

Woods Hole Oceanographic Institution

**Report on Federal Awards in Accordance with
OMB Circular A-133
December 31, 2008
EIN #042105850**

Woods Hole Oceanographic Institution
Report on Federal Awards in Accordance with OMB Circular A-133
Index
December 31, 2008

	Page(s)
Part I - Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	
Report of Independent Auditors	1
Financial Statements	2-29
Schedule of Expenditures of Federal Awards	30-47
Notes to Schedule of Expenditures of Federal Awards	48
Part II - Reports on Internal Control and Compliance and Other Matters	
Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49-50
Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	51-52
Part III - Audit Findings and Questioned Costs Including Management's Views and Corrective Action Plan	
Summary of Auditors' Results	53
Schedule of Current Year Findings and Questioned Costs for Federal Awards	54-56
Schedule of Status of Prior Year Findings and Questioned Costs	57
Management's Views and Corrective Action Plan	58-61

**Part I - Financial Statements and
Supplementary Schedule of
Expenditures of Federal Awards**

Report of Independent Auditors

To the Board of Trustees of
Woods Hole Oceanographic Institution

In our opinion, the accompanying statement of financial position and the related statements of activities and cash flows present fairly, in all material respects, the financial position of Woods Hole Oceanographic Institution (the "Institution") as of December 31, 2008 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Institution's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Institution's 2007 financial statements, and in our report dated August 20, 2008, we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2009, on our consideration of the Institution'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 for the year ended December 31, 2008. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2008 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

September 29, 2009

Woods Hole Oceanographic Institution
Statement of Financial Position
December 31, 2008 (with summarized information as of December 31, 2007)

	2008		2007	
Assets				
Cash and cash equivalents, unrestricted	\$	22,345,523	\$	28,206,655
Cash and cash equivalents, restricted		2,249,971		2,269,104
Reimbursable costs and fees				
Billed (net of allowance for doubtful accounts of \$112,037 for 2008 and \$112,119 for 2007)		6,482,388		3,558,454
Unbilled		11,584,460		5,799,835
Receivable for investments sold		2,915		88,117
Interest and dividends receivable		358,233		107,533
Other receivables		961,736		851,891
Pledges receivable, net (Note 5)		11,981,823		10,678,076
Inventory		1,748,989		1,919,810
Deferred charges and prepaid expenses		548,733		1,511,788
Investments, pooled (Note 3)		249,324,406		372,183,273
Investments, nonpooled (Note 3)		64,606		70,036
Deposits with trustees for construction		10,111,687		-
Deposits with trustees for debt service and to pay Series A debt		53,700,092		92
Prepaid pension and postretirement benefit cost		-		887,243
Deferred fixed rate variance (Note 7)		994,079		-
Supplemental retirement		5,058,172		7,111,673
Other assets		11,690,315		13,512,160
Deferred financing costs		1,365,703		1,140,091
		<u>390,573,831</u>		<u>449,895,831</u>
Property, plant and equipment				
Land, buildings and improvements		131,317,680		127,045,920
Vessels and dock facilities		7,622,299		7,509,772
Laboratory and other equipment		28,225,892		26,720,659
Construction in process		2,331,228		880,178
		<u>169,497,099</u>		<u>162,156,529</u>
Accumulated depreciation		<u>(80,760,971)</u>		<u>(72,820,520)</u>
Net property, plant and equipment		<u>88,736,128</u>		<u>89,336,009</u>
Contribution receivable from remainder trusts, net (Note 6)		<u>8,483,567</u>		<u>11,477,118</u>
Total assets	\$	<u>487,793,526</u>	\$	<u>550,708,958</u>
Liabilities				
Line of credit (Note 8)	\$	3,882,556	\$	-
Accounts payable and other liabilities (Note 8)		18,185,061		9,817,163
Accrued payroll and related liabilities		6,319,201		5,495,504
Payable for investments purchased		80,167		219,787
Deferred fixed rate variance (Note 7)		-		895,384
Accrued supplemental retirement benefits		5,058,172		7,111,673
Accrued pension and restoration liability		84,409,200		29,935,722
Accrued postretirement liability		11,146,697		6,829,244
Deferred revenue and refundable advances		7,066,560		7,501,719
Bonds payable (Note 8)		117,780,187		54,850,000
Total liabilities		<u>253,927,801</u>		<u>122,656,196</u>
		Unrestricted	Temporarily Restricted	Permanently Restricted
Net Assets				
Undesignated and plant	\$	20,428,525	\$	-
Pension		(96,378,957)		-
Designated		4,723,148		9,155,106
Pledges and other		-		14,038,849
Education		-		2,654,310
Endowment and similar funds		58,793,501		142,556,268
Total net assets	\$	<u>(12,433,783)</u>	\$	<u>168,404,533</u>
Total liabilities and net assets	\$	<u>487,793,526</u>	\$	<u>550,708,958</u>

The accompanying notes are an integral part of these financial statements.

Woods Hole Oceanographic Institution
Statement of Activities
Year Ended December 31, 2008
(with summarized information for the year ended December 31, 2007)

	Unrestricted		Temporarily Restricted	Permanently Restricted	2008	2007
	Operating	Sponsored Research				
Revenues						
Fees	\$ 1,706,354	\$ -	\$ -	\$ -	\$ 1,706,354	\$ 1,000,542
Sponsored research						
Government	-	81,525,012	-	-	81,525,012	79,220,329
Subcontract and nongovernment	-	30,625,912	5,949,866	-	36,575,778	26,190,559
Ships and subs operations	-	26,594,365	-	-	26,594,365	23,848,658
Sponsored research assets released to operations	143,746,255	(138,745,289)	(5,000,966)	-	-	-
Education						
Joint program income	3,901,574	-	-	-	3,901,574	4,030,683
Endowment income	-	-	6,511,855	-	6,511,855	6,339,625
Education funds released from restriction	6,570,546	-	(6,570,546)	-	-	-
Investment return designated for current operations	3,496,652	-	-	-	3,496,652	3,675,754
Contributions and gifts	2,799,181	-	5,533,185	2,044,196	10,376,562	14,319,002
Releases from restrictions	-	-	(2,939,816)	-	(2,939,816)	(2,891,209)
Contributions in kind	218,213	-	-	-	218,213	1,107,195
Rental income	818,849	-	-	-	818,849	812,464
Communication and publications	203,819	-	-	-	203,819	192,469
Other	278,272	-	-	-	278,272	365,767
Total revenues	<u>163,739,715</u>	<u>-</u>	<u>3,483,578</u>	<u>2,044,196</u>	<u>169,267,489</u>	<u>158,211,838</u>
Expenses						
Sponsored research						
National Science Foundation	46,159,787	-	-	-	46,159,787	47,894,430
United States Navy	17,252,140	-	-	-	17,252,140	14,700,120
Subcontracts	11,804,657	-	-	-	11,804,657	10,533,312
National Oceanic & Atmospheric Administration	12,434,847	-	-	-	12,434,847	11,455,058
Department of Energy	172,217	-	-	-	172,217	538,460
United States Geological Survey	1,394,934	-	-	-	1,394,934	1,141,153
National Aeronautics & Space Administration	1,708,155	-	-	-	1,708,155	1,084,372
Ships Operations	20,740,497	-	-	-	20,740,497	18,054,230
Submersible and ROV operations	5,853,868	-	-	-	5,853,868	5,794,428
Privately funded grants	5,510,417	-	-	-	5,510,417	5,179,756
Other	20,714,736	-	-	-	20,714,736	12,690,439
Education						
Faculty expense	3,535,377	-	-	-	3,535,377	3,608,015
Student expense	4,190,903	-	-	-	4,190,903	4,411,514
Postdoctoral programs	420,942	-	-	-	420,942	436,859
Other	736,859	-	-	-	736,859	689,204
Rental expenses	672,104	-	-	-	672,104	603,964
Communication, publications and development	2,322,604	-	-	-	2,322,604	2,166,487
Fundraising expenses	2,536,037	-	-	-	2,536,037	2,407,542
Un-sponsored programs	8,842,687	-	-	-	8,842,687	11,065,609
Other expenses	3,704,390	-	-	-	3,704,390	1,994,089
Total expenses	<u>170,708,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>170,708,158</u>	<u>156,449,041</u>
Change in net assets from operating activities	<u>(6,968,443)</u>	<u>-</u>	<u>3,483,578</u>	<u>2,044,196</u>	<u>(1,440,669)</u>	<u>1,762,797</u>
Nonoperating income and expenses						
Investment return (less than)/in excess of amounts designated for sponsored research, education and current operations	(30,649,662)	-	(87,232,228)	-	(117,881,890)	32,904,133
Net realized/unrealized losses on interest rate swap	(10,395,615)	-	-	-	(10,395,615)	(1,651,898)
Change in split interest agreements	(6,048)	-	(33,738)	(3,015,808)	(3,055,594)	411,792
Contributions and gifts	-	-	-	-	-	5,000
Other nonoperating expenses	(99,976)	-	-	-	(99,976)	(99,976)
Net periodic pension costs	(3,190,468)	-	-	-	(3,190,468)	(6,405,433)
Loss on property investment	(1,554,355)	-	-	-	(1,554,355)	-
Resignation of gifts	-	-	(91,070)	-	(91,070)	(40,063)
Pension related changes other than net periodic pension costs (Note 9)	(56,477,400)	-	-	-	(56,477,400)	-
Change in net assets from nonoperating activities	<u>(102,373,524)</u>	<u>-</u>	<u>(87,357,036)</u>	<u>(3,015,808)</u>	<u>(192,746,368)</u>	<u>25,123,555</u>
Change in net assets from operating and nonoperating activities	<u>(109,341,967)</u>	<u>-</u>	<u>(83,873,458)</u>	<u>(971,612)</u>	<u>(194,187,037)</u>	<u>26,886,352</u>
Adoption of accounting principle - SFAS 158	-	-	-	-	-	(8,921,081)
Cumulative effect of a change in accounting principle - SAB 108	-	-	-	-	-	2,682,793
Total change in net assets	<u>(108,327,114)</u>	<u>-</u>	<u>(83,873,458)</u>	<u>(971,612)</u>	<u>(194,187,037)</u>	<u>20,648,064</u>
Net assets at beginning of year	<u>96,908,184</u>	<u>-</u>	<u>252,277,991</u>	<u>78,866,587</u>	<u>428,052,762</u>	<u>407,404,698</u>
Net assets at end of year	<u>\$ (12,433,783)</u>	<u>\$ -</u>	<u>\$ 168,404,533</u>	<u>\$ 77,894,975</u>	<u>\$ 233,865,725</u>	<u>\$ 428,052,762</u>

The accompanying notes are an integral part of these financial statements.

Woods Hole Oceanographic Institution
Statement of Cash Flows
Year Ended December 31, 2008
(with summarized information for the year ended December 31, 2007)

	2008	2007
Cash flows from operating activities		
Total change in net assets	\$ (194,187,037)	\$ 20,648,064
Adjustments to reconcile (decrease) increase in net assets to net cash used in operating activities		
Depreciation and amortization	8,486,936	7,890,601
Change in split interest agreements	3,055,594	(411,792)
Allowance for uncollectible pledges	211,496	(761,709)
Discount on pledges	(493,872)	433,968
Net realized and unrealized loss (gain) on investments	108,397,038	(40,569,822)
Unrealized loss (gain) on interest swap	(9,399,651)	1,511,543
Pension related changes other than net periodic pension cost	56,477,400	-
Contributions to be used for long-term investment	(430,813)	(1,743,205)
Gift in kind	-	(4,300,000)
Loss on property investments	1,554,355	-
Cumulative effect of a change in accounting principle	-	(2,682,793)
Receipt of contributed securities	(279,407)	(3,346,639)
Adoption of accounting principle	-	8,921,081
(Increase) decrease in assets		
Restricted cash	19,133	(676,927)
Interest and dividends receivable	(250,700)	563,649
Reimbursable costs and fees		
Billed	(2,923,934)	(84,731)
Unbilled	(5,784,625)	(32,929)
Other receivables	(109,845)	(101,045)
Pledges receivable	(1,021,371)	2,881,559
Inventory	170,821	(483,825)
Deferred charges and prepaid expenses	963,055	(77,347)
Other assets	267,490	(15,637)
Remainder trusts	-	261,759
Deferred finance costs	(225,612)	42,887
Prepaid pension costs	-	788,826
Supplemental retirement	2,053,501	61,960
Deferred fixed rate variance	(994,079)	-
Increase (decrease) in liabilities		
Accrued pension liability	3,190,468	6,371,359
Accrued pension liability restoration	10,308	-
Accrued postretirement liability	-	(788,826)
Accounts payable and other liabilities	17,660,421	1,456,739
Accrued payroll and related liabilities	823,697	254,331
Deferred revenue and refundable advances	(435,159)	(15,337)
Accrued supplemental retirement benefits	(2,053,501)	(61,960)
Deferred fixed rate variance	(895,384)	(790,542)
Net cash used in operating activities	<u>(16,143,277)</u>	<u>(4,856,740)</u>
Cash flows from investing activities		
Capital expenditures		
Additions to property and equipment	(7,573,472)	(8,327,584)
Short-term investments		
Sale of investments	-	7,000,000
Endowment		
Receivable for investments sold	85,202	106,323
Payable for investments purchased	(139,620)	(286,220)
Proceeds from the sale of investments	90,510,496	117,767,704
Purchase of investments	(76,043,237)	(106,095,799)
Change in construction fund	(10,111,687)	1,063,695
Change in funds for debt service and to pay Series A debt	(53,700,000)	118,894
Liquidation of contributed securities	279,407	3,346,639
Net cash (used in) provided by investing activities	<u>(56,692,911)</u>	<u>14,693,652</u>
Cash flows from financing activities		
Borrowings under debt agreements	66,544,243	-
Contributions to be used for long-term investment	430,813	1,743,205
Net cash provided by financing activities	<u>66,975,056</u>	<u>1,743,205</u>
Net (decrease) increase in cash and cash equivalents	(5,861,132)	11,580,117
Cash and cash equivalents, beginning of year	<u>28,206,655</u>	<u>16,626,538</u>
Cash and cash equivalents, end of year	<u>\$ 22,345,523</u>	<u>\$ 28,206,655</u>
Supplemental disclosures		
Cash paid for interest	\$ 4,308,449	\$ 2,166,858
Noncash activity		
Construction in process additions remaining in accounts payable	310,155	265,070
Contributed securities	279,407	3,346,639
Gift in kind	-	4,300,000

The accompanying notes are an integral part of these financial statements.

