

UNIVERSITY SYSTEM OF NEW HAMPSHIRE

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
(UNDER UNIFORM GRANT GUIDANCE)**

YEAR ENDED JUNE 30, 2020



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**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITORS' REPORT

The Governor and
Legislative Fiscal Committee,
State of New Hampshire, and
The Board of Trustees
University System of New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the University System of New Hampshire (the System), a component unit of the state of New Hampshire, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



The Board of Trustees
University System of New Hampshire

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the System as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

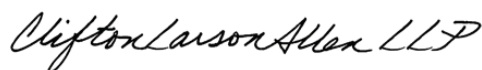
The 2019 financial statements of the System were audited by other auditors whose report dated October 30, 2019, expressed unmodified opinions on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information – retirement and OPEB plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020 on our consideration of the System's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Quincy, Massachusetts
October 23, 2020

Management's Discussion and Analysis

June 30, 2020 and 2019 (Unaudited)

I. Introduction

The following Management's Discussion and Analysis summarizes the financial condition and results of activities of the University System of New Hampshire (USNH) for the fiscal years ended June 30, 2020 and 2019. This analysis provides a comparison of significant amounts and measures to prior periods and, where appropriate, presents management's outlook for the future.

USNH is a Section 501(c)(3) corporation organized under the laws of the State of New Hampshire to serve the people of the state as the key provider of public higher education for bachelor's and advanced degree students. USNH accomplishes its mission by operating four educational institutions that collectively offer a broad array of education, research, and public services for the state. These institutions include the University of New Hampshire (UNH), Plymouth State University (PSU), Keene State College (KSC) and Granite State College (GSC). While select programs are active in other regions as well as abroad, most of USNH's activities take place at the three residential campuses (UNH Durham or UNHD, PSU and KSC). UNH-Manchester and UNH Franklin Pierce School of Law (UNHM and UNHL), the UNH Cooperative Extension and Small Business Development Centers located throughout the state and the six regional sites of GSC. The accompanying financial statements also include the activities and balances of the University of New Hampshire Foundation, Inc. (UNHF) and the Keene Endowment Association (KEA), two legally separate but affiliated entities. (See Note 1 to the Financial Statements for additional information on affiliated entities.)

II. Economic Outlook

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of operations and activities. On March 13, 2020, the Governor of the State of New Hampshire declared a state of emergency related to COVID-19. Shortly after the declaration, the USNH Board of Trustees voted to close the institutions' residential and dining halls and shift to remote learning for its entire student body to protect the health of its students, staff, and faculty while staying true to its core mission of academics and research by transitioning all undergraduate and graduate course instruction to an online format through the end of the academic year. Additionally, in collaboration with the State and local hospitals, USNH residential institutions established Alternate Care Sites and utilized available resources to support the community needs.

USNH faces these challenging times with a solid balance sheet and liquid resources (\$224 million in cash and operating investments available at both June 30, 2020 and 2019), which management believes will help USNH offset near-term pressures arising due to this pandemic. The strength of management and governance at USNH is reflected in changes made across all units to reduce administrative and other expenses in response to the closing of residential and dining halls, which included furloughs, service agreement re-negotiations, and other action. The implementation of these measures allowed USNH to limit its losses to \$4 million, notwithstanding COVID-19 mitigation costs of \$39 million net of recoveries.

The USNH Board of Trustees and Management continue to address both the immediate and long-term financial challenges related to the outbreak with a focus on safety as well as cost containment efforts. USNH leadership has adopted plans for a multi-year cost restructuring program designed to address the combined impact of COVID-19 and the other economic challenges facing higher education. The primary elements of the cost restructuring program include the establishment of shared services models across several functions along with campus-specific initiatives. Also, the Board of

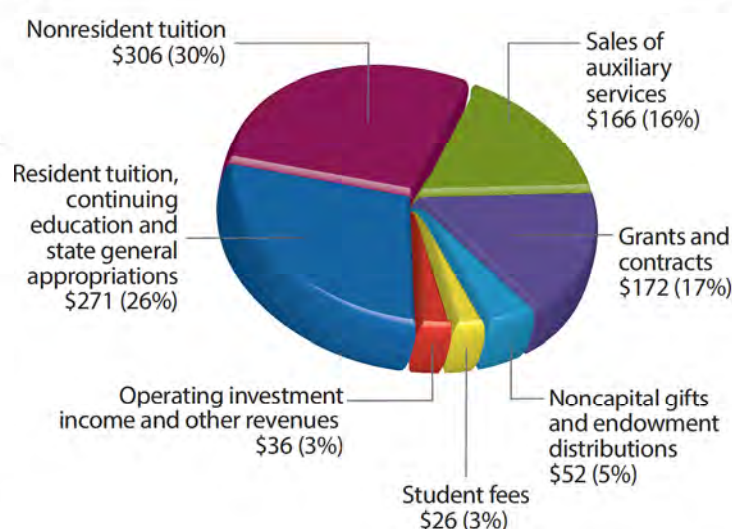
Trustees approved voluntary separation incentive programs for reduction of force for 2021. Working closely with the state and local communities, USNH institutions have reopened for the fall 2020 under a Hybrid Model with a blend of in-person and online learning and continue to focus on meeting both local and regional demands for quality education while protecting the health of its community members.

The remainder of this report describes the results of financial operations for the year ended June 30, 2020, with comparisons to prior years.

Chart 1: 2020 Gross Revenues by Source

Total = \$1+ Billion

(\$ in millions)



III. Financial Highlights

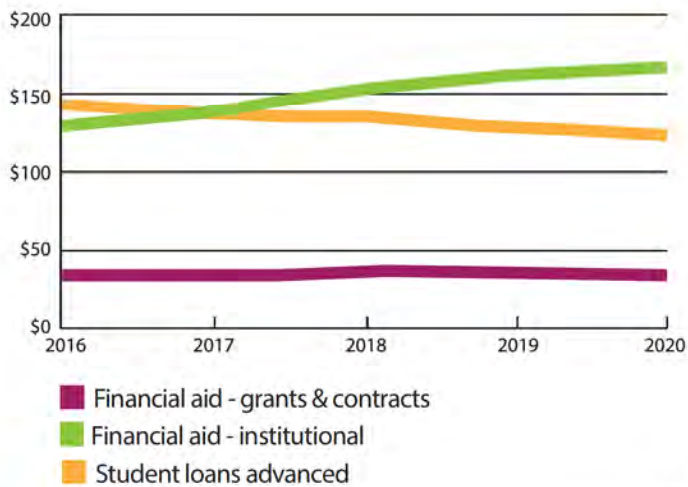
A. Revenues

Chart 1 above shows USNH's revenue streams including those classified as non-operating revenues per GASB standards, which totaled approximately \$1 billion in both fiscal years 2020 and 2019. Given our tri-fold mission of instruction, research and public service, the vast majority of USNH revenues are generated by the provision of educational and auxiliary services. The portion of auxiliary services revenue decreased from 20% in fiscal year 2019 to 16% in fiscal year 2020 due to campus closure of residential and dining halls in response to the COVID-19 pandemic. The grants and contracts revenue portion increased by 2% (\$17 million) from the federal Cares Act for Higher Education Emergency Relief Fund (HEERF) and the State of NH Governor's Office for Emergency Relief and Recovery awards to mitigate cost related to COVID-19. For 2020, USNH received \$9 million in the institutional portion of the HEERF award, of which \$4 million were unearned as of June 30, 2020 and expected to be used during 2021.

As shown in Chart 2 below, institutional financial aid expenditures continue to surpass aid provided by grants and student loans issued.

Chart 2: Student Aid Trends

(\$ in millions)



USNH has provided over \$1.6 billion in direct financial aid to students over the past ten years. Approximately \$332 million (21%) of this total was from grants and contracts. Over \$1 billion (72%) came from campus general funds, and the remaining 7% (\$114 million) was provided by gifts and athletics programs. USNH continues to focus on this area with the goal of limiting student and family loan debt for our students. Also, for 2020 students received \$5.6 million in direct aid relief for COVID-19 pandemic.

As seen in Table 1 below, enrollment at the flagship campus has remained stable over the past five years at an average of over 15,500 FTE students for all UNH

Table 1: Full-Time Equivalent Credit Enrollment

For the Fall of Each Fiscal Year

	2016	2017	2018	2019	2020
UNH (all campuses)	15,657	15,473	15,669	15,629	15,141
PSU	4,674	4,641	4,694	4,772	4,409
KSC	4,250	4,160	3,758	3,487	3,434
GSC	1,658	1,584	1,446	1,468	1,444
Total USNH FTEs	26,239	25,858	25,567	25,356	24,428
NH Resident	13,742	13,240	12,940	12,842	12,413
Nonresident	12,497	12,618	12,627	12,514	12,015
Total USNH FTEs	26,239	25,858	25,567	25,356	24,428

locations combined. UNH's Durham campus had stable freshmen applications over the past three years as shown in Table 2. Their enrollment strategy remains focused on attracting exemplary students. Approximately 49% of new UNHD students in the fall of 2019 ranked in the top 25% of their high school class reflecting the continued quality of the population. UNH continues to work on four strategic principles to drive UNH to become one of the top 25 public universities in the US. These include enhancing student success and well-being, expanding excellence, embracing New Hampshire, and building financial strength.

For 2020 the residential campuses limited tuition rate increases for NH students to 2.5%, and GSC did not increase tuition for their NH-residents. Nonresident tuition revenues increased 0.6% (\$1.8 million) over the prior year. For the past three years approximately 51% of USNH students were NH residents when calculated on a full-time equivalency basis. New England has historically been known as a premier location for the pursuit of higher education, whether at a public or private institution. While that is still true, regional school age populations are expected to decrease over time, resulting in more competition for the smaller number of NH students.

USNH is working to ensure New Hampshire students are prepared to meet the needs of the State's workforce. While financial aid from grants has remained stagnant for the past several years, institutional financial aid grew 3.1% (\$5.0 million) in 2020 after a 6.1% (\$9.4 million) increase in 2019. USNH has also made significant changes in the way it awards financial aid. During 2018, UNH launched the Granite Guarantee program which covers the cost of tuition for all federal Pell-Grant eligible New Hampshire students. The sister USNH residential campuses were quick to follow suit. This program is funded with restricted gifts as well as unrestricted sources. The State is also partnering in this area by renewing its Governor's Scholarship Fund for NH resident students. A review of New Hampshire's school population data by age grouping suggests that our enrollment challenges will increase in future years. Planning for this possibility includes more programs for adult-learners currently in place at all campuses, and future capital project plans now include consideration of these impacts as well.

Table 2: Freshman Applications, Acceptances and Enrollees at UNH Durham*

For the Fall of Each Fiscal Year

	2016	2017	2018	2019	2020
Freshmen applications received	18,267	19,076	18,397	18,474	18,040
Acceptances as % of applications	83%	80%	83%	84%	84%
Enrolled as % of acceptances	21%	19%	20%	20%	18%

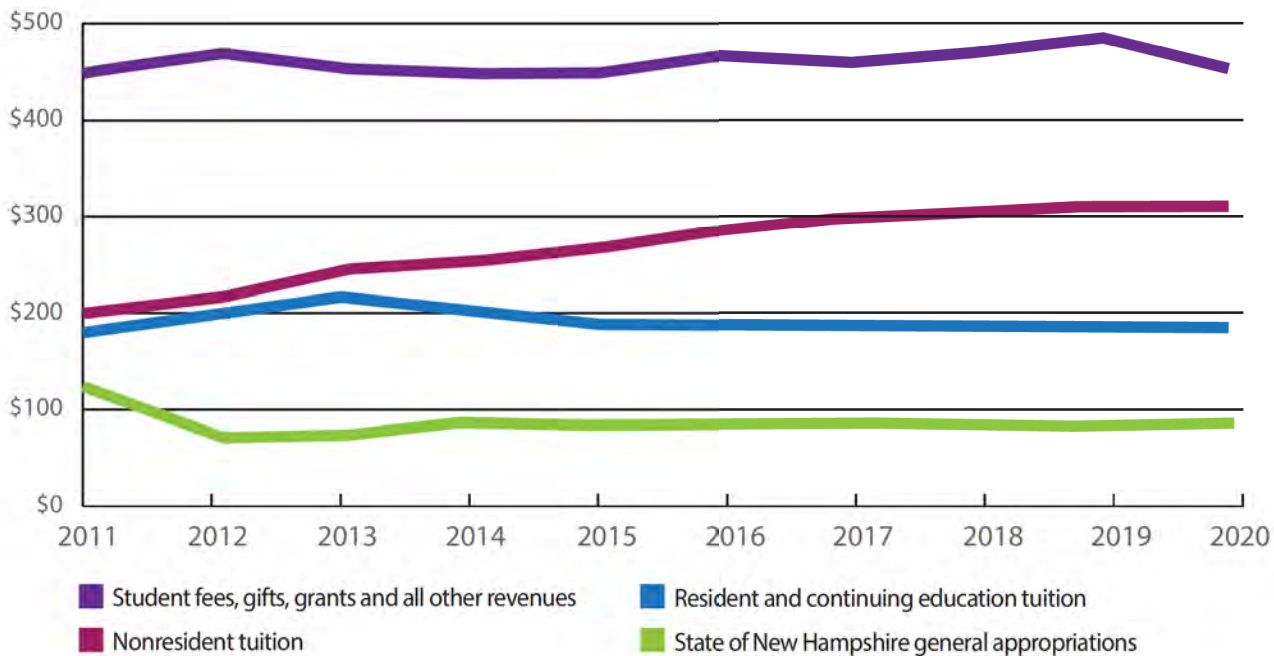
* Comparable data for other campuses is available upon request.

Chart 3 below shows USNH's major revenue stream trends for the past ten years. As seen in the graph, state appropriation revenues were cut by 50% in 2012, which resulted in a significant increase in resident tuition rates for fiscal years 2012 and 2013. USNH then held resident tuition rates flat through 2015 as the appropriation was partially restored. Inflationary increases in the resident tuition rates were added for 2016 through 2020. During 2020, auxiliary revenue decreased by \$48 million (22%) compared to 2019. The decrease was due to room and board refunds to students when residential campuses closed their dorms and dining facilities in response to the COVID-19 pandemic. USNH revenues included one-time federal and state grant revenue of \$16 million, including \$5.6 million in student refund recoveries. As evidenced by the financial aid growth shown in Chart 2, USNH is committed to working with the State to ensure that New Hampshire's students have access to a quality education at an affordable price.

Chart 3: Ten Year Revenue History

Before Application of Student Financial Aid

(\$ in millions)



B. Expenditures

USNH's expenses (including expenses classified as nonoperating per GASB standards) decreased \$8.2 million or 1% over the 2019 level; and 2019 expenses decreased by \$3.4 million or 0.4% over 2018. The largest reduction over the prior year was in nongrant supplies and services \$19.5 million (11%). The reduction was mainly driven by \$6.4 million in rentals and service contracts, \$5.6 million related to the travel ban, \$4.4 million in food service reductions, and the remainder from other tighter spending controls put into place to mitigate the effects of COVID-19 pandemic. This is offset by COVID expense of \$9 million incurred in 2020, the employee compensation costs increase of \$3.3 million (1%), and the depreciation charges for buildings and equipment increase of \$3.6 million due to completion of several construction projects during 2020.

USNH recently restructured its purchasing activities to have all campus Procurement personnel report centrally. This model of local delivery with central oversight is designed to contain costs by combining our purchasing volumes across the state. As part of this initiative USNH contracted for a system-wide online purchasing system during 2018. This new system is designed to streamline business processes and provide tools needed for data driven procurement decision making. The tool is currently live at Granite State College and is expected to go live in the fall of 2020 for the rest of USNH institutions.

Chart 4: Expenses by Functional Classification

(\$ in millions)

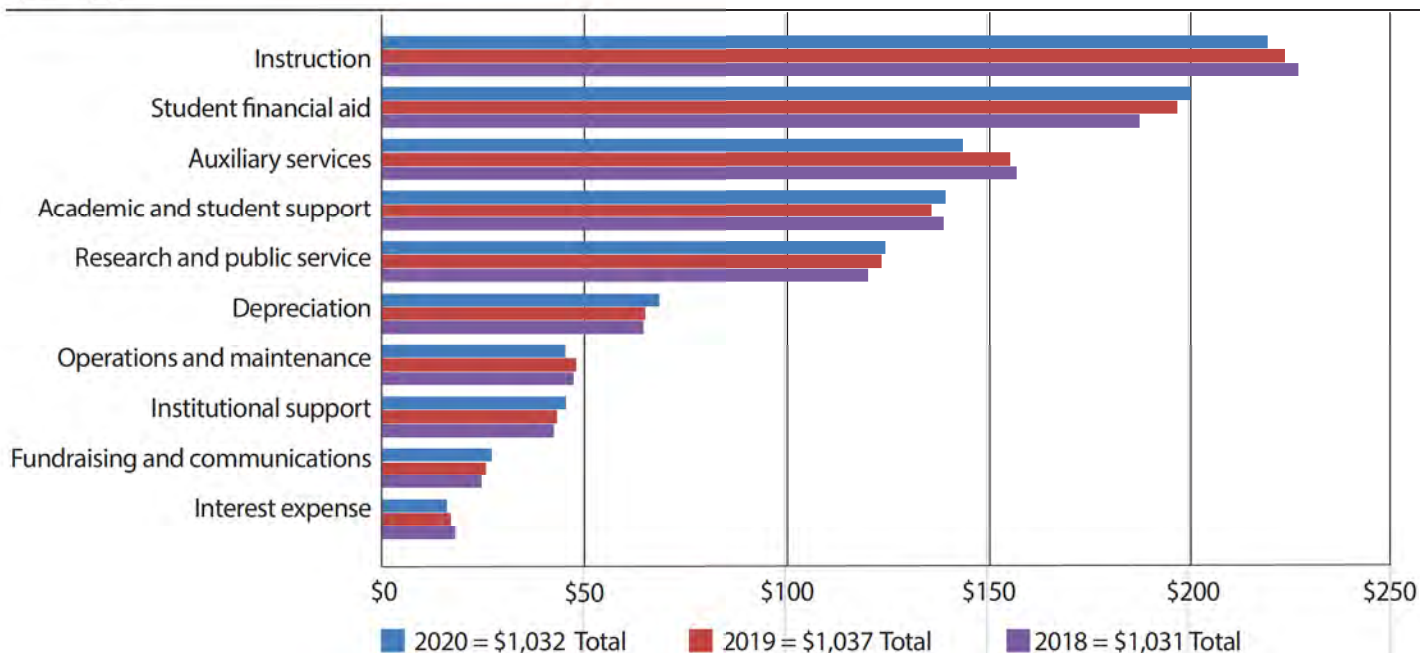


Chart 4 displays USNH's expenses for the past three years by functional, rather than natural, classification. The increases in financial aid discussed on the previous page are clearly depicted in the graph. That is the only cost category with such significant growth. (Additional detail on operating expenses by function can be found in Note 13 to the Financial Statements.)

C. Capital spending

The campuses had several major capital projects completed during 2020 which included the Physical Education Center renovation (\$10 million) at PSU, the Bio-Manufacturing Innovation Center (\$4 million) at UNH Manchester, KSC's Mason Library expansion for Holocaust study materials funded primarily with gift proceeds (\$5 million), and the new water treatment plant that UNH shares with the town of Durham (\$17 million).

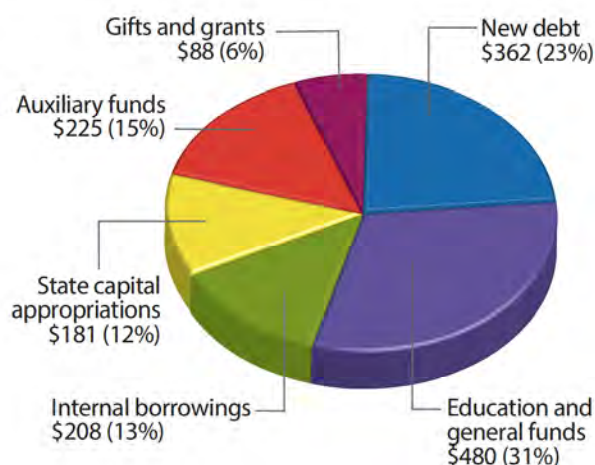
From 2002 to 2013, USNH received significant state capital appropriations to renovate specific academic buildings on each campus. During the past ten years operating and internal funds totaling \$141 million were used to supplement the state appropriations. Effective July 1, 2020, the State of New Hampshire appropriated \$42 million in capital funds for the Biological Sciences Spaulding Hall at UNH, PSU's Hyde Hall Innovation and Entrepreneurship Center renovation, and KSC's Elliot Student Service Success Center and Joslin Hall Classroom renovation to be spent through June 30, 2025. For 2020, \$10 million of the state capital appropriation were used for the Biological Sciences Spaulding Hall at UNH. UNH also received an additional state appropriation of \$9 million to add nursing program capacity with additional specializations in acute care and psychiatric mental health. The nursing program construction project was still under the predesign phase as of June 30, 2020. However, even with the additional state capital appropriation, there are still several buildings in need of improvement at each campus. USNH campuses must strategically prioritize the available limited funding for capital assets, while at the same time not allowing deferred maintenance needs to escalate. This work is needed to ensure USNH can meet the education and experiential needs of its students. In addition, USNH is only authorized to issue debt for self-supporting, auxiliary projects. The related debt service is then funded by student fees for each type of auxiliary service (housing, dining, or recreation). For 2020 and 2019, no new debt was issued.

Chart 5 below shows the funding sources for USNH's capital spending over the past fifteen years. USNH spent over \$1 billion during this time to construct and renovate buildings and infrastructure at all campuses. One of the largest sources of funding for the related projects was debt issuances of \$362 million. Plant and equipment depreciation expenses of \$593 million were recorded during the same period. (See Notes 5 and 8 to the Financial Statements for additional information on property and equipment, and debt balances.)

