

Woods Hole Oceanographic Institution

**Report on Federal Awards in Accordance with
OMB Circular A-133
December 31, 2009
EIN #042105850**

Woods Hole Oceanographic Institution
Report on Federal Awards in Accordance with OMB Circular A-133
Index
December 31, 2009

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**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, 2009 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 2008 financial statements, and in our report dated September 29, 2009, 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 August 13, 2010, 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, 2009. 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, 2009 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

August 13, 2010

Woods Hole Oceanographic Institution
Statement of Financial Position
December 31, 2009
(with summarized information for December 31, 2008)

| | 2009 | | 2008 | | |
|---|-----------------------|-------------------------------|-------------------------------|-----------------------|--------------------|
| Assets | | | | | |
| Cash and cash equivalents, unrestricted | \$ 26,959,024 | \$ | 22,345,523 | | |
| Cash and cash equivalents, restricted | 3,384,314 | | 2,249,971 | | |
| Reimbursable costs and fees | | | | | |
| Billed (net of allowance for doubtful accounts of \$80,359 and for 2009 and \$112,037 for 2008) | 5,419,096 | | 6,482,388 | | |
| Unbilled | 8,271,337 | | 11,584,460 | | |
| Receivable for investments sold | 75,348 | | 2,915 | | |
| Interest and dividends receivable | 48,537 | | 358,233 | | |
| Other receivables | 1,072,140 | | 961,736 | | |
| Pledges receivable, net (Note 5) | 10,451,525 | | 11,981,823 | | |
| Inventory | 1,644,600 | | 1,748,989 | | |
| Deferred charges and prepaid expenses | 333,268 | | 548,733 | | |
| Investments, pooled (Note 3) | 307,246,822 | | 249,324,406 | | |
| Investments, nonpooled (Note 3) | - | | 64,606 | | |
| Deposits with trustees for construction | 7,363,141 | | 10,111,687 | | |
| Deposits with trustees for debt service and to pay Series A debt | 92 | | 53,700,092 | | |
| Deferred fixed rate variance (Note 7) | 4,206,130 | | 994,079 | | |
| Supplemental retirement | 6,054,809 | | 5,058,172 | | |
| Other assets | 9,150,695 | | 11,690,315 | | |
| Deferred financing costs | 258,536 | | 1,365,703 | | |
| | <u>391,939,414</u> | | <u>390,573,831</u> | | |
| Property, plant and equipment | | | | | |
| Land, buildings and improvements | 135,733,697 | | 131,317,680 | | |
| Vessels and dock facilities | 7,997,337 | | 7,622,299 | | |
| Laboratory and other equipment | 29,541,160 | | 28,225,892 | | |
| Construction in process | 1,241,329 | | 2,331,228 | | |
| | <u>174,513,523</u> | | <u>169,497,099</u> | | |
| Accumulated depreciation | <u>(88,675,963)</u> | | <u>(80,760,971)</u> | | |
| Net property, plant and equipment | 85,837,560 | | 88,736,128 | | |
| Contribution receivable from remainder trusts, net (Note 6) | 9,814,334 | | 8,483,567 | | |
| Total assets | <u>\$ 487,591,308</u> | \$ | <u>\$ 487,793,526</u> | | |
| Liabilities | | | | | |
| Line of credit (Note 8) | \$ 6,000,000 | \$ | 3,882,556 | | |
| Accounts payable and other liabilities (Note 8) | 12,175,852 | | 18,185,061 | | |
| Accrued payroll and related liabilities | 7,004,044 | | 6,319,201 | | |
| Payable for investments purchased | 33,374 | | 80,167 | | |
| Accrued supplemental retirement benefits | 6,054,809 | | 5,058,172 | | |
| Accrued pension and restoration liability | 64,720,545 | | 84,409,200 | | |
| Accrued postretirement liability | 6,589,580 | | 11,146,697 | | |
| Deferred revenue and refundable advances | 8,726,087 | | 7,066,560 | | |
| Bonds payable (Note 8) | 63,431,258 | | 117,780,187 | | |
| Total liabilities | <u>\$ 174,735,549</u> | \$ | <u>\$ 253,927,801</u> | | |
| | | | | | |
| | Unrestricted | Temporarily Restricted | Permanently Restricted | | |
| Net Assets | | | | | |
| Undesignated and plant | \$ 23,101,367 | \$ - | \$ - | 23,101,367 | 20,428,525 |
| Pension | (72,100,850) | - | - | (72,100,850) | (96,378,957) |
| Designated | 4,415,910 | 10,222,455 | - | 14,638,365 | 13,878,254 |
| Pledges and other | - | 11,229,609 | 15,518,432 | 26,748,041 | 28,743,041 |
| Education | - | 2,623,021 | - | 2,623,021 | 2,654,310 |
| Endowment and similar funds | 71,718,939 | 180,949,548 | 65,177,328 | 317,845,815 | 264,540,552 |
| Total net assets | <u>\$ 27,135,366</u> | <u>\$ 205,024,633</u> | <u>\$ 80,695,760</u> | <u>312,855,759</u> | <u>233,865,725</u> |
| Total liabilities and net assets | <u>\$ 487,591,308</u> | | | <u>\$ 487,793,526</u> | |

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

Woods Hole Oceanographic Institution
Statement of Activities
Year Ended December 31, 2009
(with summarized information for the year ended December 31, 2008)

| | Unrestricted | | Temporarily Restricted | Permanently Restricted | 2009 | 2008 |
|---|----------------------|-----------------------|---------------------------|---------------------------|-----------------------|-----------------------|
| | Operating | Sponsored Research | | | | |
| Revenues | | | | | | |
| Fees | \$ 1,896,938 | | | | \$ 1,896,938 | \$ 1,706,354 |
| Sponsored research | | | | | | |
| Government | | 89,149,989 | | | 89,149,989 | 81,525,012 |
| Subcontract and nongovernment | | 31,570,392 | 5,287,791 | | 36,858,183 | 36,575,778 |
| Ships and subs operations | | 25,953,603 | | | 25,953,603 | 26,594,365 |
| Sponsored research assets released to operations | 150,862,769 | (146,673,984) | (4,188,785) | | - | - |
| Fixed price awards income | 119,301 | | | | 119,301 | - |
| Education | | | | | | |
| Joint program income | 4,045,415 | | | | 4,045,415 | 3,901,574 |
| Endowment income | | | 6,354,464 | | 6,354,464 | 6,511,855 |
| Education funds released from restriction | 7,305,641 | | (7,305,641) | | - | - |
| Investment return designated for current operations | 3,514,878 | | | | 3,514,878 | 3,496,652 |
| Contributions and gifts | 2,569,810 | | 1,222,870 | 1,487,563 | 5,280,243 | 10,376,562 |
| Releases from restrictions | | | (2,996,923) | | (2,996,923) | (2,939,816) |
| Contributions in kind | 224,872 | | | | 224,872 | 218,213 |
| Rental income | 525,203 | | | | 525,203 | 818,849 |
| Communication and publications | 230,560 | | | | 230,560 | 203,819 |
| Other | 579,404 | | | | 579,404 | 278,272 |
| Total revenues | <u>171,874,791</u> | <u>-</u> | <u>(1,626,224)</u> | <u>1,487,563</u> | <u>171,736,130</u> | <u>169,267,489</u> |
| Expenses | | | | | | |
| Sponsored research | | | | | | |
| National Science Foundation | 48,427,780 | | | | 48,427,780 | 46,159,787 |
| United States Navy | 24,566,738 | | | | 24,566,738 | 17,252,140 |
| Subcontracts | 14,230,066 | | | | 14,230,066 | 11,804,657 |
| National Oceanic & Atmospheric Administration | 10,517,222 | | | | 10,517,222 | 12,434,847 |
| Department of Energy | 113,062 | | | | 113,062 | 172,217 |
| United States Geological Survey | 1,167,050 | | | | 1,167,050 | 1,394,934 |
| National Aeronautics & Space Administration | 2,179,120 | | | | 2,179,120 | 1,708,155 |
| Ships Operations | 20,066,317 | | | | 20,066,317 | 20,740,497 |
| Submersible and ROV operations | 5,887,286 | | | | 5,887,286 | 5,853,868 |
| Privately funded grants | 5,610,730 | | | | 5,610,730 | 5,510,417 |
| Other | 17,969,788 | | | | 17,969,788 | 20,714,736 |
| Education | | | | | | |
| Faculty expense | 3,961,106 | | | | 3,961,106 | 3,535,377 |
| Student expense | 4,176,776 | | | | 4,176,776 | 4,190,903 |
| Postdoctoral programs | 365,674 | | | | 365,674 | 420,942 |
| Other | 1,187,948 | | | | 1,187,948 | 736,859 |
| Rental expenses | 223,658 | | | | 223,658 | 672,104 |
| Communication, publications and development | 2,463,065 | | | | 2,463,065 | 2,322,604 |
| Fundraising expenses | 2,400,165 | | | | 2,400,165 | 2,536,037 |
| Un-sponsored programs | 7,299,446 | | | | 7,299,446 | 8,842,687 |
| Other expenses | 1,871,265 | | | | 1,871,265 | 3,704,390 |
| Total expenses | <u>174,684,262</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>174,684,262</u> | <u>170,708,158</u> |
| Change in net assets from operating activities before reclassification of pension curtailment charge | (2,809,471) | - | (1,626,224) | 1,487,563 | (2,948,132) | (1,440,669) |
| Pension curtailment charge | (8,894,763) | | | | (8,894,763) | - |
| Change in net assets from operating activities after reclassification of pension curtailment charge | <u>(11,704,234)</u> | <u>-</u> | <u>(1,626,224)</u> | <u>1,487,563</u> | <u>(11,842,895)</u> | <u>(1,440,669)</u> |
| Nonoperating income and expenses | | | | | | |
| Investment return in excess of / (less than) amounts designated for sponsored research, education and current operations | 12,930,021 | | 38,259,623 | | 51,189,644 | (117,881,890) |
| Net realized/unrealized gains (losses) on interest rate swap | 5,169,063 | | | | 5,169,063 | (10,395,615) |
| Change in split interest agreements | (4,586) | | 18,358 | 1,313,222 | 1,326,994 | (3,055,594) |
| Other nonoperating expenses | (99,976) | | | | (99,976) | (99,976) |
| Net periodic pension costs | (1,126,114) | | | | (1,126,114) | (3,190,468) |
| Gain (loss) on property investment | 74,334 | | | | 74,334 | (1,554,355) |
| Resignation of gifts | 31,657 | | (31,657) | | - | (91,070) |
| Reclassification of pension curtailment charge | 8,894,763 | | | | 8,894,763 | - |
| Pension related changes other than net periodic pension costs (Note 9) | 25,404,221 | | | | 25,404,221 | (56,477,400) |
| Change in net assets from nonoperating activities | 51,273,383 | - | 38,246,324 | 1,313,222 | 90,832,929 | (192,746,368) |
| Total change in net assets | 39,569,149 | - | 36,620,100 | 2,800,785 | 78,990,034 | (194,187,037) |
| Net assets at beginning of year | (12,433,783) | - | 168,404,533 | 77,894,975 | 233,865,725 | 428,052,762 |
| Net assets at end of year | <u>\$ 27,135,366</u> | <u>\$ -</u> | <u>\$ 205,024,633</u> | <u>\$ 80,695,760</u> | <u>\$ 312,855,759</u> | <u>\$ 233,865,725</u> |

