

**University of
Notre Dame du Lac**
**Report on Federal Financial Assistance
Programs in Accordance with the
Uniform Guidance
For the Year Ended June 30, 2021
EIN 35-0868188**

University of Notre Dame du Lac
Index
For the year ended June 30, 2021

	Page(s)
<u>Part I – Consolidated Financial Statements</u>	
Report of Independent Auditors	1-2
Consolidated Financial Statements.....	3-7
Notes to Consolidated Financial Statements.....	8-40
Schedule of Expenditures of Federal Awards.....	41-60
Notes to Schedule of Expenditures of Federal Awards.....	61-62
Financial Responsibility Supplemental Schedule.....	63-65
Notes to Financial Responsibility Supplemental Schedule.....	66
 <u>Part II – Reports on Internal Control and Compliance</u>	
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	67-68
Report of Independent Auditors on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with the Uniform Guidance.....	69-71
 <u>Part III – Schedule of Findings and Questioned Costs</u>	
Section I - Summary of Auditors' Results.....	72
Section II - Financial Statement Findings.....	73
Section III - Federal Award Findings and Questioned Costs.....	73
 <u>Part IV – Prior Year Audit Findings</u>	
Summary Schedule of Prior Audit Findings and Status.....	74

Part I

Consolidated Financial Statements



Report of Independent Auditors

To the Board of Trustees
University of Notre Dame du Lac

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the University of Notre Dame du Lac and its subsidiaries (the "University"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of changes in net assets, of functional expenses, and of cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of Notre Dame du Lac and its subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows



for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2021 and the financial responsibility supplemental schedule as of and for the year ended June 30, 2021 are presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Department of Education, respectively, and are not a required part of the consolidated financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial responsibility supplemental schedule are fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, except with respect to footnote 22 to the consolidated financial statements and the opinion on the financial responsibility supplemental schedule, as to which the date is March 30, 2022, on our consideration of the University'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

Chicago, IL

November 15, 2021, except with respect to footnote 22 to the consolidated financial statements and the opinion on the financial responsibility supplemental schedule, as to which the date is March 30, 2022.

University of Notre Dame du Lac

Consolidated Statements of Financial Position

As of June 30

(in thousands)

	<u>2021</u>	<u>2020</u>
Assets		
Cash and cash equivalents	\$ 148,031	\$ 214,495
Accounts receivable, net (Note 3)	68,011	69,797
Deferred charges and other assets (Note 4)	117,559	44,857
Contributions receivable, net (Note 5)	515,474	573,815
Notes receivable, net (Note 6)	19,013	20,545
Investments (Note 7)	22,845,772	14,961,392
Land, buildings, and equipment, net of accumulated depreciation (Note 8)	2,549,285	2,528,718
	<hr/>	<hr/>
Total assets	\$ 26,263,145	\$ 18,413,619
Liabilities		
Accounts payable	\$ 92,639	\$ 42,975
Short-term borrowing (Note 9)	43,003	125,000
Deferred revenue and refundable advances (Note 10)	168,469	146,773
Deposits and other liabilities (Note 11)	304,814	290,171
Liabilities associated with investments (Note 7)	2,494,892	1,672,603
Obligations under split-interest agreements (Note 17)	311,957	206,204
Bonds and notes payable (Note 12)	1,264,576	1,265,597
Pension and other postretirement benefit obligations (Note 14)	104,218	170,803
	<hr/>	<hr/>
Total liabilities	4,784,568	3,920,126
Net Assets		
Without donor restrictions (Note 15)	9,756,218	6,449,993
With donor restrictions (Note 15)	11,722,359	8,043,500
	<hr/>	<hr/>
Total net assets	21,478,577	14,493,493
	<hr/>	<hr/>
Total liabilities and net assets	\$ 26,263,145	\$ 18,413,619

See accompanying notes to consolidated financial statements.

University of Notre Dame du Lac

Consolidated Statements of Changes in Net Assets

Years ended June 30

(in thousands)

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2021 Total	2020 Total
Operating Revenues and Other Additions				
Net tuition and fees (Note 18)	\$ 361,173	\$ -	\$ 361,173	\$ 353,452
Grants and contracts (Note 19)	160,798	-	160,798	147,232
Contributions	53,091	80,604	133,695	117,673
Endowment payout (Note 16)	149,591	279,290	428,881	415,330
Sales and services of auxiliary enterprises (Note 20)	233,079	-	233,079	254,807
Other sources	32,834	-	32,834	38,344
Total operating revenues	990,566	359,894	1,350,460	1,326,838
Net assets released from restrictions (Note 15)	301,375	(301,375)	-	-
Total operating revenues and other additions	1,291,941	58,519	1,350,460	1,326,838
Operating Expenses	(1,234,582)	-	(1,234,582)	(1,280,130)
Increase in net assets from operations	57,359	58,519	115,878	46,708
Non-Operating Changes in Net Assets				
Contributions	21,247	183,525	204,772	378,597
Investment return (Note 7)	3,185,507	3,714,224	6,899,731	879,454
Endowment payout (Note 16)	(149,591)	(279,290)	(428,881)	(415,330)
Net gain/(loss) on debt-related derivatives (Note 13)	83,063	-	83,063	(61,243)
Net assets released from restrictions (Note 15)	47,496	(47,496)	-	-
Pension and postretirement benefits-related changes:				
Net periodic benefit costs (Note 14)	(5,705)	-	(5,705)	(3,780)
Other changes (Note 14)	68,643	-	68,643	(49,217)
Change in value of split-interest agreements (Note 17)	(270)	49,813	49,543	6,107
Other non-operating changes	(1,524)	(436)	(1,960)	(5,821)
Increase in net assets from non-operating activities	3,248,866	3,620,340	6,869,206	728,767
Increase in net assets	3,306,225	3,678,859	6,985,084	775,475
Net assets beginning of year	6,449,993	8,043,500	14,493,493	13,718,018
Net assets end of year	\$ 9,756,218	\$ 11,722,359	\$ 21,478,577	\$ 14,493,493

See accompanying notes to consolidated financial statements.

University of Notre Dame du Lac

Consolidated Statements of Changes in Net Assets

Year ended June 30

(in thousands)

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2020 Total
Operating Revenues and Other Additions			
Net tuition and fees (Note 18)	\$ 353,452	\$ -	\$ 353,452
Grants and contracts (Note 19)	147,232	-	147,232
Contributions	45,807	71,866	117,673
Endowment payout (Note 16)	148,632	266,698	415,330
Sales and services of auxiliary enterprises (Note 20)	254,807	-	254,807
Other sources	38,344	-	38,344
Total operating revenues	988,274	338,564	1,326,838
Net assets released from restrictions (Note 15)	297,517	(297,517)	-
Total operating revenues and other additions	1,285,791	41,047	1,326,838
Operating Expenses	(1,280,130)	-	(1,280,130)
Increase in net assets from operations	5,661	41,047	46,708
Non-Operating Changes in Net Assets			
Contributions	98,553	280,044	378,597
Investment return (Note 7)	409,298	470,156	879,454
Endowment payout (Note 16)	(148,632)	(266,698)	(415,330)
Net loss on debt-related derivatives (Note 13)	(61,243)	-	(61,243)
Net assets released from restrictions (Note 15)	113,266	(113,266)	-
Pension and postretirement benefits-related changes:			
Net periodic benefit costs (Note 14)	(3,780)	-	(3,780)
Other changes (Note 14)	(49,217)	-	(49,217)
Change in value of split-interest agreements (Note 17)	(260)	6,367	6,107
Other non-operating changes	(7,822)	2,001	(5,821)
Increase in net assets from non-operating activities	350,163	378,604	728,767
Increase in net assets	355,824	419,651	775,475
Net assets beginning of year	6,094,169	7,623,849	13,718,018
Net assets end of year	\$ 6,449,993	\$ 8,043,500	\$ 14,493,493

See accompanying notes to consolidated financial statements.

University of Notre Dame du Lac

Consolidated Statements of Functional Expenses

Years ended June 30

(in thousands)

	<i>Salaries & wages</i>	<i>Benefits</i>	<i>Supplies & services</i>	<i>Depreciation (Note 8)</i>	<i>Interest</i>	2021 Total
Operating Expenses						
Academic programs and research	\$ 401,000	\$ 101,554	\$ 167,554	\$ 54,989	\$ 27,356	\$ 752,453
Auxiliary enterprises	83,088	27,156	73,137	41,178	8,395	232,954
General administration	78,187	46,235	70,136	6,364	8,038	208,960
Fundraising	24,747	7,613	5,792	242	1,821	40,215
Total operating expenses	587,022	182,558	316,619	102,773	45,610	1,234,582
Non-operating expenses						
Net periodic benefit costs (Note 14)	-	5,705	-	-	-	5,705
Expenses of consolidated company	-	-	7,103	2,276	1,733	11,112
Total expenses	\$ 587,022	\$ 188,263	\$ 323,722	\$ 105,049	\$ 47,343	\$ 1,251,399

	<i>Salaries & wages</i>	<i>Benefits</i>	<i>Supplies & services</i>	<i>Depreciation (Note 8)</i>	<i>Interest</i>	2020 Total
Operating Expenses						
Academic programs and research	\$ 398,741	\$ 96,104	\$ 210,515	\$ 54,311	\$ 25,942	\$ 785,613
Auxiliary enterprises	92,266	27,632	96,002	39,191	8,272	263,363
General administration	74,471	44,770	49,576	6,312	6,574	181,703
Fundraising	28,048	7,176	12,331	257	1,639	49,451
Total operating expenses	593,526	175,682	368,424	100,071	42,427	1,280,130
Non-operating expenses						
Net periodic benefit costs (Note 14)	-	3,780	-	-	-	3,780
Expenses of consolidated company	-	-	7,853	1,962	1,774	11,589
Total expenses	\$ 593,526	\$ 179,462	\$ 376,277	\$ 102,033	\$ 44,201	\$ 1,295,499

See accompanying notes to consolidated financial statements.

University of Notre Dame du Lac

Consolidated Statements of Cash Flows

Years ended June 30

(in thousands)

	2021	2020
Cash Flows from Operating Activities		
Increase in net assets	\$ 6,985,084	\$ 775,475
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net gain on investments	(6,894,609)	(851,934)
Contributions for long-term investment	(170,266)	(242,712)
Contributed securities	(106,456)	(109,715)
Proceeds from sales of securities contributed for operations	10,523	10,138
Depreciation	105,049	102,033
Loss on disposal of land, buildings, and equipment	7,337	1,557
Change in contributions receivable	58,341	(32,750)
Change in value of split-interest agreements	(49,543)	(6,107)
Change in pension and other postretirement benefit obligations	(66,585)	49,848
Changes in operating assets and liabilities:		
Accounts receivable, deferred charges and other assets	(70,916)	(672)
Accounts payable, deferred revenue and refundable advances, and deposits and other liabilities	64,047	31,851
Other, net	3,374	(1,477)
Net cash used by operating activities	<u>(124,620)</u>	<u>(274,465)</u>
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	11,435,108	8,117,263
Purchases of investments	(11,452,946)	(8,116,537)
Purchases of land, buildings, and equipment	(104,637)	(126,455)
Student and other loans granted	(3,499)	(4,063)
Student and other loans repaid	5,629	7,490
Net cash used by investing activities	<u>(120,345)</u>	<u>(122,302)</u>
Cash Flows from Financing Activities		
Investment income restricted for non-operational purposes	6,381	5,949
Contributions for long-term investment	190,191	262,128
Proceeds from sales of securities contributed for long-term investment	93,829	99,577
Proceeds from short-term borrowing	84,693	1,219,662
Repayment of short-term borrowing	(166,690)	(1,251,385)
Payments to beneficiaries of split-interest agreements	(19,714)	(16,232)
Proceeds from bonds issued	-	155,000
Repayment of bonds and notes	(1,021)	(980)
Return of government advances for student loans	(4,497)	(8,533)
Cash accepted for investment on behalf of religious affiliates	79,542	25,813
Cash returned to religious affiliates	(84,213)	(27,371)
Net cash provided by financing activities	<u>178,501</u>	<u>463,628</u>
Net increase/(decrease) in cash and cash equivalents	(66,464)	66,861
Cash and cash equivalents at beginning of year	<u>214,495</u>	<u>147,634</u>
Cash and cash equivalents at end of year	<u>\$ 148,031</u>	<u>\$ 214,495</u>
Supplemental Data		
Interest paid	\$ 46,576	\$ 44,024

See accompanying notes to consolidated financial statements.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The University of Notre Dame du Lac is a private Catholic research university. The accompanying consolidated financial statements include the assets, liabilities, and activities of certain other entities under the financial control of the University of Notre Dame du Lac. This includes the wholly-owned limited liability company cited in *Note 7* and *Note 12*, which operates a commercial property in Chicago, Illinois for investment purposes. The University of Notre Dame du Lac and entities included herein are referred to individually and collectively as the “University.”

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements reflect the activities of the University as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions—Net assets not subject to donor-imposed restrictions and available for any purpose consistent with the University’s mission. Revenues from grants and contracts subject to conditions and purpose restrictions are recognized within changes in net assets without donor restrictions in the period in which those conditions and restrictions are met. Other revenues are generally reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Investment returns generated by funds functioning as endowment and other sources are also classified as changes in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Operating expenses are reported as decreases in net assets without donor restrictions.

Net Assets With Donor Restrictions—Net assets that are either required to be maintained in perpetuity by donors or are subject to donor-imposed purpose restrictions that must be met by actions of the University and/or passage of time. Net assets subject to donor-imposed restrictions requiring they be maintained in perpetuity are generally restricted to long-term investment and are comprised primarily of donor-restricted endowment funds. Subject to the University’s endowment spending policy, investment returns on perpetually restricted endowment funds are generally available for appropriation to support operational needs as specified by donor restriction. Contributed assets with a non-perpetual restriction normally fund specific expenditures of an operating or capital nature. Unconditional restricted contributions or investment returns received and expended within the same fiscal period are reported as increases in net assets with donor restrictions and net assets released from restrictions, respectively.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

The University's measure of operations presented in the consolidated statements of changes in net assets includes revenues from tuition and fees, grants and contracts, contributions for operations, endowment payout distributed under the University's spending policy, revenues from auxiliary enterprises, and other sources. Operating expenses are summarized in the consolidated statements of functional expenses by natural classification and functional categories. Costs incurred in direct support of the University's primary mission, including those for instruction, research, public service, academic support, and student services are reflected within the *academic programs and research* functional category. Interest from taxable bonds and other debt is allocated to functional categories based on the proportion of expenses charged directly to each function prior to allocating costs for operations and maintenance of plant. Interest from tax-exempt bonds is allocated to functional categories based on the square footage occupancy of the related facilities. Costs for operations and maintenance of plant and depreciation are allocated to functional categories based primarily on square footage occupancy.

Non-operating activities presented in the consolidated statements of changes in net assets include contributions designated by the University or restricted by donors for endowment or investment in buildings and equipment, investment return net of the endowment payout for operations, any gains or losses on debt-related derivatives, and certain pension and postretirement benefits-related changes in net assets. Other non-operating changes in net assets include the net activities of the consolidated limited liability company described in *Note 7* and *Note 12*, the effect of changes in donor intent with respect to endowment and other funds, and other activities considered unusual or non-recurring in nature. Non-operating net assets released from restrictions generally reflect the expenditure of net assets restricted to investment in buildings and equipment and other expirations of term restrictions.

NET TUITION AND FEES

Tuition and fees for instruction and other educational services, net of scholarships and fellowships, are substantially billed and collected prior to the end of each semester. Revenues are earned and recognized over the course of each semester as educational services are delivered. Accounts receivable from students are typically insignificant at the end of each fiscal year.

Tuition scholarships and fellowships

As reflected in *Note 18*, student financial aid in the form of undergraduate scholarships, athletics grants-in-aid, and graduate and professional fellowships is reflected as contra-tuition revenue in the consolidated statements of changes in net assets.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

GRANTS AND CONTRACTS

Grants for basic research and other sponsored programs are generally subject to restrictions and conditions that must be met before the University is entitled to funding. Accordingly, advances from granting agencies are generally considered refundable in the unlikely event specified services are not performed. The University recognizes revenues on grants for basic research and other sponsored programs as the awards for such programs are expended since expenditure in accordance with award terms typically results in the simultaneous release of restrictions and conditions imposed by the grantor. Revenue from exchange contracts for applied research is recognized as the University's contractual performance obligations are substantially met. Indirect cost recovery by the University on U.S. government grants and contracts is based upon a predetermined negotiated rate and is recorded as grants and contracts revenue.

AUXILIARY ENTERPRISES

The University's auxiliary enterprises consist principally of intercollegiate athletics and enterprises that provide goods and services to the campus community, such as residence and dining halls, hospitality enterprises, bookstores, and event management services. These enterprises are managed as self-supporting activities. Revenues and expenses from auxiliary enterprises are reported as changes in net assets without donor restrictions.

Certain auxiliary revenues arise from contracts. Revenues from intercollegiate athletics ticket sales, media rights, licensing, royalties, and other contracts are received and recognized concurrent with event-based obligations or the passage of contract terms, but typically within the fiscal year. However, season ticket proceeds received prior to the report date for events scheduled in the upcoming fiscal year are recorded as deferred revenue and recognized as the associated events are completed. Charges to students for campus residence, dining, and laundry services are substantially billed and collected prior to the end of each semester. Associated revenues are earned and recognized over the course of each semester as these services are delivered. Revenues are reported net of scholarships and fellowships allocated to room and board, the total of which is insignificant. Accounts receivable from students are typically insignificant at the end of each fiscal year. Revenues generated by on-campus event management, including those from hosting concerts and professional sporting events, are recognized as event-based obligations are fulfilled. Associated contract-related liabilities at year end are insignificant.