Chart 5: Capital Funding Sources, 2006-2020

Total \$1.5 Billion

(\$ in millions)



D. Investing Activities

Cash and short-term investment balances totaled approximately \$224 million on June 30, 2020 and June 30, 2019. (See Note 2 to the Financial Statements for additional information on cash, cash equivalents and short-term investments.) USNH's long-term investments are primarily derived from endowment gifts intended to be invested in perpetuity. With Board approval USNH also invests select large, current-use gifts, and unrestricted balances held centrally, as quasi-endowment funds. These amounts are invested in one of three venues depending on whether the donor contributed to a campus, the UNH Foundation (UNHF), or the Keene Endowment Association (KEA). The investment pools are managed to provide the highest rate of return over the long term given an acceptable level of risk as determined by the responsible fiduciaries. The USNH Consolidated Endowment Pool holds funds for the benefit of all campuses. The UNHF endowment pool holds funds for the benefit of UNH only, and the KEA pool holds funds for the benefit of KSC only. The USNH Board of Trustees has fiduciary responsibility for the USNH Pool, whereas the separate boards of UNHF and KEA have their own investment policies and are responsible for those investments. Below is a summary of USNH's endowment and similar investment values for the past three years.

Table 3: Endowment and Similar Investments Market Value Summary

(*\$ in millions*)

	As of June 30,		
	2020	2019	2018
USNH Pool	\$534	\$542	\$527
UNHF Pool	236	236	225
KEA Pool	14	10	9
Funds held in trust	15	16	16
Life Income/Annuity Funds	4	5	4
	<u>\$803</u>	<u>\$809</u>	<u>\$781</u>

While the two larger pools are primarily invested in funds, the KEA pool primarily holds individual stock and bond investments. As shown in Table 4 to the right, the KEA pool net gains over the past three years averaged 9.4% and the USNH and UNHF pools averaged 5.2% and 4.7%, respectively, before distributions. During fiscal year 2019, the Investment Committee of the USNH Board of Trustees voted to change the target asset allocations for investments in the USNH Endowment pool. The changes included increasing the targets for public and private global equities, while also reducing the targeted level of flexible capital investments. These changes will be incorporated over several years to ensure prior fund commitments are met. All three pools' returns were impacted by the financial market disruption and volatility during 2020.

Distributions from the endowment and trust funds totaled approximately \$35 million in fiscal year 2020. This compares to \$34 million for fiscal year 2019. The difference is primarily due to USNH beginning to payout on a quasi-endowment created several years ago to support debt service payments made by the campuses.

Distributions of approximately \$23 million were made from the USNH pool and trusts, along with \$12 million from the UNHF pool and \$419,000 from the KEA pool. Distributions represent a smaller percentage of the USNH pool because USNH holds several quasi-endowment funds for future, rather than current use. Volatility in returns has resulted in a limited number of endowment funds having market values less than the original gift value ("underwater" funds). The net negative returns for 2020 resulted in an increase in these underwater funds. Of the 1,525 endowment funds maintained in the various endowment pools, 123 remained underwater at June 30, 2020. This compares to 31 underwater endowment funds at June 30, 2019. The endowment funds were underwater by \$2 million at June 30, 2020, compared to \$710,000 at June 30, 2019. (See Notes 4 and 12 for further information on endowment and similar investments.)

Table 4: Pooled Endowment Returns

	Year - Ended June 30,			Three Year Average
	2020	2019	2018	
USNH Pool				
Gross return	1.9%	6.3%	8.4%	5.5%
<i>Investment management fees</i>	<u>(0.5%)</u>	<u>(0.5%)</u>	<u>(0.4%)</u>	<u>(0.5%)</u>
Net return	1.4%	5.8%	8.0%	5.0%
<i>Distributions</i>	<u>(4.2%)</u>	<u>(4.1%)</u>	<u>(3.2%)</u>	<u>(3.8%)</u>
Net reinvested	<u>(2.8%)</u>	<u>1.7%</u>	<u>4.8%</u>	<u>1.2%</u>
UNHF Pool				
Gross return	1.9%	5.6%	8.6%	5.4%
<i>Investment management fees</i>	<u>(0.8%)</u>	<u>(0.6%)</u>	<u>(0.7%)</u>	<u>(0.7%)</u>
Net return	1.1%	5.0%	7.9%	4.7%
<i>Distributions</i>	<u>(5.2%)</u>	<u>(3.8%)</u>	<u>(5.3%)</u>	<u>(4.8%)</u>
Net reinvested	<u>(4.1%)</u>	<u>1.2%</u>	<u>2.6%</u>	<u>(0.1%)</u>
KEA Pool				
Gross return	4.8%	10.9%	14.7%	10.1%
<i>Investment management fees</i>	<u>(0.7%)</u>	<u>(0.7%)</u>	<u>(0.7%)</u>	<u>(0.7%)</u>
Net return	4.1%	10.2%	14.0%	9.4%
<i>Distributions</i>	<u>(4.3%)</u>	<u>(4.5%)</u>	<u>(3.7%)</u>	<u>(4.2%)</u>
Net reinvested	<u>(0.2%)</u>	<u>5.7%</u>	<u>10.3%</u>	<u>5.2%</u>

IV. Using the Financial Statements

A. Statements of Net Position

The Statements of Net Position depict all USNH assets, liabilities, and deferred inflows/outflows of resources on June 30 each year, along with the resulting net financial position. An increase in net position over time is a primary indicator of an institution's financial health. Factors contributing to future financial health as reported on the Statements of Net Position include the value and liquidity of financial and capital investments, and balances of related obligations.

Table 5 below shows condensed information from the Statements of Net Position at June 30 for the past five years. Note that we have also included certain condensed information as of June 30, 2020 by campus herein as required by regional accreditation agencies.

Table 5: Condensed Information from the Statements of Net Position as of June 30,
(\$ in millions)

	2016	2017	2018*	2019**	2020
Cash and short-term investments	\$ 228	\$ 213	\$ 206	\$ 224	\$ 224
Endowment and similar investments	655	730	781	809	803
Property and equipment, net	1,077	1,120	1,122	1,117	1,120
Other assets and deferred outflows of resources	<u>162</u>	<u>106</u>	<u>95</u>	<u>92</u>	<u>107</u>
Total Assets and Deferred Outflows of Resources	<u>2,122</u>	<u>2,169</u>	<u>2,204</u>	<u>2,242</u>	<u>2,254</u>
Derivative instruments - interest rate swaps	37	26	18	23	29
Postretirement medical benefits	56	56	90	83	91
Long-term debt	519	501	488	465	439
Other liabilities and deferred inflows of resources	<u>169</u>	<u>152</u>	<u>160</u>	<u>173</u>	<u>198</u>
Total Liabilities and Deferred Inflows of Resources	<u>781</u>	<u>735</u>	<u>756</u>	<u>744</u>	<u>757</u>
Net investment in capital assets	630	651	665	685	709
Restricted financial resources	405	454	481	495	497
Unrestricted financial resources	<u>306</u>	<u>329</u>	<u>302</u>	<u>318</u>	<u>291</u>
Total Net Position	<u>\$1,341</u>	<u>\$1,434</u>	<u>\$1,448</u>	<u>\$1,498</u>	<u>\$1,497</u>

*Beginning net position restated to reflect the adoption of GASB 75 related to postretirement medical obligations

**Beginning net position restated to reflect the adoption of GASB 83 related to asset retirement obligations

As shown above, cash and short-term investment balances have been relatively stable over the past five years. In 2017, endowment returns rebounded after net losses in the prior two years. The endowment gains were more moderate in 2018 and 2019, and slightly decreased in 2020, but overall increased \$148 million (23%) since 2016. The other assets balances above include investments of \$57 million, \$11 million, and \$4 million, held by our bond trustee related to our Series 2015 and 2016 bond issuances for 2016 through 2018, respectively. As of June 30, 2019, USNH no longer had any debt proceeds held by bond trustees.

Deferred inflows and outflows of resources include changes in the fair value of USNH's interest rate swap derivatives, as well as accounting gains and losses related to refinancing certain bonds outstanding. The impacts of changes in actuarial assumptions, differences between projected and actual earnings, and benefit payments made after the measurement dates of USNH benefit plans are also included in deferred inflows and outflows beginning in 2017 depending on the type of plan. Beginning in 2019, additional deferred inflows and outflows were recorded related to asset retirement obligations.

In 2020, USNH completed a biennial actuarial valuation according to the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, for our postretirement medical obligations. The result was an increase of \$7 million in deferred outflows of resources due to a decrease of the discount rate used. The fair value of interest rate swap obligations resulted in an additional \$6 million increase in deferred outflows.

In 2018, the UNH Foundation also adopted the provisions of GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, which resulted in recording deferred inflows of approximately \$1 million and \$2 million in 2017 and 2018, respectively.

USNH has large liabilities related to long-term debt and postretirement medical benefits. Bond and capital lease principal payments ranged from \$19 million to \$24 million for fiscal years 2018 through 2020. The postretirement obligations represent the actuarially determined value of medical benefits provided to certain current and former employees for various periods, including the remaining life of the participants in some cases. (See Notes 7 and 8 to the Financial Statements for additional information in this regard.) The other liabilities balance above include accounts payable, accrued employee benefits, government advances refundable under the Perkins Loan Program, interest rate swap liabilities related to derivative instruments and unearned revenue. The increase in unearned revenue in 2020 is mainly due to \$18 million of credits refunds related to COVID-19 campus closures that students elected to apply to the subsequent semester.

Net position is reported in three categories. The net invested in capital assets amount represents the historical cost of property and equipment reduced by total accumulated depreciation and the balance of related debt outstanding for certain auxiliary buildings. Restricted financial resources include balances of current and prior year gifts for specified purposes such as scholarships or academic programs, as well as campus endowment balances which were required to be invested in perpetuity by the original donors (\$296 million and \$282 million at June 30, 2020 and 2019, respectively). Unrestricted financial resources represent net assets that are available for any future use without legal restriction. (See Note 14 to the Financial Statements for further details on the components of net position.) A breakdown of asset, liability, and net position balances by campus as of June 30, 2020 is shown below.

**Table 5A: Condensed Information from the Statement of Net Position as of June 30, 2020
Presented by Campus**

(\$ in millions)

	University of New Hampshire Campuses & Foundation	Plymouth State University	Keene State College & Endowment Association	Granite State College	Chancellor's Office	Total University System of New Hampshire
Cash and short-term investments	\$ 187	\$ 22	\$ 37	\$22	\$ (44)	\$ 224
Endowment and similar investments	406	30	44	8	315	803
Property and equipment, net	753	186	168	7	6	1,120
Other assets and deferred outflows of resources	<u>48</u>	<u>5</u>	<u>7</u>	<u>1</u>	<u>46</u>	<u>107</u>
Total Assets and Deferred Outflows of Resources	<u>1,394</u>	<u>243</u>	<u>256</u>	<u>38</u>	<u>323</u>	<u>2,254</u>
Derivative instruments - interest rate swaps	-	-	-	-	29	29
Postretirement medical benefits	64	12	11	2	2	91
Long-term debt	174	95	93	-	77	439
Other liabilities and deferred inflows of resources	<u>108</u>	<u>16</u>	<u>11</u>	<u>2</u>	<u>61</u>	<u>198</u>
Total Liabilities and Deferred Inflows of Resources	<u>346</u>	<u>123</u>	<u>115</u>	<u>4</u>	<u>169</u>	<u>757</u>
Net investment in capital assets	575	90	75	7	(38)	709
Restricted financial resources	416	26	46	9	-	497
Unrestricted financial resources	<u>57</u>	<u>4</u>	<u>20</u>	<u>18</u>	<u>192</u>	<u>291</u>
Total Net Position	<u>\$1,048</u>	<u>\$ 120</u>	<u>\$141</u>	<u>\$34</u>	<u>\$154</u>	<u>\$1,497</u>

B. Statements of Revenues, Expenses and Changes in Net Position

This statement reports total operating revenues, operating expenses, other revenues and expenses, and other changes in net position, as prescribed and defined by the Governmental Accounting Standards Board (GASB). There are three major components which management considers separately when analyzing the increase (decrease) in total net position: increase (decrease) in Net Position Before Other Changes (also referred to as operating margin); capital appropriations and other plant changes; and endowment gifts and net returns. The increase (decrease) in Net Position Before Other Changes is further broken down into operating and nonoperating as prescribed by GASB reporting standards which require that certain USNH recurring revenues be shown as nonoperating. This includes state general appropriations, federal Pell grants, noncapital gifts, operating investment income, the portion of endowment returns used to fund the related programs, and other revenue sources that are defined as nonoperating revenues by GASB. These revenue streams are important sources of funds used to supplement tuition and fees revenue. Accordingly, operating and nonoperating revenue and expense, together, constitute the indicator of recurring revenues and expenses for USNH.

Table 6 shows condensed information from the Statements of Revenues, Expenses and Changes in Net Position for the five years ended June 30, 2020.

The net tuition and fees revenue in these statements reflects the size and type of student enrollments, as well as student financial needs and academic achievement. Auxiliary services reflect revenues from student housing, dining, and other facility programs. Grants and contracts revenues reflect amounts reimbursed by USNH sponsors including the US government, State of New Hampshire, and other entities. These revenues may also come from awards to other institutions that are later contracted out to USNH campuses. Total operating and nonoperating revenues were down \$35 million in 2020, primarily due to decreases in auxiliary services. Expenses were down \$8 million in 2020, after a decrease of \$3 million in 2019.

The increase(decrease) in net position before other changes reflects USNH's operating margin each year. USNH's operating margin for 2020 was (0.4%) of net revenues. This is primarily due to room and board refunds and costs related to COVID-19 pandemic as discussed previously.

Endowment gifts totaled \$15 million in 2020, \$18 million in 2019, and \$16 million in 2018. The investment return after distributions resulted in losses of \$24 million in 2020 after gains of \$9 million in 2019 and \$29 million in 2018. The volatility of endowment returns is a significant driver of the change in total net position each year. Table 6A on the following page provides condensed information from the Statements of Revenues, Expenses and Changes in Net Position presented by campus for the year ended June 30, 2020.

Table 6: Condensed Information from the Statements of Revenues, Expenses and Changes in Net Position for the Years Ended June 30,

(\$ in millions)

	2016	2017	2018	2019	2020
OPERATING REVENUES					
Tuition and fees	\$ 491	\$501	\$514	\$ 522	\$517
Less: student financial aid	<u>(162)</u>	<u>(172)</u>	<u>(188)</u>	<u>(197)</u>	<u>(200)</u>
Net tuition and fees	329	329	326	325	317
Grants and contracts	123	121	127	129	131
Sales of auxiliary services	211	216	215	215	166
Other operating revenue	<u>29</u>	<u>30</u>	<u>30</u>	<u>32</u>	<u>29</u>
Total Operating Revenues	<u>692</u>	<u>696</u>	<u>698</u>	<u>701</u>	<u>643</u>
OPERATING EXPENSES					
Employee compensation	528	520	533	535	538
Supplies and services	203	210	208	204	191
Utilities, depreciation and amortization	<u>80</u>	<u>81</u>	<u>84</u>	<u>84</u>	<u>87</u>
Total Operating Expenses	<u>811</u>	<u>811</u>	<u>825</u>	<u>823</u>	<u>816</u>
<i>Operating loss</i>	<i>(119)</i>	<i>(115)</i>	<i>(127)</i>	<i>(122)</i>	<i>(173)</i>
NONOPERATING REVENUES (EXPENSES)					
State of New Hampshire general appropriations	81	81	81	81	86
Other nonoperating grant revenue	25	25	26	26	41
Noncapital gifts, investment income and other revenues	50	41	44	56	59
Interest expense, net	<u>(19)</u>	<u>(20)</u>	<u>(18)</u>	<u>(17)</u>	<u>(16)</u>
Total Nonoperating Revenues (Expenses)	<u>137</u>	<u>127</u>	<u>133</u>	<u>146</u>	<u>170</u>
Increase (Decrease) in Net Position Before Other Changes	<u>18</u>	<u>12</u>	<u>6</u>	<u>24</u>	<u>(3)</u>
OTHER CHANGES IN NET POSITION					
Endowment gifts and returns, net	(30)	70	45	27	(10)
State capital appropriations and other changes	<u>3</u>	<u>11</u>	<u>5</u>	<u>2</u>	<u>12</u>
Total Other Changes in Net Position	<u>(27)</u>	<u>81</u>	<u>50</u>	<u>29</u>	<u>2</u>
Effect of adoption of new accounting standards	<u>-</u>	<u>-</u>	<u>(42)</u>	<u>(2)</u>	<u>-</u>
Total Increase (Decrease) in Net Position	<u>\$ (9)</u>	<u>\$ 93</u>	<u>\$ 14</u>	<u>\$ 51</u>	<u>\$ (1)</u>

Table 6A: Condensed Information from the Statement of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2020

Presented by Campus

(\$ in millions)

	University of New Hampshire Campuses & Foundation	Plymouth State University	Keene State College & Endowment Association	Granite State College	Chancellor's Office	Total University System of New Hampshire
OPERATING REVENUES						
Tuition and fees	\$367	\$ 73	\$ 61	\$16	\$ –	\$517
Less: student financial aid	(140)	(29)	(25)	(6)	–	(200)
Net tuition and fees	227	44	36	10	–	317
Grants and contracts	122	3	3	3	–	131
Sales and auxiliary services	114	25	27	–	–	166
Other operating revenue	19	2	4	–	4	29
Total Operating Revenues	482	74	70	13	4	643
OPERATING EXPENSES						
Employee compensation	394	58	60	14	12	538
Supplies and services	146	21	25	4	(5)	191
Utilities, depreciation and amortization	60	14	13	–	–	87
Total Operating Expenses	600	93	98	18	7	816
Operating loss	(118)	(19)	(28)	(5)	(3)	(173)
NONOPERATING REVENUES (EXPENSES)						
State of New Hampshire general appropriations	59	12	12	3	–	86
Other nonoperating grant revenue	20	7	6	3	5	41
Noncapital gifts, investment income and other revenues	42	3	4	1	9	59
Interest expense, net	(7)	(3)	(4)	–	(2)	(16)
Total Nonoperating Revenues (Expenses)	114	19	18	7	12	170
Increase (Decrease) in Net Position Before Other Changes	(4)	–	(10)	2	9	(3)
OTHER CHANGES IN NET POSITION						
Endowment gifts and returns, net	(7)	1	4	–	(8)	(10)
State capital appropriations and other changes	9	(2)	(2)	–	7	12
Total Other Changes in Net Position	2	(1)	2	–	(1)	2
Total Increase (Decrease) in Net Position	\$ (2)	\$ (1)	\$ (8)	\$ 2	\$ 8	\$ (1)

C. Statements of Cash Flows

The Statements of Cash Flows summarize transactions affecting cash and cash equivalents. Table 7 below shows summary information from the Statements of Cash Flows for the five years ended June 30, 2020.

Table 7: Condensed Information from the Statements of Cash Flows for the Years Ended June 30,

(\$ in millions)

	2016	2017	2018	2019	2020
Cash flows from:					
Receipts from tuition and fees, net	\$331	\$332	\$328	\$327	\$348
Receipts from sales of auxiliary services	208	217	214	216	165
Receipt of state general appropriations	81	81	81	81	86
Noncapital gifts, grants and other receipts	193	188	203	198	212
Payments to and on behalf of employees	(518)	(543)	(537)	(532)	(532)
Payments for supplies, services and utilities	(222)	(227)	(227)	(222)	(211)
Net Cash Provided by Operating and Noncapital Financing Activities	73	48	62	68	68
Net Cash Used in Capital Financing Activities	(110)	(120)	(83)	(78)	(90)
Net Cash Provided by Investing Activities	26	69	10	30	12
Increase/(Decrease) in Cash and Cash Equivalents	\$ (11)	\$ (3)	\$ (11)	\$ 20	\$ (10)

These statements provide information about cash collections and cash payments made by USNH each year. The statements are designed to help readers assess our ability to generate the cash flows necessary to meet current and future obligations. Cash flows from operating activities will always be different than the operating results on the Statements of Revenues, Expenses and Changes in Net Position because of the inclusion of noncash items, such as depreciation expense, and because the latter statement is prepared on the accrual basis of accounting, meaning that it shows revenues when earned and expenses as incurred. The decrease in cash flows from operating and noncapital financing activities is primarily related to refunds of room and board and other fees due to COVID-19 pandemic. The net cash used in capital financing activities for 2020 increased primarily due to construction of the Biological Sciences Spaulding Hall at UNH, 2018 and 2019 were lower since most of the 2016 and 2017 investments generated by USNH's recent bond issuances had already been liquidated in prior years. The cash provided by investing activities in 2020 is lower because endowment investment transactions were volatile in 2020.

D. Financial Indicators

Historically, USNH has used unrestricted financial resources to external debt outstanding (UFR to Debt) as the primary indicator of its financial health. In October 2019, USNH Financial Affairs Committee of the Board of Trustees replaced this ratio with the Spendable Cash and Investments to Debt (SCI to Debt) as a measure of liquidity to align with Moody's new methodology. The UFR to Debt ratio uses the unrestricted net position balance as the numerator and the total long-term debt balance outstanding as the denominator. The SCI to Debt ratio uses wealth that can be accessed over time or for a specific purpose to repay bondholders. USNH's targeted unrestricted financial resources to debt ratio is 50% or above, and the targeted SCI to Debt ratio is 1.3 or above. The average of UFR to Debt over the past five years was 64.2%, and 1.49 for the SCI to Debt ratio. Both ratios reflect sufficient available support for ongoing initiatives. (See Notes 8 and 14 to the Financial Statements for additional information in this regard).