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2008

1. Background

Woods Hole Oceanographic Institution (the "Institution") is a private, independent not-for-profit research and educational institution located in Woods Hole, Massachusetts. Founded in 1930, the Institution is dedicated to working and learning at the frontier of ocean science and attaining maximum return on intellectual and material investments in oceanographic research.

The Institution is a qualified tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code as it is organized and operated for education and scientific purposes.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America.

The financial statements include certain prior-year summarized comparative information, but do not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Institution's audited financial statements for the year ended December 31, 2007, from which the summarized information was derived.

Net assets, revenues, and realized and unrealized gains and losses are classified based on the existence or absence of donor-imposed restrictions and legal restrictions imposed under Massachusetts State law. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the Institution. Generally the donors of these assets permit the Institution to use all or part of the income earned and capital appreciation, if any, on related investments for general or specific purposes.

Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met by actions of the Institution and/or the passage of time. Unspent gains on permanent endowment are classified as temporarily restricted until the Institution appropriates and spends such sums in accordance with the terms of the underlying endowment funds and in accordance with Massachusetts law, at which time they will be released to unrestricted revenues.

Unrestricted Net Assets

Unrestricted net assets are not subject to donor-imposed stipulations. Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or law. Expirations of temporary restrictions on net assets, that is, the donor-imposed stipulated purpose has been accomplished and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets. Amounts received for sponsored research (under exchange transactions) are reflected in unrestricted sponsored research revenue and released to operations when spent for the appropriate purpose, or as deferred revenue if expenditures have yet to be incurred.

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2008

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as unrestricted support. Promises to give that are scheduled to be received after the balance sheet date are shown as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when the purpose or items' restrictions are met. Promises to give, subject to donor-imposed stipulations that the corpus be maintained permanently, are recognized as increases in permanently restricted net assets. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. The Institution has \$224,561 and \$95,000 of conditional promises to give at December 31, 2008 and 2007, respectively. Contributions other than cash are generally recorded at market value on the date of the gift (or an estimate of fair value), although certain noncash gifts, for which a readily determinable market value cannot be established, are recorded at a nominal value until such time as the value becomes known. Contributions to be received after one year are discounted at the appropriate rate commensurate with risk. Amortization of such discount is recorded as additional contribution revenue in accordance with restrictions imposed by the donor on the original contribution, as applicable. Amounts receivable for contributions are reflected net of an applicable reserve for collectibility.

The Institution reports contributions in the form of land, buildings, or equipment as unrestricted operating support at fair market value when received.

Dividends, interest and net gains on investments of endowment and similar funds are reported as follows:

- as increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- as increases in temporarily restricted net assets if the terms of the gift or relevant state law impose restrictions on the current use of the income or net realized and unrealized gains; and
- as increases in unrestricted net assets in all other cases.

Operations

The statement of activities reports the Institution's operating and nonoperating activities. Operating revenues and expenses consist of those activities attributable to the Institution's current annual research or educational programs, all gifts received except those received for property, plant and equipment purposes and a component of endowment income appropriated for operations (Note 3). Unrestricted endowment investment income, gains and losses over the amount appropriated under the Institution's spending plan are reported as nonoperating revenue (expense) as investment return in excess of (less than) amounts designated for sponsored research, education and current operations. Nonoperating expense also includes the change in value of split interest agreements, realized/unrealized losses on interest swaps, losses on property investments and the net periodic pension cost on the noncontributory defined benefit pension plan that is not reimbursed through negotiated fixed rate agreements with the federal government. Additionally, nonoperating activities includes redesignation of donor gifts, depreciation on certain government-funded facilities and pension related changes other than net periodic pension costs.

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2008

Staff Accounting Bulletin No. 108, *Considering the Effects of Prior Year Misstatements when Quantifying Misstatements in the Current Year Financial Statements* ("SAB 108")

In September 2006, the Securities and Exchange Commission staff issued SAB 108. SAB 108 was issued in order to eliminate the diversity of practice surrounding how public companies quantify and assess the materiality of financial statement misstatements. Although the SAB is directly applicable to public companies, the Institution has elected to follow the prescribed guidance, by analogy.

Traditionally, there have been two accepted methods for quantifying and assessing the materiality of the effects of financial statement misstatements: the "rollover" method and the "iron curtain" method. The rollover method focuses primarily on the impact of a misstatement on the statement of activities - including the reversing effect of prior year misstatements - but its use can lead to the accumulation of misstatements in the balance sheet. The iron curtain method, on the other hand, focuses primarily on the effect of correcting the period-end balance sheet with less emphasis on the reversing effects of prior year misstatements on the statement of activities. Prior to the application of SAB 108, the Institution used the rollover method for quantifying and assessing the materiality of financial statement misstatements.

SAB 108 establishes an approach that requires quantification and assessment of the materiality of financial statement misstatements based on the effects of the misstatements on each of the Institution's financial statements and the related financial statement disclosures. This model is commonly referred to as a "dual approach" because it requires quantification and assessment of the materiality of misstatements under both the iron curtain and the rollover methods. SAB 108 permits companies to initially apply its provisions either by (i) restating prior financial statements as if the dual approach had always been applied or (ii) recording the cumulative effect of initially applying the dual approach as adjustments to the carrying values of assets and liabilities with an offsetting adjustment recorded to the opening balance of unrestricted net assets. The Institution elected to record the effects of applying SAB 108 using the cumulative effect transition method in fiscal 2007.

Prior to fiscal 2007, the Institution had certain accumulated accruals/reserves that are no longer required. Under the rollover method, these misstatements were not material to the statement of activities in any given year. With the adoption of SAB 108 as of December 31, 2007, management eliminated certain accruals in the amount of \$2,682,793 and recorded this change as a cumulative effect of a change in accounting principle in the statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, money market accounts, certificates of deposit and overnight repurchase agreements with initial maturities of three months or less when purchased which are stated at cost and approximates market value.

Included in restricted cash at December 31, 2008 and 2007 is \$1,701,678 and \$1,477,744, respectively, representing advances received from the United States Navy and other U.S. Government and state agencies. Such amounts are restricted as to use for research programs. Interest earned on unspent funds is remitted to the federal government.

Also included in restricted cash at December 31, 2008 and 2007 is \$548,293 and \$791,360, respectively, representing cash restricted by the Massachusetts Radiation Control Program and Department of Environmental Protection. Interest earned on unspent funds is reinvested within the restricted cash account.

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2008

In addition, cash and cash equivalents include all uninvested amounts from pooled investments.

Investments

Investment securities are carried at market value determined as follows: securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the year; securities traded in the over-the-counter market and listed securities for which no sales prices were reported on that day are valued at closing bid prices. The value of publicly traded securities is based upon quoted market prices and net asset values. Other securities, such as private equity funds, venture capital funds and hedge funds for which no such quotations or valuations are readily available, are carried at fair value as estimated by management using values provided by external investment managers. The Institution reviews and evaluates the valuations provided by investment managers and believes that these valuations are a reasonable estimate of fair value as of December 31, 2008 and 2007 but are subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for the investments existed and such differences could be material.

Purchases and sales of investment securities are recorded on a trade date basis. Realized gains and losses are computed on a specific identification method. Investment income, net of investment expenses, is distributed on the unit method.

Investment Income Unitization

The Institution's investments are pooled in an endowment fund and the investments and allocation of income are tracked on a unitized basis. The Institution distributes to operations for each individual fund an amount of investment income earned by each of the fund's proportionate share of investments based on a total return policy.

The Board of Trustees has appropriated all of the income and a specified percentage of the net appreciation (depreciation) to operations as prudent considering the Institution's long- and short-term needs, present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions. Under the Institution's current endowment spending policy, which is within the guidelines specified under state law, between 4% and 5.5% of a 36-month average market value of qualifying endowment investments is appropriated. This amounted to \$15,958,373 and \$15,555,591 for the years ending December 31, 2008 and 2007, respectively, and is classified in operating revenues (research, education, and operations). The Institution also distributed cash of \$134,727 for the year ending December 31, 2008.

Deposits with Trustees

Deposits with trustees consist principally of investments in United States Government obligations and have been deposited with trustees as required under certain loan agreements. At December 31, 2008 and 2007, respectively, the amounts consist of \$53,700,092 and \$92 for debt service and to pay Series A debt and \$10,111,687 and \$0 for construction purposes.

Other Assets

Other assets consist primarily of investments held by various split-interest agreements and donated property.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined using the first-in, first-out method.

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2008

Contracts and Grants

Revenues earned on contracts and grants for research are recognized as related costs are incurred.

The Institution received approximately 83% and 88% of its sponsored research revenues from government agencies including 47% and 52% of its operating revenues from the National Science Foundation and 13% and 13% from the United States Navy in fiscal years 2008 and 2007, respectively. Although applications for research funding to federal agencies historically have been funded, authorizations are subject to annual Congressional appropriations and payment.

Deferred Financing Costs

Costs incurred in connection with the placement of the Massachusetts Health and Educational Facilities Authority, Variable Rate Revenue Bonds, Woods Hole Oceanographic Institution Issue, Series A 2004 (the "Series A Bonds") and the Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Woods Hole Oceanographic Institution Issue, Series B (2008) (the "Series B Bonds"), have been deferred and are being amortized over the term of the obligation on a straight line basis.

Interest Rate Swap

The Institution has entered into an interest rate swap agreement on the Series A and Series B Bonds in order to convert a portion of the variable rate debt to fixed rate, thereby economically hedging against changes in the cash flow requirements of the Institution's variable rate debt obligations.

Net payments or receipts (difference between variable and fixed rate) under the swap agreement along with the change in fair value of the swap are recorded in nonoperating activities as net realized/unrealized losses on interest swap.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided on a straight-line basis at annual rates of 12 to 39 years on buildings and improvements, 10 to 15 years on vessels and dock facilities and 5 to 10 years on laboratory and other equipment. Depreciation expense on property, plant, and equipment purchased by the Institution in the amounts of \$8,118,462 and \$7,790,625 in 2008 and 2007, respectively, has been charged to operating activities. Depreciation on certain government-funded facilities (the Laboratory for Marine Science and the dock facility) amounting to \$99,976 both in 2008 and 2007 has been charged to nonoperating expenses as these assets were gifted by the Government.

Use of Estimates

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

Reclassifications

Certain amounts have been reclassified in the prior year financial statements to conform with current year classification.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

3. Investments

The cost and market value of pooled investments held at December 31 are as follows:

	2008		2007	
	Cost	Market	Cost	Market
U.S. equity	\$ 48,938,730	\$ 38,583,054	\$ 60,767,849	\$ 71,919,631
Global developed equity	51,033,390	37,527,967	74,620,741	93,490,200
Emerging markets equity	22,210,104	10,865,692	17,986,546	24,607,525
Marketable alternative assets	59,295,000	64,756,585	36,295,000	53,360,764
Real assets	27,026,449	20,025,017	27,049,709	38,926,689
Bonds	35,055,789	35,993,142	46,463,977	48,312,910
Nonmarketable assets	45,329,176	41,572,949	35,142,051	41,565,554
Total investments	\$ 288,888,638	\$ 249,324,406	\$ 298,325,873	\$ 372,183,273

Included in bonds and equities are alternative investment vehicles including commingled funds with a market value of \$39,460,686 and \$67,880,784 at December 31, 2008 and 2007, respectively, whose holdings are bonds and equities. Included in U.S. equity, marketable alternative assets and nonmarketable assets are hedge funds of \$67,985,074 and \$60,030,751 at December 31, 2008 and 2007, respectively. Included in global developed equity and nonmarketable assets are private equity and venture capital funds of \$56,299,549 and \$73,198,102 at December 31, 2008 and 2007, respectively. Total alternative investments (as described in the American Institute of Certified Public Accountants document, "A Practice Aid for Auditors: Alternative Investments - Audit Considerations") included in the above categories at December 31, 2008 and 2007, respectively, were \$183,770,329 and \$240,036,326.

The nonpooled investments consist of a common/collective trust fund invested in bonds with a market value of \$64,606 in 2008 and \$70,036 in 2007.

The following schedule summarizes the investment return on pooled and nonpooled investments and its classification in the statement of activities:

	Unrestricted	Temporarily restricted	2008 Total	2007 Total
Dividend and interest income	\$ 1,543,931	\$ 6,511,855	\$ 8,055,786	\$ 9,897,312
Investment management costs	(1,582,265)	-	(1,582,265)	(1,826,770)
Net realized gains	1,161,586	3,849,182	5,010,768	33,296,641
Change in unrealized (depreciation) appreciation	(28,276,262)	(85,131,544)	(113,407,806)	7,273,181
Total return on investments	(27,153,010)	(74,770,507)	(101,923,517)	48,640,364
Investment return designated for				
Sponsored research	-	(5,949,866)	(5,949,866)	(5,720,852)
Education	-	(6,511,855)	(6,511,855)	(6,339,625)
Current operations	(3,496,652)	-	(3,496,652)	(3,675,754)
Total distributions to operations	(3,496,652)	(12,461,721)	(15,958,373)	(15,736,231)
Investment return (less than) in excess of amounts designated for sponsored research, education and current operations	\$ (30,649,662)	\$ (87,232,228)	\$ (117,881,890)	\$ 32,904,133

Investment return distributed to operations includes \$0 and \$180,640 earned on non-endowment investments for the years ended December 31, 2008 and 2007, respectively.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

As a result of market declines, the fair value of certain donor restricted endowments is less than the historical cost value of such funds by \$3,388,279 at December 31, 2008. These unrealized losses have been recorded as reductions in unrestricted net assets. Future market gains will be used to restore this deficiency in unrestricted net assets before any net appreciation above the historical cost value of such fund increases temporarily restricted net assets.

Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the market values and the amounts reported in the statement of financial position.

Endowment income for pooled investments is allocated to each individual fund based on a per unit valuation. The value of an investment unit at December 31 is as follows:

	2008	2007
Unit value, beginning of year	\$ 5.2520	\$ 4.7179
Unit value, end of year	<u>3.9408</u>	<u>5.2520</u>
Net change for the year	(1.3112)	.5341
Investment income per unit for the year	<u>.0993</u>	<u>.1075</u>
Total return per unit	<u>\$ (1.2119)</u>	<u>\$.6416</u>

4. Fair Value Disclosures

On January 1, 2008, the Institution adopted Financial Accounting Standards Board ("FASB") Statement No. 157, *Fair Value Measurements*, which establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP") and expands disclosures about fair value measurements. FASB Statement No. 157 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering assumptions, FASB Statement No. 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

- *Level 1* – Observable inputs such as quoted prices in active markets;
- *Level 2* – Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- *Level 3* – Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

Assets and liabilities measured at fair value are based on one or more of three valuation techniques noted in FASB Statement No. 157. The three valuation techniques are as follows:

- *Market approach* – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

- *Cost approach* – Amount that would be required to replace the service capacity of an asset (i.e., replacement cost); and
- *Income approach* – Techniques to convert future amounts to a single present amount based on market expectations (including present value techniques).