CASH AND CASH EQUIVALENTS

Resources invested in money market funds and other short-term investments with maturities at the date of purchase of three months or less are classified as cash equivalents, except that any such investments purchased by external investment managers are classified as investments. Substantially all cash and cash equivalents are concentrated in accounts in which balances exceed Federal Deposit Insurance Corporation limits.

ACCOUNTS RECEIVABLE

Accounts receivable are recorded at face value and typically have contractual maturities of less than one year. Allowance is made for uncollectible accounts based upon management's expectations and past collection experience.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

CONTRIBUTIONS RECEIVABLE

Pledges that represent unconditional promises to give are recognized at fair value as contributions with donor restrictions in the period such promises are made by donors. Contributions are discounted at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contribution revenue. Allowance is made for uncollectible contributions based upon management's expectations regarding the collection of outstanding promises to give and past collection experience.

NOTES RECEIVABLE

Notes receivable, which are recorded at face value, principally represent amounts due from students under federal Perkins and institutional loan programs. A general allowance is made for uncollectible student loans after considering both long-term collection experience and current trends, such as recent default rates of cohorts entering repayment status. Other notes receivable are evaluated individually for impairment, with allowances recorded based on management's expectations given facts and circumstances related to each note.

LEASES

The University leases space and equipment for academic and administrative purposes under noncancelable operating leases. Right-of-use assets and liabilities reported in the consolidated statements of financial position are initially recognized at the present value of future minimum lease payments, which are discounted at an incremental borrowing rate appropriate to the duration of the lease term. Options to extend a lease are reflected in these amounts if and when it becomes reasonably certain the University will exercise such options. Right-of-use assets and lease liabilities are reported in the consolidated statements of financial position within the *deferred charges and other assets* and *deposits and other liabilities* lines, respectively.

The University has elected to exclude leases with an initial term of 12 months or less from the amounts reported in the consolidated statements of financial position.

INVESTMENTS

Investments are stated at estimated fair value. The University measures the fair values of investments in securities at the last sales price of the fiscal year on the primary exchange where the security is traded. Non-exchange-traded instruments and over-the-counter positions are primarily valued using independent pricing services, broker quotes, or models with externally verifiable inputs. The fair values of alternative investments (interests in private equity, hedge, real estate, and other similar funds) for which quoted market prices are not available are generally measured based on the reported partner's capital or net asset value ("NAV") provided by the associated external investment managers. The reported partner's capital or NAV is subject to management's assessment that the valuation provided is representative of fair value. Management exercises diligence in assessing the policies, procedures, and controls implemented by its external investment managers, and thus believes the carrying amount of these assets represents a reasonable estimate of fair value. However, because alternative investments are generally not readily marketable,

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

their estimated value is subject to inherent uncertainty and therefore may differ from the value that would have been used had a ready market for such investments existed.

Investments Held on Behalf of Other Entities

The University serves as the trustee for its employees' defined benefit pension plan, managing the investment assets held within the plan. The University also invests funds on behalf of religious affiliates that share the University's Catholic ministry and educational missions. Accordingly, the University reports an equal asset and liability in the consolidated statements of financial position representing the value of investments managed on behalf of these entities.

DEBT-RELATED DERIVATIVES

The University utilizes derivatives in a limited manner outside of its investment portfolio. As described in *Note 13*, interest rate swap agreements are used to manage interest rate risk associated with future anticipated bond obligations. These swaps are reported in the consolidated statements of financial position at fair value. Fair value is estimated based on pricing models that utilize significant observable inputs, such as relevant interest rates, that reflect assumptions market participants would use in pricing the instruments. Any gains or losses resulting from changes in the fair value of these swaps or periodic net cash settlements with counterparties, including settlements related to their termination of such agreements, are recognized as non-operating changes in net assets without donor restrictions.

LAND, BUILDINGS, AND EQUIPMENT

Institutional properties are stated at cost or estimated fair value if acquired by gift, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, averaging 15 years for land improvements, 25-50 years for buildings, and 5-25 years for equipment.

The University does not capitalize the cost of library books, nor the cost or fair value of its art collection. The latter is held for exhibition and educational purposes only and not for financial gain.

Conditional Asset Retirement Obligations

The University recognizes asset retirement obligations when incurred. A discounting technique is used to calculate the present value of the capitalized asset retirement costs and the related obligation. Asset retirement costs are depreciated over the estimated remaining useful life of the related asset and the asset retirement obligation is accreted annually to the current present value. Upon settlement of an obligation, any difference between the retirement obligation and the cost to settle is recognized as a gain or loss in the consolidated statements of changes in net assets. The University's conditional asset retirement obligations relate primarily to asbestos remediation and will be settled upon undertaking associated renovation projects.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

SPLIT-INTEREST AGREEMENTS

The University's split-interest agreements consist principally of charitable gift annuities and irrevocable charitable remainder trusts for which the University serves as trustee. Contribution revenue is recognized at the date a gift annuity or trust is established after recording a liability at the fair value of the estimated future payments to be made to beneficiaries. Estimated future payments to beneficiaries are discounted at a risk-adjusted rate. Liabilities are adjusted during the terms of the agreements to reflect payments to beneficiaries, returns on trust assets, accretion of discounts, and other considerations that affect the estimates of future payments. Net adjustments to the liabilities are recorded as changes in the value of split-interest agreements.

FAIR VALUE MEASUREMENTS

Fair value measurements reflected in the consolidated financial statements conceptually represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles provide a hierarchy that prioritizes the inputs to fair value measurements based on the extent to which inputs to valuation techniques are observable in the marketplace. The hierarchy assigns a higher priority to observable inputs that reflect verifiable information obtained from independent sources and a lower priority to unobservable inputs that would reflect the University's assumptions about how market participants would value an asset or liability based on the best information available. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs.

The three levels of the hierarchy of inputs used to measure fair value are described briefly as follows:

Level 1—Unadjusted quoted prices in active markets for identical assets or liabilities that are available at the measurement date.

Level 2—Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3—Unobservable inputs for the asset or liability, used in situations in which little or no market activity exists for the asset or liability at the measurement date.

The categorization of fair value measurements by level of the hierarchy is based upon the lowest level input that is significant to the overall fair value measurement for a given asset or liability.

If changes in the inputs used in the fair value measurement of an asset or liability result in a transfer of the fair value measurement to a different categorization (e.g., from Level 3 to Level 2), such transfers between fair value categories are recognized at the end of the reporting period.

USE OF ESTIMATES

The preparation of consolidated financial statements in accordance with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

TAX STATUS

The University is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code, except to the extent the University generates unrelated business income. The University is also subject to excise taxes on net investment income and executive compensation.

RECLASSIFICATIONS

Certain fiscal 2020 amounts within the consolidated financial statements have been reclassified to conform to the 2021 presentation.

SUBSEQUENT EVENTS

The University has evaluated subsequent events through November 15, 2021, the date the financial statements were issued. No events requiring disclosure were identified.

NEW ACCOUNTING PRONOUNCEMENTS

During the year ended June 30, 2021, the University adopted the lease accounting provisions in ASC Topic 842 (*Leases*), which consists principally of the guidance originally issued in ASU 2016-02. This guidance established a model under which lessees record a right-of-use asset and a lease liability at the lease's inception. The University elected to adopt Topic 842 as of July 1, 2020, using the transition method under which amounts for comparative periods (i.e., as of and for the year ended June 30, 2020) have not been adjusted to conform to the new guidance. The University also elected a package of practical expedients, the primary effect of which waives the requirement to reassess whether contracts in existence prior to adoption contain leases. The adoption of Topic 842 did not materially impact the University's financial statements.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 2. FINANCIAL ASSETS AND LIQUIDITY RESOURCES

Financial assets and liquidity resources available within one year for institutional needs, such as operating and capital expenses, are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 148,031	\$ 214,495
Accounts receivable, net (<i>Note 3</i>)	68,011	69,797
Contributions receivable, net (<i>Note 5</i>)	72,438	65,664
Notes receivable (<i>Note 6</i>)	2,715	2,211
Investments approved for appropriation in the subsequent year	499,298	457,689
Total financial assets available within one year	<u>790,493</u>	<u>809,856</u>
Undrawn lines of credit (<i>Note 9</i>)	417,000	575,000
Unissued commercial paper (<i>Note 9</i>)	364,997	400,000
Total financial assets and liquidity resources available within one year	<u>\$ 1,572,490</u>	<u>\$ 1,784,856</u>

The University manages its financial assets and liquidity resources to be available to fund expenditures and fulfill liabilities and other commitments as they become due. To supplement cash needs, the University maintains various short-term borrowing facilities, as described in *Note 9*. The University's excess working capital is invested in either short-term investments or the Notre Dame Endowment Pool ("NDEP").

As reflected in *Note 7*, the University held more than \$5.2 billion in investment assets at June 30, 2021, that were measured using Level 1 and Level 2 fair value inputs. Although these assets are generally liquid within the near term, they are only considered available for expenditure to the extent they are designated as short-term working capital investments or approved for appropriation during the annual budget process under the University's endowment spending policy. Investments approved for appropriation in the subsequent year are calculated based on a board-approved spending rate. The University also has the ability to make additional one-time appropriations from working capital and endowment funds without donor restrictions to the extent that there are sufficient liquid investment assets.

NOTE 3. ACCOUNTS RECEIVABLE

Accounts receivable are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Research and other sponsored programs support	\$ 31,398	\$ 25,074
Rights and royalties receivable	22,751	22,792
Other receivables	22,676	23,420
	<u>76,825</u>	<u>71,286</u>
Less allowances for uncollectible amounts	8,814	1,489
	<u>\$ 68,011</u>	<u>\$ 69,797</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 4. DEFERRED CHARGES AND OTHER ASSETS

Deferred charges and other assets are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Operating lease right-of-use assets	\$ 36,711	\$ -
Prepaid expenses	16,285	15,533
Retail and other inventories	5,297	5,373
Goodwill	6,455	6,455
Beneficial interests in perpetual trusts	6,610	5,512
Debt-related derivatives (<i>Note 13</i>)	40,257	6,426
Other deferred charges	5,944	5,558
	<u>\$ 117,559</u>	<u>\$ 44,857</u>

NOTE 5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Unconditional promises expected to be collected in:		
Less than one year	\$ 194,289	\$ 187,182
One year to five years	268,834	329,812
More than five years	181,220	198,358
	<u>644,343</u>	<u>715,352</u>
Less:		
Unamortized discounts	115,883	128,768
Allowances for uncollectible amounts	12,986	12,769
	<u>128,869</u>	<u>141,537</u>
	<u>\$ 515,474</u>	<u>\$ 573,815</u>

Contributions receivable are discounted at rates ranging from 0.22 percent to 6.91 percent at June 30, 2021, and 2020. Activity within allowances for uncollectible amounts was insignificant during the years ended June 30, 2021, and 2020. Of the net amount expected to be collected in less than one year, only \$72,438 is expected to be available for operating and capital expenses, as described in *Note 2*.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Contributions receivable, net, are classified as net assets with donor restrictions for the following purposes at June 30:

	<u>2021</u>	<u>2020</u>
Expendable funds restricted for (Note 15):		
Operating purposes	\$ 88,293	\$ 69,301
Investment in land, buildings, and equipment	116,370	147,912
	<u>204,663</u>	<u>217,213</u>
Endowment funds (Notes 15 and 16):		
Donor-restricted endowment	309,714	350,989
University-designated endowment	1,097	5,613
	<u>310,811</u>	<u>356,602</u>
	<u>\$ 515,474</u>	<u>\$ 573,815</u>

As of June 30, 2021, the University had received conditional pledges of \$27,130, which are not reflected in the accompanying consolidated financial statements. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

NOTE 6. NOTES RECEIVABLE

Notes receivable are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Student notes receivable, related to:		
Government sponsored loan programs	\$ 8,158	\$ 11,438
Institutional student loans	9,824	9,434
	17,982	20,872
Less allowances for uncollectible student notes	1,543	1,903
	16,439	18,969
Other notes receivable	2,574	1,576
	<u>\$ 19,013</u>	<u>\$ 20,545</u>

As reflected in Note 10, the University maintains a liability for government advances made in prior years to fund student loans, primarily under the Perkins Loan program, the balance of which was \$7,495 and \$11,380 at June 30, 2021, and 2020, respectively. As described in Note 2, note receivable collections of \$2,715 are expected to be available for general expenditure within one year. Collections of government-funded student notes receivable are not considered available for general expenditure.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 7. INVESTMENTS

Investments reflected in the consolidated statements of financial position are summarized as follows at June 30:

	2021	2020
Notre Dame Endowment Pool assets	\$ 22,464,776	\$ 14,662,908
Other investments, associated with:		
Endowment and funds functioning as endowment	10,720	7,351
Working capital and other University designations	92,525	75,298
Split-interest agreements (Note 17)	8,071	8,995
Defined benefit pension plan (Note 14)	269,680	206,840
	<u>380,996</u>	<u>298,484</u>
	<u>\$ 22,845,772</u>	<u>\$ 14,961,392</u>

Liabilities associated with investments include the following at June 30:

	2021	2020
Liabilities representing the fair value of investments held on behalf of:		
Religious affiliates	\$ 2,225,212	\$ 1,465,763
Defined benefit pension plan (Note 14)	269,680	206,840
	<u>\$ 2,494,892</u>	<u>\$ 1,672,603</u>

The Notre Dame Endowment Pool (“NDEP”) represents the University’s primary investment portfolio. Certain investments, however, are held in specific instruments outside the NDEP to comply with donor requirements or other considerations. The pooled assets and liabilities of the NDEP are summarized as follows at June 30:

	2021	2020
NDEP assets	\$ 22,464,776	\$ 14,662,908
Equity interest in consolidated company ¹	64,830	72,645
NDEP net assets unitized	<u>\$ 22,529,606</u>	<u>\$ 14,735,553</u>

¹As described in Note 1, the University is the sole owner of a limited liability company, the assets and liabilities of which are reflected in the consolidated financial statements. However, the estimated fair value of the University’s equity interest in the company is included in NDEP net assets for unitization purposes.

Transactions within participating funds that constitute additions to or withdrawals from the NDEP are unitized on a quarterly basis. The unitized net assets of the NDEP were attributable to the following at June 30:

	2021	2020
University funds:		
Endowment and funds functioning as endowment	\$ 18,001,145	\$ 11,921,389
Working capital and other University designations	1,861,478	1,067,761
Student loan funds	2,115	1,387
Split-interest agreements (Note 17)	439,656	279,253
	<u>20,304,394</u>	<u>13,269,790</u>
Funds invested on behalf of religious affiliates ²	2,225,212	1,465,763
	<u>\$ 22,529,606</u>	<u>\$ 14,735,553</u>

²NDEP holdings were redeemable by religious affiliates at \$9,636.18 and \$6,418.30 per unit (whole dollars) at June 30, 2021, and 2020, respectively.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

The NDEP is comprised primarily of endowment-related holdings. As such, its investment objectives seek to preserve the real purchasing power of the endowment, while providing a stable source of financial support to its beneficiary programs. To satisfy its long-term rate of return objectives, the NDEP relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The NDEP maintains a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Investment assets are summarized in the following tables by asset class at June 30, 2021, and 2020, respectively:

	2021		
	<i>NDEP</i>	<i>Other Investments</i>	<i>Total</i>
Short-term investments	\$ 1,372,294	\$ 1,831	\$ 1,374,125
Public equities	6,984,388	74,655	7,059,043
Private equity	10,276,098	24,259	10,300,357
Multi-strategy	3,831,996	10,571	3,842,567
	<u>22,464,776</u>	<u>111,316</u>	<u>22,576,092</u>
Defined benefit pension plan investments (<i>Note 14</i>)	-	269,680	269,680
	<u>\$ 22,464,776</u>	<u>\$ 380,996</u>	<u>\$ 22,845,772</u>
	2020		
	<i>NDEP</i>	<i>Other Investments</i>	<i>Total</i>
Short-term investments	\$ 451,361	\$ 1,581	\$ 452,942
Public equities	5,590,526	55,609	5,646,135
Private equity	5,578,118	20,002	5,598,120
Multi-strategy	3,042,903	14,452	3,057,355
	<u>14,662,908</u>	<u>91,644</u>	<u>14,754,552</u>
Defined benefit pension plan investments (<i>Note 14</i>)	-	206,840	206,840
	<u>\$ 14,662,908</u>	<u>\$ 298,484</u>	<u>\$ 14,961,392</u>

Short-term investments include cash and cash equivalents, money market funds, securities with short-term maturities (such as commercial paper and government securities held either directly or via commingled pools with daily liquidity), and the fair value of certain derivative instrument assets (primarily futures, interest rate, and equity contracts, all of which are insignificant). Public equities cover the U.S., as well as both developed and emerging markets overseas, and long/short hedge funds. Private equity primarily includes domestic and foreign buyout and venture capital funds. The multi-strategy class includes core diversifiers that encompass opportunistic investments and hedge fund strategies where the manager has a broad mandate to invest in a variety of asset classes to generate returns less correlated with broad equities markets, as well as fixed-income assets that provide capital protection and diversification given the low correlation to other asset classes.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NDEP investments are primarily invested with external managers. The University is committed under contracts with certain external managers to periodically advance additional funding as capital calls are exercised. Capital calls are generally exercised over a period of years and are subject to fixed expiration dates or other means of termination. Uncalled commitments related to NDEP investments are summarized by investment class as follows at June 30:

