



**DARTMOUTH COLLEGE**

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, 2010

**DARTMOUTH COLLEGE**

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, 2010

**Table of Contents**

	<b>Page</b>
Independent Auditors' Report	1
Audited Financial Statements for the year ended June 30, 2010	3
Schedule of Expenditures of Federal Awards	26
Notes to Schedule of Expenditures of Federal Awards	37
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 <i>Government Auditing Standards</i>	39
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	41
Schedule of Findings and Questioned Costs	43



KPMG LLP  
P.O. Box 564  
Burlington, VT 05402

Suite 400  
356 Mountain View Drive  
Colchester, VT 05446

## Independent Auditors' Report

The Board of Trustees  
Dartmouth College:

We have audited the accompanying statement of financial position of Dartmouth College (the College) as of June 30, 2010, and the related statements of activities, operating expenses, and cash flows for the year then ended. These financial statements are the responsibility of the College'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 the College's 2009 financial statements and, in our report dated October 23, 2009, 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 the College'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 the College'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 the College'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, 2010, 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 5, 2010 on our consideration of Dartmouth College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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, 2010 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 5, 2010

## Dartmouth College

---

### Statement of Financial Position

As of June 30, 2010, with comparative information as of June 30, 2009  
(in thousands)

---

	2010	2009
<b>Assets</b>		
Cash and cash equivalents	\$ 300,703	\$ 432,409
Receivables and other assets, net	188,748	162,810
Pledges receivable, net	212,718	201,662
Investments held by bond trustees	86,466	155,124
Investments, at fair value	3,615,596	3,156,884
Collateral on securities loaned	-	38,520
Land, buildings, equipment, and construction in progress, net	781,183	755,431
<b>Total assets</b>	<b>5,185,414</b>	<b>4,902,840</b>
<b>Liabilities</b>		
Accounts payable and other liabilities	156,807	70,620
Deferred revenues and deposits	31,454	30,353
Liability for split-interest agreements	45,064	43,664
Pension and other employment related obligations	326,457	251,131
Bonds, mortgages, and notes payable, net	945,102	949,887
Interest rate swap liabilities, at fair value	117,174	81,260
Liabilities for collateral on securities loaned	-	38,520
Conditional asset retirement obligations	21,845	21,675
Government advances for student loans	19,873	19,655
<b>Total liabilities</b>	<b>1,663,776</b>	<b>1,506,765</b>
<b>Total Net Assets</b>	<b>\$ 3,521,638</b>	<b>\$ 3,396,075</b>
<b>Net Assets</b>		
Unrestricted	\$ 863,744	\$ 885,213
Temporarily restricted	1,744,414	1,670,230
Permanently restricted	913,480	840,632
<b>Total Net Assets</b>	<b>\$ 3,521,638</b>	<b>\$ 3,396,075</b>

---

See accompanying notes to the financial statements.

## Dartmouth College

### Statement of Activities

For the year ended June 30, 2010, with summarized financial information for the year ended June 30, 2009

(in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	
				2010	2009
<b>Endowment Activities</b>					
Gifts	\$ 63	\$ 14,203	\$ 46,036	\$ 60,302	\$ 53,909
Net investment return	87,399	210,052	863	298,314	(691,492)
Distributed for spending	(50,371)	(154,088)	-	(204,459)	(229,623)
Other changes	(6,937)	(1,905)	12,321	3,479	7,321
Amounts transferred from other funds, net	2,260	4,834	8,678	15,772	24,620
<b>Change in net assets from endowment activities</b>	<b>32,414</b>	<b>73,096</b>	<b>67,898</b>	<b>173,408</b>	<b>(835,265)</b>
<b>Operating Activities</b>					
Revenues					
Tuition and fees	247,819	-	-	247,819	231,833
Student scholarships	(108,256)	-	-	(108,256)	(99,014)
Net tuition and fees	139,563	-	-	139,563	132,819
Sponsored research grants and contracts	168,130	-	-	168,130	172,638
Dartmouth College Fund and other gifts	53,952	5,204	-	59,156	54,908
Distributed endowment investment return	195,470	6,920	-	202,390	227,184
Other operating income	104,174	59	-	104,233	55,346
Auxiliaries	59,738	-	-	59,738	58,084
Net assets released from donor restrictions	7,529	(7,529)	-	-	-
Total revenues	728,556	4,654	-	733,210	700,979
Expenses					
Academic and student programs	446,884	-	-	446,884	454,542
Sponsored programs	121,744	-	-	121,744	124,437
General institutional services	82,986	-	-	82,986	90,196
Auxiliaries	65,449	-	-	65,449	65,873
Total expenses	717,063	-	-	717,063	735,048
<b>Change in net assets from operating activities</b>	<b>11,493</b>	<b>4,654</b>	<b>-</b>	<b>16,147</b>	<b>(34,069)</b>
<b>Non-operating Activities</b>					
Gifts	-	22,882	-	22,882	15,988
Other non-operating changes, net	20,725	2,089	-	22,814	(7,099)
Distributed endowment investment return	481	1,588	-	2,069	2,439
Increase in outstanding pledges	-	6,443	4,613	11,056	33,488
Pension and postretirement benefit related changes					
other than net periodic benefit costs	(61,082)	-	-	(61,082)	1,214
Disposals and non-capitalized expenditures	(12,641)	(1,086)	-	(13,727)	(2,930)
Net realized and unrealized loss related to					
interest rate swap agreements	(35,914)	-	-	(35,914)	(40,006)
Nets assets released from income restrictions	25,324	(25,324)	-	-	-
Amounts transferred to endowment, net	(2,269)	(13,503)	-	(15,772)	(24,620)
Net change in split-interest agreements	-	3,345	337	3,682	(25,045)
<b>Change in net assets from non-operating activities</b>	<b>(65,376)</b>	<b>(3,566)</b>	<b>4,950</b>	<b>(63,992)</b>	<b>(46,571)</b>
<b>Change in net assets</b>	<b>(21,469)</b>	<b>74,184</b>	<b>72,848</b>	<b>125,563</b>	<b>(915,905)</b>
<b>Net Assets, beginning of year</b>	<b>885,213</b>	<b>1,670,230</b>	<b>840,632</b>	<b>3,396,075</b>	<b>4,311,980</b>
<b>Net Assets, end of year</b>	<b>\$ 863,744</b>	<b>\$ 1,744,414</b>	<b>\$ 913,480</b>	<b>\$ 3,521,638</b>	<b>\$ 3,396,075</b>

See accompanying notes to the financial statements.

Dartmouth College

**Statement of Operating Expenses**

For the year ended June 30, 2010 with summarized financial information for the year ended June 30, 2009  
(in thousands)

	Academic and Student Programs	Sponsored Programs	General Institutional Services				Auxiliaries	Total Expenses	
			Administrative Support	Plant Operation & Maintenance	Development	Total		2010	2009
Salaries and wages	\$ 179,850	\$ 56,270	\$ 23,209	\$ 18,790	\$ 17,308	\$ 59,307	\$ 15,569	\$ 310,996	\$ 313,049
Employee benefits	74,316	17,321	8,240	7,447	6,717	22,404	6,133	120,174	125,747
Fellowships and student support	8,696	3,545	-	-	-	-	-	12,241	11,971
Materials, equipment, and supplies	30,469	11,178	5,168	1,596	1,715	8,479	15,215	65,341	71,754
Purchased services	35,743	30,287	4,556	4,807	5,327	14,690	2,166	82,886	83,854
Utilities, taxes, and occupancy	-	-	-	35,972	-	35,972	6,071	42,043	44,453
Depreciation	30,767	-	2,296	5,548	54	7,898	6,089	44,754	41,917
Lodging, travel, and similar costs	14,927	2,940	771	30	1,111	1,912	93	19,872	22,181
Interest and amortization	-	-	-	15,246	-	15,246	43	15,289	16,970
Other expenses	1,893	203	810	47	341	1,198	173	3,467	3,152
	<u>376,661</u>	<u>121,744</u>	<u>45,050</u>	<u>89,483</u>	<u>32,573</u>	<u>167,106</u>	<u>51,552</u>	<u>717,063</u>	<u>\$ 735,048</u>
Plant operation & maintenance	<u>70,223</u>	<u>-</u>	<u>5,240</u>	<u>(89,483)</u>	<u>123</u>	<u>(84,120)</u>	<u>13,897</u>	<u>-</u>	
<b>Total expenses for FY10</b>	<u>\$ 446,884</u>	<u>\$ 121,744</u>	<u>\$ 50,290</u>	<u>\$ -</u>	<u>\$ 32,696</u>	<u>\$ 82,986</u>	<u>\$ 65,449</u>	<u>\$ 717,063</u>	
<b>Total expenses for FY09</b>	<u>\$ 454,542</u>	<u>\$ 124,437</u>	<u>\$ 55,028</u>	<u>\$ -</u>	<u>\$ 35,168</u>	<u>\$ 90,196</u>	<u>\$ 65,873</u>		<u>\$ 735,048</u>

See accompanying notes to the financial statements.

## Dartmouth College

### Statement of Cash Flows

For the year ended June 30, 2010, with comparative information for the year ended June 30, 2009  
(in thousands)

	2010	2009
<b>Cash flows from operating activities</b>		
Total change in net assets	\$ 125,563	(\$ 915,905)
Adjustments to reconcile total change in net assets to net cash used by operating activities:		
Depreciation, amortization, and loss on debt refinancing	45,089	40,655
Change in estimated value of interest rate swap agreements	35,914	40,006
Other non-cash transactions	2,177	2,054
Contributions, investment income, and other changes restricted for long-term investment	(85,625)	(74,207)
Net realized and unrealized investment return	(333,286)	773,510
Changes in operating assets and liabilities:		
Receivables and other assets, net	(66)	11,054
Pledges receivable, net	(11,056)	(33,488)
Accounts payable and other liabilities	5,029	(5,222)
Deferred revenues and deposits	1,101	(1,013)
Pension and other employment related obligations	75,326	18,357
<b>Net cash used by operating activities</b>	<b>(139,834)</b>	<b>(144,199)</b>
<b>Cash flows from investing activities</b>		
Student loans granted	(13,315)	(14,705)
Student loans repaid	5,918	8,498
Purchases of land, buildings, and equipment	(72,711)	(90,842)
Proceeds from the sale of land, buildings, and equipment	8	9
Net change in split-interest agreements	1,400	(16,817)
Net change in unsettled trades	62,541	(1,954)
Purchases of investments	(8,743,957)	(2,017,344)
Sales and maturities of investments	8,618,531	2,221,034
<b>Net cash provided by (used by) investing activities</b>	<b>(141,585)</b>	<b>87,879</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds, notes payable, and swap agreements	-	537,550
Repayment of bonds, mortgages, notes payable, and swap agreements	(4,788)	(113,067)
Change in investments held by bond trustee	68,658	(101,167)
Contributions, investment income, and other changes restricted for long-term investment in:		
Facilities	17,096	10,045
Endowment, life income, and similar funds	68,529	64,162
Changes in government advances for student loans	218	166
<b>Net cash provided by financing activities</b>	<b>149,713</b>	<b>397,689</b>
<b>Net change in cash and cash equivalents</b>	<b>(131,706)</b>	<b>341,369</b>
Cash and cash equivalents, beginning of year	432,409	91,040
<b>Cash and cash equivalents, end of year</b>	<b>\$ 300,703</b>	<b>\$ 432,409</b>

See accompanying notes to the financial statements.

