

UNIVERSITY SYSTEM OF NEW HAMPSHIRE

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

YEAR ENDED JUNE 30, 2021



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**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
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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 years ended June 30, 2021 and 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 opinions.

Opinions

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, 2021 and 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 25, 2021, on our consideration of University System of New Hampshire's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University System of New Hampshire'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 University System of New Hampshire's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Quincy, Massachusetts
October 25, 2021

Management's Discussion and Analysis

June 30, 2021 and 2020 (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, 2021 and 2020. 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), GSC and the UNH Cooperative Extension and Small Business Development Centers located throughout the State. 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 pandemic exacerbated the already changing and challenging higher education environment. The impact of the pandemic was layered onto existing pre-pandemic trends such as declining demographics in both New Hampshire and New England, increases in student financial need, etc. USNH was and continues to be committed to the health and safety of students, faculty, staff, and all communities in which it operates. During fiscal year 2021, USNH successfully navigated the challenges of the COVID-19 pandemic and welcomed students to both in person and online instructional opportunities and college experiences. This accomplishment came at a significant financial cost as USNH spent approximately \$64 million in pandemic-related costs, of which approximately \$50 million was for surveillance testing. USNH received federal and state support to help offset a significant amount of the costs incurred during fiscal year 2021.

In June 2020, USNH leadership and the board of trustees adopted plans for a multi-year cost restructuring program for fiscal years 2021 through 2023 which targeted taking approximately 10% out of the cost structure by fiscal year 2023. Although the full 10% reduction may not be necessary by fiscal year 2023 based on other various factors including enrollment levels, state support, etc., the primary elements of the cost restructuring program which included general cost reduction initiatives, systemwide shared service initiatives as well as campus-specific initiatives will position USNH for the future beyond fiscal year 2023. The USNH board of trustees approved COVID enhanced voluntary separation incentive programs to help facilitate the necessary cost reductions and approximately 484 full-time benefited employees participated in that program and left USNH employment as of June 30, 2021.

USNH also continues to seek new opportunities to become more efficient and improve service levels which is demonstrated by another recent action. In July 2021, building on the complementary missions of Granite State College (GSC) and the University of New Hampshire Manchester (UNH Manchester), the USNH board of

trustees voted to establish a single, merged college located in the Manchester-Concord corridor. The merged entity is intended to become a college within UNH and will retain the name Granite State College. A second key initiative of the integration will be to combine GSC and UNH online learning enterprises to strengthen, promote and expand online education for all USNH institutions. USNH leadership and the board continue to work with the State to facilitate the proposed merger activities.

USNH continues to offer on-campus and hybrid learning opportunities and again welcomed students back to the residential campuses this fall. USNH continues to focus on providing high-quality programs, safe campuses for our communities and those we serve, as well as plans for the future in the changing higher education market. The remainder of this report describes the results of financial operations for the year ended June 30, 2021, with comparisons to prior years.

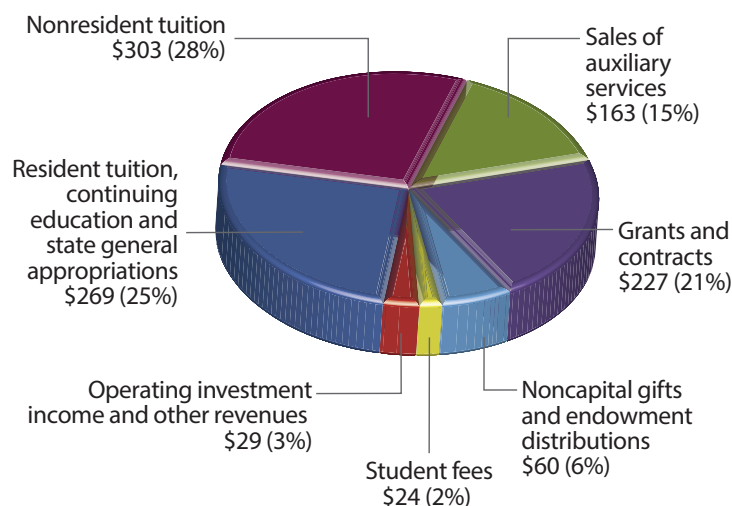
III. Financial Highlights

A. Revenues

Chart 1 below shows USNH's revenue streams, including those classified as non-operating revenues per GASB standards, totaling over \$1 billion in fiscal years 2021 and 2020. Given our tri-fold mission of instruction, research, and public service, the vast majority of USNH revenues are generated by providing educational and auxiliary services. Total gross revenues increased \$46 million (4.5%) in fiscal year 2021. The largest increase was related to an increase in grants and contract revenue by 32% (\$56 million), primarily due to the federal Cares Act for Higher Education Emergency Relief Fund (HEERF) and the State of NH Governor's Office for Emergency Relief and Recovery (GOFERR) awards to mitigate costs related to COVID-19. For fiscal year 2021, USNH received \$39 million in institutional HEERF awards, of which \$19 million were unearned as of June 30, 2021, and expected to be realized during fiscal year 2022. GOFERR provided \$28 million in aid during the fiscal year 2021, and \$5 million in fiscal year 2020, for a total of \$33 million to help mitigate costs related to COVID-19 pandemic.

Chart 1: 2021 Gross Revenues by Source
Total = \$1+ Billion

(\$ in millions)

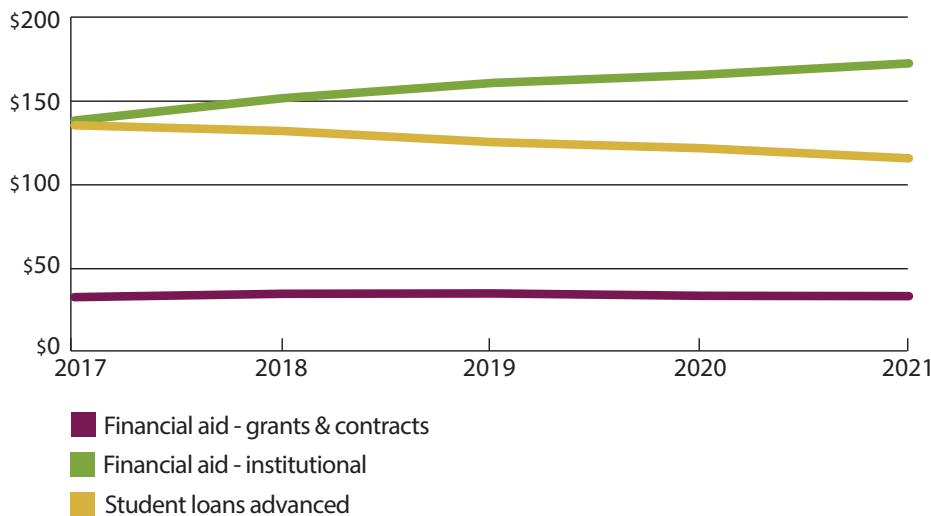


As shown in Chart 2 below, institutional financial aid expenditures continue to surpass aid provided by grants and student loans issued. USNH has provided over \$1.7 billion in direct institutional financial aid to students over the past ten years. Approximately \$329 million (20%) of this total was from grants and contracts. Over \$1 billion (73%) came from campuses' general funds, and the remaining 7% (\$123 million) was provided by gifts and athletics programs. USNH continues to focus on affordability of its offerings with the goal of limiting student and family loan debt. Also, for fiscal year 2021, students received \$12 million in direct aid for COVID-19 pandemic relief.

Their enrollment strategy remains focused on attracting exemplary students, while adapting to the challenge of a pandemic. Approximately 51% of new UNHD students in the fall of 2020 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.

Chart 2: Student Aid Trends

(\$ in millions)



In fiscal year 2021, undergraduate tuition rates were held flat for NH students, and total nonresident tuition revenues increased 0.9% (\$2.7 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 consistent for the past several years, institutional financial aid grew 4.2% (\$7.1 million) in fiscal year 2021 after a 3.1% (\$5.0 million) increase in fiscal year 2020. USNH has also made significant changes in the way it awards financial aid. The Granite Guarantee program, which covers the cost of tuition for all federal Pell-grant eligible New Hampshire students, is now in its third year. 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. New

As seen in Table 1 below, full-time equivalent (FTE) student enrollment has steadily declined 8.8% since fiscal year 2017 for all institutions combined mainly due to New England demographics and market changes. UNH's Durham campus, despite the pandemic, had stable freshmen applications over the past three years as shown in Table 2.

Hampshire's school population data by age grouping suggests that our enrollment challenges will increase in future years. USNH continues to focus on multi-year planning to address the demographic and market changes ahead.

Table 1: Full-Time Equivalent Credit Enrollment

For the Fall of Each Fiscal Year

	2017	2018	2019	2020	2021
UNH (all campuses)	15,473	15,669	15,629	15,141	14,750
PSU	4,641	4,694	4,772	4,409	4,260
KSC	4,160	3,758	3,487	3,434	3,111
GSC	1,584	1,446	1,468	1,444	1,452
Total USNH FTEs	25,858	25,567	25,356	24,428	23,573
NH Resident	13,240	12,940	12,842	12,413	12,067
Nonresident	12,618	12,627	12,514	12,015	11,506
Total USNH FTEs	25,858	25,567	25,356	24,428	23,573

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

For the Fall of Each Fiscal Year

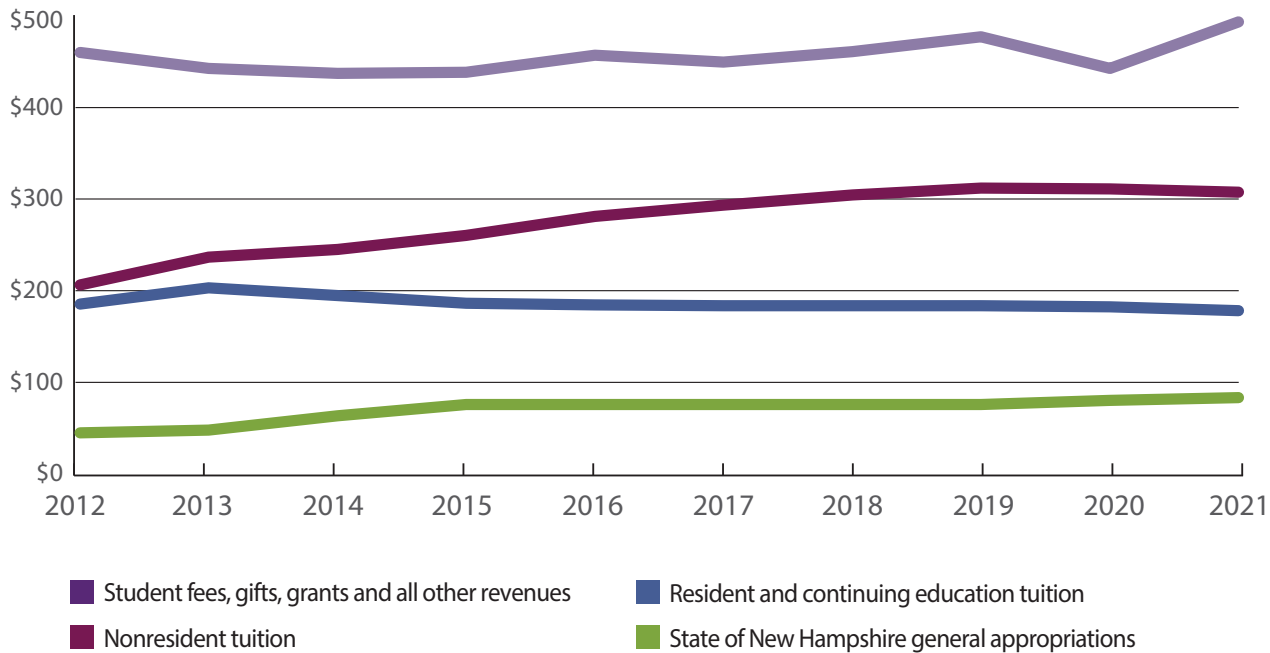
	2017	2018	2019	2020	2021
Freshmen applications received	19,076	18,397	18,474	18,040	18,797
Acceptances as % of applications	80%	83%	84%	84%	85%
Enrolled as % of acceptances	19%	20%	20%	18%	16%

* 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, once the State appropriation was partially restored in fiscal year 2013, USNH held resident tuition rates flat from fiscal years 2013 through 2015. Inflationary increases in the resident tuition rates were added for fiscal years 2016 through 2020, and tuition held flat in fiscal year 2021. During fiscal year 2020, auxiliary revenue decreased by \$48 million (22%) compared to fiscal year 2019, while the decrease in fiscal year 2021 was \$4 million compared to fiscal year 2020. The fiscal year 2020 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. Residential and dining halls re-opened in Fall 2020 following a hybrid model with less capacity, to accommodate social distancing and to provide quarantine facilities as well as lower demand primarily attributed to COVID. In fiscal year 2021, USNH revenues included one-time federal and State grant revenue of \$60 million, including \$39 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 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) increased \$80.3 million or 10% over the fiscal year 2020 level; and fiscal year 2020 expenses decreased by \$8.2 million or 1% over fiscal year 2019. The grant supplies and services expense increase of \$42 million (117.4%) was mainly driven by \$25 million in testing and Personal Protective Equipment costs funded by the State of NH GOFERR award, and \$12 million in student aid relief funded by HEERF. Nongrant compensation costs increased by \$35 million (7.4%) primarily as a result of approximately 484 employees participating in COVID-related voluntary separation incentive programs approved by the USNH Executive Committee on June 11, 2020 for a total one time cost of \$56 million in fiscal year 2021. Although the total cost was recognized in fiscal year 2021, the programs are salary continuation programs which delayed larger cash impact to fiscal year 2022. This cost was partially offset by salary savings realized in fiscal year 2021 which were generated as a result of restructuring initiatives as well as temporary savings associated with COVID.

During fiscal year 2021, USNH continued to develop multiple shared service centers for the System in the areas of procurement, information technology, financial services, human resources, research administration and other back-office and administrative services. The primary goals of the restructuring efforts include improved service, cost savings, increased efficiencies, and reduced risk. As part of the financial restructuring, USNH established a new Financial Operation Center (FOC) that serves all campuses in the areas of accounts payable (external vendors and employee travel), payroll, non-student accounts receivable and general accounting and financial reporting.

Chart 4: Expenses by Functional Classifications

(\$ in millions)

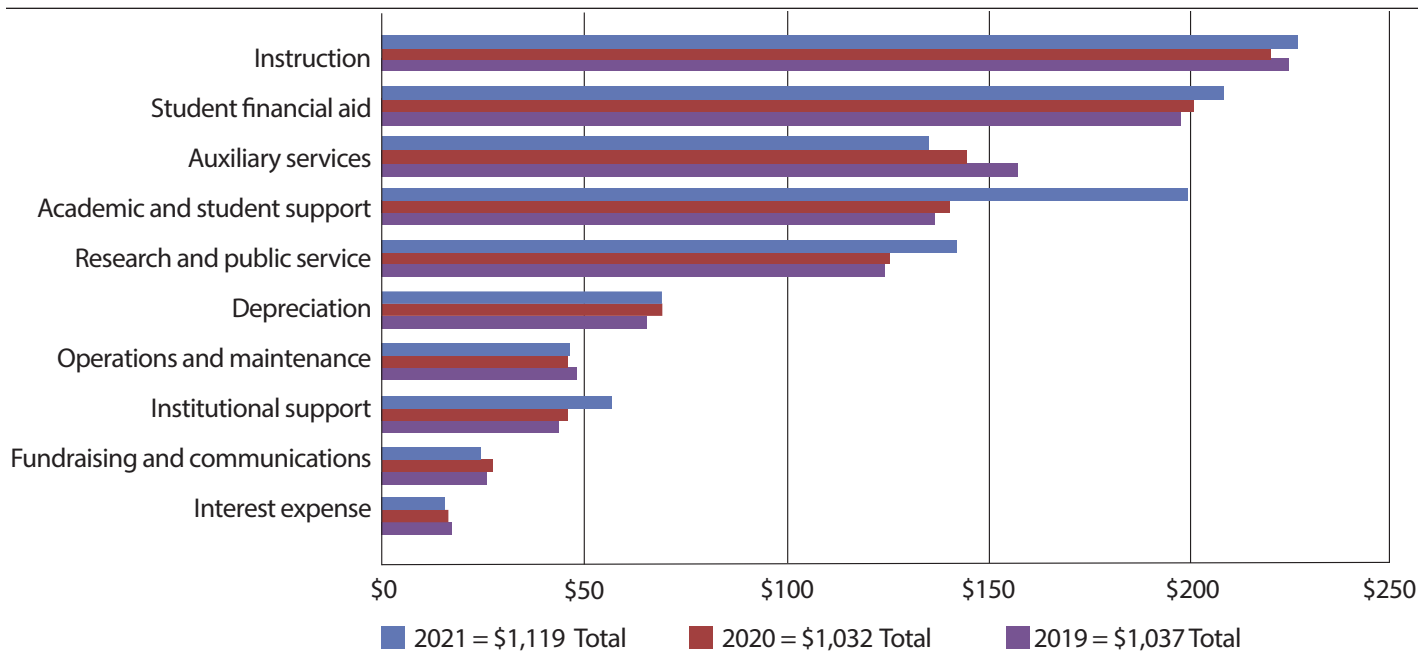


Chart 4 displays USNH's expenses for the past three fiscal years by functional, rather than natural, classification. The increases in financial aid discussed above are clearly depicted in the graph. The costs related to COVID-19 mitigation strategies and the voluntary separation incentive programs are reflected in all functional classifications, except for testing (\$50 million), the most significant impact, reflected in the student services category (academic and student support) incurred during fiscal year 2021. Auxiliary services expense decreased \$10 million over prior year as a result of a reduction in athletics and dining activity due to the hybrid model with a blend of in-person and online learning during the 2020-2021 academic year to mitigate the spread of COVID-19. (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 fiscal year 2021 which included the Campus heating and cooling improvement (\$4 million), Kendall Hall renovation (\$3 million), MacFarlane Greenhouse building renovation (\$3 million), and improvements to Telecommunications Center (\$3 million), all at UNH.