Chart 6: Unrestricted Financial Resources to Total Debt

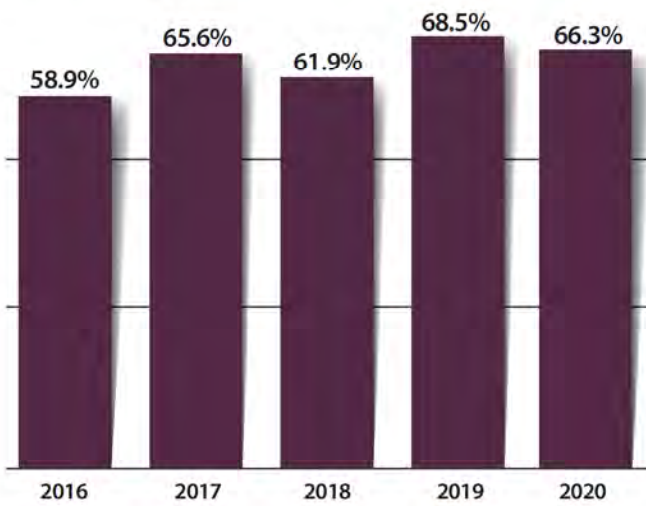
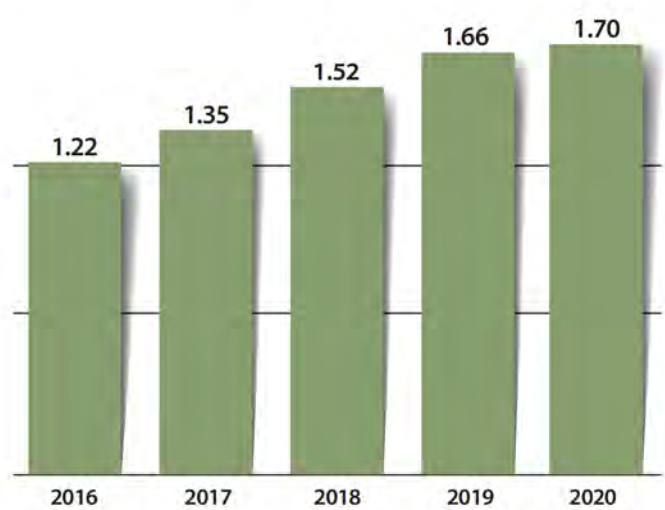


Chart 7: Spendable Cash to Debt



University System of New Hampshire

Statements of Net Position

(\$ in thousands)

	Balance at June 30,	
	2020	2019
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 65,339	\$ 75,422
Short-term investments	158,907	148,166
Accounts receivable, net	31,298	22,031
Pledges receivable - current portion	2,537	3,292
Notes receivable - current portion	2,070	2,196
Prepaid expenses and other current assets	7,415	9,230
Total Current Assets	267,566	260,337
Noncurrent Assets		
Endowment and similar investments - campuses	549,393	557,984
Endowment and similar investments - affiliated entities	253,526	251,249
Pledges receivable, net of current portion	3,936	4,810
Notes receivable, net of current portion	11,070	14,293
Pension assets, net of obligations	432	311
Property and equipment, net of accumulated depreciation	1,119,925	1,117,361
Total Noncurrent Assets	1,938,282	1,946,008
TOTAL ASSETS	2,205,848	2,206,345
DEFERRED OUTFLOWS OF RESOURCES	48,775	35,977
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	64,113	65,231
Deposits and unearned revenues	68,879	40,242
Accrued employee benefits - current portion	6,673	6,760
Postretirement medical benefits - current portion	4,412	5,331
Long-term debt - current portion	27,315	26,203
Total Current Liabilities	171,392	143,767
Noncurrent Liabilities		
Asset retirement and other obligations	10,646	5,787
Refundable government advances	13,229	17,513
Accrued employee benefits, net of current portion	24,467	24,702
Postretirement medical benefits, net of current portion	86,131	77,515
Derivative instruments - interest rate swaps	29,262	22,976
Long-term debt, net of current portion	411,678	439,016
Total Noncurrent Liabilities	575,413	587,509
TOTAL LIABILITIES	746,805	731,276
DEFERRED INFLOWS OF RESOURCES	10,474	12,500
NET POSITION (see Note 14)		
Net investment in capital assets	709,337	685,015
Restricted		
Nonexpendable	296,353	281,701
Expendable	200,667	213,337
Unrestricted	290,987	318,493
TOTAL NET POSITION	\$1,497,344	\$1,498,546

See accompanying notes to the financial statements.

University System of New Hampshire Statements of Revenues, Expenses and Changes in Net Position

(\$ in thousands)

	For the year ended June 30,	
	2020	2019
OPERATING REVENUES		
Resident tuition	\$ 166,003	\$ 166,236
Nonresident tuition	305,555	307,332
Continuing education tuition	19,222	19,574
Student fees revenue	26,148	28,514
Total tuition and fees	516,928	521,656
Less: student financial aid - grants and contracts	(31,922)	(33,460)
Less: student financial aid - all other	(168,333)	(163,308)
Net tuition and fees	316,673	324,888
Grants and contracts - direct revenues	108,488	107,258
Grants and contracts - facilities & administrative recovery	22,363	21,718
Sales of auxiliary services	166,370	214,511
Other operating revenues	28,921	32,266
TOTAL OPERATING REVENUES	642,815	700,641
OPERATING EXPENSES		
Employee compensation - grants and contracts	64,791	62,965
Employee compensation - all other	473,209	471,763
Supplies and services - grants and contracts	35,738	30,010
Supplies and services - all other	154,823	174,369
Utilities	18,059	18,583
Depreciation and amortization	69,015	65,349
TOTAL OPERATING EXPENSES	815,635	823,039
Operating loss	(172,820)	(122,398)
NONOPERATING REVENUES (EXPENSES)		
State of New Hampshire general appropriations	85,500	81,000
Federal Pell grants	24,440	25,968
Other nonoperating grant revenue	16,429	-
Noncapital gifts	17,411	13,510
Endowment and investment income	41,667	42,024
Interest expense, net	(16,330)	(17,154)
Other nonoperating revenue	137	252
TOTAL NONOPERATING REVENUES (EXPENSES)	169,254	145,600
INCREASE (DECREASE) IN NET POSITION BEFORE OTHER CHANGES	(3,566)	23,202
OTHER CHANGES IN NET POSITION		
State of New Hampshire capital appropriations	10,082	-
Plant gifts, grants and other changes, net	1,693	2,722
Endowment and similar gifts	14,719	17,793
Endowment return, net of amount used for operations	(24,130)	8,895
TOTAL OTHER CHANGES IN NET POSITION	2,364	29,410
INCREASE (DECREASE) IN NET POSITION	(1,202)	52,612
Net Position at Beginning of Year	1,498,546	1,445,934
NET POSITION AT END OF YEAR	\$1,497,344	\$1,498,546

See accompanying notes to the financial statements.

University System of New Hampshire Statements of Cash Flows

(\$ in thousands)

	For the year ended June 30,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tuition and fees, net of student financial aid	\$ 348,306	\$ 327,183
Receipts from sales of auxiliary services	164,603	216,302
Receipts from grants, contracts and other operating revenues	154,421	158,173
Payments to employees	(401,392)	(391,815)
Payments for employee benefits	(130,909)	(140,449)
Payments for supplies, services and utilities	(210,722)	(222,225)
NET CASH USED IN OPERATING ACTIVITIES	(75,693)	(52,831)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State general appropriations	85,500	81,000
Federal Pell and other nonoperating grants	39,318	26,221
Noncapital gifts	18,188	13,300
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	143,306	120,521
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
State appropriations for plant projects	10,052	1,237
Plant gifts and grants	5,199	4,774
Endowment gifts	14,720	18,878
Proceeds from issuance of debt and sale of property	–	234
Debt principal payments	(24,292)	(21,057)
Interest payments	(17,870)	(18,419)
Purchases and construction of property	(77,823)	(63,178)
NET CASH USED IN CAPITAL FINANCING ACTIVITIES	(90,014)	(77,531)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	445,894	481,725
Purchases of investments	(440,107)	(462,430)
Investment income	6,531	10,840
NET CASH PROVIDED BY INVESTING ACTIVITIES	12,318	30,135
Increase (Decrease) in cash and cash equivalents	\$ (10,083)	\$ 20,294
Beginning cash and cash equivalents	75,422	55,128
ENDING CASH AND CASH EQUIVALENTS	\$ 65,339	\$ 75,422
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$(172,820)	\$(122,398)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	69,015	65,349
Changes in assets and liabilities:		
Accounts receivable, net	(3,689)	(2,641)
Notes receivable	(935)	5,127
Prepaid expenses and other current assets	1,815	(1,640)
Accounts payable and accrued expenses	7,976	6,574
Deposits and unearned revenues	24,787	472
Accrued employee benefits	(1,842)	(3,674)
NET CASH USED IN OPERATING ACTIVITIES	\$ (75,693)	\$(52,831)
SIGNIFICANT NONCASH TRANSACTIONS		
Endowment return, net of amount used for operations	\$ (24,131)	\$ 8,895
Loss on disposal of capital assets	(2,962)	(1,237)
Construction services payable balance	5,681	9,147

See accompanying notes to the financial statements.

Notes to the Financial Statements

June 30, 2020 and 2019

1. Summary of significant accounting policies and presentation

The University System of New Hampshire (USNH) is a not-for-profit institution of higher education created in 1963 as a body politic and corporate under the laws of the State of New Hampshire (the State) and is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. USNH is considered a component unit of the State for financial reporting purposes. The accompanying financial statements include the accounts of the University of New Hampshire (UNH), Plymouth State University (PSU), Keene State College (KSC), and Granite State College (GSC) as well as certain affiliated entities discussed below. UNH, PSU, KSC and GSC are collectively referred to in the accompanying financial statements as “campuses.”

Affiliated entities and related parties

Governmental accounting standards require that all potential component units be evaluated for inclusion in the financial statements of the primary government of the reporting entity. USNH’s policy on Foundations Established for the Benefit of USNH or its Component Institutions states that the USNH Board of Trustees retains control over the activities of any affiliated foundation. The USNH policy further states that USNH has the legal authority to terminate the existence of any affiliated foundation, at which time ownership of the related assets would revert to USNH. Two legally separate affiliated foundations are impacted by this policy and, accordingly, are considered blended component units of USNH. The University of New Hampshire Foundation, Inc. (UNHF) and the Keene Endowment Association (KEA) are collectively referred to in the accompanying financial statements as “affiliated entities.” The associated revenues, expenses, assets, liabilities, deferred inflows, deferred outflows and net position of UNHF and KEA are fully consolidated with those of the campuses in the accompanying financial statements, and all associated inter-entity activity has been eliminated.

UNHF, Inc. was incorporated in 1989 as a not-for-profit, tax-exempt organization. Its purpose is to solicit, collect, invest and disburse funds for the sole benefit of the University of New Hampshire. The University of New Hampshire funds a portion of the operating expenses of UNHF. UNHF is governed by its own Board of Directors, the membership of which includes the President of the University of New Hampshire and up to three other members of the USNH Board of Trustees. UNHF has a separate financial statement audit each year. Condensed financial information for UNHF is included in Note 16. The KEA was organized in 1957 as a separate charitable entity to provide financial assistance to deserving students at Keene State College. Income is distributed at the discretion of the Trustees of KEA.

Basis of accounting

The accompanying financial statements have been prepared in accordance with US generally accepted accounting principles (GAAP) prescribed by the Governmental Accounting Standards Board (GASB) using the economic resources measurement focus and the accrual basis of accounting.

USNH follows the requirements of the “business-type activities” (BTA) model as defined by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis for Public Colleges and Universities*. BTAs are defined as those that are financed in whole or in part by fees charged to external parties for goods or services. The Statement requires that resources be classified into the following net position categories, as more fully detailed in Note 14:

Net investment in capital assets: Property and equipment at historical cost or fair value on date of acquisition, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition or construction of those assets.

Restricted Nonexpendable: Resources subject to externally imposed stipulations that they be maintained permanently by USNH. These funds include the historical gift value of restricted true endowment funds.

Restricted Expendable: Resources whose use by USNH is subject to externally imposed stipulations. Such funds include the accumulated net gains on donor-restricted “true” endowment funds; the fair value of restricted funds functioning as endowment; restricted funds loaned to students; restricted gifts and endowment income; and other similarly restricted funds.

Unrestricted: Resources that are not subject to externally imposed stipulations. Substantially all unrestricted net position funds are designated to support academic, research, or auxiliary enterprises; invested to function as endowment; or committed to capital construction projects.

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, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from these estimates. The most significant areas that require management estimates relate to valuation of certain investments and derivative instruments, useful life and related depreciation of capital assets, and accruals for postretirement medical and other employee-related benefits.

Investments are maintained with established financial institutions whose credit is evaluated by management and the respective governing boards of USNH and its affiliated entities. Investments of operating cash in money market and other mutual funds are generally recorded as cash equivalents. These amounts are invested for purposes of satisfying current operating liabilities and generating investment income to support ongoing operations. Short-term investments represent highly liquid amounts held for other current liabilities.

Property and equipment are recorded at original cost for purchased assets or at fair value on the date of donation in the case of gifts. Equipment with a unit cost of \$5,000 or more is capitalized. Building improvements with a cost of \$50,000 or greater are also capitalized. Net interest costs incurred during the construction period for major, debt-funded, capital projects are added to the cost of the underlying asset. The value of equipment acquired under capital leases is recorded at the present value of the minimum lease payments at the inception of the lease. Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful lives of the respective assets. The cost of certain research buildings is componentized for the purpose of calculating depreciation. Buildings and improvements are depreciated over useful lives ranging from 4 to 50 years. Depreciable lives for equipment range from 3 to 30 years. (See Note 5 for additional information on depreciation.) USNH does not record donated works of art and historical treasures that are held for exhibition, education, research, and public service.

Library collections are recorded as an expense in the period purchased, except for UNH School of Law library collections which are capitalized annually and depreciated over a ten-year period on a straight-line basis.

Deposits and unearned revenue consist of amounts billed or received in advance of USNH providing goods or services. Advances from the U.S. Government for Federal Perkins Loans to students are reported as government advances refundable. Federal Direct Loan proceeds are posted to student accounts as approved and drawn weekly.

Operating revenues include tuition and fees, grants and contracts, sales of auxiliary services, and other operating revenues. Tuition and fee revenues are reported net of student financial aid discounts and allowances. Operating expenses include employee compensation and benefits, supplies and services, utilities, and depreciation. Operating expenses also include early retirement and other separation

incentive stipends and benefits promised to certain employees in exchange for termination of employment. All such termination benefits are accrued as of the date the termination agreements are signed and are presented at net present value at year end. In 2020, the operating expenses also included the use of federal Cares Act for Higher Education Emergency Relief Fund and the State of New Hampshire Governor's Office for Emergency Relief and Recovery awards. Nonoperating revenues (expenses) include all other revenues and expenses except certain changes in long-term plant, endowment and other net position funds, which are reported as other changes in net position. Operating revenues are recognized when earned and expenses are recorded when incurred. Restricted grant revenue is recognized only to the extent of applicable expenses incurred or, in the case of fixed-price contracts, when the contract terms are met or completed.

Unconditional pledges of nonendowment gifts are presented net of estimated amounts deemed uncollectible after discounting to the present value of expected future cash flows. Because of uncertainties regarding their realization and valuation, bequest intentions and other conditional promises are not recognized as assets until the specified conditions are met. In accordance with GASB requirements, endowment pledges expected to be received over the next ten years, totaling \$7,317,000 and \$11,094,000 at June 30, 2020 and 2019, respectively, have not been reported in the accompanying financial statements. USNH generally uses restricted funds first when an expense is incurred where both restricted and unrestricted funds are available.

Endowment return used for operations per application of the Board-approved endowment spending policy is reported as nonoperating revenue. Net realized and unrealized gains/losses and interest/dividend income earned on endowment and similar investments, together with the excess (deficiency) of these earnings over the return used for operations, are reported as other changes in net position.

The System's financial statements include comparative financial information. Certain prior year amounts have been reclassified to conform to the current year presentation.

The components of cash, cash equivalents and short-term investments are summarized below (\$ in thousands):

	Balances and Terms as of June 30, 2020				Balances and Terms as of June 30, 2019			
	Level 1	Level 2	Total	Weighted Average Maturity	Level 1	Level 2	Total	Weighted Average Maturity
Cash balance	\$ 13,969	\$ –	\$ 13,969	Less than 1 year	\$ 29,431	\$ –	\$ 29,431	Less than 1 year
Repurchase agreements	–	7,166	7,166	Less than 1 year	–	7,625	7,625	Less than 1 year
Money market funds	44,204	–	44,204	Less than 1 year	38,366	–	38,366	Less than 1 year
Subtotal cash and cash equivalents	<u>58,173</u>	<u>7,166</u>	<u>65,339</u>		<u>67,797</u>	<u>7,625</u>	<u>75,422</u>	
Money market funds	35,287	–	35,287	Less than 1 year	34,046	–	34,046	Less than 1 year
Domestic equity	643	–	643	Less than 1 year	338	–	338	Less than 1 year
Mutual funds	95,072	–	95,072	1-5 years	86,372	–	86,372	1-5 years
Corporate bonds	–	14,419	14,419	1-5 years	–	14,312	14,312	1-5 years
US government and agencies	–	11,880	11,880	1-5 years	–	11,987	11,987	1-5 years
Municipal bonds	–	1,573	1,573	1-5 years	–	1,085	1,085	1-5 years
Convertible note	–	33	33	1-5 years	–	26	26	1-5 years
Subtotal short-term investments	<u>131,002</u>	<u>27,905</u>	<u>158,907</u>		<u>120,756</u>	<u>27,410</u>	<u>148,166</u>	
Total cash, cash equivalents and short-term investments	<u>\$189,175</u>	<u>\$35,071</u>	<u>\$224,246</u>		<u>\$188,553</u>	<u>\$35,035</u>	<u>\$223,588</u>	

New reporting standards

As allowed under GASB Statement No 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the System postponed by one year the adoption of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to become effective for fiscal year ended June 30, 2020, and later.

2. Cash, cash equivalents and short-term investments

Cash, cash equivalents, and short-term investments are recorded at fair value. USNH's investment policy and guidelines specify permitted instruments, durations, required ratings and insurance of USNH cash, cash equivalents and short-term investments. The investment policy and guidelines are intended to mitigate credit risk on investments individually and in the aggregate through restrictions on investment type, liquidity, custodian, dollar level, maturity, and rating category. Money market funds are placed with the largest national fund managers. These funds must be rated AA/Aa by Standard & Poor's and Moody's Investor Service and comply with Securities and Exchange Commission Rule 2A-7. Repurchase agreements must be fully collateralized at 102% of the face value by US Treasuries, or 103% of the face value by US Government-backed or guaranteed agencies or government sponsored enterprises. In addition, USNH investments may not exceed 5% of any institution's total deposits or 20% of any institution's net equity.

Cash equivalents represent amounts invested to satisfy current operating liabilities and include repurchase agreements, money market funds and other mutual funds. Repurchase agreements are limited to overnight investments only. Short-term investments are highly liquid amounts held to support specific current liabilities. Cash, cash equivalents and short-term investments are generally uninsured and uncollateralized against custodial credit risk, and the related mutual funds are not rated. Cash and cash equivalents totaled \$65,339,000 and \$75,422,000 at June 30, 2020 and 2019, respectively, and short-term investments totaled \$158,907,000 and \$148,166,000 at June 30, 2020 and 2019, respectively. See Note 4 for additional information on fair value classifications.

3. Accounts, pledges, and notes receivable

Accounts receivable at June 30 consisted of the following (*\$ in thousands*):

	2020	2019
Grants and contracts	\$25,117	\$17,185
Student and general	8,988	7,751
State of NH capital projects	30	–
Allowance for doubtful accounts	<u>(2,837)</u>	<u>(2,905)</u>
Total accounts receivable, net	<u>\$31,298</u>	<u>\$22,031</u>

Pledges receivable at June 30 consisted entirely of unconditional nonendowment promises to pay as follows (*\$ in thousands*):

	2020	2019
Pledges receivable	\$8,651	\$11,223
Discounts and allowance for doubtful pledges	<u>(2,178)</u>	<u>(3,121)</u>
Total pledges receivable, net	6,473	8,102
Less: noncurrent portion	<u>(3,936)</u>	<u>(4,810)</u>
Current portion	<u>\$2,537</u>	<u>\$ 3,292</u>

Notes receivable at June 30 consisted primarily of student loan funds as follows (*\$ in thousands*):

	2020	2019
Perkins loans	\$13,528	\$17,157
Other loans, restricted and unrestricted	1,031	751
Allowance for doubtful loans	<u>(1,419)</u>	<u>(1,419)</u>
Total notes receivable, net	13,140	16,489
Less: noncurrent portion	<u>(11,070)</u>	<u>(14,293)</u>
Current portion	<u>\$ 2,070</u>	<u>\$ 2,196</u>

4. Investments

USNH's investment policy and guidelines specify permitted instruments, duration and required ratings for pooled endowment funds. The policy and guidelines are intended to mitigate risk on investments individually and in the aggregate while maximizing total returns and supporting intergenerational equity of spending levels. Illiquid investments are limited to 20% of the USNH consolidated endowment pool. Credit risk is mitigated by due diligence in the selection and continuing review of investment managers as well as diversification of both investment managers and underlying investments. Except in unusual circumstances, no more than 15% of total portfolio assets may be invested in any one actively managed strategy. If an investment manager is retained to manage more than one strategy, that manager will be limited to 20% of total portfolio assets. Passively managed investment strategies will not be limited within the portfolio; however, any one manager of passive strategies will be limited to 20% of total portfolio assets. Any manager positions exceeding these limits will be reviewed by the Finance Committee for Investments and this committee will decide the appropriate course of action to bring active manager exposures back in line with the concentration limit. Private global equity investments are limited to 20% of the endowment pool. No USNH endowment investments were denominated in foreign currencies as of June 30, 2020 or June 30, 2019.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires that USNH categorize assets measured at fair value using a three-tiered hierarchy based on the valuation methodologies employed. The hierarchy includes the following:

Level 1 — Value based on quoted prices (unadjusted) in active markets for identical assets that are accessible at the measurement date

Level 2 — Value based on inputs other than quoted prices that are observable for an asset either directly or indirectly; and

Level 3 — Value based on unobservable inputs for an asset

In determining fair value of investment assets, USNH utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. As a practical expedient to estimate the fair value of USNH's interests, certain investments in commingled funds and limited partnerships are reported at the net asset value (NAV) determined by the respective fund managers, without adjustment when assessed as reasonable by USNH, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. Because these investments are not readily marketable, their estimated fair values may differ from the values that would have been assigned had a ready market for such investments existed, and such differences could be material. As of June 30, 2020 and 2019, USNH had no plans or intentions to sell such investments at amounts different from NAV. Investments reported at NAV as a practical expedient are not categorized in the fair value hierarchy.