Dartmouth College  
Notes to Financial Statements

---

**A. Summary of Significant Accounting Policies**

**Description of Organization**

Dartmouth College (the College) is a private, nonprofit, co-educational, nonsectarian institution of higher education with approximately 4,200 undergraduate and 1,800 graduate students. Established in 1769, the College 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. The financial statements of the College include the accounts of its wholly owned subsidiaries and certain affiliated organizations that are financially controlled by the College. 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 the College's mission. Under the authority of the management and Board of Trustees of the College, in order to support the College's strategic initiatives, all or a portion of unrestricted net assets may be set aside in segregated College-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 College-designated net assets include funds designated for operating initiatives, facilities, and long-term quasi-endowment. The purposes for which the College-designated net assets are earmarked may be changed under the authority of the management and Board of Trustees of the College. 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, the College 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 the College'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 the College, investment return that has been appropriated by the College's Board of Trustees is presented as an increase in unrestricted operating or non-operating activities, depending upon the College'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 2010 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 the College's financial statements for the year ended June 30, 2009, from which the summarized information was derived. Certain prior year amounts have been reclassified to conform to the fiscal year 2010 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 in the current economic environment.

**Statement of Activities**

Operating activities presented in the Statement of Activities consist of revenues earned, endowment net investment return appropriated by the College's Board of Trustees, and expenses incurred in conducting the programs and services of the College. 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 the College'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 the College'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 the College'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 the College changes the designation of unrestricted funds.

**Cash and Cash Equivalents**

Cash and cash equivalents consist principally of U.S. treasury notes, 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 70 percent of tuition and fees revenue. Student scholarships provided by the College are presented in the Statement of Activities as a reduction in tuition and fees revenue. In addition, the College acts as an agent for recipients of scholarships from other sponsors in the amounts of \$5,952,000 and \$4,296,000 for the years ended June 30, 2010 and 2009, respectively, which are not presented in the Statement of Activities. The College 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 scholarship grants and work-study 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 the College on U.S. government grants and contracts is based upon negotiated predetermined cost rates through June 30, 2011. The College recovered facilities and administrative costs of approximately \$42,958,000 and \$41,965,000 in the years ended June 30, 2010 and 2009, respectively.

Dartmouth College  
Notes to Financial Statements

---

**Taxes**

The College 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. The College 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 the College's tax exempt purposes. Certain of the College's real estate entities are exempt from federal income tax under Sections 501(c)(2) and 501(c)(25) of the Code. The College believes it has taken no significant uncertain tax positions.

**Affiliation with Dartmouth-Hitchcock Medical Center**

The College, 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 the College 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, 2010 and 2009, the College paid approximately \$24.2 million and \$20.7 million, respectively, and received approximately \$26.2 million and \$24.3 million, respectively, in connection with these arrangements.

**Insurance**

The College 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. The College currently participates in three risk retention groups that provide general liability and professional and medical malpractice liability insurance.

The College's annual premium payments for conventional insurance coverage are included in operating expenses. Estimated liabilities for losses under the College'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 the College 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 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.

Total investment return (interest, dividends, rents, royalties, and net realized and unrealized gains and losses) earned by the College'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 paid to external investment managers are generally based on contractual percentages of the fair market value of assets under management or on annual total investment return. These fees, as well as certain other expenses associated with endowment investment management and custody, including certain internal costs, amounted to approximately \$9,896,000 and \$9,665,000 for the years ended June 30, 2010 and 2009, respectively, and have been netted against endowment return in the accompanying Statement of Activities.

**Endowment**

The College'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 the College'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 the operating and non-operating activities of the College. 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 College designated endowment funds are unrestricted net assets that may be re-designated for authorized expenditures.

The Audit Subcommittee of the Board of Trustees has interpreted the New Hampshire Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring preservation of the original value of gifts, as of the gift date, to donor-restricted endowment funds, absent any explicit donor restrictions to the contrary in the gift instrument. As a result of this interpretation for accounting and financial statement purposes, the College classifies the original value of assets donated to permanent endowment as permanently restricted net assets, along with any investment earnings that are directed by the donor to be reinvested in perpetuity (i.e., historic book value).

Unrestricted endowment net assets include College 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 College 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 the College, 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 the College. The College may or may not, at the discretion of the donor, serve as trustee for the split-interest agreement.

The College has recorded the estimated fair value of the investments associated with irrevocable split-interest agreements and an estimated liability, using a discount rate of 3.2% (2.8% for FY09), for the net present value of the future cash outflows to beneficiaries of the agreements for which the College serves as trustee. In the case of irrevocable split-interest agreements

Dartmouth College  
Notes to Financial Statements

---

whose assets are held in trusts not administered by the College (third-party charitable trusts), a receivable for the College's beneficial interest is established when the College is notified of the trust's existence and when the third-party trustee has provided the College with sufficient reliable information to estimate the value of the receivable. The College 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 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 the College'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**

The College's collections include works of art, literary works, historical treasures, and artifacts that are maintained in the College's 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 the College'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):

	2010	2009
Student accounts	\$ 2,107	\$ 2,227
Sponsored research grants and contracts	25,559	26,949
Other accounts	61,685	41,438
Notes and student loans	85,145	77,748
Less: allowance for uncollectible accounts	(2,565)	(2,587)
Receivables, net	\$ 171,931	\$ 145,775
Prepaid costs, inventories, and other assets	16,817	17,035
<b>Total receivables, and other assets, net</b>	<b>\$ 188,748</b>	<b>\$ 162,810</b>

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 College 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>2010</u>	<u>2009</u>
Gifts to support operations	\$ 59,156	\$ 54,908
Gifts for:		
Facilities and student loans	17,106	10,124
Other restricted uses	5,776	5,864
Endowment	60,302	53,909
Split-interest agreements	<u>3,682</u>	<u>1,153</u>
<b>Total gifts and pledge payments</b>	<u>\$ 146,022</u>	<u>\$ 125,958</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>2010</u>	<u>2009</u>
In one year or less	\$ 83,698	\$ 76,776
Between one year and five years	127,250	114,833
Six years and after	<u>31,857</u>	<u>39,028</u>
Gross pledges receivable	\$ 242,805	\$ 230,637
Less: present values discount	(12,968)	(14,698)
Less: allowance for uncollectible pledges	<u>(17,119)</u>	<u>(14,277)</u>
<b>Pledges receivable, net</b>	<u>\$ 212,718</u>	<u>\$ 201,662</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>2010</u>	<u>2009</u>
Land	\$ 19,090	\$ 19,098
Buildings	863,004	822,159
Land improvements	93,360	84,982
Equipment	<u>219,291</u>	<u>205,083</u>
Land, buildings, and equipment	\$ 1,194,745	\$ 1,131,322
Less: accumulated depreciation	(512,926)	(475,906)
Construction in progress	<u>99,364</u>	<u>100,015</u>
<b>Total net book value</b>	<u>\$ 781,183</u>	<u>\$ 755,431</u>

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

Dartmouth College  
Notes to Financial Statements

**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, July 1, 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	60,947	130,920	863	192,730
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	(4,677)	2,929	20,999	19,251
<b>Endowment net assets, June 30, 2010</b>	<b><u>\$ 741,904</u></b>	<b><u>\$ 1,428,789</u></b>	<b><u>\$ 827,609</u></b>	<b><u>\$ 2,998,302</u></b>

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2008	\$ 983,125	\$ 1,969,089	\$ 707,945	\$ 3,660,159
Investment return:				
Investment income	4,607	13,495	-	18,102
Net loss in fair value:				
Realized	(15,055)	(43,787)	-	(58,842)
Unrealized	(184,679)	(465,235)	(838)	(650,752)
Total investment return	(195,127)	(495,527)	(838)	(691,492)
Gifts	149	20,886	32,874	53,909
Distribution of endowment return to all funds	(57,626)	(171,997)	-	(229,623)
Other changes, net	(21,031)	33,242	19,730	31,941
<b>Endowment net assets, June 30, 2009</b>	<b><u>\$ 709,490</u></b>	<b><u>\$ 1,355,693</u></b>	<b><u>\$ 759,711</u></b>	<b><u>\$ 2,824,894</u></b>

Other changes include additions to the endowment from the maturity of split-interest agreements and net transfers resulting from changes in donor restrictions or College 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 \$1,138,363,000 and \$1,069,933,000 at June 30, 2010 and 2009, respectively.

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	749,133	68,122	-	817,255
Total endowment net assets	<u>\$ 741,904</u>	<u>\$ 1,428,789</u>	<u>\$ 827,609</u>	<u>\$ 2,998,302</u>

Endowment net assets consist of the following as of June 30, 2009 (in thousands):

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (18,708)	\$ 1,291,082	\$ 759,711	\$ 2,032,085
Board-designated endowment funds	728,198	64,611	-	792,809
Total endowment net assets	<u>\$ 709,490</u>	<u>\$ 1,355,693</u>	<u>\$ 759,711</u>	<u>\$ 2,824,894</u>

Dartmouth College  
Notes to Financial Statements

---

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 \$7,229,000 and \$18,708,000 as of June 30, 2010 and 2009, 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.

The College 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 endowment distribution formula is the sum of 70% of the prior fiscal year distribution for operating and non-operating activities adjusted for inflation for the prior fiscal year plus 30% of the average market value of the pooled funds for the four quarters of the prior fiscal year multiplied by a percentage established by the Board of Trustees (6.0% for fiscal years 2010 and 2009). The Board of Trustees approved a one-year distribution of an additional 100 basis points for fiscal year 2009, to be used to help fund operating expenses of some strategic facilities projects, with a cap of 7 percent total distribution for any single fund. 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 sufficient returns to support the current operating needs of the College while maintaining the long-term purchasing power of the endowment. The Investment Committee of the Board of Trustees has determined that a well diversified mix of assets offers the best opportunity for maximum return with acceptable risk over time. Historical averages indicate that an annual return between 8% and 10% is needed to provide adequate support for operations while protecting against inflation and covering investment management fees for the long term. An additional goal is to generate return that exceeds the measure of inflation, achieving "real" growth of the endowment. To meet the overall investment performance objective for the endowment, the College 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):

	2010	2009
Endowment investments	\$ 3,061,762	\$ 2,923,155
Split-interest agreement investments	97,674	93,220
Operating and other investments	456,160	140,509
<b>Total investments</b>	<b>\$ 3,615,596</b>	<b>\$ 3,156,884</b>

For investments held directly by the College 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. The College'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 the College'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, 2010 and 2009, the College had no plans or intentions to sell investments at amounts different from NAV.