The following fair value hierarchy tables present information about the Institution's assets and liabilities measured at fair value on a recurring basis based upon the lowest level of significant input to the valuations.

	Level 1	Level 2	Level 3	Total
Investments, pooled	\$ 65,554,077	\$ -	\$ 183,770,329	\$ 249,324,406
Investments, nonpooled	-	-	64,606	64,606
Deposits with trustees	63,811,779	-	-	63,811,779
Other assets	-	-	879,869	879,869
Contribution receivable from remainder trust	-	-	8,483,567	8,483,567
Total assets at fair value	\$ 129,365,856	\$ -	\$ 193,198,371	\$ 322,564,227

	Level 1	Level 2	Level 3	Total
Interest rate swap	\$ -	\$ -	\$ 12,871,650	\$ 12,871,650
Total liabilities at fair value	\$ -	\$ -	\$ 12,871,650	\$ 12,871,650

Other assets consist primarily of investments held by various split-interest agreements.

The following table presents the assets and liability carried at fair value as of December 31, 2008 that are classified within level 3 of the fair value hierarchy. The table reflects gains and losses for the year, including gains and losses on assets and liabilities that were transferred to level 3 during the year, for all assets and liabilities categorized as level 3 as of December 31, 2008. Additionally, both observable and unobservable inputs may be used to determine the fair value of positions that the Institution has classified within the level 3 category. As a result, the unrealized gains and losses for assets and liabilities within level 3 may include changes in fair value that were attributable to both observable and unobservable inputs.

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)				
	Investments Pooled	Investments Nonpooled	Other Assets	Contributions Receivable from Remainder Trust	Interest Rate Swap
Balance, January 1, 2008	\$ 240,036,335	\$ 70,036	\$ 1,147,359	\$ 11,477,118	\$ (3,471,999)
Realized gains/losses	8,072,656	-	-	-	-
Unrealized gains/losses	(83,410,365)	(5,430)	(267,490)	(2,993,551)	(9,399,651)
Purchases and sales	19,071,703	-	-	-	-
Transfers in and/or out of level 3	-	-	-	-	-
Balance, December 31, 2008	\$ 183,770,329	\$ 64,606	\$ 879,869	\$ 8,483,567	\$ (12,871,650)

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

5. Pledges Receivable

Pledges that are expected to be collected within one year are recorded at their net realizable value. Pledges that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Discount rates used to calculate the present value of pledges receivable were 8.25% and 2.36% - 4.74% at December 31, 2008 and 2007, respectively.

Pledges receivable consist of the following at December 31:

	2008	2007
Unconditional promises expected to be collected in:		
Less than one year	\$ 6,034,724	\$ 5,818,583
One year to five years	7,111,230	6,306,000
Reserve for uncollectible pledges receivable	(500,217)	(288,721)
Unamortized discount	<u>(663,914)</u>	<u>(1,157,786)</u>
	<u>\$ 11,981,823</u>	<u>\$ 10,678,076</u>

6. Contribution Receivable from Remainder Trusts, Net

Contributions receivable from remainder trusts at December 31, 2008 and 2007 were \$8,483,567 and \$11,477,118, respectively. The receivable and related revenue is measured at the present value of estimated future cash flows to be received, net of expected payouts, and recorded in the appropriate net asset category based on donor stipulation. During the term of these agreements, changes in the value are recognized based on amortization of discounts and changes in actuarial assumptions. For the year ending December 31, 2007, discount rates ranging from 5% to 8% were used in these calculations. For the year ending December 31, 2008, discount rates ranging from 6.4% to 7.0% were used in these calculations.

7. Deferred Fixed Rate Variance

The Institution receives funding or reimbursement from federal government agencies for sponsored research under government grants and contracts. Revenue is recognized as related costs are incurred. The Institution has negotiated fixed rates with the federal government for the recovery of certain fringe benefits and indirect costs on these grants and contracts. Such recoveries are subject to carryforward provisions that provide for adjustments to be included in the negotiation of future fixed rates. The deferred fixed rate variance accounts represent the cumulative amount owed to or due from the federal government. The Institution's rates are negotiated with the Office of Naval Research (ONR), the Institution's cognizant agency.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

The composition of the deferred fixed rate variance is as follows:

Deferred Fixed Rate Variance liability, December 31, 2006	<u>\$ (1,685,926)</u>
2007 indirect costs	61,298,187
2006 adjustment	(11,529)
Amounts recovered	<u>(60,496,116)</u>
2007 change	790,542
Deferred Fixed Rate Variance liability, December 31, 2007	<u>(895,384)</u>
2008 indirect costs	65,600,121
Amounts recovered	<u>(63,710,658)</u>
2008 change	<u>1,889,463</u>
Deferred Fixed Rate Variance asset, December 31, 2008	<u>\$ 994,079</u>

As of December 31, 2008, the Institution has expended a cumulative amount in excess of recovered amounts of \$994,079 which will be reflected as an addition to future year recoveries. This amount has been reported as an asset of the Institution.

8. Line of Credit and Bonds Payable

Indebtedness at December 31, 2008 and 2007 includes bonds issued through the Massachusetts Health and Education Facilities Authority (MHEFA). Balances of outstanding bonds and notes payable at December 31 consisted of the following:

	2008	2007
MHEFA, Series A, Variable Rate Revenue Bonds	\$ 53,700,000	\$ 54,850,000
MHEFA, Series B, Fixed Rate Revenue Bonds	65,000,000	-
Less: Series B unamortized bond discount	<u>(919,813)</u>	<u>-</u>
Bonds Payable	<u>\$ 117,780,187</u>	<u>\$ 54,850,000</u>

In fiscal 2004, proceeds were received from the offering of the \$54,850,000 Massachusetts Health and Educational Facilities Authority, Variable Rate Revenue Bonds, Woods Hole Oceanographic Institution Issue, Series A (2004), (the "Series A Bonds"), which were used to repay the MHEFA B Pool loans and for campus construction completed in December 2007. The bonds contain certain restrictive covenants including limitations on obtaining additional debt, filings of annual financial statements and limitations on the creation of liens. In addition, the Institution agrees that, subject to any governmental restrictions, its fiduciary obligations and limitations imposed by law, it will maintain unrestricted resources at a market value equal to at least 75% of all outstanding indebtedness. The Series A Bonds are collateralized by the Institution's unrestricted revenues. The interest rate for the Series 2004 Bonds is variable and set weekly, and at December 31, 2008, the rate was 6.25%. Interest expense for the years ended December 31, 2008 and 2007 was \$3,312,485 and \$2,166,858, respectively.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

On December 1, 2008, the Institution issued \$65,000,000 Massachusetts Health and Educational Facilities Authority, Fixed Rate Revenue Bonds, Woods Hole Oceanographic Institution Issue, Series B (2008), (the "Series B Bonds"). The proceeds will be used for major maintenance and renovation projects throughout the Institution and to retire the Series A Bonds, on January 2, 2009, the earliest possible call date. The Series B Bonds mature in 2034 and bear fixed interest rates from 4% to 5.5% payable on June 1 and December 1 beginning in 2009. The Series B Bonds are collateralized by the Institution's unrestricted revenues. The Institution incurred costs of \$268,500 associated with the issue which have been capitalized and are being amortized over the life of the bonds. At December 31, 2008, deposits with trustees include \$53,700,000 to pay Series A bonds and \$10,111,687 of construction funds held by trustees that will be drawn down to fund various construction projects. Debt covenants are consistent with the requirements under the Series A bond agreement as long as the interest rate swap agreement is in effect. The fair value of the Series B bond which is based on current traded values for the same or similar issues or on the current rates offered for debt of the same remaining maturities was \$64,746,967 at December 31, 2008. Management believes the carrying value of the remaining debt instruments approximates fair value.

The Institution retired the Series A Bonds on January 2, 2009, the earliest possible call date, using the Series B Bond proceeds maintained in the debt service fund at December 31, 2008. The Series A Bond balance was \$53,700,000 on December 31, 2008.

The Institution has an uncollateralized \$10,000,000 line of credit. This line of credit bears interest at one percent below the Wall Street Journal Prime Rate. At December 31, 2008, the Institution had \$3,882,556 outstanding on the line of credit. The line of credit expires in October 2009.

In June 2004, the Institution entered into an interest rate swap agreement, with a term through June 1, 2034. This swap effectively locks in a fixed rate of 3.79% per annum. The agreement has a notional amount of \$54,850,000. At December 31, 2008 and 2007, respectively, the market value of the swap agreement amounted to a liability of \$12,871,650 and \$3,471,999 which is included in accounts payable and other liabilities. The value of the interest rate swap is reflected within accounts payable and other liabilities and nonoperating income/expense in the financial statements. Additionally, the Institution paid interest expense in association with the swap agreement of \$995,964 and \$140,355 which is reflected as part of the net realized/unrealized losses on interest swap at December 31, 2008 and 2007, respectively.

The aggregate maturities due on the Series B long-term debt at December 31, 2008 are as follows:

Fiscal Year	Principal Amount
2009	\$ 685,000
2010	1,415,000
2011	1,475,000
2012	1,530,000
2013	1,595,000
Thereafter	<u>58,300,000</u>
	<u>\$ 65,000,000</u>

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

9. Retirement Plans

The Institution maintains a noncontributory defined benefit pension plan covering substantially all employees of the Institution, a restoration plan for certain senior employees and a supplemental benefit plan for certain other employees. Pension benefits are earned based on years of service and compensation received. The Institution's policy is to fund at least the minimum required by the Employee Retirement Income Security Act of 1974.

The Institution uses a December 31 measurement date for all of its plans.

	Restoration Plan Pension Benefits	
	2008	2007
Change in benefit obligation		
Benefit obligation at beginning of year	\$ -	\$ 34,074
Interest cost	1,769	4,641
Actuarial loss	28,038	119,307
Settlements	-	(158,022)
Benefit obligation at end of year	<u>\$ 29,807</u>	<u>\$ -</u>
Funded status	\$ (29,807)	\$ -
Amounts recognized in the statement of financial position consist of		
Accrued benefit liability	<u>\$ (29,807)</u>	<u>\$ -</u>
Net amount recognized	<u>\$ (29,807)</u>	<u>\$ -</u>

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Amounts recognized in unrestricted net assets		
Net actuarial loss	\$ 19,499	\$ -
Information for pension plans with accumulated benefit obligations in excess of plan assets		
Projected benefit obligation	\$ 29,807	\$ -
Accumulated benefit obligation	6,713	-
Component of net periodic benefit cost		
Interest cost	1,769	4,641
Recognized actuarial loss	8,539	79,201
Net periodic benefit cost	<u>\$ 10,308</u>	<u>\$ 83,842</u>
Other changes in benefit obligations recognized in unrestricted net assets		
Net actuarial loss	\$ 19,499	\$ -
Total recognized in nonoperating expense	<u>\$ 19,499</u>	<u>\$ -</u>
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	6.50%	6.25%
Rate of compensation increase	4.50%	4.50%
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	6.25%	6.00%
Rate of compensation increase	4.50%	4.50%

Expected amounts amortized from unrestricted net assets into net periodic pension cost for the next fiscal year.

Amortization of net loss	\$ 8,323
--------------------------	----------

Expected Contributions

The Institution does not anticipate contributing to the Restoration Plan in 2009.

Estimated Future Benefit Payments

There are no expected benefit payments for 2009. There are expected future benefit payments of \$34,380 for the year ending December 31, 2011.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

	Qualified Plan Pension Benefits	
	2008	2007
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 216,059,940	\$ 215,891,241
Service cost	6,818,972	6,525,239
Interest cost	13,167,915	12,424,161
Actuarial gain	(5,418,314)	(2,764,717)
Benefits paid	<u>(16,671,027)</u>	<u>(16,015,984)</u>
Benefit obligation at end of year	<u>\$ 213,957,486</u>	<u>\$ 216,059,940</u>
Change in plan assets		
Fair value of plan assets at beginning of year	\$ 186,124,218	\$ 171,342,150
Adjustment to beginning balance for additional fair value of investments		-
Employer contributions	7,935,274	6,027,869
Actual return on plan assets	(47,810,372)	24,770,183
Benefits paid	<u>(16,671,027)</u>	<u>(16,015,984)</u>
Fair value of plan assets at end of year	<u>\$ 129,578,093</u>	<u>\$ 186,124,218</u>
Funded status	\$ (84,379,393)	\$ (29,935,722)
Amounts recognized in the statement of financial position consist of		
Accrued benefit liability	<u>\$ (84,379,393)</u>	<u>\$ (29,935,722)</u>
Net amount recognized	<u>\$ (84,379,393)</u>	<u>\$ (29,935,722)</u>
Amounts recognized in unrestricted net assets		
Net prior service cost	\$ 11,455,419	\$ 13,389,338
Net actuarial loss (gain)	41,988,038	(11,199,084)
Information for pension plans with accumulated benefit obligations in excess of plan assets		
Projected benefit obligation	\$ 213,957,486	\$ 216,059,940
Accumulated benefit obligation	178,423,527	180,366,990
Fair value of plan assets	129,578,093	186,124,218
Components of net periodic benefit cost		
Service cost	\$ 6,818,972	\$ 6,525,239
Interest cost	13,167,915	12,424,161
Expected return on plan assets	(11,470,123)	(10,365,552)
Amortization of prior service cost	1,933,919	1,933,919
Recognized actuarial loss	<u>675,059</u>	<u>1,915,535</u>
Net periodic benefit cost	<u>\$ 11,125,742</u>	<u>\$ 12,433,302</u>
Other changes in plan assets and benefit obligations recognized in unrestricted net assets		
SFAS 158 change in accounting principle	N/A	\$ 2,190,254
Amortization of prior service cost	\$ (1,933,919)	N/A
Amortization of actuarial loss	(675,059)	N/A
Net actuarial loss	<u>53,862,181</u>	<u>N/A</u>
Total recognized in nonoperating expense	<u>\$ 51,253,203</u>	<u>\$ 2,190,254</u>

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

The Institution has reflected \$7,935,274 and \$6,027,869 for the years ending December 31, 2008 and 2007, respectively, of the net periodic benefit cost in the operating section of the statement of activities which represents the amount reimbursed through the employee benefit fixed rate as negotiated with the United States Government. The remaining \$3,190,468 and \$6,405,433 for the years ending December 31, 2008 and 2007, respectively, of net periodic benefit cost is reflected in nonoperating expenses.