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

Woods Hole Oceanographic Institution
Statement of Cash Flows
Year Ended December 31, 2009
(with summarized information for the year ended December 31, 2008)

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Cash flows from operating activities | | |
| Total change in net assets | \$ 78,990,034 | \$ (194,187,037) |
| Adjustments to reconcile increase (decrease) in net assets to net cash used in operating activities | | |
| Depreciation and amortization | 8,606,147 | 8,486,936 |
| Change in split interest agreements | (1,326,994) | 3,055,594 |
| Allowance for uncollectible pledges | 29,882 | 211,496 |
| Discount on pledges | (72,694) | (493,872) |
| Net realized and unrealized (gain) loss on investments | (64,859,216) | 108,397,038 |
| Unrealized (gain) loss on interest swap | (7,053,860) | 9,399,651 |
| Pension related changes other than net periodic pension cost | (25,404,221) | 56,477,400 |
| Contributions to be used for long-term investment | (423,323) | (430,813) |
| (Gain) loss on property investment | (74,334) | 1,554,355 |
| Receipt of contributed securities | (117,044) | (279,407) |
| (Increase) decrease in assets | | |
| Restricted cash | (1,134,343) | 19,133 |
| Interest and dividends receivable | 309,696 | (250,700) |
| Reimbursable costs and fees | | |
| Billed | 1,063,292 | (2,923,934) |
| Unbilled | 3,313,123 | (5,784,625) |
| Other receivables | (110,404) | (109,845) |
| Pledges receivable | 1,573,110 | (1,021,371) |
| Inventory | 104,389 | 170,821 |
| Deferred charges and prepaid expenses | 215,465 | 963,055 |
| Other assets | 2,613,954 | 267,490 |
| Deferred finance costs | 1,097,203 | (225,612) |
| Supplemental retirement | (996,637) | 2,053,501 |
| Deferred fixed rate variance | (3,212,051) | (994,079) |
| Increase (decrease) in liabilities | | |
| Accrued pension liability | 1,126,114 | 3,190,468 |
| Accrued pension liability restoration | 32,336 | 10,308 |
| Accounts payable and other liabilities | 1,351,033 | (1,138,881) |
| Accrued payroll and related liabilities | 684,843 | 823,697 |
| Deferred revenue and refundable advances | 1,659,527 | (435,159) |
| Accrued supplemental retirement benefits | 996,637 | (2,053,501) |
| Deferred fixed rate variance | - | (895,384) |
| Net cash used in operating activities | <u>(1,018,336)</u> | <u>(16,143,277)</u> |
| Cash flows from investing activities | | |
| Capital expenditures | | |
| Additions to property and equipment | (5,971,699) | (7,573,472) |
| Endowment | | |
| Receivable for investments sold | (72,433) | 85,202 |
| Payable for investments purchased | (46,793) | (139,620) |
| Proceeds from the sale of investments | 51,578,143 | 90,510,496 |
| Purchase of investments | (44,576,737) | (76,043,237) |
| Change in construction fund | 2,748,546 | (10,111,687) |
| Change in funds for debt service and to pay Series A debt | 53,700,000 | (53,700,000) |
| Liquidation of contributed securities | 117,044 | 279,407 |
| Net cash provided by (used in) investing activities | <u>57,476,071</u> | <u>(56,692,911)</u> |
| Cash flows from financing activities | | |
| Repayments under debt agreements | (54,385,000) | (1,150,000) |
| Borrowings under debt agreements | - | 63,811,687 |
| Borrowings under line of credit | 2,117,444 | 3,882,556 |
| Contributions to be used for long-term investment | 423,323 | 430,813 |
| Net cash (used in) provided by financing activities | <u>(51,844,233)</u> | <u>66,975,056</u> |
| Net increase (decrease) in cash and cash equivalents | 4,613,501 | (5,861,132) |
| Cash and cash equivalents, beginning of year | 22,345,523 | 28,206,655 |
| Cash and cash equivalents, end of year | <u>\$ 26,959,024</u> | <u>\$ 22,345,523</u> |
| Supplemental disclosures | | |
| Cash paid for interest | \$ 5,128,325 | \$ 4,308,449 |
| Noncash activity | | |
| Construction in process additions remaining in accounts payable | 244,276 | 310,155 |
| Contributed securities | 117,044 | 279,407 |

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

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2009

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, 2008, 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, 2009

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 \$29,053 and \$224,561 of conditional promises to give at December 31, 2009 and 2008, 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, gains and 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.

The 2009 curtailment charge on the defined benefit pension plan is shown as a reclassification between non-operating activities and operating activities. Refer to the pension footnote for more details (Note 9).

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2009

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, which approximates market value.

Included in restricted cash at December 31, 2009 and 2008 is \$2,821,013 and \$1,701,678, 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, 2009 and 2008 is \$563,301 and \$548,293, 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.

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, 2009 and 2008 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.

In 2009, new guidance related to the *Fair Value Measurement* standard was issued for estimating the fair value of investments in investment companies that have a calculated value of their capital account or net asset value (NAV) in accordance with, or in a manner consistent with US generally accepted accounting principles (US GAAP). As a practical expedient, the Institution is permitted under US GAAP to estimate the fair value of an investment at the measurement date using the reported NAV without further adjustment unless the entity expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with US GAAP. The Institution's investments in private equity, venture capital, hedge funds and commingled funds are fair valued based on the most current NAV received.

The guidance also requires additional disclosure, to enable users of the financial statements to understand the nature and risk of the Institution's investments in investment companies. Furthermore, investments which can be redeemed at NAV by the Institution on the measurement date or in the near term are classified as Level 2. Investments which cannot be redeemed on the measurement date or in the near term are classified as Level 3. The new guidance did not materially affect the Institution's financial statements.

Woods Hole Oceanographic Institution

Notes to Financial Statements

December 31, 2009

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 \$15,348,009 and \$15,958,373 for the years ended December 31, 2009 and 2008, respectively, and is classified in operating revenues (research, education, and operations).

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, 2009 and 2008, respectively, the amounts consist of \$92 and \$53,700,092 for debt service and to pay Series A debt and \$7,363,141 and \$10,111,687 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.

Contracts and Grants

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

The Institution received approximately 88% of its sponsored research revenues from government agencies including 46% and 47% of its operating revenues from the National Science Foundation and 17% and 13% from the United States Navy in fiscal years 2009 and 2008, 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, which approximates the effective interest method. Accumulated amortization on Series B bonds at December 31, 2009 and 2008 was \$10,529 and \$0, respectively. Additionally, during 2009, Series A deferred financing costs, net, of \$532,664 were written-off to operating expense upon retirement of the bonds.

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Interest Rate Swap

The Institution entered into an interest rate swap agreement on the Series A 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 \$8,460,133 and \$8,118,462 in 2009 and 2008, 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 2009 and 2008 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.

Subsequent Events

Effective in 2009, the Institution implemented new accounting guidance, which establishes general standards of accounting for, and disclosures of, events that occur after the balance sheet date but before the financial statements are issued. The adoption of this guidance did not impact the Institution's financial position or results of operations. Management evaluated all events or transactions that occurred after December 31, 2009 up through August 13, 2010, the date these financial statements were issued.