	<u>2021</u>	<u>2020</u>
Public equities	\$ 173,380	\$ 5,500
Private equity	2,868,593	2,492,786
Multi-strategy	518,567	623,398
	<u>\$ 3,560,540</u>	<u>\$ 3,121,684</u>

The following tables reflect fair value measurements of investment assets (excluding defined benefit pension plan assets) at June 30, 2021, and 2020, respectively, as categorized by level of the fair value hierarchy according to the lowest level of inputs significant to each measurement or NAV:

	<u>2021</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Short-term investments	\$ 1,831	\$ 1,372,294	\$ -	\$ -	\$ 1,374,125
Public equities:					
U.S.	1,761,272	-	-	937,518	2,698,790
Non-U.S.	644,512	8,894	186,660	3,040,051	3,880,117
Long/short strategies	-	-	2,663	477,473	480,136
Private equity	-	-	61,083	10,239,274	10,300,357
Multi-strategy:					
Core diversifiers	332,439	-	312,023	1,884,284	2,528,746
Fixed income	206,282	876,069	56,983	174,487	1,313,821
	<u>\$ 2,946,336</u>	<u>\$ 2,257,257</u>	<u>\$ 619,412</u>	<u>\$ 16,753,087</u>	<u>\$ 22,576,092</u>

	<u>2020</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
Short-term investments	\$ 56,681	\$ 396,261	\$ -	\$ -	\$ 452,942
Public equities:					
U.S.	1,109,903	-	-	880,142	1,990,045
Non-U.S.	392,023	13,511	82,229	2,403,748	2,891,511
Long/short strategies	-	-	-	764,579	764,579
Private equity	-	-	20,002	5,578,118	5,598,120
Multi-strategy:					
Core diversifiers	20,682	-	213,975	1,768,947	2,003,604
Fixed income	154,289	473,870	42,355	383,237	1,053,751
	<u>\$ 1,733,578</u>	<u>\$ 883,642</u>	<u>\$ 358,561</u>	<u>\$ 11,778,771</u>	<u>\$ 14,754,552</u>

Certain short-term investments and fixed income securities categorized within Level 2 are not traded in active markets but are measured using pricing sources such as broker quotes, or using models with externally verifiable inputs, such as relevant interest or exchange rates.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Investments in certain funds within public equities and core diversifiers measured at NAV (or its equivalent) are generally subject to restrictions that limit the University's ability to withdraw capital within the near term. Redemption terms for these funds typically restrict withdrawals of capital for a defined "lock-up" period after investment and thereafter allow withdrawals on a quarterly or annual basis with notice periods ranging from 30 to 180 days. Lock-up periods for such funds generally expire within three years after the measurement date. In addition, investor capital in these funds attributable to illiquid investments, often referred to as "side pockets," generally is not available for redemption until the investments are realized by the fund. Most funds measured at NAV within private equity, as well as certain opportunistic funds within core diversifiers, are not redeemable at the direction of the investor. These funds make distributions to investing partners as the underlying assets of the funds are liquidated. The timing of such liquidations would vary by fund and depend on market conditions as well as other factors. Investments in funds measured at NAV within fixed income are not subject to lock-ups and generally allow for withdrawals on a daily or monthly basis.

At June 30, 2021, a Level 3 investment in public equities with a fair value of \$186,660 was measured using a third-party appraisal developed using a market-based approach. At June 30, 2021, and 2020, the fair value of a Level 3 investment in the core diversifiers class was measured using a discounted cash flow technique, the significant unobservable input to which is the discount rate (10 percent). The fair value of the investment was \$195,612 and \$158,502 at June 30, 2021, and 2020, respectively.

Changes in investments (excluding defined benefit pension plan assets) for which fair value is measured based on Level 3 inputs are summarized below for the year ended June 30, 2021:

	<i>Beginning balance</i>	<i>Acquisitions</i>	<i>Dispositions</i>	<i>Net gain</i>	<i>Net transfers in</i>	<i>Ending balance</i>
Public equities						
Non-U.S.	\$ 82,229	\$ 5,118	\$ -	\$ 99,313	\$ -	\$ 186,660
Long/short strategies	-	-	-	-	2,663	2,663
Private equity	20,002	3,182	(2,082)	3,157	36,824	61,083
Multi-strategy:						
Core diversifiers	213,975	5,346	(2,628)	35,984	59,346	312,023
Fixed income	42,355	257,812	(243,634)	450	-	56,983
	<u>\$ 358,561</u>	<u>\$ 271,458</u>	<u>\$ (248,344)</u>	<u>\$ 138,904</u>	<u>\$ 98,833</u>	<u>\$ 619,412</u>

During the year ended June 30, 2021, the University recognized net unrealized gains of \$140,713 on investments still held at June 30, 2021, for which fair value is measured using Level 3 inputs.

Changes in investments (excluding defined benefit pension plan assets) for which fair value is measured based on Level 3 inputs are summarized below for the year ended June 30, 2020:

	<i>Beginning balance</i>	<i>Acquisitions</i>	<i>Dispositions</i>	<i>Net gain/(loss)</i>	<i>Net transfers in</i>	<i>Ending balance</i>
Public equities - Non-U.S.	\$ 55,853	\$ 1,073	\$ -	\$ 25,303	\$ -	\$ 82,229
Private equity	13,997	686	(5,245)	10,564	-	20,002
Multi-strategy:						
Core diversifiers	214,357	25,141	-	(25,523)	-	213,975
Fixed income	55,291	383,930	(398,351)	1,485	-	42,355
	<u>\$ 339,498</u>	<u>\$ 410,830</u>	<u>\$ (403,596)</u>	<u>\$ 11,829</u>	<u>\$ -</u>	<u>\$ 358,561</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

During the year ended June 30, 2020, the University recognized net unrealized gains of \$8,576 on investments still held at June 30, 2020, for which fair value is measured using Level 3 inputs.

Due to the pooled nature of assets held in the NDEP, a portion of any unrealized gains or losses is attributed to NDEP holdings of split-interest agreements and the University's religious affiliates.

INVESTMENT RETURN

Investment return as reflected in the consolidated statements of changes in net assets is summarized as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Income	\$ 111,808	\$ 89,658
Net gain:		
Realized	1,915,531	796,405
Unrealized	4,979,078	55,529
Investment-related expenses	(106,686)	(62,138)
	<u>\$ 6,899,731</u>	<u>\$ 879,454</u>
Without donor restrictions	\$ 3,185,507	\$ 409,298
With donor restrictions	3,714,224	470,156
	<u>\$ 6,899,731</u>	<u>\$ 879,454</u>

Investment-related expenses consist of fees paid to external investment managers, as well as expenses related to internal investment office operations. Investment-related expenses also include provisions for excise taxes on investment returns and executive compensation.

A portion of accumulated investment returns is distributed annually to beneficiary programs under the University's endowment spending policy. Endowment payout by program is summarized in *Note 16*.

NOTE 8. LAND, BUILDINGS, AND EQUIPMENT

The following is a summary of land, buildings, and equipment at June 30:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 222,329	\$ 219,543
Buildings	2,933,660	2,869,052
Equipment	410,140	402,296
Construction in progress	119,291	83,061
	<u>3,685,420</u>	<u>3,573,952</u>
Less accumulated depreciation	1,136,135	1,045,234
	<u>\$ 2,549,285</u>	<u>\$ 2,528,718</u>

Depreciation expense was \$105,049 and \$102,033 for the years ended June 30, 2021, and 2020, respectively.

The University recorded accounts payable and construction retainage associated with construction in progress costs of \$5,021 and \$4,119, respectively, at June 30, 2021. Accounts payable and construction retainage associated with construction in progress costs were \$5,697 and \$4,078, respectively, at June 30, 2020.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Changes in conditional asset retirement obligations are summarized as follows for the years ended June 30:

	2021	2020
Beginning of year	\$ 25,731	\$ 25,475
Obligations settled	(171)	(628)
Accretion expense	893	884
End of year (Note 11)	<u>\$ 26,453</u>	<u>\$ 25,731</u>

NOTE 9. SHORT-TERM BORROWING

During the year ended June 30, 2020, the University borrowed \$125,000 under a term bank loan bearing interest at a fixed rate of 1.45 percent and maturing in April 2022, with a prepayment option effective in March 2021. The University exercised this option and repaid the loan in March 2021.

At June 30, 2021, the University maintained a \$400,000 self-liquidity commercial paper program under which it could issue taxable commercial paper. The University also maintained six unsecured lines of credit with commercial banks at June 30, 2021, in the aggregate amount of \$775,000 to be utilized primarily for working capital purposes. Three lines of credit totaling \$350,000 expire during the year ending June 30, 2022. Termination dates for the remaining three lines of credit totaling \$425,000 ranged from November 2022 to April 2024.

Total outstanding balances on short-term borrowing are summarized below at June 30:

	2021	2020
Term bank loan	\$ -	\$ 125,000
Commercial paper	35,003	-
Lines of credit	8,000	-
	<u>\$ 43,003</u>	<u>\$ 125,000</u>

Total costs incurred on short-term borrowing, including interest and related fees, were approximately \$3,714 and \$2,848 for the years ended June 30, 2021, and 2020, respectively.

NOTE 10. DEFERRED REVENUE AND REFUNDABLE ADVANCES

Deferred revenue and refundable advances are summarized as follows at June 30:

	2021	2020
Refundable advances for research and other sponsored programs (Note 19)	\$ 65,200	\$ 61,855
Deferred ticket sales and other revenues from intercollegiate athletics	45,422	41,413
Deferred rental revenues	25,641	-
Deferred tuition and other student revenues	17,162	24,228
Government advances for student loans (Note 6)	7,495	11,380
Other deferred revenues	7,549	7,897
	<u>\$ 168,469</u>	<u>\$ 146,773</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 11. DEPOSITS AND OTHER LIABILITIES

Deposits and other liabilities are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Accrued compensation and employee benefits	\$ 89,553	\$ 83,198
Debt-related derivatives (<i>Note 13</i>)	57,640	106,872
Payroll and other taxes payable	52,574	28,416
Operating lease liabilities	36,711	-
Conditional asset retirement obligations (<i>Note 8</i>)	26,453	25,731
Accrued interest expense	15,367	14,600
Student organization funds and other deposits	9,223	7,308
Pledges payable	6,800	9,450
Construction retainage (<i>Note 8</i>)	4,119	4,078
Other liabilities	6,374	10,518
	<u>\$ 304,814</u>	<u>\$ 290,171</u>

NOTE 12. BONDS AND NOTES PAYABLE

Bonds and notes payable consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Obligations of the University:		
Taxable Fixed Rate Bonds	\$ 1,215,000	\$ 1,215,000
St. Joseph County (Indiana) Educational Facilities Revenue Bonds	7,890	7,890
	<u>1,222,890</u>	<u>1,222,890</u>
Obligations of consolidated company:		
Mortgage note payable	41,686	42,707
	<u>\$ 1,264,576</u>	<u>\$ 1,265,597</u>

The aggregate scheduled maturities of bonds and notes payable are summarized by fiscal year as follows:

2022	\$ 1,064
2023	1,109
2024	1,155
2025	38,358
2026	7,890
Thereafter	<u>1,215,000</u>
	<u>\$ 1,264,576</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

TAXABLE FIXED RATE BONDS

Proceeds from Taxable Fixed Rate Bonds bear no restrictions on use and constitute unsecured general obligations of the University. The associated interest is taxable to investors. The following issues were outstanding at June 30:

	<i>Fiscal year of final maturity</i>	<i>Rate of interest</i>		2021		2020
Series 2010	2041	4.90%	\$	160,000	\$	160,000
Series 2012	2043	3.72%		100,000		100,000
Series 2015	2045	3.44%		400,000		400,000
Series 2017	2048	3.39%		400,000		400,000
Series 2020	2030	1.64%		155,000		155,000
			\$	<u>1,215,000</u>	\$	<u>1,215,000</u>

Interest costs incurred on Taxable Fixed Rate Bonds were \$41,383 and \$39,067 during the years ended June 30, 2021, and 2020, respectively.

ST. JOSEPH COUNTY (INDIANA) EDUCATIONAL FACILITIES REVENUE BONDS

The proceeds from St. Joseph County (Indiana) Educational Facilities Revenue Bonds (“SJC bonds”) were restricted to the campus facilities projects specified in the respective offering documents. SJC bonds represent general obligations of the University and are not collateralized by any facilities. Interest on SJC bonds is tax-exempt to investors.

SJC bonds outstanding at June 30, 2021, and 2020 were from the Series 1996 issue, bearing interest at a fixed rate of 6.50 percent and maturing in 2026. Related interest costs were \$513 for the years ended June 30, 2021, and 2020.

MORTGAGE NOTES

As described in *Note 1*, the University is the sole owner of a limited liability company, the activities of which are reflected in the University’s consolidated financial statements. The company’s assets consist primarily of real estate, the acquisition of which was financed in part with a note payable. Under the terms, the note bears interest at a fixed rate of 4.11 percent and is due on February 1, 2025. The note is not a general obligation of the University and is fully collateralized by the property mortgaged. Interest costs of \$1,733 and \$1,774 related to the note are reflected within non-operating changes in net assets without donor restrictions for the years ended June 30, 2021, and 2020, respectively.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 13. DERIVATIVES

The University utilizes interest rate swaps to manage interest rate risk associated with variable rate bonds. Although the University currently has no outstanding variable rate bonds, the University held three forward starting swaps at June 30, 2021, and June 30, 2020, in anticipation of future bond issues. Under the terms of the swap agreements, the University would pay fixed rates ranging from 0.65 to 3.24 percent and receive a variable rate equal to 100 percent of the one-month London Interbank Offered Rate (“LIBOR”) on total notional amounts of \$354,894 for thirty or thirty-five-year terms beginning March 1, 2025, or March 1, 2030.

The University utilizes a variety of derivatives within the NDEP, which may include certain options contracts, forward currency contracts, and futures contracts, the balances and activity for which are insignificant.

Derivatives by their nature bear, to varying degrees, elements of market risk and credit risk that are not reflected in the amounts recorded in financial statements. Market risk in this context represents the potential for changes in the value of derivatives due to levels of volatility and liquidity or other events affecting the underlying asset, reference rate, or index, including those embodied in interest and foreign exchange rate movements and fluctuations in commodity or security prices. Credit risk is the possibility that a loss may occur due to the failure of a counterparty to perform according to the terms of a contract. The University’s risk of loss in the event of counterparty default is typically limited to the amounts recognized in the consolidated statements of financial position, not the notional amounts of the derivatives, and is further limited by the collateral arrangements as specified for specific instruments.

The debt-related interest rate swaps described above have credit-risk-related contingent features that could require the University to post collateral to its counterparty when the swaps are in a net liability position. Collateral levels are determined based on the University’s credit rating and the degree of the liability position and could extend to the full fair value of the swaps. The aggregate fair value of swaps in liability positions was \$57,640 and \$106,872 at June 30, 2021, and June 30, 2020, respectively, but based on the quality of its credit rating, the University had posted no collateral for these swaps at either of those dates.

The notional amounts and estimated fair values of the debt-related interest rate swaps at June 30, 2021, and 2020, respectively, are summarized below:

	<u>2021</u>	<u>2020</u>
Notional amounts	\$ 354,894	\$ 354,894
Fair value, as reflected in the statements of financial position:		
Deferred charges and other assets (<i>Note 4</i>)	40,257	6,426
Deposits and other liabilities (<i>Note 11</i>)	57,640	106,872

Fair value measurements are based on observable interest rates that fall within Level 2 of the hierarchy of fair value inputs. The net gain or loss on debt-related swaps is reported as such within non-operating changes in net assets without donor restrictions. A net gain of \$83,063 and a net loss of \$61,243 were reported during the years ended June 30, 2021, and 2020, respectively. No periodic settlements were required for the years ended June 30, 2021, and 2020.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 14.

PENSION AND OTHER POSTRETIREMENT BENEFITS

DEFINED CONTRIBUTION RETIREMENT SAVINGS PLAN

Faculty, exempt staff, and non-exempt staff hired on or after January 1, 2018, participate in the University of Notre Dame 403(b) Retirement Plan, a defined contribution retirement plan, upon meeting eligibility requirements. The plan, operating under section 403(b) of the Internal Revenue Code, is funded by mandatory employee contributions and University contributions. All faculty and staff may also voluntarily participate in the plan by making voluntary employee contributions up to the annual limit established by the Internal Revenue Service. Participants are immediately vested in the plan and may direct their contributions and the University's contributions on their behalf to plan investments. The University's share of the cost of these benefits was \$40,996 and \$41,335 for the years ended June 30, 2021, and 2020, respectively.

DEFINED BENEFIT PENSION PLAN AND POSTRETIREMENT MEDICAL INSURANCE BENEFITS

Retirement benefits are provided for University staff under a defined benefit pension plan, for which the University serves as trustee and administrator. This plan provides benefits for certain non-exempt staff but was closed to new participants effective January 1, 2018. Retirement benefits are based on the employee's total years of service and final average pay as defined by the plan. Plan participants are fully vested after five years of service. The University funds the plan with annual contributions that meet minimum requirements under the Employee Retirement Income Security Act of 1974 and Pension Protection Act of 2006.

Other postretirement benefit plans offered by the University provide either medical insurance benefits for retirees and their spouses or Health Reimbursement Accounts upon which Medicare-eligible retirees may draw to purchase individual Medicare supplemental coverage. Employees are eligible for such benefits if they retire after attaining specified age and service requirements while employed by the University. The plans hold no assets and are funded by the University as claims are paid.