Dartmouth College  
Notes to Financial Statements

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 the name of the College, 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 the College'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 the College'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 <sup>1</sup>	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	30-120
Marketable alternative strategies <sup>2</sup>	-	70,615	699,023	769,638	Annual	30-180
Private equity/venture capital	-	-	960,632	960,632	Illiquid	Not Applicable
Real assets:						
Real estate <sup>3</sup>	-	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

<sup>1</sup> Level 3 includes one privately held security that is illiquid.

<sup>2</sup> 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.

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

Dartmouth College  
Notes to Financial Statements

The following table summarizes the College's assets and liabilities that are reported at fair value by their fair value hierarchy classification as of June 30, 2009 (in thousands):

	Level 1	Level 2	Level 3	Total	Redemption or Liquidation	Days' Notice
Assets:						
Investments:						
Cash and cash equivalents	\$ 48,398	\$ -	\$ 6,956	\$ 55,354	Daily	1
Fixed income <sup>1</sup>	40,736	36,907	37,928	115,571	Daily-Annual	1-90
Global equity:						
US equity <sup>2</sup>	166,479	171,889	30	338,398	Daily- Quarterly	1-60
International	35,568	215,720	-	251,288	Daily-Monthly	5-14
Emerging markets	2,390	131,341	-	133,731	Monthly- Quarterly	30-120
Marketable alternative strategies <sup>3</sup>	-	48,676	719,001	767,677	Quarterly- Annual	30-180
Private equity/venture capital	-	-	765,453	765,453	Illiquid	Not Applicable
Real assets:						
Real estate <sup>4</sup>	-	199,492	300,263	499,755	Illiquid	Not Applicable
Other real assets	-	-	226,072	226,072	Illiquid	Not Applicable
Other investments	2	3,164	419	3,585	Not Applicable	Not Applicable
Total investments	293,573	807,189	2,056,122	3,156,884		
Other Assets:						
Investments held by bond trustees	155,124	-	-	155,124	Daily	1
Third-party charitable trusts	-	-	9,973	9,973	Not Applicable	Not Applicable
Total Assets	<u>\$ 448,697</u>	<u>\$ 807,189</u>	<u>\$ 2,066,095</u>	<u>\$ 3,312,981</u>		
Liabilities:						
Interest rate swap agreements	<u>\$ -</u>	<u>\$ 81,260</u>	<u>\$ -</u>	<u>\$ 81,260</u>	Not Applicable	Not Applicable

<sup>1</sup> Fixed income investments include one fund that was gated.

<sup>2</sup> Level 3 includes one privately held security that is illiquid.

<sup>3</sup> Marketable alternative strategies include two funds having an initial lock-up expiring on or before December 31, 2010 and one fund was gated. Other funds may have restrictions on the ability to fully redeem up to three years, excluding illiquid securities and special investments.

<sup>4</sup> 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 portfolio includes investments in commingled funds whose managers employ discrete and blended strategies, including 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.

The College 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 fund managers in the absence of readily determinable market values. The private portfolio is based primarily in the United States but includes

Dartmouth College  
Notes to Financial Statements

managers who may invest globally. The College also owns directly held real estate which is included in the endowment and is valued at fair value.

The following tables present the College's activity for the fiscal years ended June 30, 2010 and 2009 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, 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 return	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>

	Marketable Alternative Strategies	Private Equity/Venture Partnerships	Real Assets	Other	Total
Balance as of June 30, 2008	\$ 1,026,003	\$ 882,129	\$ 555,343	\$ 95,117	\$ 2,558,592
Acquisitions / purchases	1,000	165,777	142,949	2,691	312,417
Distributions / sales	(194,108)	(46,402)	(56,547)	(41,468)	(338,525)
Investment return	27,882	14,108	14,662	-	56,652
Unrealized losses on investments	(141,776)	(250,159)	(130,072)	(1,034)	(523,041)
Balance as of June 30, 2009	<u>\$ 719,001</u>	<u>\$ 765,453</u>	<u>\$ 526,335</u>	<u>\$ 55,306</u>	<u>\$ 2,066,095</u>

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

The College 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, 2010, the College's outstanding commitments to limited partnerships totaled \$676,279,000. 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.

A receivable for unsettled trades of \$23,512,000 and \$4,724,000 at June 30, 2010 and 2009, respectively, is included in receivables and other assets in the Statement of Financial Position. A payable for unsettled trades of \$85,647,000 and \$4,319,000 at June 30, 2010 and 2009, respectively, is included in accounts payable and other liabilities in the Statement of Financial Position.

The College'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.

The College from time to time enters into foreign currency forward contracts to protect long-term investments denominated in foreign currency from currency risk. At June 30, 2010 and 2009, the College held forward contracts to buy foreign currencies

Dartmouth College  
Notes to Financial Statements

in the amount of \$13,999,000 and \$95,000, respectively, and to sell foreign currencies in the amount of \$7,578,000 and \$0, respectively.

At June 30, 2010 and 2009, the College also held options and futures contracts principally as hedges against market concentration risks in certain segments of its investment portfolio. The College recorded a net unrealized loss of \$0 and \$31,000 as of June 30, 2010 and 2009, respectively, pertaining to options contracts held. The difference between the exercise price of open written options contracts and the estimated value of the related underlying securities resulted in a net short position of \$0 and \$7,000 at June 30, 2010 and 2009, respectively. The College 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, 2010 and 2009, the market value of the College's pledged collateral on futures contracts was \$5,427,000 and \$40,000, respectively. The difference between the estimated value of open futures contracts to sell and purchase securities was a net short position of \$9,200,000 and a net long position of \$3,757,000 as of June 30, 2010 and 2009, respectively.

During 2010, the College terminated its participation in a securities lending program. At June 30, 2009, the College had rights to \$38,520,000 of cash as collateral on deposit for certain securities loaned to brokers and other financial institutions, which are reflected as an asset and related liability. The securities temporarily on loan are included in the endowment investments of the College with an estimated fair market value of \$37,528,000 at June 30, 2009.

**G. Bonds, Mortgages, and Notes Payable**

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

	2010	2009
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 .07% to .30% from July 1, 2009 - June 30, 2010)	89,880	89,920
Series '07B, serial bonds maturing through the year 2041, at variable rates (ranging from .07% to .30% from July 1, 2009 - June 30, 2010)	90,000	90,000
Series '03, serial bonds maturing through the year 2023, at variable rates (ranging from .10% to .35% from July 1, 2009 - June 30, 2010)	96,200	99,500
Series '02, term bonds maturing in the year 2032, at variable rates (ranging from .10% to .35% from July 1, 2009 - June 30, 2010)	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 .22% to .37% from July 1, 2009 - June 30, 2010)	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%	25,425	25,730
Subtotal NHHEFA bonds	\$ 641,320	\$ 644,965
Series '09 taxable, term bonds maturing in the year 2019, at a rate of 4.75%	250,000	250,000
Subtotal bonds	\$ 891,320	\$ 894,965
Mortgages on real estate investments, various maturities through 2037 at fixed and variable rates (ranging from 4.34% to 7.10% from July 1, 2009 - June 30, 2010)	41,944	42,807
Commercial Paper (Taxable Commercial Paper Note, Series A, at a rate of .25%)	7,000	7,000
Note payable, maturing in 2012 at a rate of 5.5%	637	917
Subtotal bonds, mortgages, and notes payable	\$ 940,901	\$ 945,689
Original issue premium, net	4,201	4,198
<b>Total bonds, mortgages, and notes payable, net</b>	<b>\$ 945,102</b>	<b>\$ 949,887</b>

Dartmouth College

Notes to Financial Statements

Included in interest and amortization presented on the Statement of Operating Expenses is interest expense on debt used to finance facilities projects of \$15,351,000 and \$16,514,000, and on other operating indebtedness of \$195,000 and \$305,000 for the years ended June 30, 2010 and 2009, respectively. In addition, interest paid on debt used to finance facilities projects of \$8,112,000 and \$594,000 was capitalized in connection with various construction projects for the years ended June 30, 2010 and 2009, respectively.

Interest expense on debt used to finance student loans totaled \$2,009,000 and \$2,024,000 for the years ended June 30, 2010 and 2009, 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 \$17,449,000 and \$4,955,000 for the years ended June 30, 2010 and 2009, 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 \$1,964,000 and \$1,852,000 for the years ended June 30, 2010 and 2009, respectively, and is presented as a deduction in endowment net investment return in the Statement of Activities.

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
2011	\$ 11,976
2012	20,177
2013	14,491
2014	8,458
2015	8,843
Thereafter	876,956
Total	\$ 940,901

Principal due after June 30, 2015, includes the following “balloon” payments due on the College’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 \$946,070,000 and \$892,566,000 as of June 30, 2010 and 2009, 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 the College 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. The College has agreed to certain covenants with respect to encumbrance or disposition of the College's 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, the College entered into six interest rate swap agreements. Information related to these interest rate swap agreements as of June 30, 2010, including the fixed interest rate paid by the College 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 the College's liability under these agreements on the date they were entered into was approximately \$84,268,000. The fair value of these agreements at June 30, 2010 and 2009, based on various factors contained in the interest rate swap agreements and certain interest rate assumptions, was approximately \$117,174,000 and \$81,260,000, respectively, and is included in other liabilities in the Statement of Financial Position. The increase of \$35,914,000 in the liability for the year ended June 30, 2010 is presented as an unrealized loss and the decrease of \$3,008,000 in the liability for the year ended June 30, 2009 is presented as an unrealized gain 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. The counter-parties for these swap transactions are two major financial institutions that meet the College's criteria for financial stability and creditworthiness.

The College maintains stand-by bond purchase agreements totaling approximately \$420,000,000 to provide alternative liquidity to support the College's variable rate bonds. There were no amounts outstanding at June 30, 2010 and 2009 under these agreements.

In August 2008, the College 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 has a maturity date of August 7, 2011. There have been no borrowings by the College 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):

	2010	2009
Retirement and postretirement benefits	\$ 295,855	\$ 219,221
Compensated absences, severance plans, and other commitments	20,212	20,745
Self-insured benefits	10,390	11,165
<b>Total employment related obligations</b>	<b>\$ 326,457</b>	<b>\$ 251,131</b>

In fiscal year 1998, the College 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 College's 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. The College's postretirement medical benefits consist of medical insurance coverage for retirees.