The endowment and similar investment holdings of the campuses and affiliated entities as of June 30, 2020 and 2019, respectively, are summarized below (*\$ in thousands*):

	Campuses		Affiliated Entities	
	2020	2019	2020	2019
Pooled endowments:				
Campuses	\$533,687	\$541,633	\$ –	\$ –
UNH Foundation	–	–	235,797	236,326
Keene Endowment Association	–	–	13,585	9,643
Life income and annuity funds	81	86	4,144	5,280
Funds held in trust	<u>15,625</u>	<u>16,265</u>	–	–
Total	<u>\$549,393</u>	<u>\$557,984</u>	<u>\$253,526</u>	<u>\$251,249</u>

The majority of USNH's investments are units of institutional commingled funds and limited partnerships invested in equity, fixed income, hedge, natural resources, private equity, or real estate strategies. Hedge strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedge 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 instruments which are valued by the investment manager. To the extent quoted prices exist the manager would use those; when these are not available, other methodologies maximizing observable inputs would be used for the valuation, such as discounted cash flow analysis, capitalization of current or stabilized net operating income, replacement costs, or sales contracts and recent sales comparable in the market. Private equity funds employ buyout, growth, venture capital, and distressed security strategies. Real asset funds generally hold interests in private real estate. Fixed income securities had maturities up to 15 years and 28 years at June 30, 2020 and 2019, respectively, and carried ratings ranging from AAA to Baa2 as of June 30, 2020 and 2019. The mutual fund investments held in the endowment pools are not rated.

The following table summarizes the fair value of USNH's investments by type ordered alphabetically (\$ in thousands):

	Balances as of June 30, 2020					Balances as of June 30, 2019				
	Investments Classified in Fair Value Hierarchy			Investments Measured at NAV	Total	Investments Classified in Fair Value Hierarchy			Investments Measured at NAV	Total
	Level 1	Level 2	Level 3			Level 1	Level 2	Level 3		
Endowment and similar investments – campuses										
Domestic equity	\$117,869	\$ –	\$ –	\$ 72,443	\$190,312	\$ 145,635	\$ –	\$ –	\$ 64,745	\$210,380
Global fixed income	54,321	–	–	–	54,321	18,553	38,740	–	–	57,293
Hedge funds:										
Distressed/Restructuring	–	–	–	18,297	18,297	–	–	–	20,273	20,273
Equity Hedge	–	–	–	33,365	33,365	–	–	–	26,138	26,138
Event-Driven	–	–	–	61,501	61,501	–	–	–	39,422	39,422
Fund of Funds	–	–	–	5,755	5,755	–	–	–	36,904	36,904
Inflation hedging assets	8,090	–	–	9,523	17,613	–	8,602	–	11,117	19,719
International equity	21,330	–	–	53,440	74,770	31,192	–	–	58,046	89,238
Money market	36,012	–	–	–	36,012	4,790	–	–	–	4,790
Private equity & non-marketable real assets	–	–	–	41,822	41,822	–	–	–	37,561	37,561
Trust funds	–	15,625	–	–	15,625	–	16,266	–	–	16,266
Total endowment and similar investments – campuses	<u>\$237,622</u>	<u>\$15,625</u>	<u>\$ –</u>	<u>\$296,146</u>	<u>\$549,393</u>	<u>\$200,170</u>	<u>\$63,608</u>	<u>\$ –</u>	<u>\$294,206</u>	<u>\$557,984</u>
Endowment and similar investments – affiliated entities										
Domestic equity	\$ 17,824	\$ –	\$ –	\$ 44,849	\$ 62,673	\$ 38,803	\$ –	\$ –	\$31,491	\$ 70,294
Global fixed income	14,744	1,915	4,242	1,662	22,563	19,162	2,134	4,176	1,883	27,355
Hedge funds:										
Distressed/Restructuring	–	–	–	39,546	39,546	–	–	–	32,064	32,064
Diversified	–	–	–	4,900	4,900	–	–	–	241	241
Equity Hedge	–	–	–	21,612	21,612	–	–	–	20,931	20,931
Inflation hedging assets	3,337	6,691	–	274	10,302	2,664	9,575	–	197	12,436
International equity	16,579	–	–	39,100	55,679	17,336	–	–	41,231	58,567
Money market	10,921	–	–	–	10,921	8,083	–	–	–	8,083
Private equity & non-marketable real assets	–	–	–	25,330	25,330	–	–	–	21,278	21,278
Total endowment and similar investments – affiliated entities	<u>\$ 63,405</u>	<u>\$ 8,606</u>	<u>\$4,242</u>	<u>\$177,273</u>	<u>\$253,526</u>	<u>\$ 86,048</u>	<u>\$11,709</u>	<u>\$4,176</u>	<u>\$149,316</u>	<u>\$251,249</u>
Total endowment and similar investments	<u>\$301,027</u>	<u>\$ 24,231</u>	<u>\$4,242</u>	<u>\$473,419</u>	<u>\$802,919</u>	<u>\$ 286,218</u>	<u>\$75,317</u>	<u>\$4,176</u>	<u>\$443,522</u>	<u>\$809,233</u>

As of June 30, 2020, USNH had one equity hedge fund in a lock-up period set to expire in nine months. As of June 30, 2020, UNHF had no remaining lock up periods within its hedge funds. Fixed income, private equity and real estate funds classified as illiquid have no ability to be redeemed at this time. For USNH, of the 37 funds classified as illiquid, twelve are currently in liquidation; one is expected to start liquidation within the next year; fifteen are expected to start liquidation in 2 to 15 years, and nine currently have no expected liquidation dates. For UNHF, 18 funds are classified as illiquid and are expected to be liquidated over the next one to 11 years.

As of June 30, 2020, USNH has one outstanding investment liquidation request which has been limited by the respective fund managers. As of June 30, 2019, USNH had two outstanding investment liquidation requests, of which one was fully liquidated in 2020. USNH's estimated fair values of these investments at June 30, 2020 and 2019 are \$63,000 and \$78,000, respectively. It is uncertain when, or if, the funds will be fully collected at the NAV recorded.

Unfunded commitments with various private equity and similar alternative investment funds totaled \$44,251,000 for USNH and \$22,749,000 for UNHF at June 30, 2020. This compares to \$30,957,000 and \$16,878,000, respectively, at June 30, 2019.

Investment liquidity for the past two years is aggregated below based on redemption terms or availability (\$ in thousands):

Liquidity Terms as of June 30, 2020								
	Daily	Monthly	Quarterly	Semi-Annual	Annual	illiquid	Total	Redemption Notice Period
Endowment and similar investments – campuses								
Money market	\$ 36,012	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 36,012	Daily
Global fixed income	54,321	–	–	–	–	–	54,321	Daily
International equity	21,330	53,440	–	–	–	–	74,770	1-10 days
Inflation hedging assets	8,090	9,523	–	–	–	–	17,613	1-15 days
Domestic equity	117,869	–	72,443	–	–	–	190,312	1-60 days
Hedge funds:								
Equity Hedge	–	–	32,908	–	457	–	33,365	60 days
Event-Driven	–	–	24,867	36,634	–	–	61,501	60-90 days
Distressed/Restructuring	–	–	–	–	18,297	–	18,297	90 days
Fund of Funds	–	–	–	–	–	5,755	5,755	illiquid
Private equity & non-marketable real assets	–	–	–	–	–	41,822	41,822	illiquid
Funds held in trust	–	–	–	–	–	15,625	15,625	illiquid
Total endowment and similar investments – campuses	<u>\$237,622</u>	<u>\$62,963</u>	<u>\$130,218</u>	<u>\$36,634</u>	<u>\$18,754</u>	<u>\$ 63,202</u>	<u>\$549,393</u>	
Endowment and similar investments – affiliated entities								
Money market	\$ 10,921	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 10,921	Daily
Inflation hedging assets	10,302	–	–	–	–	–	10,302	Daily
Global fixed income	17,232	1,089	–	–	1,540	2,702	22,563	Daily, annually, illiquid
Domestic equity	23,667	5,000	34,006	–	–	–	62,673	1-60 days
International equity	30,614	16,859	8,206	–	–	–	55,679	1-90 days
Hedge funds:								
Equity Hedge	–	–	21,612	–	–	–	21,612	30-90 days
Diversified	–	–	–	4,804	96	–	4,900	60 days
Distressed/Restructuring	–	–	7,580	10,487	21,479	–	39,546	60-90 days
Private equity & non-marketable real assets	–	–	–	–	–	25,330	25,330	illiquid
Total endowment and similar investments - affiliated entities	<u>\$ 92,736</u>	<u>\$22,948</u>	<u>\$ 71,404</u>	<u>\$ 15,291</u>	<u>\$23,115</u>	<u>\$ 28,032</u>	<u>\$ 253,526</u>	
Total endowment and similar investments	\$330,358	\$85,911	\$ 201,622	\$ 51,925	\$41,869	\$ 91,234	\$802,919	

Liquidity Terms as of June 30, 2019								
	Daily	Monthly	Quarterly	Semi-Annual	Annual	illiquid	Total	Redemption Notice Period
Endowment and similar investments – campuses								
Money market	\$ 4,790	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 4,790	Daily
Global fixed income	57,293	–	–	–	–	–	57,293	Daily
Inflation hedging assets	8,602	11,117	–	–	–	–	19,719	1-30 days
International equity	31,192	58,046	–	–	–	–	89,238	1-30 days
Domestic equity	145,635	–	64,745	–	–	–	210,380	1-60 days
Hedge funds:								
Equity Hedge	–	–	24,986	–	1,153	–	26,139	50-60 days
Event-Driven	–	–	19,795	19,626	–	–	39,421	60-65 days
Distressed/Restructuring	–	–	–	–	20,273	–	20,273	90 days
Fund of Funds	–	–	–	–	–	36,904	36,904	illiquid
Private equity & non-marketable real assets	–	–	–	–	–	37,561	37,561	illiquid
Funds held in trust	–	–	–	–	–	16,266	16,266	illiquid
Total endowment and similar investments – campuses	<u>\$247,512</u>	<u>\$69,163</u>	<u>\$109,526</u>	<u>\$19,626</u>	<u>\$21,426</u>	<u>\$ 90,731</u>	<u>\$ 557,984</u>	
Endowment and similar investments – affiliated entities								
Money market	\$ 8,083	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 8,083	Daily
Inflation hedging assets	12,436	–	–	–	–	–	12,436	Daily
Global fixed income	22,126	1,053	–	–	1,585	2,591	27,355	Daily, illiquid
Domestic equity	39,902	–	30,392	–	–	–	70,294	1-60 days
International equity	32,327	18,192	8,048	–	–	–	58,567	1-90 days
Hedge funds:								
Diversified	–	–	–	–	241	–	241	45-60 days
Distressed/Restructuring	–	–	20,011	–	12,053	–	32,064	45-90 days
Equity Hedge	–	–	15,465	5,466	–	–	20,931	60-90 days
Private equity & non-marketable real assets	–	–	–	–	–	21,278	21,278	illiquid
Total endowment and similar investments - affiliated entities	<u>\$114,874</u>	<u>\$19,245</u>	<u>\$ 73,916</u>	<u>\$ 5,466</u>	<u>\$13,879</u>	<u>\$ 23,869</u>	<u>\$ 251,249</u>	
Total endowment and similar investments	\$362,386	\$88,408	\$ 183,442	\$25,092	\$35,305	\$114,600	\$809,233	

5. Property and equipment

Property and equipment activity for the years ended June 30, 2020 and 2019 is summarized as follows (\$ in thousands):

	2019			2020			Balance June 30, 2020
	Balance June 30, 2018	Additions	Retirements & Changes	Balance June 30, 2019	Additions	Retirements & Changes	
Land	\$ 15,588	\$ 62	\$ (24)	\$ 15,626	\$ 1,508	\$ 828	\$ 17,962
Buildings and improvements	1,801,107	38,405	(5,239)	1,834,273	38,948	(14,351)	1,858,870
Equipment	138,587	13,527	(11,303)	140,811	20,556	(9,041)	152,326
Construction in progress, net	42,862	48,425	(38,467)	52,820	53,789	(40,457)	66,152
Total property and equipment	1,998,144	100,419	(55,033)	2,043,530	114,801	(63,021)	2,095,310
Less: accumulated depreciation	(876,133)	(65,257)	15,221	(926,169)	(68,831)	19,615	(975,385)
Property and equipment, net	\$1,122,011	\$ 35,162	\$ (39,812)	\$1,117,361	\$ 45,970	\$(43,406)	\$1,119,925

Contractual obligations for major construction projects totaled approximately \$50,014,000 and \$20,538,000 at June 30, 2020 and 2019, respectively.

6. Accrued employee benefits

Accrued employee benefit obligations at June 30 are summarized below (\$ in thousands):

	2019			2020			Balance June 30, 2020	Current Portion
	Balance June 30, 2018	Payments to/ on Behalf of Participants	Expenses & Other Changes	Balance June 30, 2019	Payments to/ on Behalf of Participants	Expenses & Other Changes		
Additional retirement contribution	\$ 2,294	\$ (200)	\$ 77	\$ 2,171	\$ (217)	\$ 105	\$ 2,059	\$ 217
Employee separation incentives	3,169	(1,661)	759	2,267	(1,447)	1,284	2,104	1,740
Long-term disability	2,087	(429)	386	2,044	(455)	443	2,032	455
Workers' compensation	3,291	(1,216)	1,148	3,223	(952)	600	2,871	952
Compensated absences	20,847	(2,088)	2,004	20,763	(2,074)	2,168	20,857	2,193
Other benefits	965	-	29	994	-	223	1,217	1,116
Total accrued employee benefits	\$32,653	\$(5,594)	\$4,403	\$31,462	\$(5,145)	\$4,823	\$31,140	\$6,673

The **Additional Retirement Contribution** program is a single employer plan administered by USNH and offered to eligible employees hired between July 1, 1994 and June 30, 2011. Under this plan, staff meeting certain voluntary defined benefit plan contribution levels receive an additional 1% of their salary contributed to their defined contribution retirement plan (see below) by USNH in lieu of post-retirement medical benefits. Employees meeting certain service guidelines prior to July 1, 1994 are also eligible for a guaranteed minimum employer retirement contribution of \$10,000 plus an additional \$1,000 for each year of service in excess of 20 less 1% of the participant's salary account. There were 295 and 307 active employees meeting the requirements for the guaranteed minimum employer contribution as of June 30, 2020 and 2019, respectively.

The calculations for the Additional Retirement Contribution program are based on the benefits provided by the program at the time of the last biennial actuarial valuation, December 31, 2019, and were developed using the Entry Age Normal Actuarial Cost Method. The discount rate used in determining the accrued liabilities was 2.74% and 4.09% for 2020 and 2019, respectively, based on Bond Buyer 20-Bond General Obligation index rate as of the measurement date. Inflation rates of 2.5% and salary increase rates of 3% were used to determine the liability along with the PubG.H-2010 General Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2019. USNH accrued \$2,059,000 and \$2,171,000 at June 30, 2020 and 2019, respectively, for the related obligations. If the discount rate were to increase by 1%, the total liability at June 30, 2020 would be \$1,990,000. Similarly, if the discount rate were to decrease by 1%, the total liability at June 30, 2020 would be \$2,129,000. The Additional Retirement Contribution program expense was (\$55,000) and (\$52,000) for fiscal years 2020 and 2019, respectively.

USNH had designated cash assets to fully fund the Additional Retirement Contribution obligations at June 30, 2020 and 2019. These assets are not administered through a trust. The Additional Retirement Contribution program is not available to employees hired after June 30, 2011. Eligible employees hired after June 30, 2011 may elect to participate in USNH's defined contribution retirement plans administered by others. Retirement contributions by USNH for employees enrolled in the defined contribution plans range from 4% to 10% of eligible salaries for enrolled participants. USNH additions to the defined contribution plans totaled \$28,385,000 and \$27,923,000 in 2020 and 2019, respectively. Retirement contributions by plan members totaled \$28,183,000 and \$28,048,000 in 2020 and 2019, respectively.

Early retirement and employee separation incentive programs were provided to various faculty and staff during 2020 and 2019. Such incentives include stipends, as well as medical, educational, and other termination benefits. The future costs associated with these incentive options is accrued as of the date of acceptance into the program. The liability balances of \$2,104,000 and \$2,267,000 at June 30, 2020 and 2019 represent obligations for 66 and 65 participants, respectively, which will be remitted in fiscal years 2021 through 2024.

USNH sponsors other benefit programs for its employees, including long-term disability, workers' compensation, and compensated absences. Long-term disability payments are provided through an independent insurer. The associated medical benefits are accrued and paid by USNH until age 65, at which point the postretirement medical plan takes over, if applicable. Workers' compensation accruals include amounts for medical costs and annual stipends. A small number of chronic workers' compensation cases will require stipends and regular employee medical benefits for life. Coverage for such claims is provided through an independent insurer. USNH also accrues amounts for compensated absences as earned. These accrued balances at June 30 represent vacation and earned time amounts payable to employees upon termination of employment.

USNH is self-insured for a portion of certain risks, including workers' compensation, employee long-term disability, and certain student health insurance claims. Most employee and retiree medical and dental coverage provided by USNH is also self-insured. The costs of self-insured medical and dental claims and administrative fees totaled \$66,106,000 and \$65,632,000 for fiscal year 2020 and 2019, respectively. These amounts include \$4,212,000 and \$4,192,000 for estimated claims incurred but not reported as of June 30, 2020 and 2019, respectively.

In conjunction with the primary medical plan offering for active employees, USNH purchases stop-loss coverage which limits the USNH cost of claims to \$500,000 per participant in most cases. The liabilities recorded in the financial statements for all USNH self-insured programs are developed by third party claim administrators and based on historical claims data. Management reviewed the calculations for reasonableness and believes the liabilities are sufficient to cover the actual claims incurred.

In addition to the benefits accruals included above, USNH created and fully funded a trust to hold assets set aside for its **Operating Staff Retirement Plan** on June 29, 2017. The related asset and liability values are not included in the financial statements. The related investment balances as of June 30, 2020 and 2019 are summarized below (\$ in thousands):

Trust Investment Components	2020	2019
Cash and equivalents	\$ 206	\$ 274
Fixed income	2,862	2,641
Equities	2,720	3,193
Real assets	75	78
Total including accrued income	<u>\$5,863</u>	<u>\$6,186</u>

The plan has been closed to new participants since 1987. At June 30, 2020 there were approximately 165 current annuitants and 27 participants with deferred benefits, all fully vested. This compares to 176 current annuitants and 32 participants with deferred benefits as of June 30, 2019. The determination of total pension liabilities for this program was based on actuarial calculations completed by the plan trustee as of June 30, 2020 and 2019. The calculations were developed using the Entry Age Normal Actuarial Cost Method and the PubG-2010 Total Dataset with MP-2019 mortality tables. The 2019 valuation used Scale MP-2019. The discount rate used was 5.5% in both years based on the long-term expected rate of return on the related investments. The plan fiduciary net position was \$5,863,000 as of June 30, 2020 and \$6,186,000 as of June 30, 2019 which resulted in the recording of a net pension asset of \$432,000 and \$311,000 for fiscal years 2020 and 2019, respectively. The actuarially determined liability for the program was \$5,430,000 as of June 30, 2020 and \$5,875,000 as of June 30, 2019. If the discount rate were to increase by 1%, the net pension asset at June 30, 2020 would be \$812,000. Similarly, if the discount rate were to decrease by 1%, the net pension liability at June 30, 2020 would be \$2,000. The plan expense was \$129,000 and \$193,000 for fiscal years 2020 and 2019, respectively.

7. Postretirement medical benefits

The primary defined benefit postretirement medical plan has two components. The first offering known as the Medicare Complementary Plan (MCP), was optional for full-time status employees hired before July 1, 1994 and not offered to new employees after that date. At December 31, 2019 and 2018, respectively, there were 943 and 946 former employees receiving benefits under this program along with their eligible dependents. As of December 31, 2019 and 2018, there were 133 and 155 active employees, respectively, who along with their dependents, may eventually be eligible to receive benefits under this program. The MCP provides limited medical coverage for the remaining life of the participants. There are no costs to participate in the plan, but retirees must pay a portion of the actual costs of services rendered.

Employees hired on July 1, 1994 or later are eligible for the current offering which provides bridge coverage only for retirees aged 62-65. Retired employees must have reached age 62, completed at least 10 years of benefits-eligible service, participated in the active retirement plans during their last 10 years of benefits-eligible service, and participated in USNH's active medical plan at the time of retirement in order to be eligible for the plan. Retirees contribute to the plan at then-current employee medical rates during the bridge period. As of December 31, 2019 and 2018, respectively, there were 68 and 128 retirees receiving benefits under this program along with their dependents. As of December 31, 2019 and 2018, respectively, there were also 3,563 and 3,570 active employees who, along with their dependents, may eventually be eligible to receive benefits under this program. The primary postretirement medical plan holds no assets. Together, the above offerings constitute the primary postretirement medical plan. This is an Other Post-Employment Benefits (OPEB) single-employer plan and funded on a pay-as-you-go basis with benefits paid when due.

Third-party actuaries are used to determine the postretirement benefit obligation and annual expense amounts. Actuarial calculations reflect a long-term perspective. Such calculations involve estimates and, by definition, are subject to revision. The healthcare cost trend and discount rate assumptions have a significant effect on the amounts reported.

The components of postretirement medical liability as of June 30, 2020 and 2019 were as follows (\$ in thousands):

Postretirement Medical Plan Liability	2020	2019
Service costs	\$ 1,247	\$ 1,359
Interest	3,339	3,024
Benefit payments	(5,085)	(6,381)
Changes of benefit terms	(318)	—
Difference between expected and actual experience	850	—
Changes in assumptions	7,664	(4,968)
Net change	7,697	(6,966)
Liability at beginning of year	82,744	89,710
Liability at end of year	<u>\$90,441</u>	<u>\$82,744</u>
Current portion	<u>\$ 4,412</u>	<u>\$ 5,331</u>

The total postretirement benefit obligation is measured at December 31, 2019 for the June 30, 2020 financial statements based on the last biennial actuarial valuation, December 31, 2019, developed using the Entry Age Normal Actuarial Cost Method and the Pub.H-2010 mortality tables with Scale MP-2019. A rollforward calculation was performed for the December 31, 2018 measurement date based on the biennial actuarial valuation to calculate postretirement benefit obligation for the June 30, 2019 financial statements using the Entry Age Normal Cost Method and the RP-2014 employee mortality tables with Scale MP-2016. For measurement purposes the 2020 and 2019 initial rate of increase in the cost of healthcare services was assumed to be 6.5% for participants, reduced by 0.25% each year thereafter until reaching an ultimate rate of 4.5% per year. The initial increase in the cost of prescriptions was assumed to be 8.5%, reduced by 0.25% each year thereafter until reaching an ultimate rate of 4.5% per year for 2020 and 9.5% decreasing 0.5% each year thereafter until reaching an ultimate rate of 4.5% per year for 2019. Salary increases of 3.0% were included in the calculations for fiscal year 2020 and 2019. A single discount rate of 2.74% and 4.10% was used based on the Bond Buyer 20-Bond General Obligation index rate as of December 31, 2019 and 2018, respectively. The actuarially determined postretirement medical expense for the plan for the years ended June 30, 2020 and 2019 were \$4,237,000 and \$3,183,000, respectively.