The impact of the adoption of SFAS 158 resulted in a net decrease of \$2,190,254 in unrestricted net assets, which has been recorded as an adoption of an accounting principle for the year ended December 31, 2007. The net decrease is comprised of the net prior service cost of \$13,389,338 and actuarial gain of \$11,199,084.

The incremental effect of applying SFAS 158 on individual items in the statement of financial position as of December 31, 2007 is as follows:

	Before Application of SFAS 158	Defined Benefit Plan Adjustments	After Application of SFAS 158
Accrued pension liability	\$ 27,745,468	\$ 2,190,254	\$ 29,935,722
Total liabilities	120,465,942	2,190,254	122,656,196
Unrestricted net assets	99,098,438	(2,190,254)	96,908,184
Total net assets	430,243,016	(2,190,254)	428,052,762

	Qualified Plan Pension Benefits	
	2008	2007
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	6.50%	6.25%
Rate of compensation increase	4.50%	4.50%
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	6.25%	6.00%
Expected long-term rate of return on plan assets	8.00%	8.00%
Rate of compensation increase	4.50%	4.50%

To develop the expected long-term rate of return on assets assumption, the Institution considered the current level of expected returns on risk-free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio, net of expenses expected to be paid. This resulted in the selection of the 8.00% assumption.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Plan Assets

The Institution's pension plan weighted-average asset allocations at December 31, 2008 and 2007, by asset category are as follows:

Asset Category	2008	2007
U.S. equity	11%	13%
Global developed equity	16%	26%
Emerging markets equity	4%	7%
Marketable alternative assets	17%	15%
Real assets	5%	8%
Bonds	18%	14%
Nonmarketable assets	27%	12%
Cash and cash equivalents	2%	5%
	<u>100%</u>	<u>100%</u>

The following target asset allocation is used:

Asset Category	Target Allocation
U.S. equity	21%
Global developed equity	20%
Emerging markets equity	4%
Marketable alternative assets	20%
Real assets	10%
Bonds	10%
Nonmarketable assets	15%
Cash and cash equivalents	0%

The primary financial objectives of the assets of the Plan are to (1) provide a stream of relatively predictable, stable and constant earnings in support of the Qualified Plan's annual benefit payment obligations; and (2) preserve and enhance the real (inflation-adjusted) value of assets, over time, with the goal of meeting the anticipated future benefit obligations of the qualified plan.

The long-term investment objectives of the assets of the Plan are to (1) attain the average annual total return assumed in the Plan's most recent actuarial assumptions (net of investment management fees) over rolling five-year periods; and (2) outperform the custom benchmark.

Expected amounts amortized from unrestricted net assets into net periodic pension cost for the next fiscal year

Amortization of net prior service cost	\$ 1,678,806
Amortization of net loss	241,554

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Expected Contributions

The Institution anticipates contributing \$13,000,000 to the Qualified Plan in 2009.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service are expected to be paid as follows:

Years	Benefit Payments
2009	\$ 13,311,914
2010	12,012,018
2011	14,583,307
2012	15,587,019
2013	15,971,771
2014 - 2018	84,595,383

	Supplemental Plan Pension Benefits	
	2008	2007
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 2,656,213	\$ 3,113,322
Service cost	33,691	42,114
Interest cost	126,401	149,445
Actuarial gain	(516,225)	(485,609)
Benefits paid	(151,045)	(163,059)
Benefit obligation at end of year	<u>\$ 2,149,035</u>	<u>\$ 2,656,213</u>
Change in plan assets		
Fair value of plan assets at beginning of year	\$ -	\$ -
Employer contributions	151,045	163,059
Benefits paid	(151,045)	(163,059)
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>
Funded status	<u>\$ (2,149,035)</u>	<u>\$ (2,656,213)</u>

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Amounts recognized in the statement of financial position consist of		
Accrued benefit liability	\$ (2,149,035)	\$ (2,656,213)
Net amount recognized	<u>\$ (2,149,035)</u>	<u>\$ (2,656,213)</u>
Amounts recognized in unrestricted net assets		
Net prior service cost	\$ 19,491	\$ 26,111
Net actuarial (gain)	(1,169,664)	(913,354)
Information for pension plans with accumulated benefit obligations in excess of plan assets		
Projected benefit obligation	\$ 2,149,035	\$ 2,656,213
Accumulated benefit obligation	2,057,077	2,519,193
Components of net periodic benefit cost		
Service cost	\$ 33,691	\$ 42,114
Interest cost	126,401	149,445
Expected return on earmarked reserves	(196,395)	(192,548)
Amortization of prior year service cost	6,620	6,620
Recognized actuarial gain	<u>(234,572)</u>	<u>(138,983)</u>
Net periodic benefit income	<u>\$ (264,255)</u>	<u>\$ (133,352)</u>

The accrued supplemental retirement is matched by a "Rabbi" Trust with \$5,058,172 and \$7,111,673, respectively, as of December 31, 2008 and 2007. An additional accrual of \$2,909,137 and \$4,455,460 has been established for the excess of the "Rabbi" Trust assets over the accrued supplemental retirement benefits at December 31, 2008 and 2007, respectively. Income earned on the investments earmarked for the supplemental retirement plan amounted to \$171,052 and \$202,232 for the years ended December 31, 2007 and 2006, respectively.

	Supplemental Plan Pension Benefits	
	2008	2007
Actual return on earmarked reserves	\$ 171,052	\$ 202,232
Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	6.50%	6.25%
Rate of compensation increase	4.50%	4.50%
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	6.25%	6.00%
Expected long-term rate of return on plan assets	8.00%	8.00%
Rate of compensation increase	4.50%	4.50%

Expected amounts amortized from unrestricted net assets into net periodic pension cost for the next fiscal year.

Amortization of net prior service cost	6,361
Amortization of net loss (gain)	(187,996)

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Expected Contributions

The Institution anticipates contributing \$232,978 to the Supplemental Plan in 2009.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service are expected to be paid as follows:

Years	Benefit Payments
2009	\$ 232,978
2010	330,818
2011	392,561
2012	423,805
2013	377,221
Years 2014 - 2018	841,703

10. Other Postretirement Benefits

In addition to providing retirement plan benefits, the Institution provides certain health care benefits for retired employees and their spouses. Substantially all of the Institution's employees may become eligible for the benefits if they reach normal retirement age (as defined) or elect early retirement after having met certain time in service criteria.

	Other Postretirement Benefits	
	2008	2007
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 29,716,604	\$ 31,291,763
Service cost	611,868	791,711
Interest cost	1,642,932	1,726,221
Benefits paid	(1,042,731)	(1,038,077)
Actuarial (gain) loss	(4,300,358)	(3,055,014)
Benefit obligation at end of year	<u>\$ 26,628,315</u>	<u>\$ 29,716,604</u>

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Change in plan assets		
Fair value of plan assets at beginning of year	\$ 22,887,362	\$ 21,276,483
Employer contributions	447,218	755,248
Actual return on plan assets	(6,810,231)	1,893,708
Benefits paid	<u>(1,042,731)</u>	<u>(1,038,077)</u>
Fair value of plan assets at end of year	<u>\$ 15,481,618</u>	<u>\$ 22,887,362</u>
Funded status	\$ (11,146,697)	\$ (6,829,242)
Amounts recognized in the statement of financial position consist of		
Accrued benefit liability	<u>\$ (11,146,697)</u>	<u>\$ (6,829,242)</u>
Net amount recognized	<u>\$ (11,146,697)</u>	<u>\$ (6,829,242)</u>
Amounts recognized in unrestricted net assets		
Net prior service cost	\$ (8,095,510)	\$ (8,935,356)
Net actuarial loss	20,031,035	16,553,426
Components of net periodic benefit cost		
Service cost	\$ 611,868	\$ 791,711
Interest cost	1,642,932	1,726,221
Expected return on plan assets	(1,788,961)	(1,678,301)
Amortization of prior service cost	(839,846)	(1,366,423)
Recognized actuarial gain	<u>821,225</u>	<u>1,282,040</u>
Net periodic benefit cost	<u>\$ 447,218</u>	<u>\$ 755,248</u>
Other changes in plan assets and benefit obligations recognized in unrestricted net assets		
SFAS 158 change in accounting principle	N/A	\$ 7,618,070
Amortization of prior service cost	\$ 839,846	N/A
Amortization of actuarial loss	(821,225)	N/A
Net actuarial loss	<u>4,298,834</u>	<u>N/A</u>
Total recognized in nonoperating expense	<u>\$ 4,317,455</u>	<u>\$ 7,618,070</u>

The Institution has reflected the net periodic benefit cost in operating expenses, as the amount is reimbursed through federal awards.

The impact of the adoption of SFAS 158 resulted in a net decrease of \$7,618,070 in unrestricted net assets, which has been recorded as an adoption of an accounting principle for the year ended December 31, 2007. The net decrease is comprised of the net prior service cost of \$8,935,356 and actuarial loss of \$16,553,426.

Weighted-average assumptions used to determine benefit obligations at December 31		
Discount rate	6.25%	6.50%
Weighted-average assumptions used to determine net periodic benefit cost for years ended December 31		
Discount rate	6.50%	6.00%
Expected long-term rate of return on plan assets	8.00%	8.00%

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

The incremental effect of applying SFAS 158 on individual items in the statement of financial position as of December 31, 2007 is as follows:

	Before Application of SFAS 158	Defined Benefit Plan Adjustments	After Application of SFAS 158
Accrued postretirement liability	\$ (788,826)	\$ 7,618,070	\$ 6,829,244
Total liabilities	115,038,126	7,618,070	122,656,196
Unrestricted net assets	104,526,254	(7,618,070)	96,908,184
Total net assets	435,670,832	(7,618,070)	428,052,762

The plan does not provide prescription drug benefits for post-65 retirees; therefore, there is no anticipated Medicare employer subsidy.

	2008		2007	
	Pre-65	Post-65	Pre-65	Post-65
Assumed health care cost trend rates at December 31				
Health care cost trend rate assumed for next year	9.0%	7.0%	9.0%	7.0%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)	5.0%	5.0%	5.0%	5.0%
Year that the rate reaches the ultimate trend rate	2016	2013	2015	2012

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	2008	2007
	One-Percentage-Point Increase in Trend	One-Percentage-Point Increase in Trend
Effect on total of service cost and interest cost components	\$ 383,612	\$ 449,211
Effect on year-end postretirement benefit obligation	3,934,941	4,296,768
	One-Percentage-Point Decrease in Trend	One-Percentage-Point Decrease in Trend
Effect on total of service cost and interest cost components	\$ (307,472)	\$ (358,060)
Effect on year-end postretirement benefit obligation	(3,229,098)	(3,530,266)

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

Plan Assets

The Institution's postretirement benefit plan weighted-average asset allocations at December 31, 2008 and 2007, by asset category are as follows:

Asset Category	2008	2007
Equity securities	83%	92%
Cash	<u>17%</u>	<u>8%</u>
	<u>100%</u>	<u>100%</u>

To develop the expected long-term rate of return on assets assumption, the Institution considered the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The expected return for each class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets assumption for the portfolio, net of expenses expected to be paid. This resulted in the selection of the 8.00% assumption.

As of January 1, 2006, the required copayments and other features of the underlying medical benefit plan were updated resulting in a decrease in the obligation of \$242,000.

Expected amounts amortized from unrestricted net assets into net periodic pension cost for the next fiscal year

Amortization of net prior service cost	\$ (839,846)
Amortization of net loss	1,482,941

Expected Contributions

The Institution anticipates contributing \$1,700,000 to the Retiree Medical Plan in 2009.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service are expected to be paid as follows:

Years	Benefit Payments
2009	\$ 1,281,887
2010	1,342,082
2011	1,428,266
2012	1,524,634
2013	1,653,942
Years 2014 - 2018	9,280,963

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

11. Endowment

In August 2008, the FASB issued FASB Staff position No. 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (FSP FAS 117-1), which, among other things, provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Act of 2006 (UPMIFA) and additional disclosures about an organization's endowment funds. The following disclosures are made as required by FSP FAS 117-1.

The Institution's endowment consists of approximately 133 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designed by the Board of Trustees to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

At December 31, 2008, the endowment net asset composition by type of fund consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$142,556,268	\$ 63,190,783	\$ 205,747,051
Board-designated fund	<u>58,793,501</u>	<u>-</u>	<u>-</u>	<u>58,793,501</u>
	<u>\$58,793,501</u>	<u>\$142,556,268</u>	<u>\$ 63,190,783</u>	<u>\$ 264,540,552</u>

Changes in endowment net assets for the year ended December 31, 2008, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 89,443,781	\$ 229,796,930	\$ 64,599,278	\$ 383,839,989
Investment income	1,534,243	5,074,003	-	6,608,246
Net depreciation (realized and unrealized)	<u>(28,450,909)</u>	<u>(79,946,129)</u>	<u>-</u>	<u>(108,397,038)</u>
Total investment loss	(26,916,666)	(74,872,126)	-	(101,788,792)
Contributions	5,436	25,300	1,607,313	1,638,049
Appropriation of endowment assets for expenditure	(3,733,002)	(12,360,098)	-	(16,093,100)
Change in split interest agreements	<u>(6,048)</u>	<u>(33,738)</u>	<u>(3,015,808)</u>	<u>(3,055,594)</u>
Endowment net assets, end of year	<u>\$ 58,793,501</u>	<u>\$ 142,556,268</u>	<u>\$ 63,190,783</u>	<u>\$ 264,540,552</u>

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

As of December 31, 2007, the endowment net asset composition by type of fund consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	\$ -	\$ 229,796,930	\$ 64,599,278	\$ 294,396,208
Board-designated fund	89,443,781	-	-	89,443,781
	<u>\$ 89,443,781</u>	<u>\$ 229,796,930</u>	<u>\$ 64,599,278</u>	<u>\$ 383,839,989</u>

Changes in endowment net assets for the year ended December 31, 2007, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 80,788,042	\$ 204,450,605	\$ 61,718,923	\$ 346,957,570
Investment return				
Investment income	1,839,152	6,050,750	-	7,889,902
Net appreciation (realized and unrealized)	9,380,472	31,189,349	-	40,569,821
Total investment gain	11,219,624	37,240,099	-	48,459,723
Contributions	1,067,592	25,200	2,473,703	3,566,495
Appropriation of endowment assets for expenditure	(3,621,398)	(11,934,193)	-	(15,555,591)
Change in split interest agreements	(10,079)	15,219	406,652	411,792
Endowment net assets, end of year	<u>\$ 89,443,781</u>	<u>\$ 229,796,930</u>	<u>\$ 64,599,278</u>	<u>\$ 383,839,989</u>

12. Commitments and Contingencies

The Defense Contract Audit Agency (DCAA) is responsible for auditing both direct and indirect charges to grants and contracts on behalf of the ONR. The Institution and the ONR have settled the years through 2005. The current indirect cost recovery rates, which are fixed, include the impact of prior year settlements. The DCAA issued an audit report on the completed audit of direct and indirect costs for the year ended December 31, 2006 on September 14, 2007. The 2007 costs remain subject to audit. Any adjustments will be recorded in the years they become known.