3. Investments

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

| | 2009 | | 2008 | |
|-------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | Cost | Market | Cost | Market |
| U.S. equity | \$ 45,101,665 | \$ 49,412,294 | \$ 48,938,730 | \$ 38,583,054 |
| Global developed equity | 50,997,277 | 55,383,404 | 51,033,390 | 37,527,967 |
| Emerging markets equity | 10,281,504 | 8,424,306 | 22,210,104 | 10,865,692 |
| Marketable alternative assets | 69,295,000 | 92,514,957 | 59,295,000 | 64,756,585 |
| Real assets | 19,250,000 | 19,484,191 | 27,026,449 | 20,025,017 |
| Bonds | 33,354,091 | 35,752,636 | 35,055,789 | 35,993,142 |
| Nonmarketable assets | 48,419,333 | 46,275,034 | 45,329,176 | 41,572,949 |
| Total investments | <u>\$ 276,698,870</u> | <u>\$ 307,246,822</u> | <u>\$ 288,888,638</u> | <u>\$ 249,324,406</u> |

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Included in bonds and equities are alternative investment vehicles including commingled funds with a market value of \$80,490,229 and \$57,957,095 at December 31, 2009 and 2008, respectively, whose holdings are bonds and equities. Included in U.S. equity, marketable alternative assets and nonmarketable assets are hedge funds of \$88,917,420 and \$67,985,074 at December 31, 2009 and 2008, respectively. Included in global developed equity and nonmarketable assets are private equity and venture capital funds of \$46,247,350 and \$41,536,853 at December 31, 2009 and 2008, 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 total investments at December 31, 2009 and 2008, respectively, were \$229,373,232 and \$183,770,329.

The nonpooled investments consist of a common/collective trust fund invested in bonds with a market value of \$0 at December 31, 2009 and \$64,606 at December 31, 2008.

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

| | Unrestricted | Temporarily restricted | 2009 Total | 2008 Total |
|---|----------------------|---------------------------|----------------------|-------------------------|
| Dividend and interest income | \$ (3,263,771) | \$ 6,354,464 | \$ 3,090,693 | \$ 8,055,786 |
| Investment management costs | (1,412,258) | - | (1,412,258) | (1,582,265) |
| Net realized (losses) gains | (1,190,325) | (4,062,643) | (5,252,968) | 5,010,768 |
| Change in unrealized appreciation (depreciation) | <u>22,502,129</u> | <u>47,610,055</u> | <u>70,112,184</u> | <u>(113,407,806)</u> |
| Total return on investments | <u>16,635,775</u> | <u>49,901,876</u> | <u>66,537,651</u> | <u>(101,923,517)</u> |
| Investment return designated for | | | | |
| Sponsored research | - | (5,287,791) | (5,287,791) | (5,949,866) |
| Education | - | (6,354,464) | (6,354,464) | (6,511,855) |
| Current operations | <u>(3,705,754)</u> | <u>-</u> | <u>(3,705,754)</u> | <u>(3,496,652)</u> |
| Total distributions to operations | <u>(3,705,754)</u> | <u>(11,642,255)</u> | <u>(15,348,009)</u> | <u>(15,958,373)</u> |
| Investment return in excess of (less than) amounts designated for sponsored research, education and current operations | <u>\$ 12,930,021</u> | <u>\$ 38,259,621</u> | <u>\$ 51,189,642</u> | <u>\$ (117,881,890)</u> |

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 \$15,353 and \$3,388,279 at December 31, 2009 and 2008, respectively. 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.

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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:

| | 2009 | 2008 |
|---|-----------------|--------------------|
| Unit value, beginning of year | \$ 3.9408 | \$ 5.2520 |
| Unit value, end of year | <u>4.3372</u> | <u>3.9408</u> |
| Net change for the year | .3964 | (1.3112) |
| Investment income per unit for the year | <u>.0226</u> | <u>.0993</u> |
| Total return per unit | <u>\$.4190</u> | <u>\$ (1.2119)</u> |

4. Fair Value Disclosures

On January 1, 2008, the Institution adopted new accounting guidance issued by the Financial Accounting Standards Board ("FASB"), which establishes a framework for measuring fair value in generally accepted accounting principles ("GAAP") and expands disclosures about fair value measurements. This guidance 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, the guidance 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. 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;
- *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).

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Notes to Financial Statements
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The following fair value hierarchy tables present information about the Institution's assets and liabilities measured at fair value on a recurring basis:

| 2009 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------------|----------------------|-----------------------|-----------------------|
| Investments, pooled | \$ 77,873,590 | \$ 95,472,357 | \$ 133,900,875 | \$ 307,246,822 |
| Deposits with trustees | 7,363,233 | - | - | 7,363,233 |
| Other assets | - | - | 940,249 | 940,249 |
| Contribution receivable from remainder trust | - | - | 9,814,334 | 9,814,334 |
| Total assets at fair value | \$ 85,236,823 | \$ 95,472,357 | \$ 144,655,458 | \$ 325,364,638 |

| | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|---------------------|---------------------|
| Interest rate swap | \$ - | \$ - | \$ 5,817,790 | \$ 5,817,790 |
| Total liabilities at fair value | \$ - | \$ - | \$ 5,817,790 | \$ 5,817,790 |

| 2008 | 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, 2009 that are classified within level 3 of the fair value hierarchy.

| 2009 | 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, 2009 | \$ 183,770,329 | \$ 64,606 | \$ 879,869 | \$ 8,483,567 | \$ (12,871,650) |
| Realized gains/(losses) | 76,305 | (522) | - | - | - |
| Unrealized gains/(losses) | 20,375,657 | - | 60,380 | 1,330,767 | 7,053,860 |
| Purchases and sales | (897,887) | (64,084) | - | - | - |
| Transfers in and/or out of level 3 | (69,423,529) | - | - | - | - |
| Balance, December 31, 2009 | \$ 133,900,875 | \$ - | \$ 940,249 | \$ 9,814,334 | \$ (5,817,790) |

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As a result of adopting the new guidance for estimating fair value of investments, certain investments have been reclassified as Level 2 assets subject to criteria described above based upon the year end recorded amounts.

| 2008 | 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 | - | - | - | - |
| Balance, December 31, 2008 | <u>\$ 183,770,329</u> | <u>\$ 64,606</u> | <u>\$ 879,869</u> | <u>\$ 8,483,567</u> | <u>\$ (12,871,650)</u> |

The fair market value of the alternative investments described in the table below are based on net asset value per share of the investments as of December 31, 2009.

| Asset Class | Fair Value (000) | Redemption Terms | Redemption Restrictions |
|-------------------------------|-------------------|--|--|
| U.S. equity | \$ 11,407 | Annually year end, Annually on inception | \$3,083,998 subject to lock-up period of 3 years |
| Global developed equity | 45,053 | Monthly | |
| Emerging markets equity | 8,424 | Daily | |
| Marketable alternative assets | 92,515 | Monthly, Quarterly, Annual year end, Semi annual | \$2,751,410 in non-redeemable side pocket and subject to lock-up period for up to 1 to 3 years |
| Real assets | 19,484 | Quarterly, Annual year end | Lock-up period for up to 1 year |
| Bonds | 6,215 | Daily | |
| Nonmarketable assets | 46,275 | Remaining lives of up to 10 years | Redemption not permitted |
| | <u>\$ 229,373</u> | | |

As of December 31, 2009 the Institution had unfunded commitments relating to nonmarketable assets of approximately \$23,129,000.

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5. Pledges Receivable, Net

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 3.69% to 4.08% and 2.36% to 8.25% at December 31, 2009 and 2008, respectively.

Pledges receivable consist of the following at December 31:

| | 2009 | 2008 |
|---|----------------------|----------------------|
| Unconditional promises expected to be collected in: | | |
| Less than one year | \$ 4,757,375 | \$ 6,034,724 |
| One year to five years | 6,815,469 | 7,111,230 |
| Reserve for uncollectible pledges receivable | (530,099) | (500,217) |
| Unamortized discount | <u>(591,220)</u> | <u>(663,914)</u> |
| | <u>\$ 10,451,525</u> | <u>\$ 11,981,823</u> |

6. Contribution Receivable from Remainder Trusts, Net

Contributions receivable from remainder trusts at December 31, 2009 and 2008 were \$9,814,334 and \$8,483,567, 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 ended December 31, 2008, discount rates ranging from 6.4% to 7.0% were used in these calculations. For the year ended December 31, 2009, discount rates ranging from 5.0% to 8.0% 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.

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

| | |
|---|---------------------|
| 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 | 1,889,463 |
| Deferred Fixed Rate Variance asset, December 31, 2008 | <u>\$ 994,079</u> |
| 2009 indirect costs | 77,141,004 |
| Amounts recovered | <u>(73,928,953)</u> |
| 2009 change | <u>3,212,051</u> |
| Deferred Fixed Rate Variance asset, December 31, 2009 | <u>\$ 4,206,130</u> |

As of December 31, 2009, the Institution has expended a cumulative amount in excess of recovered amounts of \$4,206,130 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, Bonds Payable and Interest Rate Swap

Indebtedness at December 31, 2009 and 2008 includes bonds issued through the Massachusetts Health and Education Facilities Authority (MHEFA). Balances of outstanding bonds payable at December 31 consisted of the following:

| | 2009 | 2008 |
|--|----------------------|-----------------------|
| MHEFA, Series A, Variable Rate Revenue Bonds | \$ - | \$ 53,700,000 |
| MHEFA, Series B, Fixed Rate Revenue Bonds | 64,315,000 | 65,000,000 |
| Less: Series B unamortized bond discount | <u>(883,742)</u> | <u>(919,813)</u> |
| Bonds Payable | <u>\$ 63,431,258</u> | <u>\$ 117,780,187</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.

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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 were used to retire the Series A Bonds. The Series B Bonds mature in 2034 and bear fixed interest rates from 4.0% 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, 2009 and 2008, deposits with trustees include \$7,363,141 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 \$68,743,252 at December 31, 2009.

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 Institution has an uncollateralized \$20,000,000 line of credit. This line of credit bears interest at the Wall Street Journal Prime Rate. The Institution had \$6,000,000 and \$3,882,556 outstanding on the line of credit at December 31, 2009 and 2008, respectively. There is no expiration for the line of credit, but it is subject to review on May 1st of each year.

