currency hedges, and other financial instruments.

Dartmouth also invests in venture capital, private equity, real estate, other real assets, and other debt related strategies through private limited partnerships. 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. Dartmouth also owns directly held real estate which is included in the endowment and is valued at fair value.

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Notes to Financial Statements

The following tables present Dartmouth's activity for the fiscal years ended June 30, 2011 and 2010 for investments measured at fair value in Level 3 (in thousands):

	Marketable Alternative Strategies	Private Equity/Venture Partnerships	Real Assets	Other	Total
Balance as of June 30, 2010	\$ 699,023	\$ 960,632	\$ 502,683	\$ 53,965	\$ 2,216,303
Transfers	(10,053)	(124,240)	-	82,012	(52,281)
Acquisitions / purchases	30,000	138,013	78,430	117,688	364,131
Distributions / sales	(105,950)	(177,774)	(87,594)	(92,734)	(464,052)
Investment income and realized gains	44,405	45,505	20,884	618	111,412
Unrealized gains on investments	79,773	110,778	55,655	32,247	278,453
Balance as of June 30, 2011	<u>\$ 737,198</u>	<u>\$ 952,914</u>	<u>\$ 570,058</u>	<u>\$ 193,796</u>	<u>\$ 2,453,966</u>

	Marketable Alternative Strategies	Private Equity/Venture Partnerships	Real Assets	Other	Total
Balance as of June 30, 2009	\$ 719,001	\$ 765,453	\$ 526,335	\$ 55,306	\$ 2,066,095
Transfers	(16,661)	-	-	26	(16,635)
Acquisitions / purchases	100,410	117,357	88,161	2,443	308,371
Distributions / sales	(184,283)	(102,683)	(39,353)	(9,094)	(335,413)
Investment income and realized gains	56,568	32,634	13,792	(161)	102,833
Unrealized gains on investments	23,988	147,871	(86,252)	5,445	91,052
Balance as of June 30, 2010	<u>\$ 699,023</u>	<u>\$ 960,632</u>	<u>\$ 502,683</u>	<u>\$ 53,965</u>	<u>\$ 2,216,303</u>

Included in Other Assets in the above tables are fixed income, U.S. equity, other investments, and third-party charitable trusts.

Dartmouth owns an interest in each alternative investment fund rather than in the securities underlying each fund, therefore, it is generally required to categorize such investments as Level 2 or 3, even though the underlying securities may be readily marketable. Also, the level in the fair value hierarchy in which each fund's fair value measurement is classified is based on the lowest level input that is significant to the fund in its entirety (e.g., a fund with a mix of underlying Level 1 and Level 3 investments would be classified entirely as a Level 3 investment). Accordingly, 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.

At June 30, 2011, Dartmouth's outstanding commitments to limited partnerships totaled \$505,299,000. The anticipated draw down for these commitments is typically between 1 and 5 years with remaining fund lives typically between 1 and 12 years. The structure of these investments is such that there is no ability to redeem.

Dartmouth's investment portfolio includes derivative financial instruments that have been acquired to reduce overall portfolio risk by hedging exposure to certain assets held in the portfolio. The investment portfolios also employ certain derivative financial instruments to replicate long or short asset positions more cost effectively than through purchases or sales of the underlying assets.

From time to time Dartmouth enters into foreign currency forward contracts and government bond futures 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. The notional value of the contracts may vary significantly based on the expirations and/or initiation of these contracts as of June 30. At June 30, 2011 and 2010, Dartmouth held forward contracts to buy foreign currencies in the amount of \$101,359,000 and \$13,999,000, respectively, and to sell foreign currencies in the amount of \$97,618,000 and \$7,578,000, respectively.

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At June 30, 2011 and 2010, Dartmouth also held options and futures contracts principally as hedges against market concentration risks in certain segments of its investment portfolio. Dartmouth recorded a net unrealized gain of \$24,000 and \$0 as of June 30, 2011 and 2010, respectively, pertaining to options contracts held. Dartmouth is obligated to pledge to the appropriate broker, cash or securities to be held as collateral, as determined by exchange margin requirements for futures contracts held. At June 30, 2011 and 2010, the market value of Dartmouth's pledged collateral on futures contracts was \$1,337,000 and \$5,427,000, respectively. The difference between the estimated value of open futures contracts to sell and purchase securities was a net short position of \$67,294,000 and \$9,200,000 as of June 30, 2011 and 2010, respectively.

During 2010, Dartmouth terminated its participation in a securities lending program.

G. Bonds, Mortgages, and Notes Payable

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

	2011	2010
Revenue bonds issued through NHHEFA for the acquisition, installation, construction renovation, and equipping of various academic, research, and administrative facilities:		
Series '09, serial bonds maturing through the year 2039, at fixed rates ranging from 3.30% to 4.77%	\$ 198,875	\$ 198,875
Series '07A, serial bonds maturing through the year 2031, at variable rates (ranging from .03% to .34% from July 1, 2010 - June 30, 2011)	89,840	89,880
Series '07B, serial bonds maturing through the year 2041, at variable rates (ranging from .03% to .34% from July 1, 2010 - June 30, 2011)	90,000	90,000
Series '03, serial bonds maturing through the year 2023, at variable rates (ranging from .06% to .30% from July 1, 2010 - June 30, 2011)	92,800	96,200
Series '02, term bonds maturing in the year 2032, at variable rates (ranging from .06% to .30% from July 1, 2010 - June 30, 2011)	101,000	101,000
Revenue bonds issued through NHHEFA for the renovation of other campus facilities:		
Series '07C, taxable, term bonds maturing in the year 2041, at variable rates (ranging from .14% to .34% from July 1, 2010- June 30, 2011)	30,000	30,000
Revenue bonds issued by DELC through NHHEFA:		
Series '99, term bonds maturing in the year 2039, at a rate of 6.19%	9,940	9,940
Series '85 and Series '98A, serial and term bonds maturing through 2025 at rates ranging from 5.30% to 5.55%	25,095	25,425
Subtotal NHHEFA bonds	\$ 637,550	\$ 641,320
Series '09 taxable, term bonds maturing in the year 2019, at a rate of 4.75%	250,000	250,000
Subtotal bonds	\$ 887,550	\$ 891,320
Mortgages on real estate investments, various maturities through 2037 at fixed and variable rates (ranging from 4.34% to 7.10% from July 1, 2010 - June 30, 2011)	48,011	41,944
Commercial paper (taxable commercial paper note, series A, at rates ranging from .20% to .29%)	7,000	7,000
Note payable at a rate of 5.5%	-	637
Subtotal bonds, mortgages, and notes payable	\$ 942,561	\$ 940,901
Original issue premium, net	4,207	4,201
Total bonds, mortgages, and notes payable, net	\$ 946,768	\$ 945,102

Dartmouth College

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Included in interest and amortization presented on the Statement of Operating Expenses is interest expense on debt used to finance facilities projects of \$16,638,000 and \$15,351,000, and on other operating indebtedness of \$141,000 and \$195,000 for the years ended June 30, 2011 and 2010, respectively. In addition, interest paid on debt used to finance facilities projects of \$6,976,000 and \$8,112,000 was capitalized in connection with various construction projects for the years ended June 30, 2011 and 2010, respectively.

Interest expense on debt used to finance student loans totaled \$1,993,000 and \$2,009,000 for the years ended June 30, 2011 and 2010, respectively, and is presented as a deduction from other non-operating earnings in the Statement of Activities. Interest expense on other non-operating indebtedness totaled \$17,749,000 and \$17,449,000 for the years ended June 30, 2011 and 2010, respectively, and is presented as a deduction from other non-operating earnings in the Statement of Activities. Interest expense on mortgages and debt used to finance endowment-related real estate projects totaled \$2,439,000 and \$1,964,000 for the years ended June 30, 2011 and 2010, respectively, and is presented as a deduction in endowment net investment return in the Statement of Activities. Total interest expenses included in the Statement of Activities is \$38,960,000 and \$36,968,000 for the years ended June 30, 2011 and 2010, respectively.

The aggregate amounts of principal due for each of the next five years ending June 30 and thereafter are as follows (in thousands):

June 30	Principal Due
2012	\$ 27,046
2013	14,653
2014	8,654
2015	9,047
2016	9,356
Thereafter	873,805
Total	\$ 942,561

Principal due after June 30, 2016, includes the following “balloon” payments due on Dartmouth’s indebtedness (in thousands):

June 30	Indebtedness	Payment
2017	Mortgages on real estate investments	\$ 18,100
2019	NHHEFA Series 2009 bonds	\$ 7,920
2019	2009 Series A bonds	\$ 250,000
2023	NHHEFA DELC Series 1998 bonds	\$ 15,300
2027	NHHEFA Series 2007A bonds	\$ 31,820
2028	NHHEFA Series 2009 bonds	\$ 32,190
2028	NHHEFA Series 2007A bonds	\$ 52,060
2029	NHHEFA Series 2009 bonds	\$ 20,000
2031	NHHEFA Series 2007A bonds	\$ 5,120
2032	NHHEFA Series 2002 bonds	\$ 101,000
2036	NHHEFA Series 2007B bonds	\$ 18,000
2039	NHHEFA DELC Series 1999 bonds	\$ 9,940
2039	NHHEFA Series 2009 bonds	\$ 138,765
2041	NHHEFA Series 2007B bonds	\$ 57,000
2041	NHHEFA Series 2007C bonds	\$ 30,000

The estimated fair value of the bonds was approximately \$930,245,000 and \$946,070,000 as of June 30, 2011 and 2010, respectively, based on the debt service cash flows of the bonds and certain interest rate assumptions for similar bonds.