From fiscal years 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 \$130 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, and KSC's Elliot Student Service Success Center to be spent through June 30, 2025. For fiscal year 2020, \$10 million of the state capital appropriation was used for the Biological Sciences Spaulding Hall at UNH. In fiscal year 2021, UNH spent \$5 million of the \$9 million state appropriation to add nursing program capacity with additional specializations in acute care and psychiatric mental health. The nursing program construction project began in fiscal year 2021. 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

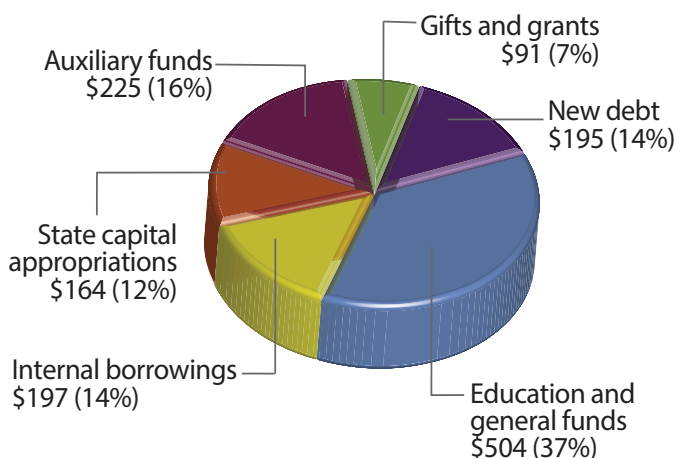
to ensure USNH can meet the education and experiential needs of its students. In addition, USNH is only authorized to issue debt for self-supporting, auxiliary projects. The related debt service is then funded by student fees for each type of auxiliary service (housing, dining, or recreation). For fiscal years 2021 and 2020, 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. General funds of \$504 million were the largest sources of funding of capital projects followed by debt issuances of \$195 million. Plant and equipment depreciation expenses of \$611 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, 2007-2021

Total \$1.4 Billion

(\$ in millions)



D. Investing Activities

Cash and short-term investment balances totaled approximately \$216 million and \$224 million on June 30, 2021 and June 30, 2020, respectively. (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,		
	2021	2020	2019
USNH Pool	\$ 663	\$534	\$542
UNHF Pool	297	236	236
KEA Pool	17	14	10
Funds held in trust	19	15	16
Life Income/Annuity Funds	<u>5</u>	<u>4</u>	<u>5</u>
	<u>\$1,001</u>	<u>\$803</u>	<u>\$809</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 12.3% and the USNH and UNHF pools averaged 12.0% and 11.5%, 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 benefited from the historically high market valuations during fiscal year 2021.

Distributions from the endowment and trust funds totaled approximately \$38 million in fiscal year 2021. This compares to \$35 million for fiscal year 2020. The difference is primarily due to USNH beginning to payout on a quasi-endowment created several years ago to support systemwide debt service payments. Distributions of approximately \$25 million were made from the USNH pool and trusts, along with \$13 million from the UNHF pool and \$436,000 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 positive returns for fiscal year

2021 resulted in a decrease in these underwater funds. Of the 1,565 endowment funds maintained in the various endowment pools, 3 remained underwater at June 30, 2021. This compares to 123 underwater endowment funds at June 30, 2020. The endowment funds were underwater by \$397,000 at June 30, 2021, compared to \$2 million at June 30, 2020. (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
	2021	2020	2019	
USNH Pool				
Gross return	29.3%	1.9%	6.3%	12.5%
<i>Investment management fees</i>	<u>(0.6%)</u>	<u>(0.5%)</u>	<u>(0.5%)</u>	<u>(0.5%)</u>
Net return	28.7%	1.4%	5.8%	12.0%
<i>Distributions</i>	<u>(4.5%)</u>	<u>(4.2%)</u>	<u>(4.1%)</u>	<u>(4.3%)</u>
Net reinvested	<u>24.2%</u>	<u>(2.8%)</u>	<u>1.7%</u>	<u>7.7%</u>
UNHF Pool				
Gross return	29.4%	1.9%	5.6%	12.3%
<i>Investment management fees</i>	<u>(1.1%)</u>	<u>(0.8%)</u>	<u>(0.6%)</u>	<u>(0.8%)</u>
Net return	28.3%	1.1%	5.0%	11.5%
<i>Distributions</i>	<u>(5.6%)</u>	<u>(5.2%)</u>	<u>(3.8%)</u>	<u>(4.9%)</u>
Net reinvested	<u>22.7%</u>	<u>(4.1%)</u>	<u>1.2%</u>	<u>(6.6%)</u>
KEA Pool				
Gross return	23.3%	4.8%	10.9%	13.0%
<i>Investment management fees</i>	<u>(0.8%)</u>	<u>(0.7%)</u>	<u>(0.7%)</u>	<u>(0.7%)</u>
Net return	22.5%	4.1%	10.2%	12.3%
<i>Distributions</i>	<u>(3.2%)</u>	<u>(4.3%)</u>	<u>(4.5%)</u>	<u>(4.0%)</u>
Net reinvested	<u>19.3%</u>	<u>(0.2%)</u>	<u>5.7%</u>	<u>8.3%</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, 2021 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)

	2017	2018*	2019**	2020	2021
Cash and short-term investments	\$ 213	\$ 206	\$ 224	\$ 224	\$ 216
Endowment and similar investments	730	781	809	803	1,001
Property and equipment, net	1,120	1,122	1,117	1,120	1,101
Other assets and deferred outflows of resources	<u>106</u>	<u>95</u>	<u>92</u>	<u>107</u>	<u>105</u>
Total Assets and Deferred Outflows of Resources	<u>2,169</u>	<u>2,204</u>	<u>2,242</u>	<u>2,254</u>	<u>2,423</u>
Derivative instruments - interest rate swaps	26	18	23	29	22
Postretirement medical benefits	56	90	83	91	86
Long-term debt	501	488	465	439	412
Other liabilities and deferred inflows of resources	<u>152</u>	<u>160</u>	<u>173</u>	<u>198</u>	<u>245</u>
Total Liabilities and Deferred Inflows of Resources	<u>735</u>	<u>756</u>	<u>744</u>	<u>757</u>	<u>765</u>
Net investment in capital assets	651	665	685	709	722
Restricted financial resources	454	481	495	497	606
Unrestricted financial resources	<u>329</u>	<u>302</u>	<u>318</u>	<u>291</u>	<u>330</u>
Total Net Position	<u>\$1,434</u>	<u>\$1,448</u>	<u>\$1,498</u>	<u>\$1,497</u>	<u>\$1,658</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 fiscal year 2017, endowment returns rebounded after net losses in the prior two years. The endowment gains were more moderate in fiscal years 2018 and 2019, slightly decreased in fiscal year 2020, and a large increase in fiscal year 2021, but overall increased \$271 million (37%) since fiscal year 2017, primarily due to favorable returns. Property and equipment, net, decreased in FY21 as capital expenditures were less than annual depreciation expense.

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 fiscal year 2017 depending on the type of plan.

In fiscal year 2021, USNH completed a roll forward of the 2020 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 \$5 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 \$7 million decrease in deferred outflows.

In fiscal year 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 fiscal years 2017 and 2018, respectively.

USNH has large liabilities related to long-term debt, postretirement medical benefits, and added in fiscal year 2021 \$40 million (\$56 million total, net of \$16 million paid in fiscal year 2021) in new liabilities related to one-time separation incentives programs. Bond and capital lease principal payments ranged from \$21 million to \$25 million for fiscal years 2019 through 2021. 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 includes 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 decrease in unearned revenue in fiscal year 2021 is mainly due to \$14 million of student refunds in fiscal year 2020 related to COVID-19 campus closures that students elected to apply to the fall 2021 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 (\$307 million and \$296 million at June 30, 2021 and 2020, 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, 2021 is shown below.

**Table 5A: Condensed Information from the Statement of Net Position as of June 30, 2021
Presented by Campus**

(\$ in millions)

	University of New Hampshire Campuses & Foundation	Plymouth State University	Keene State College & Endowment Association	Granite State College	System- wide Office	Total University System of New Hampshire
Cash and short-term investments	\$ 185	\$ 30	\$ 20	\$24	\$ (43)	\$ 216
Endowment and similar investments	508	38	54	10	391	1,001
Property and equipment, net	744	184	165	7	1	1,101
Other assets and deferred outflows of resources	<u>59</u>	<u>5</u>	<u>7</u>	<u>1</u>	<u>33</u>	<u>105</u>
Total Assets and Deferred Outflows of Resources	<u>1,496</u>	<u>257</u>	<u>246</u>	<u>42</u>	<u>382</u>	<u>2,423</u>
Derivative instruments - interest rate swaps	–	–	–	–	22	22
Postretirement medical benefits	62	11	10	2	1	86
Long-term debt	163	92	88	–	69	412
Other liabilities and deferred inflows of resources	<u>117</u>	<u>26</u>	<u>22</u>	<u>2</u>	<u>78</u>	<u>245</u>
Total Liabilities and Deferred Inflows of Resources	<u>342</u>	<u>129</u>	<u>120</u>	<u>4</u>	<u>170</u>	<u>765</u>
Net investment in capital assets	579	92	76	7	(32)	722
Restricted financial resources	510	27	58	11	–	606
Unrestricted financial resources	<u>65</u>	<u>9</u>	<u>(8)</u>	<u>20</u>	<u>244</u>	<u>330</u>
Total Net Position	<u>\$1,154</u>	<u>\$ 128</u>	<u>\$126</u>	<u>\$38</u>	<u>\$212</u>	<u>\$1,658</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, 2021.

The net tuition and fees revenue in these statements reflects revenue earned from enrolled students for academic programs, classes, and related fee-based services. Auxiliary services revenues reflect self-supporting activities which provide non-instructional support in the form of goods and services to students, faculty, and staff upon payment of a specific user charge or fee. These services include housing, dining, Division I athletics, health, recreation, transportation, student union and other 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.

Net tuition and fees decreased because of lower undergraduate enrollment and higher student financial need. Operating grants and contracts increased due to an increase in grants awarded to UNH from various state programs. Nonoperating revenues were up \$42 million in fiscal year 2021, primarily due to an increase in grant revenue for recovery of COVID-related auxiliary refunds issued in fiscal year 2020 and 2021 as well as COVID testing and safety-related expenses. The State

of NH appropriations increased to allow USNH to freeze undergraduate in-state tuition. Endowment gifts totaled \$10 million in fiscal year 2021, \$15 million in fiscal year 2020, and \$18 million in fiscal year 2019. The investment return after distributions resulted in gains of \$187 million in fiscal year 2021 after losses of \$24 million in fiscal year 2020 and gains of \$9 million in fiscal year 2019. The volatility of endowment returns is a significant driver of the change in total net position each year. Operating expenses were up \$80 million in fiscal year 2021, after a decrease of \$8 million in fiscal year 2020. The increase in expenses is mainly due to the cost of the voluntary separation incentive programs, and COVID-related expenses such as testing, PPE, etc., net of savings from restructuring and temporary reductions.

The increase(decrease) in net position before other changes reflects USNH's operating margin each year. USNH's operating margin for fiscal year 2021 was (5.1%) of net revenues. This is primarily due to costs related to COVID-19 pandemic, and the new separation incentive programs that resulted in approximately 10% reduction of force as of June 30, 2021, as discussed previously.

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, 2021.

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

(\$ in millions)

	2017	2018	2019	2020	2021
OPERATING REVENUES					
Tuition and fees	\$501	\$514	\$522	\$517	\$508
Less: student financial aid	(172)	(188)	(197)	(200)	(207)
Net tuition and fees	329	326	325	317	301
Grants and contracts	121	127	129	131	144
Sales of auxiliary services	216	215	215	166	162
Other operating revenue	30	30	32	29	26
Total Operating Revenues	696	698	701	643	633
OPERATING EXPENSES					
Employee compensation	520	533	535	538	578
Supplies and services	210	208	204	191	234
Utilities, depreciation and amortization	81	84	84	87	85
Total Operating Expenses	811	825	823	816	897
<i>Operating loss</i>	<i>(115)</i>	<i>(127)</i>	<i>(122)</i>	<i>(173)</i>	<i>(264)</i>
NONOPERATING REVENUES (EXPENSES)					
State of New Hampshire general appropriations	81	81	81	86	89
Other nonoperating grant revenue	25	26	26	41	83
Noncapital gifts, investment income and other revenues	41	44	56	59	62
Interest expense, net	(20)	(18)	(17)	(16)	(15)
Total Nonoperating Revenues (Expenses)	127	133	146	170	219
Increase (Decrease) in Net Position Before Other Changes	12	6	24	(3)	(45)
OTHER CHANGES IN NET POSITION					
Endowment gifts and returns, net	70	45	27	(10)	197
State capital appropriations and other changes	11	5	2	12	9
Total Other Changes in Net Position	81	50	29	2	206
Effect of adoption of new accounting standards	-	(42)	(2)	-	-
Total Increase (Decrease) in Net Position	\$ 93	\$ 14	\$ 51	\$ (1)	\$161

Table 6A: Condensed Information from the Statement of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2021 Presented by Campus

(\$ in millions)

	University of New Hampshire Campuses & Foundation	Plymouth State University	Keene State College & Endowment Association	Granite State College	System- wide Office	Total University System of New Hampshire
OPERATING REVENUES						
Tuition and fees	\$365	\$ 73	\$ 55	\$15	\$ –	\$508
Less: student financial aid	(148)	(29)	(24)	(6)	–	(207)
Net tuition and fees	217	44	31	9	–	301
Grants and contracts	132	3	6	3	–	144
Sales and auxiliary services	109	28	25	–	–	162
Other operating revenue	17	3	1	–	5	26
Total Operating Revenues	<u>475</u>	<u>78</u>	<u>63</u>	<u>12</u>	<u>5</u>	<u>633</u>
OPERATING EXPENSES						
Employee compensation	427	58	65	13	15	578
Supplies and services	138	32	35	5	24	234
Utilities, depreciation and amortization	58	15	12	–	–	85
Total Operating Expenses	<u>623</u>	<u>105</u>	<u>112</u>	<u>18</u>	<u>39</u>	<u>897</u>
Operating loss	(148)	(27)	(49)	(6)	(34)	(264)
NONOPERATING REVENUES (EXPENSES)						
State of New Hampshire general appropriations	60	13	12	4	–	89
Other nonoperating grant revenue	33	11	8	3	28	83
Noncapital gifts, investment income and other revenues	48	3	4	1	6	62
Interest expense, net	(7)	(3)	(3)	–	(2)	(15)
Total Nonoperating Revenues (Expenses)	<u>134</u>	<u>24</u>	<u>21</u>	<u>8</u>	<u>32</u>	<u>219</u>
Increase (Decrease) in Net Position Before Other Changes	<u>(14)</u>	<u>(3)</u>	<u>(28)</u>	<u>2</u>	<u>(2)</u>	<u>(45)</u>
OTHER CHANGES IN NET POSITION						
Endowment gifts and returns, net	101	8	11	2	75	197
State capital appropriations and other changes	19	3	2	–	(15)	9
Total Other Changes in Net Position	<u>120</u>	<u>11</u>	<u>13</u>	<u>2</u>	<u>60</u>	<u>206</u>
Total Increase (Decrease) in Net Position	<u>\$106</u>	<u>\$ 8</u>	<u>\$ (15)</u>	<u>\$ 4</u>	<u>\$58</u>	<u>\$161</u>

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, 2021.

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

(\$ in millions)

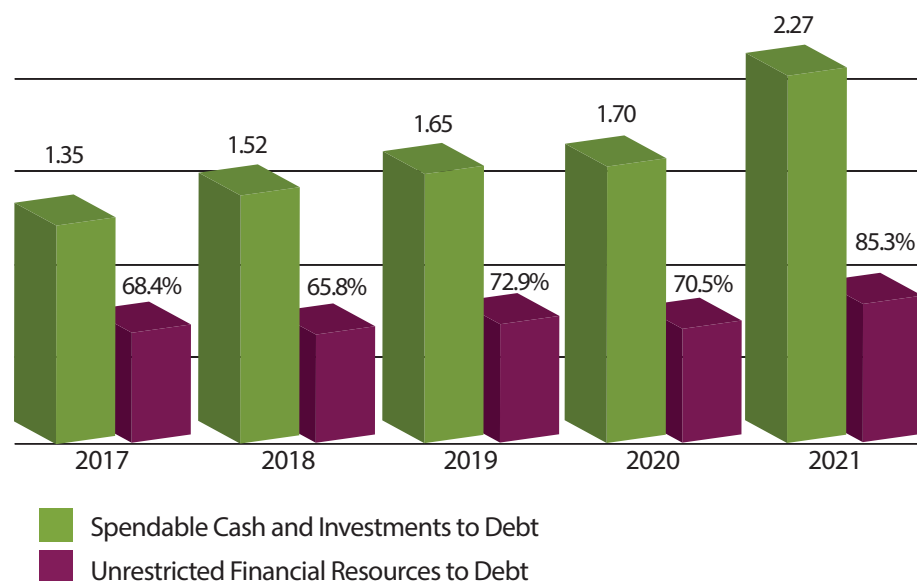
	2017	2018	2019	2020	2021
Cash flows from:					
Receipts from tuition and fees, net	\$332	\$328	\$327	\$348	\$289
Receipts from sales of auxiliary services	217	214	216	165	164
Receipt of state general appropriations	81	81	81	86	89
Noncapital gifts, grants and other receipts	188	203	198	212	282
Payments to and on behalf of employees	(543)	(537)	(532)	(532)	(533)
Payments for supplies, services and utilities	(227)	(227)	(222)	(211)	(252)
Net Cash Provided by Operating and Noncapital Financing Activities	48	62	68	68	39
Net Cash Used in Capital Financing Activities	(120)	(83)	(78)	(90)	(76)
Net Cash Provided by Investing Activities	69	10	30	12	57
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$ (3)</u>	<u>\$ (11)</u>	<u>\$ 20</u>	<u>\$ (10)</u>	<u>\$ 20</u>

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. Despite significant focus on cash preservation during fiscal year 2021, the decrease in net cash flows provided by operating and noncapital financing activities is primarily related to COVID-19 pandemic including response and mitigation costs. The reduction over the prior year of receipts from tuition and fees resulted from multiple factors, including lower fiscal 2021 accrual-based tuition and fee revenue (\$16 million) and the timing of when tuition and fee payments were received. As a result of COVID, in fiscal year 2020, USNH issued student refunds of approximately \$40 million of which the majority related to auxiliary services such as housing and dining. Only approximately half of those refunds were taken by students in cash in fiscal year 2020 and the remaining portion of approximately \$18 million, as requested, was left on student accounts, and deemed to be what students elected to carry forward to cover tuition and fees in subsequent years; therefore, increasing fiscal year 2020 tuition and fee receipts by \$18 million. In fiscal year 2021, approximately \$14 million of the \$18 million carryforward refunds (deposits) was used to cover tuition and fees in the fiscal year 2021, resulting in less cash collection during fiscal year 2021. Additionally, cash receipts generally received for 2021 summer programs (deemed to be fiscal year 2022 revenue deposits) were much lower than prior years which is significantly attributed to of COVID. The net cash used in capital financing activities for fiscal year 2021 decreased primarily due to less construction spend as a result of continued cash preservation efforts employed to address the uncertainty associated with the COVID pandemic. The cash provided by investing activities in fiscal year 2021 is higher because of investment market increase in fiscal year 2021.