Dartmouth College  
Notes to Financial Statements

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

	Pension Benefits		Postretirement Benefits	
	2010	2009	2010	2009
<b>Change in benefit obligation:</b>				
Beginning of year	\$ 94,402	\$ 90,528	\$ 195,812	\$ 198,860
Service cost	2,667	2,683	8,998	10,298
Interest cost	6,171	6,073	13,538	13,780
Benefits paid	(8,387)	(6,307)	(3,993)	(3,409)
Actuarial (gain)/loss	16,923	1,425	47,364	(23,717)
End of year	<u>\$ 111,776</u>	<u>\$ 94,402</u>	<u>\$ 261,719</u>	<u>\$ 195,812</u>
<b>Change in estimated fair value of plan assets:</b>				
Beginning of year	\$ 75,858	\$ 90,842	\$ -	\$ -
Actual return on plan assets	12,590	(13,677)	-	-
Employer contributions	5,000	5,000	3,993	3,409
Benefits paid	(8,387)	(6,307)	(3,993)	(3,409)
End of year	<u>\$ 85,061</u>	<u>\$ 75,858</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Funded status (plan assets less than benefits obligation)</b>	<u>\$ (26,715)</u>	<u>\$ (18,544)</u>	<u>\$ (261,719)</u>	<u>\$ (195,812)</u>
<b>Net periodic benefit (income) cost included the following:</b>				
Service cost	\$ 2,667	\$ 2,683	\$ 8,998	\$ 10,298
Interest cost	6,171	6,073	13,538	13,780
Expected return on assets	(6,841)	(6,744)	-	-
Amortization of prior service cost (credit)	904	954	(4,158)	(4,158)
Recognized net actuarial loss	-	-	709	2,546
Net periodic benefit cost	<u>\$ 2,901</u>	<u>\$ 2,966</u>	<u>\$ 19,087</u>	<u>\$ 22,466</u>
<b>Weighted-average assumptions:</b>				
Discount rate used to determine net periodic benefit cost	6.80%	7.00%	7.00%	7.00%
Expected return on plan assets	7.50%	7.50%	-	-
Rate of compensation increase	4.00%	5.50%	-	-
Discount rate used to determine benefit obligations	5.40%	6.80%	5.75%	7.00%

The estimated net (income) cost that will be amortized into net periodic benefit cost during the 2011 fiscal year for the pension benefits and the postretirement benefits are \$2,414,000 and (\$497,000), respectively.

On March 4, 2008, the College announced changes to its postretirement health insurance plan that became effective July 1, 2009. The changes include modifications in plan design for retirees and in cost-sharing for current employees. On July 1, 2009, the College determined the percentage of retiree health insurance premium that it will subsidize for each current employee who qualifies at retirement for enrollment in the group health insurance plan. New employees hired on or after July 1, 2009 are eligible to purchase the retiree group health insurance if they qualify at retirement. These plan changes result in lower annual plan expenses beginning in fiscal year 2009.

Dartmouth College

Notes to Financial Statements

For the year ending June 30, 2010, the increase in pension and other employment related obligations, increase in total liabilities, and decrease in unrestricted net assets of \$83,070,000 consists of the following (in thousands):

	Pension Benefits	Postretirement Benefits	Total
Amounts recognized in non-operating activities:			
Net actuarial loss	\$ 11,173	\$ 47,364	\$ 58,537
Amortization of gain	-	(709)	(709)
Amortization of prior service cost (credit)	(904)	4,158	3,254
Total	10,269	50,813	61,082
Amounts recognized in operating activities:			
Net periodic pension cost	2,901	19,087	21,988
Total	\$ 13,170	\$ 69,900	\$ 83,070

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 <sup>1</sup>	20,974	-	-	20,974
International	19,749	-	-	19,749
Emerging markets	5,999	-	-	5,999
Limited partnerships <sup>2</sup>	-	-	3,702	3,702
Real estate <sup>3</sup>	-	-	3,461	3,461
Total investments	\$ 53,010	\$ 24,888	\$ 7,163	\$ 85,061

<sup>1</sup> This category includes fixed income securities and other financial instruments related to fixed income products.

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

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

The overall investment strategy of the defined benefit pension plan (the Plan) employs dynamic rebalancing to reduce portfolio level risk as the funded status of the Plan improves. Rebalancing occurs across a diversified asset mix, including securities in the global equity and fixed income markets. The global equity exposure is designed to capture the equity market performance of developed markets. The 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 include investments in private equity and real estate funds that employ different underlying strategies. This asset mix is designed to meet near-term benefit payment obligations as well as provide the potential for longer-term growth. Outside investment advisors are utilized to manage Plan assets and are selected based on their investment style, philosophy, and past performance. The expected long-term return on the investments of the Plan is 7.5%. This rate represents a weighted aggregation of the projected returns for each asset class considering both historical returns and future expectations. The College's Investment Office is responsible for managing the asset allocation and investment risk management of the Plan. The College currently expects to contribute approximately \$5,000,000 to the Plan in fiscal year 2011.

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
2011	\$ 7,600	\$ 5,272
2012	6,500	5,776
2013	7,000	6,476
2014	7,200	7,185
2015	7,800	8,037
Years 2016 -2020	46,500	55,847

Dartmouth College  
Notes to Financial Statements

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 2011, decrease gradually to 5% and 6% in fiscal year 2018, and remain level thereafter. The College'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	\$ 6,353	\$ (4,867)
Increase (decrease) in postretirement benefit obligation	\$ 53,170	\$ (41,735)

The College also maintains defined contribution retirement plans for its employees. These benefits are individually funded and are subject to various vesting requirements. Under these arrangements, the College makes monthly contributions to individual self-directed retirement investment accounts for the participants. These contributions for the years ended June 30, 2010 and 2009 were \$24,120,000 and \$24,282,000, respectively.

**I. Other Operating Income**

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

	<u>2010</u>	<u>2009</u>
Medical School clinical services and other support	\$ 49,517	\$ 45,000
Foreign study and continuing education programs	11,274	13,239
Student activities and other program revenue	11,260	10,466
Athletics revenues	3,836	3,380
Hopkins Center and Hood Museum	1,193	1,750
Other revenues	13,693	13,282
Investment income (loss)	<u>13,460</u>	<u>(31,771)</u>
<b>Total other operating income</b>	<u>\$ 104,233</u>	<u>\$ 55,346</u>

**J. Net Assets**

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

	<u>2010</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>Detail of net assets:</b>				
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 and similar funds	<u>741,904</u>	<u>1,428,789</u>	<u>827,609</u>	<u>2,998,302</u>
<b>Total net assets</b>	<u>\$ 863,744</u>	<u>\$ 1,744,414</u>	<u>\$ 913,480</u>	<u>\$ 3,521,638</u>

Dartmouth College  
Notes to Financial Statements

	2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>Detail of net assets:</b>				
Operating funds	\$ 185,444	\$ 70,434	\$ -	\$ 255,878
Pledges	-	151,042	50,620	201,662
Postretirement and pension benefit obligations	(214,356)	-	-	(214,356)
Third-party charitable trusts	-	7,041	2,932	9,973
Facilities, equipment, and capital projects	272,637	38,810	-	311,447
Fair value of interest rate swap agreements	(81,260)	-	-	(81,260)
Funding for student loans	13,258	25,023	-	38,281
Life income, annuity, and similar funds	-	22,187	27,369	49,556
Endowment and similar funds	709,490	1,355,693	759,711	2,824,894
<b>Total net assets</b>	<u>\$ 885,213</u>	<u>\$ 1,670,230</u>	<u>\$ 840,632</u>	<u>\$ 3,396,075</u>

**K. Commitments and Contingencies**

Outstanding commitments on uncompleted construction contracts total \$75,665,000 at June 30, 2010.

All funds expended by the College 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 the College's financial position.

In conducting its activities, the College 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 the financial position of the College.

**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 the College receives benefits that are shared with other beneficiaries. GAAP requires the College to report at estimated fair value its interest in an irrevocable split-interest agreement when the College is notified of an agreement's existence. When the College is not the trustee of the assets associated with a split-interest agreement, the College recognizes these assets only when the College is 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. The College requests information regularly from third-party trustees for financial reporting purposes; however, these trustees are not obligated to provide the College with the information necessary to estimate fair value and record the asset. The College respects the privacy of donors and trustees in these limited instances.

As of June 30, 2010 and 2009, third-party trustees have not provided the College with sufficient information necessary to estimate the fair value of the College's interest in certain trusts. The College has not recorded an asset in connection with these trusts due to the uncertainty surrounding the potential value of the College's interest in these trusts as of June 30, 2010 and 2009. If the College's interest in these trusts were reflected on the Statement of Financial Position, the College's assets and net assets would be greater than the amounts reported in the accompanying financial statements.

**M. Related Party Transactions**

Members of the College's Board of Trustees and senior management may, from time to time, be associated, either directly or indirectly, with companies doing business with the College. The College has a written conflict of interest policy that requires annual reporting by each Trustee, as well as senior management. Additionally, the College 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 College 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

Dartmouth College  
Notes to Financial Statements

---

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 the College, 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, 2010 and through November 5, 2010, the date on which the financial statements were issued.