The Institution, through its pooled investments, is committed to invest approximately \$26 million in certain venture capital and investment partnerships as of December 31, 2008. Such commitments will be funded through liquidity in existing investments.

The Institution is a defendant in legal proceedings incidental to the nature of its operations. The Institution believes that the outcome of these proceedings will not materially affect its financial position.

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2008

13. Related Party Transactions

In fiscal year 2008, the Institution's subcontracts to subgrantee organizations in which an individual associated with the subgrantee organization is also a member of the Institution's Board of Trustees or Corporation totaled \$833,253 and \$645,383 for the years ended December 31, 2008 and 2007. These subcontracts may include federal pass-through awards. The Institution also has other transactions such as legal services and other items with organizations where members of the Board of Trustees or Corporation are affiliated with the organizations. Total expenditures for these legal, publication, research and student transactions were approximately \$1,844,805 and \$1,158,791 for the years ended December 31, 2008 and 2007, respectively.

The Institution has loans due from various employees for education advances and computer purchases. The amounts outstanding are approximately \$893,393 and \$791,000 at December 31, 2008 and 2007, respectively.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards			
National Oceanic and Atmospheric Administration			
INTERJURISDICTIONAL FISHERIES ACT OF 1986	11	407	\$ 72,678
SEA GRANT SUPPORT		417	5,493
SEA GRANT SUPPORT		417	1,028,880
SEA GRANT SUPPORT		417	16,691
SEA GRANT SUPPORT		417	54,252
SEA GRANT SUPPORT		417	101,838
COASTAL ZONE MANAGEMENT ESTUARINE RESEARCH RESERVES		420	38,929
UNDERSEA RESEARCH		430	23,791
UNDERSEA RESEARCH		430	30,649
CLIMATE AND ATMOSPHERIC RESEARCH		431	49,554
CLIMATE AND ATMOSPHERIC RESEARCH		431	473,222
CLIMATE AND ATMOSPHERIC RESEARCH		431	323
OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH (OAR) JOINT AND COOPERATIVE INSTITUTES		432	26,738
MARINE MAMMAL DATA PROGRAM		439	17,214
MARINE MAMMAL DATA PROGRAM		439	35,487
SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS		460	67,031
SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS		460	286
SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS		460	4,822
SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS		460	277
UNALLIED SCIENCE PROGRAM		472	7,895
UNALLIED SCIENCE PROGRAM		472	23
UNALLIED SCIENCE PROGRAM		472	198,560
COASTAL SERVICES CENTER		473	124,959
COASTAL SERVICES CENTER		473	1,105,555
COASTAL SERVICES CENTER		473	5,930
COASTAL SERVICES CENTER		473	8,457,718
CENTER FOR SPONSORED COASTAL OCEAN RESEARCHCOASTAL OCEAN PROGRAM		478	1,797,484
CENTER FOR SPONSORED COASTAL OCEAN RESEARCHCOASTAL OCEAN PROGRAM		478	229,695
CENTER FOR SPONSORED COASTAL OCEAN RESEARCHCOASTAL OCEAN PROGRAM		478	70,037
CENTER FOR SPONSORED COASTAL OCEAN RESEARCHCOASTAL OCEAN PROGRAM		478	102,910
CENTER FOR SPONSORED COASTAL OCEAN RESEARCHCOASTAL OCEAN PROGRAM		478	139,439
8850		8850	10,595
AB133F05SE6881		AB133F05SE6881	2,760
AB133F07SE3686		AB133F07SE3686	40,535
EA133C05SE6441		EA133C05SE6441	29,972
EA133C08SE2693		EA133C08SE2693	48,644
EA133F08SE3901		EA133F08SE3901	60,000
EM133F07SE3323		EM133F07SE3323	161
EN133F08SE2299		EN133F08SE2299	100
EN133F08SE22997		EN133F08SE22997	800
EN133F08SE3817		EN133F08SE3817	2,300
EN133F08SE4808		EN133F08SE4808	2,192

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
National Oceanic and Atmospheric Administration (Continued)			
RA13308SE1218	11	RA13308SE1218	\$ 13,981
RA133R08SE4909		RA133R08SE4909	689
			<u>14,501,089</u>
Department of the Defense			
BASIC AND APPLIED SCIENTIFIC RESEARCH	12	300	256,860
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	76,440
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	473,566
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	77,545
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	120
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	36,391
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	126,207
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	230,732
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	20,484
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	394,637
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	8,807
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	60,959
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	99,551
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	75,206
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	159,941
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	195,295
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	6,701
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	213,991
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	3,243
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	12,854
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	231,124
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	72
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	537,493
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	140,464
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	161,899
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	566,257
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	5,291
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	92,327
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	5,268
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	22,364
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	3,158
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	81,536
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	175,743
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	688,790
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	198,176
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	37,086
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	132,034
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	131,030
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	1,235
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	497,332
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	838,349
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	377,280
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	418,784
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	29,843

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
Department of Defense (Continued)			
BASIC AND APPLIED SCIENTIFIC RESEARCH	12	300	\$ 17,620
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	29,939
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	44,312
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	127,037
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	1,818,339
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	83,827
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	627,066
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	92,645
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	152,775
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	55,938
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	5,207
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	167,676
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	65,987
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	49,194
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	106,098
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	109,946
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	181,660
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	194,513
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	397,352
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	324,211
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	129,493
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	51,650
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	525,757
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	370,007
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	648,245
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	70,140
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	118,668
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	59,322
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	102,943
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	5,228
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	129,698
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	9,654
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	60,000
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	84,626
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	78,137
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	239,033
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	1,024
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	84,604
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	22,484
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	45,584
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	59,762
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	5,779
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	42,742
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	36,461
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	129,756
8360080268		8360080268	7,666
0001402C0278		0001402C0278	274,490
0001408M0116		0001408M0116	73,767

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
Department of Defense (Continued)			
0001409C0162	12	0001409C0162	\$ 298,838
0016406D6672		0016406D6672	14,589
0018907PZ445		0018907PZ445	42,414
0024408P2006		0024408P2006	8,630
0024408P2453		0024408P2453	28
05C6430		05C6430	152,976
6660408M5496		6660408M5496	16,875
912HQ08C0056		912HQ08C0056	42,589
ISA6240		ISA6240	5,599
MO1038600		MO1038600	122,471
N62306007D9002		N62306007D9002	1,670,329
N6230607C9S27		N6230607C9S27	84,449
N6660403D2199		N6660403D2199	61,798
SCG3207CR00027		SCG3207CR00027	44,467
SI1539		SI1539	333,062
			<u>18,919,641</u>
Department of the Interior			
05ERAG0029	15	05ERAG0029	1,386,679
MC 2942		MC 2942	790
MC 4776		MC 4776	2,484
MC3988		MC3988	87
MC4076		MC4076	3,390
MC4086		MC4086	1,503
			<u>1,394,933</u>
National Aeronautics and Space Administration			
NAG512403	43	NAG512403	116,714
NNG04GL03G		NNG04GL03G	222,906
NNG04GR22G		NNG04GR22G	375
NNG05GG30G		NNG05GG30G	390,297
NNG05GN93G		NNG05GN93G	70,457
NNG05GR34G		NNG05GR34G	149,905
NNX07AF97G		NNX07AF97G	105,869
NNX07AL80G		NNX07AL80G	525,791
NNX08AB73G		NNX08AB73G	23,163
NNX08AL71G		NNX08AL71G	48,917
NNX08AO35G		NNX08AO35G	26,636
NNX08AR65G		NNX08AR65G	27,124
			<u>1,708,154</u>
National Science Foundation			
ENGINEERING GRANTS	47	041	52,119
MATHEMATICAL AND PHYSICAL SCIENCES		049	9,019
MATHEMATICAL AND PHYSICAL SCIENCES		049	34,615
MATHEMATICAL AND PHYSICAL SCIENCES		049	202,458
GEOSCIENCES		050	14,578
GEOSCIENCES		050	160,390
GEOSCIENCES		050	31,001

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
GEOSCIENCES	47	050	\$ 54,620
GEOSCIENCES		050	171,178
GEOSCIENCES		050	206,357
GEOSCIENCES		050	41,055
GEOSCIENCES		050	112,601
GEOSCIENCES		050	57,639
GEOSCIENCES		050	7,139,425
GEOSCIENCES		050	7,448,656
GEOSCIENCES		050	1,661,089
GEOSCIENCES		050	11,199
GEOSCIENCES		050	19,459
GEOSCIENCES		050	63,288
GEOSCIENCES		050	229,617
GEOSCIENCES		050	142,596
GEOSCIENCES		050	11,554
GEOSCIENCES		050	9,286
GEOSCIENCES		050	12,000
GEOSCIENCES		050	2,059,516
GEOSCIENCES		050	48,919
GEOSCIENCES		050	19
GEOSCIENCES		050	110,015
GEOSCIENCES		050	395,909
GEOSCIENCES		050	5,993,378
GEOSCIENCES		050	92,921
GEOSCIENCES		050	27,242
GEOSCIENCES		050	2,603
GEOSCIENCES		050	133,682
GEOSCIENCES		050	37,842
GEOSCIENCES		050	106,739
GEOSCIENCES		050	93,728
GEOSCIENCES		050	49,654
GEOSCIENCES		050	78,704
GEOSCIENCES		050	13,066
GEOSCIENCES		050	37,154
GEOSCIENCES		050	101,577
GEOSCIENCES		050	141,226
GEOSCIENCES		050	54,836
GEOSCIENCES		050	4,799
GEOSCIENCES		050	1,609
GEOSCIENCES		050	374,485
GEOSCIENCES		050	1,000
GEOSCIENCES		050	22,623
GEOSCIENCES		050	457,092
GEOSCIENCES		050	154,380
GEOSCIENCES		050	83,177
GEOSCIENCES		050	939,954
GEOSCIENCES		050	72,596
GEOSCIENCES		050	65,086

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Cluster			
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
GEOSCIENCES	47	050	\$ 49,987
GEOSCIENCES		050	462,864
GEOSCIENCES		050	20,417
GEOSCIENCES		050	147,237
GEOSCIENCES		050	87,597
GEOSCIENCES		050	61,706
GEOSCIENCES		050	128,383
GEOSCIENCES		050	165,317
GEOSCIENCES		050	31,101
GEOSCIENCES		050	6,539
GEOSCIENCES		050	175,344
GEOSCIENCES		050	187,911
GEOSCIENCES		050	52,646
GEOSCIENCES		050	63,498
GEOSCIENCES		050	134,721
GEOSCIENCES		050	167,342
GEOSCIENCES		050	72,615
GEOSCIENCES		050	10,101
GEOSCIENCES		050	24,646
GEOSCIENCES		050	162,084
GEOSCIENCES		050	358,537
GEOSCIENCES		050	141,029
GEOSCIENCES		050	71,976
GEOSCIENCES		050	46,150
GEOSCIENCES		050	18,515
GEOSCIENCES		050	10,504
GEOSCIENCES		050	70,787
GEOSCIENCES		050	167,748
GEOSCIENCES		050	2,253
GEOSCIENCES		050	357,524
GEOSCIENCES		050	65,529
GEOSCIENCES		050	11,063
GEOSCIENCES		050	403,484
GEOSCIENCES		050	201,535
GEOSCIENCES		050	15,335
GEOSCIENCES		050	40,417
GEOSCIENCES		050	587
GEOSCIENCES		050	29,186
GEOSCIENCES		050	69,188
GEOSCIENCES		050	166,767
GEOSCIENCES		050	35,697
GEOSCIENCES		050	141,674
GEOSCIENCES		050	59,884
GEOSCIENCES		050	40,728
GEOSCIENCES		050	23,011
GEOSCIENCES		050	6,725
GEOSCIENCES		050	123,302
GEOSCIENCES		050	133,383

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
GEOSCIENCES	47	050	\$ 1,498
GEOSCIENCES		050	57,279
GEOSCIENCES		050	90,574
GEOSCIENCES		050	66,801
GEOSCIENCES		050	3,652
GEOSCIENCES		050	125,850
GEOSCIENCES		050	140,721
GEOSCIENCES		050	2,430
GEOSCIENCES		050	156,550
GEOSCIENCES		050	83,486
GEOSCIENCES		050	5,981
GEOSCIENCES		050	113,713
GEOSCIENCES		050	17,650
GEOSCIENCES		050	106,643
GEOSCIENCES		050	83,320
GEOSCIENCES		050	248,189
GEOSCIENCES		050	200,827
GEOSCIENCES		050	317,230
GEOSCIENCES		050	556,050
GEOSCIENCES		050	50,190
GEOSCIENCES		050	120,359
GEOSCIENCES		050	151,062
GEOSCIENCES		050	198
GEOSCIENCES		050	46,605
GEOSCIENCES		050	163,336
GEOSCIENCES		050	830,408
GEOSCIENCES		050	66,492
GEOSCIENCES		050	14,016
GEOSCIENCES		050	41,953
GEOSCIENCES		050	58,688
GEOSCIENCES		050	2,292
GEOSCIENCES		050	5,169
GEOSCIENCES		050	71,866
GEOSCIENCES		050	209,876
GEOSCIENCES		050	77,666
GEOSCIENCES		050	359,755
GEOSCIENCES		050	509,126
GEOSCIENCES		050	33,301
GEOSCIENCES		050	650,471
GEOSCIENCES		050	37,858
GEOSCIENCES		050	33,521
GEOSCIENCES		050	27,988
GEOSCIENCES		050	17,809
GEOSCIENCES		050	525,365
GEOSCIENCES		050	72,432
GEOSCIENCES		050	140,927
GEOSCIENCES		050	17,195
GEOSCIENCES		050	542