D. Financial Indicators

USNH uses certain Moody's leverage ratios as primary indicators of financial health. The UFR to Debt ratio uses the unrestricted net position balance as the numerator and the outstanding long term debt balance (defined as total long term debt net of unamortized discounts/premiums) as the denominator. The Spendable Cash and Investments to Debt (SCI to Debt) ratio uses wealth that can be accessed over time or for a specific purpose to repay bondholders. USNH's historically 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 73%, and 1.70 for the SCI to Debt ratio. The 2021 increase above the historical averages in these ratios is due to higher than normal investment market valuations. 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: Ratios



For further information about these financial statements, contact the *University System of New Hampshire, Financial Affairs (603-862-2260), 5 Chenell Drive, Suite 301, Concord, NH 03301*

University System of New Hampshire

Statements of Net Position

(\$ in thousands)

	Balance at June 30,	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 85,670	\$ 65,339
Short-term investments	130,477	158,907
Accounts receivable, net	27,037	31,298
Pledges receivable - current portion	2,549	2,537
Notes receivable - current portion	1,742	2,070
Prepaid expenses and other current assets	9,903	7,415
Total Current Assets	257,378	267,566
Noncurrent Assets		
Endowment and similar investments - campuses	682,429	549,393
Endowment and similar investments - affiliated entities	318,818	253,526
Pledges receivable, net of current portion	7,131	3,936
Notes receivable, net of current portion	8,323	11,070
Pension assets, net of obligations	1,557	432
Property and equipment, net of accumulated depreciation	1,101,440	1,119,925
Total Noncurrent Assets	2,119,698	1,938,282
TOTAL ASSETS	2,377,076	2,205,848
DEFERRED OUTFLOWS OF RESOURCES		
	46,463	48,775
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	81,510	64,113
Deposits and unearned revenues	56,012	68,879
Accrued employee benefits - current portion	37,462	6,673
Postretirement medical benefits - current portion	5,342	4,412
Long-term debt - current portion	30,675	27,315
Total Current Liabilities	211,001	171,392
Noncurrent Liabilities		
Asset retirement and other obligations	13,847	10,646
Refundable government advances	10,715	13,229
Accrued employee benefits, net of current portion	33,926	24,467
Postretirement medical benefits, net of current portion	80,797	86,131
Derivative instruments - interest rate swaps	22,280	29,262
Long-term debt, net of current portion	381,003	411,678
Total Noncurrent Liabilities	542,568	575,413
TOTAL LIABILITIES	753,569	746,805
DEFERRED INFLOWS OF RESOURCES		
	11,346	10,474
NET POSITION (see Note 14)		
Net investment in capital assets	722,339	709,337
Restricted		
Nonexpendable	306,566	296,353
Expendable	299,440	200,667
Unrestricted	330,279	290,987
TOTAL NET POSITION	\$1,658,624	\$1,497,344

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,	
	2021	2020
OPERATING REVENUES		
Resident tuition	\$ 163,329	\$ 166,003
Nonresident tuition	302,827	305,555
Continuing education tuition	17,572	19,222
Student fees revenue	24,329	26,148
Total tuition and fees	508,057	516,928
Less: student financial aid - grants and contracts	(31,759)	(31,922)
Less: student financial aid - all other	(175,463)	(168,333)
Net tuition and fees	300,835	316,673
Grants and contracts - direct revenues	120,066	108,488
Grants and contracts - facilities & administrative recovery	24,128	22,363
Sales of auxiliary services	162,460	166,370
Other operating revenues	26,221	28,921
TOTAL OPERATING REVENUES	633,710	642,815
OPERATING EXPENSES		
Employee compensation - grants and contracts	69,900	64,791
Employee compensation - all other	508,122	473,209
Supplies and services - grants and contracts	77,697	35,738
Supplies and services - all other	156,347	154,823
Utilities	15,776	18,059
Depreciation and amortization	68,953	69,015
TOTAL OPERATING EXPENSES	896,795	815,635
Operating loss	(263,085)	(172,820)
NONOPERATING REVENUES (EXPENSES)		
State of New Hampshire general appropriations	88,500	85,500
Federal Pell grants	23,084	24,440
Other nonoperating grant revenue	60,073	16,429
Noncapital gifts	22,366	17,411
Endowment and investment income	38,882	41,667
Interest expense, net	(15,432)	(16,330)
Other nonoperating revenue	1,200	137
TOTAL NONOPERATING REVENUES (EXPENSES)	218,673	169,254
DECREASE IN NET POSITION BEFORE OTHER CHANGES	(44,412)	(3,566)
OTHER CHANGES IN NET POSITION		
State of New Hampshire capital appropriations	4,562	10,082
Plant gifts, grants and other changes, net	4,513	1,693
Endowment and similar gifts	9,717	14,719
Endowment return, net of amount used for operations	186,900	(24,130)
TOTAL OTHER CHANGES IN NET POSITION	205,692	2,364
INCREASE (DECREASE) IN NET POSITION	161,280	(1,202)
NET POSITION AT BEGINNING OF YEAR	1,497,344	1,498,546
NET POSITION AT END OF YEAR	\$1,658,624	\$1,497,344

See accompanying notes to the financial statements.

University System of New Hampshire Statements of Cash Flows

(\$ in thousands)

	For the year ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from tuition and fees, net of student financial aid	\$ 289,573	\$ 348,306
Receipts from sales of auxiliary services	163,582	164,603
Receipts from grants, contracts and other operating revenues	170,209	154,421
Payments to employees	(389,744)	(401,392)
Payments for employee benefits	(143,329)	(130,909)
Payments for supplies, services and utilities	(251,579)	(210,722)
NET CASH USED IN OPERATING ACTIVITIES	(161,288)	(75,693)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State general appropriations	88,500	85,500
Federal Pell and other nonoperating grants	93,133	39,318
Noncapital gifts	19,160	18,488
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	200,793	143,306
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
State appropriations for plant projects	30	10,052
Plant gifts and grants	4,660	5,199
Endowment gifts	9,717	14,720
Proceeds from issuance of debt and sale of property	2,706	–
Debt principal payments	(25,404)	(24,292)
Interest payments	(16,619)	(17,870)
Purchases and construction of property	(51,455)	(77,823)
NET CASH USED IN CAPITAL FINANCING ACTIVITIES	(76,365)	(90,014)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	435,196	445,894
Purchases of investments	(383,523)	(440,107)
Investment income	5,518	6,531
NET CASH PROVIDED BY INVESTING ACTIVITIES	57,191	12,318
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 20,331	\$ (10,083)
BEGINNING CASH AND CASH EQUIVALENTS	65,339	75,422
ENDING CASH AND CASH EQUIVALENTS	\$ 85,670	\$ 65,339
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (263,085)	\$(172,820)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization	68,953	69,015
Changes in assets and liabilities:		
Accounts receivable, net	(505)	(3,689)
Notes receivable	560	(935)
Prepaid expenses and other current assets	(2,488)	1,815
Accounts payable and accrued expenses	15,933	7,976
Deposits and unearned revenues	(12,346)	24,787
Accrued employee benefits	31,690	(1,842)
NET CASH USED IN OPERATING ACTIVITIES	\$(161,288)	\$(75,693)
SIGNIFICANT NONCASH TRANSACTIONS		
Endowment return, net of amount used for operations	\$ 186,900	\$ (24,131)
Loss on disposal of capital assets	(147)	(2,962)
Construction services payable balance	7,456	5,681

See accompanying notes to the financial statements.

Notes to the Financial Statements

June 30, 2021 and 2020

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. 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. 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 \$10,563,000 and \$7,317,000 at June 30, 2021 and 2020, 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.

New reporting standards

The System's financial statements and notes for fiscal years 2021 and 2020 as presented herein reflect the adoption of the following three GASB Statements for the year ended June 30, 2021. The adoption of these standards did not have a material effect on the financial statements, and no restatement of prior year balances was made.

GASB No. 84: Fiduciary Activities. The objective of this standard is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB No. 89: Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of this standard are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

GASB No. 97: Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The objectives of

this standard are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

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 were scheduled to become effective for fiscal year ended June 30, 2020, and later.

2. Cash, cash equivalents and short-term investments

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 \$85,670,000 and \$65,339,000 at June 30, 2021 and 2020, respectively, and short-term investments totaled \$130,477,000 and \$158,907,000 at June 30, 2021 and 2020, respectively. See Note 4 for additional information on fair value classifications.

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

	Balance and Terms as of June 30, 2021					Balance and Terms as of June 30, 2020				
	Cash	Cash Equivalents and Short-Term Investments		Total	Weighted Average Maturity	Cash	Cash Equivalents and Short-Term Investments		Total	Weighted Average Maturity
		Level 1	Level 2				Level 1	Level 2		
Cash balance	\$42,166	\$ —	\$ —	\$ 42,166		\$13,969	\$ —	\$ —	\$ 13,969	
Repurchase agreements		—	4,845	4,845	Less than 1 year		—	7,166	7,166	Less than 1 year
Money market funds		38,659	—	38,659	Less than 1 year		44,204	—	44,204	Less than 1 year
Subtotal cash and cash equivalents	42,166	38,659	4,845	85,670		13,969	44,204	7,166	65,339	
Money market funds		38,237	—	38,237	Less than 1 year		35,287	—	35,287	Less than 1 year
Domestic equity		795	—	795	Less than 1 year		643	—	643	Less than 1 year
Mutual Funds		91,407	—	91,407	1-5 years		95,072	—	95,072	1-5 years
Corporate bonds		—	—	—			—	14,419	14,419	1-5 years
US government and agencies		—	—	—			—	11,880	11,880	1-5 years
Municipal bonds		—	—	—			—	1,573	1,573	1-5 years
Convertible note		—	38	38	1-5 years		—	33	33	1-5 years
Subtotal short-term investments	—	130,439	38	130,477		—	131,002	27,905	158,907	
Total cash, cash equivalents and short-term investments	\$42,166	\$169,098	\$4,883	\$216,147		\$13,969	\$175,206	\$35,071	\$224,246	

3. Accounts, pledges, and notes receivable

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

	2021	2020
Grants and contracts	\$22,983	\$25,117
Student and general	7,530	8,988
State of NH capital projects	–	30
Allowance for doubtful accounts	<u>(3,476)</u>	<u>(2,837)</u>
Total accounts receivable, net	<u>\$27,037</u>	<u>\$31,298</u>

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

	2021	2020
Pledges receivable	\$10,919	\$ 8,651
Discounts and allowance for doubtful pledges	<u>(1,239)</u>	<u>(2,178)</u>
Total pledges receivable, net	9,680	6,473
Less: noncurrent portion	<u>(7,131)</u>	<u>(3,936)</u>
Current portion	<u>\$ 2,549</u>	<u>\$ 2,537</u>

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

	2021	2020
Perkins loans	\$10,067	\$13,528
Other loans, restricted and unrestricted	1,348	1,031
Allowance for doubtful loans	<u>(1,350)</u>	<u>(1,419)</u>
Total notes receivable, net	10,065	13,140
Less: noncurrent portion	<u>(8,323)</u>	<u>(11,070)</u>
Current portion	<u>\$ 1,742</u>	<u>\$ 2,070</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, 2021 or June 30, 2020.

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, 2021, and 2020, 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, 2021 and 2020, respectively, are summarized below (\$ in thousands):

	Campuses		Affiliated Entities	
	2021	2020	2021	2020
Pooled endowments:				
Campuses	\$662,606	\$533,687	\$ –	\$ –
UNH Foundation	–	–	296,533	235,797
Keene Endowment Association	–	–	17,022	13,585
Life income and annuity funds	98	81	5,263	4,144
Funds held in trust	<u>19,725</u>	<u>15,625</u>	–	–
Total	<u>\$682,429</u>	<u>\$549,393</u>	<u>\$318,818</u>	<u>\$253,526</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 7 years and 15 years at June 30, 2021 and 2020, respectively, and carried ratings ranging from AAA to Baa3 as of June 30, 2021 and 2020. 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, 2021					Balances as of June 30, 2020				
	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	\$137,688	\$ –	\$ –	\$105,340	\$ 243,028	\$ 117,869	\$ –	\$ –	\$ 72,443	\$190,312
Global equity	–	–	–	10,851	10,851	–	–	–	–	–
Global fixed income	62,876	–	–	–	62,876	54,321	–	–	–	54,321
Hedge funds:										
Distressed/Restructuring	–	–	–	21,319	21,319	–	–	–	18,297	18,297
Equity Hedge	–	–	–	43,887	43,887	–	–	–	33,365	33,365
Event-Driven	–	–	–	70,436	70,436	–	–	–	61,501	61,501
Fund of Funds	–	–	–	2,009	2,009	–	–	–	5,755	5,755
Inflation hedging assets	12,784	–	–	12,671	25,455	8,090	–	–	9,523	17,613
International equity	23,994	–	–	62,684	86,678	21,330	–	–	53,440	74,770
Money market	27,188	–	–	–	27,188	36,012	–	–	–	36,012
Private equity & non-marketable real assets	–	–	–	68,977	68,977	–	–	–	41,822	41,822
Trust funds	–	19,725	–	–	19,725	–	15,625	–	–	15,625
Total endowment and similar investments – campuses	<u>\$264,530</u>	<u>\$ 19,725</u>	<u>\$ –</u>	<u>\$398,174</u>	<u>\$ 682,429</u>	<u>\$237,622</u>	<u>\$15,625</u>	<u>\$ –</u>	<u>\$296,146</u>	<u>\$549,393</u>
Endowment and similar investments – affiliated entities										
Domestic equity	\$ 19,815	\$ –	\$ –	\$ 59,346	\$ 79,161	\$ 18,629	\$ –	\$ –	\$ 44,044	\$ 62,673
Global equity	569	–	–	26,760	27,329	562	–	–	5,791	6,353
Global fixed income	16,771	3,017	4,292	–	24,080	15,317	1,915	4,242	1,089	22,563
Hedge funds:										
Distressed/Restructuring	–	–	–	39,918	39,918	–	–	–	39,546	39,546
Diversified	–	–	–	7,251	7,251	–	–	–	4,900	4,900
Equity Hedge	–	–	–	30,549	30,549	–	–	–	21,612	21,612
Inflation hedging assets	4,311	6,313	–	–	10,624	3,611	6,691	–	–	10,302
International equity	9,825	–	–	44,043	53,868	16,572	–	–	32,754	49,326
Money market	12,399	–	–	–	12,399	10,921	–	–	–	10,921
Private equity & non-marketable real assets	–	–	–	33,639	33,639	–	–	–	25,330	25,330
Total endowment and similar investments – affiliated entities	<u>\$ 63,690</u>	<u>\$ 9,330</u>	<u>\$4,292</u>	<u>\$241,506</u>	<u>\$ 318,818</u>	<u>\$ 65,612</u>	<u>\$ 8,606</u>	<u>\$ 4,242</u>	<u>\$175,066</u>	<u>\$253,526</u>
Total endowment and similar investments	<u>\$328,220</u>	<u>\$ 29,055</u>	<u>\$4,292</u>	<u>\$639,680</u>	<u>\$1,001,247</u>	<u>\$ 303,234</u>	<u>\$ 24,231</u>	<u>\$ 4,242</u>	<u>\$471,212</u>	<u>\$802,919</u>

As of June 30, 2021, USNH had one equity hedge fund and one global fixed income fund in a lock-up period set to expire in nine months. As of June 30, 2021, UNHF had one year lock up periods for three of its funds, one global equity and two of 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 36 funds classified as illiquid, eleven are currently in liquidation; one is expected to start liquidation within the next year; eighteen are expected to start liquidation in 2 to 15 years, and six currently have no expected liquidation dates. For UNHF, 16 funds are classified as illiquid and are expected to be liquidated over the next one to 10 years.

As of June 30, 2021 and 2020, USNH has one outstanding investment liquidation request which has been limited by the respective fund managers. USNH's estimated fair values of these investments at June 30, 2021 and 2020 are \$50,000 and \$63,000, 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 \$42,366,000 for USNH and \$17,901,000 for UNHF at June 30, 2021. This compares to \$44,251,000 and \$22,749,000, respectively, at June 30, 2020.