The aggregate maturities due on the Series B long-term debt at December 31, 2009 are as follows:

| Fiscal Year | Principal Amount |
|--------------------|-----------------------------|
| 2010 | \$ 1,415,000 |
| 2011 | 1,475,000 |
| 2012 | 1,530,000 |
| 2013 | 1,595,000 |
| 2014 | 1,655,000 |
| Thereafter | <u>56,645,000</u> |
| | <u>\$ 64,315,000</u> |

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In June 2004, the Institution entered into an interest rate swap agreement on the Series A Bonds (refinanced to Series B Bonds) in order to convert a portion of the variable rate debt to fixed rate, there by economically hedging against changes in the cash flow requirements of the Institution's variable rate debt obligations. The term of the swap is through June 1, 2034 and effectively locked in a fixed rate of 3.79% per annum. The agreement has a notional amount of \$52,500,000. The Institution paid interest expense in association with the swap agreement of \$1,884,797 and \$995,964 which is reflected as part of the net realized/unrealized gains (losses) on interest swap at December 31, 2009 and 2008, respectively.

The fair value of the interest rate swap at December 31, 2009 and 2008 is as follows:

| 2009 | | 2008 | |
|---|-------------------|---|-------------------|
| Statement of Financial Position Location | Fair Value | Statement of Financial Position Location | Fair Value |
| Accounts payable and other liabilities | \$ 5,817,790 | Account payable and other liabilities | \$ 12,871,650 |

The effect of the interest rate swap on the statement of activities for 2009 and 2008 is as follows:

| Location of Gain (Loss) Recognized in Statement of Activities | Amount of Gain (Loss) Recognized in Statement of Activities | |
|--|--|-----------------|
| | 2009 | 2008 |
| Nonoperating income and expenses | | |
| Net realized/unrealized gains (losses) on interest rate swap | \$ 5,169,063 | \$ (10,395,615) |

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.

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

| | Restoration Plan Pension Benefits | |
|--|--|--------------------|
| | 2009 | 2008 |
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 29,807 | \$ - |
| Interest cost | 1,928 | 1,769 |
| Actuarial loss | 7,917 | 28,038 |
| Service cost | 23,805 | - |
| Benefit obligation at end of year | <u>\$ 63,457</u> | <u>\$ 29,807</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ - | \$ - |
| Employer contributions | - | 12,213 |
| Actual return on plan assets | - | - |
| Benefits paid | - | (12,213) |
| Fair value of plan assets at end of year | <u>\$ -</u> | <u>\$ -</u> |
| Funded status | \$ (63,457) | \$ (29,807) |
| Amounts recognized in the statement of financial position consist of | | |
| Accrued benefit liability | <u>\$ (63,457)</u> | <u>\$ (29,807)</u> |
| Net amount recognized | <u>\$ (63,457)</u> | <u>\$ (29,807)</u> |
| Amounts recognized in unrestricted net assets | | |
| Net actuarial loss | \$ 20,816 | \$ 19,499 |
| Information for pension plans with accumulated benefit obligations in excess of plan assets | | |
| Projected benefit obligation | \$ 63,457 | \$ 29,807 |
| Accumulated benefit obligation | 39,369 | 6,713 |
| Component of net periodic benefit cost | | |
| Interest cost | 1,928 | 1,769 |
| Service cost | 23,805 | - |
| Recognized actuarial loss | 6,600 | 8,539 |
| Net periodic benefit cost | <u>\$ 32,333</u> | <u>\$ 10,308</u> |
| Other changes in benefit obligations recognized in unrestricted net assets | | |
| Net actuarial loss | <u>\$ 20,816</u> | <u>\$ 19,499</u> |
| Total recognized in nonoperating expense | <u>\$ 20,816</u> | <u>\$ 19,499</u> |
| Weighted-average assumptions used to determine benefit obligations at December 31 | | |
| Discount rate | 6.00% | 6.50% |
| 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 | 6.50% | 6.25% |
| Rate of compensation increase | 4.50% | 4.50% |

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

| | | |
|--------------------------|----|-------|
| Amortization of net loss | \$ | 9,691 |
|--------------------------|----|-------|

Expected Contributions

The Institution anticipates contributing \$0 to the Restoration Plan in 2010.

Estimated Future Benefit Payments

Future benefit payments are expected to be paid as follows:

| Years | | Benefit Payments |
|--------------|----|-----------------------------|
| 2010 | \$ | - |
| 2011 | | 19,047 |
| 2012 | | 79,392 |
| 2013 | | - |
| 2014 | | - |
| 2015 - 2019 | | - |

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| | Qualified Plan Pension Benefits | |
|---|--|------------------------|
| | 2009 | 2008 |
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 213,957,486 | \$ 216,059,940 |
| Service cost | 6,487,935 | 6,818,972 |
| Interest cost | 13,495,261 | 13,167,915 |
| Actuarial loss (gain) | 4,450,793 | (5,418,314) |
| Benefits paid | (10,191,314) | (16,671,027) |
| Curtailment | (14,179,640) | - |
| Benefit obligation at end of year | <u>\$ 214,020,521</u> | <u>\$ 213,957,486</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ 129,578,093 | \$ 186,124,218 |
| Employer contributions | 9,663,645 | 7,935,274 |
| Actual return on plan assets | 20,313,009 | (47,810,372) |
| Benefits paid | (10,191,314) | (16,671,027) |
| Fair value of plan assets at end of year | <u>\$ 149,363,433</u> | <u>\$ 129,578,093</u> |
| Funded status | \$ (64,657,088) | \$ (84,379,393) |
| Amounts recognized in the statement of financial position consist of | | |
| Accrued pension liability | <u>\$ (64,657,088)</u> | <u>\$ (84,379,393)</u> |
| Net amount recognized | <u>\$ (64,657,088)</u> | <u>\$ (84,379,393)</u> |
| Amounts recognized in unrestricted net assets | | |
| Net prior service cost | \$ 881,850 | \$ 11,455,419 |
| Net actuarial loss | 22,818,425 | 41,988,038 |
| Information for pension plans with accumulated benefit obligations in excess of plan assets | | |
| Projected benefit obligation | \$ 214,020,521 | \$ 213,957,486 |
| Accumulated benefit obligation | 195,440,440 | 178,423,527 |
| Components of net periodic benefit cost | | |
| Service cost | \$ 6,487,935 | \$ 6,818,972 |
| Interest cost | 13,495,261 | 13,167,915 |
| Recognition of benefit cost due to curtailment | 8,894,763 | - |
| Expected return on plan assets | (11,311,265) | (11,470,123) |
| Amortization of prior service cost | 1,678,806 | 1,933,919 |
| Recognized actuarial loss | 439,022 | 675,059 |
| Net periodic benefit cost | <u>\$ 19,684,522</u> | <u>\$ 11,125,742</u> |
| Other changes in plan assets and benefit obligations recognized in unrestricted net assets | | |
| Amortization of prior service cost | \$ (1,678,806) | \$ (1,933,919) |
| Amortization of actuarial loss | (439,022) | (675,059) |
| Net actuarial (gain) loss | (4,550,951) | 53,862,181 |
| Other adjustment (due to curtailment) | (23,074,403) | - |
| Total recognized in nonoperating (income) expense | <u>\$ (29,743,182)</u> | <u>\$ 51,253,203</u> |

Woods Hole Oceanographic Institution
Notes to Financial Statements
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The Institution has reflected \$9,663,645 and \$7,935,274 for the years ended December 31, 2009 and 2008, 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 \$1,126,114 and \$3,190,468 for the years ending December 31, 2009 and 2008, respectively, of net periodic benefit cost is reflected in nonoperating expenses.

On January 8, 2010, the Institution's Board approved a plan change effective January 1, 2011 to stop future service crediting, but allow the effect of salary increases to continue until participants have no more than 25 years of service. Management has elected to treat this "soft freeze" as a pension curtailment, which is appropriate under generally accepted accounting principles. A curtailment is an event that significantly reduces the expected years of future service of present employees or eliminates for a significant number of employees the accrual of defined benefits for some or all of their future service. As a result of this pension curtailment, \$8,894,763 was reclassified out of non-operating income and expensed into operations as a curtailment charge. There is no net impact on unrestricted net assets as a result of this reclassification.

| | Qualified Plan Pension Benefits | |
|--|--|-------------|
| | 2009 | 2008 |
| Weighted-average assumptions used to determine benefit obligations at December 31 | | |
| Discount rate | 6.00% | 6.50% |
| 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 | 6.50% | 6.25% |
| 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.

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Notes to Financial Statements
December 31, 2009

Plan Assets

The Institution's pension plan weighted-average asset allocations at December 31, 2009 and 2008, and target allocations by asset category are as follows:

| Asset Category | Target allocation | 2009 | 2008 |
|-------------------------------|--------------------------|-------------|-------------|
| U.S. equity | 12% | 9% | 11% |
| Global developed equity | 14% | 11% | 16% |
| Emerging markets equity | 3% | 3% | 4% |
| Marketable alternative assets | 13% | 15% | 17% |
| Real assets | 4% | 4% | 5% |
| Bonds | 30% | 39% | 18% |
| Nonmarketable assets | 17% | 15% | 27% |
| Cash and cash equivalents | 7% | 4% | 2% |
| | 100% | 100% | 100% |

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 | \$ 881,850 |
| Amortization of net loss | 12,216 |

Fair Value Disclosures

The following fair value hierarchy tables present information about the Qualified Plan's financial assets measured at fair value on a recurring basis:

| 2009 | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|----------------|
| Money market fund | \$ 7,181,754 | \$ - | \$ - | \$ 7,181,754 |
| Common stocks | 9,569,879 | - | - | 9,569,879 |
| Registered investment companies and commingled funds | 6,346,756 | 12,975,240 | 2,734,493 | 22,056,489 |
| Fixed bonds | 53,438,988 | - | - | 53,438,988 |
| Venture capital limited partnerships | (410,630) | - | 15,154,504 | 14,743,874 |
| Hedge funds | - | 3,414,719 | 31,111,345 | 34,526,064 |
| Private equity funds | - | - | 7,508,692 | 7,508,692 |
| Total assets at fair value | \$ 76,126,747 | \$ 16,389,959 | \$ 56,509,034 | \$ 149,025,740 |

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Notes to Financial Statements
December 31, 2009

The following table summarizes changes in the fair value of the Qualified Plan's Level 3 assets:

| | Fair Value Measurements Using Significant Unobservable Inputs (Level 3) |
|-----------------------------------|--|
| | Investments Pooled |
| Balance, January 1, 2009 | \$ 60,789,940 |
| Realized losses | (3,973,683) |
| Unrealized gains | 10,485,251 |
| Purchases and sales | (10,792,474) |
| Balance, December 31, 2009 | <u>\$ 56,509,034</u> |

Expected Contributions

The Institution anticipates contributing \$12,000,000 to the Qualified Plan in 2010.