The University recognizes the full funded status of its defined benefit pension and other postretirement benefit plans in the consolidated statements of financial position. Accordingly, the liability for pension benefits as recognized in the consolidated statements of financial position represents the excess of the actuarially determined projected benefit obligation ("PBO") over the fair value of plan assets at year end. The liability for other postretirement benefits as recognized in the consolidated statements of financial position represents the actuarially determined accumulated postretirement benefit obligation ("APBO") at year end. The following table summarizes the liabilities for pension and other postretirement benefits reflected in the consolidated statements of financial position at June 30:

	<u>2021</u>	<u>2020</u>
Liability for pension benefits:		
PBO at end of year	\$ 315,812	\$ 317,717
Less: Fair value of plan assets at end of year (<i>Note 7</i>)	269,680	206,840
	<u>46,132</u>	<u>110,877</u>
Liability for other postretirement benefits (APBO at year end)	58,086	59,926
	<u>\$ 104,218</u>	<u>\$ 170,803</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Changes in the actuarially determined benefit obligations are summarized below for the years ended June 30:

	<i>Pension benefits (PBO)</i>		<i>Other postretirement benefits (APBO)</i>	
	2021	2020	2021	2020
Beginning of year	\$ 317,717	\$ 280,927	\$ 59,926	\$ 48,120
Service cost	6,313	6,336	2,669	2,180
Interest cost	9,264	10,382	1,661	1,702
Actuarial loss/(gain)	(5,916)	32,222	(4,564)	9,791
Benefit payments	(11,566)	(12,150)	(1,606)	(1,665)
Plan amendments	-	-	-	(202)
End of year	<u>\$ 315,812</u>	<u>\$ 317,717</u>	<u>\$ 58,086</u>	<u>\$ 59,926</u>

The accumulated benefit obligation associated with pension benefits was \$295,376 and \$293,639 at June 30, 2021, and 2020, respectively.

The change in the fair value of pension plan assets is summarized below for the years ended June 30:

	2021	2020
Plan assets at beginning of year	\$ 206,840	\$ 208,092
Actual return on plan assets	63,383	898
Employer contributions	11,023	10,000
Benefit payments	(11,566)	(12,150)
Plan assets at end of year	<u>\$ 269,680</u>	<u>\$ 206,840</u>

The components of net periodic benefit cost recognized in the consolidated statements of changes in net assets are summarized as follows for the years ended June 30:

	<i>Pension benefits</i>		<i>Other postretirement benefits</i>	
	2021	2020	2021	2020
Operating expense - service cost	\$ 6,313	\$ 6,336	\$ 2,669	\$ 2,180
Non-operating expenses:				
Interest cost	9,264	10,382	1,661	1,702
Expected return on plan assets	(13,768)	(13,495)	-	-
Amounts recognized previously as non-operating changes in net assets:				
Amortization of net loss	7,934	4,887	581	-
Amortization of prior service cost/(credit)	83	358	(50)	(54)
Net amortization	<u>8,017</u>	<u>5,245</u>	<u>531</u>	<u>(54)</u>
Total non-operating expenses	<u>3,513</u>	<u>2,132</u>	<u>2,192</u>	<u>1,648</u>
Total net periodic benefit cost	<u>\$ 9,826</u>	<u>\$ 8,468</u>	<u>\$ 4,861</u>	<u>\$ 3,828</u>

The amortization of any prior service cost or credit is determined using straight-line amortization over the average remaining service period of employees expected to receive benefits under the respective plans.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Gains or losses and other changes in the actuarially determined benefit obligations arising in the current period, but not included in net periodic benefit cost, are recognized as non-operating changes in the consolidated statements of changes in net assets. These changes are reflected net of a contra-expense adjustment for amounts recognized previously but included as components of net periodic benefit cost in the current period. Accordingly, the net non-operating change in net assets without donor restrictions related to pension and other postretirement benefits is summarized as follows for the years ended June 30:

	<i>Pension benefits</i>		<i>Other postretirement benefits</i>	
	2021	2020	2021	2020
Net actuarial gain/(loss)	\$ 55,531	\$ (44,819)	\$ 4,564	\$ (9,791)
Plan amendments	-	-	-	202
Adjustment for components of net periodic benefit cost recognized previously	8,017	5,245	531	(54)
	<u>\$ 63,548</u>	<u>\$ (39,574)</u>	<u>\$ 5,095</u>	<u>\$ (9,643)</u>

Cumulative amounts recognized as non-operating changes in net assets without donor restrictions that had not yet been reflected within net periodic benefit cost are summarized as follows at June 30:

	<i>Pension benefits</i>		<i>Other postretirement benefits</i>	
	2021	2020	2021	2020
Net loss	\$ 46,144	\$ 109,609	\$ 10,134	\$ 15,279
Prior service cost/(credit)	-	83	(160)	(210)
	<u>\$ 46,144</u>	<u>\$ 109,692</u>	<u>\$ 9,974</u>	<u>\$ 15,069</u>

The following weighted-average assumptions were used in measuring the actuarially determined benefit obligations (PBO for pension benefits and APBO for other postretirement benefits) at June 30:

	<i>Pension benefits</i>		<i>Other postretirement benefits</i>	
	2021	2020	2021	2020
Discount rate	3.00%	3.00%	3.00%	3.00%
Rate of compensation increase	3.00%	3.00%		
Health care cost trend rate (grading to 4.50% in 2027)			6.50%	7.00%

The following weighted-average assumptions were used in measuring the actuarially determined net periodic benefit costs for the years ended June 30:

	<i>Pension benefits</i>		<i>Other postretirement benefits</i>	
	2021	2020	2021	2020
Discount rate	3.00%	3.75%	3.00%	3.75%
Expected long-term rate of return on plan assets	6.50%	6.50%		
Rate of compensation increase	3.00%	3.00%		
Health care cost trend rate (grading to 4.50% in 2027)			7.00%	7.00%

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

The expected long-term rate of return on pension plan assets is based on the consideration of both historical and forecasted investment performance, given the targeted allocation of the plan's assets to various investment classes.

The projected payments to beneficiaries under the respective plans for each of the five fiscal years subsequent to June 30, 2021, are as follows:

	<i>Pension benefits</i>	<i>Other postretirement benefits</i>
2022	\$ 12,539	\$ 2,633
2023	13,094	2,811
2024	13,634	2,878
2025	14,229	3,056
2026	14,799	3,237

Projected aggregate payments for pension benefits and other postretirement benefits for the five-year period ending June 30, 2031, are \$81,902 and \$18,250, respectively. The University's estimated contributions to the defined benefit pension plan for the year ending June 30, 2022, are \$1,400.

DEFINED BENEFIT PENSION PLAN ASSETS

The plan's assets are invested in a manner that is intended to preserve the purchasing power of the plan's assets and provide payments to beneficiaries. Thus, a rate of return objective of inflation plus 5.0 percent is targeted.

The investment portfolio of the plan, which is invested with external investment managers, is diversified in a manner that is intended to achieve the return objective and reduce the volatility of returns. The plan relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends) over a long-term time horizon.

Actual and targeted allocations of the plan's investments by asset class were as follows at June 30:

	2021	2020	<i>Target</i>
Short-term investments	1.6%	0.9%	0.0%
Public equities	58.3%	49.8%	55.0%
Multi-strategy	27.3%	39.1%	35.0%
Private equity	12.8%	10.2%	10.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Asset allocation targets reflect the need for a modestly higher weighting in equity-based investments to achieve the return objective. Decisions regarding allocations among asset classes are made when such actions are expected to produce an incremental return, reduce risk, or both. The investment characteristics of an asset class—including the expected return, risk, correlation, and its overall role in the portfolio—are analyzed when making such decisions. The role of each asset class within the overall asset allocation of the plan is described as follows:

Public equities— Provides access to liquid markets and serves as a long-term hedge against inflation by delivering long-term capital appreciation in real terms.

Multi-strategy— Fixed income component provides income stability and predictable nominal cash flow relative to other asset classes. Diversifiers provide opportunities to benefit from short-term inefficiencies in capital markets.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Private equity— Provides risk-adjusted returns in excess of public equities by investing in inefficient markets, further enhancing long-term capital appreciation.

Fair value measurements of plan investments at June 30, 2021, and 2020, respectively, are categorized below by level of the fair value hierarchy according to the lowest level of inputs significant to each measurement or NAV:

	2021				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>NAV</i>	<i>Total</i>
Short-term investments	\$ 4,361	\$ -	\$ -	\$ -	\$ 4,361
Public equities:					
U.S.	41,397	-	-	64,636	106,033
Non-U.S.	-	-	-	51,175	51,175
Multi-strategy	-	-	11	73,540	73,551
Private equity	-	-	76	34,484	34,560
	<u>\$ 45,758</u>	<u>\$ -</u>	<u>\$ 87</u>	<u>\$ 223,835</u>	<u>\$ 269,680</u>

	2020				
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>NAV</i>	<i>Total</i>
Short-term investments	\$ 1,801	\$ -	\$ -	\$ -	\$ 1,801
Public equities:					
U.S.	28,177	-	-	39,861	68,038
Non-U.S.	-	-	-	34,945	34,945
Multi-strategy	5,319	-	-	75,607	80,926
Private equity	-	-	-	21,130	21,130
	<u>\$ 35,297</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,543</u>	<u>\$ 206,840</u>

The plan is committed under contracts with certain investment managers to periodically advance additional funding as capital calls are exercised. Capital calls are generally exercised over a period of years and are subject to fixed expiration dates or other means of termination. Total commitments of \$33,577 and \$40,134 were uncalled at June 30, 2021, and 2020, respectively.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 15. NET ASSETS

Net assets without donor restrictions consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
University-designated endowment (<i>Note 16</i>)	\$ 7,345,695	\$ 4,865,486
Other net assets	2,410,523	1,584,507
	<u>\$ 9,756,218</u>	<u>\$ 6,449,993</u>

Net assets with donor restrictions are summarized as follows at June 30, 2021:

	<i>Purpose and/or time restrictions</i>	<i>Perpetual restrictions</i>	<i>Total</i>
Endowment funds (<i>Note 16</i>):			
Endowment and funds functioning as endowment	\$ 7,988,941	\$ 2,739,436	\$ 10,728,377
Term endowment	471	-	471
Contributions receivable (<i>Note 5</i>)	1,097	309,714	310,811
	<u>7,990,509</u>	<u>3,049,150</u>	<u>11,039,659</u>
Expendable funds restricted for:			
Operating purposes	227,006	-	227,006
Investment in land, buildings, and equipment	102,109	-	102,109
Contributions receivable (<i>Note 5</i>)	204,663	-	204,663
	<u>533,778</u>	<u>-</u>	<u>533,778</u>
Split-interest agreements (<i>Note 17</i>)	90,383	48,202	138,585
Other net assets	-	10,337	10,337
	<u>\$ 8,614,670</u>	<u>\$ 3,107,689</u>	<u>\$ 11,722,359</u>

Net assets with donor restrictions are summarized as follows at June 30, 2020:

	<i>Purpose and/or time restrictions</i>	<i>Perpetual restrictions</i>	<i>Total</i>
Endowment funds (<i>Note 16</i>):			
Endowment and funds functioning as endowment	\$ 4,557,412	\$ 2,539,494	\$ 7,096,906
Term endowment	428	-	428
Contributions receivable (<i>Note 5</i>)	5,613	350,989	356,602
	<u>4,563,453</u>	<u>2,890,483</u>	<u>7,453,936</u>
Expendable funds restricted for:			
Operating purposes	193,686	-	193,686
Investment in land, buildings, and equipment	85,152	-	85,152
Contributions receivable (<i>Note 5</i>)	217,213	-	217,213
	<u>496,051</u>	<u>-</u>	<u>496,051</u>
Split-interest agreements (<i>Note 17</i>)	52,798	32,211	85,009
Other net assets	-	8,504	8,504
	<u>\$ 5,112,302</u>	<u>\$ 2,931,198</u>	<u>\$ 8,043,500</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Net assets released from restrictions represent the satisfaction of time or purpose restrictions and are summarized below for the years ended June 30:

	<u>2021</u>	<u>2020</u>
For operations:		
Scholarships and fellowships awarded	\$ 120,296	\$ 115,366
Expenditures for operating purposes	181,079	182,151
	<u>301,375</u>	<u>297,517</u>
For long-term investment	47,496	113,266
	<u>\$ 348,871</u>	<u>\$ 410,783</u>

NOTE 16. ENDOWMENT

The University's endowment consists of individual funds established for a variety of purposes. Net assets associated with endowment funds, including funds functioning as endowment, are classified and reported in accordance with any donor-imposed restrictions or University designations.

Expendable funds with purpose-related restrictions that have been designated as endowment at the University's discretion, as well as endowment funds for which the donor has granted the University flexibility to expend or redirect to another purpose, are classified as university-designated endowment funds *with donor restrictions*.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Endowment funds at June 30, 2021, are summarized as follows:

	<i>Without donor restrictions (Note 15)</i>	<i>With donor restrictions (Note 15)</i>	<i>Total</i>
Funds established to support:			
Scholarships and fellowships	\$ 2,815,830	\$ 4,017,004	\$ 6,832,834
Academic, religious, and student programs	654,709	2,960,702	3,615,411
Faculty chairs	277,266	2,562,350	2,839,616
Campus infrastructure	1,374,323	2,587	1,376,910
Athletics	274,504	288,602	563,106
Libraries	15,553	364,682	380,235
General operations	1,392,682	255,183	1,647,865
Other	540,828	277,738	818,566
	<u>7,345,695</u>	<u>10,728,848</u>	<u>18,074,543</u>
Contributions receivable (Note 5)	-	310,811	310,811
	<u>\$ 7,345,695</u>	<u>\$ 11,039,659</u>	<u>\$ 18,385,354</u>
Donor-restricted endowment, principal	\$ -	\$ 2,739,143	\$ 2,739,143
Donor-restricted endowment, appreciation	-	7,072,690	7,072,690
University-designated endowment	7,345,695	917,015	8,262,710
	<u>7,345,695</u>	<u>10,728,848</u>	<u>18,074,543</u>
Contributions receivable (Note 5)	-	310,811	310,811
	<u>\$ 7,345,695</u>	<u>\$ 11,039,659</u>	<u>\$ 18,385,354</u>

Endowment funds at June 30, 2020, are summarized as follows:

	<i>Without donor restrictions (Note 15)</i>	<i>With donor restrictions (Note 15)</i>	<i>Total</i>
Funds established to support:			
Scholarships and fellowships	\$ 769,110	\$ 2,678,803	\$ 3,447,913
Academic, religious, and student programs	439,752	1,912,198	2,351,950
Faculty chairs	185,379	1,711,989	1,897,368
Campus infrastructure	912,224	1,942	914,166
Athletics	186,084	182,004	368,088
Libraries	10,540	245,198	255,738
General operations	2,059,737	178,007	2,237,744
Other	302,660	187,193	489,853
	<u>4,865,486</u>	<u>7,097,334</u>	<u>11,962,820</u>
Contributions receivable (Note 5)	-	356,602	356,602
	<u>\$ 4,865,486</u>	<u>\$ 7,453,936</u>	<u>\$ 12,319,422</u>
Donor-restricted endowment, principal	\$ -	\$ 2,539,510	\$ 2,539,510
Donor-restricted endowment, appreciation	-	3,931,804	3,931,804
University-designated endowment	4,865,486	626,020	5,491,506
	<u>4,865,486</u>	<u>7,097,334</u>	<u>11,962,820</u>
Contributions receivable (Note 5)	-	356,602	356,602
	<u>\$ 4,865,486</u>	<u>\$ 7,453,936</u>	<u>\$ 12,319,422</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

The fair value of assets associated with individual donor-restricted endowments may fall below the level required by donor stipulations when the timing of contributions coincides with unfavorable market fluctuations. There was no such unrealized depreciation at June 30, 2021, and June 30, 2020.

Endowment funds are invested primarily in the NDEP, described in *Note 7*. However, certain funds are invested outside of the NDEP in accordance with donor requirements and other considerations.

Changes in endowment funds are summarized as follows for the years ended June 30:

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2021 Total
Beginning of the year	\$ 4,865,486	\$ 7,453,936	\$ 12,319,422
Contributions	19,472	153,072	172,544
Investment return:			
Investment income	29,547	42,784	72,331
Net gain on investments	2,590,931	3,672,641	6,263,572
Endowment payout supporting:			
Operating purposes	(149,591)	(279,290)	(428,881)
Campus infrastructure	(30,201)	(26)	(30,227)
Other changes, net ¹	20,051	(3,458)	16,593
	<u>\$ 7,345,695</u>	<u>\$ 11,039,659</u>	<u>\$ 18,385,354</u>
	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2020 Total
Beginning of the year	\$ 4,580,318	\$ 6,985,646	\$ 11,565,964
Contributions	96,231	261,354	357,585
Investment return:			
Investment income	11,995	21,497	33,492
Net gain on investments	338,874	449,878	788,752
Endowment payout supporting:			
Operating purposes	(148,632)	(266,698)	(415,330)
Campus infrastructure	(29,100)	(29)	(29,129)
Other changes, net ¹	15,800	2,288	18,088
	<u>\$ 4,865,486</u>	<u>\$ 7,453,936</u>	<u>\$ 12,319,422</u>

¹Reflects the net effects of changes in donor intent and management-directed allocations that result in additions to or withdrawals from endowment.