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

Liquidity Terms as of June 30, 2021								
	Daily	Monthly	Quarterly	Semi-Annual	Annual	illiquid	Total	Redemption Notice Period
Endowment and similar investments – campuses								
Money market	\$ 27,188	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 27,188	Daily
Global fixed income	62,876	–	–	–	–	–	62,876	Daily
International equity	23,994	62,684	–	–	–	–	86,678	1-10 days
Inflation hedging assets	12,784	12,671	–	–	–	–	25,455	1-15 days
Domestic equity	137,688	–	105,340	–	–	–	243,028	1-60 days
Global equity	–	–	10,851	–	–	–	10,851	30 days
Hedge funds:								
Equity Hedge	–	–	43,541	–	346	–	43,887	60 days
Event-Driven	–	–	29,286	41,150	–	–	70,436	60-90 days
Distressed/Restructuring	–	–	–	–	21,319	–	21,319	90 days
Fund of Funds	–	–	–	–	–	2,009	2,009	illiquid
Private equity & non-marketable real assets	–	–	–	–	–	68,977	68,977	illiquid
Funds held in trust	–	–	–	–	–	19,725	19,725	illiquid
Total endowment and similar investments – campuses	<u>\$264,530</u>	<u>\$ 75,355</u>	<u>\$189,018</u>	<u>\$41,150</u>	<u>\$21,665</u>	<u>\$ 90,711</u>	<u>\$ 682,429</u>	
Endowment and similar investments – affiliated entities								
Money market	\$ 12,399	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 12,399	Daily
Inflation hedging assets	10,624	–	–	–	–	–	10,624	Daily
Global fixed income	19,789	–	–	–	4,228	63	24,080	Daily, illiquid
Global equity	7,042	–	20,287	–	–	–	27,329	1-30 days
Domestic equity	27,227	7,812	44,122	–	–	–	79,161	1-60 days
International equity	27,988	22,381	3,499	–	–	–	53,868	1-90 days
Hedge funds:								
Equity Hedge	–	–	30,549	–	–	–	30,549	30-90 days
Diversified	–	–	–	4,638	2,613	–	7,251	60 days
Distressed/Restructuring	–	–	9,331	12,464	18,123	–	39,918	60-90 days
Private equity & non-marketable real assets	–	–	–	–	–	33,639	33,639	illiquid
Total endowment and similar investments - affiliated entities	<u>\$105,069</u>	<u>\$ 30,193</u>	<u>\$107,788</u>	<u>\$17,102</u>	<u>\$24,964</u>	<u>\$ 33,702</u>	<u>\$ 318,818</u>	
Total endowment and similar investments	<u>\$369,599</u>	<u>\$105,548</u>	<u>\$296,806</u>	<u>\$58,252</u>	<u>\$46,629</u>	<u>\$124,413</u>	<u>\$1,001,247</u>	
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, illiquid
Global equity	562	–	5,791	–	–	–	6,353	1-30 days
Domestic equity	23,667	5,000	34,006	–	–	–	62,673	1-60 days
International equity	30,052	16,859	2,415	–	–	–	49,326	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	<u>\$330,358</u>	<u>\$85,911</u>	<u>\$201,622</u>	<u>\$51,925</u>	<u>\$41,869</u>	<u>\$ 91,234</u>	<u>\$802,919</u>	

5. Property and equipment

Property and equipment activity for the years ended June 30, 2021 and 2020 is summarized as follows (\$ in thousands):

	Balance June 30, 2019	2020		Balance June 30, 2020	2021		Balance June 30, 2021
		Additions	Retirements & Changes		Additions	Retirements & Changes	
Land	\$ 15,626	\$ 1,508	\$ 828	\$ 17,962	\$ –	\$ (2,706)	\$ 15,256
Buildings and improvements	1,834,273	38,948	(14,351)	1,858,870	49,096	(7,721)	1,900,245
Equipment	140,811	20,556	(9,041)	152,326	10,259	(1,929)	160,656
Construction in progress, net	52,820	53,789	(40,457)	66,152	43,208	(49,096)	60,264
Total property and equipment	2,043,530	114,801	(63,021)	2,095,310	102,563	(61,452)	2,136,421
Less: accumulated depreciation	(926,169)	(68,831)	19,615	(975,385)	(68,861)	9,265	(1,034,981)
Property and equipment, net	\$1,117,361	\$ 45,970	\$ (43,406)	\$1,119,925	\$ 33,702	\$ (52,187)	\$1,101,440

Contractual obligations for major construction projects totaled approximately \$66,042,000 and \$50,014,000 at June 30, 2021 and 2020, respectively.

6. Accrued employee benefits

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

	Balance June 30, 2019	2020		Balance June 30, 2020	2021		Balance June 30, 2021	Current Portion
		Payments to/ on Behalf of Participants	Expenses & Other Changes		Payments to/ on Behalf of Participants	Expenses & Other Changes		
Additional retirement contribution	\$ 2,171	\$ (217)	\$ 105	\$ 2,059	\$ (865)	\$ 632	\$ 1,826	\$ 865
Standard employee separation incentives	2,267	(1,447)	1,284	2,104	(896)	526	1,734	1,392
Enhanced retirement and separation programs	–	–	–	–	(15,789)	56,086	40,297	29,455
Long-term disability	2,044	(455)	443	2,032	(429)	(122)	1,481	429
Workers' compensation	3,223	(952)	600	2,871	(878)	850	2,843	878
Compensated absences	20,763	(2,074)	2,168	20,857	(5,102)	6,563	22,318	3,719
Other benefits	994	–	223	1,217	–	(328)	889	724
Total accrued employee benefits	\$31,462	\$ (5,145)	\$ 4,823	\$31,140	\$ (23,959)	\$64,207	\$71,388	\$37,462

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 postretirement 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 155 and 295 active employees meeting the requirements for the guaranteed minimum employer contribution as of June 30, 2021 and 2020, 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 2.12% and 2.74% for 2021 and 2020, 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 Pub G.H-2010 General Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2019. USNH accrued \$1,826,000 and \$2,059,000 at June 30, 2021 and 2020, respectively, for the related obligations. If the discount rate were to increase by 1%, the total liability at June 30, 2021 would be \$1,768,000. Similarly, if the discount rate were to decrease by 1%, the total liability at June 30, 2021 would be \$1,885,000. The Additional Retirement Contribution program expense was (\$102,000) and (\$55,000) for fiscal years 2021 and 2020, respectively.

USNH had designated cash assets to fully fund the Additional Retirement Contribution obligations at June 30, 2021 and 2020. 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 \$27,291,000 and \$28,385,000 in 2021 and 2020, respectively. Retirement contributions by plan members totaled \$29,289,000 and \$28,183,000 in 2021 and 2020, respectively.

Early retirement and employee separation incentive programs were provided to various faculty and staff during 2021 and 2020. Such incentives include stipends, as well as medical, educational, and other termination benefits. The future cost associated with these incentive options is accrued as of the date of acceptance into the program. The liability balances of \$1,734,000 and \$2,104,000 at June 30, 2021 and 2020 represent obligations for 28 and 66 participants, respectively, which will be remitted in fiscal years 2022 through 2025.

USNH Board of Trustees approved voluntary separation incentive programs for reduction of force for 2021. Such incentives include salary continuation, year of service stipends, and medical benefits. The future cost associated with these incentive options is accrued as of the date of acceptance into the program, which was \$56,086,000 in FY21. The liability balance of \$40,297,000 at June 30, 2021, represents obligations for 484 participants, which will be remitted in fiscal years 2022 through 2027.

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 \$66,657,000 and \$66,106,000 for fiscal year 2021 and 2020, respectively. These amounts include \$3,811,000 and \$4,212,000 for estimated claims incurred but not reported as of June 30, 2021 and 2020, 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, 2021 and 2020 are summarized below. (*\$ in thousands*):

Trust Investment Components	2021	2020
Cash and equivalents	\$ 367	\$ 206
Fixed income	2,727	2,862
Equities	3,365	2,720
Real assets	90	75
Total including accrued income	<u>\$6,549</u>	<u>\$5,863</u>

The plan has been closed to new participants since 1987. At June 30, 2021 there were approximately 149 current annuitants and 27 participants with deferred benefits, all fully vested. This compares to 165 current annuitants and 27 participants with deferred benefits as of June 30, 2020. The determination of total pension liabilities for this program was based on actuarial calculations completed by the plan trustee as of June 30, 2021 and 2020. The calculations were developed using the Entry Age Normal Actuarial Cost Method and the Pub G-2010 Total Dataset with MP-2020 mortality tables. The 2020 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 \$6,549,000 as of June 30, 2021 and \$5,863,000 as of June 30, 2020 which resulted in the recording of a net pension asset of \$1,557,000 and \$432,000 for fiscal years 2021 and 2020, respectively. The actuarially determined liability for the program was \$4,992,000 as of June 30, 2021 and \$5,430,000 as of June 30, 2020. If the discount rate were to increase by 1%, the net pension asset at June 30, 2021 would be \$1,897,000. Similarly, if the discount rate were to decrease by 1%, the net pension asset at June 30, 2021 would be \$1,168,000. The plan expense was (\$212,000) and \$129,000 for fiscal years 2021 and 2020, 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, 2020 and 2019, respectively, there were 942 and 943 former employees receiving benefits under this program along with their eligible dependents. As of December 31, 2020 and 2019, there were 107 and 133 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, 2020 and 2019, respectively, there were 97 and 68 retirees receiving benefits under this program along with their dependents. As of December 31, 2020 and 2019, respectively, there were also 3,415 and 3,563 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, 2021 and 2020 were as follows (*\$ in thousands*):

Postretirement Medical Plan Liability	2021	2020
Service costs	\$ 1,143	\$ 1,247
Interest	2,444	3,339
Benefit payments	(4,795)	(5,085)
Change of benefit terms	(9,533)	(318)
Differences between expected and actual experience	(999)	850
Changes in assumptions	<u>7,336</u>	<u>7,664</u>
Net change	(4,404)	7,697
Liability at beginning of year	<u>90,441</u>	<u>82,744</u>
Liability at end of year	<u>\$86,037</u>	<u>\$90,441</u>
Current portion	<u>\$ 5,342</u>	<u>\$ 4,412</u>

The total postretirement benefit obligation is measured at December 31, 2020 for the June 30, 2021 financial statements based on the last biennial actuarial valuation, December 31, 2019, developed using the Entry Age Normal Actuarial Cost Method and the Pub T.H-2010 mortality tables with Scale MP-2019. A roll forward calculation was performed for the December 31, 2020 measurement date based on the biennial actuarial valuation to calculate postretirement benefit obligation for the June 30, 2021 financial statements using the Entry Age Normal Cost Method and the Pub T.H-2010 Teacher Employee Headcount-weighted Mortality Table projected generationally with Scale MP-2019. For measurement purposes the 2021 and 2020 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. Salary increases of 3.0% were included in the calculations for fiscal year 2021 and 2020. A single discount rate of 2.12% and 2.74% was used based on the Bond Buyer 20-Bond General Obligation index rate as of December 31, 2020 and 2019, respectively. The actuarially determined postretirement medical expense for the plan for the years ended June 30, 2021 and 2020 were (\$5,108,000) and \$4,237,000, 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
	\$78,204	\$86,037	\$ 95,242	\$95,556	\$86,037	\$77,926
OPEB Liability as of December 31, 2019	\$82,273	\$90,441	\$100,037	\$99,444	\$90,441	\$82,734

USNH also accrued \$102,000 as of June 30, 2021 and 2020, 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 50 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, 2021 and 2020 is summarized below (*\$ in thousands*):

	2020			2021			Balance June 30, 2021	Current Portion
	Balance June 30, 2019	Additions & Other Changes	Retirements	Balance June 30, 2020	Additions & Other Changes	Retirements		
NHHEFA bonds								
Series 2005A	\$ 46,250	\$ –	\$ (1,850)	\$ 44,400	\$ –	\$ (2,100)	\$ 42,300	\$ 2,000
Series 2005B	64,360	–	(4,760)	59,600	–	(4,905)	54,695	5,075
Series 2011A	6,000	–	–	6,000	–	–	6,000	6,000
Series 2011B	30,260	–	(2,110)	28,150	–	(2,210)	25,940	2,310
Series 2012	6,470	–	(3,170)	3,300	–	(3,300)	–	–
Series 2014	13,595	–	(2,155)	11,440	–	(2,200)	9,240	2,240
Series 2015	110,530	–	(2,855)	107,675	–	(2,990)	104,685	3,115
Series 2016	49,825	–	(2,515)	47,310	–	(2,640)	44,670	2,780
Series 2017A	53,805	–	(1,760)	52,045	–	(1,850)	50,195	1,940
Series 2017B	47,920	–	(1,950)	45,970	–	(1,990)	43,980	2,030
Unamortized discounts/premiums, net	28,404	–	(1,938)	26,466	–	(1,915)	24,551	1,915
Capital leases	7,800	–	(1,163)	6,637	–	(1,215)	5,422	1,270
Total bonds and leases	<u>\$465,219</u>	<u>\$ –</u>	<u>\$(26,226)</u>	<u>\$438,993</u>	<u>\$ –</u>	<u>\$(27,315)</u>	<u>\$411,678</u>	<u>\$30,675</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, 2021 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, 2021 and 2020. The variable interest rates for the Series 2005A and 2005B Bonds at June 30, 2021 and 2020 were 0.02% and 0.13%, respectively. The 2011B Bonds variable interest rates at June 30, 2021 and 2020 were 0.01% and 0.14%, 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 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 \$3,913,000 and \$4,777,000 as of June 30, 2021 and 2020, 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 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, 2021 over the remaining terms of the individual issuances (*\$ in thousands*):

Fiscal Year	Principal	Interest	Total
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	18,986	11,472	30,458
2027-2031	95,106	45,916	141,022
2032-2036	99,785	25,571	125,356
2037-2041	40,555	9,870	50,425
2042-2046	28,065	3,528	31,593
2047	1,695	26	1,721
Plus: unamortized discounts/premiums, net	24,551	—	24,551
Total	\$411,678	\$151,711	\$563,389

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*):

	Balance June 30, 2019	2020		Balance June 30, 2020	2021		Balance June 30, 2021	Current Portion
		Additions & Other Changes	Retirements		Additions & Other Changes	Retirements		
Asset retirement and other obligations*	\$ 6,100	\$5,575	\$ (746)	\$10,929	\$11,522	\$ (267)	\$22,184	\$8,337
Refundable government advances	17,513	(575)	(3,709)	13,229	258	(2,772)	10,715	—
Total other long-term obligations	\$23,613	\$5,000	\$(4,455)	\$24,158	\$11,780	\$(3,039)	\$32,899	\$8,337

*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, 2021 and 2020 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,	
					2021	2020	2021	2020
Series 2005A swap	October 29, 2008	July 1, 2035	3.6%	67% LIBOR	\$ 42,300	\$ 44,400	\$ (9,284)	\$(12,003)
Series 2005B swap	August 1, 2005	July 1, 2033	3.1%	63% LIBOR+0.29%	54,695	59,600	(7,113)	(9,688)
Series 2011B swap	July 1, 2011	July 1, 2033	4.5%	67% LIBOR	25,940	28,150	(5,883)	(7,571)
Total					\$122,935	\$132,150	\$(22,280)	\$(29,262)

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
		6/30/2021	6/30/2020	6/30/2021	6/30/2020	6/30/2021	6/30/2020	
Series 2005A swap	Aa2/AA-	0.0%	0.1%	0.1%	0.1%	4.0%	4.1%	4.1%
Series 2005B swap	A1/A+	0.0%	0.1%	0.4%	0.4%	3.2%	3.3%	3.6%
Series 2011B swap	A1/BBB+	0.0%	0.1%	0.1%	0.1%	4.9%	5.0%	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, 2021 and 2020 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, 2021, 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, 2021 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
2022	\$ 9,385	\$ (212)	\$ 4,077	\$ 3,865
2023	9,975	(191)	3,720	3,529
2024	10,170	(169)	3,355	3,186
2025	10,665	(146)	2,973	2,827
2026	7,250	(133)	2,713	2,580
2027-2031	40,220	(440)	9,350	8,910
2032-2036	35,270	(69)	1,944	1,875
Total	<u>\$122,935</u>	<u>\$(1,360)</u>	<u>\$28,132</u>	<u>\$26,772</u>

10. Deferred inflows and outflows of resources

The components of Deferred Inflows and Outflows of Resources as of June 30, 2021 and 2020 were as follows (\$ in thousands):

	2021	2020
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	\$22,280	\$29,262
Accounting loss on debt refinancing	6,585	7,646
Changes of assumptions:		
Operating Staff Retirement Plan	29	250
Postretirement Medical Plan	11,891	6,613
Additional Retirement Contribution Program	80	69
Net difference between projected and actual earnings:		
Operating Staff Retirement Plan	124	168
Difference between expected and actual experience:		
Postretirement Medical Plan	616	733
Benefit payments subsequent to the measurement date:		
Postretirement Medical Plan	2,965	2,558
Additional Retirement Contribution Program	675	168
Asset retirement obligations	1,218	1,308
Total Deferred Outflows of Resources	<u>\$46,463</u>	<u>\$48,775</u>
Deferred Inflows of Resources		
Accounting gain on debt refinancing	\$ 100	\$ 150
Annuities unconditional remainder interest	2,161	1,348
Changes of assumptions:		
Operating Staff Retirement Plan	15	12
Postretirement Medical Plan	6,192	7,231
Additional Retirement Contribution Program	23	31
Net difference between projected and actual earnings:		
Operating Staff Retirement Plan	697	44
Difference between expected and actual experience:		
Operating Staff Retirement Plan	136	145
Postretirement Medical Plan	1,734	1,031
Additional Retirement Contribution Program	288	482
Total Deferred Inflows of Resources	<u>\$11,346</u>	<u>\$10,474</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, 2021.