Estimated Future Benefit Payments

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

| Years | Benefit Payments |
|--------------|-----------------------------|
| 2010 | \$ 12,303,904 |
| 2011 | 15,223,595 |
| 2012 | 15,985,944 |
| 2013 | 17,495,631 |
| 2014 | 17,728,115 |
| 2015 - 2019 | 86,824,011 |

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2009

| | Supplemental Plan Pension Benefits | |
|---|---|-----------------------|
| | 2009 | 2008 |
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 2,149,035 | \$ 2,656,213 |
| Service cost | 22,180 | 33,691 |
| Interest cost | 106,316 | 126,401 |
| Actuarial gain | (423,309) | (516,225) |
| Benefits paid | - | (151,045) |
| Benefit obligation at end of year | <u>\$ 1,854,222</u> | <u>\$ 2,149,035</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ - | \$ - |
| Employer contributions | - | 151,045 |
| Benefits paid | - | (151,045) |
| Fair value of plan assets at end of year | <u>\$ -</u> | <u>\$ -</u> |
| Funded status | <u>\$ (1,854,222)</u> | <u>\$ (2,149,035)</u> |
| Amounts recognized in the statement of financial position consist of | | |
| Accrued benefit liability | <u>\$ (1,854,222)</u> | <u>\$ (2,149,035)</u> |
| Net amount recognized | <u>\$ (1,854,222)</u> | <u>\$ (2,149,035)</u> |
| Amounts recognized in unrestricted net assets | | |
| Net prior service cost | \$ 13,130 | \$ 19,491 |
| Net actuarial gain | (1,225,816) | (1,169,664) |
| Information for pension plans with accumulated benefit obligations in excess of plan assets | | |
| Projected benefit obligation | \$ 1,854,222 | \$ 2,149,035 |
| Accumulated benefit obligation | 1,780,310 | 2,057,077 |
| Components of net periodic benefit cost | | |
| Service cost | \$ 22,180 | \$ 33,691 |
| Interest cost | 106,316 | 126,401 |
| Expected return on earmarked reserves | (204,235) | (196,395) |
| Amortization of prior year service cost | 6,361 | 6,620 |
| Recognized actuarial gain | <u>(320,251)</u> | <u>(234,572)</u> |
| Net periodic benefit income | <u>\$ (389,629)</u> | <u>\$ (264,255)</u> |

Woods Hole Oceanographic Institution
Notes to Financial Statements
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The accrued supplemental retirement is matched by a "Rabbi" Trust with \$6,054,809 and \$5,058,172, respectively, as of December 31, 2009 and 2008. An additional accrual of \$4,200,587 and \$2,909,137 has been established for the excess of the "Rabbi" Trust assets over the accrued supplemental retirement benefits at December 31, 2009 and 2008, respectively. Income earned on the investments earmarked for the supplemental retirement plan amounted to \$157,329 and \$171,052 for the years ended December 31, 2009 and 2008, respectively.

| | Supplemental Plan Pension Benefits | |
|---|---|-------------|
| | 2009 | 2008 |
| Actual return on earmarked reserves | \$ 157,329 | \$ 171,052 |
| Weighted-average assumptions used to determine benefit obligations at December 31 | | |
| Discount rate | 6.00% | 6.50% |
| 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 | 6.50% | 6.25% |
| 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 | | \$ 6,305 |
| Amortization of net loss (gain) | | (229,054) |

Expected Contributions

The Institution anticipates contributing \$229,443 to the Supplemental Plan in 2010.

Estimated Future Benefit Payments

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

| Years | Benefit Payments |
|--------------|-----------------------------|
| 2010 | \$ 229,443 |
| 2011 | 303,902 |
| 2012 | 350,410 |
| 2013 | 376,622 |
| 2014 | 329,949 |
| 2015 - 2019 | 544,522 |

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2009

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 | |
|--|--|------------------------|
| | 2009 | 2008 |
| Change in benefit obligation | | |
| Benefit obligation at beginning of year | \$ 26,628,315 | \$ 29,716,604 |
| Service cost | 613,932 | 611,868 |
| Interest cost | 1,553,859 | 1,642,932 |
| Benefits paid | (1,012,013) | (1,042,731) |
| Actuarial gain | <u>(1,304,056)</u> | <u>(4,300,358)</u> |
| Benefit obligation at end of year | <u>\$ 26,480,037</u> | <u>\$ 26,628,315</u> |
| Change in plan assets | | |
| Fair value of plan assets at beginning of year | \$ 15,481,618 | \$ 22,887,362 |
| Employer contributions | 1,447,782 | 447,218 |
| Actual return on plan assets | 3,973,070 | (6,810,231) |
| Benefits paid | <u>(1,012,013)</u> | <u>(1,042,731)</u> |
| Fair value of plan assets at end of year | <u>\$ 19,890,457</u> | <u>\$ 15,481,618</u> |
| Funded status | \$ (6,589,580) | \$ (11,146,697) |
| Amounts recognized in the statement of financial position consist of | | |
| Accrued benefit liability | <u>\$ (6,589,580)</u> | <u>\$ (11,146,697)</u> |
| Net amount recognized | <u>\$ (6,589,580)</u> | <u>\$ (11,146,697)</u> |
| Amounts recognized in unrestricted net assets | | |
| Net prior service cost | \$ (7,255,664) | \$ (8,095,510) |
| Net actuarial loss | 14,634,072 | 20,031,035 |
| Components of net periodic benefit cost | | |
| Service cost | \$ 613,932 | \$ 611,868 |
| Interest cost | 1,553,859 | 1,642,932 |
| Expected return on plan assets | (1,216,918) | (1,788,961) |
| Amortization of prior service cost | (839,846) | (839,846) |
| Amortization of net loss | <u>1,336,755</u> | <u>821,225</u> |
| Net periodic benefit cost | <u>\$ 1,447,782</u> | <u>\$ 447,218</u> |
| Other changes in plan assets and benefit obligations recognized in unrestricted net assets | | |
| Amortization of prior service cost | \$ 839,846 | \$ 839,846 |
| Amortization of actuarial loss | (1,336,755) | (821,225) |
| Net actuarial loss | <u>(4,060,208)</u> | <u>4,298,834</u> |
| Total recognized in nonoperating (income) expense | <u>\$ (4,557,117)</u> | <u>\$ 4,317,455</u> |

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

Weighted-average assumptions used to determine benefit obligations at December 31

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

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

| | 2009 | | 2008 | |
|---|--------|---------|--------|---------|
| | 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 | 8.0% | 6.5% | 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 | 2016 | 2013 |

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:

| | 2009 | | 2008 | | |
|--|--|--|--|--|--|
| | One-Percentage-Point Increase in Trend | | One-Percentage-Point Increase in Trend | | |
| Effect on total of service cost and interest cost components | \$ | 366,178 | \$ | 383,612 | |
| Effect on year-end postretirement benefit obligation | | 3,807,547 | | 3,934,941 | |
| | | | | | |
| | | 2009 | | 2008 | |
| | | One-Percentage-Point Decrease in Trend | | One-Percentage-Point Decrease in Trend | |
| Effect on total of service cost and interest cost components | \$ | (293,825) | \$ | (307,472) | |
| Effect on year-end postretirement benefit obligation | | (3,141,146) | | (3,229,098) | |

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2009

Plan Assets

The Institution's postretirement benefit plan weighted-average asset allocations at December 31, 2009 and 2008, by asset category are as follows:

| Asset Category | 2009 | 2008 |
|---------------------------|-------------|-------------|
| Equity securities | 76% | 83% |
| Bonds | 13% | 0% |
| Cash and cash equivalents | 11% | 17% |
| | <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.

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 | 980,135 |

The following fair value hierarchy tables present information about the Postretirement Benefit Plan's financial assets measured at fair value on a recurring basis:

Fair Value Disclosures

| 2009 | Level 1 | Level 2 | Level 3 | Total |
|---------------------------------|----------------------|------------------|----------------|----------------------|
| Money market | \$ 2,243,704 | \$ - | \$ - | \$ 2,243,704 |
| Common stock | 9,647,458 | - | - | 9,647,458 |
| Registered investment company | 2,557,962 | - | - | 2,557,962 |
| Bank collective investment fund | - | 5,389,013 | - | 5,389,013 |
| | <u>\$ 14,449,124</u> | <u>5,389,013</u> | <u>\$ -</u> | <u>\$ 19,838,137</u> |

Expected Contributions

The Institution anticipates contributing \$1,000,000 to the Retiree Medical Plan in 2010.