**Woods Hole Oceanographic Institution
 Schedule of Expenditures of Federal Awards
 December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
GEOSCIENCES	47	050	\$ 85,005
GEOSCIENCES		050	151,242
GEOSCIENCES		050	27,653
GEOSCIENCES		050	66,282
GEOSCIENCES		050	65,563
GEOSCIENCES		050	6,314,506
GEOSCIENCES		050	80,886
GEOSCIENCES		050	123,963
GEOSCIENCES		050	210,716
GEOSCIENCES		050	78,654
GEOSCIENCES		050	95,689
GEOSCIENCES		050	3,553
GEOSCIENCES		050	95,333
GEOSCIENCES		050	366
GEOSCIENCES		050	5,592
GEOSCIENCES		050	565,440
GEOSCIENCES		050	77,314
GEOSCIENCES		050	43,290
GEOSCIENCES		050	15,472
GEOSCIENCES		050	97,726
GEOSCIENCES		050	76,612
GEOSCIENCES		050	70,390
GEOSCIENCES		050	51,677
GEOSCIENCES		050	30,272
GEOSCIENCES		050	123,991
GEOSCIENCES		050	80,710
GEOSCIENCES		050	637,048
GEOSCIENCES		050	17,290
GEOSCIENCES		050	106,614
GEOSCIENCES		050	34,814
GEOSCIENCES		050	22,080
GEOSCIENCES		050	6,468
GEOSCIENCES		050	6,898
GEOSCIENCES		050	13,061
GEOSCIENCES		050	71,123
GEOSCIENCES		050	223,082
GEOSCIENCES		050	46,214
GEOSCIENCES		050	933,898
GEOSCIENCES		050	83,404
GEOSCIENCES		050	11,335
GEOSCIENCES		050	185,028
GEOSCIENCES		050	117,005
GEOSCIENCES		050	130,721
GEOSCIENCES		050	8,220
GEOSCIENCES		050	162,237
GEOSCIENCES		050	167,412
GEOSCIENCES		050	71,782
GEOSCIENCES		050	76,965

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Cluster			
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
GEOSCIENCES	47	050	\$ 108,163
GEOSCIENCES		050	108,106
GEOSCIENCES		050	191,327
GEOSCIENCES		050	127,991
GEOSCIENCES		050	98,143
GEOSCIENCES		050	132,971
GEOSCIENCES		050	(367)
GEOSCIENCES		050	14,332
GEOSCIENCES		050	8,603
GEOSCIENCES		050	20,275
GEOSCIENCES		050	305,671
GEOSCIENCES		050	53,099
GEOSCIENCES		050	92,579
GEOSCIENCES		050	69,807
GEOSCIENCES		050	11,397
GEOSCIENCES		050	27,234
GEOSCIENCES		050	42,488
GEOSCIENCES		050	28,783
GEOSCIENCES		050	1,066
GEOSCIENCES		050	211,645
GEOSCIENCES		050	24,954
GEOSCIENCES		050	136,102
GEOSCIENCES		050	240,898
GEOSCIENCES		050	2,469
GEOSCIENCES		050	52,630
GEOSCIENCES		050	61,613
GEOSCIENCES		050	103,741
GEOSCIENCES		050	34,093
GEOSCIENCES		050	100,102
GEOSCIENCES		050	84,984
GEOSCIENCES		050	534
GEOSCIENCES		050	57,241
GEOSCIENCES		050	64,068
GEOSCIENCES		050	98,538
GEOSCIENCES		050	230,852
GEOSCIENCES		050	16,500
GEOSCIENCES		050	42,099
GEOSCIENCES		050	68,117
GEOSCIENCES		050	73,663
GEOSCIENCES		050	152,832
GEOSCIENCES		050	17,847
GEOSCIENCES		050	189,520
GEOSCIENCES		050	2
GEOSCIENCES		050	134,008
GEOSCIENCES		050	125,079
GEOSCIENCES		050	29,589
GEOSCIENCES		050	54,616
GEOSCIENCES		050	25,298

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
GEOSCIENCES	47	050	\$ 2,088
GEOSCIENCES		050	6
GEOSCIENCES		050	57,907
GEOSCIENCES		050	107,912
GEOSCIENCES		050	20,933
GEOSCIENCES		050	13,820
GEOSCIENCES		050	54,418
GEOSCIENCES		050	89,899
GEOSCIENCES		050	7,727
GEOSCIENCES		050	78,750
GEOSCIENCES		050	73,247
GEOSCIENCES		050	200,242
GEOSCIENCES		050	40,731
GEOSCIENCES		050	1
GEOSCIENCES		050	63
GEOSCIENCES		050	159,604
GEOSCIENCES		050	111,659
GEOSCIENCES		050	206
GEOSCIENCES		050	1,116,322
GEOSCIENCES		050	1,708,617
GEOSCIENCES		050	4
GEOSCIENCES		050	720,802
GEOSCIENCES		050	55,348
GEOSCIENCES		050	70,392
GEOSCIENCES		050	1,564
GEOSCIENCES		050	119,467
GEOSCIENCES		050	46,021
GEOSCIENCES		050	414
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING		070	7,372
COMPUTER AND INFORMATION SCIENCE AND ENGINEERING		070	102,783
BIOLOGICAL SCIENCES		074	121,650
BIOLOGICAL SCIENCES		074	142,069
BIOLOGICAL SCIENCES		074	164,127
BIOLOGICAL SCIENCES		074	103,450
BIOLOGICAL SCIENCES		074	7,504
BIOLOGICAL SCIENCES		074	28,222
BIOLOGICAL SCIENCES		074	(1,968)
BIOLOGICAL SCIENCES		074	91,421
BIOLOGICAL SCIENCES		074	65,616
BIOLOGICAL SCIENCES		074	14,326
SOCIAL, BEHAVIORAL, AND ECONOMIC SCIENCES		075	4
EDUCATION AND HUMAN RESOURCES		076	28,622
EDUCATION AND HUMAN RESOURCES		076	110,158
POLAR PROGRAMS		078	4,495
POLAR PROGRAMS		078	36,779
POLAR PROGRAMS		078	32,230
POLAR PROGRAMS		078	5,457
POLAR PROGRAMS		078	170,229

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
National Science Foundation (Continued)			
POLAR PROGRAMS	47	078	\$ 9,447
POLAR PROGRAMS		078	24,583
POLAR PROGRAMS		078	118,262
POLAR PROGRAMS		078	57,068
POLAR PROGRAMS		078	1,185,101
POLAR PROGRAMS		078	130,364
POLAR PROGRAMS		078	51,045
POLAR PROGRAMS		078	502,077
POLAR PROGRAMS		078	1,750
POLAR PROGRAMS		078	109,550
POLAR PROGRAMS		078	4,695
POLAR PROGRAMS		078	50,938
POLAR PROGRAMS		078	56,149
POLAR PROGRAMS		078	552,236
POLAR PROGRAMS		078	15,048
POLAR PROGRAMS		078	89,730
POLAR PROGRAMS		078	125,509
POLAR PROGRAMS		078	115,830
POLAR PROGRAMS		078	91,299
POLAR PROGRAMS		078	38,003
POLAR PROGRAMS		078	10,746
POLAR PROGRAMS		078	116,551
POLAR PROGRAMS		078	94,603
POLAR PROGRAMS		078	196,437
POLAR PROGRAMS		078	26,244
POLAR PROGRAMS		078	7,435
POLAR PROGRAMS		078	27,142
POLAR PROGRAMS		078	64
POLAR PROGRAMS		078	73,118
POLAR PROGRAMS		078	27,767
POLAR PROGRAMS		078	60,177
POLAR PROGRAMS		078	9,334
POLAR PROGRAMS		078	145,453
EAR0902080		EAR0902080	37,734
OCE0751747		OCE0751747	219,074
			<u>67,509,985</u>
Environmental Protection Agency			
916901010	66	916901010	13,459
P916743010		P916743010	14,678
P916886010		P916886010	15,784
			<u>43,921</u>
Department of Energy			
OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM	81	049	170,719
DEFG0297ER14746		DEFG0297ER14746	(3,502)
VISA0700		VISA0700	5,000
			<u>172,217</u>

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Direct Awards (Continued)			
Department of Health and Human Services			
ENVIRONMENTAL HEALTH	93	113	\$ 352,275
ENVIRONMENTAL HEALTH		113	929,594
ENVIRONMENTAL HEALTH		113	11,187
ENVIRONMENTAL HEALTH		113	13,701
			<u>1,306,757</u>
Total Direct Awards			<u>105,556,697</u>
Research and Development Passed Through from Other Organizations			
Department of Agriculture			
INFORMATION AND SIMULATION SYSTEMS 2003361018885	10	212	18,560
			<u>18,560</u>
National Oceanic and Atmospheric Administration			
UNIVERSITY OF NEW HAMPSHIRE NA05NOS4001153	11	000	7,950
VIRGINIA INSTITUTE OF MARINE SCIENCE NA08NMF4050610		05	5,200
UNIVERSITY OF NEW HAMPSHIRE NA06NMF4720095		17	12,487
GEOLOGICAL SURVEY OF ALABAMA NA06NOS4190235		19	3,495
UNIVERSITY OF NEW HAMPSHIRE 20080076000		81	15,000
UNIVERSITY OF NEW HAMPSHIRE NA05NOS4001153		400	11,538
MASSACHUSETTS INSTITUTE OF TECHNOLOGY 57100002014		417	11,268
MASSACHUSETTS INSTITUTE OF TECHNOLOGY NA06OAR1700019		417	41,344
MASSACHUSETTS INSTITUTE OF TECHNOLOGY NA06OAR4170019		417	30,714
MARINE BIOLOGICAL LABORATORY NA07OAR4170446		417	4,080
MASSACHUSETTS INSTITUTE OF TECHNOLOGY SEA GRANT NA06OAR4170019		417	250
UNIVERSITY OF NEW HAMPSHIRE NANOS4191149		419	59,413
TEXAS A&M UNIVERSITY CORPUS CHRISTI NA06NOS4190167		419	8,534
UNIVERSITY OF MISSISSIPPI NA07OAR4300494		430	8,926
UNIVERSITY OF SOUTHERN MISSISSIPPI NA06OAR4300227		430	82,609
OREGON STATE UNIVERSITY NA108HF		440	13,244
UNIVERSITY OF NEW HAMPSHIRE NA04OAR4600155		460	8,717
UNIVERSITY OF NEW HAMPSHIRE UNH06016		460	26,516
NATIONAL FISH & WILDLIFE FOUNDATION 2003017034		463	335
UNIVERSITY OF ST ANDREWS SCOTLAND FR2129		463	1,517
OCEAN WORKS GROUP INC 20060093006		470	15,271
NORTH PACIFIC RESEARCH BOARD NA07NMF4720082		472	256
UNIVERSITY OF NEW HAMPSHIRE UNH06017		473	229,157
UNIVERSITY OF NEW HAMPSHIRE UNHPZ06052		473	371
MONTEREY BAY AQUARIUM RESEARCH INSTITUTE NA160C2936		473	1,942
UNIVERSITY OF MAINE NA07NOS4730218		473	7,945
UNIVERSITY OF MAINE NA07NOS4730218		473	6,878
UNIVERSITY OF RHODE ISLAND NA4NOS4730174		473	4,575
SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER NA05NOS4781193		478	47,256
VIRGINIA AQUARIUM&MARINE SCIENCE CTR FOUNDATION NA05NMF439116		A05NMF439116	1,726
UNIVERSITY OF NEW HAMPSHIRE NA06NOS4190167		A06NOS4190167	106,242
MASSACHUSETTS INSTITUTE OF TECHNOLOGY SEA GRANT NA06OAR4170019		A06OAR4170019	132,895

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Passed Through from Other Organizations (Continued)			
National Oceanic and Atmospheric Administration (Continued)			
MASSACHUSETTS INSTITUTE OF TECHNOLOGY SEA GRANT NA06OAR4170019	11	A06OAR4170019	\$ 10,883
UNIVERSITY OF MISSISSIPPI NA06OAR4170078		A06OAR4170078	35,331
UNIVERSITY OF MISSISSIPPI NA06OAR4300227		A06OAR4300227	64,995
UNIVERSITY OF RHODE ISLAND NA6NMF4720100		A6NMF4720100	31,455
CORNELL UNIVERSITY WE133F08RP0121		C133F08RP0121	66,294
CORNELL UNIVERSITY WCI133F07SE5398		C1133F07SE5398	79,888
CONSOLIDATED SAFETY SERVICES DG133C07NC0616		G133C07NC0616	15,255
UNIVERSITY OF SOUTHERN MISSISSIPPI NA06OAR4300227		NA06OAR4300227	5,725
UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH NA06OAR43101050		NA06OAR43101050	51,418
MARINE BIOLOGICAL LABORATORY NA07OAR4170446		NA07OAR4170446	694
MONTEREY BAY AQUARIUM RESEARCH INSTITUTE NA160C2936		NA160C2936	2,032
UNIVERSITY OF NEW HAMPSHIRE UNH06123		UNH06123	12,906
			<u>1,284,527</u>
Department of Defense			
RUTGERS UNIVERSITY N000140610739	12	288	228,859
BASIC AND APPLIED SCIENTIFIC RESEARCH		300	114,219
UNIVERSITY OF RHODE ISLAND N000140210370		300	42,933
RUTGERS UNIVERSITY PO602241		300	7,182
THE JOHN HOPKINS UNIVERSITY 860762304		300	472,302
MARINE BIOLOGICAL LABORATORY SC28329		300	45,949
PRINCETON UNIVERSITY N00140410534		300	93,429
UNIVERSITY OF ALASKA FAIRBANKS UAF080052		300	502,860
FLORIDA ATLANTIC UNIVERSITY N000140410296		300	30,956
UNIVERSITY OF DELAWARE N000140610599		300	4,000
UNIVERSITY OF SOUTH FLORIDA N000140510483		300	2,856
UNIVERSITY OF SOUTH FLORIDA N000140510483		300	3,532
MASSACHUSETTS INSTITUTE OF TECHNOLOGY N000140810715		300	3,846
UNIVERSITY OF CALIFORNIA, SAN DIEGO N000140610805		300	3,975
UNIVERSITY OF ALASKA FAIRBANKS N000140610728		300	3,418
UNIVERSITY OF WASHINGTON 00329892		300	29,491
UNIVERSITY OF WASHINGTON N000140310181		300	188
MASSACHUSETTS INSTITUTE OF TECHNOLOGY OC3711200		140710326	85,510
MASSACHUSETTS INSTITUTE OF TECHNOLOGY 1000149911059		149911059	36,387
SCIENCE APPLICATIONS INTERNATIONAL CORP 08C5265		400157014	59,951
NORTHROP GRUMMAN SYSTEMS CORPORATION 4500917385		4500917385	4,362
TELEDYNE BENTHOS N0001407C0313		0001407C0313	24,617
OCEAN ACOUSTICAL SERVICES & INSTRUMENT SYS N0001407C0771		0001407C0771	17,801
ULTRA ELECTRONICS N0001407M0304		0001407M0304	3,985
MATERIALS SYSTEMS INC N0001407M0301		0001407M301	10,098
OCEAN ACOUSTICAL SERVICES & INSTRUMENT SYS N0001408C0178		0001408C0178	49,847
RITE SOLUTIONS N0002407C4138		0002407C4138	84,201
BLUEFIN ROBOTICS CORPORATION N0017403D0017		0017403D0017	37,768
ITT CORPORATION N0017804D4040		0017804D4040	11,143
UNIVERSITY OF TEXAS AT AUSTIN N02401D66002851		02401D66002851	109,745
UNIVERSITY OF TEXAS AT AUSTIN 2006C01826		2006C01826	7,167
SCIENCE APPLICATIONS INTERNATIONAL CORP N6600103D5010		6600103D5010	30,899