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 seven years as summarized below (\$ in thousands):

Fiscal Year	Operating Staff Retirement Plan	Additional Retirement Contribution Program	Post-retirement Medical Plan
2022	\$(240)	\$ (176)	\$ 838
2023	(151)	(37)	838
2024	(137)	(26)	838
2025	(167)	7	838
2026	–	–	838
2027	–	–	378
2028	–	–	14
Total	<u>\$(695)</u>	<u>\$ (232)</u>	<u>\$4,582</u>

11. Pass-through grants

USNH distributed \$146,394,000 and \$160,788,000 of student loans through the US Department of Education Federal Direct Lending program during 2021 and 2020, 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 \$103,000 and \$182,000 as of June 30, 2021 and 2020, 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 4.7% and 5.1% as of December 31, 2019 and 2018, respectively. For the UNHF primary pool, the distribution rate was 5.25% as of December 31, for both 2019 and 2018 respectively 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 2021 and 2020 are summarized below (\$ in thousands):

Components of Endowment Payout	2021	2020
Pooled endowment yield - campuses	\$ 6,488	\$ 3,916
Pooled endowment yield - affiliates	(980)	1,834
Trusts, life income and annuities yield, net of gains utilized	564	668
Gains utilized to fund distribution - pooled campuses	17,516	18,162
Gains utilized to fund distribution - pooled affiliates	14,025	10,350
Endowment return used for operations	<u>\$37,613</u>	<u>\$34,930</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	2021 Total
Campuses – current funds						
Instruction	\$218,633	\$ 10,786	\$ (2)	\$ –	\$ –	\$ 229,417
Auxiliary services	44,008	34,426	55	55,893	–	134,382
Research and sponsored programs	83,273	36,915	165	–	–	120,353
Academic support	65,690	20,594	–	–	–	86,284
Student services	38,758	71,777	14	(36)	–	110,513
Institutional support	68,563	6,711	77	(17,988)	–	57,363
Operations and maintenance	28,696	36,129	15,464	(38,077)	–	42,212
Fundraising and communications	9,942	6,250	–	4,307	–	20,499
Public service	<u>13,352</u>	<u>4,298</u>	<u>2</u>	<u>(150)</u>	<u>–</u>	<u>17,502</u>
Subtotal – current funds	570,915	227,886	15,775	3,949	–	818,525
Campuses - other funds	(212)	5,311	–	–	68,953	74,052
Affiliated entities	<u>7,319</u>	<u>847</u>	<u>1</u>	<u>(3,949)</u>	<u>–</u>	<u>4,218</u>
Total	<u>\$578,022</u>	<u>\$234,044</u>	<u>\$15,776</u>	<u>\$ –</u>	<u>\$68,953</u>	<u>\$896,795</u>

	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	<u>11,914</u>	<u>3,389</u>	<u>3</u>	<u>1</u>	<u>–</u>	<u>15,307</u>
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	<u>6,959</u>	<u>1,471</u>	<u>–</u>	<u>(3,873)</u>	<u>–</u>	<u>4,557</u>
Total	<u>\$538,000</u>	<u>\$190,561</u>	<u>\$18,059</u>	<u>\$ –</u>	<u>\$69,015</u>	<u>\$815,635</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, 2021 and 2020 (\$ in thousands):

Components of Net Position	2021	2020
Net investment in capital assets	\$ 722,339	\$ 709,337
Restricted financial resources		
Nonexpendable		
Historic gift value of endowment - campuses	134,754	131,196
Historic gift value of endowment - affiliated entities	<u>171,812</u>	<u>165,157</u>
Total restricted nonexpendable resources	306,566	296,353
Expendable		
Held by campuses:		
Accumulated net gains on endowment	94,413	51,082
Fair value of restricted funds functioning as endowment	18,014	14,628
Gifts, grants and contracts	32,910	40,527
Life income and annuity funds	33	12
Loan funds	2,425	2,853
Held by affiliated entities:		
Accumulated net gains on endowment	84,055	36,991
Fair value of restricted funds functioning as endowment	56,073	45,913
Other	<u>11,517</u>	<u>8,661</u>
Total restricted expendable resources	299,440	200,667
Unrestricted financial resources		
Held by campuses:		
Educational and general reserves	(12,259)	(14,910)
Auxiliary enterprises	45,528	34,651
Internally designated reserves	22,199	45,478
Unrestricted loan funds	1,401	1,438
Unexpended plant funds	101,614	136,073
Fair value of unrestricted funds functioning as endowment	246,033	173,025
Other	862	650
Less: postretirement medical liability ⁽¹⁾	<u>(78,490)</u>	<u>(88,800)</u>
Held by affiliated entities:		
Fair value of unrestricted funds functioning as endowment	1,616	1,321
Other	<u>1,775</u>	<u>2,061</u>
Total unrestricted financial resources	<u>330,279</u>	<u>290,987</u>
Total Net Position	<u>\$1,658,624</u>	<u>\$1,497,344</u>

⁽¹⁾As discussed in Note 7, the 2021 and 2020 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

The state of emergency related to COVID-19 declared by the Governor of the State of New Hampshire on March 13, 2020, expired on June 11, 2021. However, COVID-19 continues to impact various parts of USNH operations and financial results. USNH expects to continue to incur additional costs in testing, personal protective equipment, and cleaning. While the significant business disruption seems to be easing with the high rate of vaccination in New Hampshire, there is still 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):

	2021	2020
Condensed information from the Statements of Net Position as of June 30,		
Endowment investments	\$ 302	\$ 240
Other assets	<u>14</u>	<u>11</u>
Total Assets	<u>316</u>	<u>251</u>
Annuities payable	3	3
Other liabilities and deferred inflows of resources	<u>3</u>	<u>2</u>
Total Liabilities and Deferred Inflows of Resources	<u>6</u>	<u>5</u>
Total Net Position	<u>\$310</u>	<u>\$246</u>
	2021	2020
Condensed information from the Statements of Revenues, Expenses and Changes in Net Position for the years ended June 30,		
Gifts and other support	\$ 32	\$ 30
Investment income	<u>68</u>	<u>4</u>
Total Revenues	<u>100</u>	<u>34</u>
Distributions to UNH	28	26
Administrative and other expenses	<u>8</u>	<u>9</u>
Total Expenses	<u>36</u>	<u>35</u>
Increase/(Decrease) in Net Position	<u>\$ 64</u>	<u>\$ (1)</u>
	2021	2020
Condensed information from the Statements of Cash Flows for the years ended June 30,		
Receipts from gifts and other sources	\$ 24	\$ 27
Payments to UNH and suppliers	<u>(37)</u>	<u>(36)</u>
Net Cash Used in Operating Activities	(13)	(9)
Net Cash Provided By Investing Activities	7	4
Net Cash Provided by Noncapital Financing Activities	<u>6</u>	<u>3</u>
Change in Cash and Equivalents	<u>\$ -</u>	<u>\$ (2)</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 25, 2021, 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):

	2021	2020	2019	2018
Service costs	\$ 1,143	\$ 1,247	\$ 1,359	\$ 1,416
Interest	2,444	3,339	3,024	3,627
Benefit payments	(4,795)	(5,084)	(6,381)	(6,923)
Differences between expected and actual experience	(999)	849	–	(1,511)
Changes in benefit terms	(9,533)	(318)	–	–
Changes in assumptions ⁽¹⁾	7,336	7,664	(4,968)	(4,857)
Net Change in Postretirement Medical Liability	(4,404)	7,697	(6,966)	(8,248)
Total Postretirement Medical Plan Liability - beginning of year	90,441	82,744	89,710	97,958
Total Postretirement Medical Plan Liability - end of year	\$ 86,037	\$ 90,441	\$ 82,744	\$ 89,710
Current portion	\$ 5,342	\$ 4,412	\$ 5,331	\$ 5,837
Covered payroll	\$303,529	\$298,040	\$290,287	\$290,107
Total Liability as a Percentage of Covered Payroll	28.3%	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):

	2021	2020	2019	2018	2017
Service costs	\$ 22	\$ 37	\$ 31	\$ 41	\$ 103
Interest	52	91	66	88	118
Benefit payments ⁽²⁾	(343)	(111)	(123)	(95)	(518)
Differences between expected and actual experience	–	(200)	–	(89)	(328)
Changes in assumptions	36	70	(97)	26	(5)
Net Change in ARC Liability	(233)	(113)	(123)	(29)	(630)
Total ARC liability at beginning of year	2,058	2,171	2,294	2,323	2,953
Total ARC liability at end of year	\$ 1,825	\$ 2,058	\$ 2,171	\$ 2,294	\$ 2,323
Current portion	\$ 865	\$ 217	\$ 200	\$ 95	\$ 455
Covered payroll	\$12,732	\$22,275	\$24,369	\$26,646	\$29,409
Total Liability as a Percentage of Covered Payroll	14.3%	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):

	2021	2020	2019	2018	2017 ⁽³⁾
Plan Fiduciary Net Position					
Beginning balance	\$ 5,863	\$ 6,186	\$ 6,376	\$ 6,700	\$ –
Employer contributions	–	–	–	–	6,700
Plan administrative costs	–	–	(13)	(13)	–
Net investment income	1,143	173	407	274	–
Benefit payments	(457)	(496)	(584)	(585)	–
Fiduciary net position	\$ 6,549	\$ 5,863	\$ 6,186	\$ 6,376	\$ 6,700
Total Pension Liability at end of year	(4,992)	(5,431)	(5,875)	(5,652)	(5,707)
Net Pension Asset	\$ 1,557	\$ 432	\$ 311	\$ 724	\$ 993
Plan Net Position as a Percentage of Total Pension Liability	131.2%	108.0%	105.3%	112.8%	117.4%
Plan Pension Liability					
Beginning balance	\$ (5,431)	\$ (5,875)	\$ (5,652)	\$ (5,707)	\$ (6,345)
Service costs	(6)	(7)	(3)	–	(20)
Interest, net of actuarial gain/loss	(41)	(65)	(290)	(292)	(298)
Benefit payments	457	496	584	585	956
Changes in assumptions	29	20	(514)	(238)	–
Total Pension Liability at end of year	\$ (4,992)	\$ (5,431)	\$ (5,875)	\$ (5,652)	\$ (5,707)
Covered payroll	\$ (120)	\$ (815)	\$ (850)	\$ (961)	\$ (1,007)
Net Pension Asset as a Percentage of Covered Payroll	1297.5%	53.0%	36.6%	75.3%	98.6%

Notes to Schedules:

⁽¹⁾ Changes in assumptions relate to discount rate changes. The rates were 2.1% for FY21, 2.7% for FY20, 4.1% for FY19, and 3.4% FY18 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, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated July 12, 2022.

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 opinion 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. 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

Quincy, Massachusetts
July 12, 2022



**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, 2021. 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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

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 a significant deficiency.

The System's response to the internal control over compliance finding 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, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements. We issued our report thereon dated October 25, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinion 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

Quincy, Massachusetts
July 12, 2022

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL 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	\$ -	\$ 35,256
Direct			10.unknown	Other Department of Agriculture Programs	-	135,568
				Total Other Department of Agriculture Programs	-	170,824
Direct			10.001	Agricultural Research Basic and Applied Research	-	1,559
Direct			10.025	Plant and Animal Disease, Pest Control, and Animal Care	-	262,312
2019 SCBG		NH Dept of Agriculture Markets & Food	10.170	Specialty Crop Block Grant Program - Farm Bill	6,792	12,713
Direct			10.174	Acer Access Development Program	-	31,564
68457Z5111201		University of Maryland	10.200	Grants for Agricultural Research, Special Research Grants	73,697	124,069
68739Z5111202		University of Maryland	10.200	Grants for Agricultural Research, Special Research Grants	-	3,142
				Total Grants for Agricultural Research, Special Research Grants	73,697	127,211
Direct			10.202	Cooperative Forestry Research	-	358,218
Direct			10.203	Payments to Agricultural Experiment Stations Under the Hatch Act	-	1,169,648
Direct			10.206	Grants for Agricultural Research Competitive Research Grants	-	589,468
Direct			10.207	Animal Health and Disease Research	-	6,831
18010456A00		University of Massachusetts	10.215	Sustainable Agriculture Research and Education	-	8,308
GNE1818232231		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	5,019
GNE19-198-33243		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	1,554
GNE20-235-34268		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	2,695
LNE16-346-31064		University of Vermont	10.215	Sustainable Agriculture Research and Education	3,019	23,229
LNE1837132231		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	27,441
LNE20-403-34268		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	40,330
LNE20-413R-34268		University of Vermont	10.215	Sustainable Agriculture Research and Education	7,520	26,033
SNE19-08-34268		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	16,929
SNE20-008-NH-34268		University of Vermont	10.215	Sustainable Agriculture Research and Education	-	22,313
				Total Sustainable Agriculture Research and Education	10,539	173,851

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
6116UNHUSDA8696 Direct		Pennsylvania State University	10.303 10.303	Integrated Programs Integrated Programs Total Integrated Programs	\$ - 25,216 <u>25,216</u>	\$ 1 118,517 <u>118,518</u>
80289-10774 SUB00002455		Cornell University University of Florida	10.304 10.305	Homeland Security Agricultural Homeland Security Agricultural Total Homeland Security Agricultural	- - <u>-</u>	18,511 24,717 <u>43,228</u>
79536-10805 33191SUB52700 Direct		Cornell University University of Vermont	10.307 10.307 10.307	Organic Agriculture Research and Extension Initiative Organic Agriculture Research and Extension Initiative Organic Agriculture Research and Extension Initiative Total Organic Agriculture Research and Extension Initiative	- - - <u>-</u>	47,540 55,999 55,834 <u>159,373</u>
F0003750302009		Purdue University	10.309	Specialty Crop Research Initiative	-	66,005
2019-1507-09 60079112 00009502 2016-68002-24967 32375SUB52504 42247519119 Direct			10.310 10.310 10.310 10.310 10.310 10.310 10.310	Agriculture and Food Research Initiative (AFRI) Agriculture and Food Research Initiative (AFRI) Agriculture and Food Research Initiative (AFRI) Agriculture and Food Research Initiative (AFRI) Agriculture and Food Research Initiative (AFRI) Agriculture and Food Research Initiative (AFRI) Agriculture and Food Research Initiative (AFRI) Total Agriculture and Food Research Initiative (AFRI)	- - - - - - - <u>114,905</u>	8,726 1,776 23,171 80,580 21,438 7,214 761,098 <u>904,003</u>
Direct			10.319	Farm Business Management and Benchmarking Competitive Grants Program	23,128	89,082
Direct			10.328	National Food Safety Training, Education, Extension, Outreach, and Technical Assistance Competitive Grants Program	-	6,616
8693521120 20-015520 A AWD00000449SUB0000020 Direct		Cornell University University of Massachusetts University of Vermont	10.329 10.329 10.329 10.329	Crop Protection and Pest Management Competitive Grants Program Crop Protection and Pest Management Competitive Grants Program Crop Protection and Pest Management Competitive Grants Program Crop Protection and Pest Management Competitive Grants Program Total Crop Protection and Pest Management Competitive Grants Program	- - - - <u>-</u>	12,494 5,682 268 135,731 <u>154,175</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 or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			10.351	Rural Business Development Grant	\$ -	\$ 2,793
57335		University of Delaware	10.500	Cooperative Extension Service	-	57,765
Direct			10.500	Cooperative Extension Service	2,986	14,368
				Total Cooperative Extension Service	<u>2,986</u>	<u>72,133</u>
56960		University of Delaware	10.520	Agriculture Risk Management Education Partnerships Competitive Grants Program	-	25,358
AWD00000051SUB0000000		University of Vermont	10.652	Forestry Research	-	39,548
AWD00000051SUB0000021		University of Vermont	10.652	Forestry Research	-	2,481
AWD00000051SUB0000021		University of Vermont	10.652	Forestry Research	-	8,317
Direct			10.652	Forestry Research	-	40,044
				Total Forestry Research	<u>-</u>	<u>90,390</u>
Direct		NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	1,392
		NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	734
13C005		NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	90,898
13C006		NH Dept of Natural & Cultural Resources	10.664	Cooperative Forestry Assistance	-	53,103
13C007			10.664	Cooperative Forestry Assistance	-	29,455
				Total Cooperative Forestry Assistance	<u>-</u>	<u>175,582</u>
Direct			10.678	Forest Stewardship Program	-	110,702
Direct			10.680	Forest Health Protection	-	45,761
FRD-UGP-1010		State of Michigan	10.682	National Forest Foundation	-	17,170
Direct			10.699	Partnership Agreements	-	236,256
040517057630		National Fish & Wildlife Foundation	10.902	Soil and Water Conservation	-	25,904
040517057704		National Fish & Wildlife Foundation	10.902	Soil and Water Conservation	-	18,764
				Total Soil and Water Conservation	<u>-</u>	<u>44,668</u>
Direct			10.912	Environmental Quality Incentives Program	-	61,810
				Total Department of Agriculture	<u>257,263</u>	<u>5,327,822</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 or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of Commerce						
Direct			11.contract	Other Department of Commerce Programs	\$ -	\$ 7,026
Direct			11.008	NOAA Mission-Related Education Awards	99,725	702,978
Direct			11.011	Ocean Exploration	190,061	232,437
14NL88	NERACOOS		11.012	Integrated Ocean Observing System (IOOS)	-	11,294
A008-004	NERACOOS		11.012	Integrated Ocean Observing System (IOOS)	-	238,813
A009-004	NERACOOS		11.012	Integrated Ocean Observing System (IOOS)	-	125,713
A011-004	NERACOOS		11.012	Integrated Ocean Observing System (IOOS)	-	59,381
NA16NOS0120023	NERACOOS		11.012	Integrated Ocean Observing System (IOOS)	-	12,126
				Total Integrated Ocean Observing System (IOOS)	-	447,327
1210687	Rutgers University		11.017	Ocean Acidification Program (OAP)	-	78,164
367937	University Of Connecticut		11.017	Ocean Acidification Program (OAP)	-	59,885
UMS1135	University of Maine		11.017	Ocean Acidification Program (OAP)	-	14,256
				Total Ocean Acidification Program (OAP)	-	152,305
Direct			11.400	Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)	79,732	7,183,380
2020-500	National Estuarine Research Reserve System		11.417	Sea Grant Support	-	16,817
NFE	NERACOOS		11.417	Sea Grant Support	-	852
G&C APPROVAL #60	NH Department of Environmental Services		11.417	Sea Grant Support	-	(860)
2020-1734-02	North Carolina State University		11.417	Sea Grant Support	-	12,423
364411	University Of Connecticut		11.417	Sea Grant Support	-	18,508
KFS#5664660 AND PO#426072	University Of Connecticut		11.417	Sea Grant Support	-	904
20182019006	University of Puerto Rico		11.417	Sea Grant Support	-	14,252
Direct			11.417	Sea Grant Support	29,837	1,684,060
				Total Sea Grant Support	29,837	1,746,956
14NJ93	Great Bay Stewards		11.419	Coastal Zone Management Administration Awards	-	(294)
14NK04	Great Bay Stewards		11.419	Coastal Zone Management Administration Awards	-	2
NMS012	National Estuarine Research Reserve Asn		11.419	Coastal Zone Management Administration Awards	-	4,034
1231978	NH Department of Environmental Services		11.419	Coastal Zone Management Administration Awards	-	1,674