The NHHEFA bonds are a general obligation collateralized only by a pledge of full faith and credit of Dartmouth and DELC, 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 and DELC has certain covenants with respect to encumbrance or disposition of its student loan portfolio.

Dartmouth College

Notes to Financial Statements

During fiscal year 2009, Dartmouth entered into six interest rate swap agreements. Information related to these interest rate swap agreements as of June 30, 2011, 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 (in thousands):

Expiration Date	Notional Amount	Fixed Interest Rate %	% of LIBOR BBA
06/01/2032	\$ 100,000	3.75	67
06/01/2041	\$ 100,000	3.73	70
06/01/2027	\$ 32,000	3.77	72
06/01/2028	\$ 52,880	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, 2011 and 2010, based on various factors contained in the interest rate swap agreements and certain interest rate assumptions, was approximately \$89,403,000 and \$117,174,000, respectively, and is included in other liabilities in the Statement of Financial Position. The decrease of \$27,771,000 in the liability for the year ended June 30, 2011 is presented as an unrealized gain and the increase of \$35,914,000 in the liability for the year ended June 30, 2010 is presented as an unrealized loss in the non-operating section of the 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. During fiscal 2011, Dartmouth added a new counter-party through the novation of two of the swap agreements. The counter-parties for these swap transactions are three major financial institutions that meet Dartmouth's criteria for financial stability and creditworthiness.

Dartmouth maintains stand-by bond purchase agreements totaling approximately \$420,000,000 to provide alternative liquidity to support its variable rate bonds. There were no amounts outstanding at June 30, 2011 and 2010 under these agreements.

In August 2008, Dartmouth established a \$175,000,000 line of credit to provide near-term liquidity, which matured on August 7, 2009. This line of credit was renewed on that date and had a maturity date of August 7, 2011. An amendment was entered into in June 2011 to decrease the line of credit to \$50,000,000 and extend the maturity date to February 28, 2014. There have been no borrowings by Dartmouth under this line of credit.

H. Pension and Other Employment Related Obligations

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

	2011	2010
Retirement and postretirement benefits	\$ 236,728	\$ 295,855
Compensated absences, severance plans, and other commitments	20,104	20,212
Self-insured benefits	10,991	10,390
Total employment related obligations	\$ 267,823	\$ 326,457

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 consecutive years of service in a benefits-eligible position immediately prior to retirement are currently eligible for Retiree Medical Benefits. Dartmouth currently contributes to the cost of medical benefits based on the employee's annual salary, age, and years of service as of June 30, 2009. Plan benefits currently mirror current employee health benefits. New employees hired on or after July 1, 2009 are eligible to purchase the retiree group health insurance if they qualify at retirement.

Dartmouth College
Notes to Financial Statements

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

	Pension Benefits		Postretirement Benefits	
	2011	2010	2011	2010
Change in benefit obligation:				
Beginning of year	\$ 111,776	\$ 94,402	\$ 261,719	\$ 195,812
Service cost	2,944	2,667	11,388	8,998
Interest cost	5,831	6,171	14,897	13,538
Benefits paid	(9,496)	(8,387)	(4,178)	(3,993)
Actuarial (gain)/loss	(5,413)	16,923	(65,898)	47,364
End of year	<u>\$ 105,642</u>	<u>\$ 111,776</u>	<u>\$ 217,928</u>	<u>\$ 261,719</u>
Change in estimated fair value of plan assets:				
Beginning of year	\$ 85,061	\$ 75,858	\$ -	\$ -
Actual return on plan assets	11,974	12,590	-	-
Employer contributions	4,650	5,000	4,178	3,993
Benefits paid	(9,496)	(8,387)	(4,178)	(3,993)
End of year	<u>\$ 92,189</u>	<u>\$ 85,061</u>	<u>\$ -</u>	<u>\$ -</u>
Funded status (plan assets less than benefits obligation)	<u>\$ (13,453)</u>	<u>\$ (26,715)</u>	<u>\$ (217,928)</u>	<u>\$ (261,719)</u>
Net periodic benefit (income) cost included the following:				
Service cost	\$ 2,944	\$ 2,667	\$ 11,388	\$ 8,998
Interest cost	5,831	6,171	14,897	13,538
Expected return on assets	(6,772)	(6,841)	-	-
Amortization of prior service cost (credit)	855	904	(4,158)	(4,158)
Recognized net actuarial loss	1,588	-	3,661	709
Net periodic benefit cost	<u>\$ 4,446</u>	<u>\$ 2,901</u>	<u>\$ 25,788</u>	<u>\$ 19,087</u>
Weighted-average assumptions:				
Discount rate used to determine net periodic benefit cost	5.40%	6.80%	5.75%	7.00%
Expected return on plan assets	7.50%	7.50%	-	-
Rate of compensation increase	3.00%	4.00%	-	-
Discount rate used to determine benefit obligations	5.40%	5.40%	6.00%	5.75%

The estimated net (income) cost that will be amortized into net periodic benefit cost during the 2012 fiscal year for the pension benefits and the postretirement benefits are \$1,908,000 and (\$4,158,000), respectively.

For the year ending June 30, 2011, the decrease in pension and other employment related obligations, decrease in total liabilities, and increase in unrestricted net assets of \$48,224,000 consists of the following (in thousands):

	Pension Benefits	Postretirement Benefits	Total
Amounts recognized in non-operating activities:			
Net actuarial gain	\$ (10,614)	\$ (65,898)	\$ (76,512)
Amortization of gain	(1,588)	(3,661)	(5,249)
Amortization of prior service (cost) credit	(855)	4,158	3,303
Total	(13,057)	(65,401)	(78,458)
Amounts recognized in operating activities:			
Net periodic benefit cost	4,446	25,788	30,234
Total	<u>\$ (8,611)</u>	<u>\$ (39,613)</u>	<u>\$ (48,224)</u>

Dartmouth College
Notes to Financial Statements

The following table summarizes the defined benefit pension plan investments by their fair value hierarchy classification as of June 30, 2011 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 4,198	\$ -	\$ -	\$ 4,198
Fixed income ¹	-	83,971	-	83,971
Limited partnerships ²	-	-	4,020	4,020
Total investments	<u>\$ 4,198</u>	<u>\$ 83,971</u>	<u>\$ 4,020</u>	<u>\$ 92,189</u>

¹ This category includes fixed income commingled funds and other financial instruments related to fixed income products.

² This category includes investments in venture capital, private equity, and other real asset funds.

The following table summarizes the defined benefit pension plan investments by their fair value hierarchy classification as of June 30, 2010 (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 6,288	\$ -	\$ -	\$ 6,288
Fixed income	-	24,888	-	24,888
Global equity:				
US equity ¹	20,974	-	-	20,974
International	19,749	-	-	19,749
Emerging markets	5,999	-	-	5,999
Limited partnerships ²	-	-	3,702	3,702
Real estate ³	-	-	3,461	3,461
Total investments	<u>\$ 53,010</u>	<u>\$ 24,888</u>	<u>\$ 7,163</u>	<u>\$ 85,061</u>

¹ This category includes fixed income commingled funds and other financial instruments related to fixed income products.

² This category includes investments in venture capital, private equity, and other real asset funds.

³ This category represents a fund invested in US Real Estate and real estate assets.

The following table presents activity for the fiscal year ended June 30, 2011 for the defined benefit pension plan investments measured at fair value in Level 3 (in thousands):

	Limited Partnerships	Real Estate	Total
Balance as of June 30, 2010	\$ 3,702	\$ 3,461	\$ 7,163
Acquisitions / purchases	355	-	355
Distributions / sales	(682)	(3,638)	(4,320)
Investment return	279	40	319
Unrealized gains on investments	366	137	503
Balance as of June 30, 2011	<u>\$ 4,020</u>	<u>\$ -</u>	<u>\$ 4,020</u>

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 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 currently expects to contribute approximately \$4,000,000 to the Plan in fiscal year 2012.