The University has adopted an endowment spending policy that attempts to meet three objectives: (1) provide a predictable, stable stream of earnings to fund participants; (2) ensure the purchasing power of this revenue stream does not decline over time; and (3) ensure the purchasing power of the endowment assets does not decline over time. Under this policy, as approved by the Board of Trustees, investment income, as well as a prudent portion of appreciation, may be appropriated for the needs of supported programs and purposes.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Endowment payout (i.e., appropriations) under the University's endowment spending policy is summarized below by the purposes associated with applicable funds for the years ended June 30:

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2021 Total
Operating purposes:			
Scholarships and fellowships	\$ 71,562	\$ 109,660	\$ 181,222
Academic, religious, and student programs	12,834	77,098	89,932
Faculty chairs	6,821	67,963	74,784
Athletics	7,632	6,964	14,596
Libraries	429	10,032	10,461
General operations	49,145	7,177	56,322
Other	1,168	396	1,564
	<u>149,591</u>	<u>279,290</u>	<u>428,881</u>
Campus infrastructure	30,201	26	30,227
	<u>\$ 179,792</u>	<u>\$ 279,316</u>	<u>\$ 459,108</u>

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2020 Total
Operating purposes:			
Scholarships and fellowships	\$ 31,472	\$ 106,171	\$ 137,643
Academic, religious, and student programs	12,467	72,021	84,488
Faculty chairs	6,781	65,588	72,369
Athletics	7,630	6,603	14,233
Libraries	474	9,853	10,327
General operations	88,573	6,327	94,900
Other	1,235	135	1,370
	<u>148,632</u>	<u>266,698</u>	<u>415,330</u>
Campus infrastructure	29,100	29	29,129
	<u>\$ 177,732</u>	<u>\$ 266,727</u>	<u>\$ 444,459</u>

NOTE 17. SPLIT-INTEREST AGREEMENTS

The University's split-interest agreements consist principally of charitable gift annuities and irrevocable charitable remainder trusts for which the University serves as trustee. Split-interest agreement net assets consisted of the following at June 30:

	<i>Without donor restrictions</i>	<i>With donor restrictions (Note 15)</i>	2021 Total	2020 Total
Charitable trust assets, held in:				
NDEP (Note 7)	\$ -	\$ 439,656	\$ 439,656	\$ 279,253
Other investments (Note 7)	-	8,071	8,071	8,995
	<u>-</u>	<u>447,727</u>	<u>447,727</u>	<u>288,248</u>
Less obligations ¹ associated with:				
Charitable trusts	-	300,833	300,833	196,701
Charitable gift annuities	2,815	8,309	11,124	9,503
	<u>2,815</u>	<u>309,142</u>	<u>311,957</u>	<u>206,204</u>
	<u>\$ (2,815)</u>	<u>\$ 138,585</u>	<u>\$ 135,770</u>	<u>\$ 82,044</u>

¹Represents the present value of estimated future benefit payments to beneficiaries.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Assets contributed pursuant to the University's charitable gift annuity program are not held in trust and based on the nature of the agreements are designated as funds functioning as endowment. Total assets associated with the charitable gift annuity program were \$52,956 and \$29,911 at June 30, 2021, and 2020, respectively.

Changes in split-interest agreement net assets are summarized below for the years ended June 30:

	<i>Without donor restrictions</i>	<i>With donor restrictions</i>	2021 Total	2020 Total
Beginning of the year	\$ (2,965)	\$ 85,009	\$ 82,044	\$ 69,101
Contributions:				
Assets received	-	29,510	29,510	27,885
Discounts recognized ¹	-	(19,925)	(19,925)	(19,416)
	-	9,585	9,585	8,469
Change in value of agreements:				
Investment return, net	-	155,085	155,085	19,485
Payments to beneficiaries	(420)	(19,294)	(19,714)	(16,232)
Actuarial adjustments and other changes in obligations	150	(85,978)	(85,828)	2,854
	(270)	49,813	49,543	6,107
Transfers and other changes, net	420	(5,822)	(5,402)	(1,633)
	\$ (2,815)	\$ 138,585	\$ 135,770	\$ 82,044

¹Represents the present value of estimated future benefit payments to beneficiaries.

NOTE 18. NET TUITION AND FEES

Tuition and fees are recognized net of discounts granted in the form of undergraduate scholarships (including grants-in-aid to student-athletes) and graduate and professional fellowships. Net tuition and fees are comprised of the following for the years ended June 30:

	2021		
	<i>Tuition and fees</i>	<i>Scholarships and fellowships</i>	<i>Net tuition and fees</i>
Undergraduate programs	\$ 511,846	\$ (207,847)	\$ 303,999
Graduate and professional programs	206,661	(149,487)	57,174
	\$ 718,507	\$ (357,334)	\$ 361,173
	2020		
	<i>Tuition and fees</i>	<i>Scholarships and fellowships</i>	<i>Net tuition and fees</i>
Undergraduate programs	\$ 486,704	\$ (192,011)	\$ 294,693
Graduate and professional programs	202,361	(143,602)	58,759
	\$ 689,065	\$ (335,613)	\$ 353,452

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 19. GRANTS AND CONTRACTS

The University recognized operating revenues based on direct expenditures and related indirect costs funded by grants and contracts as follows for the years ended June 30:

	<i>Direct</i>		<i>Indirect</i>		2021		2020	
					<i>Total</i>		<i>Total</i>	
Provided for:								
Research	\$	113,680	\$	28,921	\$	142,601	\$	130,407
Other sponsored programs		17,530		667		18,197		16,825
	\$	131,210	\$	29,588	\$	160,798	\$	147,232
	<i>Direct</i>		<i>Indirect</i>		2021		2020	
					<i>Total</i>		<i>Total</i>	
Provided by:								
Federal agencies	\$	89,774	\$	27,137	\$	116,911	\$	109,598
State and local agencies		625		40		665		510
Private organizations		40,811		2,411		43,222		37,124
	\$	131,210	\$	29,588	\$	160,798	\$	147,232

As reflected in *Note 10*, the University had received \$65,200 in refundable advances on awards as of June 30, 2021. In addition, the University had unexpended grant awards of approximately \$202,000 for which funding has not been received. Revenue for these awards will be recognized as their associated conditions are fulfilled.

Funding for federally sponsored research and other programs is received from the U.S. government, as well as from other universities and private organizations that subcontract sponsored research to the University. The University's primary sources of federal research support are the Department of Health and Human Services and the National Science Foundation.

The University also administers certain federally sponsored programs, primarily related to student financial aid, for which it recognizes neither revenues nor expenses. Receipts and disbursements for such programs totaled \$18,206 for the year ended June 30, 2021, including \$8,351 related to Reserve Officers Training Corps ("ROTC") scholarships. Receipts and disbursements for the year ended June 30, 2020, were \$17,156, including \$8,561 in ROTC scholarships.

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

NOTE 20. SALES AND SERVICES OF AUXILIARY ENTERPRISES

Revenues recognized from auxiliary enterprises are summarized as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Intercollegiate athletics:		
Contract-based revenues	\$ 109,414	\$ 115,768
Other revenues	5,140	20,934
Housing, dining, and other student revenue, net	91,143	77,397
Hospitality services	14,285	19,249
Bookstore and licensing	9,549	13,979
Event management services	255	4,624
Other auxiliary revenues	3,293	2,856
	<u>\$ 233,079</u>	<u>\$ 254,807</u>

NOTE 21. CONTINGENCIES AND COMMITMENTS

The University is a defendant in various legal actions arising out of the normal course of its operations. Although the final outcome of such actions cannot currently be determined, the University believes that eventual liability, if any, will not have a material effect on the University's financial position.

All funds expended in conjunction with government grants and contracts are subject to audit by government agencies. In the opinion of management, any liability resulting from these audits will not have a material effect on the University's financial position.

At June 30, 2021, the University also has contractual commitments of approximately \$55,000 related to ongoing major construction projects. Estimated remaining expenditures on these projects, certain of which are likely to span multiple fiscal years, are approximately \$80,000.

NOTE 22. FINANCIAL RESPONSIBILITY

The following information is intended to provide additional detail necessary to comply with the Department of Education's disclosure requirements related to financial responsibility ratio components.

Contributions receivable, net, are summarized as follows at June 30, 2021:

	<i>Purpose and/or time restrictions (Note 15)</i>	<i>Perpetual restrictions (Note 15)</i>	<i>Total (Note 5)</i>
Related parties - University trustees	\$ 22,203	\$ 60,066	\$ 82,269
Other benefactors	183,557	249,648	433,205
	<u>\$ 205,760</u>	<u>\$ 309,714</u>	<u>\$ 515,474</u>

University of Notre Dame du Lac

Notes to Consolidated Financial Statements

(All amounts in thousands)

Land, buildings and equipment, net of accumulated depreciation, is summarized as follows at June 30, 2021:

	<i>Capitalized assets (Note 8)</i>	<i>Construction in progress (Note 8)</i>	<i>Total</i>
Pre-implementation	\$ 1,980,404	\$ 12,811	\$ 1,993,215
Post-implementation (no debt financing)	449,590	106,480	556,070
	<u>\$ 2,429,994</u>	<u>\$ 119,291</u>	<u>\$ 2,549,285</u>

Operating lease right-of-use assets and liabilities are summarized as follows at June 30, 2021:

	<i>Right-of-use assets (Note 4)</i>	<i>Liabilities (Note 11)</i>
Pre-implementation	\$ 36,481	\$ 36,481
Post-implementation	230	230
	<u>\$ 36,711</u>	<u>\$ 36,711</u>

Bonds and notes payable are summarized as follows at June 30, 2021:

	<i>Obligations of the University (Note 12)</i>	<i>Obligations of consolidated company (Note 12)</i>	<i>Total</i>
Pre-implementation	\$ 1,067,890	\$ 41,686	\$ 1,109,576
Post-implementation (unexpended)	155,000	-	155,000
	<u>\$ 1,222,890</u>	<u>\$ 41,686</u>	<u>\$ 1,264,576</u>

Schedule of Expenditures of Federal Awards

and

Notes to Schedule of Expenditures of Federal Awards

University of Notre Dame du Lac
Schedule of Expenditures of Federal Awards for the year ended June 30, 2021

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
AGENCY FOR INTERNATIONAL DEVELOPMENT							
Agency for International Development							
USAID Foreign Assistance for Programs Overseas	98.001	\$ 1,505,571	\$ -			\$ 1,505,571	\$ 435,269
USAID Foreign Assistance for Programs Overseas	98.001	-	125,487	Internews	SG-R-GX2060-0	125,487	-
USAID Foreign Assistance for Programs Overseas	98.001	-	228,226	Purdue University	F9002550402019	228,226	-
USAID Foreign Assistance for Programs Overseas	98.001	-	(350)	Purdue University	F9002550402019	(350)	-
USAID Foreign Assistance for Programs Overseas	98.001	-	38,556	Purdue University	F9002550402093	38,556	-
USAID Foreign Assistance for Programs Overseas	98.001	-	27,044	Purdue University	F9002550402119	27,044	-
Global Development Alliance	98.011	2,138,554	-			2,138,554	1,260,029
USAID Development Partnerships for University Cooperation and Development	98.012	-	209,823	Instituto Dessarrollo	#01/20	209,823	-
Agency for International Development	98.RD	-	142,522	Dexis Consulting Group	7001-S-16-002	142,522	-
Agency for International Development	98.RD	-	3,444	Dexis Consulting Group	7001-S-16-002	3,444	-
Agency for International Development	98.RD	-	13,619	Family Health International	PO 20001837	13,619	-
Agency for International Development	98.RD	-	49,070	Family Health International	PO 21000516	49,070	-
Agency for International Development	98.RD	-	42,045	NORC	8361	42,045	-
Agency for International Development	98.RD	-	95,300	NORC	8361	95,300	-
Agency for International Development	98.RD	-	77,156	NORC	8361	77,156	-
Total Agency for International Development		<u>3,644,125</u>	<u>1,051,942</u>			<u>4,696,067</u>	<u>1,695,298</u>
CENTRAL INTELLIGENCE AGENCY							
Central Intelligence Agency							
COVID-19 Office of the Director of National Intelligence	99.RD	165,105	-			165,105	-
COVID-19 Office of the Director of National Intelligence	99.RD	177,724	-			177,724	-
Office of the Director of National Intelligence	99.RD	2,937	-			2,937	2,937
Office of the Director of National Intelligence	99.RD	608,043	-			608,043	455,319
Total Central Intelligence Agency		<u>953,809</u>	<u>-</u>			<u>953,809</u>	<u>458,256</u>
DEPARTMENT OF AGRICULTURE							
Department of Agriculture							
Specialty Crop Block Grant Program - Farm Bill	10.170	-	66,144	University of Missouri	C-000068665-1	66,144	-
Sustainable Agriculture Research and Education	10.215	-	11,633	Regents of Univ of Minnesota	H007179353	11,633	-
Agriculture and Food Research Initiative (AFRI)	10.310	108,399	-			108,399	6,046