Woods Hole Oceanographic Institution
Notes to Financial Statements
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Estimated Future Benefit Payments

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

| Years | Benefit Payments |
|-------------|---------------------|
| 2010 | \$ 1,337,557 |
| 2011 | 1,422,079 |
| 2012 | 1,485,778 |
| 2013 | 1,586,618 |
| 2014 | 1,624,960 |
| 2015 - 2019 | 9,215,345 |

11. Endowment

In August 2008, the FASB issued new accounting 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 this guidance.

The Institution's endowment consists of 135 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, 2009, the endowment net asset composition by type of fund consisted of the following:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|----------------------------------|----------------------|---------------------------|---------------------------|-----------------------|
| Donor restricted endowment funds | \$ - | \$ 180,949,548 | \$ 65,177,328 | \$ 246,126,876 |
| Board designated fund | <u>71,718,939</u> | <u>-</u> | <u>-</u> | <u>71,718,939</u> |
| Total funds | <u>\$ 71,718,939</u> | <u>\$ 180,949,548</u> | <u>\$ 65,177,328</u> | <u>\$ 317,845,815</u> |

Woods Hole Oceanographic Institution
Notes to Financial Statements
December 31, 2009

Changes in endowment net assets for the year ended December 31, 2009, consisted of the following:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|---|----------------------|------------------------|------------------------|-----------------------|
| Endowment net assets beginning of year | \$ 58,793,501 | \$ 142,556,268 | \$ 63,190,783 | \$ 264,540,552 |
| Investment return: | | | | |
| Investment income | 381,619 | 1,296,816 | - | 1,678,435 |
| Net appreciation (realized and unrealized) | 16,027,555 | 48,831,663 | - | 64,859,218 |
| Total investment return | 16,409,174 | 50,128,479 | - | 66,537,653 |
| Contributions | - | 115,302 | 673,323 | 788,625 |
| Appropriation of endowment assets for expenditure | (3,479,150) | (11,868,859) | - | (15,348,009) |
| Change in split interest agreements | (4,586) | 18,358 | 1,313,222 | 1,326,994 |
| Endowment net assets end of year | <u>\$ 71,718,939</u> | <u>\$ 180,949,548</u> | <u>\$ 65,177,328</u> | <u>\$ 317,845,815</u> |

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 | 58,793,501 | - | - | 58,793,501 |
| | <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) | (28,450,909) | (79,946,129) | - | (108,397,038) |
| 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 | (6,048) | (33,738) | (3,015,808) | (3,055,594) |
| 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> |

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Notes to Financial Statements
December 31, 2009

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 2007. 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, 2007 on March 31, 2009. The 2008 costs remain subject to audit. Any adjustments will be recorded in the years they become known.

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.

13. Related Party Transactions

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 \$1,127,492 and \$833,253 for the years ended December 31, 2009 and 2008, respectively. 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 \$3,861,063 and \$1,844,805 for the years ended December 31, 2009 and 2008, respectively.

The Institution has loans due from various employees for education advances and computer purchases. The amounts outstanding are \$1,022,750 and \$893,393 at December 31, 2009 and 2008, respectively.