Dartmouth College
Notes to Financial Statements

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
2012	\$ 11,000	\$ 5,510
2013	7,900	6,309
2014	7,900	6,848
2015	8,000	7,524
2016	8,100	8,157
Years 2017 -2021	40,600	52,765

Assumed health care cost trend rates have a significant effect on the estimated amounts reported for the postretirement benefit plan. The medical cost trend rates for pre-age 65 and post-age 65 retirees, respectively, are assumed to be 8.5% and 8.00% in year 2012, decrease gradually to 5% and 5.5% in fiscal year 2018, 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.

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	\$ 4,182	\$ (3,247)
Increase (decrease) in postretirement benefit obligation	\$ 37,919	\$ (30,160)

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 monthly contributions to individual self-directed retirement investment accounts for the participants. These contributions for the years ended June 30, 2011 and 2010 were \$22,696,000 and \$24,120,000, respectively. Dartmouth also maintains deferred compensation plans. The liabilities for the plans are included in pension and other employment related obligations in the 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):

	2011	2010
Medical School clinical services and other support	\$ 49,951	\$ 49,517
Foreign study and continuing education programs	11,558	11,274
Student activities and other program revenue	11,853	11,260
Athletics revenues	3,774	3,836
Hopkins Center and Hood Museum	1,282	1,193
Other revenues	20,194	13,693
Investment income	19,514	13,460
Total other operating income	\$ 118,126	\$ 104,233

Dartmouth College
Notes to Financial Statements

J. Net Assets

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

	2011			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Detail of net assets:				
Operating funds	\$ 289,940	\$ 67,636	\$ -	\$ 357,576
Pledges	-	130,352	43,135	173,487
Postretirement and pension benefit obligations	(231,381)	-	-	(231,381)
Third-party charitable trusts	-	7,291	3,210	10,501
Facilities, equipment, and capital projects	294,822	50,119	-	344,941
Fair value of interest rate swap agreements	(89,403)	-	-	(89,403)
Funding for student loans	12,657	27,422	-	40,079
Life income, annuity, and similar funds	-	29,376	30,878	60,254
Endowment funds	832,709	1,684,361	896,336	3,413,406
Total net assets	\$ 1,109,344	\$ 1,996,557	\$ 973,559	\$ 4,079,460

	2010			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Detail of net assets:				
Operating funds	\$ 230,095	\$ 54,193	\$ -	\$ 284,288
Pledges	-	157,485	55,233	212,718
Postretirement and pension benefit obligations	(288,434)	-	-	(288,434)
Third-party charitable trusts	-	8,066	2,592	10,658
Facilities, equipment, and capital projects	285,023	45,270	-	330,293
Fair value of interest rate swap agreements	(117,174)	-	-	(117,174)
Funding for student loans	12,330	26,105	-	38,435
Life income, annuity, and similar funds	-	24,506	28,046	52,552
Endowment funds	741,904	1,428,789	827,609	2,998,302
Total net assets	\$ 863,744	\$ 1,744,414	\$ 913,480	\$ 3,521,638

K. Commitments and Contingencies

Outstanding commitments on uncompleted construction contracts total \$33,674,000 at June 30, 2011.

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 a favorable effect on Dartmouth's financial position.

L. Third-Party Charitable Trusts

As described in Note A, a split-interest agreement is a donor arrangement, such as a charitable trust, under which Dartmouth receives benefits that are shared with other beneficiaries. GAAP requires Dartmouth to report at estimated fair value its interest in an irrevocable split-interest agreement when Dartmouth is notified of an agreement's existence. When Dartmouth is not the trustee of the assets associated with a split-interest agreement, Dartmouth recognizes these assets only when notified of the existence of the trust and when reliable information about the fair value of its interest is provided by the third-party trustee. 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 College
Notes to Financial Statements

As of June 30, 2011 and 2010, third-party trustees have not provided Dartmouth with sufficient information necessary to estimate the fair value of Dartmouth's interest in certain trusts. Dartmouth has not recorded an asset in connection with these trusts due to the uncertainty surrounding the potential value of Dartmouth's interest in these trusts as of June 30, 2011 and 2010. If Dartmouth's interest in these trusts were reflected on the Statement of Financial Position, Dartmouth's assets and net assets would be greater than the amounts reported in the accompanying financial statements.

M. 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 Policy with regard to pecuniary benefit transactions, as defined by New Hampshire law, including but not limited to Dartmouth 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.

N. Subsequent Events

For purposes of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to June 30, 2011 and through November 7, 2011, the date on which the financial statements were issued.

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
Major programs:		
Research and development:		
American Recovery and Reinvestment Act		
47.082 National Science Foundation (NSF)	CNS-0910842	\$ 850,817
47.082 National Science Foundation (NSF)	CHE-0848354	130,218
47.082 National Science Foundation (NSF)	CHE-0910746	128,299
47.082 National Science Foundation (NSF)	DEB-0841862	118,389
47.082 National Science Foundation (NSF)	DMR-0905229	115,772
47.082 National Science Foundation (NSF)	PHY-0903727	109,857
47.082 National Science Foundation (NSF)	EF-0842267	107,614
47.082 National Science Foundation (NSF)	EAR-0911071	105,371
47.082 National Science Foundation (NSF)	ECCS-0925280	104,398
47.082 National Science Foundation (NSF)	IIS-0905206	89,287
47.082 National Science Foundation (NSF)	ARC-0909270	79,552
47.082 National Science Foundation (NSF)	AST-0908345	76,333
47.082 National Science Foundation (NSF)	ARC-0908156	69,878
47.082 National Science Foundation (NSF)	ANT-0840669	54,304
47.082 National Science Foundation (NSF)	ANT-0838745	51,031
47.082 National Science Foundation (NSF)	ATM-0921979	39,596
47.082 National Science Foundation (NSF)	DEB-0841862	37,005
47.082 National Science Foundation (NSF)	ATM-0903896	30,423
47.082 National Science Foundation (NSF)	ANT-0838950	28,935
47.082 National Science Foundation (NSF)	ANT-0838896	15,199
47.082 National Science Foundation (NSF)	EAR-0911071	15,008
47.082 National Science Foundation (NSF)	ANT-0838896	1,235
81.000 General Electric	400079933	2,427
81.135 Massachusetts Institute of Technology	5710002882	98,051
93.000 Feinstein Institute for Medical Research	DMS01	397,809
93.000 Research Foundation for Mental Hygiene, Inc	1007967	291,147
93.000 Health Resources & Svcs Admin (HRSA) (Non LOC)	HSH250200900056C	208,599
93.000 Beth Israel Deaconess Medical Center	1023726	122,536
93.000 ICF Macro	635243-10S-1567	51,597
93.000 MANILA Consulting Group, Inc.	283-07-4005	49,933
93.000 Nat'l Cancer Institute (NCI)	3R01CA123079-03S1	2,276
93.000 University of Rochester	100027-D	182,027
93.393 University of North Carolina at Chapel Hill	5-31056	284,256
93.411 Health Resources & Svcs Admin (HRSA)	ID76HP20908-01	244,949
93.701 Nat'l Cancer Institute (NCI)	R01CA077026	2,678,625
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	P30GM092357	451,455
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	P30GM092357	36,141
93.701 Nat'l Center for Research Resources (NCRR)	S1RR025048	2,000,000
93.701 Nat'l Center for Research Resources (NCRR)	S10RR025084	1,188,329
93.701 Nat'l Cancer Institute (NCI)	UC2CA148259	1,015,222
93.701 Nat'l Center for Research Resources (NCRR)	P20RR018787	907,517
93.701 Nat'l Inst of Biomed Imaging & Bioeng (NIBIB)	RC1EB011000	551,155
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	P01GM068087	532,782
93.701 Nat'l Inst on Drug Abuse (NIDA)	R01DA027414	532,475
93.701 Nat'l Inst of Neurological Disord & Stroke (NINDS)	P30NS069288	520,490
93.701 Nat'l Inst on Aging (NIA)	RC1AG036268	467,534
93.701 Nat'l Inst of Arth & Musculoskeletal Skin(NIAMS)	R01AR049834	466,266
93.701 Nat'l Heart Lung & Blood Institute (NHLBI)	R01HL092085	447,377
93.701 Nat'l Heart Lung & Blood Institute (NHLBI)	R01HL073442	415,752
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	1R01AI084121-01	392,786
93.701 Nat'l Cancer Institute (NCI)	P30CA023108	391,162
93.701 Nat'l Cancer Institute (NCI)	R01CA131141	387,276
93.701 Nat'l Inst on Drug Abuse (NIDA)	R01DA025211	350,853
93.701 Nat'l Cancer Institute (NCI)	1R01CA132750-01A1	350,547
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R01AI076298	306,780
93.701 Nat'l Cancer Institute (NCI)	R01CA077026	281,088
93.701 Nat'l Inst on Drug Abuse (NIDA)	R01DA026799	275,655
93.701 Nat'l Cancer Institute (NCI)	UC2CA148259	254,426
93.701 Nat'l Cancer Institute (NCI)	P30CA023108	253,950
93.701 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK)	2R56DK025336-29	208,469
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R21HD060829	205,252