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF AGRICULTURE							
Department of Agriculture (continued)							
Agriculture and Food Research Initiative (AFRI)	10.310	-	102,431	Colorado State University	G-63025-01	102,431	-
Alfalfa and Forage Research Program	10.330	90,648	-			90,648	90,648
Forest Service	10.RD	12,631	-			12,631	-
Forest Service	10.RD	39,011	-			39,011	-
Total Department of Agriculture		<u>250,689</u>	<u>180,208</u>			<u>430,897</u>	<u>96,694</u>
DEPARTMENT OF COMMERCE							
Department of Commerce							
Integrated Ocean Observing System (IOOS)	11.012	290,835	-			290,835	112,021
Integrated Ocean Observing System (IOOS)	11.012	-	36,115	Alaska Ocean Observing System (AOOS)	H2443	36,115	-
Integrated Ocean Observing System (IOOS)	11.012	-	23,277	Alaska Ocean Observing System (AOOS)	H2443	23,277	-
Bipartisan Budget Act of 2018	11.022	73,354	-			73,354	-
Sea Grant Support	11.417	-	19,064	Purdue University	F0008309702039	19,064	-
Weather and Air Quality Research	11.459	94,794	-			94,794	-
Applied Meteorological Research	11.468	41,208	-			41,208	-
Measurement and Engineering Research and Standards	11.609	247,004	-			247,004	14,183
Total Department of Commerce		<u>747,195</u>	<u>78,456</u>			<u>825,651</u>	<u>126,204</u>
DEPARTMENT OF DEFENSE							
Department of Defense							
Basic and Applied Scientific Research	12.300	3,800,050	-			3,800,050	784,047
Basic and Applied Scientific Research	12.300	-	243,025	Georgia Institute of Technology	RK015-G1	243,025	-
Basic and Applied Scientific Research	12.300	-	781	Georgia Institute of Technology	AWD-102036-G1	781	-
Basic and Applied Scientific Research	12.300	-	71,712	Honeywell International Inc.	SUB10192	71,712	-
Basic and Applied Scientific Research	12.300	-	24,405	Purdue University	4104-75027	24,405	-
Basic and Applied Scientific Research	12.300	-	45,287	Purdue University	13000477-031	45,287	-
Basic and Applied Scientific Research	12.300	-	172,654	Purdue University	13000934-064	172,654	-
Basic and Applied Scientific Research	12.300	-	87,564	Purdue University	4104-75027	87,564	-
Science, Technology, Engineering & Mathematics (STEM) Education, Outreach and Workforce Program	12.330	462	-			462	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF DEFENSE							
Department of Defense (continued)							
Scientific Research - Combating Weapons of Mass Destruction	12.351	-	57,428	Pennsylvania State University	SA21-08	57,428	-
Pest Management and Vector Control Research	12.355	162,497	-			162,497	134,490
Research on Chemical and Biological Defense	12.360	-	799,390	BioFabUSA	T0139	799,390	103,322
Military Medical Research and Development	12.420	3,310,296	-			3,310,296	182,009
Military Medical Research and Development	12.420	-	58,692	Rehabilitation Institute of Chicago	7197	58,692	-
Military Medical Research and Development	12.420	-	1,558	University of Kansas Center for Research, Inc.	FY2019-114	1,558	-
Military Medical Research and Development	12.420	-	62,731	University of Virginia	GG12205 PO# 2191229	62,731	-
Basic Scientific Research	12.431	1,024,765	-			1,024,765	91,693
Basic Scientific Research	12.431	-	14,942	Curators of the University of Missouri	C00070604-1	14,942	-
DOD, NDEP, DOTC-STEM Education Outreach Implementation	12.560	519,777	-			519,777	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	(33)	BBN Technologies	13765010	(33)	-
Basic, Applied, and Advanced Research in Science and Engineering	12.630	-	389,123	BioFabUSA	T0079	389,123	86,207
Basic, Applied, and Advanced Research in Science and Engineering	12.630	52,744	-			52,744	-
Air Force Defense Research Sciences Program	12.800	326,030	-			326,030	-
Air Force Defense Research Sciences Program	12.800	-	63,434	Iowa State University	421-2115A	63,434	-
Air Force Defense Research Sciences Program	12.800	-	27,120	Pierce Aerospace	20201201	27,120	-
Air Force Defense Research Sciences Program	12.800	-	142,126	Purdue University	13000905-015	142,126	-
Air Force Defense Research Sciences Program	12.800	-	138,806	University of New Mexico	707824-87E7	138,806	-
Air Force Defense Research Sciences Program	12.800	-	160,954	University of Southern California	130407675	160,954	-
Air Force Defense Research Sciences Program	12.800	-	52,344	University of Texas Dallas	1806295	52,344	-
Research and Technology Development	12.910	179,020	-			179,020	-
Research and Technology Development	12.910	-	189,123	University of California at Berkeley	00010205	189,123	-
COVID-19 Air Force Materiel Command	12.RD	371,700	-			371,700	-
Defense Health Agency	12.RD	760,146	-			760,146	444,466
Department of Navy	12.RD	898	-			898	-
Office of the Chief of Engineers	12.RD	(35,824)	-			(35,824)	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF DEFENSE							
Department of Defense (continued)							
Office of the Chief of Engineers	12.RD	217,800	-			217,800	52,617
Office of the Chief of Naval Research	12.RD	1,083,793	-			1,083,793	-
Office of the Chief of Naval Research	12.RD	(11,450)	-			(11,450)	-
Office of the Chief of Naval Research	12.RD	646,283	-			646,283	-
Office of the Chief of Naval Research	12.RD	359,490	-			359,490	-
Department of the Navy	12.RD	-	41,988	AdTech Optics Inc.	AGMT 2020SEP18	41,988	-
Department of the Air Force	12.RD	-	15,000	Advanced Systems & Technologies, Inc.	21002-UND-KRL 09.001	15,000	-
Department of the Air Force	12.RD	-	73,163	Aptima	1476-2220	73,163	-
Department of the Air Force	12.RD	-	1,059	Aptima	1476-2220	1,059	-
Air Force Materiel Command	12.RD	-	21,654	Azimuth Corporation	238-5404-ND	21,654	-
Department of the Air Force	12.RD	-	466	Centauri, LLC	PO 1043	466	-
Department of the Navy	12.RD	-	22,097	Cornerstone Research Group (CRG), Inc.	2020-2139	22,097	-
Air Force Materiel Command	12.RD	-	74,268	FGC Plasma Solutions LLC	01SEPT19	74,268	-
Department of the Air Force	12.RD	-	1,738	FGC Plasma Solutions LLC	AGMT 6APRIL2021	1,738	-
Defense Threat Reduction Agency	12.RD	-	(8)	HRL Laboratories, LLC	17042-174358-US	(8)	-
Defense Threat Reduction Agency	12.RD	-	127,040	HRL Laboratories, LLC	17042-174358-US	127,040	-
Air Force Materiel Command	12.RD	-	18,723	Indiana Integrated Circuits	P-0519	18,723	-
Department of the Air Force	12.RD	-	150,059	Indiana Integrated Circuits	C-0560	150,059	-
Department of the Air Force	12.RD	-	40,662	Indiana Integrated Circuits	P-0233	40,662	-
U.S. Army Materiel Command	12.RD	-	171,702	Indiana Technology and Manufacturing Companies	BRSN 003	171,702	-
Department of the Air Force	12.RD	-	2,019	Innovative Scientific Solutions, Inc.	PO SB20263	2,019	-
Department of the Air Force	12.RD	-	62,129	Jetoptera	FA8649-21-P-0181	62,129	-
Department of the Air Force	12.RD	-	17,188	Jetoptera	FA8649-21-P-0181	17,188	-
Defense Advanced Research Projects Agency	12.RD	-	167,841	Kitware	K002974-00-S02	167,841	-
Defense Advanced Research Projects Agency	12.RD	-	(270)	MZA Associates Corporation	S18003	(270)	-
Defense Advanced Research Projects Agency	12.RD	-	262	MZA Associates Corporation	17393	262	-
Air Force Materiel Command	12.RD	-	770,849	MZA Associates Corporation	S19-141	770,849	-
Air Force Materiel Command	12.RD	-	74,023	MZA Associates Corporation	S19-141	74,023	-
Department of the Air Force	12.RD	-	292,240	MZA Associates Corporation	S20-1159	292,240	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF DEFENSE							
Department of Defense (continued)							
U.S. Army Corps of Engineers	12.RD	-	44,990	NewFields Government Services, LLC (NGS)	DATED 12/1/2020	44,990	-
Air Force Materiel Command	12.RD	-	(818)	Northrop Grumman	2940843	(818)	-
Air Force Materiel Command	12.RD	-	1,481	Parry Labs	PL2018-SB-001	1,481	-
Office of the Chief of Naval Research	12.RD	-	47,253	Parry Labs	PO100097	47,253	-
Department of the Navy	12.RD	-	24,451	Pratt & Whitney	2015101 TASK 29	24,451	-
Air Force Materiel Command	12.RD	-	537,397	Purdue University	13000771-037	537,397	-
Air Force Materiel Command	12.RD	-	(2,977)	Purdue University	13000771-037	(2,977)	-
Department of Navy	12.RD	-	9	SA Photonics	PO 1022-ND1407	9	-
Department of the Air Force	12.RD	-	14,628	Science Applications International Corporation (SAIC)	P010249373	14,628	-
Defense Threat Reduction Agency	12.RD	-	7,708,785	Semiconductor Research Corporation	2018-JU-2776	7,708,785	7,287,703
Defense Threat Reduction Agency	12.RD	-	125,081	Semiconductor Research Corporation	2018-JU-2776	125,081	-
Defense Threat Reduction Agency	12.RD	-	286,815	Semiconductor Research Corporation	2018-JU-2776	286,815	-
Defense Advanced Research Projects Agency	12.RD	-	(707)	Semiconductor Research Corporation	2018-JU-2776	(707)	-
Defense Advanced Research Projects Agency	12.RD	-	40,548	Semiconductor Research Corporation	2018-JU-2776	40,548	-
Defense Advanced Research Projects Agency	12.RD	-	38,059	Semiconductor Research Corporation	2018-JU-2776	38,059	-
Department of the Navy	12.RD	-	68,834	Simba Chain Inc.	SCND-0001	68,834	-
Department of the Navy	12.RD	-	1,104	Spectral Energies, LLC	SB2017-001-1	1,104	-
Department of the Navy	12.RD	-	42,594	Spectral Energies, LLC	SB2016-001-1	42,594	-
Department of the Air Force	12.RD	-	10,955	Third Coast Federal	FA864921P0764-S001	10,955	-
Department of the Navy	12.RD	-	45,859	TSC-Praxis Operations	PO20200490	45,859	-
Department of the Navy	12.RD	-	11,960	TSC-Praxis Operations	PO20200490	11,960	-
COVID-19 Naval Sea Systems Command	12.RD	-	160,552	University of California Riverside	S-001258	160,552	-
Defense Advanced Research Projects Agency	12.RD	-	5,267	University of Southern California	67108176	5,267	-
Defense Threat Reduction Agency	12.RD	-	28,767	University of Southern California	94725237	28,767	-
Defense Threat Reduction Agency	12.RD	-	71,785	University of Southern California	94688478	71,785	-
Defense Advanced Research Projects Agency	12.RD	-	32,197	University of Southern California	67108176	32,197	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF DEFENSE							
Department of Defense (continued)							
Department of the Army	12.RD	-	48,144	Woolpert, Inc	NDR-19-S-025	48,144	-
Total Department of Defense		<u>12,768,477</u>	<u>14,342,071</u>			<u>27,110,548</u>	<u>9,166,554</u>
DEPARTMENT OF EDUCATION							
Department of Education							
Graduate Assistance in Areas of National Need	84.200A	85,197	-			85,197	-
Twenty-First Century Community Learning Center	84.287	-	16,250	Elkhart Community Schools	AGREEMENT 9/7/17	16,250	16,250
Twenty-First Century Community Learning Center	84.287	-	(11,973)	Elkhart Community Schools	AGREEMENT 9/7/17	(11,973)	-
Twenty-First Century Community Learning Centers	84.287	-	106,000	Elkhart Community Schools	AGREEMENT 9/13/17	106,000	106,000
Twenty-First Century Community Learning Center	84.287	-	(81,005)	Elkhart Community Schools	AGREEMENT 9/13/17	(81,005)	-
Education Research, Development and Dissemination	84.305A	478,686	-			478,686	148,887
Education Research, Development and Dissemination	84.305A	-	87,442	American Institutes for Research	0441500002	87,442	-
Education Research, Development and Dissemination	84.305A	-	20,817	WestEd	S00029116.0	20,817	-
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities	84.326Q	-	42,762	American Institutes for Research (AIR)	0417800005	42,762	-
Total Department of Education		<u>563,883</u>	<u>180,293</u>			<u>744,176</u>	<u>271,137</u>
DEPARTMENT OF ENERGY							
Department of Energy							
Office of Science Financial Assistance Program	81.049	6,226,430	-			6,226,430	284,148
Office of Science Financial Assistance Program	81.049	-	63,975	Case Western Reserve Univ.	RES513720	63,975	-
Office of Science Financial Assistance Program	81.049	-	(11)	Michigan State University	RC104823-ND	(11)	-
Office of Science Financial Assistance Program	81.049	-	23,315	Texas A&M University	M2100566	23,315	-
Office of Science Financial Assistance Program	81.049	-	25,119	University of Tennessee	A18-0354-S001	25,119	-
Conservation Research and Development	81.086	391,477	-			391,477	-
Renewable Energy Research and Development	81.087	-	490,968	Echogen Power Systems	DE-EE0008997	490,968	-
Renewable Energy Research and Development	81.087	-	109,952	General Electric Corporation	AGMT 1SEPT2020	109,952	-
Fossil Energy Research and Development	81.089	330,034	-			330,034	-
Stewardship Science Grant Program	81.112	2,229,272	-			2,229,272	546,991
Stewardship Science Grant Program	81.112	-	10,680	Texas A&M University	M1903434	10,680	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF ENERGY							
Department of Energy (continued)							
Nuclear Energy Research, Development and Demonstration	81.121	222,027	-			222,027	77,899
Nuclear Energy Research, Development and Demonstration	81.121	-	15,819	Boise State University	7683-A	15,819	-
Nuclear Energy Research, Development and Demonstration	81.121	-	20,114	Vanderbilt University	UNIV59886	20,114	-
Predictive Science Academic Alliance Program	81.124	89,029	-			89,029	31,918
Predictive Science Academic Alliance Program	81.124	-	82,595	Oregon State University	G0187A-B	82,595	-
Advanced Research Projects Agency - Energy	81.135	-	114,100	General Electric Global Research	ARPA-E PO 401143389	114,100	-
Advanced Research Projects Agency - Energy	81.135	-	214,860	Virginia Tech	429408-19923	214,860	-
Department of Energy	81.RD	5,288	-			5,288	-
Department of Energy	81.RD	-	151,241	Argonne National Laboratory	6J-30061-0003A	151,241	-
Department of Energy	81.RD	-	13,933	Argonne National Laboratory	6J-30061-0005A	13,933	-
Department of Energy	81.RD	-	29,453	Argonne National Laboratory	AGREEMENT DATED 08/14/2019	29,453	-
Department of Energy	81.RD	-	134,066	Argonne National Laboratory	6J-30061-0005A	134,066	-
Department of Energy	81.RD	-	95,597	Battelle Energy Alliance, LLC	4000171249	95,597	-
Department of Energy	81.RD	-	151,123	Battelle Energy Alliance, LLC	218934	151,123	-
Department of Energy	81.RD	-	69,137	Brookhaven National Laboratory	357725	69,137	-
Department of Energy	81.RD	-	99,055	Brookhaven National Laboratory	357725	99,055	-
Department of Energy	81.RD	-	188,611	Fermi National Accelerator Lab	632353	188,611	-
Department of Energy	81.RD	-	84,560	Fermi National Accelerator Lab	642855	84,560	-
Department of Energy	81.RD	-	(3,088)	Fermi National Accelerator Lab	PO 658353	(3,088)	-
Department of Energy	81.RD	-	149,409	Fermi National Accelerator Lab	658292	149,409	-
Department of Energy	81.RD	-	240,823	Fermi National Accelerator Lab	657175	240,823	-
Department of Energy	81.RD	-	74,512	Fermi National Accelerator Lab	PO 666600	74,512	-
Department of Energy	81.RD	-	49,919	Idaho National Laboratory	239987	49,919	-
Department of Energy	81.RD	-	2,500	Kansas City National Security Campus	PO_N000399253	2,500	-
Department of Energy	81.RD	-	80,316	Lawrence Berkeley National Laboratory	7475028	80,316	-
Department of Energy	81.RD	-	51,074	Lawrence Berkeley National Laboratory	7486326	51,074	-
Department of Energy	81.RD	-	60,148	Lawrence Berkeley National Laboratory	7544616	60,148	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF ENERGY							
Department of Energy (continued)							
Department of Energy	81.RD	-	7,500	Lawrence Berkeley National Laboratory	7486326	7,500	-
Department of Energy	81.RD	-	46,407	Lawrence Livermore National Laboratory	B638638	46,407	-
Department of Energy	81.RD	-	(28,562)	Lawrence Livermore National Laboratory	B640283	(28,562)	-
Department of Energy	81.RD	-	122,580	Lawrence Livermore National Laboratory	B621775	122,580	-
Department of Energy	81.RD	-	15,388	Lawrence Livermore National Laboratory	B644361	15,388	-
Department of Energy	8r.RD	-	68,650	Lawrence Livermore National Laboratory	B639472	68,650	-
Department of Energy	81.RD	-	81,973	Los Alamos National Laboratory	440310	81,973	-
Department of Energy	81.RD	-	14,345	Los Alamos National Laboratory	464187	14,345	-
Department of Energy	81.RD	-	73,003	Los Alamos National Laboratory	599008	73,003	-
Department of Energy	81.RD	-	94,719	Los Alamos National Laboratory	604297	94,719	-
Department of Energy	81.RD	-	62,643	Los Alamos National Laboratory	625808	62,643	-
Department of Energy	81.RD	-	17,566	Los Alamos National Laboratory	630340	17,566	-
Department of Energy	81.RD	-	17,226	Pacific Northwest National Laboratory	322249	17,226	-
Department of Energy	81.RD	-	40,218	Pacific Northwest National Laboratory	535497	40,218	-
Department of Energy	81.RD	-	6,315	Sandia National Laboratories	1970361	6,315	-
Department of Energy	81.RD	-	165,287	Sandia National Laboratories	PO 2079716	165,287	-
Department of Energy	81.RD	-	61,606	Sandia National Laboratories	PO2114365	61,606	-
Department of Energy	81.RD	-	26,000	Sandia National Laboratories	PO 2171048	26,000	-
Department of Energy	81.RD	-	59,225	Sandia National Laboratories	PO2114365	59,225	-
Department of Energy	81.RD	-	15,845	Sporian Microsystems	650-000-0166-00	15,845	-
Department of Energy	81.RD	-	26,227	UT-Battelle, LLC	4000175747	26,227	-
Total Department of Energy			<u>9,493,557</u>			<u>13,381,593</u>	<u>940,956</u>