The following presents the sensitivity of the postretirement medical plan liability to changes in the discount rate and healthcare cost trend rates (*\$ in thousands*):

OPEB Liability as of December 31, 2020	Sensitivity to change in discount rate			Sensitivity to change in health care costs		
	1% increase	Current rate	1% decrease	1% increase	Current rate	1% decrease
OPEB Liability as of December 31, 2020	\$82,273	\$90,441	\$100,037	\$99,444	\$90,441	\$82,734
OPEB Liability as of December 31, 2019	\$76,074	\$82,744	\$ 90,470	\$90,895	\$82,744	\$75,736

USNH also accrued \$102,000 as of June 30, 2020 and 2019, for potential obligations related to postretirement care of certain USNH police personnel. The USNH Board of Trustees holds the authority to change these benefit plans at any time. Further information on the Additional Retirement Contribution, Operating Staff Retirement Plan, and Postretirement Medical Plan can be found in the Required Supplemental Information on page 49 of the publication.

8. Long-term debt

USNH long-term debt activity, exclusive of deferred losses or gains on refunding, for the years ended June 30, 2020 and 2019 is summarized below (*\$ in thousands*):

	2019			2020			Balance June 30, 2020	Current Portion
	Balance June 30, 2018	Additions & Other Changes	Retirements	Balance June 30, 2019	Additions & Other Changes	Retirements		
NHHEFA bonds								
Series 2005A	\$ 48,200	\$ –	\$ (1,950)	\$ 46,250	\$ –	\$ (1,850)	\$ 44,400	\$ 2,100
Series 2005B	68,955	–	(4,595)	64,360	–	(4,760)	59,600	4,905
Series 2011A	6,000	–	–	6,000	–	–	6,000	–
Series 2011B	32,275	–	(2,015)	30,260	–	(2,110)	28,150	2,210
Series 2012	9,520	–	(3,050)	6,470	–	(3,170)	3,300	3,300
Series 2014	15,705	–	(2,110)	13,595	–	(2,155)	11,440	2,200
Series 2015	113,260	–	(2,730)	110,530	–	(2,855)	107,675	2,990
Series 2016	52,215	–	(2,390)	49,825	–	(2,515)	47,310	2,640
Series 2017A	53,805	–	–	53,805	–	(1,760)	52,045	1,850
Series 2017B	49,020	–	(1,100)	47,920	–	(1,950)	45,970	1,990
Unamortized discounts/premiums, net	30,319	–	(1,915)	28,404	–	(1,938)	26,466	1,915
Capital leases	<u>8,913</u>	<u>–</u>	<u>(1,113)</u>	<u>7,800</u>	<u>–</u>	<u>(1,163)</u>	<u>6,637</u>	<u>1,215</u>
Total bonds and leases	<u>\$488,187</u>	<u>\$ –</u>	<u>\$(22,968)</u>	<u>\$465,219</u>	<u>\$ –</u>	<u>\$(26,226)</u>	<u>\$438,993</u>	<u>\$27,315</u>

New Hampshire Health and Education Facilities Authority (NHHEFA) Bonds

NHHEFA is a public body corporate and an agency of the State of New Hampshire whose primary purpose is to assist New Hampshire not-for-profit educational and health care institutions in the construction and financing (or refinancing) of related facilities. NHHEFA achieves this purpose primarily through the issuance of bonds. Since 1989 all USNH bonds have been issued through NHHEFA. None of USNH's NHHEFA bonds provide for a lien or mortgage on any property. USNH is obligated under the terms of the NHHEFA bonds to make payments from revenues received from certain housing, dining, student union, recreational, and other related revenue generating facilities financed by the bonds. The state is not liable for the payment of principal or interest on the NHHEFA bonds, nor is the state directly, indirectly or contingently obligated to levy or pledge any form of taxation whatsoever or to make any appropriation for their payment. USNH Bond indentures have a provision that in an event of default resulting from a payment default by USNH the principal may be accelerated and become immediately due and payable, at par, with interest payable thereon to the accelerated payment date. USNH is in compliance with all covenants specified in the NHHEFA bond, as well as capital lease agreements, the most restrictive of which is maintenance of a debt-service coverage ratio, as defined, of at least 1.0 to 1.0.

USNH's bond portfolio at June 30, 2020 consisted of fixed rate and variable rate issues. The variable rate demand bonds (Series 2005A, 2005B, 2011B) are fully hedged via interest rate swap agreements (see Note 9 below), with all three issues supported by standby bond purchase agreements as of June 30, 2020 and 2019. The variable interest rates for the Series 2005A and 2005B Bonds at June 30, 2020 and 2019 were 0.13% and 1.95%, respectively. The 2011B Bonds variable interest rates at June 30, 2020 and 2019 were 0.14% and 1.97%, respectively.

Maturity dates and interest terms of outstanding debt issues are summarized below:

NHHEFA Bonds	Maturity Date	Interest Terms and Rates
Series 2005A	7/1/2035	Variable with daily pricing
Series 2005B	7/1/2033	Variable with daily pricing
Series 2011A	7/1/2021	Fixed at 3.5%
Series 2011B	7/1/2033	Variable with daily pricing
Series 2012	7/1/2020	Fixed at 1.7%
Series 2014	7/1/2024	Fixed at 2.1%
Series 2015	7/1/2045	Fixed at 3.8%
Series 2016	7/1/2046	Fixed at 2.7%
Series 2017A	7/1/2037	Fixed at 3.1%
Series 2017B	7/1/2037	Fixed at 3.4%

Capital leases

On April 30, 2004, USNH entered into a capital lease agreement in the amount of \$18,292,000 to finance a portion of the costs of equipment housed in UNH's utility cogeneration facility. The related lease payments are due quarterly through June 2025, including principal as well as interest at a fixed rate of 4.5%. The carrying value of the related assets was \$4,777,000 and \$5,641,000 as of June 30, 2020 and 2019, respectively.

State of NH general obligation bonds

The state, through acts of its legislature, provides funding for certain major plant facilities on USNH campuses. The state obtains its funds for these construction projects from general obligation bonds, which it issues from time to time. Debt service is funded by the general fund of the state, which is in the custody of the State

Other long-term obligations

In addition to the long-term debt presented above, postretirement medical benefits liability in Note 7 and employment benefits liabilities in Note 6, USNH had the following changes in other long-term obligations (*in thousands*):

	2019			2020			Balance June 30, 2020	Current Portion
	Balance June 30, 2018	Additions & Other Changes	Retirements	Balance June 30, 2019	Additions & Other Changes	Retirements		
Asset retirement and other obligations*	\$ 2,310	\$4,121	\$(331)	\$ 6,100	\$5,575	\$ (746)	\$10,929	\$283
Refundable government advances	16,679	834	—	17,513	(575)	(3,709)	13,229	—
Total other long-term obligations	\$18,989	\$4,955	\$(331)	\$23,613	\$5,000	\$(4,455)	\$24,158	\$283

*The current portion of these obligations is reported under accounts payable and accrued expenses.

9. Derivative instruments – interest rate swaps

USNH uses hedging derivatives to artificially fix interest rates on variable rate bonds outstanding. The terms and fair market value of swap contracts in place as of June 30, 2020 and 2019 were as follows (*\$ in thousands*):

	Effective Date	Termination Date	Payable Fixed Swap Rate	Receivable Variable Swap Rate	Notional Amount at June 30,		Swap Fair Value at June 30,	
					2020	2019	2020	2019
Series 2005A swap	October 29, 2008	July 1, 2035	3.6%	67% LIBOR	\$ 44,400	\$ 46,250	\$ (12,003)	\$ (9,185)
Series 2005B swap	August 1, 2005	July 1, 2033	3.1%	63% LIBOR+0.29%	59,600	64,360	(9,688)	(7,263)
Series 2011B swap	July 1, 2011	July 1, 2033	4.5%	67% LIBOR	28,150	30,260	(7,571)	(6,528)
Total					\$132,150	\$140,870	\$(29,262)	\$(22,976)

Treasurer. The state is responsible for all repayments of these bonds in accordance with bond indentures. USNH facilities are not pledged as collateral for these bonds and creditors have no recourse to USNH. Accordingly, the state's debt obligation attributable to USNH's educational and general facilities is not reported as debt of USNH. As construction expenditures are incurred by USNH on state-funded educational and general facilities, amounts are billed to the state and recorded as State of New Hampshire capital appropriations.

Maturity of long-term debt obligations

USNH long-term debt obligations are scheduled to mature as follows using the associated fixed, estimated synthetic fixed, and expected variable rates in effect as of June 30, 2020 over the remaining terms of the individual issuances (*\$ in thousands*):

Fiscal Year	Principal	Interest	Total
2021	\$ 25,400	\$ 16,384	\$ 41,784
2022	28,760	15,320	44,080
2023	23,902	14,277	38,179
2024	24,598	13,350	37,948
2025	25,675	12,381	38,056
2026-2030	94,132	49,733	143,865
2031-2035	102,090	29,729	131,819
2036-2040	53,310	11,946	65,256
2041-2045	26,840	4,757	31,597
2046-2047	7,820	217	8,037
Plus: unamortized discounts/premiums, net	26,466	—	26,466
Total	\$438,993	\$168,094	\$607,087

Effective interest rates and other key terms of each derivative are described below:

	Counterparty's Most Recent Credit Rating	Variable Interest Rates Paid and Received				Inception-To-Date		
		Interest Rate Paid by USNH to Bondholders as of		Interest Rate Received by USNH from Swap Counterparties as of		Effective Interest Rate Through		All-in Synthetically Fixed Interest Rate
		6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019	
Series 2005A swap	Aa2/AA-	0.1%	1.9%	0.1%	1.6%	4.1%	4.4%	4.1%
Series 2005B swap	A1/A+	0.1%	1.9%	0.4%	1.8%	3.3%	3.7%	3.6%
Series 2011B swap	A3/BBB+	0.1%	2.0%	0.1%	1.6%	5.0%	5.3%	5.0%

USNH utilizes interest rate swap agreements with counterparties to effectively convert its variable rate debt to fixed rates. The swaps' fair values and changes therein are recognized in USNH's financial statements. Differences between the fixed and variable rates in effect at each interest due date are settled net under each swap, increasing or decreasing interest expense. The fair value of the swap instruments is determined using option pricing models that consider interest rates and other market factors, the credit risks of the parties to the agreements, and the estimated benefit or cost to the USNH to cancel the agreements as of the reporting dates. Interest rate volatility, remaining outstanding principal, and time to maturity will affect the swaps' fair values at subsequent reporting dates. The values were estimated using the zero-coupon discounting method. This method calculates the future payments required by the swap, assuming the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for a hypothetical zero-coupon rate bond due on the date of each future net settlement payment. Because the swap fair values are based predominantly on observable inputs corroborated by market data, they are classified in Level 2 of the GASB fair value hierarchy. USNH intends to hold all swap contracts to maturity.

These derivative instruments meet the criteria established by GASB Statement No. 53 for effective hedges as of June 30, 2020 and 2019 and, therefore, their accumulated changes in fair value are reflected as deferrals on the Statements of Net Position (see Note 10). The notional amount of each swap is tied to the outstanding balance of the related bonds throughout the life of the swap. Under the terms of each swap, USNH makes fixed rate interest payments to the counterparty and receives a variable rate payment from the counterparty. USNH makes variable rate payments to bondholders on the related bonds. None of the derivatives require collateralization by USNH at any level of negative fair market value.

Risk Disclosure

Counterparty Risk – This is the risk that the counterparty will fail to perform under the terms of the swap agreement. As of June 30, 2020, USNH was exposed to no counterparty credit risk relative to its swaps as all swap market values were negative. The swaps require collateralization of any positive fair value of the swap should the counterparty's credit rating fall below thresholds identified in the swap contracts. USNH mitigates counterparty risk by spreading the swap exposure among various counterparties, by monitoring bond ratings continuously, and by requiring collateralization in certain circumstances.

Basis Risk – This is the risk of a mismatch between the variable rate received from the swap counterparty and the variable rate paid by USNH to bondholders on the underlying variable rate debt. The effective rate on the debt will vary depending on the magnitude and duration of any basis risk shortfall or surplus. Based on current and historical experience, USNH's financial advisors expect payments received under the agreements to approximate the related bond payments over the life of the swaps. USNH manages basis risk by closely monitoring daily and monthly rates paid and received on each transaction, by diversifying bond remarketing agents, and by varying swap terms (e.g., 67% of LIBOR vs. 63% of LIBOR + 29 bps).

Termination Risk – This is the risk that the swaps could be terminated as a result of any of several events, which may include rating downgrades below specified levels for USNH or the swap counterparty; covenant violation; swap payment default or bankruptcy by either party; or default events under a bond resolution or trust indenture. Under the terms of each agreement, USNH has the option to terminate a swap at the fair market value at any time by providing notice to the counterparty, while the counterparty may only terminate the swap upon certain termination events. USNH manages termination risk by adhering to bond covenant requirements, employing strategic indicator targets to maintain financial strength, monitoring swap market values and counterparty credit ratings, and diversifying swap counterparties.

Swap Cash Flows

Actual interest payments on the swaps vary as market rates vary. The table below shows estimated annual future cash flows of the derivative instruments if interest rates remain unchanged from June 30, 2020 through the end of each swap contract (*\$ in thousands*):

Fiscal Year	Notional Bonds Amortization	Estimated Interest Received	Estimated Interest and Fees Paid	Estimated Swap Net Outflows
2021	\$ 9,215	\$ (301)	\$ 4,553	\$ 4,252
2022	9,385	(275)	4,206	3,931
2023	9,975	(249)	3,838	3,589
2024	10,170	(221)	3,462	3,241
2025	10,665	(193)	3,067	2,874
2026-2030	38,855	(685)	11,134	10,449
2031-2035	40,235	(176)	3,315	3,139
2036	3,650	–	–	–
Total	\$132,150	\$(2,100)	\$33,575	\$31,475

10. Deferred inflows and outflows of resources

The components of Deferred Inflows and Outflows of Resources as of June 30, 2020 and 2019 were as follows (\$ in thousands):

	2020	2019
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	\$29,262	\$22,976
Accounting loss on debt refinancing	7,646	8,708
Changes of assumptions:		
Operating Staff Retirement Plan	250	471
Postretirement Medical Plan	6,613	–
Additional Retirement Contribution Program	69	18
Net difference between projected and actual earnings:		
Operating Staff Retirement Plan	168	60
Difference between expected and actual experience:		
Postretirement Medical Plan	733	–
Benefit payments subsequent to the measurement date:		
Postretirement Medical Plan	2,558	2,053
Additional Retirement Contribution Program	168	199
Asset retirement obligations	<u>1,308</u>	<u>1,492</u>
Total Deferred Outflows of Resources	<u>\$48,775</u>	<u>\$35,977</u>
Deferred Inflows of Resources		
Accounting gain on debt refinancing	\$ 150	\$ 357
Annuities unconditional remainder interest	1,348	2,139
Changes of assumptions:		
Operating Staff Retirement Plan	12	58
Postretirement Medical Plan	7,231	8,271
Additional Retirement Contribution Program	31	4
Net difference between projected and actual earnings:		
Operating Staff Retirement Plan	44	–
Difference between expected and actual experience:		
Operating Staff Retirement Plan	145	6
Postretirement Medical Plan	1,031	1,191
Additional Retirement Contribution Program	<u>482</u>	<u>474</u>
Total Deferred Inflows of Resources	<u>\$10,474</u>	<u>\$12,500</u>

The accumulated decrease in fair value of hedging derivatives is recorded to offset the value of USNH's interest-rate swap liabilities which qualify for treatment as an effective hedge based on historic interest flows. USNH does not currently expect to terminate any of the swap agreements. The accounting gain on debt refinancing relates to the Series 2012 and 2016 bond issuances while the accounting loss on debt refinancing relates to the Series 2005B, 2011B, 2015 and 2017A bond issuances. These costs will be amortized as a component of interest expense over the remaining terms of the new debt.

Amounts reported as deferred outflows of resources related to benefit payments subsequent to the measurement date will be recognized as a reduction of the respective benefit liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows and inflows of resources which are related to retirement programs will be recognized as a component of pension and OPEB expense over the next eight years as summarized below (\$ in thousands):

Fiscal Year	Operating Staff Retirement Plan	Additional Retirement Contribution Program	Post-retirement Medical Plan
2021	\$138	\$(183)	\$ (32)
2022	13	(183)	(32)
2023	29	(44)	(32)
2024	37	(34)	(32)
2025	–	–	(32)
2026	–	–	(32)
2027	–	–	(489)
2028	–	–	<u>(236)</u>
Total	<u>\$217</u>	<u>\$(444)</u>	<u>\$(917)</u>

11. Pass-through grants

USNH distributed \$160,788,000 and \$169,091,000 of student loans through the US Department of Education Federal Direct Lending program during 2020 and 2019, respectively. These distributions and related funding sources are not included as expenses and revenues, or cash disbursements and cash receipts, in the accompanying financial statements. The Statements of Net Position include receivables of \$182,000 and \$141,000 as of June 30, 2020 and 2019, respectively, for direct loans disbursed in excess of US Department of Education receipts.

12. Endowment return used for operations

The objective of the annual spending formula for endowment return used for operations is to provide sustainable continued future support for ongoing programs at current levels assuming moderate inflation. To the extent that endowment yield is insufficient in any one year to meet the required spending distribution, accumulated net gains are utilized to fund the distribution. For the USNH pool, the distribution rate is established annually by the USNH Board of Trustees. Starting in fiscal year 2019, the USNH pool calculated the distribution as a percentage of the average market value per unit for the previous twelve quarters with a rate of 5.1% and 4.7% as of December 31, 2018 and 2017, respectively. For the UNHF primary pool, the distribution rate was 5.3% for both 2020 and 2019 calculated as a percentage of the average market value per unit for the previous twelve quarters.

The components of endowment return used for operations for 2020 and 2019 are summarized below (\$ in thousands):

Components of Endowment Payout	2020	2019
Pooled endowment yield - campuses	\$ 3,916	\$ 7,412
Pooled endowment yield - affiliates	1,834	2,492
Trusts, life income and annuities yield, net of gains utilized	668	643
Gains utilized to fund distribution - pooled campuses	18,162	14,094
Gains utilized to fund distribution - pooled affiliates	<u>10,350</u>	<u>9,138</u>
Endowment return used for operations	<u>\$34,930</u>	<u>\$33,779</u>

13. Operating expenses by function

The following tables summarize USNH's operating expenses by functional classification for the past two years (\$ in thousands):

	Compensation	Supplies & Services	Utilities	Internal Allocations	Depreciation & Amortization	2020 Total
Campuses – current funds						
Instruction	\$201,484	\$ 17,701	\$ 8	\$ –	\$ –	\$ 219,193
Auxiliary services	53,565	33,022	213	57,241	–	144,041
Research and sponsored programs	76,197	33,290	59	–	–	109,546
Academic support	70,747	16,814	60	–	–	87,621
Student services	34,734	17,643	11	(97)	–	52,291
Institutional support	46,554	17,524	62	(18,484)	–	45,656
Operations and maintenance	24,279	29,912	17,603	(38,946)	–	32,848
Fundraising and communications	11,438	7,248	1	4,158	–	22,845
Public service	11,914	3,389	3	1	–	15,307
Subtotal – current funds	530,912	176,543	18,020	3,873	–	729,348
Campuses - other funds	129	12,547	39	–	69,015	81,730
Affiliated entities	6,959	1,471	–	(3,873)	–	4,557
Total	<u>\$538,000</u>	<u>\$190,561</u>	<u>\$18,059</u>	<u>\$ –</u>	<u>\$69,015</u>	<u>\$815,635</u>

	Compensation	Supplies & Services	Utilities	Internal Allocations	Depreciation & Amortization	2019 Total
Campuses – current funds						
Instruction	\$202,333	\$ 21,055	\$ 15	\$ –	\$ –	\$ 223,403
Auxiliary services	54,115	51,152	2,602	48,670	–	156,539
Research and sponsored programs	74,937	34,564	85	–	–	109,586
Academic support	68,821	18,791	37	–	–	87,649
Student services	33,363	15,131	12	(95)	–	48,411
Institutional support	48,336	18,761	79	(23,679)	–	43,497
Operations and maintenance	23,575	17,962	15,724	(25,181)	–	32,080
Fundraising and communications	11,562	6,826	–	2,872	–	21,260
Public service	11,240	3,125	–	–	–	14,365
Subtotal – current funds	528,282	187,367	18,554	2,587	–	736,790
Campuses - other funds	333	15,888	28	–	65,349	81,598
Affiliated entities	6,113	1,124	1	(2,587)	–	4,651
Total	<u>\$534,728</u>	<u>\$204,379</u>	<u>\$18,583</u>	<u>\$ –</u>	<u>\$65,349</u>	<u>\$823,039</u>

14. Net position

It is USNH's policy to use restricted funds before accessing unrestricted balances. The table below details USNH's net position as of June 30, 2020 and 2019 (*\$ in thousands*):

Components of Net Position	2020	2019
Net investment in capital assets	\$ 709,337	\$ 685,015
Restricted financial resources		
Nonexpendable		
Historic gift value of endowment - campuses	131,196	124,287
Historic gift value of endowment - affiliated entities	165,157	157,414
Total restricted nonexpendable resources	296,353	281,701
Expendable		
Held by campuses:		
Accumulated net gains on endowment	51,082	56,559
Fair value of restricted funds functioning as endowment	14,628	15,032
Gifts, grants and contracts	40,527	41,443
Life income and annuity funds	12	15
Loan funds	2,853	3,585
Held by affiliated entities:		
Accumulated net gains on endowment	36,991	43,192
Fair value of restricted funds functioning as endowment	45,913	44,054
Other	8,661	9,457
Total restricted expendable resources	200,667	213,337
Unrestricted financial resources		
Held by campuses:		
Educational and general reserves	(14,910)	6,521
Auxiliary enterprises	34,651	45,721
Internally designated reserves	45,478	20,879
Unrestricted loan funds	1,438	1,487
Unexpended plant funds	136,073	144,841
Fair value of unrestricted funds functioning as endowment	173,025	185,442
Other	650	779
Less: postretirement medical liability ⁽¹⁾	(88,800)	(90,153)
Held by affiliated entities:		
Fair value of unrestricted funds functioning as endowment	1,321	1,308
Other	2,061	1,668
Total unrestricted financial resources	290,987	318,493
Total Net Position	\$1,497,344	\$1,498,546

⁽¹⁾ As discussed in Note 7, the 2020 and 2019 postretirement medical liability is shown net of the related deferred inflows and outflows of resources. See Note 10 for additional information in this regard.