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 or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
2201983		NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards		
	2211847	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	\$ -	\$ 17,683
	031319-060	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	6,124
	050620-120	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	923
	052020-046	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	60,989
	060519-104	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	203,813
	060519-105	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	(5)
	061020-065	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	1
	061020-066	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	11,944
	61621107	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	12,489
	061919-191	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	561
	121819-120	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	2
	14G309	Rockingham Planning Commission	11.419	Coastal Zone Management Administration Awards	-	5,999
	14G307	Strafford Regional Planning	11.419	Coastal Zone Management Administration Awards	-	-
					-	3,539
				Total Coastal Zone Management Administration Awards	-	329,478
	Direct		11.420	Coastal Zone Management Estuarine Research Reserves	-	219,382
	BLOS 18002	Bigelow Laboratories for Ocean Studies	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	9,573
	14NK08	Manomet, Inc.	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	3
	14G257	Massachusetts, State of	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	1,355

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 or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	2021501	National Estuarine Research Reserve System	11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	\$ -	\$ 4,229
	Direct		11.427	Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	138,144
				Total Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	-	153,304
	PO GSA8- 300-04-BIOGEO/ UNH/9/	Consolidated Safety Services Inc	11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	39,872
	81532-Z7554205	University of Maryland	11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	162,470
	0007525-10212019UNH	University of Rhode Island	11.432	National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	-	1,473,299
				Total National Oceanic and Atmospheric Administration (NOAA) Cooperative	-	1,675,641
	05192177	NH Department of Environmental Services	11.437	Pacific Fisheries Data Program	-	8,716
	2105	NE Fishery Management Council	11.441	Regional Fishery Management Councils	-	6,917
	8006343-02.01 UNH	University of Southern Mississippi	11.472	Unallied Science Program	-	73,122
	A010004	NERACOOS	11.478	Center for Sponsored Coastal Ocean Research Coastal Ocean Program	-	21,727
	A010022	NERACOOS	11.478	Center for Sponsored Coastal Ocean Research Coastal Ocean Program	-	4,329
				Total Center for Sponsored Coastal Ocean Research Coastal Ocean Program	-	26,056
				Total Department of Commerce	399,355	12,965,025
Department of Defense						
	14BB12	Azimuth Inc	12.contract	Other Department of Defense Programs	-	17,444
	DCS-S-20-014	DCS Corporation	12.contract	Other Department of Defense Programs	-	19,708
	14BA93	NP Photonics Inc	12.contract	Other Department of Defense Programs	-	4,999
	SC1984001	Physical Sciences, Inc.	12.contract	Other Department of Defense Programs	-	113,293
	14BA36	Spectral Sciences Inc	12.contract	Other Department of Defense Programs	-	21,236
	Direct		12.contract	Other Department of Defense Programs	137,559	815,427
	Direct		12.unknown	Other Department of Defense Programs	-	17,031
				Total Other Department of Defense Programs	137,559	1,009,138
	4303	Mentis Sciences Inc	12.300	Basic and Applied Scientific Research	-	90,508
	038600.361374.01	Mississippi State University	12.300	Basic and Applied Scientific Research	58,368	78,574
	SUB# 78526300, MPPO	University of California at San Diego	12.300	Basic and Applied Scientific Research	-	(17,401)
	S9001452				-	(17,401)
	450560-19119	Virginia Polytechnic Institute and State University	12.300	Basic and Applied Scientific Research	-	22,008

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			12.300	Basic and Applied Scientific Research	\$ 334,765	\$ 1,830,169
				Total Basic and Applied Scientific Research	393,133	2,003,858
Direct			12.335	Navy Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance	-	3,880
KR702816		University of California at San Diego	12.360	Research on Chemical and Biological Defense	-	28,574
50407678050		Northeastern University	12.431	Basic Scientific Research	-	12,156
Direct			12.431	Basic Scientific Research	-	206,600
				Total Basic Scientific Research	-	218,756
AS 0002		Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	52,934
AS-0001		Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	90,498
EWD0018		Advanced Regenerative Manufacturing Inst	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	51,067
1303		Rutgers University	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	52,259
KR702847		University of California at San Diego	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	118,467
				Total Basic, Applied, and Advanced Research in Science and Engineering	-	365,225
1556761		University of Colorado	12.800	Air Force Defense Research Sciences Program	-	273,745
Direct			12.800	Air Force Defense Research Sciences Program	-	294,958
				Total Air Force Defense Research Sciences Program	-	568,703
6165407		Embry-Riddle Aeronautical University	12.910	Research and Technology Development	-	21,554
Total Department of Defense					530,692	4,219,688
Department of Housing and Urban Development						
14G294		County of Cheshire	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii		(843)
Direct			14.506	General Research and Technology Activity		27,657
Total Department of Housing and Urban Development					-	26,814

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 or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of the Interior						
Direct			15.contract	Other Department of Interior Programs	\$ 404,137	\$ 857,516
Direct			15.424	Marine Minerals Activities	-	2,274
050620-088		NH Department of Fish & Game	15.634	State Wildlife Grants	-	32,912
05192155		NH Department of Fish & Game	15.634	State Wildlife Grants	-	17,945
F18AF00625		Oklahoma Department of Wildlife Conservation	15.634	State Wildlife Grants	-	26,271
SCDNR FY2021-045		SC Department of Natural Resources	15.634	State Wildlife Grants	-	25,434
				Total State Wildlife Grants	-	102,562
Direct			15.655	Migratory Bird Monitoring, Assessment and Conservation	-	2,093
Direct			15.676	Youth Engagement, Education, and Employment	-	36,822
Direct			15.805	Assistance to State Water Resources Research Institutes	14,218	350,659
Direct			15.808	U.S. Geological Survey Research and Data Collection		100,770
02032123		NH Department of Environmental Services	15.814	National Geological and Geophysical Data Preservation	-	1,553
AV18NH01		AmericaView Inc	15.815	National Land Remote Sensing Education Outreach and Research	-	27,018
Direct			15.945	Cooperative Research and Training Programs – Resources of the National Park System	-	3,939
14NL80		Lamprey River Advisory Committee	15.962	National Wild and Scenic Rivers System	-	20,282
14BA75		Lamprey River Watershed Association	15.962	National Wild and Scenic Rivers System	-	939
				Total National Wild and Scenic Rivers System	-	21,221
				Total Department of the Interior	418,355	1,506,427

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Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of Justice						
Direct			16.026	OVW Research and Evaluation Program	\$ 61,995	\$ 62,519
Direct			16.526	OVW Technical Assistance Initiative	-	24,648
656200S001	Westat		16.543	Missing Children's Assistance	-	103,316
Direct			16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	10,096	672,445
050620-164	NH Department of Justice (Attorney General)		16.575	Crime Victim Assistance	-	275,756
2019VOC65	NH Department of Justice (Attorney General)		16.575	Crime Victim Assistance	-	3,503
2020TECH02	NH Department of Justice (Attorney General)		16.575	Crime Victim Assistance	-	13,474
				Total Crime Victim Assistance	-	292,733
2019-258 EXECUTED 6.5.19	Amoskeag Health		16.582	Crime Victim Assistance/Discretionary Grants	-	23,713
2011CD06	NH Department of Justice (Attorney General)		16.727	Enforcing Underage Drinking Laws Program	-	(201)
646600S001	Westat		16.734	Special Data Collections and Statistical Studies	-	19,764
AWARD 6.5.19	Manchester, NH (City of)		16.838	Comprehensive Opioid Abuse Site-Based Program	-	28,448
				Total Department of Justice	72,091	1,227,385
Department of Labor						
Direct			17.502	Occupational Safety and Health Susan Harwood Training Grants	-	47,925
				Total Department of Labor	-	47,925
Department of the State						
BL4346829UNH	Indiana University		19.415	Professional and Cultural Exchange Programs - Citizen Exchanges	-	29,689
				Total Department of the State	-	29,689
Department of Transportation						
1003326-002	Minnesota Dept of Transportation		20.contract	Other Department of Transportation Programs	-	29,159
1034192	Minnesota Dept of Transportation		20.200	Highway Research and Development Program	-	60,323
1035708	Minnesota Dept of Transportation		20.200	Highway Research and Development Program	-	90,555
1036343	Minnesota Dept of Transportation		20.200	Highway Research and Development Program	-	36,021

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	1036816	Minnesota Dept of Transportation	20.200	Highway Research and Development Program	\$ 22,767	\$ 61,192
	SUB0001622	National Academy of Sciences	20.200	Highway Research and Development Program	-	37,100
	Y22MTS0018	University of North Carolina	20.200	Highway Research and Development Program	-	2,907
				Total Highway Research and Development Program	<u>22,767</u>	<u>288,098</u>
				Total Department of Transportation	<u>22,767</u>	<u>317,257</u>
Department of the Treasury						
	13H294	NH Department of Health & Human Services	21.019	COVID-19 Coronavirus Relief Fund	-	48,500
	13H303	NH Department of Health & Human Services	21.019	COVID-19 Coronavirus Relief Fund	-	1,318,638
				Total Coronavirus Relief Fund	<u>-</u>	<u>1,367,138</u>
				Total Department of the Treasury	<u>-</u>	<u>1,367,138</u>
National Aeronautics and Space Administration						
	900731	Assurance Technology Corp	43.contract	Other National Aeronautics and Space Administration Programs	-	34,530
	499878Q	Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	1,483,712	2,394,186
	A99200MO	Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	-	142,178
	N63153ZC	Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	-	2,759
	P62000ZC	Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	-	7,454
	P99038DS	Southwest Research Institute (SwRI)	43.contract	Other National Aeronautics and Space Administration Programs	-	91,115
	00007549	University of California at Berkeley (UCB)	43.contract	Other National Aeronautics and Space Administration Programs	-	74,384
	SA405826326	University of California at Berkeley (UCB)	43.contract	Other National Aeronautics and Space Administration Programs	-	60,912
	S01192-01	University of Iowa	43.contract	Other National Aeronautics and Space Administration Programs	-	556,159
	Direct		43.contract	Other National Aeronautics and Space Administration Programs	427,333	1,119,915
	MTSUNH06012014	Manufacturing Technical Solutions Inc	43.unknown	Other National Aeronautics and Space Administration Programs	-	3,567
	Direct		43.unknown	Other National Aeronautics and Space Administration Programs	-	37,536
				Total Other National Aeronautics and Space Administration Programs	<u>1,911,045</u>	<u>4,524,695</u>
	S414139	California Institute of Technology	43.001	Science	-	48,033
	S416271	California Institute of Technology	43.001	Science	-	47,985
	1110244-438403	Carnegie-mellon Univ	43.001	Science	-	48,950
	1110245439458	Carnegie-mellon Univ	43.001	Science	-	66,894
	R1050	Dartmouth College	43.001	Science	-	3,829
	R1255	Dartmouth College	43.001	Science	-	15,705
	R974	Dartmouth College	43.001	Science	-	145,921
	URK199	Florida Atlantic University	43.001	Science	-	12,432
	14NK48	Gordon Research Confr	43.001	Science	-	253

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	SV111001	Harvard-Smithsonian Center for Astrophysics	43.001	Science	\$ -	\$ 13,518
	14BA60	Incom Inc	43.001	Science	-	71,892
	135260	Johns Hopkins University	43.001	Science	770,056	1,264,995
	149961	Johns Hopkins University	43.001	Science	-	78,373
	151382	Johns Hopkins University	43.001	Science	3,162,211	5,291,951
	161888	Johns Hopkins University	43.001	Science	-	64,689
	4104042516	Lockheed Martin	43.001	Science	-	60,211
	UNH-20NAJL08	Predictive Science Inc	43.001	Science	-	65,028
	SUB0000156	Princeton University	43.001	Science	-	435,818
	SUB0000191	Princeton University	43.001	Science	-	296,550
	SUB0000333	Princeton University	43.001	Science	-	21,358
	SUB0000398	Princeton University	43.001	Science	-	247,085
	SUB0000460	Princeton University	43.001	Science	-	20,387
	0123	Rutgers University	43.001	Science	-	95,071
	K99053CT	Southwest Research Institute (SwRI)	43.001	Science	-	5,966
	N64200TM	Southwest Research Institute (SwRI)	43.001	Science	-	14,315
	N99061EH	Southwest Research Institute (SwRI)	43.001	Science	-	4,450
	N99071EH	Southwest Research Institute (SwRI)	43.001	Science	-	956,740
	SUBAWD001521	University Corporation for Atmospheric Research (Colorado)	43.001	Science	-	86,507
	2018249	University of Alabama	43.001	Science	-	17,293
	UAF 180026	University of Alaska	43.001	Science	-	2,993
	UAF 19-0009	University of Alaska	43.001	Science	-	83,463
	2090GWA417	University of California at Los Angeles (UCLA)	43.001	Science	-	18,739
	2090GWA681	University of California at Los Angeles (UCLA)	43.001	Science	-	88,342
	1557050	University of Colorado	43.001	Science	-	1
	1557958	University of Colorado	43.001	Science	-	111,685
	1559034	University of Colorado	43.001	Science	-	2,861
	1559320	University of Colorado	43.001	Science	-	36,497
	1559614	University of Colorado	43.001	Science	-	19,997
	1001665865	University of Iowa	43.001	Science	-	275,638
	S01002-01	University of Iowa	43.001	Science	-	148,551
	S01345-01	University of Iowa	43.001	Science	-	5
	NASA004801	University of Maryland	43.001	Science	-	34,891
	239790A	University of Oregon	43.001	Science	-	-
	F-2017-131	University of Toledo	43.001	Science	-	21,880
	UWSC11897	University of Washington	43.001	Science	-	15,817
	UWSC9774	University of Washington	43.001	Science	-	50,443
	WU-20-470	Washington University	43.001	Science	-	73,566
	14109UNH	West Virginia Univ	43.001	Science	-	23,805
	Direct		43.001	Science	1,807,913	8,289,033
				Total Science	<u>5,740,180</u>	<u>18,800,406</u>

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Direct			43.003	Exploration	\$ 267,410	\$ 556,670
C21202056UNH		Natl Institute of Aerospace Associates	43.008	Office of Stem Engagement (OSTEM)		9,653
SPOCSUNH		OK State Univ Research Foundation Inc	43.008	Office of Stem Engagement (OSTEM)		3,341
Direct			43.008	Office of Stem Engagement (OSTEM)	124,569	128,058
				Total Office of Stem Engagement (OSTEM)	<u>124,569</u>	<u>141,052</u>
				Total National Aeronautics and Space Administration	<u>8,043,204</u>	<u>24,022,823</u>
National Foundation on the Arts and the Humanities						
Direct			45.312	COVID-19 National Leadership Grants	-	3,992
				Total National Foundation on the Arts and the Humanities	<u>-</u>	<u>3,992</u>
National Science Foundation						
UNH		Bezoar Laboratories	47.041	Engineering	-	9,392
10001558-028		Purdue University	47.041	Engineering	-	203,159
Direct - University of New Hampshire			47.041	COVID-19 Engineering		7,339
Direct - University of New Hampshire			47.041	Engineering	82,861	1,224,842
				Total Engineering	<u>82,861</u>	<u>1,444,732</u>
Direct - University of New Hampshire			47.049	Mathematical and Physical Sciences	-	261,636
1GG015540		Columbia University	47.050	Geosciences	-	3,699
SAPOG15252		Columbia University	47.050	Geosciences	-	11,832
71423-11280		Cornell University	47.050	Geosciences	-	(347)
1376		Dartmouth College	47.050	Geosciences	-	10,427
R1150		Dartmouth College	47.050	Geosciences	-	124,916
52681		Marine Biological Laboratory	47.050	Geosciences	-	62,967
1947706 - Plymouth State University		National Science Foundation	47.050	Geosciences		22,743
2020-01-27		University of Southern Maine	47.050	Geosciences	-	5,783
Direct - University of New Hampshire			47.050	Geosciences	204,860	3,205,115
				Total Geosciences	<u>204,860</u>	<u>3,447,135</u>
7GG01458602		Columbia University	47.070	Computer and Information Science and Engineering	-	20,513
1659377-UNH		MA Green High Performance Computing Ctr	47.070	Computer and Information Science and Engineering	-	1,965

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	2017TS2768	Semiconductor Research Corporation	47.070	Computer and Information Science and Engineering	\$ -	\$ 8,215
	8GG014586-02	Trustees of Columbia University in the City of New York	47.070	Computer and Information Science and Engineering		
	Direct - University of New Hampshire		47.070	Computer and Information Science and Engineering	-	24,231
	Direct - University of New Hampshire		47.070	COVID-19 Computer and Information Science and Engineering	-	764,260
				Total Computer and Information Science and Engineering	-	37,326
					-	856,510
	3340/200201862/1637685	Cary Institute of Ecosystem Studies	47.074	Biological Sciences	-	25,931
	3340-200201866	Cary Institute of Ecosystem Studies	47.074	Biological Sciences		129,905
	3392200201978	Cary Institute of Ecosystem Studies	47.074	Biological Sciences		16,450
	131721-5109142	Harvard University	47.074	Biological Sciences		115,145
	20190137UNH	Middlebury College	47.074	Biological Sciences		20,053
	100334601	Northern Arizona University	47.074	Biological Sciences		5,142
	100355701	Northern Arizona University	47.074	Biological Sciences		59,708
	60078897	Ohio State University	47.074	Biological Sciences	2,231	116,884
	2019001	University of Puerto Rico	47.074	Biological Sciences		320,437
	1419889903	Whitehead Inst for Biomedical Research	47.074	Biological Sciences		11,611
	Direct - University of New Hampshire		47.074	Biological Sciences		
				Total Biological Sciences	20,791	1,168,222
					23,022	1,989,488
	JDK061-SB-001	University of Idaho	47.075	Social, Behavioral, and Economic Sciences	-	10,964
	Direct - University of New Hampshire		47.075	Social, Behavioral, and Economic Sciences		
				Total Social, Behavioral, and Economic Sciences	-	145,075
					-	156,039
	17132044C6S01	Hubbard Brook Research Foundation	47.076	Education and Human Resources	-	2,877
	17132044C6S02	Hubbard Brook Research Foundation	47.076	Education and Human Resources	-	52,759
	2042596 - Plymouth State University	National Science Foundation	47.076	Education and Human Resources		
	451909	University of Arizona	47.076	Education and Human Resources	-	40,952
	03633987DL	University Of New Mexico	47.076	Education and Human Resources	-	2,349
	000021-00001A.007.00	University of Northern Colorado	47.076	Education and Human Resources	-	89,306
	Direct - University of New Hampshire		47.076	Education and Human Resources	-	10,610
				Total Education and Human Resources	4,145	1,202,193
					4,145	1,401,046