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
National Institutes of Health							
Environmental Health	93.113	431,506	-			431,506	79,154
Oral Diseases and Disorders Research	93.121	-	71,541	Oregon Health & Science University	1018273_UND	71,541	-
Oral Diseases and Disorders Research	93.121	-	83,629	Pennsylvania State University	5832-UND-DHHS-7677	83,629	-
Mental Health Research Grants	93.242	82,237	-			82,237	-
Alcohol Research Programs	93.273	-	19,169	Utah State University	201356-489	19,169	-
Drug Abuse and Addiction Research Programs	93.279	12,782	-			12,782	-
Drug Abuse and Addiction Research Programs	93.279	-	23,585	Hafion LLC	AGREEMENT 9/4/2020	23,585	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	548,641	-			548,641	39,993
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	11,607	Board of Trustees of the Univ of Illinois	092646-17157	11,607	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	-	84,109	University of Iowa	S01161-01	84,109	-
Minority Health and Health Disparities Research	93.307	-	166,370	Massachusetts General Hospital	237174	166,370	-
Minority Health and Health Disparities Research	93.307	-	293,568	Yale University	GR110042 (CON-80002436)	293,568	-
Trans-NIH Research Support	93.310	876,223	-			876,223	-
National Center for Advancing Translational Sciences	93.350	-	11,344	Boston University	#4500003373	11,344	-
National Center for Advancing Translational Sciences	93.350	-	18,811	Boston University	#4500003820	18,811	-
National Center for Advancing Translational Sciences	93.350	-	303,468	Indiana Clinical and Translational Sciences Institute	8518	303,468	-
National Center for Advancing Translational Sciences	93.350	-	2,704	Indiana Clinical and Translational Sciences Institute	GLOBAL HEALTH-LOBO	2,704	2,704
National Center for Advancing Translational Sciences	93.350	-	(10)	Indiana Clinical and Translational Sciences Institute	GLOBAL HEALTH-LOBO	(10)	-
National Center for Advancing Translational Sciences	93.350	-	(14,774)	Indiana Clinical and Translational Sciences Institute	IN4680933UND	(14,774)	-
National Center for Advancing Translational Sciences	93.350	-	88	Indiana Clinical and Translational Sciences Institute	KOEPFLI	88	-
National Center for Advancing Translational Sciences	93.350	-	31	Indiana Clinical and Translational Sciences Institute	LETTER DATED 9/17/19	31	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
National Institutes of Health (continued)							
National Center for Advancing Translational Sciences	93.350	-	14,008	Indiana Clinical and Translational Sciences Institute	PO0177160	14,008	-
Research Infrastructure Programs	93.351	339,131				339,131	-
Cancer Cause and Prevention Research	93.393	-	20,813	Mayo Clinic	UND-263646 PO #67124041	20,813	-
Cancer Cause and Prevention Research	93.393	-	14,151	The Wistar Institute	25032-02-372	14,151	-
Cancer Detection and Diagnosis Research	93.394	-	22,544	Ohio State University	60066872	22,544	-
Cancer Treatment Research	93.395	1,954,860				1,954,860	771,837
Cancer Treatment Research	93.395	-	82,347	Grannus Therapeutics LLC	AGREEMENT DATED 1/15/2021	82,347	-
Cancer Treatment Research	93.395	-	8,764	Massachusetts General Hospital	236149	8,764	-
Cancer Biology Research	93.396	653,556	-			653,556	28,033
Cancer Biology Research	93.396	-	356	Memorial-Sloan Kettering Cancer Center	BD528135	356	-
Cancer Centers Support Grants	93.397	12,598	-			12,598	-
Cancer Centers Support Grants	93.397		19,348	University of Texas M.D. Anderson Cancer Center	3001633948	19,348	-
Cancer Research Manpower	93.398	97,184	-			97,184	-
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	-	436,840	National Association of Chronic Disease Directors (NACDD)	1422021	436,840	-
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	-	4,354	National Association of Chronic Disease Directors (NACDD)	210384	4,354	-
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	-	78,906	National Association of Chronic Disease Directors (NACDD)	2912021	78,906	-
Cardiovascular Diseases Research	93.837	386,358	-			386,358	23,517
Cardiovascular Diseases Research	93.837		87,113	University of Washington	UWSC12021	87,113	-
Blood Diseases and Resources Research	93.839	923,704	-			923,704	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	76,835	-			76,835	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	31,040	-			31,040	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	-	60,920	Stanford University	62553893-186951	60,920	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
National Institutes of Health (continued)							
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1,011,407	-			1,011,407	155,239
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	-	8,777	Cornell University	194368	8,777	-
Allergy and Infectious Diseases Research	93.855	8,241,621	-			8,241,621	3,535,219
Allergy and Infectious Diseases Research	93.855	-	5,257	Colorado State University	G-44372-02	5,257	-
Allergy and Infectious Diseases Research	93.855	-	10,296	Health Research, Incorporated	6040-01	10,296	-
Allergy and Infectious Diseases Research	93.855	-	4,720	Loyola University Chicago	212554-1	4,720	-
Allergy and Infectious Diseases Research	93.855	-	63,187	Purdue University	11000750-007	63,187	-
Allergy and Infectious Diseases Research	93.855	-	6,622	University of Alabama	000521324-SC004-CHA	6,622	-
Allergy and Infectious Diseases Research	93.855	-	40,591	University of California at Davis	A21-0362-S0001	40,591	-
Allergy and Infectious Diseases Research	93.855	-	53,709	University of Pittsburgh	AWD00002200 (134324-1)	53,709	-
Allergy and Infectious Diseases Research	93.855	-	97,921	University of South Florida	6408-1084-00-A	97,921	-
Allergy and Infectious Diseases Research	93.855	-	20,198	University of South Florida	6408-1097-00-A	20,198	-
Allergy and Infectious Diseases Research	93.855	-	7,885	University of Texas Southwestern	GMO 201021 PO0000001884	7,885	-
Allergy and Infectious Diseases Research	93.855	-	56,549	University of Utah	10054720-01	56,549	-
Biomedical Research and Research Training	93.859	4,695,896	-			4,695,896	213,061
Biomedical Research and Research Training	93.859	-	36,929	Health Research, Incorporated	6485-01	36,929	-
Biomedical Research and Research Training	93.859	-	(4,760)	Pennsylvania State University	5402-UND-DHHS	(4,760)	-
Biomedical Research and Research Training	93.859	-	140,535	University of Chicago	FP068856-01-PR	140,535	-
Child Health and Human Development Extramural Research	93.865	1,994,863	-			1,994,863	365,501
Aging Research	93.866	843,395	-			843,395	181,112
COVID-19 Aging Research	93.866	337,691	-			337,691	-
Aging Research	93.866	-	43,037	The Ohio State University	60069489-UND	43,037	-
Vision Research	93.867	173,871	-			173,871	79,669
Medical Library Assistance	93.879	-	8,463	University of Massachusetts	S51110000040449	8,463	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	-	43,770	State of Indiana	000000000000000000002164	43,770	-
International Research and Research Training	93.989	701,213	-			701,213	369,843

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF HEALTH AND HUMAN SERVICES							
National Institutes of Health (continued)							
National Institutes of Health	93.RD	608	-			608	608
National Institutes of Health	93.RD	(49,897)	-			(49,897)	-
National Institutes of Health	93.RD	-	138,916	University of Pennsylvania	43203	138,916	-
National Institutes of Health	93.RD	-	226,167	University of Pennsylvania	580125	226,167	-
Total Department of Health and Human Services		<u>24,377,323</u>	<u>2,934,473</u>			<u>27,311,796</u>	<u>5,845,490</u>
DEPARTMENT OF HOMELAND SECURITY							
Security, Science and Technology							
Centers for Homeland Security	97.061	-	(847)	Northeastern University	505035 78053	(847)	-
Centers for Homeland Security	97.061	-	1,380	Northeastern University	505035 78053	1,380	-
Centers for Homeland Security	97.061	-	36,479	Northeastern University	505035 78053	36,479	-
Centers for Homeland Security	97.061	-	24,999	Northeastern University	505035 78053	24,999	-
Centers for Homeland Security	97.061	-	88,443	Purdue University	E2042938	88,443	-
Domestic Nuclear Detection Office							
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection	97.077	47,569	-			47,569	-
Federal Emergency Management Agency							
Federal Emergency Management Agency	97.RD	-	122,569	University of North Carolina-Chapel Hill	5115355	122,569	-
Total Department of Homeland Security		<u>47,569</u>	<u>273,023</u>			<u>320,592</u>	<u>-</u>
DEPARTMENT OF JUSTICE							
Office of Justice Programs							
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	238,389	-			238,389	58,273
Economic, High-Tech, and Cyber Crime Prevention	16.752	157,973	-			157,973	54,694
Federal Bureau of investigation							
Federal Bureau of Investigation	16.RD	-	152,901	Florida Institute of Technology	PO#P0058614	152,901	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
DEPARTMENT OF JUSTICE							
Federal Bureau of investigation (continued)							
Federal Bureau of Investigation	16.RD	-	228,464	West Virginia University	09-097AAAA-UND	228,464	20,247
Federal Bureau of Investigation	16.RD	-	139,003	West Virginia University	09-097DDDD-UND	139,003	-
Federal Bureau of Investigation	16.RD	-	2,415	West Virginia University	09-097SSS-UND	2,415	-
Federal Bureau of Investigation	16.RD	-	2,081	West Virginia University	09-097TTT-UND	2,081	-
Total Department of Justice		<u>396,362</u>	<u>524,864</u>			<u>921,226</u>	<u>133,214</u>
DEPARTMENT OF STATE							
Bureau of Conflict and Stabilization Operations							
Academic Exchange Programs - Undergraduate Programs	19.009	-	51,758	IREX	FY20-YALI-BE-UND-07	51,758	-
Academic Exchange Programs - Undergraduate Programs	19.009	-	2,094	IREX	FY20-YALI-BE-UND-07	2,094	-
Public Diplomacy Programs	19.040	20,180	-			20,180	-
Conflict and Stabilization Operations	19.121	928,355	-			928,355	862,280
Total Department of State		<u>948,535</u>	<u>53,852</u>			<u>1,002,387</u>	<u>862,280</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration							
Science	43.001	635,972	-			635,972	22,534
Science	43.001	-	21,363	Georgia Institute of Technology	AWD-101557-G4	21,363	-
Science	43.001	-	3,356	Johns Hopkins University	R2004192321	3,356	-
Science	43.001	-	4,431	Science Museum of Minnesota	AGREEMENT DATED 7/31/18	4,431	-
Science	43.001	-	16,382	Space Telescope Science Institute	50734	16,382	-
Science	43.001	-	26,150	Space Telescope Science Institute	HST-AR-15634.001-A	26,150	-
Science	43.001	-	(19,671)	Space Telescope Science Institute	HST-GO-14268.001-A	(19,671)	-
Science	43.001	-	34,390	Space Telescope Science Institute	HST-GO-14602.001-A	34,390	-
Science	43.001	-	73,213	Space Telescope Science Institute	HST-GO-14772.003-A	73,213	-
Science	43.001	-	72,738	Space Telescope Science Institute	HST-GO-15075.001-A	72,738	-
Science	43.001	-	29,433	Space Telescope Science Institute	HST-GO-15313.001-A	29,433	-
Science	43.001	-	60,587	University of Alabama	2020-1241	60,587	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
National Aeronautics and Space Administration (continued)							
Science	43.001	-	7,863	University of California San Diego	77911696	7,863	-
Science	43.001	-	85,604	University of New Mexico	133711-87E7	85,604	-
Exploration	43.003	-	35,031	University of Central Florida	24086235-08	35,031	-
Space Operations	43.007	-	49,049	Center for the Advancement of Science in Space (CASIS)	GA-2018-268	49,049	-
Space Operations	43.007	-	92,344	Center for the Advancement of Science in Space (CASIS)	GA-2018-268	92,344	-
National Aeronautics and Space Administration	43.RD	3,596	-			3,596	-
National Aeronautics and Space Administration	43.RD	-	1,085	Space Telescope Science Institute	HST-GO-14765.002-A	1,085	-
National Aeronautics and Space Administration	43.RD	-	(1,190)	Space Telescope Science Institute	HST-GO-14765.006-A	(1,190)	-
National Aeronautics and Space Administration	43.RD	-	8,378	Space Telescope Science Institute	HST-GO-15274.001-A	8,378	-
National Aeronautics and Space Administration	43.RD	-	15,409	Space Telescope Science Institute	HST-GO-15657.002-A	15,409	-
National Aeronautics and Space Administration	43.RD	-	20,863	Space Telescope Science Institute	HST-GO-15951.002-A	20,863	-
Total National Aeronautics and Space Administration		<u>639,568</u>	<u>636,808</u>			<u>1,276,376</u>	<u>22,534</u>
NATIONAL SCIENCE FOUNDATION							
National Science Foundation							
Engineering	47.041	4,390,285	-			4,390,285	243,708
COVID-19 Engineering	47.041	65,402	-			65,402	46,381
COVID-19 Engineering	47.041	106,814	-			106,814	17,357
COVID-19 Engineering	47.041	51,296	-			51,296	-
COVID-19 Engineering	47.041	33,835	-			33,835	-
COVID-19 Engineering	47.041	4,408	-			4,408	-
COVID-19 Engineering	47.041	116,361	-			116,361	-
Engineering	47.041	-	39,313	CathBuddy, Inc.	AGREEMENT DTD 08/13/2020	39,313	-
Engineering	47.041	-	14,264	Florida International University	800009861-02UG	14,264	-
Engineering	47.041	-	20,568	Indiana University	8241_ND	20,568	-
Engineering	47.041	-	3,928	New Mexico State University	Q02192	3,928	-
Engineering	47.041	-	92,419	Purdue University	10001437-045	92,419	-
Engineering	47.041	-	65,151	Purdue University	10001437-045	65,151	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
NATIONAL SCIENCE FOUNDATION							
National Science Foundation (continued)							
Engineering	47.041	-	72,949	Purdue University	10001437-045	72,949	-
Engineering	47.041	-	57,519	Purdue University	10001437-045	57,519	-
Engineering	47.041	-	63,176	Purdue University	10001437-045	63,176	-
Engineering	47.041	-	47,470	Purdue University	10001437-045	47,470	-
Engineering	47.041	-	6,063	Purdue University	10001437-045	6,063	-
Engineering	47.041	-	20,568	Purdue University	10001557-023	20,568	-
COVID-19 Engineering	47.041	-	316	Rensselaer Polytech Inst.	A21-0044-S002	316	-
Engineering	47.041	-	251,989	University of California at Berkeley	9368	251,989	-
Engineering	47.041	-	23,161	University of Iowa	S01713-01	23,161	-
Engineering	47.041	-	34,385	University of Kansas Center for Research, Inc.	FY2021-034	34,385	-
Mathematical and Physical Sciences	47.049	10,682,745	-			10,682,745	668,765
Mathematical and Physical Sciences	47.049	-	986,822	Cornell University	79433-20664	986,822	-
Mathematical and Physical Sciences	47.049	-	611,144	Michigan State University	RC104177UND	611,144	-
Mathematical and Physical Sciences	47.049	-	518,955	Princeton University	SUB0000177	518,955	-
Mathematical and Physical Sciences	47.049	-	71,791	Princeton University	SUB0000177	71,791	-
Mathematical and Physical Sciences	47.049	-	25,437	Research Foundation of SUNY	76749/2/136652	25,437	-
Mathematical and Physical Sciences	47.049	-	24,121	University of California Riverside	S-001342	24,121	-
Mathematical and Physical Sciences	47.049	-	45,009	University of Houston	R-18-0022	45,009	-
Mathematical and Physical Sciences	47.049	-	72	University of Nebraska-Lincoln	25-0521-0178-006	72	-
Geosciences	47.050	961,545	-			961,545	-
Geosciences	47.050	-	154,296	Columbia University	36B(GG009393)	154,296	-
Computer and Information Science and Engineering	47.070	4,926,087	-			4,926,087	177,755
COVID-19 Computer and Information Science and Engineering	47.070	80,835	-			80,835	-
Computer and Information Science and Engineering	47.070	-	18,385	Pennsylvania State University	5365-UND-NSF-7560	18,385	-
Computer and Information Science and Engineering	47.070	-	286,594	Univ. of Southern California	110320236	286,594	-
Computer and Information Science and Engineering	47.070	-	42,143	Univ. of Southern California	110320236	42,143	-
Computer and Information Science and Engineering	47.070	-	2,561	University of California at Berkeley	00009747	2,561	-
Computer and Information Science and Engineering	47.070	-	101,298	University of California San Diego	79263457 / PO S9001492	101,298	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
NATIONAL SCIENCE FOUNDATION							
National Science Foundation (continued)							
Computer and Information Science and Engineering	47.070	-	86,085	University of Illinois-Urbana	2015-05845-02	86,085	-
Biological Sciences	47.074	1,279,833	-			1,279,833	191,594
COVID-19 Biological Sciences	47.074	41,508	-			41,508	-
Biological Sciences	47.074	-	5,719	Bryn Mawr College	46685A	5,719	-
Biological Sciences	47.074	-	20,301	Cary Institute of Ecosystem Studies	3357/2002201911	20,301	-
Biological Sciences	47.074	-	64,963	Cornell University	84104-10926	64,963	-
Biological Sciences	47.074	-	14,181	Health Research, Incorporated	5401-01	14,181	-
Biological Sciences	47.074	-	47,492	Stanford University	62169940-118374	47,492	47,492
Biological Sciences	47.074	-	12,694	Stanford University	62169940-118374	12,694	-
Biological Sciences	47.074	-	113,225	University of Oklahoma Press	2020-12	113,225	-
Biological Sciences	47.074	-	5,893	Virginia Tech	480181-19923	5,893	-
Social, Behavioral, and Economic Sciences	47.075	895,215	-			895,215	(144)
COVID-19 Social, Behavioral, and Economic Sciences	47.075	8,413	-			8,413	-
COVID-19 Social, Behavioral, and Economic Sciences	47.075	171,387	-			171,387	-
COVID-19 Social, Behavioral, and Economic Sciences	47.075	-	51,178	University of Chicago	AWD101214	51,178	-
COVID-19 Social, Behavioral, and Economic Sciences	47.075	-	24,090	University of Colorado-Boulder	1559354	24,090	-
Education and Human Resources	47.076	1,039,171	-			1,039,171	-
Education and Human Resources	47.076	-	(11)	Council of Graduate Schools	LETTER DATED 8/1/2017	(11)	-
Education and Human Resources	47.076	-	43,982	TERC	12137	43,982	-
Education and Human Resources	47.076	-	7,234	UC Santa Barbara	KK1921	7,234	-
Education and Human Resources	47.076	-	19,405	University of California - Los Angeles	0070 G YB485	19,405	-
Office of International Science and Engineering Integrative Activities	47.079	(4,144)	-			(4,144)	-
	47.083	-	(11)	University of North Carolina, Charlotte	20190880-03-UND	(11)	-
National Science Foundation	47.RD	158,164	-			158,164	-
National Science Foundation	47.RD	248,137	-			248,137	-
National Science Foundation	47.RD	-	3,406	Amer Educational Research Assn	FITZPATRICK	3,406	-
Total National Science Foundation		<u>25,257,297</u>	<u>4,221,693</u>			<u>29,478,990</u>	<u>1,392,908</u>

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
RESEARCH & DEVELOPMENT PROGRAMS FROM OTHER FEDERAL AGENCIES							
Environmental Protection Agency							
Great Lakes Program	66.469	229,949	-			229,949	128,864
Great Lakes Program	66.469	-	36,976	Central Michigan University	F62951	36,976	-
Great Lakes Program	66.469	-	14,846	Cornell University	82463-10976	14,846	-
Great Lakes Program	66.469	-	6,610	University of Buffalo SUNY	GL00E02254-C	6,610	-
Total Environmental Protection Agency		<u>229,949</u>	<u>58,432</u>			<u>288,381</u>	<u>128,864</u>
Department of Housing and Urban Development							
Healthy Homes Technical Studies Grants	14.906	49,135	-			49,135	-
Total Department of Housing and Urban Development		<u>49,135</u>	<u>-</u>			<u>49,135</u>	<u>-</u>
Department of the Interior							
Water Desalination Research and Development	15.506	66,882	-			66,882	-
Assistance to State Water Resources Research Institutes	15.805	110,343	-			110,343	-
Assistance to State Water Resources Research Institutes	15.805	-	50	Purdue University	15200040-46	50	-
Total Department of the Interior		<u>177,225</u>	<u>50</u>			<u>177,275</u>	<u>-</u>
Department of Transportation							
Highway Research and Development Program	20.200	-	(28,623)	Purdue University	21000273-091	(28,623)	-
Highway Research and Development Program	20.200	-	55,191	Purdue University	21000273-091	55,191	-
Total Department of Transportation		<u>-</u>	<u>26,568</u>			<u>26,568</u>	<u>-</u>
Department of Veterans Affairs							
Department of Veterans Affairs	64.RD	18,425	-			18,425	-
Total Department of Veterans Affairs		<u>18,425</u>	<u>-</u>			<u>18,425</u>	<u>-</u>
National Endowment for the Humanities							
Promotion of the Humanities Fellowships and Stipends	45.160	94,397	-			94,397	-
Promotion of the Humanities Research	45.161	42,149	-			42,149	-