15. Commitments and contingencies

On March 13, 2020, the Governor of the State of New Hampshire declared a state of emergency related to the spread of COVID-19. The declaration remains in effect as of the date the financial statements were issued. COVID-19 impacted various parts of USNH's 2020 operations and financial results including, but not limited to, the temporary closing of most of its institutions' residential and dining halls and shifting to remote learning for its entire student body, costs for emergency preparedness, and reduced investment valuations. USNH expects to incur significant additional costs in testing, personal protective equipment, cleaning, and technology costs. While the significant business disruption is currently expected to be temporary there is considerable uncertainty about the long-term implications of this pandemic on higher education and the ultimate financial impact and duration cannot be estimated at this time.

USNH holds insurance for losses related to real property, as well as professional, environmental and general liability claims. Property coverage is limited to \$500 million in the aggregate with varying deductible levels. Liability coverage and deductible levels are based on management's assessments of the risks of related

losses. Settlements below the relevant deductible amounts are funded from unrestricted net position.

USNH makes expenditures in connection with restricted government grants and contracts, which are subject to final audit by government agencies. Management is of the opinion that the number of disallowances, if any, sustained through such audits would not materially affect the financial position, results of operations, or cash flows of USNH.

USNH is a defendant in various legal actions arising out of the normal course of its operations. Although the outcome of such actions cannot presently be determined, management is of the opinion that the eventual liability, if any, will not have a material effect on USNH's financial position, results of operations or cash flows.

16. Component units

Condensed information from the audited financial statements of the University of New Hampshire Foundation, Inc. (UNHF) is presented below (*\$ in millions*):

	2020	2019
Condensed information from the Statements of Net Position as of June 30,		
Endowment investments	\$240	\$241
Other assets	11	14
Total Assets	<u>251</u>	<u>255</u>
Annuities payable	3	3
Other liabilities and deferred inflows of resources	2	5
Total Liabilities and Deferred Inflows of Resources	<u>5</u>	<u>8</u>
Total Net Position	<u>\$246</u>	<u>\$247</u>
	2020	2019
Condensed information from the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30,		
Gifts and other support	\$ 30	\$ 29
Investment income	4	11
Total Revenues	<u>34</u>	<u>40</u>
Distributions to UNH	26	23
Administrative and other expenses	9	8
Total Expenses	<u>35</u>	<u>31</u>
(Decrease)/ Increase in Net Position	<u>\$ (1)</u>	<u>\$ 9</u>
	2020	2019
Condensed information from the Statements of Cash Flows for the years ended June 30,		
Receipts from gifts and other sources	\$ 27	\$ 19
Payments to UNH and suppliers	(36)	(29)
Net Cash Used in Operating Activities	(9)	(10)
Net Cash Provided By/(Used in) Investing Activities	4	(1)
Net Cash Provided by Noncapital Financing Activities	3	12
Change in Cash and Equivalents	<u>\$ (2)</u>	<u>\$ 1</u>

A copy of the complete financial statements for UNHF can be obtained on its website at <https://www.unh.edu/give/financial-reports> or by contacting the Advancement Finance and Administration Office at (603) 862-1584.

17. Subsequent events

Management has evaluated the impact of subsequent events through the date that the financial statements were available for issuance October 23, 2020, and concluded that no material events have occurred which would require recognition or disclosure.

Required Supplemental Information

(Unaudited)

Postretirement Medical Plan

Schedule of Changes in Total OPEB Liability and Related Ratios for the years ended June 30,
(\$ in thousands):

	2020	2019	2018
Service costs	\$ 1,247	\$ 1,359	\$ 1,416
Interest	3,339	3,024	3,627
Benefit payments	(5,084)	(6,381)	(6,923)
Differences between expected and actual experience	849	-	(1,511)
Changes in benefit terms	(318)	-	-
Changes in assumptions ⁽¹⁾	<u>7,664</u>	<u>(4,968)</u>	<u>(4,857)</u>
Net Change in Postretirement Medical Liability	7,697	(6,966)	(8,248)
Total Postretirement Medical Plan Liability - beginning of year	<u>82,744</u>	<u>\$ 89,710</u>	<u>97,958</u>
Total Postretirement Medical Plan Liability - end of year	\$ 90,441	\$ 82,744	\$ 89,710
Current portion	<u>\$ 4,412</u>	<u>\$ 5,331</u>	<u>\$ 5,837</u>
Covered portion	<u>\$298,040</u>	<u>\$290,287</u>	<u>\$290,107</u>
Total Liability as a Percentage of Covered Payroll	30.3%	28.5%	30.9%

Additional Retirement Contribution (ARC) Program

Schedule of Changes in Total Pension Liability and Related Ratios for the years ended June 30,
(\$ in thousands):

	2020	2019	2018	2017
Service costs	\$ 37	\$ 31	\$ 41	\$ 103
Interest	91	66	88	118
Benefit payments ⁽²⁾	(111)	(123)	(95)	(518)
Differences between expected and actual experience	(200)	-	(89)	(328)
Changes in assumptions	<u>70</u>	<u>(97)</u>	<u>26</u>	<u>(5)</u>
Net Change in ARC Liability	(113)	(123)	(29)	(630)
Total ARC liability at beginning of year	<u>2,171</u>	<u>2,294</u>	<u>2,323</u>	<u>2,953</u>
Total ARC liability at end of year	\$ 2,058	\$ 2,171	\$ 2,294	\$ 2,323
Current portion	<u>\$ 217</u>	<u>\$ 200</u>	<u>\$ 95</u>	<u>\$ 455</u>
Covered payroll	\$22,275	\$24,369	\$26,646	\$29,409
Total Liability as a Percentage of Covered Payroll	9.2%	8.9%	8.6%	7.9%

Operating Staff Retirement Plan

Schedule of Changes in Net Pension Assets and Related Ratios for the years ended June 30,
(\$ in thousands):

	2020	2019	2018	2017 ⁽³⁾
Plan Fiduciary Net Position				
Beginning balance	\$6,186	\$6,376	\$6,700	\$ -
Employer contributions	-	-	-	6,700
Plan administrative costs	-	(13)	(13)	-
Net investment income	173	407	274	-
Benefit payments	<u>(496)</u>	<u>(584)</u>	<u>(585)</u>	<u>-</u>
Fiduciary net position	\$5,863	\$6,186	\$6,376	\$6,700
Total Pension Liability at end of year	<u>(5,431)</u>	<u>(5,875)</u>	<u>(5,652)</u>	<u>(5,707)</u>
Net Pension Asset	<u>\$ 432</u>	<u>\$ 311</u>	<u>\$ 724</u>	<u>\$ 993</u>
Plan Net Position as a Percentage of Total Pension Liability	108.0%	105.3%	112.8%	117.4%

	2020	2019	2018	2017 ⁽³⁾
Plan Pension Liability				
Beginning balance	\$(5,875)	\$(5,652)	\$(5,707)	\$(6,345)
Service costs	(7)	(3)	-	(20)
Interest, net of actuarial gain/loss	(65)	(290)	(292)	(298)
Benefit payments	496	584	585	956
Changes in assumptions	<u>20</u>	<u>(514)</u>	<u>(238)</u>	<u>-</u>
Net Change in Total Pension Liability	\$ 444	\$ (223)	\$ 55	\$ 638
Total Pension Liability at end of year	(5,431)	(5,875)	(5,652)	(5,707)
Covered payroll	<u>\$ (815)</u>	<u>\$ (850)</u>	<u>\$ (961)</u>	<u>\$1,007</u>
Net Pension Asset as a Percentage of Covered Payroll	53.0%	36.6%	75.3%	98.6%

Notes to Schedules:

⁽¹⁾ Changes in assumptions relate to discount rate changes. The rates were 2.7% for FY20, 4.1% for 2019, and 3.4% for 2018 based on a change in the related index. See Note 7 for additional information.

⁽²⁾ Fiscal year 2017 benefit payments included separation costs in larger amounts.

⁽³⁾ Reflects payments and adjustments made before the establishment of the related trust on June 29, 2017.

See accompanying independent auditor's report.



**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 Governor and Legislative
Fiscal Committee, State of New Hampshire,
and The Board of Trustees
University System of New Hampshire

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the University System of New Hampshire (the System), a component unit of the State of New Hampshire, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated June 24, 2021. The financial statements of the blended component units, University of New Hampshire Foundation, Inc. and Keene Endowment Association, were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the blended component units.

Internal Control Over Financial Reporting

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

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

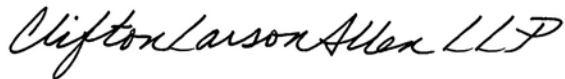
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies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

Compliance and Other Matters

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

Purpose of this Report

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



CliftonLarsonAllen LLP

Boston, Massachusetts
June 24, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

The Governor and Legislative
Fiscal Committee, State of New Hampshire,
and The Board of Trustees
University System of New Hampshire

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The System's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The System's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the System is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the System's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the System'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be significant deficiency.

The System's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The System's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities of the System as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise System's basic financial statements. We issued our report thereon dated October 23, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Boston, Massachusetts
June 24, 2021

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Research and Development Cluster						
Department of Agriculture						
	320000218519247	University of Kentucky	10.contract	Other Department of Agriculture Programs	\$ -	\$ 13,553
	Direct		10.unknown	Other Department of Agriculture Programs	-	262,542
				Total Other Department of Agriculture Programs	-	276,095
	Direct		10.001	Agricultural Research Basic and Applied Research	-	15,652
	Direct		10.025	Plant and Animal Disease, Pest Control, and Animal Care	-	225,983
	2019 SCBG	NH Dept of Agriculture Markets & Food	10.170	Specialty Crop Block Grant Program - Farm Bill	-	1,701
	56119Z5023206	University of Maryland	10.200	Grants for Agricultural Research, Special Research Grants	-	4,284
	68457Z5111201	University of Maryland	10.200	Grants for Agricultural Research, Special Research Grants	492	43,042
	68739Z5111202	University of Maryland	10.200	Grants for Agricultural Research, Special Research Grants	-	65,031
				Total Grants for Agricultural Research, Special Research Grants	492	112,357
	Direct		10.202	Cooperative Forestry Research	-	275,239
	Direct		10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	-	977,817
	Direct		10.206	Grants for Agricultural Research Competitive Research Grants	-	1,392,041
	Direct		10.207	Animal Health and Disease Research	-	2,159
	UMS1146	University of Maine	10.215	Sustainable Agriculture Research and Education	-	1,440
	18010456A00	University of Massachusetts	10.215	Sustainable Agriculture Research and Education	-	15,981
	GNE1715331064	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	2,664
	GNE1816932231	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	1,848
	GNE1818232231	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	5,911
	GNE19-198-33243	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	4,018
	LNE1534329994	University of Vermont	10.215	Sustainable Agriculture Research and Education	22,168	40,813
	LNE16-346-31064	University of Vermont	10.215	Sustainable Agriculture Research and Education	47,294	104,480
	LNE1837132231	University of Vermont	10.215	Sustainable Agriculture Research and Education	6,218	32,418
	LNE20-403-34268	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	1,134
	LNE20-413R-34268	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	1,897
	SNE180833243	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	21,179
	SNE19-08-34268	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	27,159
				Total Sustainable Agriculture Research and Education	75,680	260,942

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			10.250	Agricultural and Rural Economic Research, Cooperative Agreements and Collaborations	\$ -	\$ 21,109
Direct	6116UNHUSDA8696	Pennsylvania State University	10.303	Integrated Programs	58,086	168,699
			10.303	Integrated Programs	-	17,553
				Total Integrated Programs	<u>58,086</u>	<u>186,252</u>
80289-10774		Cornell University	10.304	Homeland Security Agricultural	-	13,716
Direct	79536-10805	Cornell University	10.307	Organic Agriculture Research and Extension Initiative	-	148,296
			10.307	Organic Agriculture Research and Extension Initiative	-	43,217
				Total Organic Agriculture Research and Extension Initiative	<u>-</u>	<u>191,513</u>
RC104285J		Michigan State University	10.309	Specialty Crop Research Initiative	-	5,967
RC104622E		Michigan State University	10.309	Specialty Crop Research Initiative	-	2,343
8000076816-AG		Purdue University	10.309	Specialty Crop Research Initiative	-	104,083
				Total Specialty Crop Research Initiative	<u>-</u>	<u>112,393</u>
Direct	2019-1507-09	North Carolina State University	10.310	Agriculture and Food Research Initiative (AFRI)	130,311	734,007
			10.310	Agriculture and Food Research Initiative (AFRI)	-	4,040
00009502		University of California at Berkeley (UCB)	10.310	Agriculture and Food Research Initiative (AFRI)	-	6,000
2016-68002-24967		University Of Oklahoma	10.310	Agriculture and Food Research Initiative (AFRI)	-	107,301
32375SUB52504		University of Vermont Virginia Polytechnic Institute and State University	10.310	Agriculture and Food Research Initiative (AFRI)	-	16,226
42247519119			10.310	Agriculture and Food Research Initiative (AFRI)	-	-
				Total Agriculture and Food Research Initiative (AFRI)	<u>130,311</u>	<u>889,227</u>
Direct			10.319	Farm Business Management and Benchmarking Competitive Grants Program	30,391	77,591
Direct			10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	-	55,157
Direct			10.329	Crop Protection and Pest Management Competitive Grants Program	-	140,636

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	20-015520 A	University of Massachusetts	10.329	Crop Protection and Pest Management Competitive Grants Program	\$ -	\$ 1,030
				Total Crop Protection and Pest Management Competitive Grants Program	-	141,666
Direct			10.351	Rural Business Development Grant	-	4,380
Direct			10.458	Crop Insurance Education in Targeted States	-	100,151
	33559SUB52934	University of Vermont	10.460	Risk Management Education Partnerships	-	11,566
	S19066	Kansas State University	10.500	Cooperative Extension Service	-	7,069
	49375	University of Delaware	10.500	Cooperative Extension Service	6,096	8,596
				Total Cooperative Extension Service	6,096	15,665
Direct			10.652	Forestry Research	-	92,193
Direct			10.664	Cooperative Forestry Assistance	-	42,100
	13C005	NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	2,737
	13C006	NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	72,092
	13C007	NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	51,671
				Total Cooperative Forestry Assistance	-	168,600
Direct			10.678	Forest Stewardship Program	-	103,269
Direct			10.680	Forest Health Protection	-	10,770
	FRD-UGP-1010	State of Michigan	10.682	National Forest Foundation	-	13,906
Direct			10.699	Partnership Agreements	-	178,465
	040517057630	National Fish & Wildlife Foundation	10.902	Soil and Water Conservation	-	45,037
	040517057704	National Fish & Wildlife Foundation	10.902	Soil and Water Conservation	-	49,529
				Total Soil and Water Conservation	-	94,566
Direct			10.912	Environmental Quality Incentives Program	-	47,116

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	TNCUNHNRCS052220 17	Nature Conservancy	10.931	Agricultural Conservation Easement Program	\$ -	\$ (576)
Total Department of Agriculture					<u>301,056</u>	<u>6,068,681</u>
Department of Commerce						
	Direct		11.008	NOAA Mission-Related Education Awards	704,061	1,300,095
	Direct		11.011	Ocean Exploration	220,106	234,300
	Direct		11.012	Integrated Ocean Observing System (IOOS)	24,379	156,692
	A008-004	NERACOOS	11.012	Integrated Ocean Observing System (IOOS)	-	283,562
	A009-004	NERACOOS	11.012	Integrated Ocean Observing System (IOOS)	-	103,540
				Total Integrated Ocean Observing System (IOOS)	<u>24,379</u>	<u>543,794</u>
	1210687	Rutgers University	11.017	Ocean Acidification Program (OAP)	-	14,480
	UMS1135	University of Maine	11.017	Ocean Acidification Program (OAP)	-	42,910
				Total Ocean Acidification Program (OAP)	<u>-</u>	<u>57,390</u>
	Direct		11.400	Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	255,921	8,484,871
	Direct		11.417	Sea Grant Support	154,715	1,520,144
	2020-500	National Estuarine Research Reserve System	11.417	Sea Grant Support	-	2,684
	2020-1734-02	North Carolina State University	11.417	Sea Grant Support	-	10,453
	364411	University of Connecticut	11.417	Sea Grant Support	-	23,835
	20182019006	University of Puerto Rico	11.417	Sea Grant Support	-	26,975
				Total Sea Grant Support	<u>154,715</u>	<u>1,584,091</u>
	14NJ93	Great Bay Stewards	11.419	Coastal Zone Management Administration Awards	-	16,294
	14NK04	Great Bay Stewards	11.419	Coastal Zone Management Administration Awards	-	15,798
	01231978	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	13,442
	02201983	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	34,259

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	02211847	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	\$ -	\$ 40,837
	031319-060	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	67,557
	052020-046	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	7,186
	060519-104	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	20,004
	060519-105	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	12,499
	060618-108	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	1
	061919-191	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	54,807
	062018-117	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	31
	111418-057	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	11,190
	121819-120	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	2,000
	VC #177867-B046	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	15,522
	14G281	Rhode Island, State of	11.419	Coastal Zone Management Administration Awards	-	18,215
	SUBAWARD #3004636438	University of Michigan	11.419	Coastal Zone Management Administration Awards	-	-
Total Coastal Zone Management Administration Awards					199,330	275,325
					199,330	604,967
	Direct 14NI48	Narragansett Bay Natl Estuarine Res Reserve	11.420	Coastal Zone Management Estuarine Research Reserves	-	93,668
			11.420	Coastal Zone Management Estuarine Research Reserves	-	20,389
Total Coastal Zone Management Estuarine Research Reserves					-	114,057
	Direct BLOS 18002	Bigelow Laboratories for Ocean Studies	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	118,311
			11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	44,456

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	14NK08	Manomet, Inc.	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	\$ -	\$ 39,996
	14G257	Massachusetts, State of	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	2,024
				Total Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	204,787
	Direct		11.431	Climate and Atmospheric Research	-	54,637
	53897Z7813009	University of Maryland	11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	40,947
	81532-Z7554205	University of Maryland	11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	70,013
	0007525-10212019UNH	University of Rhode Island	11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	(48,175)
				Total National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	62,785
	USM800605501	University of Southern Mississippi	11.472	Unallied Science Program	-	7,600
	A010004	NERACOOS	11.478	Center for Sponsored Coastal Ocean Research Coastal Ocean Program	-	6,388
				Total Department of Commerce	1,558,512	13,259,762
Department of Defense						
	Direct		12.contract	Other Department of Defense Programs	36,512	524,562
	14BA57	NP Photonics Inc	12.contract	Other Department of Defense Programs	14,999	42,896
	SC1984001	Physical Sciences, Inc.	12.contract	Other Department of Defense Programs	-	90,083
	14BA36	Spectral Sciences Inc	12.contract	Other Department of Defense Programs	-	80,347
	Direct		12.unknown	Other Department of Defense Programs	-	62,416
				Total Other Department of Defense Programs	51,511	800,304
	Direct		12.300	Basic and Applied Scientific Research	461,809	1,689,143
	4303	Mentis Sciences Inc	12.300	Basic and Applied Scientific Research	-	43,716
	038600.361374.01	Mississippi State University	12.300	Basic and Applied Scientific Research	1,076	54,937
	SUB# 78526300, MPPO S9001452	University of California at San Diego	12.300	Basic and Applied Scientific Research	-	17,401

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	SUB#108323982 PO S9002048	University of California at San Diego	12.300	Basic and Applied Scientific Research	\$ -	\$ 14,575
	450560-19119	Virginia Polytechnic Institute and State University	12.300	Basic and Applied Scientific Research		
				Total Basic and Applied Scientific Research	<u>-</u>	<u>2,353</u>
					<u>462,885</u>	<u>1,822,125</u>
	SUB122276371, S9002379	University of California at San Diego	12.360	Research on Chemical and Biological Defense	-	65,115
	Direct 50407678050	Northeastern University	12.431	Basic Scientific Research	-	236,782
			12.431	Basic Scientific Research	-	77,434
				Total Basic Scientific Research	<u>-</u>	<u>314,216</u>
	Direct AS 0002	Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	1,000
	AS-0001	Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	398,066
	EWD-0003	Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	150,483
	EWD0018	Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	(168)
	20-871-022	National Science Teachers Association	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	10,263
	20-871-023	National Science Teachers Association	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	10,357
	1303	Rutgers University	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	27,967
	PO#S9002410	University of California at San Diego	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	7,402
	SUB#122979079MP			Total Basic, Applied, and Advanced Research in Science and Engineering	<u>-</u>	<u>692,332</u>
	Direct		12.800	Air Force Defense Research Sciences Program	-	620,484

See accompanying Notes to Schedule of Expenditures of Federal Awards.

UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	1556761	University of Colorado	12.800	Air Force Defense Research Sciences Program	\$ -	\$ 337,003
				Total Air Force Defense Research Sciences Program	-	957,487
				Total Department of Defense	<u>514,396</u>	<u>4,651,579</u>
Department of Housing and Urban Development						
	14G294	County of Cheshire	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in I	-	118,343
	Direct		14.506	General Research and Technology Activity	-	27,106
				Total Department of Housing and Urban Development	<u>-</u>	<u>145,449</u>
Department of the Interior						
	Direct		15.contract	Other Department of Interior Programs	823,573	1,295,704
	AV18NH01	AmericaView Inc	15.unknown	Other Department of Interior Programs	-	27,293
				Total Other Department of Interior Programs	<u>823,573</u>	<u>1,322,997</u>
	Direct		15.424	Marine Minerals Activities	-	11,040
	GSA00025	Wildlife Management Institute	15.631	Partners for Fish and Wildlife	-	9,226
	04171973	NH Department of Fish & Game	15.634	State Wildlife Grants	-	35,514
	050620-088	NH Department of Fish & Game	15.634	State Wildlife Grants	-	25,361
	F18AF00625	Oklahoma Department of Wildlife Conservation	15.634	State Wildlife Grants	-	6,239
				Total State Wildlife Grants	<u>-</u>	<u>67,114</u>
	Direct		15.650	Research Grants (Generic)	-	22,593
	Direct		15.657	Endangered Species Conservation – Recovery Implementation Funds	-	31,112
	49090	University of Delaware	15.677	Hurricane Sandy Disaster Relief Activities-FWS	-	6,186
	Direct		15.805	Assistance to State Water Resources Research Institutes	108,797	339,626
	Direct		15.808	U.S. Geological Survey Research and Data Collection	-	68,973
	Direct		15.945	Cooperative Research and Training Programs – Resources of the National Park System	-	51,536

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	14BA75	Lamprey River Watershed Association	15.962	National Wild and Scenic Rivers System	\$ -	\$ 5,051
Total Department of the Interior					<u>932,370</u>	<u>1,935,454</u>
Department of Justice						
Direct			16.026	OVW Research and Evaluation Program	76,870	84,667
Direct			16.526	OVW Technical Assistance Initiative	101,650	220,058
656200S001		Westat	16.543	Missing Children's Assistance	-	75,872
Direct			16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	-	439,057
2019VOC65		NH Department of Justice (Attorney General)	16.575	Crime Victim Assistance	-	304,379
2019-258 EXECUTED 6.5.19		Amoskeag Health	16.582	Crime Victim Assistance/Discretionary Grants	-	9,455
646600S001		Westat	16.734	Special Data Collections and Statistical Studies	-	17,276
AWARD 6.5.19		Manchester, NH (City of)	16.838	Comprehensive Opioid Abuse Site-Based Program	-	25,692
Total Department of Justice					<u>178,520</u>	<u>1,176,456</u>
Department of the State						
FULBRIGHT		Fulbright Commission	19.009	Academic Exchange Programs - Undergraduate Programs	-	12,486
BL4346829UNH		Indiana University	19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	-	29,937
Total Department of the State					<u>-</u>	<u>42,423</u>
Department of Transportation						
1003326-002		Minnesota Dept of Transportation	20.contract	Other Department of Transportation Programs	-	52,739
1034192		Minnesota Dept of Transportation	20.200	Highway Research and Development Program	-	19,503
1035708		Minnesota Dept of Transportation	20.200	Highway Research and Development Program	-	41,003
Total Highway Research and Development Program					<u>-</u>	<u>60,506</u>
051519-028		NH Department of Transportation	20.215	Highway Training and Education	-	49,031
Total Department of Transportation					<u>-</u>	<u>162,276</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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Federal Grantor/Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
National Aeronautics and Space Administration						
Direct			43.contract	Other National Aeronautics and Space Administration Programs	\$ 334,760	\$ 1,071,337
900731		Assurance Technology Corp	43.contract	Other National Aeronautics and Space Administration Programs		9,652
499878Q		Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	2,227,607	3,348,060
A99200MO		Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	-	121,467
00007549		University of California at Berkeley (UCB)	43.contract	Other National Aeronautics and Space Administration Programs	-	42,459
SA405826326		University of California at Berkeley (UCB)	43.contract	Other National Aeronautics and Space Administration Programs	-	104,785
S01192-01		University of Iowa	43.contract	Other National Aeronautics and Space Administration Programs	-	69,479
Direct			43.unknown	Other National Aeronautics and Space Administration Programs	88,415	398,378
MTSUNH06012014		Manufacturing Technical Solutions Inc	43.unknown	Other National Aeronautics and Space Administration Programs	-	4,330
Total Other National Aeronautics and Space Administration Programs					2,660,434	5,513,418
Direct			43.001	Science	1,525,711	8,082,185
S414139		California Institute of Technology	43.001	Science	-	95,682
S416271		California Institute of Technology	43.001	Science	-	7,747
R1050		Dartmouth College	43.001	Science	-	20,043
R1255		Dartmouth College	43.001	Science	-	18,954
R974		Dartmouth College	43.001	Science	-	192,481
NFE		Florida Atlantic University	43.001	Science	-	17,207
XR-K11		Florida Atlantic University	43.001	Science	-	7,389
RG213G1		Georgia Institute of Technology	43.001	Science	-	(2,603)
14NK48		Gordon Research Confr	43.001	Science	-	243
14BA60		Incom Inc	43.001	Science	-	60,435
135260		Johns Hopkins University	43.001	Science	1,095,644	1,714,684
149961		Johns Hopkins University	43.001	Science	-	89,637
151382		Johns Hopkins University	43.001	Science	530,900	1,346,025
161888		Johns Hopkins University	43.001	Science	-	2,404
4104042516		Lockheed Martin	43.001	Science	-	3,425

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	14BA24	Predictive Science Inc	43.001	Science	\$ -	\$ 4,367
	SUB0000147	Princeton University	43.001	Science	-	295,121
	SUB0000156	Princeton University	43.001	Science	-	602,089
	SUB0000191	Princeton University	43.001	Science	-	302,237
	SUB0000333	Princeton University	43.001	Science	-	86,727
	SUB0000398	Princeton University	43.001	Science	-	100,978
	0123	Rutgers University	43.001	Science	-	88,617
	80GSFC20C0060	Southwest Research Institute (SwRI)	43.001	Science	-	112,433
	K99053CT	Southwest Research Institute (SwRI)	43.001	Science	-	17,237
	M50975D	Southwest Research Institute (SwRI)	43.001	Science	-	5,059
	4600006677	The Aerospace Corporation	43.001	Science	-	48,653
	SUBAWD001521	University Corporation for Atmospheric Research (Colorado)	43.001	Science	-	74,764
	2018249	University of Alabama	43.001	Science	-	17,526
	UAF 180026	University of Alaska	43.001	Science	-	66,527
	UAF 19-0009	University of Alaska	43.001	Science	-	144,528
	2090GWA417	University of California at Los Angeles (UCLA)	43.001	Science	-	36,845
	2090GWA681	University of California at Los Angeles (UCLA)	43.001	Science	-	13,799
	1553781	University of Colorado	43.001	Science	-	(7,803)
	1557050	University of Colorado	43.001	Science	-	8,916
	1557958	University of Colorado	43.001	Science	-	6,295
	1001665865	University of Iowa	43.001	Science	-	385,903
	S01002-01	University of Iowa	43.001	Science	-	106,619
	S01345-01	University of Iowa	43.001	Science	-	50,361
	239790A	University of Oregon	43.001	Science	-	18,079
	F-2017-131	University of Toledo	43.001	Science	-	67,738
	UWSC9774	University of Washington	43.001	Science	-	103,025
	WU-20-470	Washington University	43.001	Science	-	20,554
	14109UNH	West Virginia Univ	43.001	Science	-	20,704
				Total Science	<u>3,152,255</u>	<u>14,453,836</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	Direct		43.003	Exploration	\$ -	\$ 15,390
	Direct		43.008	Education	302,499	718,033
Total National Aeronautics and Space Administration					<u>6,115,188</u>	<u>20,700,677</u>
National Science Foundation						
	Direct		47.041	Engineering Grants	135,952	1,577,346
	UNH	Bezoar Laboratories	47.041	Engineering Grants	-	42,417
	10001558-028	Purdue University	47.041	Engineering Grants	-	139,528
Total Engineering Grants					<u>135,952</u>	<u>1,759,291</u>
	Direct		47.049	Mathematical and Physical Sciences	-	997,829
	502421-78050	Northeastern University	47.049	Mathematical and Physical Sciences	-	(272)
	P1704452				<u>-</u>	<u>997,557</u>
Total Mathematical and Physical Sciences					<u>-</u>	<u>997,557</u>
	Direct		47.050	Geosciences	552,464	3,762,184
	71423-11280	Cornell University	47.050	Geosciences	-	26,620
	1376	Dartmouth College	47.050	Geosciences	-	79,223
	R1150	Dartmouth College	47.050	Geosciences	-	91,940
	52681	Marine Biological Laboratory	47.050	Geosciences	-	66,015
Total Geosciences					<u>552,464</u>	<u>4,025,982</u>
	Direct		47.070	Computer and Information Science and Engineering	-	675,732
	Direct		47.070	COVID-19 Computer and Information Science and Engineering	-	9,946
	2017TS2768	Semiconductor Research Corporation	47.070	Computer and Information Science and Engineering	-	38,020
Total Computer and Information Science and Engineering					<u>-</u>	<u>723,698</u>
	Direct		47.074	Biological Sciences	30,606	1,906,371
	3340/200201862/16376	Cary Institute of Ecosystem Studies	47.074	Biological Sciences	-	12,168
	85				-	-
	3340/200201940	Cary Institute of Ecosystem Studies	47.074	Biological Sciences	-	11,415
	3340-200201866	Cary Institute of Ecosystem Studies	47.074	Biological Sciences	-	118,548

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	3392200201978	Cary Institute of Ecosystem Studies	47.074	Biological Sciences	\$ -	\$ 24,619
	1317065056664	Harvard University	47.074	Biological Sciences	-	142
	131721-5109142	Harvard University	47.074	Biological Sciences	-	87,816
	20190137UNH	Middlebury College	47.074	Biological Sciences	-	17,150
	100334601	Northern Arizona University	47.074	Biological Sciences	-	22,037
	100355701	Northern Arizona University	47.074	Biological Sciences	-	68,552
	M1901128	Texas A & M University	47.074	Biological Sciences	-	29,108
	P007692403	University of Minnesota	47.074	Biological Sciences	-	1,864
	2016005	University of Puerto Rico	47.074	Biological Sciences	-	34,768
	2019001	University of Puerto Rico	47.074	Biological Sciences	-	69,242
	32741SUB52560	University of Vermont	47.074	Biological Sciences	-	(1,529)
				Total Biological Sciences	30,606	2,402,271
Direct			47.075	Social, Behavioral, and Economic Sciences	-	162,660
	SP0001300602	Georgia State University	47.075	Social, Behavioral, and Economic Sciences	-	11,015
	JDK061-SB-001	University of Idaho	47.075	Social, Behavioral, and Economic Sciences	-	270,580
				Total Social, Behavioral, and Economic Sciences	-	444,255
Direct			47.076	Education and Human Resources	4,247	1,281,071
	17132044C6S01	Hubbard Brook Research Foundation	47.076	Education and Human Resources	-	12,280
	17132044C6S02	Hubbard Brook Research Foundation	47.076	Education and Human Resources	-	26,427
	PO V189050	Metropolitan State University of Denver	47.076	Education and Human Resources	-	20,618
	451909	University of Arizona	47.076	Education and Human Resources	-	3,250
				Total Education and Human Resources	4,247	1,343,646
Direct			47.078	Polar Programs	-	20,128
	425115-A	University of San Francisco	47.078	Polar Programs	-	6,791
				Total Polar Programs	-	26,919
Direct			47.079	Office of International Science and Engineering	690,571	1,201,771

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			47.083	Office of Integrative Activities	\$ 1,134,308	\$ 4,302,577
BLOS19001		Bigelow Laboratories for Ocean Studies	47.083	Office of Integrative Activities	-	175,557
00001451		Brown University	47.083	Office of Integrative Activities	-	23,475
R1301		Dartmouth College	47.083	Office of Integrative Activities	-	102,914
P0540425		University of Alaska	47.083	Office of Integrative Activities	-	169,920
UMS1228		University of Maine	47.083	Office of Integrative Activities	-	271,799
				Total Office of Integrative Activities	<u>1,134,308</u>	<u>5,046,242</u>
				Total National Science Foundation	<u>2,548,148</u>	<u>17,971,632</u>
US Veterans Administration						
Direct			64.unknown	Other Department of Veterans Affairs	-	12,829
Direct			64.034	VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	-	100,686
				Total US Veterans Administration	<u>-</u>	<u>113,515</u>
Environmental Protection Agency						
Direct			66.contract	Other Environmental Protection Agency Programs	-	91,067
Direct			66.unknown	Other Environmental Protection Agency Programs	-	12,696
VC1000093602		Maine Department of Environmental Protection	66.unknown	Other Environmental Protection Agency Programs	-	9,437
				Total Other Environmental Protection Agency Programs	<u>-</u>	<u>113,200</u>
14BA62		Horsley Witten Group Inc	66.454	Water Quality Management Planning	-	4,266
Direct			66.456	National Estuary Program	64,430	649,036
UNHYR23CB		University of Southern Maine	66.456	National Estuary Program	-	16,772
				Total National Estuary Program	<u>64,430</u>	<u>665,808</u>
100318-048		NH Department of Environmental Services	66.460	Nonpoint Source Implementation Grants	-	21,500
Direct			66.509	Science To Achieve Results (STAR) Research Program	-	98,798
06A20190508*3313		Maine Department of Environmental Protection	66.605	Performance Partnership Grants	-	4,173

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	062018-115	NH Department of Environmental Services	66.605	Performance Partnership Grants	\$ -	\$ 46,269
	120518-076	NH Department of Environmental Services	66.605	Performance Partnership Grants	-	36,799
	122017-070	NH Department of Environmental Services	66.605	Performance Partnership Grants	-	24,445
				Total Performance Partnership Grants	<u>-</u>	<u>111,686</u>
	030718-042	NH Department of Environmental Services	66.608	Environmental Information Exchange Network Grant Program and Related Assistance	47,883	63,262
	SA201909	eXtension Foundation	66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	-	11,736
	SA202031	eXtension Foundation	66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	-	7,465
				Total Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	<u>-</u>	<u>19,201</u>
				Total Environmental Protection Agency	<u>112,313</u>	<u>1,097,721</u>
Department of Energy						
Direct 190070		Advanced Research Corporation (ARC)	81.contract	Other Department of Energy Programs	-	118,229
			81.contract	Other Department of Energy Programs	-	7,542
	SUB202010061	National Renewable Energy Laboratory	81.contract	Other Department of Energy Programs	-	376
	NO. S017254	Princeton University	81.contract	Other Department of Energy Programs	-	69,010
				Total Other Department of Energy Programs	<u>-</u>	<u>195,157</u>
Direct 60055729		Ohio State University	81.049	Office of Science Financial Assistance Program	32,785	1,390,801
61351720-124215		Stanford University	81.049	Office of Science Financial Assistance Program	-	29,166
17009594B00		Univ Of Massachusetts Amherst	81.049	Office of Science Financial Assistance Program	-	315,975
					-	174,821
				Total Office of Science Financial Assistance Program	<u>32,785</u>	<u>1,910,763</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			81.087	Renewable Energy Research and Development	\$ -	\$ 25,825
SUB19014		Ocean Renewable Power Company	81.087	Renewable Energy Research and Development		
					-	67,850
J2196AA		Oregon State University	81.087	Renewable Energy Research and Development	-	7,883
20191243		University of California at Irvine	81.087	Renewable Energy Research and Development		
					-	4,065
				Total Renewable Energy Research and Development	-	105,623
UTA15-001120		University of Texas at Austin	81.089	Fossil Energy Research and Development		
					-	62,334
UMS1188		University of Maine	81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance		
					-	78,414
138677		NY State Energy Research & Dev Authority	81.119	State Energy Program Special Projects		
					-	77,794
Direct			81.121	Nuclear Energy Research, Development and Demonstration	123,861	152,871
14B995		Trophic LLC	81.135	Advanced Research Projects Agency - Energy		
USM800605903		University of Southern Mississippi	81.135	Advanced Research Projects Agency - Energy		
					-	8,866
USM800606003		University of Southern Mississippi	81.135	Advanced Research Projects Agency - Energy		
					-	6,114
				Total Advanced Research Projects Agency - Energy	-	210,288
				Total Department of Energy	156,646	2,793,244
Department of Education						
ASUB00000347		Arizona State University	84.305	Education Research, Development and Dissemination	-	40,334
ASUB00000476		Arizona State University	84.305	Education Research, Development and Dissemination	-	11,940
ASUB00000499		Arizona State University	84.305	Education Research, Development and Dissemination	-	12,370
7971PO136756		Boise State University	84.305	Education Research, Development and Dissemination	-	4,839
29338SUB51804		University of Vermont	84.305	Education Research, Development and Dissemination	45,215	97,451
				Total Education Research, Development and Dissemination	45,215	166,934
				Total Department of Education	45,215	166,934
Northern Border Regional Commission						
Direct			90.601	Northern Border Regional Development	-	22,140
				Total Northern Border Regional Commission	-	22,140

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of Health and Human Services						
14NK03	Qualidigm		93.contract	Other Department of Health and Human Services Programs	\$ -	\$ 20,459
NFE	University Of Virginia		93.unknown	Other Department of Health and Human Services Programs	-	7,730
				Total Other Department of Health and Human Services Programs	-	28,189
05011910	NH Department of Health & Human Services		93.048	Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	-	54,402
05011910	NH Department of Health & Human Services		93.048	COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	-	469,083
				Total Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	-	523,485
010919-008	NH Department of Health & Human Services		93.070	Environmental Public Health and Emergency Response	-	15,561
Direct			93.088	Advancing System Improvements for Key Issues in Women's Health	-	2,933
1062957	NH Dept of Agriculture Markets & Food		93.103	Food and Drug Administration Research	-	64,255
Direct			93.110	Maternal and Child Health Federal Consolidated Programs	447,522	1,425,060
073119-017	NH Department of Health & Human Services		93.110	Maternal and Child Health Federal Consolidated Programs	-	269,064
				Total Maternal and Child Health Federal Consolidated Programs	447,522	1,694,124
14NK15	New Hampshire Coalition Against Domestic Violence		93.136	Injury Prevention and Control Research and State and Community Based Programs	-	14,822
14NK46	New Hampshire Coalition Against Domestic Violence		93.136	Injury Prevention and Control Research and State and Community Based Programs	-	22,224
031319-009	NH Department of Health & Human Services		93.136	Injury Prevention and Control Research and State and Community Based Programs	-	62,608
SUB#1197	Rutgers University		93.136	Injury Prevention and Control Research and State and Community Based Programs	-	(1,744)
24-1714-0205-003	University Of Nebraska		93.136	Injury Prevention and Control Research and State and Community Based Programs	-	30,919
				Total Injury Prevention and Control Research and State and Community Based Programs	-	128,829

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			93.184	Disabilities Prevention	\$ -	\$ 422,800
	000512145-SC010	University of Alabama	93.184	Disabilities Prevention	-	27,350
	NFE	University of Alabama	93.184	Disabilities Prevention	-	6,649
				Total Disabilities Prevention	-	456,799
14NJ40		Natl Assn of Health Data Organizations	93.226	Research on Healthcare Costs, Quality and Outcomes	-	15,696
Direct			93.242	Mental Health Research Grants	-	24,982
Direct			93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	97,873
060618-019		NH Department of Health & Human Services	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	50,985	186,622
1349		Rutgers University	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	9,254
824688		Rutgers University	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	10,058
				Total Substance Abuse and Mental Health Services Projects of Regional and National Significance	50,985	303,807
Direct			93.247	Advanced Nursing Education Workforce Grant Program	17,157	440,410
Direct			93.262	Occupational Safety and Health Program	-	141,794
R1191		Darthmouth College	93.279	Drug Abuse and Addiction Research Programs	-	91,250
17158		University of Massachusetts	93.279	Drug Abuse and Addiction Research Programs	-	13,000
19-166		University of Massachusetts	93.279	Drug Abuse and Addiction Research Programs	-	47,144
				Total Drug Abuse and Addiction Research Programs	-	151,394
Direct			93.310	Trans-NIH Research Support	-	370,468
031319-010		NH Department of Health & Human Services	93.323	Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	-	3,132
031319-009		NH Department of Health & Human Services	93.354	Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	-	108,496
081419-041		NH Developmental Disabilities Council	93.360	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	-	22,514

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			93.398	Cancer Research Manpower	\$ -	\$ 6,792
062117-011		NH Department of Health & Human Services	93.426	Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke	-	224,205
Direct			93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	276,897	2,010,368
14NJ72		National Disability Institute	93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	-	15,111
14NK81		National Disability Institute	93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	-	32,877
				Total ACL National Institute on Disability, Independent Living, and Rehabilitation Research	276,897	2,058,356
Direct			93.434	Every Student Succeeds Act/Preschool Development Grants	-	2,445,250
Direct			93.464	ACL Assistive Technology	-	204,245
092717-034		New Hampshire Department of Insurance	93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	-	11,432
14NK18		New Hampshire Coalition Against Domestic Violence	93.556	Promoting Safe and Stable Families	-	20,608
Direct			93.631	Developmental Disabilities Projects of National Significance	52,381	568,307
Direct			93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	-	561,984
18-7		State University of New York	93.648	Child Welfare Research Training or Demonstration	-	7,777
041719-021		NH Department of Health & Human Services	93.670	Child Abuse and Neglect Discretionary Activities	-	119,860
062117-011		NH Department of Health & Human Services	93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	-	53,373
Direct			93.839	Blood Diseases and Resources Research	28,014	462,331
Direct			93.855	Allergy and Infectious Diseases Research	-	90,441
Direct			93.859	Biomedical Research and Research Training	32,045	2,394,310
1UT2GM130176-01		Celdara Medical LLC	93.859	Biomedical Research and Research Training	-	61,945
R1039		Dartmouth College	93.859	Biomedical Research and Research Training	-	46,932
R1040		Dartmouth College	93.859	Biomedical Research and Research Training	-	60,011
R1041 YEAR 2		Dartmouth College	93.859	Biomedical Research and Research Training	-	38,679