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
Major programs:		
Research and development:		
American Recovery and Reinvestment Act:		
10.678 Forest Service	09-CS-11094419-005	\$ 289
45.000 New England Foundation for the Arts	N/A	5,200
45.000 New England Foundation for the Arts	N/A	7,950
47.082 National Science Foundation (NSF)	AST-0908345	28,830
47.082 National Science Foundation (NSF)	ANT-0838950	39,780
47.082 National Science Foundation (NSF)	CHE-0910746	147,637
47.082 National Science Foundation (NSF)	PHY-0903727	32,729
47.082 National Science Foundation (NSF)	DEB-0841862	4,530
47.082 National Science Foundation (NSF)	DEB-0841862	15,883
47.082 National Science Foundation (NSF)	CNS-0910842	454,710
47.082 National Science Foundation (NSF)	CHE-0848354	83,069
47.082 National Science Foundation (NSF)	DBI-0922631	730,184
47.082 National Science Foundation (NSF)	ARC-0909270	52,076
47.082 National Science Foundation (NSF)	IIS-0905206	33,024
47.082 National Science Foundation (NSF)	ANT-0840669	42,182
47.082 National Science Foundation (NSF)	ATM-0903896	37,339
47.082 National Science Foundation (NSF)	EF-0842267	20,055
47.082 National Science Foundation (NSF)	ARC-0908156	702
47.082 National Science Foundation (NSF)	ECCS-0925280	39,035
47.082 National Science Foundation (NSF)	ANT-0838896	31,564
47.082 National Science Foundation (NSF)	DMR-0905229	78,219
47.082 National Science Foundation (NSF)	EAR-0911071	67,879
47.082 National Science Foundation (NSF)	ATM-0921979	3,900
47.082 National Science Foundation (NSF)	ANT-0838745	42,818
84.000 Department of Education	P033A092503	235,474
93.000 Research Foundation for Mental Hygiene, Inc.	1007967	283,837
93.000 Feinstein Institute for Medical Research	DMS01	402,887
93.000 Beth Israel Deaconess Medical Center	1023726	18,372
93.000 Health Resources & Svcs Admin (HRSA) (Non LOC)	HSH250200900056C	87,705
93.000 University of Illinois	2010-03958-11	2,549
93.000 Nat'l Cancer Institute (NCI)	R01CA105038	20,363
93.000 Nat'l Cancer Institute (NCI)	1R01CA132750-01A1	260,790
93.000 Nat'l Center for Research Resources (NCRR)	P20RR016437	313,532
93.000 Nat'l Center for Research Resources (NCRR)	P20RR016437	154,128
93.000 Nat'l Cancer Institute (NCI)	3R01CA23079-03S1	283,893
93.000 University of Rochester	100027-D	32,864
93.701 Nat'l Heart Lung & Blood Institute (NHLBI)	R01HL090036	173,089
93.701 Children's Hospital Boston	328984	62,576
93.701 Harvard University	149728.386555.0102	351,621
93.701 University of Washington	666287Z	20,793
93.701 Group Health Research Institute	2009122364	63,610
93.701 University of California, Los Angeles	1580G MD852	1,239
93.701 University of Miami	M153124	11,905
93.701 Saint Louis University	N/A	15,743
93.701 John E. Fogarty International Center (FIC)	R25TW008124	49,283
93.701 John E. Fogarty International Center (FIC)	R25TW008124	72,569
93.701 Nat'l Inst on Drug Abuse (NIDA)	R01DA025211	341,962
93.701 Nat'l Cancer Institute (NCI)	R21CA141083	111,290
93.701 Nat'l Heart Lung & Blood Institute (NHLBI)	R01HL073442	323,945
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	P42ES007373	73,639
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R21HD050726	4,932
93.701 Nat'l Inst on Deafness & Othr Comm Disord (NIDCD)	R01DC007911	61,317
93.701 Nat'l Inst on Drug Abuse (NIDA)	R01DA026799	186,676
93.701 Nat'l Inst on Deafness & Othr Comm Disord (NIDCD)	R01DC009318	20,103
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R21AI084570	234,611
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	R01ES013168	5,870
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	1R21AI079369-01A1	154,863
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R01AI076298	452,287
93.701 Nat'l Center for Research Resources (NCRR)	R21RR024411	11,800
93.701 Nat'l Center for Research Resources (NCRR)	R21RR024411	134,191
93.701 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK)	R01DK041841	21,485
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	T32GM008704	77,729

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
93.701 Nat'l Center for Research Resources (NCRR)	P20RR018787	\$ 136,043
93.701 Nat'l Inst of Arth & Musculoskeletal Skin(NIAMS)	R01AR049834	294,897
93.701 Nat'l Inst of Neurological Disord & Stroke (NINDS)	R01NS053907	69,314
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R01AI078195	109,874
93.701 Nat'l Heart Lung & Blood Institute (NHLBI)	R01HL092085	418,020
93.701 Nat'l Cancer Institute (NCI)	R01CA124634	85,662
93.701 Nat'l Cancer Institute (NCI)	R01CA118443	100,322
93.701 Nat'l Cancer Institute (NCI)	R01CA084463	114,791
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	R01ES013168	119,724
93.701 Nat'l Cancer Institute (NCI)	R01CA108539	186,406
93.701 Nat'l Cancer Institute (NCI)	R01CA077026	119,774
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	1R01AI084121-01	288,985
93.701 Nat'l Cancer Institute (NCI)	R01CA131141	154,360
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	P42ES007373	31,830
93.701 Nat'l Inst of Environmental Health Science (NIEHS)	P42ES007373	80,342
93.701 Nat'l Cancer Institute (NCI)	3K07CA102327-05S1	43,482
93.701 Nat'l Cancer Institute (NCI)	T32CA009658	40,939
93.701 Nat'l Cancer Institute (NCI)	K07CA113949	30,145
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R01AI048667	157,069
93.701 Nat'l Inst of Biomed Imaging & Bioeng (NIBIB)	RC1EB011000	250,988
93.701 Nat'l Cancer Institute (NCI)	R01CA098286	298,821
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	P01GM068087	407,188
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R21HD060829	91,255
93.701 Nat'l Library of Medicine (NLM)	R01LM009012	27,730
93.701 Nat'l Library of Medicine (NLM)	R01LM009012	92,282
93.701 Nat'l Cancer Institute (NCI)	P30CA023108	11,822
93.701 Nat'l Cancer Institute (NCI)	R01CA057359	31,116
93.701 Nat'l Inst on Aging (NIA)	RC1AG036268	282,849
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM066919	45,666
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM051542	61,929
93.701 Nat'l Cancer Institute (NCI)	R01CA124515	60,631
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM020379	115,392
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM069818	137,275
93.701 Nat'l Cancer Institute (NCI)	R01CA077026	226,070
93.701 Nat'l Cancer Institute (NCI)	RC2CA148259	587,346
93.701 Nat'l Cancer Institute (NCI)	R01CA123079	144,019
93.701 Nat'l Cancer Institute (NCI)	P30CA023108	69,797
93.701 Nat'l Inst of Allergy & Infectious Diseases (NIAID)	R21AI081242	3,014
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD049762	14,766
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD049762	32,887
93.701 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD047242	28,047
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM077031	30,183
93.701 Nat'l Inst of General Medical Sciences (NIGMS)	R01GM069950	33,712
n/a Jet Propulsion Laboratory	1392811	82,665
American Recovery and Reinvestment Act Total		<u>12,884,535</u>
U.S. Department of Health and Human Services:		
Direct awards (93.RD):		
National Institute of Health		73,886,030
National Institute of Health Research Training		2,062,229
Public Health Services Center		2,219,396
Subtotal		<u>78,167,655</u>
Subagreements:		
93.000 Beth Israel Deaconess Medical Center	BIDMC	7,690
93.846 Boston University	GC202593NGC	99,468
93.846 Boston University	3811-5	100,204
93.855 Boston University	3361-5	19,604
93.000 Brandeis University	TASK 01	(4,713)
93.000 Brandeis University	TASK 01	(415)
93.000 Brandeis University	4-01238	12,829
93.393 Brigham & Women's Hospital	113956-0002	14,889
93.000 Brown University	228	256,710
93.000 Brown University	229	120,930
93.000 Brown University	303	92,566

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
93.393 Brown University	00000181/P252642	\$ 212,332
93.853 Brown University	197	10,812
93.853 Brown University	304	79,424
93.000 Celdara Medical, LLC.	PRIME:1R43HL097464-01	48,897
93.000 Celdara Medical, LLC.	N/A	16,361
93.865 Children's Hospital Boston	293448	9,654
93.865 Children's Hospital Boston	293448	217,275
93.865 Children's Hospital Boston	293448	387,722
93.865 Children's Hospital Boston	0000348342/43/44	2,672
93.865 Children's Hospital Boston	0000348342/43/44	69,227
93.865 Children's Hospital Boston	0000348342/43/44	124,824
93.000 Clin-EPR, LLC	N/A	66,391
93.000 Colorado Foundation for Medical Care	n/a	42,417
93.000 Community Connections	COMM CONNECTIONS	79
93.243 Community Connections	1H79SM058316-01	37,261
93.989 Cornell University	7091053	6,034
93.000 Duke University	2000 G GM608	18,429
93.000 Duke University	4520904062	57,642
93.143 Duke University	08-SC-NIH-1088	21,369
93.859 Duke University	08-SC-NIH-1057	39,766
93.000 Dynamic Clinical Systems, Inc.	SBIR Topic 212	93,310
93.393 Emory University	S366651	28,905
93.000 Feinstein Institute for Medical Research	pre-award	(35)
93.000 Fox Chase Cancer Center	16186-06	10,245
93.395 Fox Chase Cancer Center	16186-05	(382)
93.393 Fred Hutchinson Cancer Research Center	655603	(2,347)
93.393 Fred Hutchinson Cancer Research Center	674921	36,393
93.000 Georgetown University	RX 4464-002-DC	223,257
93.392 Georgia Institute of Technology	RA306-S4	28,832
93.399 Group Health Research Institute	CA079689-11-DARTMOUTH	15,392
93.000 ImmuRx Inc	PRE-AWARD	26,932
93.000 ImmuRx Inc	PRE-AWARD	2,828
93.866 Indiana University	Amend 1	12,043
93.866 Indiana University	AMEND 2	138,833
93.000 Johns Hopkins University	2000456531	359,000
93.000 Johns Hopkins University	n/a	76,146
93.399 Johns Hopkins University	2000010033	3,183
93.855 Johns Hopkins University	n/a	29,854
93.859 Johns Hopkins University	8505-03011	10,134
93.867 Johns Hopkins University	200925494	11,351
93.172 Lehigh University	541370-78001	(767)
93.172 Lehigh University	541370-78001	634
93.000 Les Centres Gheskio	n/a	(973)
93.855 Les Centres Gheskio	N/A	6,932
93.000 Massachusetts General Hospital	206321	136,879
93.279 Massachusetts General Hospital	206321	(778)
93.393 Massachusetts General Hospital	PS#213172	37,557
93.393 Massachusetts General Hospital	PS#213172	17,325
93.395 Massachusetts General Hospital	213580	73,485
93.395 Massachusetts General Hospital	213589	93,808
93.395 Massachusetts General Hospital	213580	78,466
93.395 Massachusetts General Hospital	213589	104,151
93.395 Mayo Clinic	1R01CA150190-01	8,035
93.847 Mayo Clinic	5U01DK065713-04	83,865
93.848 Mayo Clinic	1U01DK65713-01-A	(2,160)
93.848 Mayo Clinic	5U01DK065713-03	13,173
93.837 MedStar Research Institute	1820B	(7,228)
93.242 NH Div of Community Based Care Services	010-092-7868-091	(17,252)
93.069 NH Div of Public Health Services	PO #1002363	38,683
93.069 NH Div of Public Health Services	1002363	350
93.069 NH Div of Public Health Services	1002363	4,042
93.069 NH Div of Public Health Services	PO #1002363	1,840
93.069 NH Div of Public Health Services	PO #1002363	6,015
93.283 NH Div of Public Health Services	190138	82
93.283 NH Div of Public Health Services	191038	127,085