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
93.701 Harvard University	149728.386555.0202	\$ 200,192
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	1R21AI079369-01A1	183,303
93.701 Nat'l Cancer Institute (NCI)	R01CA123079	176,519
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R21AI084570	175,065
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	P42ES007373	173,621
93.701 Nat'l Cancer Institute (NCI)	R01CA124634	173,556
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD047242	170,019
93.701 Nat'l Cancer Institute (NCI)	R01CA118443	167,574
93.701 Group Health Research Institute	2010116369	153,685
93.701 Nat'l Cancer Institute (NCI)	R21CA141083	145,840
93.701 Nat'l Inst on Deafness & Othr Comm Disord (NIDCD)	R01DC009318	144,998
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R01AI078195	136,832
93.701 Nat'l Center for Research Resources (NCRR)	P20RR016437	133,825
93.701 Beth Israel Deaconess Medical Center	1023726	131,114
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD049762	116,840
93.701 Nat'l Cancer Institute (NCI)	R01CA057359	115,004
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	P42ES007373	114,758
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM069950	112,653
93.701 Nat'l Inst of Mental Health (NIMH)	R01MH080716	107,931
93.701 Nat'l Center for Research Resources (NCRR)	R21RR024411	99,532
93.701 Nat'l Cancer Institute (NCI)	R01CA124515	99,329
93.701 Nat'l Center for Research Resources (NCRR)	P20RR016437	95,515
93.701 Nat'l Inst on Deafness & Othr Comm Disord (NIDCD)	R01DC007911	84,676
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM069818	81,225
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	P42ES007373	80,051
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	T32GM008704	78,685
93.701 Nat'l Library of Medicine (NLM)	R01LM009012	70,609
93.701 Nat'l Cancer Institute (NCI)	K07CA113949	61,885
93.701 Nat'l Cancer Institute (NCI)	3K07CA102327-05S1	61,496
93.701 Nat'l Heart Lung & Blood Institute (NHLBI)	R01HL090036	60,343
93.701 Childrens Hospital Boston	328984	54,628
93.701 Nat'l Cancer Institute (NCI)	T32CA009658	50,227
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM077031	41,173
93.701 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK)	R21DK089268	38,939
93.701 Nat'l Cancer Institute (NCI)	R01CA084463	36,705
93.701 University of Miami	M153124	36,239
93.701 Nat'l Cancer Institute (NCI)	R01CA098286	36,223
93.701 Nat'l Center for Research Resources (NCRR)	R21RR024411	33,896
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM066919	30,647
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	R01ES013168	27,326
93.701 Nat'l Cancer Institute (NCI)	R01CA108539	27,124
93.701 Group Health Research Institute	2009122364	27,006
93.701 Harvard University	149728.386555.0102	25,537
93.701 Nat'l Cancer Institute (NCI)	P30CA023108	24,151
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM020379	20,680
93.701 Saint Louis University	N/A	15,731
93.701 University of Washington	666287Z	15,090
93.701 Nat'l Inst of Neurological Disord & Stroke (NINDS)	P30NS069288	14,970
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM051542	13,474
93.701 Nat'l Cancer Institute (NCI)	P30CA023108	11,885
93.701 Nat'l Inst of Neurological Disord & Stroke (NINDS)	R01NS053907	9,686
93.701 University of California, Los Angeles	1580G MD852	8,073
93.701 Saint Louis University	N/A	3,498
93.701 University of California, Los Angeles	1580G MD852	1,943
93.701 Nat'l Cancer Institute (NCI)	UC2CA148259	1,128
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	R01ES013168	(4,546)
93.701 Nat'l Cancer Institute (NCI)	R01CA105038	(6,496)
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD049762	(8,358)
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R01AI048667	(8,716)
93.701 University of California, San Diego	CTA #136-DART	54,071
93.715 Agency for Healthcare Research & Quality	R18HS019942	285,659
93.728 University of Illinois	2010-03958-11	230,903
93.866 National Bureau of Economic Research	33-4112-01-0-80-244	15,238
93.879 Nat'l Library of Medicine (NLM)	R01LM009012	42,519
American Recovery and Reinvestment Act total		<u>25,076,420</u>

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
U.S. Department of Health and Human Services:		
Direct awards (93.RD):		
National Institute of Health		\$ 78,409,948
Public Health Services Center		4,222,673
Subtotal		<hr/> 82,632,621 <hr/>
Subagreements:		
93.000 Abt Associates, Inc.	26820	3,160
93.000 American College of Radiology	RTOG	(58,868)
93.000 Aspen Medisys, LLC.	N/A	13,691
93.847 Beth Israel Deaconess Medical Center	1024387	100,247
93.846 Boston University	GC202593NGC	69,105
93.846 Boston University	3811-5	48,138
93.865 Boston University	RA208434NGN	12,574
93.393 Brigham & Women's Hospital	113956-0002	45,653
93.000 Brown University	PO #P262083	166,591
93.393 Brown University	00000181/P252642	66,881
93.853 Brown University	00000304/PO# P262082	260,085
93.853 Brown University	304	80,682
93.853 Brown University	303	21,634
93.853 Brown University	197	(95)
93.866 Brown University	229	71,757
93.866 Brown University	228	60,539
93.855 C5-6 Technologies, Inc.	N/A	14,563
93.000 Celdara Medical, LLC.	PRIME:1R43HL097464-01	12,127
93.839 Celdara Medical, LLC.	R4HL009217 (ChNKG2D)	110,675
93.063 Childrens Hospital Boston	76844	(41)
93.394 Childrens Hospital Boston	71014	2,106
93.103 Childrens Hospital Boston	268893	1,919
93.865 Childrens Hospital Boston	0000348342/43/44	432,262
93.865 Childrens Hospital Boston	0000348342/43/44	218,481
93.865 Childrens Hospital Boston	0000348342/43/44	9,721
93.000 Clin-EPR, LLC	N/A	15,598
93.000 Colorado Foundation for Medical Care	N/A	4,161
93.243 Community Connections	1H79SM058316-01	15,590
93.243 Community Connections	1H79SM058316-01	4,642
93.000 Dana Farber Cancer Institute	UNIV OF CHICAGO	160,666
93.000 Duke University	Z10/Z11	12,008
93.000 Duke University	Z10/Z11	6,123
93.000 Duke University	4520904062	19,089
93.000 Duke University	452090462	6,555
93.143 Duke University	08-SC-NIH-1088	1,637
93.859 Duke University	08-SC-NIH-1057	53,520
93.394 Emory University	5568736	6,311
93.000 Fast-Track Drugs and Biologics, Inc.	N/A	313,856
93.000 Fast-Track Drugs and Biologics, Inc.	NCIG-003	338,885
93.395 Fox Chase Cancer Center	16186-07	4,893
93.393 Fred Hutchinson Cancer Research Center	674921	435
93.000 Georgetown University	RX 4464-006-DC	219,632
93.000 Georgetown University	RX 4464-008-DC	53,238
93.855 Georgia Health Sciences University	23069-12	69,319
93.392 Georgia Institute of Technology	RA306-S4	137,670
93.399 Group Health Research Institute	CA079689-12-DARTMOUTH	10,206
93.393 Harvard University	150096	15,225
93.000 ImmuRx Inc	N/A	48,735
93.855 ImmuRx Inc	N/A	147,486
93.855 ImmuRx Inc	PRE-AWARD	3,532
93.000 Indiana University	Amend #3	93,476
93.866 Indiana University	PO # 362510 (AMEND 2)	6,946
93.242 Johns Hopkins University	N/A	46,787
93.855 Johns Hopkins University	N/A	27,378
93.855 Johns Hopkins University	N/A	2,831
93.867 Johns Hopkins University	200925494	20,280
93.867 Johns Hopkins University	2000925494	19,236
93.395 John Wayne Cancer Institute	MSLT-11	3,180