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Research and Development							
RESEARCH & DEVELOPMENT PROGRAMS FROM OTHER FEDERAL AGENCIES							
National Endowment for the Humanities (continued)							
Promotion of the Humanities Office of Digital Humanities	45.169	45,182	-			45,182	36,698
Total National Endowment for the Humanities		<u>181,728</u>	<u>-</u>			<u>181,728</u>	<u>36,698</u>
Nuclear Regulatory Commission							
U. S. Nuclear Regulatory Commission Nuclear Education Grant Program	77.006	105,511	-			105,511	-
U.S. Nuclear Regulatory Commission Scholarship and Fellowship Program	77.008	77,184	-			77,184	-
Total Nuclear Regulatory Commission		<u>182,695</u>	<u>-</u>			<u>182,695</u>	<u>-</u>
United States Institute of Peace							
Priority Grant Competition	91.005	-	1,262	University of Texas Dallas	1806767	1,262	-
Total United States Institute of Peace		<u>-</u>	<u>1,262</u>			<u>1,262</u>	<u>-</u>
Total Research & Development Programs from Other Federal Agencies							
		<u>839,157</u>	<u>86,312</u>			<u>925,469</u>	<u>70,435</u>
TOTAL Research & Development Cluster							
		<u>80,927,546</u>	<u>28,452,031</u>			<u>109,379,577</u>	<u>21,177,087</u>
Other Sponsored Programs							
AGENCY FOR INTERNATIONAL DEVELOPMENT							
USAID Foreign Assistance for Programs Overseas	98.001	-	3,084	Massachusetts Institute of Technology	S5335, PO #585183	3,084	-
USAID Foreign Assistance for Programs Overseas	98.001	-	59,330	Purdue University	F9002550402036	59,330	-
USAID Foreign Assistance for Programs Overseas	98.001	-	23,324	Purdue University	F9002550402044	23,324	-
USAID Foreign Assistance for Programs Overseas	98.001	-	28,693	Purdue University	F9002550402078	28,693	-
USAID Foreign Assistance for Programs Overseas	98.001	-	586,085	Purdue University	F9002550402083	586,085	493,485
Global Development Alliance	98.011	1,290,679	-			1,290,679	157,539
		<u>1,290,679</u>	<u>700,516</u>			<u>1,991,195</u>	<u>651,024</u>

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
Other Sponsored Programs							
OTHER FEDERAL PROGRAMS							
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE							
AmeriCorps	94.006	847,622	-			847,622	-
AmeriCorps	94.006	-	190,304	Workforce Development Services	46234	190,304	-
AmeriCorps	94.006	-	15,657	Workforce Development Services	AC9872	15,657	-
		<u>847,622</u>	<u>205,961</u>			<u>1,053,583</u>	<u>-</u>
OTHER FEDERAL PROGRAMS							
Low Income Taxpayer Clinics	21.008	89,552	-			89,552	-
COVID-19 Coronavirus Relief Fund	21.019	-	17,299	Indiana Arts Commission	48296	17,299	-
Science	43.001	17,364	-			17,364	-
Promotion of the Arts Grants to Organizations and Individuals	45.024	-	13,824	Arts Midwest	00026735	13,824	-
Promotion of the Arts Partnership Agreements	45.025	-	4,050	Indiana Arts Commission	45647	4,050	-
National Leadership Grants	45.312	76,158	-			76,158	21,732
Subtotal - Other Sponsored Programs - Other Agencies		<u>183,074</u>	<u>35,173</u>			<u>218,247</u>	<u>21,732</u>
Subtotal - Other Sponsored Programs		<u>2,321,375</u>	<u>941,650</u>			<u>3,263,025</u>	<u>672,756</u>
Student Financial Assistance Cluster							
DEPARTMENT OF EDUCATION							
Federal Supplemental Educational Opportunity Grants	84.007	1,661,535	-			1,661,535	-
Federal Work-Study Program	84.033	636,193	-			636,193	-
Federal Pell Grant Program	84.063	4,550,654	-			4,550,654	-
Federal Perkins Loan (Note B)							
Outstanding Loans as of June 30, 2020	84.038	9,466,394	-			9,466,394	-
New Loans Issued	84.038	-	-			-	-
Administrative Cost Allowance	84.038	-	-			-	-
		<u>9,466,394</u>	<u>-</u>			<u>9,466,394</u>	<u>-</u>
Federal Direct Student Loans	84.268	52,494,985	-			52,494,985	-
Subtotal - Student Financial Assistance Cluster		<u>68,809,761</u>	<u>-</u>			<u>68,809,761</u>	<u>-</u>

University of Notre Dame du Lac

Schedule of Expenditures of Federal Awards for the year ended June 30, 2021 (continued)

Federal Program	Assistance Listing #	Direct	Pass-Through	Pass-Through Entity	Pass-Through Entity Sponsor Number	Total Expenditures	Passed to Sub-Recipients
TRIO Cluster							
DEPARTMENT OF EDUCATION							
TRIO Talent Search	84.044	304,673	-			304,673	-
TRIO Talent Search	84.044	22,294	-			22,294	-
TRIO Upward Bound	84.047	261,841	-			261,841	-
TRIO Upward Bound	84.047	109,184	-			109,184	-
Subtotal - TRIO		<u>697,992</u>	<u>-</u>			<u>697,992</u>	<u>-</u>
Total Federal Award Expenditures		<u>\$ 152,756,674</u>	<u>\$ 29,393,681</u>			<u>\$ 182,150,355</u>	<u>\$ 21,849,843</u>

University of Notre Dame du Lac

Notes to Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") summarizes the expenditures of the University of Notre Dame du Lac (the "University") under programs of the federal government for the year ended June 30, 2021. The information presented in the Schedule is presented on the accrual basis of accounting, which is in accordance with the Office of Management and Budget ("OMB") 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only the federal award activity of the University, it is not intended to and does not present the financial position, changes in net assets, functional expenses or cash flows of the University. The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance.

For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and agencies and departments of the federal government and all sub-awards to the University by non-federal organizations pursuant to federal grants, contracts and similar agreements. For purposes of the Schedule, agencies that provided less than \$300,000 of federal awards expended by the University for research and development are included in the Research & Development cluster under the heading "Research & Development Programs from Other Federal Agencies." These agencies include: the Environmental Protection Agency, the Department of Housing and Urban Development, the Department of the Interior, the Department of Transportation, the Department of Veterans Affairs, the National Endowment for the Humanities, the Nuclear Regulatory Commission, and the United States Institute of Peace.

Negative numbers in the Schedule represent adjustments to amounts reported in prior years in the normal course of business.

2. FEDERAL STUDENT FINANCIAL ASSISTANCE

CAMPUS BASED LOAN PROGRAM

The Federal Perkins Loan Program is administered directly by the University and balances and transactions relating to this program are included in the University's consolidated financial statements. The amount of Federal Perkins loans outstanding at June 30, 2021 totaled \$5,862,409. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. For the year ended June 30, 2021, there was no administrative cost allowance recovered from the Perkins Loan Program.

University of Notre Dame du Lac
Notes to Schedule of Expenditures of Federal Awards
For the year ended June 30, 2021

3. RECONCILIATION TO UNIVERSITY FINANCIAL STATEMENTS

Expenditures of federal awards per the Schedule are reconciled to grants and contracts revenues as reflected in the University's audited consolidated financial statements as follows (in thousands):

Total per Schedule of Expenditures of Federal Awards	\$ 182,150
Plus expenditure of awards from:	
State agencies	665
Private organizations	43,222
Awards not subject to OMB Circulars	2,076
Less: Agency transactions not reflected in audited financial statements ¹	(5,355)
Perkins Student Loan outstanding	(9,466)
Direct Student Loan expenditures	<u>(52,494)</u>
Grants and contracts per the Consolidated Statement of Changes in Net Assets	<u>\$ 160,798</u>

¹ Represents expenditures of federal awards, primarily for Pell grants, that are treated as "agency" or "pass-through" transactions for financial statement purposes and are thus excluded from activity reflected in the Consolidated Statement of Changes in Net Assets.

Financial Responsibility Supplemental Schedule

and

Notes to Financial Responsibility Supplemental Schedule

University of Notre Dame du Lac
Financial Responsibility Supplemental Schedule
For the year ended June 30, 2021

	Financial Statement Reference Code¹	Amount
Primary Reserve Ratio		
<i>Expendable net assets (A):</i>		
Net assets without donor restrictions	A4	\$ 9,756,218
Net assets with donor restrictions	A5	11,722,359
Net assets with donor restrictions: restricted in perpetuity	E1	(3,107,689)
Annuities and life income funds with donor restrictions	E3	(90,383)
Term endowments with donor restrictions	E2	(471)
Intangible assets	C1	(6,455)
Property, plant and equipment, net (including construction in progress):		
Pre-implementation	F3	(1,980,404)
Post-implementation without debt for original purchase	F4	(449,590)
Construction in progress	D1	(119,291)
Lease right-of-use assets:		
Pre-implementation	F5	(36,481)
Post-implementation	F6	(230)
Post-employment and pension liabilities	A3	104,218
Long-term debt - for long term purposes pre-implementation	F5	1,109,576
Line of Credit for Construction in progress	n/a	
Lease liabilities:		
Pre-implementation	F8	36,481
Post-implementation	F9	230
Unsecured related party receivable	F1	(22,203)
		<u>\$ 16,915,885</u>
<i>Total expenses without donor restrictions and losses without donor restrictions (B):</i>		
Total expenses without donor restrictions	B2	\$ 1,234,582
Losses related to:		
Pension and postretirement benefits:		
Net periodic benefit costs	B8	5,705
Annuities	B10	270
Other non-operating changes in net assets	B11	1,524
		<u>\$ 1,242,081</u>
Primary reserve ratio (A/B)		<u>13.62</u>

¹ The legend for the reference code is found on page 65.

University of Notre Dame du Lac
Financial Responsibility Supplemental Schedule
For the year ended June 30, 2021

	Financial Statement Reference Code¹	Amount
Equity Ratio:		
<i>Modified net assets (A):</i>		
Net assets without donor restrictions	A4	\$ 9,756,218
Net assets with donor restrictions	A5	11,722,359
Intangible assets	C1	(6,455)
Unsecured related party receivable	F2	(82,269)
		<u>\$ 21,389,853</u>
 <i>Modified assets (B):</i>		
Total assets	A2	\$ 26,263,145
Intangible assets	C1	(6,455)
Unsecured related party receivable	F2	(82,269)
		<u>\$ 26,174,421</u>
Equity ratio (A/B)		<u><u>0.82</u></u>
 Net Income Ratio:		
<i>Change in net assets without donor restrictions (A)</i>	B12	\$ 3,306,225
<i>Total revenue plus total gains (B):</i>		
Total revenues	B1	1,291,941
Investment return appropriated for spending	B3	(149,591)
<i>Total gains from:</i>		
Contributions	B4	21,247
Investments	B5	3,185,507
Derivative instruments	B6	83,063
Net assets released from restrictions	B7	47,496
<i>Pension and postretirement benefits:</i>		
Other changes	B9	68,643
		<u>\$ 4,548,306</u>
Net income ratio (A/B)		<u><u>0.73</u></u>

¹ The legend for the reference code is found on page 65.

University of Notre Dame du Lac
Financial Responsibility Supplemental Schedule
For the year ended June 30, 2021

**Financial
Statement
Reference**

Code	Financial Statement Reference	Line Item Description
A1	Consolidated Statement of Financial Position	Land, building and equipment, net of accumulated depreciation
A2	Consolidated Statement of Financial Position	Total assets
A3	Consolidated Statement of Financial Position	Pension and other postretirement benefit obligations
A4	Consolidated Statement of Financial Position	Without donor restrictions (Net assets)
A5	Consolidated Statement of Financial Position	With donor restrictions (Net assets)
B1	Consolidated Statement of Changes in Net Assets	Total operating revenues and other additions
B2	Consolidated Statement of Changes in Net Assets	Operating expenses
B3	Consolidated Statement of Changes in Net Assets	Endowment payout
B4	Consolidated Statement of Changes in Net Assets	Contributions (non-operating)
B5	Consolidated Statement of Changes in Net Assets	Investment return
B6	Consolidated Statement of Changes in Net Assets	Net gain on debt-related derivative instruments
B7	Consolidated Statement of Changes in Net Assets	Net assets released from restrictions (non-operating)
B8	Consolidated Statement of Changes in Net Assets	Net periodic benefit costs
B9	Consolidated Statement of Changes in Net Assets	Other changes
B10	Consolidated Statement of Changes in Net Assets	Change in value of split-interest agreements
B11	Consolidated Statement of Changes in Net Assets	Other non-operating changes
B12	Consolidated Statement of Changes in Net Assets	Increase in net assets
C1	Note 4 - Deferred Charges and Other Assets	Goodwill
D1	Note 8 - Land, buildings and equipment	Construction in progress
E1	Note 15 - Net Assets	Perpetual restrictions (column total)
E2	Note 15 - Net Assets	Term endowment
E3	Note 15 - Net Assets	Split-interest agreements (purpose and/or time restrictions)
F1	Note 22 - Financial Responsibility	Related parties - University trustees (purpose and/or time restrictions)
F2	Note 22 - Financial Responsibility	Related parties - University trustees (total)
F3	Note 22 - Financial Responsibility	Land, building and equipment, net (pre-implementation total)
F4	Note 22 - Financial Responsibility	Land, building and equipment, net (post-implementation total)
F5	Note 22 - Financial Responsibility	Bonds and notes payable (pre-implementation total)
F6	Note 22 - Financial Responsibility	Lease right-of-use assets (pre-implementation total)
F7	Note 22 - Financial Responsibility	Lease right-of-use assets (post-implementation total)
F8	Note 22 - Financial Responsibility	Lease liabilities (pre-implementation total)
F9	Note 22 - Financial Responsibility	Lease liabilities (post-implementation total)

University of Notre Dame du Lac
Notes for Financial Responsibility Supplemental Schedule
For the year ended June 30, 2021

1. BASIS OF PRESENTATION

The accompanying Financial Responsibility Supplemental Schedule (the “Schedule”) for the University of Notre Dame du Lac (the “University”) provides financial information required by the Department of Education to calculate of the primary reserve ratio, equity ratio, net income ratio and the composite score as defined in Subpart L of 34 CFR 668 for the fiscal year ended June 30, 2021. The financial information in the Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America consistent with the consolidated financial statements. The Schedule is presented for purposes of additional analysis as required by the Department of Education and is not a required part of the basic financial statements.

Part II

Reports on Internal Control and Compliance



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
University of Notre Dame du Lac

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the University of Notre Dame du Lac and its subsidiaries (the "University"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of changes in net assets, of functional expenses, and of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2021, except with respect to footnote 22 to the consolidated financial statements and the opinion on the financial responsibility supplemental schedule, as to which the date is March 30, 2022.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 University'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 statements. However, providing an opinion on compliance with



those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

PricewaterhouseCoopers LLP

Chicago, IL

November 15, 2021, except with respect to footnote 22 to the consolidated financial statements and the opinion on the financial responsibility supplemental schedule, as to which the date is March 30, 2022.



**Report of Independent Auditors on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal
Control Over Compliance in Accordance with the Uniform Guidance**

To the Board of Trustees
University of Notre Dame du Lac

Report on Compliance for Each Major Federal Program

We have audited the University of Notre Dame du Lac and its subsidiaries' (the "University") 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 University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University'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 University'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 University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.



Other Matters

As indicated in Part I to the accompanying Schedule of Findings and Questioned Costs, we have audited the Student Financial Assistance cluster as a major program. Also, as indicated in the first paragraph of this report, we performed our audit of compliance using the compliance requirements contained in the OMB Compliance Supplement, including those contained in Part V 5.3, Compliance Requirement N, Special Tests and Provisions, Section 10 “Gramm-Leach-Bliley Act-Student Information Security.” This section includes three suggested audit procedures with respect to verification that the institution (1) designated an individual to coordinate the information security program, (2) performed a risk assessment that addresses the three required areas in 16 CFR 314.4(b), and (3) documented a safeguard for each risk identified. Our procedures in relation to these three items were limited to inquiry of and obtaining written representation from management and obtaining and reading management’s documentation related to these three items. Our procedures did not include an analysis of the adequacy or completeness of the risk assessment performed or the safeguards for each risk identified by management.

Report on Internal Control Over Compliance

Management of the University 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 University’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 University’s internal control over compliance.

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

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



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

PricewaterhouseCoopers LLP

Chicago, IL
March 30, 2022

Part III

Schedule of Findings and Questioned Costs

University of Notre Dame du Lac
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? Yes No
- ◆ Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported
- ◆ Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal control over major programs:

- ◆ Material weakness(es) identified? Yes No
- ◆ Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

IDENTIFICATION OF MAJOR PROGRAMS

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
Various 98.011	Student Financial Assistance Cluster Global Development Alliance
Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

University of Notre Dame du Lac
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings to be reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings to be reported.

Part IV

Prior Year Audit Findings

University of Notre Dame du Lac
Summary Schedule of Prior Year Audit Findings and Status
For the year ended June 30, 2021

There are no findings from prior years that require an update in this report.