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	R1043	Dartmouth College	93.859	Biomedical Research and Research Training	\$ -	\$ 79,596
	R1044	Dartmouth College	93.859	Biomedical Research and Research Training	-	45,504
	R1045	Dartmouth College	93.859	Biomedical Research and Research Training	-	43,773
	R762	Dartmouth College	93.859	Biomedical Research and Research Training	-	83,729
	R763	Dartmouth College	93.859	Biomedical Research and Research Training	-	503,483
	R774	Dartmouth College	93.859	Biomedical Research and Research Training	-	270,374
	R919	Dartmouth College	93.859	Biomedical Research and Research Training	-	142,717
	SUB# R1042	Dartmouth College	93.859	Biomedical Research and Research Training	-	783
	SUB# R769	Dartmouth College	93.859	Biomedical Research and Research Training	-	588
	SUBAWARD R769 FY20	Dartmouth College	93.859	Biomedical Research and Research Training	-	78,575
	1003287C-UNH	University of Wyoming	93.859	Biomedical Research and Research Training	-	67,976
				Total Biomedical Research and Research Training	<u>32,045</u>	<u>3,918,975</u>
	1R01HD083072	Center for Innovative Public Health Research	93.865	Child Health and Human Development Extramural Research	-	50,643
	OSP2018052	University of Massachusetts	93.865	Child Health and Human Development Extramural Research	-	57,904
				Total Child Health and Human Development Extramural Research	<u>-</u>	<u>108,547</u>
	Direct		93.866	Aging Research	1	47,125
	S51110000037006	University of Massachusetts at Lowell	93.866	Aging Research	-	21,140
	3004158143	University of Michigan	93.866	Aging Research	-	24,323
				Total Aging Research	<u>1</u>	<u>92,588</u>
	Direct		93.867	Vision Research	108,682	268,584
	34605SUB53139	University of Vermont	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	-	113,186
	Direct		93.991	Preventive Health and Health Services Block Grant	-	6,748
	062020-026	NH Department of Health & Human Services	93.994	Maternal and Child Health Services Block Grant to the States	-	-
				Total Department of Health and Human Services	<u>9,658</u>	<u>206,901</u>
					<u>1,023,342</u>	<u>16,047,358</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Corporation for National and Community Service						
	16AFHNH0010006	Volunteer Nh!	94.006	AmeriCorps	\$ -	\$ 18,803
Total Corporation for National and Community Service					-	18,803
Social Security Administration						
	SUBK00011222	University of Michigan	96.007	Social Security Research and Demonstration	-	16,667
Total Social Security Administration					-	16,667
Department of Homeland Security						
Direct			97.contract	Other Department of Homeland Security Programs	-	1,993
13S065	NH Department of Safety		97.067	Homeland Security Grant Program	-	4,101
13S066	NH Department of Safety		97.067	Homeland Security Grant Program	-	3,173
13S067	NH Department of Safety		97.067	Homeland Security Grant Program	-	40,366
13S068	NH Department of Safety		97.067	Homeland Security Grant Program	-	4,489
Total Homeland Security Grant Program					-	52,129
Total Department of Homeland Security					-	54,122
Total Research and Development Cluster					13,485,706	86,444,893
Department of Agriculture SNAP Cluster						
11041511	NH Department of Health & Human Services		10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	249,510
13H282	NH Department of Health & Human Services		10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	-	689,303
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program					-	938,813
Total SNAP Cluster					-	938,813

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Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Child Nutrition Cluster						
	13D089	NH Department of Education	10.555	National School Lunch Program	\$ -	\$ 19,093
				Total Child Nutrition Cluster	-	19,093
Forest Service Schools and Roads Cluster						
	Direct		10.666	Schools and Roads - Grants to Counties	-	13,030
				Total Forest Service Schools and Roads Cluster	-	13,030
				Total Department of Agriculture	-	970,936
Department of the Interior						
Fish and Wildlife Cluster						
	031120-036	NH Department of Fish & Game	15.605	Sport Fish Restoration	-	1,008
	04191745	NH Department of Fish & Game	15.605	Sport Fish Restoration	-	26,306
				Total Sport Fish Restoration	-	27,314
	071019-037	NH Department of Fish & Game	15.611	Wildlife Restoration and Basic Hunter Education	-	178,155
	071917-083	NH Department of Fish & Game	15.611	Wildlife Restoration and Basic Hunter Education	1,388	1,748
	07241338	NH Department of Fish & Game	15.611	Wildlife Restoration and Basic Hunter Education	-	47,165
				Total Wildlife Restoration and Basic Hunter Education	1,388	227,068
				Total Fish and Wildlife Cluster	1,388	254,382
				Total Department of the Interior	1,388	254,382
Department of Transportation						
Highway Planning and Construction Cluster						
	050609-073	NH Department of Environmental Services	20.205	Highway Planning and Construction	-	(567)
	041719-038	NH Department of Transportation	20.205	Highway Planning and Construction	-	80,753
	050119-022	NH Department of Transportation	20.205	Highway Planning and Construction	-	32,171
	072718-021	NH Department of Transportation	20.205	Highway Planning and Construction	-	24,955

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	073119-040	NH Department of Transportation	20.205	Highway Planning and Construction	\$ -	\$ 34,890
	102616-35	NH Department of Transportation	20.205	Highway Planning and Construction	-	18,853
	103118-028	NH Department of Transportation	20.205	Highway Planning and Construction	-	105,180
	12181940	NH Department of Transportation	20.205	Highway Planning and Construction	-	152,093
	122017-030	NH Department of Transportation	20.205	Highway Planning and Construction	-	287,739
	41369	NH Department of Transportation	20.205	Highway Planning and Construction	-	38,843
				Total Highway Planning and Construction	-	774,910
				Total Highway Planning and Construction Cluster	-	774,910
Federal Transit Cluster						
	Direct		20.507	Federal Transit Formula Grants	-	57,481
	Direct		20.514	Public Transportation Research, Technical Assistance, and Training	-	166,321
				Total Federal Transit Cluster	-	223,802
Highway Safety Cluster						
	051519-091	NH Department of Safety	20.600	State and Community Highway Safety	-	7,930
	051519-092	NH Department of Safety	20.600	State and Community Highway Safety	-	6,500
				Total State and Community Highway Safety	-	14,430
	041719-142	NH Department of Safety	20.616	National Priority Safety Programs	-	20,000
	100219-046	NH Department of Safety	20.616	National Priority Safety Programs	-	5,040
	061020-096	NH Highway Safety Agency	20.616	National Priority Safety Programs	-	22,359
				Total National Priority Safety Programs	-	47,399
				Total Highway Safety Cluster	-	61,829
				Total Department of Transportation	-	1,060,541

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Environmental Protection Agency						
Clean Water State Revolving Fund Cluster						
	PEUNHGLEC001	Paradigm Environmental Services Inc	66.458	Capitalization Grants for Clean Water State Revolving Funds	\$ -	\$ 96,188
				Total Clean Water State Revolving Fund Cluster	-	96,188
Drinking Water State Revolving Fund Cluster						
	100318-049	NH Department of Environmental Services	66.468	Capitalization Grants for Drinking Water State Revolving Funds	-	15,976
				Total Drinking Water State Revolving Fund Cluster	-	15,976
				Total Environmental Protection Agency	-	112,164
Department of Education						
Student Financial Assistance Cluster						
Direct			84.007	Federal Supplemental Educational Opportunity Grants	-	2,296,137
Direct			84.033	Federal Work-Study Program	-	3,048,212
Direct			84.038	Federal Perkins Loan Program	-	17,156,442
Direct			84.063	Federal Pell Grant Program	-	24,443,757
Direct			84.268	Direct Lending Programs - Loans Issued	-	160,086,916
				Total Student Financial Assistance Cluster	-	207,031,464
TRIO Cluster						
Direct			84.042	TRIO Student Support Services	-	1,036,845
Direct			84.044	TRIO Talent Search	-	620,768
Direct			84.047	TRIO Upward Bound	-	1,352,984
Direct			84.217	TRIO McNair Post-Baccalaureate Achievement	-	294,084
				Total TRIO Cluster	-	3,304,681
Special Education Cluster (IDEA)						
	2712010312	NH Department of Education	84.027	Special Education Grants to States	-	33,953
	KF2012	NH Department of Education	84.027	Special Education Grants to States	-	74,943
	73D008	NH Department of Education	84.027	Special Education Grants to States	-	9,231
				Total Special Education Grants to States	-	118,127
				Total Special Education Cluster (IDEA)	-	118,127
				Total Department of Education	-	210,454,272

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Department of Health and Human Services						
CCDF Cluster						
	GSC 05/17/17 #15	NH Department of Health & Human Services	93.575	Child Care and Development Block Grant	\$ -	\$ 299,107
				Total CCDF Cluster	-	299,107
Medicaid Cluster						
	74N022	Catholic Medical Center	93.778	Medical Assistance Program	-	61,250
	14NI56	Dartmouth-Hitchcock Medical Center	93.778	Medical Assistance Program	-	549
	14NI39	Network4Health	93.778	Medical Assistance Program	-	34,825
	14NK45	Network4Health	93.778	Medical Assistance Program	-	45,000
	062117-011	NH Department of Health & Human Services	93.778	Medical Assistance Program	-	910,061
				Total Medical Assistance Program	-	1,051,685
	062018-22A	NH Department of Health & Human Services	93.791	Money Follows the Person Rebalancing Demonstration	-	183,562
				Total Medicaid Cluster	-	1,235,247
				Total Department of Health and Human Services	-	1,534,354
Social Security Administration						
Disability Insurance/SSI Cluster						
	SSA.BPA.UNH.18	Summit Consulting LLC	96.001	Social Security Disability Insurance	-	21,479
				Total Disability Insurance/SSI Cluster	-	21,479
				Total Social Security Administration	-	21,479
Department of Agriculture						
	Direct		10.unknown	Other Department of Agriculture Programs	-	8,836
	021920-033	NH Dept of Agriculture Markets & Food	10.170	Specialty Crop Block Grant Program - Farm Bill	-	1,635
	Direct		10.500	Cooperative Extension Service	-	22,349
	Direct		10.511	Smith-Lever Funding (Various Programs)	-	1,725,313
	Direct		10.514	Expanded Food and Nutrition Education Program	-	316,358
	Direct		10.515	Renewable Resources Extension Act and National Focus Fund Projects	-	41,459

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	Direct		10.664	Cooperative Forestry Assistance	\$ -	\$ 56,155
	13R262	NH Department of Resources & Economic Development (DRED)	10.664	Cooperative Forestry Assistance		
				Total Cooperative Forestry Assistance	-	9,721
					-	65,876
	Direct		10.855	Distance Learning and Telemedicine Loans and Grants	-	12,834
				Total Department of Agriculture	-	2,194,660
Department of Commerce						
	Direct		11.contract	Other Department of Commerce Programs	-	66,122
	Direct		11.417	Sea Grant Support	-	24,084
	Direct		11.999	Marine Debris Program	-	24,390
				Total Department of Commerce	-	114,596
Department of Justice						
	AGREEMENT #1016088	Manchester, NH (City of)	16.320	Services for Trafficking Victims	-	14,106
	Direct		16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	-	28,511
	14NI20	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	86
	14NJ08	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	35,130
	14NJ90	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	99,562
	14NK22	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	2,811
				Total Crime Victim Assistance	-	137,589
				Total Department of Justice	-	180,206
Department of Labor						
	Direct		17.504	Consultation Agreements	-	429,399
				Total Department of Labor	-	429,399

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of the State						
	AWARD DATED 7/10/19	World Learning	19.009	Academic Exchange Programs - Undergraduate Programs	\$ -	\$ 24,432
Total Department of the State					<u>-</u>	<u>24,432</u>
Department of the Treasury						
	072-500577-Grants to Schools-Federal-USNH	NH Office of the Governor	21.019	Coronavirus Relief Fund	-	4,903,537
Total Department of the Treasury					<u>-</u>	<u>4,903,537</u>
National Foundation on the Arts and the Humanities						
Direct			45.024	Promotion of the Arts Grants to Organizations and Individuals	-	15,000
19-35542		New England Foundation for the Arts	45.025	Promotion of the Arts Partnership Agreements	-	4,000
19-36838		New England Foundation for the Arts	45.025	Promotion of the Arts Partnership Agreements	-	500
FY2020OPP1#9877		NH State Council on the Arts	45.025	Promotion of the Arts Partnership Agreements	-	9,000
Total Promotion of the Arts Partnership Agreements					<u>-</u>	<u>13,500</u>
Direct			45.163	Promotion of the Humanities Professional Development	-	67,701
Total National Foundation on the Arts and the Humanities					<u>-</u>	<u>96,201</u>
National Science Foundation						
Direct			47.041	Engineering Grants	-	37,536
1659377-UNH		MA Green High Performance Computing Ctr	47.070	Computer and Information Science and Engineering	-	63,180
Total National Science Foundation					<u>-</u>	<u>100,716</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Small Business Administration						
Direct			59.037	Small Business Development Centers	\$ -	\$ 782,445
Direct			59.037	COVID-19 Small Business Development Centers	-	64,318
				Total Small Business Development Centers	-	846,763
				Total Small Business Administration	-	846,763
Department of Veterans Affairs						
Direct			64.unknown	Other Department of Veterans Affairs	-	19,845
Direct			64.034	VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	-	28,693
				Total Department of Veterans Affairs	-	48,538
Environmental Protection Agency						
Direct			66.110	Healthy Communities Grant Program	2,479	4,699
SNEP1-05		University of Southern Maine	66.129	Southeast New England Coastal Watershed Restoration	-	63,887
Direct			66.514	Science To Achieve Results (STAR) Fellowship Program	-	4,020
				Total Environmental Protection Agency	2,479	72,606
Department of Education						
97351001		University of Massachusetts at Boston	84.contract	Other Department of Education Programs	-	3,780
KF2017		Laconia School District	84.184	School Safety National Activities	-	6,778
KF2117		Laconia School District	84.184	School Safety National Activities	-	11,668
S184M190039		Laconia School District	84.184	School Safety National Activities	-	31,603
				Total School Safety National Activities	-	50,049
H323A170029		NH Department of Education	84.323	Special Education - State Personnel Development	-	86,508
H323A170029-18		NH Department of Education	84.323	Special Education - State Personnel Development	-	8,983
				Total Special Education - State Personnel Development	-	95,491
Direct			84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	-	230,324
Direct			84.336	Teacher Quality Partnership Grants	-	798,117
Direct			84.365	English Language Acquisition State Grants	-	(1,040)

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	02-NH01-SEED2017-CRWPPD	University of California at Berkeley (UCB)	84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	\$ -	\$ 599
	02-NH01-SEED2017-ILI	University of California at Berkeley (UCB)	84.367	Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	-	(555)
				Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	-	44
Direct			84.425E	COVID-19 Education Stabilization Fund	-	5,552,962
Direct			84.425F	COVID-19 Education Stabilization Fund	-	9,297,917
				Total COVID-19 Education Stabilization Fund	-	14,850,879
				Total Department of Education	-	16,027,644
Northern Border Regional Commission						
	14UE59	Vermont Technical College	90.601	Northern Border Regional Development	-	9,650
				Total Northern Border Regional Commission	-	9,650
Department of Health & Human Services						
Direct			93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	7,760
	5H79SM063408-03	County of Cheshire	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	76,905
	5H79SM063408-04	County of Cheshire	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	22,479
	SM-16-009	NH Department of Education	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	419,806
				Total Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	526,950
	1H79SM061875-01	Berlin Public Schools	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	32,663
	1H79SM082210-01	City of Manchester	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	72,578

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	1H79SM082104-01	NAMI NH	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	\$ -	\$ 12,411
	IH79SM082054-01	NH Department of Education	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	110,738
				Total Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	228,390
14NK66		Lamprey Health Care	93.247	Advanced Nursing Education Workforce Grant Program	-	1,752
Direct			93.434	Every Student Succeeds Act/Preschool Development Grants	-	1,346,092
Direct			93.464	ACL Assistive Technology	-	252,132
14NI18		New Hampshire Coalition Against Domestic Violence	93.556	Promoting Safe and Stable Families	-	45
IC674-A		Maine Quality Counts	93.638	ACA-Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs)	149,950	402,664
02052010		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	9,949
062018-44C		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	141,766
1801NHFOST,1801NH ADPT,1801NHCW		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	77,662
GSC 02/7/18 #11		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	1,004,839
GSC 06/15/16 #9A		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	1,095,961
73H022		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	10,382
				Total Foster Care Title IV-E	-	2,340,559
Direct			93.732	Mental and Behavioral Health Education and Training Grants	-	1,038,737
NB01OT009141		NH Department of Health & Human Services	93.758	Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	-	72,251
NU58DP006298		NH Department of Health & Human Services	93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	-	71,179

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2020**

Federal Grantor/ Cluster Title	Direct Award of Pass through Entity Identifying Number	Pass through Grantor	CFDA No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	6D06RH310570102	Cheshire Medical Center	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	\$ -	\$ 27,765
	KF2007	North Country Health Consortium	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	-	19,532
				Total Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Program	-	47,297
Total Department of Health and Human Services					<u>149,950</u>	<u>6,328,048</u>
Department of Homeland Security						
	13S043	NH Department of Safety	97.067	Homeland Security Grant Program	-	5,264
	13S058	NH Department of Safety	97.067	Homeland Security Grant Program	-	2,565
	13S059	NH Department of Safety	97.067	Homeland Security Grant Program	-	3,335
	13S072	NH Department of Safety	97.067	Homeland Security Grant Program	-	5,345
	13S073	NH Department of Safety	97.067	Homeland Security Grant Program	-	1,755
				Total Homeland Security Grant Program	-	18,264
Total Department of Homeland Security					-	18,264
Total Expenditures of Federal Awards					<u>\$ 13,639,523</u>	<u>\$ 332,248,281</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) summarizes the expenditures of the University System of New Hampshire (USNH), which includes the University of New Hampshire (UNH), Plymouth State University (PSU), Keene State College (KSC), and Granite State College (GSC) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the System, it is not intended to and does not present the consolidated financial position, changes in net assets, or cash flows of the System.

For the purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the USNH and the agencies and departments of the federal government pursuant to federal grants, contracts and similar agreements. The Schedule also denotes awards passed through to the USNH to other non-federal organization.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures for federal award programs are recognized as incurred using the accrual method of accounting and the cost accounting principles promulgated under applicable federal circulars. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement and, accordingly, are not reflected as expenditures in the accompanying Schedules. Expenditures also include a portion of costs associated with general operating activities of the respective institutions which are allocated to awards under negotiated formulas commonly referred to as facilities and administrative cost rates (Note 3).

NOTE 3 FACILITIES AND ADMINISTRATIVE COSTS

UNH negotiated facilities and administrative cost rates in fiscal year 2019 with its cognizant agency, the U.S. Department of Health and Human Services (DHHS). The on-campus facilities and administrative cost rate in place for UNH is 50.5% of modified total direct costs effective July 1, 2019 until amended. Other rates for UNH facilities and administrative cost recovery range from 26.0% to 57.5% of modified total direct costs.

The on-campus facilities and administrative cost rate in place for PSU is 56.7% of direct salaries and wages from July 1, 2016 until June 30, 2020.

The on-campus facilities and administrative cost rate in place for KSC is 60.0% of direct salaries and wages from July 1, 2016 until June 30, 2020.

The on-campus facilities and administrative cost rate in place for GSC is 60.0% of direct salaries and wages from July 1, 2016 until June 30, 2020.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 4 FEDERAL PERKINS LOAN PROGRAM (CFDA 84.038)

The Perkins Loan Program listed below is administered directly by the USNH, and balances and transactions relating to this program are included in the System's financial statements. The outstanding Perkins Notes Receivable balance as of June 30, 2020 is \$13,527,777.

NOTE 5 FEDERAL DIRECT STUDENT LOANS (CFDA 84.268)

Federally guaranteed loans issued to USNH students through the Federal Direct Loan Program (FDL), includes Direct Subsidized and Unsubsidized Stafford Loans, and Direct Parent Loans for Undergraduate Students. These distributions and the related funding sources are not included in the System's financial statements. Amounts distributed for the FDL program during the year ended June 30, 2020 are summarized as follows:

Stafford Loans:	
UNH	\$ 69,871,875
PSU	24,419,978
KSC	16,059,443
GSC	<u>6,562,876</u>
Total Stafford Loans	<u>116,914,172</u>
Plus Loans:	
UNH	26,390,503
PSU	9,603,887
KSC	7,127,732
GSC	<u>50,622</u>
Total Plus Loans	<u>43,172,744</u>
Total Federal Direct Student Loans	<u>\$ 160,086,916</u>

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes X no
 - Significant deficiency(ies) identified? X yes _____ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes _____ no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268	Student Financial Assistance Cluster
84.425E, 84.425F	Higher Education Emergency Relief Fund
21.019	Coronavirus Relief Fund
Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	<u> X </u> yes _____ no

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2020 – 001

Federal Agency: Department of Education

Federal Program Title: CARES HEERF

CFDA Number: 84.425E

Award Period: July 01, 2019 – June 30, 2020

Type of Finding: Significant Deficiency in Internal Control over Compliance and Other Matters

Criteria or Specific Requirement:

The Department of Education required institutions that received a HEERF 18004(a)(1) Student Aid Portion award to publicly post certain information on their website no later than 30 days after award, and update that information every 45 days thereafter.

Condition and Context:

During our testing of the reports posted on the University of New Hampshire's website, we noted the website reported \$2,939,050 of emergency financial aid grants disbursed to 5,150 students. However, the detailed listings provided showed \$2,670,800 disbursed to 5,433 students for a difference of \$268,250 and 283 students.

Cause:

Due to the urgency to get the information posted to the website within the 30 day timeframe, the University pulled data from their systems but failed to maintain the reports used for numbers posted to the website. The University continued to disburse funds to the students and subsequently the reports changed and the University was not able to recreate the data used for the 30 day reporting.

Questioned Costs:

None

Possible Asserted Effect:

The documentation doesn't support the numbers reported on the website and therefore the amounts reported on the website could be inaccurate.

Repeat Finding:

No

Auditor's Recommendation:

We recommend the University maintain the documentation used during the reporting process to support the numbers included in the public reporting on their website.

Views of Responsible Officials:

There is no disagreement with the audit finding.