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
93.283 NH Div of Public Health Services	191038	\$ 451,714
93.242 Northern California Institute for Research & Education	VIN1478/Re: 071298	2,766
93.242 Northwestern University	60023824 DC	24,490
93.000 Olmstead Medical Center	OMC	21,848
93.846 Oregon Health & Science University (OHSU)	AFAMP0076-DC	10,621
93.846 Oregon Health & Science University (OHSU)	AFAMP0076-DC	10,209
93.000 Physical Sciences, Inc.	SC46582-1579-46	29,762
93.242 Princeton University	1524	61,826
93.242 Princeton University	1524	67,484
93.000 Psychological Applications	N/A	85,155
93.859 Purdue University	8000015743-01	79,325
93.000 Radiation Monitoring Devices, Inc.	C09-24	18,454
93.393 Regents of the University of Minnesota	P000265801	63,851
93.000 Research Foundation for Mental Hygiene, Inc.	pre-award	(75)
93.000 Response Applications	N/A	1,850
93.000 Response Applications	N/A	3,349
93.000 Simbex	HD48638	53,347
93.000 Simbex	HD48638	37,041
93.242 Social & Scientific Systems, Inc	BRS-IMPCT-Q-06-00144-T001	275,110
93.867 Thomas Jefferson University	080-19250-R78204	10,779
93.867 Thomas Jefferson University	080-19250-R92701	7,579
93.867 Thomas Jefferson University	080-19250-R92702	93,090
93.867 Thomas Jefferson University	n/a	28,378
93.859 Tufts University	HS0356	60,217
93.859 Tufts University	HS4205	88,273
93.865 Tufts University	M330001-HS2815	37,700
93.242 Univ of Colorado-Denver & Health Sciences Center	FY10.513.003	35,943
93.242 University of California, San Diego	10288895	15,858
93.867 University of California, San Francisco	4293SC	24,851
93.867 University of California, San Francisco	4293sc	49,939
93.867 University of California, San Francisco	5640sc	76,650
93.000 University of Chicago	35704	17,614
93.000 University of Chicago	35704	162,803
93.837 University of Connecticut Health Center	911509	46,760
93.867 University of Dayton Research Institute	RSC07040	33,622
93.273 University of Georgia	RR274-272/4688298	76,474
93.361 University of Medicine & Dentistry of NJ	402010	151,273
93.000 University of Michigan	3001369865	79,977
93.399 University of Michigan	3001188166	86,687
93.393 University of Missouri	C00023743-2	12,330
93.838 University of Pennsylvania	n/a	18,240
93.853 University of Pennsylvania	547719	14,459
93.000 University of Pittsburgh	PRE-AWARD	40,449
93.838 University of Pittsburgh	7065	67,872
93.855 University of Rochester	414374-G	55,250
93.855 University of Rochester	414939-G	642,298
93.000 University of Southern California	H40024	135,285
93.393 University of Southern California	H35327	14,673
93.393 University of Southern California	H42296	381,236
93.393 University of Texas, M D Anderson Cancer Center	27003/98012113	717
93.393 University of Texas, M D Anderson Cancer Center	PRE-AWARD	2,807
93.000 University of Texas, San Antonio	130525/122710	4,361
93.855 University of Tulsa	14-2-1203352-94815	45,303
93.000 University of Vermont	22605	94,149
93.000 University of Virginia	GC11875-134293	353,686
93.000 University of Virginia	PRE-AWARD	19,645
93.393 University of Washington	659975	25,497
93.846 Washington University	WU-10-157	2,331
93.395 Wayne State University	WSU08037	4,251
93.000 Westat, Inc.	8101-S05	22,500
93.000 Woomera Therapeutics, Inc.	N/A	103,516
93.000 Yale University	PRE-AWARD	18,414
Subtotal		<u>8,657,336</u>
U.S. Department of Health and Human Services total		<u>86,824,991</u>

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
National Science Foundation:		
Direct awards (47.RD)		\$ 7,679,657
Subagreements:		
47.050 Boston University	GC176992NGA	428,940
47.078 Montana State University	G125-09-W-1837	11,279
47.000 Portland State University	208FOU073	78,512
47.000 Portland State University	208HAM121	(603)
47.000 Portland State University	208HAM121	24,885
47.074 Purdue University	4101-19822	273,941
47.050 Stanford University	24319670-47267-A	19,890
47.070 University of Connecticut	4454	(70)
47.070 University of Illinois	2005-04510-03	5,717
47.070 University of Illinois	2005-04510-03	62,589
47.078 University of Maine	UM-S620	4,527
47.080 University of New Hampshire	08-035	56,130
47.080 University of New Hampshire	08-035	75,904
47.080 University of New Hampshire	09-064	8,458
47.080 University of New Hampshire	09-064	52,236
47.080 University of New Hampshire	n/a	49,556
47.074 University of North Carolina at Chapel Hill	5-54525	319,279
47.001 University of Wisconsin-Madison	G074476	91,120
Subtotal		<u>1,562,290</u>
National Science Foundation total		<u>9,241,947</u>
U.S. Department of Defense:		
Direct awards (12.RD)		6,193,750
Subagreements:		
12.000 BAE Systems National Security Solutions Inc.	709191	5,226
12.800 Cal State L.A. Auxiliary Services, Inc.	DART – CRESPI 230391	122,778
12.300 Creare, Inc.	52444	111,399
12.000 Massachusetts General Hospital	208608	84,715
12.420 Milcord, LLC	SC-1109-01	16,358
12.910 Resonance Research, Inc.	N/A	120,000
12.420 Rutgers the State University	3416	158,144
12.000 Securboratorion, Inc.	FUSED INTENT	(15,876)
12.000 Securboratorion, Inc.	SBIR PROGRAM	(9,214)
12.800 Securboratorion, Inc.	n/a	75,650
12.800 Securboratorion, Inc.	FA8750-09-C-0050	73,984
12.630 Sound Innovations	STTR	128,155
12.431 Triton Systems, Inc	TSI-4029-08-78777	19,544
12.300 University of Alaska, Fairbanks	08-0115	14,962
12.431 University of California, San Diego	10291747	173,658
12.300 University of Maryland	Z882803	54,815
12.800 University of Maryland	Z805403	87,652
12.431 University of Wisconsin-Madison	F307145	130,156
12.300 Virginia Polytechnic Institute & State University	CR-19715-425773	15,659
Subtotal		<u>1,367,765</u>
U.S. Department of Defense total		<u>7,561,515</u>
U.S. National Aeronautics and Space Administration:		
Direct awards (43.RD)		2,734,464
Subagreements:		
43.000 Massachusetts Institute of Technology	5710002466	19,206
43.000 Massachusetts Institute of Technology	5710002466	24,069
43.000 Regents of the University of Minnesota	X5336545104	1,641
43.001 Science Systems and Applications, Inc.	2616-08-032	24,173
43.001 Science Systems and Applications, Inc.	2616-08-032	23,829
43.001 Smithsonian Astrophysical Observatory (SAO)	G08-9065B	208
43.001 University of Chicago	TRACS 33907	27,243
43.000 University of New Hampshire	08-015	64,145
Subtotal		<u>184,514</u>
U.S. National Aeronautics and Space Administration total		<u>2,918,978</u>

**DARTMOUTH COLLEGE**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2010

	Award #	Total expenditures
U.S. Department of Agriculture:		
Direct awards (10.RD)		\$ 265,302
Subagreements:		
10.652 University of New Hampshire	PZ09-013	17,898
Subtotal		17,898
U.S. Department of Agriculture total		283,200
Veteran's Administration:		
Direct awards (64.RD, 27.RD, 24.RD)		398,590
Veteran's Administration total		398,590
U.S. Department of Commerce:		
Direct awards (11.6XX)		612,204
Subagreements:		
11.000 Ecosystems Research Group, Ltd.	n/a	84,450
11.417 University of New Hampshire	08-098	38,464
11.417 University of New Hampshire	08-098	53,409
Subtotal		176,323
U.S. Department of Commerce total		788,527
U.S. Department of Energy:		
Direct awards (81.RD)		442,634
Subagreements:		
81.049 Ames Laboratory	SC-07-301	33,088
81.000 Mascoma Corporation	BESC	(1,050)
81.000 Mascoma Corporation	BESC	2,064,933
81.122 University of Illinois	2010-01251-01	22,082
81.000 University of New Hampshire	08-028	280,672
Subtotal		2,399,725
U.S. Department of Energy total		2,842,359
U.S. Department of Homeland Security:		
Direct awards (97RD)		3,801,846
Subagreements:		
97.061 Univ of Colorado-Denver & Health Sciences Center	56485	2,060
97.061 University of Maryland	Z930113	164,790
97.061 University of Maryland	Z955903	9,051
97.061 University of Texas, El Paso	PRE-AWARD	46,087
Subtotal		221,988
U.S. Department of Homeland Security total		4,023,834
U.S. Environmental Protection Agency:		
Direct awards (66.RD)		221,066
Subagreements:		
67.509 Duke University	06-SC-EPA-1059	(1,385)
67.509 Colorado School of Mines	4-42760/15220	25,005
Subtotal		23,620
U.S. Environmental Protection Agency total		244,686
U.S. Department of Education:		
Direct awards (84.RD)		670,123
84.116Z Department of Education	P116Z09101	118,534
84.200A Department of Education	P200A0900030	128,156
Subtotal		916,813
Subagreements:		
84.000 Harvard University	108074-5025571	17,146
U.S. Department of Education total		933,959
Other federal awards:		
15.000 MMS Engineering & Research Branch	M09PC00026	72,521
16.565 Office of Justice Programs	2003-TK-TX-0003	(33,211)
16.565 Office of Justice Programs	2003-TK-TX-0003	(3,677)