Woods Hole Oceanographic Institution

Schedule of Expenditures of Federal Awards

December 31, 2009

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Direct Awards | | |
| National Oceanic and Atmospheric Administration | | |
| Department of Commerce | | |
| SEA GRANT SUPPORT | 11.417 | \$ 32,704 |
| SEA GRANT SUPPORT | 11.417 | 897,937 |
| INTERJURISDICTIONAL FISHERIES ACT OF 1986 | 11.407 | 42,239 |
| COASTAL ZONE MANAGEMENT ESTUARINE RESEARCH RESERVES | 11.420 | 3,463 |
| CLIMATE AND ATMOSPHERIC RESEARCH | 11.431 | 57,957 |
| SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS | 11.460 | 33,539 |
| FISHERIES DEVELOPMENT AND UTILIZATION RESEARCH AND DEVELOPMENT GRANTS AND COOPERATIVE AGREEMENTS PROGRAM | 11.427 | 75,894 |
| UNDERSEA RESEARCH | 11.430 | 157,736 |
| UNALLIED SCIENCE PROGRAM | 11.472 | 11,931 |
| COASTAL SERVICES CENTER | 11.473 | 95,876 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 131 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 14,191 |
| COASTAL SERVICES CENTER | 11.473 | 1,215,447 |
| MARINE MAMMAL DATA PROGRAM | 11.439 | 3,168 |
| UNDERSEA RESEARCH | 11.430 | 503,264 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 961,092 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 133,824 |
| COASTAL SERVICES CENTER | 11.473 | 292,682 |
| UNALLIED SCIENCE PROGRAM | 11.472 | 11,744 |
| CLIMATE AND ATMOSPHERIC RESEARCH | 11.431 | 77,813 |
| MARINE MAMMAL DATA PROGRAM | 11.439 | 28,352 |
| SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS | 11.460 | 82,220 |
| CLIMATE AND ATMOSPHERIC RESEARCH | 11.431 | 20,614 |
| SPECIAL OCEANIC AND ATMOSPHERIC PROJECTS | 11.460 | 2,026 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 157,132 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 239,071 |
| CENTER FOR SPONSORED COASTAL OCEAN RESEARCH COASTAL OCEAN PROGRAM | 11.478 | 51,258 |
| OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH OAR JOINT AND COOPERATIVE INSTITUTES | 11.432 | 78,366 |
| OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH OAR JOINT AND COOPERATIVE INSTITUTES | 11.432 | 265,512 |
| OFFICE OF OCEANIC AND ATMOSPHERIC RESEARCH OAR JOINT AND COOPERATIVE INSTITUTES | 11.432 | 5,609,475 |
| EA133009SE1260 | 11.EA133009SE1260 | 3,279 |
| AB133F09CN0151 | 11.AB133F09CN0151 | 53,194 |
| EN133F09SE1671 | 11.EN133F09SE1671 | 2,372 |
| AB133R09SE1802 | 11.AB133R09SE1802 | 9,524 |
| AB133F07SE2042 | 11.AB133F07SE2042 | (761) |
| EA133M09SE2278 | 11.EA133M09SE2278 | 9,196 |
| EM133F07SE233 | 11.EM133F07SE233 | 19,715 |
| EA133F09SE3356 | 11.EA133F09SE3356 | 52,420 |
| MC3379 | 11.MC3379 | 497 |
| AB133F09SE3495 | 11.AB133F09SE3495 | 97,164 |
| AB133F07SE3686 | 11.AB133F07SE3686 | 498 |
| MC9459 | 11.MC9459 | 1,360 |
| EA133F08SE3901 | 11.EA133F08SE3901 | (5,004) |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Direct Awards (Continued) | | |
| Department of Commerce (Continued) | | |
| EA133F06SE4108 | 11.EA133F06SE4108 | \$ 4,935 |
| EA133F09SE4792 | 11.EA133F09SE4792 | 76 |
| EN133F08SE4808 | 11.EN133F08SE4808 | 249 |
| RA133R08SE4909 | 11.RA133R08SE4909 | 15,591 |
| EA133C05SE6441 | 11.EA133C05SE6441 | 44,851 |
| EA133C08SE2693 | 11.EA133C08SE2693 | 1,737 |
| AB133F05SE6881 | 11.AB133F05SE6881 | 4,658 |
| 8850 | 11.885 | 5,884 |
| MC8983 | 11.MC8983 | 2,476 |
| | | 11,480,569 |
| Department of Defense | | |
| N6660410D0002002 | 12.N6660410D0002002 | 51,117 |
| N0001408M0116 | 12.N0001408M0116 | 19,538 |
| N0001410C0149 | 12.N0001410C0149 | 60,309 |
| N0001409C0162 | 12.N0001409C0162 | 967,467 |
| N6230609P1S18 | 12.N6230609P1S18 | 23,333 |
| N6660409D10300002 | 12.N6660409D10300002 | 69,870 |
| N6660403D2199 | 12.N6660403D2199 | 76,535 |
| N0001402C0278 | 12.N0001402C0278 | 42,692 |
| 05C6430 | 12.05C6430 | 96,481 |
| N6230607C9S27 | 12.N6230607C9S27 | 126,454 |
| N6230607D9002 | 12.N6230607D9002 | 4,423,873 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 543,077 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 41,108 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 756,031 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 14,960 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 36,809 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 67,390 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 3,935 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 2,616 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 45,582 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 493,805 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 80,814 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 199,007 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 74,746 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 126,354 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 113,040 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 187,076 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 206,572 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 636,014 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 160,929 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 1,457,829 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 255,681 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 110,622 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 119,592 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 116,935 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 87,609 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 68,585 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 794,931 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 2,619 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Direct Awards (Continued) | | |
| Department of Defense (Continued) | | |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | \$ 57,589 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 154,653 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | (1) |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 938,777 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 402,406 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 312,873 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 476,197 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 35,183 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 149,621 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 584,392 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 219,875 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 64,601 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 167,160 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 188,056 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 579 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 16,141 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 14,604 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 164,177 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 236,337 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 66,667 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 266,977 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 34,007 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 7,872 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 100,666 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | (12,800) |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 573,720 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 407,016 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 854,988 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 70,183 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 462,446 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 183,799 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 159,195 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 122,850 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 74,638 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 17,074 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 148,712 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 86,310 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 432,683 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 183,367 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 39,316 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 100,149 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 2,037,849 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 51,218 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 84,414 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 85,048 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 139,486 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 518,952 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 92,303 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 620,085 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 339,808 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Direct Awards (Continued) | | |
| Department of Defense (Continued) | | |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | \$ 275,189 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 164,285 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 40,735 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 105,963 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 191,083 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 16,320 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 34,229 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 136,887 |
| W912HQ09C0043 | 12.W912HQ09C0043 | 93,469 |
| P8360080268 | 12.P8360080268 | 5,761 |
| MO1038600 | 12.MO1038600 | 43,618 |
| N0017309P0899 | 12.N0017309P0899 | 45,248 |
| N0017309P0937 | 12.N0017309P0937 | 10,969 |
| N0024409P0770 | 12.N0024409P0770 | 6,511 |
| SI1539 | 12.SI1539 | 278,846 |
| N0024408P2006 | 12.N0024408P2006 | 569 |
| N0024408P2453 | 12.N0024408P2453 | 26,568 |
| N0001409M0112 | 12.N0001409M0112 | 62,813 |
| BASIC AND APPLIED SCIENTIFIC RESEARCH | 12.300 | 70,694 |
| N0018907PZ445 | 12.N0018907PZ445 | 73,122 |
| W912HQ08C0056 | 12.W912HQ08C0056 | 132,193 |
| N6230609P9S26 | 12.N6230609P9S26 | 17,402 |
| | | 27,126,629 |
| Defense of the Interior | | |
| G09PC00004 | 15.G09PC00004 | 114,778 |
| 08WWSA0016 | 15.08WWSA0016 | 2,500 |
| 05ERAG0029 | 15.05ERAG0029 | 1,047,915 |
| MC6221 | 15.MC6221 | 1,650 |
| MC7387 | 15.MC7387 | 2,100 |
| EARTHQUAKE HAZARDS REDUCTION PROGRAM | 15.807 | 3,945 |
| MC96685898 | 15.MC96685898 | 662 |
| VISA3837 | 15.VISA3837 | 2,250 |
| P7482080041 | 15.P7482080041 | 12,080 |
| H1212090075 | 15.H1212090075 | 22,422 |
| J1274090111 | 15.J1274090111 | 14,922 |
| P9320095022 | 15.P9320095022 | 2,052 |
| | | 1,227,276 |
| National Aeronautics and Space Administration | | |
| NNX08AR65G | 43.NNX08AR65G | 70,491 |
| NNX08AL71G | 43.NNX08AL71G | 192,646 |
| NNG05GG30G | 43.NNG05GG30G | 72,052 |
| NNG05GR34G | 43.NNG05GR34G | 259,176 |
| NNG05GN93G | 43.NNG05GN93G | 120,272 |
| NNG06GI27G | 43.NNG06GI27G | 27,435 |
| NNX07AL80G | 43.NNX07AL80G | 191,797 |
| NNX07AF97G | 43.NNX07AF97G | 112,024 |
| NNX08AX01G | 43.NNX08AX01G | 48,521 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| Research and Development Direct Awards (Continued) | | |
| National Aeronautics and Space Administration (Continued) | | |
| NNX08AO35G | 43.NNX08AO35G | \$ 13,364 |
| NX08AB73G | 43.NX08AB73G | 64,078 |
| NNX09AF35G | 43.NNX09AF35G | 144,949 |
| NNX09AP47G | 43.NNX09AP47G | 12,313 |
| NNX09AB75G | 43.NNX09AB75G | 685,412 |
| NNX09AB76G | 43.NNX09AB76G | 164,589 |
| | | 2,179,119 |
| National Science Foundation | | |
| MATHEMATICAL AND PHYSICAL SCIENCES | 47.049 | 65,878 |
| GEOSCIENCES | 47.050 | 161,243 |
| GEOSCIENCES | 47.050 | 98,778 |
| GEOSCIENCES | 47.050 | 117 |
| GEOSCIENCES | 47.050 | 380,627 |
| GEOSCIENCES | 47.050 | 62,295 |
| GEOSCIENCES | 47.050 | 46,119 |
| GEOSCIENCES | 47.050 | 188,457 |
| GEOSCIENCES | 47.050 | 5,335,448 |
| GEOSCIENCES | 47.050 | 5,290 |
| GEOSCIENCES | 47.050 | 13,060 |
| GEOSCIENCES | 47.050 | 91,044 |
| GEOSCIENCES | 47.050 | 63,922 |
| GEOSCIENCES | 47.050 | 43,527 |
| GEOSCIENCES | 47.050 | 234,119 |
| GEOSCIENCES | 47.050 | 563,342 |
| GEOSCIENCES | 47.050 | 31,635 |
| GEOSCIENCES | 47.050 | 87,261 |
| GEOSCIENCES | 47.050 | 234,765 |
| GEOSCIENCES | 47.050 | 2,620,124 |
| GEOSCIENCES | 47.050 | 262,802 |
| GEOSCIENCES | 47.050 | 1,783 |
| GEOSCIENCES | 47.050 | 155,479 |
| GEOSCIENCES | 47.050 | 104,630 |
| GEOSCIENCES | 47.050 | 9,927 |
| GEOSCIENCES | 47.050 | 13,091 |
| GEOSCIENCES | 47.050 | 472 |
| GEOSCIENCES | 47.050 | 374,290 |
| GEOSCIENCES | 47.050 | 571,772 |
| GEOSCIENCES | 47.050 | 82,470 |
| GEOSCIENCES | 47.050 | 861,044 |
| GEOSCIENCES | 47.050 | 40,814 |
| GEOSCIENCES | 47.050 | 21,175 |
| GEOSCIENCES | 47.050 | 77,562 |
| GEOSCIENCES | 47.050 | 530,838 |
| GEOSCIENCES | 47.050 | 36,663 |
| GEOSCIENCES | 47.050 | 239,549 |
| GEOSCIENCES | 47.050 | 5,038 |
| GEOSCIENCES | 47.050 | 180,652 |
| GEOSCIENCES | 47.050 | 70,988 |
| GEOSCIENCES | 47.050 | 18,644 |
| GEOSCIENCES | 47.050 | 137,237 |
| GEOSCIENCES | 47.050 | 52,181 |
| GEOSCIENCES | 47.050 | 135,133 |
| GEOSCIENCES | 47.050 | 184,103 |
| GEOSCIENCES | 47.050 | 75,566 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| GEOSCIENCES | 47.050 | \$ 15,185 |
| GEOSCIENCES | 47.050 | 94,242 |
| GEOSCIENCES | 47.050 | 138,483 |
| GEOSCIENCES | 47.050 | 28,109 |
| GEOSCIENCES | 47.050 | 80,190 |
| GEOSCIENCES | 47.050 | 84,644 |
| GEOSCIENCES | 47.050 | 22,642 |
| GEOSCIENCES | 47.050 | 322,765 |
| GEOSCIENCES | 47.050 | 103,926 |
| GEOSCIENCES | 47.050 | 482,296 |
| GEOSCIENCES | 47.050 | 27,971 |
| GEOSCIENCES | 47.050 | 6,652 |
| GEOSCIENCES | 47.050 | 132,452 |
| GEOSCIENCES | 47.050 | 119,675 |
| GEOSCIENCES | 47.050 | 215,629 |
| GEOSCIENCES | 47.050 | 15,757 |
| GEOSCIENCES | 47.050 | 154,583 |
| GEOSCIENCES | 47.050 | 617 |
| GEOSCIENCES | 47.050 | 258,807 |
| GEOSCIENCES | 47.050 | 102,232 |
| GEOSCIENCES | 47.050 | 372,562 |
| GEOSCIENCES | 47.050 | (2,009) |
| GEOSCIENCES | 47.050 | 28,886 |
| GEOSCIENCES | 47.050 | 156,907 |
| GEOSCIENCES | 47.050 | 142,303 |
| GEOSCIENCES | 47.050 | 100,313 |
| GEOSCIENCES | 47.050 | 10,110 |
| GEOSCIENCES | 47.050 | 4,582 |
| GEOSCIENCES | 47.050 | 5,129 |
| GEOSCIENCES | 47.050 | 10,714 |
| GEOSCIENCES | 47.050 | 71,369 |
| GEOSCIENCES | 47.050 | 28,777 |
| GEOSCIENCES | 47.050 | 202,785 |
| GEOSCIENCES | 47.050 | 278,144 |
| GEOSCIENCES | 47.050 | 37,683 |
| GEOSCIENCES | 47.050 | 35,767 |
| GEOSCIENCES | 47.050 | 181,905 |
| GEOSCIENCES | 47.050 | 101,706 |
| GEOSCIENCES | 47.050 | 2,783 |
| GEOSCIENCES | 47.050 | 37,146 |
| GEOSCIENCES | 47.050 | 64,331 |
| GEOSCIENCES | 47.050 | 80,610 |
| GEOSCIENCES | 47.050 | 248,384 |
| GEOSCIENCES | 47.050 | 219,635 |
| GEOSCIENCES | 47.050 | 129,669 |
| GEOSCIENCES | 47.050 | 52,712 |
| GEOSCIENCES | 47.050 | 124,424 |
| GEOSCIENCES | 47.050 | 222,371 |
| GEOSCIENCES | 47.050 | 140,649 |
| GEOSCIENCES | 47.050 | 52,579 |
| GEOSCIENCES | 47.050 | 16,186 |
| GEOSCIENCES | 47.050 | 265,257 |
| GEOSCIENCES | 47.050 | 10,194 |
| GEOSCIENCES | 47.050 | 5,927 |
| GEOSCIENCES | 47.050 | 780,569 |
| GEOSCIENCES | 47.050 | 42,968 |
| GEOSCIENCES | 47.050 | 176,991 |
| GEOSCIENCES | 47.050 | 49,092 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| GEOSCIENCES | 47.050 | \$ 2,684 |
| GEOSCIENCES | 47.050 | (1,170) |
| GEOSCIENCES | 47.050 | 12,282 |
| GEOSCIENCES | 47.050 | 35,635 |
| GEOSCIENCES | 47.050 | 119,000 |
| GEOSCIENCES | 47.050 | 554,794 |
| GEOSCIENCES | 47.050 | 17,791 |
| GEOSCIENCES | 47.050 | 119,783 |
| GEOSCIENCES | 47.050 | 162 |
| GEOSCIENCES | 47.050 | 176,135 |
| GEOSCIENCES | 47.050 | 174,900 |
| GEOSCIENCES | 47.050 | 85,647 |
| GEOSCIENCES | 47.050 | 844 |
| GEOSCIENCES | 47.050 | 746,133 |
| GEOSCIENCES | 47.050 | 101,919 |
| GEOSCIENCES | 47.050 | 12,609 |
| GEOSCIENCES | 47.050 | 6,004 |
| GEOSCIENCES | 47.050 | 23,475 |
| GEOSCIENCES | 47.050 | 7,945 |
| GEOSCIENCES | 47.050 | 26,586 |
| GEOSCIENCES | 47.050 | 24,712 |
| GEOSCIENCES | 47.050 | 374,345 |
| GEOSCIENCES | 47.050 | 325,398 |
| GEOSCIENCES | 47.050 | 148,678 |
| GEOSCIENCES | 47.050 | 45,000 |
| GEOSCIENCES | 47.050 | 275,576 |
| GEOSCIENCES | 47.050 | 80,488 |
| GEOSCIENCES | 47.050 | 50,356 |
| GEOSCIENCES | 47.050 | 9,470 |
| GEOSCIENCES | 47.050 | 4,069,474 |
| GEOSCIENCES | 47.050 | 1,324,747 |
| GEOSCIENCES | 47.050 | 47,822 |
| GEOSCIENCES | 47.050 | 60,924 |
| GEOSCIENCES | 47.050 | 56,882 |
| GEOSCIENCES | 47.050 | 2 |
| GEOSCIENCES | 47.050 | 142,602 |
| GEOSCIENCES | 47.050 | 1,600 |
| GEOSCIENCES | 47.050 | 54,602 |
| GEOSCIENCES | 47.050 | 400,956 |
| GEOSCIENCES | 47.050 | 87,842 |
| GEOSCIENCES | 47.050 | 13,498 |
| GEOSCIENCES | 47.050 | 11,278 |
| GEOSCIENCES | 47.050 | 23,034 |
| GEOSCIENCES | 47.050 | 117,092 |
| GEOSCIENCES | 47.050 | 68,277 |
| GEOSCIENCES | 47.050 | 542,553 |
| GEOSCIENCES | 47.050 | 166,484 |
| GEOSCIENCES | 47.050 | 65,816 |
| GEOSCIENCES | 47.050 | 5,676 |
| GEOSCIENCES | 47.050 | 193 |
| GEOSCIENCES | 47.050 | 224,641 |
| GEOSCIENCES | 47.050 | 57,709 |
| GEOSCIENCES | 47.050 | 98,790 |
| GEOSCIENCES | 47.050 | 19,423 |
| GEOSCIENCES | 47.050 | 19,260 |
| GEOSCIENCES | 47.050 | 29,993 |
| GEOSCIENCES | 47.050 | 2,116 |
| GEOSCIENCES | 47.050 | 39,304 |
| GEOSCIENCES | 47.050 | 63,199 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| GEOSCIENCES | 47.050 | \$ 87,887 |
| GEOSCIENCES | 47.050 | 87,481 |
| GEOSCIENCES | 47.050 | 18,045 |
| GEOSCIENCES | 47.050 | 33,257 |
| GEOSCIENCES | 47.050 | 55,639 |
| GEOSCIENCES | 47.050 | 1,128,231 |
| GEOSCIENCES | 47.050 | 93,961 |
| GEOSCIENCES | 47.050 | 132,662 |
| GEOSCIENCES | 47.050 | 167,896 |
| GEOSCIENCES | 47.050 | 13,291 |
| GEOSCIENCES | 47.050 | 179,364 |
| GEOSCIENCES | 47.050 | 73,531 |
| GEOSCIENCES | 47.050 | 13 |
| GEOSCIENCES | 47.050 | 35,514 |
| GEOSCIENCES | 47.050 | 13,614 |
| GEOSCIENCES | 47.050 | 82 |
| GEOSCIENCES | 47.050 | 4,590 |
| GEOSCIENCES | 47.050 | 59,109 |
| GEOSCIENCES | 47.050 | 81,245 |
| GEOSCIENCES | 47.050 | 196,602 |
| GEOSCIENCES | 47.050 | 126,444 |
| GEOSCIENCES | 47.050 | 43,574 |
| GEOSCIENCES | 47.050 | 367 |
| GEOSCIENCES | 47.050 | 24,103 |
| GEOSCIENCES | 47.050 | 75,862 |
| GEOSCIENCES | 47.050 | 187,779 |
| GEOSCIENCES | 47.050 | 128,579 |
| GEOSCIENCES | 47.050 | 103,872 |
| GEOSCIENCES | 47.050 | 84,987 |
| GEOSCIENCES | 47.050 | 60,316 |
| GEOSCIENCES | 47.050 | 153 |
| GEOSCIENCES | 47.050 | 122,010 |
| GEOSCIENCES | 47.050 | 27,136 |
| GEOSCIENCES | 47.050 | 108,386 |
| GEOSCIENCES | 47.050 | 15,537 |
| GEOSCIENCES | 47.050 | 112,486 |
| GEOSCIENCES | 47.050 | 93,229 |
| GEOSCIENCES | 47.050 | 4,009 |
| GEOSCIENCES | 47.050 | 68,398 |
| GEOSCIENCES | 47.050 | 32,193 |
| GEOSCIENCES | 47.050 | 97 |
| GEOSCIENCES | 47.050 | 134,148 |
| GEOSCIENCES | 47.050 | 49,755 |
| GEOSCIENCES | 47.050 | 4,238 |
| GEOSCIENCES | 47.050 | 72,172 |
| GEOSCIENCES | 47.050 | 20,772 |
| GEOSCIENCES | 47.050 | 13,679 |
| GEOSCIENCES | 47.050 | 60,028 |
| GEOSCIENCES | 47.050 | 300,057 |
| GEOSCIENCES | 47.050 | 147,172 |
| GEOSCIENCES | 47.050 | 44,760 |
| GEOSCIENCES | 47.050 | 38,642 |
| GEOSCIENCES | 47.050 | 42,785 |
| GEOSCIENCES | 47.050 | 271,451 |
| GEOSCIENCES | 47.050 | 72,695 |
| GEOSCIENCES | 47.050 | 21,962 |
| GEOSCIENCES | 47.050 | 119,535 |
| GEOSCIENCES | 47.050 | 37,894 |
| GEOSCIENCES | 47.050 | 257,583 |