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Passed Through from Other Organizations (Continued)			
Department of Defense (Continued)			
NORTHROP GRUMMAN SYSTEMS CORPORATION N6600106C8001	12	660106C8001	\$ 540,646
SCIENCE APPLICATIONS INTERNATIONAL CORP 07C5000		7C5000	24,675
WEST CHESTER UNIVERSITY 08PR0682100		8PR0682100	2,420
ENSR CORPORATION 4400157717		912P7F0028	13,255
SCIENCE APPLICATIONS INTERNATIONAL CORP SAR06C6705		AR06C6705	36,912
SCIENCE APPLICATIONS INTERNATIONAL CORP 10017804D4119		AS6002D00060159	35,266
NEPTUNE TECHNOLOGIES CEROSCORE0602		EROSCORE0602	8,879
APPLIED PHYSICAL SCIENCE CORP N0001405C0360		N0001405C0360	59,445
SCIENTIFIC SOLUTIONS INC N0001407C0065		N0001407C0065	9,595
UNIVERSITY OF CALIFORNIA, SAN DIEGO 1000140801840		N000140801840	157,387
OCEANSERVER TECHNOLOGY INC N0002403D6606		N0002403D6606	5,000
OCEAN ACOUSTICAL SERVICES & INSTRUMENTSYS, INC (OASIS) N0003906C0063		N0003906C0063	36,208
BLUEFIN ROBOTICS CORPORATION N001402C0204		N001402C0204	1,475
SCIENCE APPLICATIONS INTERNATIONAL CORP 10017305C2062		N0017305C2062	19,819
UNIVERSITY OF SOUTHERN CALIFORNIA N6247307C403		N6247307C403	1,000
ANALYSIS DESIGN AND DIAGNOSTICS INC N6553808M0095		N6553808M0095	11,088
SCIENCE APPLICATIONS INTERNATIONAL CORP 07C5000		N6600103D5010	371,524
HYDROID LLC N660106C8001		N660106C8001	9,494
ANALYSIS DESIGN AND DIAGNOSTICS INC N6833508C0126		N6833508C0126	27,798
ECONOMIC ANALYSIS, INC WHOI12215		O7PC13306	39,999
SCIENCE APPLICATIONS INTERNATIONAL CORP SAIC4600006307		SAIC4600006307	36,360
PENNSYLVANIA STATE UNIVERSITY SC0509		SC0509	230,212
			<u>3,841,933</u>
Department of the Interior			
UNIVERSITY OF NEW HAMPSHIRE 115070	15	08	8,966
UNIVERSITY OF ALABAMA 06HQGR0070		805	3,550
ECONOMIC ANALYSIS, INC M07PC13306		07PC13306	17,656
VIRGINIA INSTITUTE OF MARINE SCIENCE F116R9		116R9	3,424
VIRGINIA INSTITUTE OF MARINE SCIENCE F116R9		116R9	4,128
TEXAS AM UNIVERSITY 14350102CA85186		14350102CA85186	70,104
COLORADO STATE UNIVERSITY 09FG402864		9FG402864	8,000
LEWTECH COMPANY INC NBCHC070051		BCHC070051	249,133
UNIVERSITY OF ALASKA FAIRBANKS PO3689100		PO3689100	48,021
			<u>412,982</u>
National Aeronautics and Space Administration			
UNIVERSITY OF NEW HAMPSHIRE NNX07AB20G	43	000	245,687
UNIVERSITY OF COLORADO NNX08AB48G		002	12,079
JET PROPULSION LABORATORY JPL1283726		JPL1283726	103,144
JET PROPULSION LABORATORY NM0710780		M071078	119,524
BROWN UNIVERSITY NNG06GF126		NNG06GF126	2,190
			<u>482,624</u>

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Passed Through from Other Organizations (Continued)			
National Science Foundation			
NORTHEASTERN UNIVERSITY EEC9986821	47	041	\$ 175,782
AMERICAN MUSEUM OF NATURAL HISTORY AST0552583		49	1,398
BOSTON COLLEGE GEO0452325		50	24,160
BIGELOW LABORATORY FOR OCEAN SCIENCES OCE0728520		050	2,754
UNIVERSITY OF RHODE ISLAND OCE0504135		50	1,797
WILLIAMS COLLEGE OCE0424474		050	9,492
COLUMBIA UNIVERSITY OCE0623107		50	6,000
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0431095		050	25,232
GEORGIA INSTITUTE OF TECHNOLOGY OCE030839		050	206
COLUMBIA UNIVERSITY OCE0223951		050	350,272
UNIVERSITY OF SOUTHERN CALIFORNIA OCE0737300		050	26,786
AMERICAN MUSEUM OF NATURAL HISTORY EAR0308866		050	3,000
COLLEGE OF CHARLESTON OCE0728683		050	2,083
UNIVERSITY OF SOUTHERN CALIFORNIA OCE0351169		050	576
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0551596		050	660
UNIVERSITY OF WASHINGTON JSA0708		50	7,000
STATE UNIVERSITY OF NEW YORK OCE0825439		50	436
UNIVERSITY OF COLORADO ATM0317832		050	320
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0520391		50	4,690
MARINE BIOLOGICAL LABORATORY OCE0430724		050	16,321
UNIVERSITY OF ARIZONA OCE0723498		050	4
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0752980		50	4,960
UNIVERSITY OF RHODE ISLAND OCE0610491		050	858
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0403540		050	176
UNIVERSITY OF RHODE ISLAND OCE0610491		050	650
OLD DOMINION UNIVERSITY OCE0629707		050	36
COLUMBIA UNIVERSITY OCE0623861		050	1,114
UNIVERSITY OF GEORGIA OCE0449578		050	37
UNIVERSITY OF WASHINGTON OCE0723866		050	3,592
UNIVERSITY OF WASHINGTON OCE0424602		50	4,080
UNIVERSITY OF ALASKA FAIRBANKS OCE0728390		050	1,083
UNIVERSITY OF COLORADO OCE0502515		050	4,544
UNIVERSITY OF MARYLAND EAR0510185		050	4,400
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0504624		050	61,816
UNIVERSITY OF MIAMI OCE0623552		050	1,529
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0417616		050	1,000
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0431095		050	2,930
MAX PLANCK INSTITUTE FOR MARINE MICROBIOLOGY OCE0647633		50	351
UNIVERSITY OF MINNESOTA OCE00221031		050	302
UNIVERSITY OF MAINE OCE0628107		050	1,783
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0728766		050	3,278
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0418967		50	180,377

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Passed Through from Other Organizations (Continued)			
National Science Foundation (Continued)			
UNIVERSITY OF WASHINGTON OCE0424602	47	50	\$ 7,490
WASHINGTON STATE UNIVERSITY OCE0623554		050	785
UNIVERSITY OF WASHINGTON OCE0731947		50	1,020
OLD DOMINION UNIVERSITY RESEARCH FOUNDATION OCE0648408		050	3,233
MASSACHUSETTS INSTITUTE OF TECHNOLOGY OCE0647446		50	4,237
UNIVERSITY OF COLORADO OCE0289595		50	1,184
SKIDAWAY INSTITUTE OF OCEANOGRAPHY OCE0526176		050	624
UNIVERSITY OF HAWAII MCB0604014		050	93
CALIFORNIA INSTITUTE OF TECHNOLOGY OCE0648618		050	128
UNIVERSITY OF WASHINGTON BCS0729762		050	1,968
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0726783		050	136,822
DUKE UNIVERSITY OCE0526826		050	3,562
UNIVERSITY OF CALIFORNIA, SANTA CRUZ OCE0727452		050	240
RUTGERS UNIVERSITY OCE0327353		050	20
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0407354		050	826
RESEARCH CORPORATION OF UNIVERSITY OF HAWAII OCE0327513		050	13,736
OREGON STATE UNIVERSITY OCE0646226		50	10,000
UNIVERSITY OF MONTANA OCE0529557		050	53,463
CORNELL UNIVERSITY OCE0451781		050	8,653
UNIVERSITY OF RHODE ISLAND JOI JS AU501		50	481
UNIVERSITY OF DELAWARE OCE0550491		50	447
UNIVERSITY OF NEW HAMPSHIRE OCE0327126		050	50
OREGON STATE UNIVERSITY OCE0732322		050	124,886
UNIVERSITY OF WASHINGTON OCE0428493		050	4,305
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0418967		050	550,638
UNIVERSITY OF DELAWARE OCE0308398		050	511
MARINE BIOLOGICAL LABORATORY OCE0430724		050	12,508
UNIVERSITY OF WASHINGTON OCE0628663		50	529
RUTGERS UNIVERSITY OCE0327353		050	178
WILLIAMS COLLEGE EAR0628336		50	1,232
CALIFORNIA INSTITUTE OF TECHNOLOGY OCE0648618		50	6,544
OLD DOMINION UNIVERSITY RESEARCH FOUNDATION OCE0728634		50	830
UNIVERSITY OF HAWAII OCE0752609		050	1,105
LAMONTDOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV OCE0647840		050	236
UNIVERSITY OF CALIFORNIA, SANTA BARBARA OCE0099245		050	3,548
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0223869		050	7,704
UNIVERSITY OF CAROLINA AT CHAPEL HILL OCE0647633		50	2,599
HARVARD UNIVERSITY OCE0623383		050	163
UNIVERSITY OF ALASKA FAIRBANKS OCE0549955		50	240
OLD DOMINION RESEARCH FOUNDATION OCE0705253		050	6,533
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0418967		50	313,116
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0418967		50	226,252
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0418967		50	847,005
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0418967		50	880,088
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0418967		50	2,789
JOINT OCEANOGRAPHIC INSTITUTIONS OCE0418967		50	156,931

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program Research and Development Cluster	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Passed Through from Other Organizations (Continued)			
National Science Foundation (Continued)			
JOINT OCEANOGRAPHIC INSTITUTIONS 1831PM	47	50	\$ 170,717
JOINT OCEANOGRAPHIC INSTITUTIONS 1832SYSENG		50	27,504
JOINT OCEANOGRAPHIC INSTITUTIONS 1833DESIGN		50	16,510
LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIV ANT063228		070	42,282
UNIVERSITY OF MICHIGAN IIS0746455		070	12,563
THE JOHN HOPKINS UNIVERSITY IIS0812138		70	5,000
MASSACHUSETTS INSTITUTE OF TECHNOLOGY EF0424599		074	9,750
UNIVERSITY OF HAWAII CCF424599		074	550,935
UNIVERSITY OF DELAWARE MCB0731916		74	447
UNIVERSITY OF MINNESOTA MCB0732440		075	14,873
BERMUDA INSTITUTE OF OCEAN SCIENCES OCE0623505		075	18,780
SMITHSONIAN INSTITUTION BCS0218511		075	42,834
UNIVERSITY OF CALIFORNIA, SANTA CRUZ ANT0523332		078	4,205
UNIVERSITY OF ALASKA OPP0327664		078	5,919
UNIVERSITY OF RHODE ISLAND ANT0635437		078	2,039
UNIVERSITY OF SOUTHERN MISSISSIPPI OPP0421431		078	19,750
UNIVERSITY OF WASHINGTON VISA		078	160
UNIVERSITY OF WASHINGTON ARC0632231		78	50
UNIVERSITY OF WASHINGTON ARC0612988		078	1,088
BATES COLLEGE OPP0514115		078	5,728
UNIVERSITY OF WASHINGTON OPP0230381		078	30
RENSSELAER POLYTECHNIC INSTITUTE EAR0738843		EAR0738843	4,440
UNIVERSITY OF LOUISVILLE RESEARCH FOUND INC EF0412129		EF0412129	10,144
LOUISIANA STATE UNIVERSITY GEO0452325		EO0452325	6,796
UNIVERSITY OF GEORGIA MCB0456676		MCB0456676	255
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0221031		OCE0221031	3,161
UNIVERSITY OF CALIFORNIA, SAN DIEGO OCE0417616		OCE0417616	2,000
UNKNOWN OCE0623383		OCE0623383	45
UNIVERSITY OF HAWAII OCE0647446		OCE0647446	480
UNIVERSITY OF WASHINGTON OCE0728050		OCE0728050	4,820
UNIVERSITY OF HAWAII OCE0817815		OCE0817815	2,946
OLD DOMINION RESEARCH FOUNDATION OPP0338294		OPP0338294	38,000
UNKNOWN		UNKNOWN	180
			<u>5,361,828</u>
Environmental Protection Agency			
SCIENCE TO ACHIEVE RESULTS (STAR) RESEARCH PROGRAM R832449	66	509	800
MONTANA STATE UNIVERSITY R832449		832449	1,295
COLUMBIA UNIVERSITY RD83322201		D83322201	17,402
			<u>19,497</u>
Department of Energy			
UNIVERSITY OF CALIFORNIA, LONG BEACH DEAC0205CH11231	81	BCHC070051	3,823
TULANE UNIVERSITY DEFC0206ER6429	81	EFC0206ER6429	105,822
			<u>109,645</u>

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2008**

Major Program	Federal CFDA Prefix	Federal CFDA Extension/ Contract Number	2008 Expenditures
Research and Development Cluster			
Research and Development Passed Through from Other Organizations (Continued)			
Department of Health and Human Services			
UNIVERSITY OF IOWA 10000548566	93	14	\$ 146,772
BOSTON UNIVERSITY 5P42ES007381		113	158,683
BOSTON UNIVERSITY BUMEMORANDUM		113	146,262
BOSTON UNIVERSITY GC18197INGA		173	24,983
MARINE BIOLOGICAL LABORATORY SC28285		894	43
MARINE BIOLOGICAL LABORATORY 1P50ES1274201		1 P50 ES1274201	12,076
MARINE BIOLOGICAL LABORATORY ES12742		ES12742	2,134
			<u>490,953</u>
Department of Homeland Security			
NORTHEASTERN UNIVERSITY 2008ST061ED0001	97	61	<u>7,879</u>
			<u>7,879</u>
Total Pass Through Awards			<u>12,030,428</u>
Total Research and Development Cluster			<u>117,587,125</u>
Total Expenditures of Federal Awards			<u>\$ 117,587,125</u>

Woods Hole Oceanographic Institution
Notes to Schedule of Expenditures of Federal Awards
December 31, 2008

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") has been prepared using the accrual basis of accounting and in accordance with *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. The purpose of the Schedule is to present a summary of those activities of the Institution for the year ended December 31, 2008 which have been financed by the U.S. Government (federal awards). For purposes of the Schedule, federal awards include all federal assistance entered into directly between the federal government and the Institution and federal funds awarded to the Institution by a prime recipient. Because the Schedule presents only a selected portion of the activities of the Institution, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Institution. Negative amounts represent adjustments to amounts reported in prior years in the normal course of business. CFDA and Pass-through identification numbers are presented when available.