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
93.855 Les Centres Gheskio	N/A	\$ 30,238
93.000 Massachusetts General Hospital	217706	59,554
93.279 Massachusetts General Hospital	206321	132,149
93.393 Massachusetts General Hospital	PS#213172	20,401
93.395 Massachusetts General Hospital	213580	113,576
93.395 Massachusetts General Hospital	213589	82,298
93.395 Mayo Clinic	1R01CA150190-01	188,235
93.395 Mayo Clinic	5R01CA150190-02	149,045
93.847 Mayo Clinic	5U01DK065713-04	18,752
93.847 Mayo Clinic	5U01DK065713-05	78,251
93.000 Medical College of Wisconsin	N/A	164
93.853 Mount Sinai School of Medicine	COMBIRX	36,259
93.395 National Childhood Cancer Foundation	19532	9,835
93.395 National Childhood Cancer Foundation	20717	4,857
93.395 National Childhood Cancer Foundation	98543-1118	991
93.399 National Surgical Adjuvant Breast & Bowel Project	PFED25-DAR-01	452
93.069 NH Div of Public Health Services	PO #1002363	16,668
93.069 NH Div of Public Health Services	PO #1002363	14,388
93.069 NH Div of Public Health Services	NA	4,082
93.069 NH Div of Public Health Services	PO #1002363	95
93.069 NH Div of Public Health Services	1002363	(32)
93.283 NH Div of Public Health Services	102645	436,381
93.283 NH Div of Public Health Services	102645	110,490
93.283 NH Div of Public Health Services	191038	1,710
93.283 NH Div of Public Health Services	191038	(2)
93.242 Northern California Institute for Research & Education	VIN1478/Re: 071298	15,022
93.242 Northwestern University	60023824 DC	23,787
93.000 Omniox, Inc.	N/A	61,618
93.846 Oregon Health & Science University (OHSU)	AFAMP0076-DC	9,022
93.846 Oregon Health & Science University (OHSU)	AFAMP0076-DC	928
93.000 Physical Sciences, Inc.	SC46582-1579-46	196,757
93.242 Princeton University	1524	154,727
93.000 Psychological Applications	N/A	77,437
93.859 Purdue University	8000015743-01	50,304
93.000 Radiation Monitoring Devices, Inc.	C09-24	86,575
93.393 Regents of the University of Minnesota	P000265801	179,143
93.393 Research Corporation of the University of Hawaii	Z976328	77,074
93.393 Research Corporation of the University of Hawaii	Z976328	55,277
93.000 Response Applications	N/A	5,102
93.000 Response Applications	N/A	4,637
93.000 Simbex	HD48638	57,141
93.865 Simbex	N/A	67,735
93.865 Simbex	N/A	35,929
93.242 Social & Scientific Systems, Inc	BRS-IMPCT-Q-06-00144-T001	268,728
93.399 Southwest Oncology Group	CA37429	3,131
93.399 Southwest Oncology Group	CA37429	932
93.865 Thomas Jefferson University	080-19000-501001	29,426
93.867 Thomas Jefferson University	080-19250-R92702	9,090
93.867 Thomas Jefferson University	N/A	4,011
93.868 Thomas Jefferson University	080-19250-R92703	68,643
93.859 Tufts University	HS0356	181,282
93.859 Tufts University	HS4205	87,100
93.865 Tufts University	M330001-HS2815	37,078
93.242 Univ of Colorado-Denver & Health Sciences Center	FY10.513.003	45,820
93.242 Univ of Colorado-Denver & Health Sciences Center	PRE-AWARD	2,779
93.242 University of California, San Diego	10288895	22,181
93.866 University of California, Davis	ADNI-024	20,102
93.866 University of California, San Diego	ADC-039	1,295
93.867 University of California, San Francisco	5640sc	49,654
93.867 University of California, San Francisco	4293sc	32,105
93.867 University of California, San Francisco	5640sc	15,813
93.867 University of California, San Francisco	4293sc	7,374
93.393 University of Chicago	35704	(1,896)
93.000 University of Colorado-Boulder	1547277	24,814
93.867 University of Dayton Research Institute	RSC07040	36,953

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

		<u>Award #</u>	<u>Total expenditures</u>
93.273	University of Georgia	RR274-272/4688298	\$ 8,953
93.393	University of Hawaii	PRE-AWARD	9,840
93.393	University of Hawaii	PRE-AWARD	2,850
93.866	University of Maryland	SR00001554	14,298
93.361	University of Medicine & Dentistry of NJ	402010	61,947
93.853	University of Medicine & Dentistry of NJ	99-705	187
93.396	University of Miami	N/A	11,488
93.007	University of Michigan	3001387964 UM10-12	24,240
93.226	University of Michigan	3001694180	45,777
93.399	University of Michigan	3001188166	40,158
93.846	University of Michigan	3001369865	88,337
93.000	University of Missouri	C00023743-2	7,204
93.110	University of New Hampshire	PZ11059	27,966
93.393	University of North Carolina at Chapel Hill	5-30888	1,145,230
93.393	University of North Carolina at Chapel Hill	5-30888	180,423
93.393	University of North Carolina at Chapel Hill	5-30987	71,194
93.393	University of North Carolina at Chapel Hill	5-30987	56,719
93.838	University of Pennsylvania	N/A	16,830
93.000	University of Pittsburgh	0019106/118054-3	68,207
93.393	University of Pittsburgh	0019106(118054-3)	37,043
93.838	University of Pittsburgh	7065	(323)
93.000	University of Pittsburgh	573	6,000
93.847	University of Pittsburgh	1190	3,130
93.000	University of Rochester	415187-G	440,065
93.000	University of Rochester	414936-G	810
93.000	University of Rochester	415519-G	40,884
93.855	University of Rochester	414939-G	31,198
93.393	University of Southern California	H47332	329,770
93.393	University of Southern California	H42296	73,637
93.000	University of South Florida	U01-DK061055	11,763
93.393	University of Texas, M D Anderson Cancer Center	31469/98012113	40,495
93.393	University of Texas, M D Anderson Cancer Center	34605/98012113	14,734
93.000	University of Texas, San Antonio	130525/122710	12,542
93.855	University of Tulsa	14-2-1203352-94815	(616)
93.853	University of Vermont	21808	22,616
93.853	University of Vermont	21808	19,021
93.853	University of Vermont	21808	383
93.853	University of Vermont	21808	(1,051)
93.242	University of Vermont	22605	107,041
93.000	University of Virginia	PreAward	41,740
93.855	University of Virginia	GC11875-136755	298,067
93.855	University of Virginia	GC11875-134293	(83,218)
93.393	University of Washington	659975	66,413
93.837	University of Washington	701652	75,437
93.837	University of Washington	PREAWARD	14,718
93.846	Washington University	WU-10-157	87,674
93.000	Westat, Inc.	8625.03-S01	107,546
93.000	Westat, Inc.	8101-S05	12,900
93.396	Wistar Institute	24531-02-365	24,468
93.000	Woomera Therapeutics, Inc.	N/A	62,377
93.853	Yale University	A08082	57,378
93.853	Yale University	A07593	14,951
93.839	Yale University	A07741 (M10A10692)	22,593
	Subtotal		<u>11,140,214</u>
	U.S. Department of Health and Human Services total		<u>93,772,835</u>
National Science Foundation:			
	Direct awards (47.RD)		8,445,147
Subagreements:			
47.050	Boston University	GC176992NGA	304,725
47.078	Montana State University	G125-09-W-1837	7,050
47.000	Norconnect, Inc.	NSF# IIP-0848523	14,937
47.079	Oregon State University	S1315A-F	17,418
47.000	Portland State University	208HAM121	18,447

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
47.000 Portland State University	208FOU073	\$ (9,440)
47.074 Purdue University	4101-19822	474,539
47.074 Rocky Mountain Biological Lab	10-6-1006	562
47.050 Stanford University	24319670-47267-A	28,935
47.070 University of Illinois	2005-04510-03	(2,597)
47.080 University of New Hampshire	N/A	67,393
47.080 University of New Hampshire	09-064	29,841
47.080 University of New Hampshire	08-035	27,627
47.080 University of New Hampshire	09-064	3,726
47.080 University of New Hampshire	08-035	(506)
47.074 University of North Carolina at Chapel Hill	5-54963	189,831
47.074 University of North Carolina at Chapel Hill	5-54525	109,122
47.001 University of Wisconsin-Madison	G074476	17,077
47.074 University of Wyoming	NSF40391	112,423
47.000 Westat, Inc.	8494-S08	44,026
47.075 Woods Hole Research Center	D2007A	26,385
Subtotal		<u>1,481,521</u>
National Science Foundation total		<u>9,926,668</u>
U.S. Department of Defense:		
Direct awards (12.RD)		7,226,738
Subagreements:		
12.000 BAE Systems National Security Solutions Inc	709191	69,035
12.000 BAE Systems National Security Solutions Inc	709191	1,720
12.000 Clinical Research Management, Inc	Dartmouth-09-01	1,862,117
12.000 Creare, Inc.	60309	23,510
12.300 Creare, Inc.	52444	93,875
12.000 Geometrics, Inc.	N/A	19,779
12.000 Massachusetts General Hospital	208608	17,358
12.420 Milcord, LLC	SC-1109-01	86,372
12.000 OSD Net Assessment	HQ0034-07-C-1035	139,386
12.420 Rutgers the State University	3416	106,185
12.630 Sound Innovations	STTR	64,670
12.000 University of California, San Diego	10315327	46,518
12.000 University of California, San Diego	10313358	12,336
12.431 University of California, San Diego	10291747	444,674
12.800 University of California, San Diego	PO# 10312240	21,945
12.300 University of Maryland	Z882803	65,099
12.800 University of Maryland	Z805403	65,698
12.351 University of Texas, El Paso	26-0900-15-61	17,081
12.431 University of Wisconsin-Madison	F307145	148,787
12.420 Veterans Medical Research Foundation (VMRF)	07969-01-296154	65,367
12.420 Veterans Medical Research Foundation (VMRF)	07969-01-296154	19,189
Subtotal		<u>3,390,701</u>
U.S. Department of Defense total		<u>10,617,439</u>
U.S. National Aeronautics and Space Administration:		
Direct awards (43.RD)		3,106,042
Subagreements:		
43.000 Massachusetts Institute of Technology	5710002466	179,239
43.000 Regents of the University of Minnesota	X5336545104	11,346
43.001 Science Systems and Applications, Inc.	2616-08-032	25,886
43.001 Smithsonian Institution	G08-9065B	1,138
43.000 University of New Hampshire	08-015	38,656
43.001 University of New Hampshire	10-092	37,574
Subtotal		<u>293,839</u>
U.S. National Aeronautics and Space Administration total		<u>3,399,881</u>
U.S. Department of Agriculture:		
Direct awards (10.RD)		456,322
Subagreements:		