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

		<u>Award #</u>	<u>Total expenditures</u>
16.565	Office of Justice Programs	2003-TK-TX-0003	\$ (101)
16.169	National Endowment for the Humanities	HD-50849-09	22,584
			<hr/>
			58,116
Subagreements:			
15.000	Hawk Migration Association of North America	N/A	8,827
15.647	Hawk Migration Association of North America	n/a	(165)
84.133B	Boston University	GC207911NCG	23,120
45.000	Johns Hopkins University	2000529736	13,760
96.007	University of Michigan	10-M-98362-5-01	51,720
96.007	University of Michigan	3001387834 UM10-21	74,765
96.007	University of Michigan	3001387964 UM10-12	74,765
96.007	RAND Corporation	9920100027	169,446
96.007	RAND Corporation	19-F-10002-9-01	62,949
96.000	Westat, Inc.	8225-S-01	343,753
96.000	Westat, Inc.	8225-S-01	363,942
			<hr/>
Total other federal awards			1,186,882
Total research and development/research training			<hr/>
			130,192,119
Nonmajor programs:			
Student Financial Assistance:			
U.S. Department of Education:			
Direct awards:			
89.033	Work Study FY10	P033A092503	1,101,173
84.376	Smart FY10	P376S091791	209,997
84.375	ACG FY10	P375A091791	209,038
84.063	PELL FY10	P063P091791	2,543,414
84.007	SEOG FY10	P007A092503	799,883
			<hr/>
U.S. Department of Education total			4,863,505
U.S. Department of Health and Human Services:			
Direct awards:			
93.000	Centers for Disease Control	08IPA830365	2,883
93.912	Health Resources & Svcs Admin (HRSA)	1 D04RH12689-01-00	14,194
93.912	Health Resources & Svcs Admin (HRSA)	1 D04RH12689-01-00	113,077
93.884	Health Resources & Svcs Admin (HRSA)	1D56HP10311-01-00	3,940
93.884	Health Resources & Svcs Admin (HRSA)	1D56HP10311-01-00	222,222
93.000	Centers for Disease Control (Non LOC)	212-2008-M-26966	13,253
93.127	Bureau of Maternal and Child Health	2H33MC06727-04	35,251
93.127	Bureau of Maternal and Child Health	2H33MC06727-04	84,966
93.969	Health Resources & Svcs Admin (HRSA)	D31HP08813	5,211
93.969	Health Resources & Svcs Admin (HRSA)	D31HP08813	362,371
93.989	John E. Fogarty International Center (FIC)	D43TW006807	(124,066)
93.989	John E. Fogarty International Center (FIC)	D43TW006807	12,836
93.989	John E. Fogarty International Center (FIC)	D43TW006807	396,044
93.884	Health Resources & Svcs Admin (HRSA)	D54HP00006	12,839
93.884	Health Resources & Svcs Admin (HRSA)	D54HP00006	42,433
93.884	Health Resources & Svcs Admin (HRSA)	D54HP00006	109,870
93.884	Health Resources & Svcs Admin (HRSA)	D54HP00006	174,832
93.265	Health Resources & Svcs Admin (HRSA)	D62HP06808	56,703
93.110	Health Resources & Svcs Admin (HRSA)	D70MC06898	113,656
93.279	Nat'l Inst on Drug Abuse (NIDA)	F30DA024933	46,194
93.853	Nat'l Inst of Neurological Disord & Stroke (NINDS)	F30NS064624	4,933
93.853	Nat'l Inst of Neurological Disord & Stroke (NINDS)	F30NS064637	12,052
93.853	Nat'l Inst of Neurological Disord & Stroke (NINDS)	F30NS064637	33,095
93.398	Nat'l Cancer Institute (NCI)	F31CA134188	37,700
93.282	Nat'l Inst of Mental Health (NIMH)	F31MH090672	5,529
93.853	Nat'l Inst of Neurological Disord & Stroke (NINDS)	F31NS064634	25,679
93.846	Nat'l Inst of Arth & Musculoskeletal Skin(NIAMS)	F32AR054653	(5,785)
93.846	Nat'l Inst of Arth & Musculoskeletal Skin(NIAMS)	F32AR054653	37,283
93.113	Nat'l Inst of Environmental Health Science (NIEHS)	F32ES091070	5,742
93.282	Nat'l Inst of Mental Health (NIMH)	F32MH085433	43,413
93.153	Bureau of Maternal and Child Health	H12HA00007	11,171

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
93.153 Bureau of Maternal and Child Health	H12HA00007	\$ 100,669
93.153 Bureau of Maternal and Child Health	H12HA00007	344,637
93.918 Health Resources & Svcs Admin (HRSA)	H76HA00812	14,214
93.918 Health Resources & Svcs Admin (HRSA)	H76HA00812	81,018
93.918 Health Resources & Svcs Admin (HRSA)	H76HA00812	247,533
93.110 Health Resources & Svcs Admin (HRSA)	H98MC08578	7,761
93.110 Health Resources & Svcs Admin (HRSA)	H98MC08578	268,823
93.779 Centers for Medicare and Medicaid Services	HCF1	85
93.000 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK) (Non LOC)	HHSN276200900300P	19,915
93.848 Nat'l Inst of Diabetes & Digest & Kidney (NIDDK)	K23DK078678	53,575
93.912 Health Resources & Svcs Admin (HRSA)	P10RH09042	10,967
93.395 Nat'l Cancer Institute (NCI)	R01CA095648	260,985
93.283 Centers for Disease Control	R01DD000140	122,256
93.865 Nat'l Inst of Child Health & Human Devel (NICHD)	R01HD057614	283,910
93.226 Agency for Healthcare Research & Quality	R01HS018459	256,632
93.242 Nat'l Inst of Mental Health (NIMH)	R01MH078052	111,941
93.242 Nat'l Inst of Mental Health (NIMH)	R01MH078052	619,516
93.000 Nat'l Inst on Alcohol Abuse & Alcoholism (NIAAA)	R13AA018603	32,985
93.395 Nat'l Cancer Institute (NCI)	R13CA124132	7,814
93.226 Agency for Healthcare Research & Quality	R13HS017378	76,264
93.226 Agency for Healthcare Research & Quality	R13HS017378	90,039
93.389 Nat'l Center for Research Resources (NCRR)	S10RR024688	500,000
93.064 Centers for Disease Control	U47CI000606	(10,563)
93.064 Centers for Disease Control	U47CI000606	41,225
93.283 Centers for Disease Control	U50/CCU121143	88,291
93.107 Health Resources & Svcs Admin (HRSA)	U77HP03627	45,559
93.107 Health Resources & Svcs Admin (HRSA)	U77HP03627	125,303
93.243 Substance Abuse & Mental Health Services Admin	U79SM057261	241,077
93.243 Substance Abuse & Mental Health Services Admin	U79SM57261	77,024
		<hr/> 6,028,976 <hr/>
Subagreements:		
93.000 Brain Injury Association of New Hampshire	BIANH	(2,141)
93.243 Research Foundation for Mental Hygiene, Inc.	86886	87,833
93.395 National Childhood Cancer Foundation	19532	4,918
93.395 National Childhood Cancer Foundation	98543-1118	97,060
93.000 Yale New Haven Health System	HHSA2902006000015	16,128
93.000 University of Massachusetts Memorial Medical Ctr	6113815 ETC-16 & NA-3	60,261
93.000 University of Massachusetts Memorial Medical Ctr	6123285/RFS20110062	3,174
93.000 Dana Farber Cancer Institute	UNIV OF CHICAGO	15,375
93.000 Dana Farber Cancer Institute	UNIV OF CHICAGO	117,981
93.063 Children's Hospital Boston	76844	142
93.145 University of Massachusetts Memorial Medical Ctr	6100056/ETC-16 & NA-3	2,652
93.145 University of Massachusetts Memorial Medical Ctr	6100056/ETC-16 & NA-3	5,457
93.389 Montshire Museum of Science	1	5,954
93.394 Children's Hospital Boston	71014	643
93.399 National Surgical Adjuvant Breast & Bowel Project	PFED22-DAR-0	8,044
93.865 Women & Infants Hospital	9613	8,980
93.000 Duke University	Z10/Z11	212
93.000 University of Rochester	414936-G	153,866
93.000 University of Rochester	415187-G	8,408
93.110 Harvard University	n/a	1,761
93.110 Harvard University	n/a	3,542
93.398 Boston University	MC-425535-D-JW	(56)
93.853 University of Medicine & Dentistry of NJ	99-705	21,296
93.853 Mount Sinai School of Medicine	COMBIRX	29,675
93.853 Yale University	A07593	65,271
93.989 Vanderbilt University	TW007988	(22,175)
93.989 Cornell University	8010177	46,845
93.989 Vanderbilt University	VUMC 34626	29,931
93.989 Cornell University	9091333	14,580
93.000 Ambulatory Pediatric Association	R40MC05267	10,485
93.000 National Rural Health Association	n/a	14,794
93.000 American College of Radiology	RTOG	144,837
93.395 American College of Radiology	RTOG	(168,564)

**DARTMOUTH COLLEGE**

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

	<u>Award #</u>	<u>Total expenditures</u>
93.000 University of New Hampshire	08-036	\$ 458
93.000 University of South Florida	U01-DK061055	6,147
93.110 University of Massachusetts, Worcester	6087828/RFS800094	(150)
93.110 University of New Hampshire	PZ10024	30,000
93.110 University of Massachusetts, Worcester	6113206/RFS900155	20,561
93.110 University of Massachusetts, Worcester	6115553/RFS900240	23,195
93.145 University of Massachusetts, Worcester	6103578	1,000
93.145 University of Massachusetts, Worcester	6103578	6,000
93.283 University of Massachusetts, Worcester	6103091/RFS900063	10,261
93.283 University of Massachusetts, Worcester	6112496/RFS900135	18,028
93.632 University of New Hampshire	PZ09051	3,862
93.653 University of Vermont	21808	19,207
93.847 University of Pittsburgh	1190	18,730
93.853 University of Vermont	21808	1,331
93.853 University of Vermont	15171	(898)
93.853 University of Vermont	21808	18,409
93.866 University of California, Davis	ADNI-024	58,926
93.051 NH Div of Community Based Care Services	N/A	6,737
93.069 NH Div of Public Health Services	n/a	471,726
93.069 NH Div of Public Health Services	N/A	163,554
93.283 NH Div of Public Health Services	STNH	31,580
93.283 NH Dept of Health & Human Services	711472-09	19,977
93.283 NH Div of Public Health Services	210143	256,137
93.667 NH Div of Developmental Services	SFY2009	74,384
93.889 NH Div of Public Health Services	191187-08	160,241
93.889 VT Department of Health	03420-5538	150,859
93.889 VT Department of Health	03420-4888	82,134
93.889 VT Department of Health	03420-5118	90,734
93.940 VT Department of Health	03420-5255	2,000
93.991 NH Div of Public Health Services	850169	(7,542)
93.991 NH Div of Public Health Services	210210-09	74,423
93.994 VT Department of Health	03420-5047	1,477
93.994 VT Department of Health	03420-5339	196,734
93.000 Immunetics, Inc.	N/A	(64)
93.000 Fast-Track Drugs and Biologics, Inc.	CSP-1027	30,743
93.000 Fast-Track Drugs and Biologics, Inc.	N/A	508,106
		<hr/>
Subtotal		3,336,176
		<hr/>
U.S. Department of Health and Human Services total		9,365,152
		<hr/>
National Science Foundation:		
Direct awards:		
47.000 National Science Foundation (NSF)	DGE-0802871	158,072
47.046 National Science Foundation (NSF)	DUE-0736749	64,975
47.050 National Science Foundation (NSF)	ATM-0457561	157,402
47.070 National Science Foundation (NSF)	CNS-0708209	86,226
47.074 National Science Foundation (NSF)	DBI-0923008	429,325
47.076 National Science Foundation (NSF)	DGE-0801490	441,295
47.076 National Science Foundation (NSF)	DGE-0947790	1,001
		<hr/>
National Science Foundation total		1,338,296
		<hr/>
U.S. National Aeronautics & Space Administration:		
Direct awards:		
43.001 NASA Goddard Space Flight Center	1317177	(47,895)
43.001 NASA Goddard Space Flight Center	NNX07AP37H	5,958
43.001 NASA Goddard Space Flight Center	NNX09AN13G	626
		<hr/>
		(41,311)
		<hr/>
Subagreements:		
43.002 University of New Hampshire	PZ05007	(25,680)
43.002 University of New Hampshire	PZ05007	15,959
43.002 University of New Hampshire	PZ05007	59,889