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425115-A		University of San Francisco	47.078	Polar Programs	\$ -	\$ 22,825
Direct - University of New Hampshire			47.078	Polar Programs		
				Total Polar Programs	-	100,404
					-	123,229
Direct - University of New Hampshire			47.079	Office of International Science and Engineering	286,623	378,921
BLOS19001		Bigelow Laboratories for Ocean Studies	47.083	Integrative Activities	-	181,083
00001451		Brown University	47.083	Integrative Activities	-	40,234
R1301		Dartmouth College	47.083	Integrative Activities	-	161,417
P0540425		University of Alaska	47.083	Integrative Activities	-	508,683
UMS1228		University of Maine	47.083	Integrative Activities	-	420,001
Direct - University of New Hampshire			47.083	Integrative Activities		
				Total Integrative Activities	963,563	3,723,853
				Total National Science Foundation	963,563	5,035,271
					1,565,074	15,094,007
US Veterans Administration						
Direct			64.034	VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	-	40,681
				Total US Veterans Administration	-	40,681
Environmental Protection Agency						
7SK00043MD		General Dynamics Info Technology Inc	66.contract	Other Environmental Protection Agency Programs	-	14,047
Direct			66.contract	Other Environmental Protection Agency Programs	-	67,659
Direct			66.unknown	Other Environmental Protection Agency Programs	-	23,498
				Total Other Environmental Protection Agency Programs	-	105,204
432178		University Of Connecticut	66.437	Long Island Sound Program	-	4,725
14BA62		Horsley Witten Group Inc	66.454	Water Quality Management Planning	-	6,955
14NL93		NERACOOS	66.456	National Estuary Program	-	4,162
UNHYR23CB		University of Southern Maine	66.456	National Estuary Program	-	10,635
Direct			66.456	National Estuary Program	15,777	509,220
				Total National Estuary Program	15,777	524,017
100318-048		NH Department of Environmental Services	66.460	Nonpoint Source Implementation Grants	-	20,380
Direct			66.509	Science To Achieve Results (STAR) Research Program	-	53,543
06A 202004152869		Maine Department of Environmental Protection	66.605	Performance Partnership Grants	-	2,941
CTB#20181211*0037		Maine Department of Environmental Protection	66.605	Performance Partnership Grants	-	9,574

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Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	120518-076	NH Department of Environmental Services	66.605	Performance Partnership Grants		
	122017-070	NH Department of Environmental Services	66.605	Performance Partnership Grants	\$ -	\$ 7,730
				Total Performance Partnership Grants	-	29,682
					-	49,927
	030718-042	NH Department of Environmental Services	66.608	Environmental Information Exchange Network Grant Program and Related Assistance	-	4,957
	082620-037 SA202031	NH Dept of Agriculture Markets & Food eXtension Foundation	66.700 66.716	Consolidated Pesticide Enforcement Cooperative Agreements Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	-	29,531
	SA202128	eXtension Foundation	66.716	Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	-	9,774
				Total Research, Development, Monitoring, Public Education, Outreach, Training, Demonstrations, and Studies	-	7,998
				Total Environmental Protection Agency	-	47,303
					15,777	817,011
Department of Energy						
	SUB202010061	National Renewable Energy Laboratory	81.contract	Other Department of Energy Programs	-	14,637
	SUB202110449	National Renewable Energy Laboratory	81.contract	Other Department of Energy Programs	-	64,165
	UNH1ORPC	Pacific Ocean Energy Trust	81.contract	Other Department of Energy Programs	-	8,497
	UNH1RTI	Pacific Ocean Energy Trust	81.contract	Other Department of Energy Programs	-	4,673
	NO. S017254	Princeton University	81.contract	Other Department of Energy Programs	-	145,989
	Direct		81.contract	Other Department of Energy Programs	-	121,883
				Total Other Department of Energy Programs	-	359,844
	60055729	Ohio State University	81.049	Office of Science Financial Assistance Program	-	3,446
	61351720-124215	Stanford University	81.049	Office of Science Financial Assistance Program	-	358,077
	17009594B00	Univ Of Massachusetts Amherst	81.049	Office of Science Financial Assistance Program	-	25,877
	Direct		81.049	Office of Science Financial Assistance Program	3,548	1,127,037
				Total Office of Science Financial Assistance Program	3,548	1,514,437

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Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	SUB19014	Ocean Renewable Power Company	81.087	Renewable Energy Research and Development	\$ -	\$ 60,226
	20191243	University of California at Irvine	81.087	Renewable Energy Research and Development	-	95,889
	Direct		81.087	Renewable Energy Research and Development	207,726	360,947
				Total Renewable Energy Research and Development	<u>207,726</u>	<u>517,062</u>
	UTA15-001120	University of Texas at Austin	81.089	Fossil Energy Research and Development	-	58,246
	UMS1188	University of Maine	81.117	Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	-	57,149
	138677	NY State Energy Research & Dev Authority	81.119	State Energy Program Special Projects	-	46,621
	Direct		81.121	Nuclear Energy Research, Development and Demonstration	162,051	205,582
	14B995	Trophic LLC	81.135	Advanced Research Projects Agency - Energy	12,997	518,674
				Total Department of Energy	<u>386,322</u>	<u>3,277,615</u>
Department of Education						
	ASUB00000347	Arizona State University	84.305	Education Research, Development and Dissemination	-	75,632
	ASUB00000476	Arizona State University	84.305	Education Research, Development and Dissemination	-	30,106
	ASUB00000499	Arizona State University	84.305	Education Research, Development and Dissemination	-	18,070
	7971PO136756	Boise State University	84.305	Education Research, Development and Dissemination	-	96
	7971-PO137538	Boise State University	84.305	Education Research, Development and Dissemination	-	9,595
	29338SUB51804	University of Vermont	84.305	Education Research, Development and Dissemination	15,894	28,464
				Total Education Research, Development and Dissemination	<u>15,894</u>	<u>161,963</u>
				Total Department of Education	<u>15,894</u>	<u>161,963</u>
Northern Border Regional Commission						
	Direct		90.601	Northern Border Regional Development	-	7,594
				Total Northern Border Regional Commission	<u>-</u>	<u>7,594</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Department of Health and Human Services						
	2007TH01	APTR (Assoc for Prevention Teaching & Research)	93.contract	Other Department of Health and Human Services Programs	\$ -	\$ 5,993
	GC1053501	Dartmouth-Hitchcock Medical Center	93.contract	Other Department of Health and Human Services Programs	-	113,563
	14NK03	Qualidigm	93.contract	Other Department of Health and Human Services Programs	-	2
	Direct		93.contract	COVID-19 Other Department of Health and Human Services Programs	-	4,286
				Total Other Department of Health and Human Services Programs	<u>-</u>	<u>123,844</u>
	05011910	NH Department of Health & Human Services	93.048	COVID-19 Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	-	613,071
	GC10318-01-DGR15236	Dartmouth College	93.087	Enhance Safety of Children Affected by Substance Abuse	-	25,616
	1062957	NH Dept of Agriculture Markets & Food	93.103	Food and Drug Administration Research	-	63,370
	073119-017	NH Department of Health & Human Services	93.110	Maternal and Child Health Federal Consolidated Programs	-	508,831
	Direct		93.110	Maternal and Child Health Federal Consolidated Programs	274,900	1,284,082
				Total Maternal and Child Health Federal Consolidated Programs	<u>274,900</u>	<u>1,792,913</u>
	14NK15	New Hampshire Coalition Against Domestic Violence	93.136	Injury Prevention and Control Research and State and Community Based Programs	-	12,017
	14NK46	New Hampshire Coalition Against Domestic Violence	93.136	Injury Prevention and Control Research and State and Community Based Programs	-	8,043
	14NL92	New Hampshire Coalition Against Domestic Violence	93.136	Injury Prevention and Control Research and State and Community Based Programs	-	6,148
	24-1714-0205-003	University Of Nebraska	93.136	Injury Prevention and Control Research and State and Community Based Programs	-	26,623
				Total Injury Prevention and Control Research and State and Community Based Programs	<u>-</u>	<u>52,831</u>
	000512145SC010	University of Alabama	93.184	COVID-19 Disabilities Prevention	-	14,975
	14NJ40	Natl Assn of Health Data Organizations	93.226	Research on Healthcare Costs, Quality and Outcomes	-	10,891
	Direct		93.242	Mental Health Research Grants	-	111,965
	5H79SM063408-04	County of Cheshire	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	1
	060618-019	NH Department of Health & Human Services	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	55,844	243,706
	1349	Rutgers University	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	10,999
				Total Substance Abuse and Mental Health Services Projects of Regional and National Significance	<u>55,844</u>	<u>254,706</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

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Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			93.262	Occupational Safety and Health Program	\$ -	\$ 148,435
201001SC		Seacoast Science Inc	93.279	Drug Abuse and Addiction Research Programs	-	30,688
A202485S001		University of California at Davis	93.279	Drug Abuse and Addiction Research Programs	-	47,238
				Total Drug Abuse and Addiction Research Programs	-	77,926
Direct			93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	-	40,643
Direct			93.310	Trans-NIH Research Support	-	16,919
081419-041		NH Developmental Disabilities Council	93.360	Biomedical Advanced Research and Development Authority (BARDA), Biodefense Medical Countermeasure Development	-	75,728
GB10832.PO#2256892		University Of Virginia	93.395	Cancer Treatment Research	-	14,770
Direct			93.395	Cancer Treatment Research	-	71,936
				Total Cancer Treatment Research	-	86,706
UCHC7139188778		University Of Connecticut	93.396	Cancer Biology Research	-	38,606
Direct			93.398	Cancer Research Manpower	-	837
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	-	29,375
14NK81		National Disability Institute	93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	-	11,074
14NL59		National Disability Institute	93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	-	12,373
Direct			93.433	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	74,096	1,465,147
				Total ACL National Institute on Disability, Independent Living, and Rehabilitation Research	74,096	1,488,594
Direct			93.434	Every Student Succeeds Act/Preschool Development Grants	-	71,961
092717-034		New Hampshire Department of Insurance	93.511	Affordable Care Act (ACA) Grants to States for Health Insurance Premium Review	-	19,971
14NK18		New Hampshire Coalition Against Domestic Violence	93.556	Promoting Safe and Stable Families	-	24,789

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Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
14NL54		New Hampshire Coalition Against Domestic Violence	93.556	Promoting Safe and Stable Families	\$ -	\$ 3,000
				Total Promoting Safe and Stable Families	-	27,789
Direct			93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	-	578,113
20-0452		Granite State Childrens Alliance	93.643	Children's Justice Grants to States	-	39,956
041719-021		NH Department of Health & Human Services	93.670	Child Abuse and Neglect Discretionary Activities	-	114,505
Direct			93.732	Mental and Behavioral Health Education and Training Grants	-	341,977
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)	-	6,961
Direct			93.839	Blood Diseases and Resources Research	25,406	359,591
1UT2GM130176-01		Celdara Medical LLC	93.859	Biomedical Research and Research Training	-	59,942
4UT2GM130176-02		Celdara Medical LLC	93.859	Biomedical Research and Research Training	-	1,739
DARTMOUTH SUB#1224		Dartmouth College	93.859	Biomedical Research and Research Training	-	(93)
R1039		Dartmouth College	93.859	Biomedical Research and Research Training	-	(779)
R1040		Dartmouth College	93.859	Biomedical Research and Research Training	-	(1)
R1041 YEAR 2		Dartmouth College	93.859	Biomedical Research and Research Training	-	
R1044		Dartmouth College	93.859	Biomedical Research and Research Training	-	(66)
R1045		Dartmouth College	93.859	Biomedical Research and Research Training	-	2,257
R1401		Dartmouth College	93.859	Biomedical Research and Research Training	-	201,933
R1404		Dartmouth College	93.859	Biomedical Research and Research Training	-	23,790
R1410		Dartmouth College	93.859	Biomedical Research and Research Training	-	16,193
R1412		Dartmouth College	93.859	Biomedical Research and Research Training	-	98,576
R1417		Dartmouth College	93.859	Biomedical Research and Research Training	-	65,603
R1418		Dartmouth College	93.859	Biomedical Research and Research Training	-	285,116
R1421		Dartmouth College	93.859	Biomedical Research and Research Training	-	109,431
R1422		Dartmouth College	93.859	Biomedical Research and Research Training	-	47,553
R763		Dartmouth College	93.859	Biomedical Research and Research Training	-	(1)
R774		Dartmouth College	93.859	Biomedical Research and Research Training	-	(92)
R919		Dartmouth College	93.859	Biomedical Research and Research Training	-	(1,158)
SUBAWARD R1416-FY21		Dartmouth College	93.859	Biomedical Research and Research Training	-	114,938
1003287C-UNH		University of Wyoming	93.859	Biomedical Research and Research Training	-	(1)
Direct			93.859	Biomedical Research and Research Training	-	2,480,002
				Total Biomedical Research and Research Training	-	3,504,882

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	1R01HD083072	Center for Innovative Public Health Research	93.865	Child Health and Human Development Extramural Research		
	OSP2018052 PO #WA00648010	University of Massachusetts	93.865	Child Health and Human Development Extramural Research	\$ -	\$ 19,442
				Total Child Health and Human Development Extramural Research	-	123,940
					-	143,382
	S000780-DHHS	Pennsylvania State University	93.866	Aging Research	-	9,994
	S51110000037006	University of Massachusetts at Lowell	93.866	Aging Research	-	18,693
	3004158143	University of Michigan	93.866	Aging Research	-	25,917
				Total Aging Research	-	54,604
	Direct		93.867	Vision Research	-	145,797
	34605SUB53139	University of Vermont	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	-	235,418
	062020-026	NH Department of Health & Human Services	93.945	Assistance Programs for Chronic Disease Prevention and Control	23,991	110,721
	062020-026	NH Department of Health & Human Services	93.994	Maternal and Child Health Services Block Grant to the States	-	162,063
				Total Department of Health and Human Services	454,237	10,985,642
	Social Security Administration SUBK00014588	University of Michigan	96.007	Social Security Research and Demonstration		55,569
				Total Social Security Administration	-	55,569
	Department of Homeland Security 13H312	NH Department of Health & Human Services	97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	-	24,660
	13S066	NH Department of Safety	97.067	Homeland Security Grant Program	-	26,828
	13S067	NH Department of Safety	97.067	Homeland Security Grant Program	-	(10,365)
	13S070	NH Department of Safety	97.067	Homeland Security Grant Program	-	35,839
	13S071	NH Department of Safety	97.067	Homeland Security Grant Program	-	8,716
				Total Homeland Security Grant Program	-	61,018
				Total Department of Homeland Security	-	85,678
				Total Research and Development Cluster	12,181,031	81,587,745

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Department of Agriculture						
SNAP Cluster						
	13H282	NH Department of Health & Human Services	10.561	State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	\$ -	\$ 1,027,320
				Total SNAP Cluster	-	1,027,320
Forest Service Schools and Roads Cluster						
	Direct		10.666	Schools and Roads - Grants to Counties		6,987
				Total Forest Service Schools and Roads Cluster	-	6,987
Total Department of Agriculture						
					-	1,034,307
Department of the Interior						
Fish and Wildlife Cluster						
	031120-036	NH Department of Fish & Game	15.605	Sport Fish Restoration	-	18,387
	071019-037	NH Department of Fish & Game	15.611	Wildlife Restoration and Basic Hunter Education	-	226,472
	07241338	NH Department of Fish & Game	15.611	Wildlife Restoration and Basic Hunter Education	-	98,923
	PG216277701	University of Montana	15.611	Wildlife Restoration and Basic Hunter Education	-	22,881
				Total Wildlife Restoration and Basic Hunter Education	-	348,276
				Total Fish and Wildlife Cluster	-	366,663
Total Department of the Interior						
					-	366,663
Department of Transportation						
Highway Planning and Construction Cluster						
	HR 20-05 (52-17)	Natl Cooperative Highway Research Prog	20.205	Highway Planning and Construction	-	22,934
	041719-038	NH Department of Transportation	20.205	Highway Planning and Construction	-	50,533
	050119-022	NH Department of Transportation	20.205	Highway Planning and Construction	-	60,871
	05052127	NH Department of Transportation	20.205	Highway Planning and Construction	-	3,405

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	073119-040	NH Department of Transportation	20.205	Highway Planning and Construction		
	103118028	NH Department of Transportation	20.205	Highway Planning and Construction	\$ -	\$ 37,179
	103118-028	NH Department of Transportation	20.205	Highway Planning and Construction	-	8,961
	12181940	NH Department of Transportation	20.205	Highway Planning and Construction	-	89,070
	13T113	NH Department of Transportation	20.205	Highway Planning and Construction	-	293,297
	13T118	NH Department of Transportation	20.205	Highway Planning and Construction	-	38,032
	41369	NH Department of Transportation	20.205	Highway Planning and Construction	-	4,475
				Total Highway Planning and Construction Cluster	-	412,148
					-	1,020,905
Federal Transit Cluster						
	Direct		20.507	Federal Transit Formula Grants		766,974
				Total Federal Transit Cluster	-	766,974
Highway Safety Cluster						
	061020-097	NH Highway Safety Agency	20.600	State and Community Highway Safety	-	6,499
	060221113	NH Department of Safety	20.616	National Priority Safety Programs	-	21,831
	100219-046	NH Department of Safety	20.616	National Priority Safety Programs	-	4,960
	061020-096	NH Highway Safety Agency	20.616	National Priority Safety Programs	-	22,861
				Total National Priority Safety Programs	-	49,652
				Total Highway Safety Cluster	-	56,151
				Total Department of Transportation	-	1,844,030