DARTMOUTH COLLEGE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

	Award #	Total expenditures
10.652 University of New Hampshire	PZ09-013	\$ 1,354
Subtotal		1,354
U.S. Department of Agriculture total		457,676
Veteran's Administration:		
Direct awards (64.RD, 27.RD)		225,835
Subagreements:		
27.011 Vanderbilt University	VUMC36958-R	96,600
64.000 VA Medical Center Michigan	506-D97018/VA251-P-0397	54,062
		150,662
Veteran's Administration total		376,497
U.S. Department of Commerce:		
Direct awards (11.6XX)		155,847
Subagreements:		
11.000 Ecosystems Research Group, Ltd.	N/A	(252)
11.460 Ecosystems Research Group, Ltd.	23869/Watzin/Miller	29,389
11.417 University of New Hampshire	08-098	15,834
11.417 University of New Hampshire	08-098	1,380
Subtotal		46,351
U.S. Department of Commerce total		202,198
U.S. Department of Energy:		
Direct awards (81.RD)		613,429
Subagreements:		
81.000 Mascoma Corporation	BESC/4000065289	1,826,080
81.000 Mascoma Corporation	BESC/4000065289	9,931
81.122 University of Illinois	2010-01251-01	194,445
81.000 University of New Hampshire	08-028	24,339
Subtotal		2,054,795
U.S. Department of Energy total		2,668,224
U.S. Department of Homeland Security:		
Direct awards (97RD)		1,812,085
Subagreements:		
97.061 University of Maryland	Z930113	132,249
97.061 University of Maryland	Z955903	74,134
97.108 University of Maryland	Z980107	1,050
97.061 University of Texas, El Paso	26-3001-59-61	77,391
97.061 University of Texas, El Paso	26-3001-63-61	50,635
97.061 University of Texas, El Paso	PRE-AWARD	(46,087)
Subtotal		289,372
U.S. Department of Homeland Security total		2,101,457
U.S. Environmental Protection Agency:		
Direct awards (66.RD)		283,456
U.S. Environmental Protection Agency total		283,456
U.S. Department of Education:		
Direct awards (84.RD)		1,081,852
Subagreements:		
84.133B Boston University	GC207911NCG	31,160
84.000 Harvard University	108074-5025571	142,077
84.133B University of Illinois	N/A	29,755
Subtotal		202,992
U.S. Department of Education total		1,284,844
Other direct federal awards:		

DARTMOUTH COLLEGE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

	Award #	Total expenditures
45.000 National Endowment for the Humanities		\$ 77,256
		77,256
Subagreements:		
15.647 Hawk Migration Association of North America	N/A	72,055
45.000 Johns Hopkins University	2000529736	13,862
96.000 Westat, Inc.	8225-S-01	383,207
96.000 Westat, Inc.	8225-S-01	187,436
96.007 RAND Corporation	FLR09010202-02	142,500
96.007 RAND Corporation	9920100027	63,150
96.007 RAND Corporation	19-F-10002-9-01	59,908
96.007 RAND Corporation	9920100118	32,745
96.007 University of Michigan	3001657993-UM11-06	102,207
96.007 University of Michigan	3001657992-UM11-08	58,672
96.007 University of Michigan	3001387834 UM10-21	24,240
98.000 Program for Appropriate Technology in Health (PATH)		205,952
Subtotal		1,345,934
Total research and development		151,590,785
Nonmajor programs:		
Student Financial Assistance:		
U.S. Department of Education:		
Direct awards:		
84.375 ACG FY10	P375A091791	216
84.375 ACG FY11	P375A101791	209,642
84.063 PELL FY10	P063P091791	53,924
84.063 PELL FY11	P063P101791	2,730,232
84.007 SEOG FY11	P07A102503	799,883
84.376 SMART FY11	P376S101791	228,662
84.033 Work Study FY10	P033A092503	63
84.033 Work Study FY11	P033A092503	1,135,829
U.S. Department of Education total		5,158,451
U.S. Department of Health and Human Services:		
Direct awards:		
93.226 Agency for Healthcare Research & Quality	R13HS017378	54,864
93.226 Agency for Healthcare Research & Quality	1R13HS020562	7,195
93.127 Bureau of Maternal and Child Health	H33MC06727	94,974
93.127 Bureau of Maternal and Child Health	H33MC06727	37,114
93.153 Bureau of Maternal and Child Health	H12HA00007	422,952
93.107 Health Resources & Svcs Admin (HRSA)	U77HP03627	60,573
93.110 Health Resources & Svcs Admin (HRSA)	H98MC08578	100,453
93.110 Health Resources & Svcs Admin (HRSA)	D70MC06898	1,433
93.265 Health Resources & Svcs Admin (HRSA)	D62HP06808	1,618
93.403 Health Resources & Svcs Admin (HRSA)	D5AHP19899	143,450
93.403 Health Resources & Svcs Admin (HRSA)	D5AHP19899	68,199
93.884 Health Resources & Svcs Admin (HRSA)	1D56HP10311-01-00	173,508
93.884 Health Resources & Svcs Admin (HRSA)	D54HP00006	57,567
93.912 Health Resources & Svcs Admin (HRSA)	D04RH12689	127,607
93.912 Health Resources & Svcs Admin (HRSA)	P10RH09042	48
93.918 Health Resources & Svcs Admin (HRSA)	H76HA00812	317,374
93.969 Health Resources & Svcs Admin (HRSA)	UB4HP19206	319,109
93.969 Health Resources & Svcs Admin (HRSA)	D31HP08813	36,161
93.701 John E. Fogarty International Center (FIC)	R25TW008124	115,350
93.701 John E. Fogarty International Center (FIC)	S07TW008844	27,814

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
93.989 John E. Fogarty International Center (FIC)	D43TW006807	\$ 527,840
93.989 John E. Fogarty International Center (FIC)	R25TW007693	1,671
93.398 Nat'l Cancer Institute (NCI)	F31CA134188	36,358
93.398 Nat'l Cancer Institute (NCI)	F32CA144579	34,384
93.398 Nat'l Cancer Institute (NCI)	F31CA134188	3,476
93.702 Nat'l Center for Research Resources (NCRR)	C06RR030432	87,360
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R21AI081242	2,089
93.848 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK)	K23DK078678	126,292
93.000 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK) (Non LOC)	HHSN276201000356P	8,143
93.000 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK) (Non LOC)	HHSN276201100312P	6,222
93.113 Nat'l Inst of Environmental Health Science (NIEHS)	5F32ES019070	52,036
93.113 Nat'l Inst of Environmental Health Science (NIEHS)	F32ES091070	(5,742)
93.859 Nat'l Inst of General Medical Sciences (NIGMS)	F31GM089149	43,833
93.282 Nat'l Inst of Mental Health (NIMH)	F32MH085433	43,728
93.282 Nat'l Inst of Mental Health (NIMH)	F32MH092991	31,996
93.282 Nat'l Inst of Mental Health (NIMH)	F32MH085433	8,297
93.282 Nat'l Inst of Mental Health (NIMH)	F31MH090672	3,605
93.853 Nat'l Inst of Neurological Disord & Stroke (NINDS)	F30NS064624	54,704
93.853 Nat'l Inst of Neurological Disord & Stroke (NINDS)	F30NS064637	70,035
93.853 Nat'l Inst of Neurological Disord & Stroke (NINDS)	F31NS064634	36,217
93.272 Nat'l Inst on Alcohol Abuse & Alcoholism (NIAAA)	F32AA020143	3,752
93.279 Nat'l Inst on Drug Abuse (NIDA)	F30DA024933	47,881
93.243 Substance Abuse & Mental Health Services Admir	U79SM057261	474,195
		<hr/> 3,865,735 <hr/>
Subagreements:		
93.989 Cornell University	9091333	38,399
93.110 Harvard University	N/A	2,560
93.989 Les Centres Gheskic	N/A	35,503
93.389 Montshire Museum of Science	1	3,705
93.000 National Rural Health Association	N/A	10,054
93.051 NH Div of Community Based Care Services	90A10023/01	63,175
93.994 NH Div of Community Based Care Services	FY2010-2011	15,035
93.069 NH Div of Public Health Services	N/A	194,052
93.069 NH Div of Public Health Services	PO #1002363	54,339
93.069 NH Div of Public Health Services	N/A	33,191
93.069 NH Div of Public Health Services	N/A	(4,521)
93.283 NH Div of Public Health Services	210143	267,387
93.889 NH Div of Public Health Services	SFY 2011	120,790
93.889 NH Div of Public Health Services	191187-08	28,318
93.913 NH Div of Public Health Services	SFY10	4,188
93.991 NH Div of Public Health Services	210210-09	87,758
93.000 University of Massachusetts Memorial Medical Ct	6123285/RFS20110062	7,502
93.145 University of Massachusetts Memorial Medical Ct	6125023-ETC 016	62,118
93.145 University of Massachusetts Memorial Medical Ct	6113815 ETC-16 & NA-3	13,424
93.000 University of Massachusetts, Worcester	6125655/RFS2011132	7,714
93.110 University of Massachusetts, Worcester	6126580/RFS2011141	23,195
93.110 University of Massachusetts, Worcester	6121289/RFS2011043	20,695
93.110 University of Massachusetts, Worcester	6113206/RFS900155	1,510
93.283 University of Massachusetts, Worcester	6112496/RFS900135	11,540
93.283 University of Massachusetts, Worcester	6128641/RFS2011182	8,562
93.632 University of New Hampshire	PZ09051B	1,793