**DARTMOUTH COLLEGE**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2010

	Award #	Total expenditures
43.002 University of New Hampshire	PZ05007	\$ 74,441
43.002 University of New Hampshire	PZ05007	184,213
Subtotal		308,822
U.S. National Aeronautics & Space Administration total		267,511
Veteran's Administration:		
Direct awards:		
27.011 White River Junction VA Medical Center	n/a	66,487
27.011 White River Junction VA Medical Center	N/A	6,210
27.011 White River Junction VA Medical Center	N/A	29,965
64.000 White River Junction VA Medical Center	VA241-P-1676	67,840
64.000 VA Maryland Health Care System	PO#1:512D67099	129,376
24.011 White River Junction VA Medical Center	N/A	50,718
24.011 White River Junction VA Medical Center	N/A	56,508
27.011 White River Junction VA Medical Center	V0024IP-00100	32,407
27.011 White River Junction VA Medical Center	VA241-P-0566	7,971
27.011 White River Junction VA Medical Center	VA241-P-0566	22,418
27.011 White River Junction VA Medical Center	VA241-P-0566	24,223
27.011 White River Junction VA Medical Center	VA241-P-1241	332,821
27.011 White River Junction VA Medical Center	N/A	29,649
27.011 White River Junction VA Medical Center	N/A	38,000
27.011 White River Junction VA Medical Center	N/A	70,754
27.011 White River Junction VA Medical Center	N/A	12,444
27.011 White River Junction VA Medical Center	N/A	17,603
27.011 White River Junction VA Medical Center	N/A	28,925
27.011 White River Junction VA Medical Center	n/a	25,777
27.011 White River Junction VA Medical Center	n/a	5,540
27.011 White River Junction VA Medical Center	N/A	24,071
64.000 White River Junction VA Medical Center	VA241P-0410	20,125
Veteran's Administration total		1,099,832
U.S. Department of Defense:		
Direct awards:		
12.420 US Army Medical Research and Material Command	W81XWH-08-1-0374	30,993
12.420 US Army Medical Research and Material Command	W81WH-10-1-0112	7,865
12.420 US Army Medical Research and Material Command	W81WH-10-1-0112	8,037
12.431 US Army Medical Research and Material Command	W81XWH-08-1-0357	9,810
12.630 Cold Regions Research & Engineering Lab (CRREL)	W913E5-09-P-0014	1,881
12.630 Cold Regions Research & Engineering Lab (CRREL)	W913E5-10-P-0011	4,858
12.910 Advanced Research Projects Agency (ARPA)		59,400
		122,844
Subagreements:		
12.000 Clinical Research Management, Inc.	Dartmouth-09-01	751,395
12.420 Clinical Research Management, Inc.	Dartmouth-07-01	341,590
12.910 NH Dept of Safety	NNEMMRS	(157,830)
12.910 NH Dept of Safety	NNEMMRS	249,726
		1,184,881
U.S. Department of Defense total		1,307,725
U.S. Department of Agriculture:		
Direct awards:		
10.000 Forest Service (Non LOC)	09-CA-11330129-107	10,065
10.206 Rural Development	NH0703-B16	(7,980)
10.310 Cooperative State Research Service	2010-65116-20463	19,911
10.914 Natural Resources Conservation Service	721428070BP	10,780
		32,776
Subagreements:		
10.206 Weeks Medical Center	NH0703-B16	7,980
Subtotal		7,980
U.S. Department of Agriculture Total		40,756

**DARTMOUTH COLLEGE**  
Schedule of Expenditures of Federal Awards  
Year ended June 30, 2010

	Award #	Total expenditures
U.S. Department of Education:		
Direct awards:		
84.019 Department of Education	P019A080027	\$ 47,204
84.019 Department of Education	P019A080027	13,044
		60,248
Subagreements:		
84.133 Wright State University	H133B040012	2,991
Subtotal		2,991
U.S. Department of Education Total		63,239
National Endowment for the Arts:		
Direct awards:		
45.024 National Endowment for the Arts (NEA)	09-5400-7003	19,000
45.024 National Endowment for the Arts (NEA)	09-5448-7173	50,000
		69,000
Subagreements:		
45.025 New England Foundation for the Arts	2007-11639	(305)
45.025 New England Foundation for the Arts	2009-14091	2,000
45.025 New England Foundation for the Arts	2009-13810	4,826
45.025 New England Foundation for the Arts	2009-13218	5,000
45.025 New England Foundation for the Arts	2009-13762	3,970
45.025 New England Foundation for the Arts	2009-13820	7,560
Subtotal		23,051
National Endowment for the Arts total		92,051
Other federal agencies:		
Subagreements:		
84.200A Department of Education	P200A090016	101,742
84.200A Department of Education	P200A090031	165,820
16.000 Office of Justice Programs	2008-MU-MU-K407	50,836
20.600 NH Highway Safety Agency	304-09S-003	27,161
20.600 NH Highway Safety Agency	304-09S-004	10,883
20.600 NH Highway Safety Agency	304-09S-005	10,442
20.600 NH Highway Safety Agency	304-10S-004	40,635
20.600 NH Highway Safety Agency	304-10S-002	40,948
20.600 NH Highway Safety Agency	304-10S-003	93,763
59.000 Small Business Administration	SBAHQ-05-I-0074	14,728
66.514 Environmental Protection Agency	FP-91668701-0	(13,789)
66.514 Environmental Protection Agency	FP-91668701-2	15,508
81.000 National Security Technologies LLC.	105800	210,354
98.853 Yale University	A07223	1,350
97.000 NH Dept of Safety	NNEMMRS	109,153
97.000 Office of Justice Programs	2005-GT-T5-K004	31,925
97.000 Federal Emergency Management Agency (FEMA)	2009-DM-T9-K007	400,000
97.005 Department of Homeland Security	2007-GT-T7-K016	2,562
Other federal agencies total		1,314,021
Total nonmajor programs		19,752,088
Total all federal programs		\$ 149,944,207

See accompanying notes to schedule of expenditures of federal awards.

**DARTMOUTH COLLEGE**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

**(1) Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of Dartmouth College (the College) under federal government programs for the year ended June 30, 2010. Negative amounts on the Schedule represent adjustments to expenditures reported in the prior year. The Schedule includes Catalog of Federal Domestic Assistance (CFDA) and pass through award numbers when available.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the College and agencies and departments of the federal government and all subawards to the College 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**

The College 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). The College submitted an F&A cost proposal in early 2008 for negotiated F&A rates that became effective July 1, 2008. The College's F&A cost rate for fiscal year 2010 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, 2010 are not included in the schedule, and are summarized as follows:

Title IV Program:	
Federal Perkins Loan Program (Perkins)	\$ 3,536,802
Federal Family Education Loan Programs (FFELP):	
Stafford	19,232,282
Parent Loans for Undergraduate Students (PLUS)	<u>7,458,692</u>
	<u>\$ 30,227,776</u>

Loans are issued under the Stafford and PLUS programs by participating banks or other lending institutions. The balances and transactions relating to these loans are not included in the College's financial statements.

**DARTMOUTH COLLEGE**

Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

The Perkins loans are administered and serviced directly by the College. In addition, the College 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 the College's financial statements. The balances outstanding on these loans at June 30, 2010 are as follows:

Perkins	\$	22,691,123
HPSL		10,385
HEAL		<u>773,875</u>
	\$	<u><u>23,475,383</u></u>

For the year ended June 30, 2010, the College claimed \$263,632 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, 2010, the College received awards directly from federal agencies which were passed through to subrecipients. The amounts passed through are as follows:

Research and development	\$	14,298,491
Other		<u>1,471,145</u>
	\$	<u><u>15,769,636</u></u>

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



KPMG LLP  
P.O. Box 564  
Burlington, VT 05402

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 (the College) as of and for the year ended June 30, 2010, and have issued our qualified report thereon dated November 5, 2010. 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**

In planning and performing our audit, we considered the College'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 the College's internal control over financial reporting. Accordingly, we do not express such an opinion on the College'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 College'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 the College in a separate letter dated November 5, 2010.



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 5, 2010



KPMG LLP  
P.O. Box 564  
Burlington, VT 05402

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 (the College) 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, 2010. The College'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 the College's management. Our responsibility is to express an opinion on the College'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 the College'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 the College's compliance with those requirements.

In our opinion, the 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, 2010. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

**Internal Control over Compliance**

Management of the College 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 the College'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 the College'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.

The College's responses to the findings identified in our audit are included in the accompanying schedule of findings and questioned costs. We did not audit the College'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 21, 2011

**DARTMOUTH COLLEGE**

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

**(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
---	-------------

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
--	--------------	-----	-------	----

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
--	-------------

Auditee qualified as low risk auditee?	_____	yes	<u>  x  </u>	no
--	-------	-----	--------------	----

**(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, 2010

**(3) Findings and Questioned Costs Relating to Federal Awards**

**Finding 2010-1**

**Program:** Research and Development Cluster  
**Award Numbers:** Various  
**CFDA Numbers:** Various  
**Federal Agencies:** Various  
**Program Year:** July 1, 2009 to June 30, 2010

*Criteria upon which the Audit Finding is based*

*Equipment*

Institutions of higher education, hospitals, and other non-profit 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 56 departments with equipment purchased through federal grants. KPMG selected a sample of ten for testwork and noted that three of the ten departments had not had a complete physical inventory performed in the last two years.

*Questioned Costs*

Not determinable.

*Possible Asserted Cause and Effect*

The possible cause of this noncompliance appears to be not maintaining equipment records, performing a physical inventory, and a lack of reconciling the equipment to equipment records. This may result in equipment purchased with federal funds being sold, transferred, or disposed of without knowledge of the college.

*Recommendation*

We recommend that the College implement the necessary policies and procedures to ensure that all departments that received federal funds to purchase equipment have a physical inventory performed every two years. Communication to custodians of federal requirements will help ensure that the departments comply with this requirement.

**DARTMOUTH COLLEGE**

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

***Views of Responsible Official***

The College will review current processes and procedures related to performing the equipment inventories on a biennial basis and educate the department leaders and custodians on the importance of performing the equipment inventories in a timely manner.

***Contact Person***

Kathy Page, Associate Director, Office of Sponsored Projects