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Environmental Protection Agency						
Drinking Water State Revolving Fund Cluster						
	20210127UNHSUB	Sanborn, Head & Associates	66.468	Capitalization Grants for Drinking Water State Revolving Funds	\$ -	\$ 2,528
				Total Drinking Water State Revolving Fund Cluster	-	2,528
				Total Environmental Protection Agency	-	2,528
Department of Education						
Student Financial Assistance Cluster						
Direct			84.007	Federal Supplemental Educational Opportunity Grants	-	2,167,266
Direct			84.033	Federal Work-Study Program	-	2,474,367
Direct			84.038	Federal Perkins Loan Program	-	13,527,777
Direct			84.063	Federal Pell Grant Program	-	23,081,809
Direct			84.268	Direct Lending Programs - Loans Issued	-	146,393,943
				Total Student Financial Assistance Cluster	-	187,645,162
TRIO Cluster						
Direct			84.042	TRIO Student Support Services	-	1,221,734
Direct			84.044	TRIO Talent Search	-	685,454
Direct			84.047	TRIO Upward Bound	-	1,161,757
Direct			84.217	TRIO McNair Post-Baccalaureate Achievement	-	299,278
				Total TRIO Cluster	-	3,368,223
Special Education Cluster (IDEA)						
	2712010312	NH Department of Education	84.027	Special Education Grants to States	-	34,955
	73D008	NH Department of Education	84.027	Special Education Grants to States	-	18,190
	73D009	NH Department of Education	84.027	Special Education Grants to States	-	16,139
	IDEA SPECIAL EDUC	NH Department of Education	84.027	Special Education Grants to States	-	2,529
				Total Special Education Grants to States	-	71,813
				Total Special Education Cluster (IDEA)	-	71,813
				Total Department of Education	-	191,085,198

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
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	\$ -	\$ 254,280
				Total CCDF Cluster	-	254,280
Medicaid Cluster						
	73N022	Catholic Medical Center	93.778	Medical Assistance Program	-	61,980
	14NI39	Network4Health	93.778	Medical Assistance Program	-	82,627
	14NK45	Network4Health	93.778	Medical Assistance Program	-	55,000
	062117-011	NH Department of Health & Human Services	93.778	Medical Assistance Program	-	963,474
				Total Medical Assistance Program	-	1,163,081
				Total Medicaid Cluster	-	1,163,081
				Total Department of Health and Human Services	-	1,417,361
Social Security Administration						
Disability Insurance/SSI Cluster						
	51765	Abt Associates Inc	96.001	Social Security Disability Insurance	-	8,090
	SSA.BPA.UNH.18	Summit Consulting LLC	96.001	Social Security Disability Insurance	-	(2,674)
				Total Disability Insurance/SSI Cluster	-	5,416
				Total Social Security Administration	-	5,416
Department of Agriculture						
	021920-033	NH Dept of Agriculture Markets & Food	10.170	Specialty Crop Block Grant Program - Farm Bill	-	8,834
	ENE20-166-34268	University of Vermont	10.215	Sustainable Agriculture Research and Education	-	29,973
	14NL69	National 4-H Council	10.500	Cooperative Extension Service	-	11,067
	Direct		10.511	Smith-Lever Funding (Various Programs)	-	1,342,623
	Direct		10.514	Expanded Food and Nutrition Education Program	-	322,756
	Direct		10.515	Renewable Resources Extension Act and National Focus Fund Projects	-	64,363

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	Direct		10.516	Rural Health and Safety Education Competitive Grants Program	\$ -	\$ 65,577
	Direct		10.664	Cooperative Forestry Assistance	-	72,400
	Direct		10.855	Distance Learning and Telemedicine Loans and Grants	-	40,942
				Total Department of Agriculture	<u>-</u>	<u>1,958,535</u>
Department of Commerce						
	Direct		11.000	Other Department of Commerce Programs	-	56,575
	Direct		11.020	Cluster Grants	-	59,761
	12/23/20	University Of Connecticut	11.417	Sea Grant Support	-	14,777
	Direct		11.417	Sea Grant Support	-	34,608
				Total Sea Grant Support	<u>-</u>	<u>49,385</u>
	05052154	NH Department of Environmental Services	11.419	Coastal Zone Management Administration Awards	-	2,425
	Direct		11.999	Marine Debris Program	-	22,738
				Total Department of Commerce	<u>-</u>	<u>190,884</u>
Department of Defense						
	Direct		12.300	Basic and Applied Scientific Research	-	2,130
	20871112	National Science Teachers Association	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	5,405
	21871034	National Science Teachers Association	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	3,306
	21871035	National Science Teachers Association	12.630	Basic, Applied, and Advanced Research in Science and Engineering	-	3,306
				Total Basic, Applied, and Advanced Research in Science and Engineering	<u>-</u>	<u>14,147</u>
	Direct		12.903	GenCyber Grants Program	-	7,110
				Total Department of Defense	<u>-</u>	<u>21,257</u>
Department of Housing and Urban Development						
	20403CDMC2	County of Cheshire	14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	-	85,918
				Total Department of Housing and Urban Development	<u>-</u>	<u>85,918</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, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of Justice						
	2020COV36	NH Department of Justice (Attorney General)	16.034	COVID-19 CARES ACT: USDOJ Coronavirus Emergency Supplemental Funding (CESF) - Loca	\$ -	\$ 2,659
	PO 1074324	NH Department of Justice (Attorney General)	16.034	COVID-19 CARES ACT: USDOJ Coronavirus Emergency Supplemental Funding (CESF) - Loca	-	120,812
				Total CARES ACT: USDOJ Coronavirus Emergency Supplemental Funding (CESF) - Loca	-	123,471
	Direct		16.525	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	-	74,764
	092320-21A	NH Department of Health & Human Services	16.540	Juvenile Justice and Delinquency Prevention	-	156,264
	14NJ08	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	47
	14NJ90	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	11
	14NK22	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	216
	14NL28	New Hampshire Coalition Against Domestic Violence	16.575	Crime Victim Assistance	-	130,326
				Total Crime Victim Assistance	-	130,600
				Total Department of Justice	-	485,099
Department of Labor						
	Direct		17.504	Consultation Agreements	-	478,025
				Total Department of Labor	-	478,025
Department of Transportation						
	Direct		20.514	Public Transportation Research, Technical Assistance, and Training	-	1,452
				Total Department of Transportation	-	1,452
Department of the Treasury						
	14NL75	Cross Roads House	21.019	COVID-19 Coronavirus Relief Fund	-	66,625
	13D091	NH Department of Education	21.019	COVID-19 Coronavirus Relief Fund	-	1,251,055
	13H300	NH Department of Health & Human Services	21.019	COVID-19 Coronavirus Relief Fund	-	12,550
	2020374	NH Department of Health & Human Services	21.019	COVID-19 Coronavirus Relief Fund	-	36,375

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
AWARD 03/31/2021		NH Department of Health & Human Services	21.019	COVID-19 Coronavirus Relief Fund	\$ -	\$ 20,565
AWARD 1/1/20		NH Department of Health & Human Services	21.019	COVID-19 Coronavirus Relief Fund	-	31,875
93Z001		NH Office of the Governor	21.019	COVID-19 Coronavirus Relief Fund	-	28,096,462
20197		Volunteer New Hampshire	21.019	COVID-19 Coronavirus Relief Fund	-	238,492
				Total Coronavirus Relief Fund	-	29,753,999
				Total Department of the Treasury	-	29,753,999
National Foundation on the Arts and the Humanities						
Direct			45.024	COVID-19 Promotion of the Arts Grants to Organizations and Individuals	-	50,000
20-37090		New England Foundation for the Arts	45.025	Promotion of the Arts Partnership Agreements	-	900
20-37091		New England Foundation for the Arts	45.025	Promotion of the Arts Partnership Agreements	-	5,400
20-37191		New England Foundation for the Arts	45.025	Promotion of the Arts Partnership Agreements	-	7,730
13Z164		NH State Council on the Arts	45.025	Promotion of the Arts Partnership Agreements	-	1,197
220848		NH State Council on the Arts	45.025	COVID-19 Promotion of the Arts Partnership Agreements	-	7,100
FY2020OPP1#9877		NH State Council on the Arts	45.025	Promotion of the Arts Partnership Agreements	-	(541)
FY2021OPP2#10246		NH State Council on the Arts	45.025	Promotion of the Arts Partnership Agreements	-	9,000
				Total Promotion of the Arts Partnership Agreements	-	30,786
948-20		New Hampshire Humanities Council, Inc.	45.129	Promotion of the Humanities Federal/State Partnership	-	250
955-20		NH Humanities Council	45.129	Promotion of the Humanities Federal/State Partnership	-	9,999
				Total Promotion of the Humanities Federal/State Partnership	-	10,249
Direct			45.162	Promotion of the Humanities Teaching and Learning Resources and Curriculum Development	-	28,349
				Total National Foundation on the Arts and the Humanities	-	119,384
Small Business Administration						
Direct			59.037	COVID-19 Small Business Development Centers	-	607,282
Direct			59.037	Small Business Development Centers	-	661,561
				Total Small Business Development Centers	-	1,268,843
Direct			59.058	Federal and State Technology Partnership Program	-	50,826
				Total Small Business Administration	-	1,319,669

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Department of Veterans Affairs						
Direct			64.000	Other Department of Veterans Affairs	\$ -	\$ 35,880
Direct			64.034	VA Grants for Adaptive Sports Programs for Disabled Veterans and Disabled Members of the Armed Forces	-	81,129
Total Department of Veterans Affairs					<u>-</u>	<u>117,009</u>
Environmental Protection Agency						
Direct			66.110	Healthy Communities Grant Program	-	1,281
SNEP1-05		University of Southern Maine	66.129	Southeast New England Coastal Watershed Restoration	-	178,490
Direct			66.514	Science To Achieve Results (STAR) Fellowship Program	-	3,344
Total Environmental Protection Agency					<u>-</u>	<u>183,115</u>
Department of Education						
84.184G		Laconia School District	84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	-	3,853
S184M190039		Laconia School District	84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	-	82,582
S184F180016-20	84.184F	NH Department of Education	84.184	School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)	-	166,501
Total School Safety National Activities (formerly, Safe and Drug-Free Schools and Communities-National Programs)					<u>-</u>	<u>252,936</u>
M-V SUBGRANT 84.196A		Laconia School District	84.196	Education for Homeless Children and Youth	-	1,327
H323A170029		NH Department of Education	84.323	Special Education - State Personnel Development	-	99,695
H323A170029-18		NH Department of Education	84.323	Special Education - State Personnel Development	-	13,878
Total Special Education - State Personnel Development					<u>-</u>	<u>113,573</u>
AWARD 7/1/20		New Hampshire Learning Initiative	84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	-	15,172
Direct			84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	-	407,360
Total Special Education - Personnel Development to Improve Services and Results for Children with Disabilities					<u>-</u>	<u>422,532</u>
Direct			84.336	Teacher Quality Partnership Grants	-	1,023,201

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			84.407	Transition Programs for Students with Intellectual Disabilities into Higher Education	\$ -	\$ 120,057
13D091		NH Department of Education	84.425C	COVID-19 Education Stabilization Fund	-	835,640
13D091		NH Department of Education	84.425D	COVID-19 Education Stabilization Fund	-	835,640
Direct			84.425E	COVID-19 Education Stabilization Fund	-	12,087,559
Direct			84.425F	COVID-19 Education Stabilization Fund	-	38,807,473
				Total COVID-19 Education Stabilization Fund	-	52,566,312
				Total Department of Education	-	54,499,938
Northern Border Regional Commission						
14UE59		Vermont Technical College	90.601	Northern Border Regional Development	-	11,383
				Total Northern Border Regional Commission	-	11,383
Department of Health & Human Services						
Direct			93.000	COVID-19 Other Department of Health and Human Services Programs	-	9,811
5H79SM063408-04		County of Cheshire	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	61,441
6H79SM063408-04M003		County of Cheshire	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	28,817
H79SM0082959		County of Cheshire	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	131,841
5H79SM082210-02		Manchester, NH (City of)	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	127,443
1H79SM082999-01		NH Department of Education	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	216,421
SM-16-009		NH Department of Education	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	160,589
				Total Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	-	726,552
031319-009		NH Department of Health & Human Services	93.136	Injury Prevention and Control Research and State and Community Based Program	25,039	210,727
Direct			93.184	Disabilities Prevention	-	445,669

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
	1H79SM061875-01	Berlin Public Schools	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	\$ -	\$ 2,444
	1-H79SM082104-01	NAMI NH	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	116,008
	03252158	NH Department of Education	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	95,283
	IH79SM082054-01	NH Department of Education	93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	269,322
	Direct		93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	166,409
				Total Substance Abuse and Mental Health Services Projects of Regional and National Significance	-	649,466
	14NK66	Lamprey Health Care	93.247	Advanced Nursing Education Workforce Grant Program	-	6,465
	Direct		93.247	Advanced Nursing Education Workforce Grant Program	29,617	820,181
				Total Advanced Nursing Education Workforce Grant Program	29,617	826,646
	19-166	University of Massachusetts	93.279	Drug Abuse and Addiction Research Programs	-	55,706
	06292066	NH Department of Education	93.369	ACL Independent Living State Grants	-	10,771
	36-21-8814	Assoc of University Centers on Disabilities (AUCD)	93.421	Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	-	68,632
	Direct		93.434	Every Student Succeeds Act/Preschool Development Grants	-	7,715,018
	Direct		93.464	ACL Assistive Technology	-	410,298
	14NL13	Org for Refugee & Immigrant Success	93.576	Refugee and Entrant Assistance Discretionary Grants	-	3,889
	Direct		93.631	Developmental Disabilities Projects of National Significance	16,249	370,281

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
JUNE 30, 2021**

Federal Grantor/ Cluster Title	Direct Award or Pass through Entity Identifying Number	Pass through Grantor	AL No.	Program Title	Amount Passed Through to Subrecipient	Total Federal Expenditures
Direct			93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	\$ -	\$ 3,353
G&C ##78 6/18/14		NH Department of Health & Human Services	93.645	Stephanie Tubbs Jones Child Welfare Services Program	-	(2,027)
062018-44C		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	140,780
1801NHFOST, 1801NHADPT , 1801NHCW		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	70,735
G&C # 35, 5/1/13		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	(2,258)
GSC 02/7/18 #11		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	2,277,894
GSC 06/15/16 #9A		NH Department of Health & Human Services	93.658	Foster Care Title IV-E	-	6,558
				Total Foster Care Title IV-E	-	2,493,709
120220#B		NH Department of Health & Human Services	93.665	COVID-19 Emergency Grants to Address Mental and Substance Use Disorders During COVID-19	-	31,257
062117-011		NH Department of Health & Human Services	93.687	Maternal Opioid Misuse Model	-	21,342
Direct			93.732	Mental and Behavioral Health Education and Training Grants	-	1,239,011
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)	-	7,781
Direct			93.788	Opioid STR	-	168,985
062018-22A		NH Department of Health & Human Services	93.791	Money Follows the Person Rebalancing Demonstration	-	371,729
NU58DP006298		NH Department of Health & Human Services	93.898	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	-	72,441
6D06RH310570102		The Cheshire Medical Center	93.912	Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	-	4,912
				Total Department of Health and Human Services	<u>70,905</u>	<u>15,915,959</u>
Department of Homeland Security						
062420-174		NH Department of Safety	97.042	COVID-19 Emergency Management Performance Grants	-	20,161
13S077		NH Department of Safety	97.067	Homeland Security Grant Program	-	3,050
				Total Department of Homeland Security	<u>-</u>	<u>23,211</u>
					<u>70,905</u>	<u>300,920,340</u>
				Total Expenditures of Federal Awards	<u>\$ 12,251,936</u>	<u>\$ 382,508,085</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

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, 2021. 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 organizations.

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 63.9% of direct salaries and wages from July 1, 2021 until amended.

The on-campus facilities and administrative cost rate in place for KSC is 53.4% of direct salaries and wages from July 1, 2021 until amended.

The on-campus facilities and administrative cost rate in place for GSC is 57.3% of direct salaries and wages from July 1, 2021 until amended.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021**

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, 2021 is \$10,066,870.

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, 2021 are summarized as follows:

Stafford Loans:	
UNH	\$ 66,655,763
PSU	23,189,154
KSC	14,405,849
GSC	<u>5,896,546</u>
Total Stafford Loans	<u>110,147,312</u>
Plus Loans:	
UNH	22,610,909
PSU	8,165,929
KSC	5,454,758
GSC	<u>15,035</u>
Total Plus Loans	<u>36,246,631</u>
Total Federal Direct Student Loans	<u>\$ 146,393,943</u>

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

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

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268	Student Financial Assistance Cluster
84.425C, 84.425D, 84.425E, 84.425F	Education Stabilization Fund
21.019	Coronavirus Relief Fund
93.434	Every Student Succeeds Act/Preschool Development Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

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

2021 – 001

Federal Agency: Department of Education

Federal Program Title: Education Stabilization Fund

Assistance Listing Number: 84.425E, 84.425F

Award Period: July 01, 2020 – June 30, 2021

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

Criteria or Specific Requirement:

Per Uniform Guidance 2 CFR 200.303, non-federal entities receiving federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements. The initial reporting for this grant requires the report to be submitted to the college or university's website within 30 days of the signed Certification Agreement or 30 days after the electronic announcement dated May 6, whichever is later. Colleges and universities were then required to update their websites every 45 days after initial upload. This was changed to quarterly on August 31, 2020. In addition, an annual report is required.

Condition

During our testing, we noted:

- One of the four annual reports tested did not have supporting documentation that agreed to the numbers included in the report and three lacked documentation to prove a review was completed prior to posting to the website
- Two of the four quarterly institutional reports tested was not timely submitted and one of the four tested did not have supporting documentation that agreed to the numbers included in the report and two lacked documentation to prove a review was completed prior to posting to the website
- Three of the four quarterly student reports tested did not have supporting documentation that agreed to the numbers included in the report, and a lack of documentation to prove a review was completed prior to posting to the website

Context:

The colleges and universities did not have a process to track the reporting requirements. In addition, there was a general lack of guidance from ED on reporting requirements. This lead to issues with six of the 12 reports tested.

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 reporting.

**UNIVERSITY SYSTEM OF NEW HAMPSHIRE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

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:

Yes, 2020-001

Auditor's Recommendation:

We recommend the Universities and College 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.