DARTMOUTH COLLEGE

Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
93.632 University of New Hampshire	PZ09051	\$ (244)
93.989 Vanderbilt University	VUMC 34626	27,567
93.069 VT Department of Health	03420-5669S	57,566
93.889 VT Department of Health	03420-5669S	221,849
93.889 VT Department of Health	03420-5538	6,847
93.994 VT Department of Health	3420-578S	176,335
93.994 VT Department of Health	03420-5339	(13,327)
93.000 Westat, Inc.	8732-019	40,517
93.865 Women & Infants Hospital	9613	6,917
93.865 Women & Infants Hospital	9613	1,820
Subtotal		<u>1,637,833</u>
U.S. Department of Health and Human Services total		<u>5,503,568</u>
National Science Foundation:		
Direct awards:		
47.046 National Science Foundation (NSF)	DUE-0736749	2,791
47.049 National Science Foundation (NSF)	DMS-1000499	34,703
47.049 National Science Foundation (NSF)	DMS-1005360	26,169
47.049 National Science Foundation (NSF)	DMS-1003908	14,460
47.050 National Science Foundation (NSF)	ATM-0457561	141,915
47.076 National Science Foundation (NSF)	DGE-0801490	607,417
47.076 National Science Foundation (NSF)	DRL-1010577	424,331
47.076 National Science Foundation (NSF)	DGE-0802871	243,619
47.076 National Science Foundation (NSF)	DGE-0947790	396,610
47.076 National Science Foundation (NSF)	DUE-0941836	26,516
47.076 National Science Foundation (NSF)	DUE-0941836	293
		<u>1,918,824</u>
National Science Foundation total		<u>1,918,824</u>
U.S. National Aeronautics and Space Administration:		
Direct awards:		
43.000 Jet Propulsion Laboratory	1392811	40,172
43.001 NASA Goddard Space Flight Center	NNX07AP37H	9,569
43.001 NASA Goddard Space Flight Center	NNX09AN13G	1,298
43.008 NASA Goddard Space Flight Center	NNX10AL81H	27,359
		<u>78,398</u>
Subagreements:		
43.000 University of New Hampshire	11-015	116,350
43.002 University of New Hampshire	PZ05007	75,379
Subtotal		<u>191,729</u>
U.S. National Aeronautics & Space Administration total		<u>270,127</u>
Veteran's Administration:		
Direct awards:		
27.011 White River Junction VA Medical Center	VA105-C00462	285,469
27.011 White River Junction VA Medical Center	N/A	92,116

DARTMOUTH COLLEGE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

	<u>Award #</u>	<u>Total expenditures</u>
27.011 White River Junction VA Medical Center	VA241-P-1676	\$ 91,532
27.011 White River Junction VA Medical Center	N/A	435,051
27.011 White River Junction VA Medical Center	V0024IP-00100	59,676
27.011 VA Medical Center, Michigan	N/A	23,048
27.011 White River Junction VA Medical Center	VA241-P-1241	8,388
27.011 VA Maryland Health Care System	PO#1:512D67099	(36,486)
64.000 White River Junction VA Medical Center	VA241P-0410	5,130
		<u>963,924</u>
Subagreements:		
27.011 Veterans Medical Research Foundation (VMRF)	N/A	27,366
Veteran's Administration total		<u>991,290</u>
U.S. Department of Defense:		
Direct awards:		
12.420 US Army Medical Research and Material Command	W81XWH-08-1-0374	36,692
12.420 US Army Medical Research and Material Command	W81XWH-10-1-0112	23,010
12.420 US Army Medical Research and Material Command	W81XWH-10-1-0112	18,442
12.630 Cold Regions Research & Engineering Lab (CRREL)	W913E5-11-P-0005	5,893
12.910 Advanced Research Projects Agency (ARPA)	HR0011-06-1-0033	14,825
		<u>98,862</u>
Subagreements:		
12.910 NH Dept of Safety	NNEMMRS	18,776
		<u>18,776</u>
U.S. Department of Defense total		<u>117,638</u>
U.S. Department of Agriculture:		
Direct awards:		
10.000 Appalachian National Scenic Trail	PO-05762	4,821
10.206 Rural Development	NH0703-B16	(7,980)
10.310 Cooperative State Research Service	2010-65116-20463	58,459
10.687 Forest Service	09-CS-11094419-005	21,951
		<u>77,251</u>
Subagreements:		
10.206 Weeks Medical Center	NH0703-B16	7,980
Subtotal		<u>7,980</u>
U.S. Department of Agriculture Total		<u>85,231</u>

DARTMOUTH COLLEGE
Schedule of Expenditures of Federal Awards
Year ended June 30, 2011

	Award #	Total expenditures
U.S. Department of Education:		
Direct awards:		
84.019 Department of Education	P019A080027	\$ 27,412
84.200A Department of Education	P200A090016	265,485
84.200A Department of Education	P200A090031	189,709
84.200A Department of Education	P200A100031	119,674
U.S. Department of Education Total		602,280
National Endowment for the Arts:		
Direct awards:		
45.024 National Endowment for the Arts (NEA)	10-5400-7120	55,000
45.024 National Endowment for the Arts (NEA)	09-5448-7173	10,000
		65,000
Subagreements:		
45.025 New England Foundation for the Arts	2010-15218	7,500
45.025 New England Foundation for the Arts	2010-15147	7,500
45.025 New England Foundation for the Arts	2010-15180	7,000
45.025 New England Foundation for the Arts	2010-15144	6,672
45.025 New England Foundation for the Arts	2011-15243	3,000
Subtotal		31,672
National Endowment for the Arts total		96,672
Other federal agencies:		
20.600 NH Highway Safety Agency	304-11S-004	106,079
20.600 NH Highway Safety Agency	304-11S-003	44,627
20.600 NH Highway Safety Agency	304-11S-005	43,073
20.600 NH Highway Safety Agency	304-10S-003	30,249
20.600 NH Highway Safety Agency	308-11S-012	23,951
20.600 NH Highway Safety Agency	304-10S-004	15,544
20.600 NH Highway Safety Agency	304-10S-002	11,364
20.600 NH Highway Safety Agency	304-09S-005	(39)
81.000 National Security Technologies LLC	105800	32,753
97.000 NH Dept of Safety	NNEMMRS	366
97.067 NH Div of Public Health Services	NNEMMRS	198,242
Other federal agencies total		506,209
Total nonmajor programs		15,250,290
Total all federal programs		\$ 166,841,075

See accompanying notes to schedule of expenditures of federal awards.

DARTMOUTH COLLEGE

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

(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, 2011. 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 Dartmouth and agencies and departments of the federal government and all subawards to 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 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) Summary of 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 F&A cost proposal in early 2008 for negotiated F&A rates that became effective July 1, 2008. Dartmouth's F&A cost rate for fiscal year 2011 is 58%.

(4) Federal Student Loan Programs

Loans made to eligible students and parents under federal student loan programs during the year ended June 30, 2011 are not included in the Schedule, and are summarized as follows:

Title IV Program – Federal Perkins Loan Program (Perkins)	\$ 2,994,450
Federal Direct Student Loans	<u>28,562,888</u>
	<u>\$ 31,557,338</u>

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.