2. Subrecipients

The Institution passed through federal awards to subgrantee organizations in the R&D Cluster. Expenditures incurred by the subgrantees and reimbursed by the Institution are presented in the Schedule of Federal Awards. Amounts for the year ended December 31, 2008 are:

Federal Agency	CFDA #	Amount
Department of Commerce	11	
National Oceanic and Atmospheric Administration		\$ 2,945,352
Department of Defense	12	
United States Navy		2,056,587
United States Army		29,323
National Aeronautics and Space Administration	43	372,774
National Science Foundation	47	7,282,577
Department of Energy	81	9,539
Department of Health and Human Services	93	
National Institutes of Health		263,111
		<u>\$ 12,959,263</u>

3. Fringe Benefits and Indirect Costs

The Institution recovers fringe benefits and indirect costs associated with federal award programs pursuant to fixed rates with carryforward provisions negotiated annually with the Office of Naval Research (ONR). The Institution and ONR have settled the years through 2005. The 2008 fixed rates were based on budgeted information for the year ended 2007. The base and pool balances for the actual 2008 rates are audited by The Defense Contract Audit Agency (DCAA) and the results of the DCAA audit will be presented in a separate DCAA report from the DCAA.

The 2008 indirect cost recovery rates, which are fixed with carryforward provisions, include the impact of prior year settlements.

**Part II - Reports on Internal
Control and Compliance and Other Matters**

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 of
Woods Hole Oceanographic Institution

We have audited the financial statements of Woods Hole Oceanographic Institution (the "Institution") as of and for the year ended December 31, 2008, and have issued our report thereon dated September 29, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Institution's internal control over financial reporting as a basis for designing our auditing procedures 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 Institution's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Institution's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Institution's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We noted certain matters that we reported to management of the Institution in a separate letter dated September 29, 2009.

This report is intended solely for the information and use of the Institution's audit committee, management, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

PriceWaterhouseCoopers LLP

September 29, 2009

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

To The Board of Trustees of
Woods Hole Oceanographic Institution

Compliance

We have audited the compliance of Woods Hole Oceanographic Institution (the "Institution") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2008. The Institution's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Institution's management. Our responsibility is to express an opinion on the Institution's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Institution'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. Our audit does not provide a legal determination of the Institution's compliance with those requirements.

In our opinion, the Institution complied, in all material respects, with the requirements referred to above for the year ended December 31, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-1, 08-2, 08-3, and 08-4.



Internal Control over Compliance

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

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

This report is intended solely for the information and use of the Institution's audit committee management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Price Waterhouse Coopers LLP

September 29, 2009

**Part III - Audit Findings and Questioned
Costs Including Management's Views
and Corrective Action Plan**

Woods Hole Oceanographic Institution
Summary of Auditors' Results
Year Ended December 31, 2008

I. Summary of Auditors' Result

Financial statements

Type of auditor's report issued Unqualified

Internal control over financial reporting

Material weakness(es) identified? yes no

Significant deficiencies identified that are not considered to be material weaknesses? 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 deficiencies identified that are not considered to be material weaknesses? yes none reported

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? yes no

Identification of major programs

CFDA Number

Name of Federal Program or Cluster

Various

Research and Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs \$ 3,000,000

Auditee qualified as low-risk auditee yes no

**Woods Hole Oceanographic Institution
 Schedule of Current Year Findings and Questioned Costs for Federal Awards
 Year Ended December 31, 2008**

II. Financial Statement Findings

None.

III. Current Year Findings and Questioned Costs for Federal Awards

08-1 Performance Reporting

Research and Development Cluster

In accordance with the National Science Foundation (NSF), General Grant and Conditions Article 8a.3, unless otherwise specified in the award, annual project reports shall be submitted to the cognizant NSF Program Officer at least three months prior to the end of the current period.

In a sample of 15 NSF awards, we found two awards (both under CFDA Number 47.050) for which annual performance reports were not submitted by the required deadline.

In accordance with the National Oceanic and Atmospheric Administration (NOAA), General Grant and Conditions included at www.csc.noaa.gov/psc/pdfs/BWET07_GrantsAwardAdmin.ppt, unless otherwise specified in the award, performance reports are due on a semi-annual basis no later than 30 days following the end of each 6 month period from the start of the federal award. The final report must be submitted within 90 days following the end date of the project. In a sample of 5 NOAA awards, we found two awards (CFDA Number 11.478 and 11.473) for which semiannual performance reports were not submitted by the required deadline.

In a sample of 8 awards from federal agencies other than NSF and NOAA, we found two awards (CFDA Number 12.300 and 43.999) for which annual performance reports were not submitted by the required deadlines in accordance with the Grant Award Notices.

	Agency	CFDA #	Project #	Award Name/Contract	Award Year	Due Date	Date Submitted	Days Late
1	NSF	47.050	813945SP	Geosciences# OCE-0513945	7/1/07-3/31/09	4/1/2009	4/3/2009	2
2	NSF	47.050	821832SP	Geosciences# OCE-0221832	10/1/02-9/30/08	12/30/2008	1/13/2009	14
3	NOAA	11.478	240245SP	Center for Sponsored Coastal Ocean Research Coastal Ocean Program # NA06NOS4780245	9/1/07-8/31/09	6/30/2008	7/9/2008	9
4	NOAA	11.473	240218SP	Costal Services Center # NA07NOS4730218	10/1/07-9/30/09	10/30/2008	11/7/2008	8
5	SAIC	12.300	765046SP	Science Applications International Corp. (SAIC) # N66001-03D-5010	4/2/08-10/31/08	7/18/2008	7/23/2008	5
6	NASA	43.999	230780SP	N/A #NNX07AL80G	5/15/07-5/14/10	3/15/2008	6/27/2008	104

Cause and Effect

The Institution continues to refine the monitoring process of these reports. Tracking of reporting requirements for active grants is a manual process, and there is no formal monitoring practice in place over this process. This resulted in a lack of timely notification of report due dates within the Institution.

Woods Hole Oceanographic Institution

Schedule of Current Year Findings and Questioned Costs for Federal Awards

Year Ended December 31, 2008

Recommendations

Management should strengthen monitoring policies for all granting agencies. Management should also continue to monitor the due dates for submitting reports and make changes in its internal policy as needed.

Management's Views and Corrective Action Plan

Following these findings are management's views and corrective action plan.

08-2 Compliance Finding

Research and Development Cluster

As part of our current year audit procedures, it was noted that three purchase orders for supplies and equipment ranging from approximately \$20,000 to \$28,000 were authorized but those individuals were not listed on the purchase order authorization matrix, and in compliance with the Institution's policy. Two of the purchase orders, for \$22,000 and \$20,000, were charged to G&A expenses which are allocated to federal grants through indirect cost rates. The third purchase order was charged to the following grant and was for \$28,146:

Agency	CFDA #	Award #	Award Name	Award Year
NSF	47.050	853487SP	Geosciences	4/1/08-3/31/09

Cause and Effect

The purchase order authorization matrix held by the Institution to document their policy on the approval process was not updated based on actual authorities granted. Although these individuals may have been given verbal authority to approve each transaction, this fact was not evidenced on the authorization matrix.

Recommendations

Management should update the purchase order authorization matrix on a routine basis to reflect the appropriate authorized signors to ensure purchases are only approved by individuals with written authority.

Management's Views and Corrective Action Plan

Following these findings are management's views and corrective action plan.

08-3 Procurement Suspension and Debarment

Research and Development Cluster

In accordance with the Circular A110 p. 44-46, an organization must have written policies and procedures around procurement. In addition, some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. The Institution has documented the following policy "Bids and their analysis or explanations of the reason bids were not solicited (sole or single source justification) are required for all acquisitions more than \$10,000. When competitive bidding is not possible, an analysis of cost/price is required with the sole or single source justification." Additionally, the Institution requires either a formal bid or a sole source justification form to be completed for all purchases greater than \$10,000. The Institution failed to comply with their policy for 1 out of 45 purchases tested in the amount of \$22,000. The purchase was related to software development staff augmentation and charged to G&A expenses which are allocated to federal grants through indirect cost rates.

Woods Hole Oceanographic Institution Schedule of Current Year Findings and Questioned Costs for Federal Awards Year Ended December 31, 2008

Cause and Effect

A policy is in place at the Institution creating the need for bidding documents to be obtained for all purchases greater than \$10,000. Human error resulted in oversight of bidding documents for this purchase. Therefore, there is the potential that purchases with federal awards could have been purchased at a lower price.

Recommendations

Management should review their policy on bidding documentation and determine if it is cost effective to align their policy with the federal threshold for obtaining bidding documents. Additionally, management should emphasize the need for diligence in approval and review of these types of documents to prevent these occurrences in the future.

Management's Views and Corrective Action Plan

Following these findings are management's views and corrective action plan.

08-4 Questioned Costs (Consultants and Purchased Services)

Research and Development Cluster

In accordance with Circular A122, B.1: "Direct costs are those that can be identified specifically with a particular final cost objective, i.e., a particular award, project, service, or other direct activity of an organization." In a sample of 14 consulting and purchased services expenditures tested, one selection for \$1,120 was found in which repair costs were erroneously charged to a grant. The award to which this relates is as follows:

Agency	CFDA #	Award #	Award Name	Award Year
NSF	47.050	826367SP	Geosciences	9/15/2007-8/31/10

Cause and Effect

This questioned cost was the result of human error in documenting the grant account number to be charged. Therefore, the grant was erroneously charged \$1,120.

Recommendations

We recommend that management restore the questioned cost to the grant in question.

Management's Views and Corrective Action Plan

Following these findings are management's views and corrective action plan.

Woods Hole Oceanographic Institution
Schedule of Status of Prior Year Findings and Questioned Costs
Year Ended December 31, 2008

IV. Status of Prior Year Findings and Questioned Costs

07-1 Endowment Management and Investment Policy

As part of prior year audit procedures, an adjustment to record the fair market value of investments based on returned confirmations in 2006 was recorded incorrectly as it related to fiscal year 2007 activity. The error resulted in an understatement of pooled investments and unrealized gains as of and for the period ended December 31, 2007. The error also resulted in an understatement of units for new gifts received during fiscal year 2007.

As a result of the error, additional controls needed to be established and overall documentation of procedures performed needed to be enhanced.

Status

In 2008, PwC performed testing surrounding the appropriateness of adjustments recorded by management to reflect the fair market value of investments, and noted no exceptions in our testing.

Management effectively established additional reviews over the investment balance to prevent the type of error noted in 2007 from reoccurring.

This finding is resolved in the current year.

07-2 Performance Reporting

In a sample of 18 National Science Foundation (NSF) awards, PwC found one award (CFDA Number 47.078, "Gakkel Ridge: Science O," award year 2004) which was not submitted by the required deadline. In a sample of 12 awards from federal agencies other than NSF, PwC found one award (CFDA Number 11.478, "Gamtox 2," award year 2006) which was not submitted by the required deadline.

Status

Management developed additional internal controls surrounding NSF performance reporting during fiscal year 2006. However, these controls were not put into place until August 2008. The current year audit uncovered exceptions with timeliness of Performance Reporting, see finding 08-1. The Institution will continue with the implementation of enhanced controls in this area.



Laurie Murphy
Assistant Controller

Woods Hole Oceanographic Institution

Challenger House, MS #14
Woods Hole, Massachusetts 02543

08-1 Performance Reporting

Management Response

WHOI agrees and continues to strengthen performance report monitoring policies for all granting agencies. In June 2008 the Director of Research sent such a reminder to all Principal Investigators (PI's) at the Institution reinstating that cooperation is critical.

The Institution's guidelines for non NSF agencies were again circulated to the Departments as a reminder of those due dates. In addition, the Administrative Professionals, (AP's) in each science department continue to remind and reinforce timely submission of performance reports. The departments track awards by individual PI's including when the performance reports were submitted. The Institution will verify all departments are consistent with this procedure.

The Institution will continue to closely monitor this requirement by implementing a formal monitoring process for performance reporting submissions.

Contact Person:

A handwritten signature in blue ink that reads "Laurie Murphy".

Laurie Murphy



Laurie Murphy
Assistant Controller

Woods Hole Oceanographic Institution

Challenger House, MS #14
Woods Hole, Massachusetts 02543

08-2 Compliance Finding

Management Response

Management is undertaking a new design of the Authorization Matrix and is currently reviewing the signatory sample and documents. The new design will interface with HR records therefore updating activity of the population. A review of the Matrix will be undertaken each year in January.

Contact Person:


Laurie Murphy



Laurie Murphy
Assistant Controller

Woods Hole Oceanographic Institution

Challenger House, MS #14
Woods Hole, Massachusetts 02543

08-3 Procurement Suspension and Debarment

Management Response

An error in process review occurred with this order. The individuals in the Procurement Department have attended a review of the correct process to be performed. At the same time proper procedures for sole source justification were reviewed. Such reviews will be conducted during Procurement bi-weekly meetings as needed.

Contact Person:

A handwritten signature in blue ink that reads "Laurie Murphy". The signature is written in a cursive, flowing style.

Laurie Murphy



Laurie Murphy
Assistant Controller

Woods Hole Oceanographic Institution

Challenger House, MS #14
Woods Hole, Massachusetts 02543

08-4 Questioned Costs (Consultants and Purchased Services)

Management Response

Invoice for electrical services inadvertently indicated the NSF number of 826367SP. \$1,120 was transferred from the NSF award to a Facilities cost center on July 31, 2009.

During the year management continues to randomly verify project and cost centers for unallowable charges. In addition the Institution performs training as needed in determining allocable and allowable costs to awards.

Contact Person:

A handwritten signature in blue ink that reads "Laurie Murphy". The signature is written in a cursive style.

Laurie Murphy