DARTMOUTH COLLEGE

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2011

The Perkins loans are administered and serviced directly by Dartmouth. In addition, Dartmouth continues to service Health Professions Student Loans (HPSL) and 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, 2011 are as follows:

Perkins	\$ 22,617,511
HPSL	1,013
HEAL	<u>483,226</u>
	<u>\$ 23,101,750</u>

For the year ended June 30, 2011, Dartmouth claimed \$244,853 in administrative cost allowances related to its student financial assistance programs, which are not included in the Schedule.

(5) Pass-Through Awards

For the year ended June 30, 2011, Dartmouth received awards directly from federal agencies, which were passed through to subrecipients. The amounts passed through are as follows:

Research and development	\$ 19,194,655
Other	<u>694,127</u>
	<u>\$ 19,888,782</u>

These amounts are included in the total expenditures shown on the Schedule.



KPMG LLP
Suite 400
356 Mountain View Drive
Colchester, VT 05446

**Independent Auditors' Report 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***

The Board of Trustees
Dartmouth College:

We have audited the financial statements of Dartmouth College (Dartmouth) as of and for the year ended June 30, 2011, and have issued our qualified report thereon dated November 7, 2011. Except as discussed in our opinion on the financial statements, we conducted our audit 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.

Internal Control over Financial Reporting

Management of Dartmouth is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Dartmouth's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dartmouth's internal control over financial reporting. Accordingly, we do not express such an opinion on Dartmouth's internal control over financial reporting.

A deficiency in internal control over financial reporting 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 combination of deficiencies, in internal control over financial reporting, 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dartmouth's financial statements are free of 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*.



We noted certain matters that we reported to management of Dartmouth in a separate letter dated November 7, 2011.

This report is intended solely for the information and use of the Board of Trustees and management of Dartmouth College, others within the entity, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

November 7, 2011



KPMG LLP
Suite 400
356 Mountain View Drive
Colchester, VT 05446

**Independent Auditors' Report on Compliance with Requirements Applicable to
Each Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133**

The Board of Trustees
Dartmouth College:

Compliance

We have audited the compliance of Dartmouth College (Dartmouth) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2011. Dartmouth's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of Dartmouth's management. Our responsibility is to express an opinion on Dartmouth's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Dartmouth's compliance with those requirements.

In our opinion, Dartmouth College complied, in all material respects, with the requirements referred to in the first paragraph above that are applicable to its major federal program for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133, and which are described in the accompanying schedule of findings and questioned costs as items 2011-1 and 2011-2.

Internal Control over Compliance

Management of Dartmouth is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Dartmouth's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Dartmouth's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit Dartmouth's responses, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Board of Trustees and management of Dartmouth College, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

January 4, 2012

DARTMOUTH COLLEGE

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

(1) Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Qualified		
Internal control over financial reporting:			
• Material weakness(es) identified?	_____	yes	<u> x </u> no
• Significant deficiency(s) identified that are not considered to be material weaknesses?	_____	yes	<u> x </u> none reported
Noncompliance material to financial statements noted?	_____	yes	<u> x </u> no

Federal Awards

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

Type of auditors' report issued on compliance for major programs:	Unqualified
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Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	<u> x </u>	yes	_____	no
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Identification of major programs:

<u>CFDA number(s)</u>	<u>Name of federal programs or clusters</u>
Various	Research and Development Cluster

Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
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Auditee qualified as low risk auditee?	_____	yes	<u> x </u>	no
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(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards*

None.

DARTMOUTH COLLEGE

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

(3) Findings and Questioned Costs Relating to Federal Awards

Finding 2011-1

Program: Research and Development Cluster

Identifying Information:

<u>CFDA#</u>	<u>Award Number</u>	<u>Federal Agency</u>
93.143	P42ES007373	National Institute of Environmental Health Science
93.283	1900138	NH Division of Public Health Services
93.393	R01CA057494	National Cancer Institute
93.701	P42ES007373	National Institute of Environmental Health Science

Program Year: July 1, 2010 to June 30, 2011

Criteria

Equipment

Institutions of higher education, hospitals, and other nonprofit organizations are required to follow the standards set forth in OMB Circular A-110 in the administration of grants and agreements.

OMB Circular A-110 Section 0.34, Equipment, states the following:

- A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

Condition Found and Perspective

There are 91 departments with equipment purchased through federal grants. KPMG noted that 2 of the 91 departments had not completed and reconciled their physical inventory counts within the two-year requirement.

Questioned Costs

Not determinable.

Possible Asserted Cause and Effect

The possible cause of this noncompliance appears to be due to personnel time constraints due to the magnitude of inventory to inspect and reconcile. This may result in equipment purchased with federal funds being sold, transferred, or disposed of without knowledge of Dartmouth.

Recommendation

We recommend that Dartmouth implement the necessary policies and procedures to ensure that all departments that received federal funds to purchase equipment have a physical inventory performed every

DARTMOUTH COLLEGE

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

two years. Communication and follow up monitoring to custodians of federal requirements will help ensure that the departments comply with this requirement.

Views of Responsible Official

Dartmouth College is in the process of assessing resources and policies for maintenance of equipment records and completion of physical inventories. Procedures and training will be reviewed and updated during fiscal year 2012 to improve compliance with biennial inventory requirements.

Contact Person

Kathy Page, Associate Director, Office of Sponsored Projects

DARTMOUTH COLLEGE

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Finding 2011-2

Program: Research and Development Cluster

Identifying Information:

<u>CFDA#</u>	<u>Award Number</u>	<u>Federal Agency</u>
12.300	N00014-08-1-0693	Department of Defense
93.242	P60MH082598	Department of Health and Human Services
93.242	R21MH090703	Department of Health and Human Services
93.279	R01DA021898	Department of Health and Human Services
93.389	P20RR030360	Department of Health and Human Services
93.393	R01CA057494	Department of Health and Human Services
93.393	R01CA098286	Department of Health and Human Services
93.394	R01CA120368	Department of Health and Human Services
93.701	R01CA077026	Department of Health and Human Services
93.701	P20RR018787	Department of Health and Human Services
93.856	U19AI091173	Department of Health and Human Services
93.859	P01GM068087	Department of Health and Human Services
93.865	R01HD047242	Department of Health and Human Services
93.866	P01AG019783	Department of Health and Human Services
93.989	D43TW006807	Department of Health and Human Services
96.000	8225-S-01	Westat, Inc.
93.283	210143	NH Dept of Health & Human Services

Program Year: July 1, 2010 to June 30, 2011

Criteria

Subrecipient Monitoring

A pass-through entity is responsible for:

- Subrecipient Audits – (1) Ensuring that subrecipients expending \$500,000 or more in federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period; (2) issuing a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report; and (3) ensuring that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the pass-through entity shall take appropriate action using sanctions.
- Pass-Through Entity Impact – Evaluating the impact of subrecipient activities on the pass-through entity’s ability to comply with applicable federal regulations.

DARTMOUTH COLLEGE

Schedule of Findings and Questioned Costs

Year ended June 30, 2011

Condition Found and Perspective

Thirty subrecipients were selected for testwork. KPMG noted that at the time of the audit Dartmouth had not reviewed any of the subrecipient audit reports and therefore Dartmouth could not determine if a management decision needed to be issued or whether there were any impacts to Dartmouth's federal programs.

Questioned Costs

Not determinable.

Possible Asserted Cause and Effect

The possible cause of this noncompliance appears to be numerous competing projects by the Office of Sponsored Projects that has put the Office behind schedule. The lack of review may result in unallowable or questioned costs at the subrecipient level that impact Dartmouth.

Recommendation

We recommend that Dartmouth implement the necessary procedures to ensure that subrecipient audit reports are reviewed and evaluated in a timely manner.

Views of Responsible Officials

We agree that the completion of the established policy/process of obtaining and reviewing the subrecipient A-133 reports was not completed during the auditors' testwork. They were, however, collected and reviewed by the time that this report was issued. We do not believe that this finding is a weakness of the policy/process but that the timing will be tightened up.

Upon review of the subrecipient's A-133 reports, it was determined that there would be no follow-up action necessary between Dartmouth and the subrecipients.

Contact Person

Kathy Page, Associate Director, Office of Sponsored Projects

DARTMOUTH COLLEGE

Summary Schedule of Prior Audit Findings

June 30, 2011

Finding Number 2010-1

Steps to Correct

This finding was identified during the current year audit, see finding 2011-1. Dartmouth does have the appropriate policies in place to track all equipment and perform departmental inventories on a biannual basis. Dartmouth will review its processes and procedures in this area to identify opportunities for improvement.

Scheduled Completion Date

November 1, 2011

Contact Person

Kathy Page, Associate Director, Office of Sponsored Projects