The accompanying notes are an integral part of this schedule.

Woods Hole Oceanographic Institution

Schedule of Expenditures of Federal Awards

December 31, 2009

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| GEOSCIENCES | 47.050 | \$ 66,627 |
| GEOSCIENCES | 47.050 | 3,652 |
| GEOSCIENCES | 47.050 | 59,951 |
| GEOSCIENCES | 47.050 | 131,121 |
| GEOSCIENCES | 47.050 | 60,752 |
| GEOSCIENCES | 47.050 | 151,163 |
| GEOSCIENCES | 47.050 | 168,821 |
| GEOSCIENCES | 47.050 | 104,673 |
| GEOSCIENCES | 47.050 | 122,630 |
| GEOSCIENCES | 47.050 | 33,352 |
| GEOSCIENCES | 47.050 | 46,997 |
| GEOSCIENCES | 47.050 | 8,392 |
| GEOSCIENCES | 47.050 | 129,713 |
| GEOSCIENCES | 47.050 | 60,848 |
| GEOSCIENCES | 47.050 | 89,038 |
| GEOSCIENCES | 47.050 | 141,605 |
| GEOSCIENCES | 47.050 | 122,422 |
| GEOSCIENCES | 47.050 | 4,677 |
| GEOSCIENCES | 47.050 | 81,786 |
| GEOSCIENCES | 47.050 | 1,856,626 |
| GEOSCIENCES | 47.050 | 1,804,692 |
| GEOSCIENCES | 47.050 | 1,015,199 |
| GEOSCIENCES | 47.050 | 7,912 |
| GEOSCIENCES | 47.050 | 45,053 |
| GEOSCIENCES | 47.050 | 141,734 |
| GEOSCIENCES | 47.050 | 103,736 |
| GEOSCIENCES | 47.050 | 24,619 |
| GEOSCIENCES | 47.050 | 9,111 |
| GEOSCIENCES | 47.050 | 32,347 |
| GEOSCIENCES | 47.050 | 307 |
| GEOSCIENCES | 47.050 | 40,927 |
| GEOSCIENCES | 47.050 | 17,473 |
| GEOSCIENCES | 47.050 | 20,809 |
| GEOSCIENCES | 47.050 | 2,168 |
| GEOSCIENCES | 47.050 | 47,925 |
| GEOSCIENCES | 47.050 | 48,037 |
| GEOSCIENCES | 47.050 | 210,856 |
| GEOSCIENCES | 47.050 | 10,075 |
| GEOSCIENCES | 47.050 | 6,995,660 |
| GEOSCIENCES | 47.050 | 8,000,246 |
| GEOSCIENCES | 47.050 | 2,007,065 |
| GEOSCIENCES | 47.050 | 81,823 |
| GEOSCIENCES | 47.050 | 62,606 |
| GEOSCIENCES | 47.050 | 18,239 |
| GEOSCIENCES | 47.050 | 23,390 |
| COMPUTER AND INFORMATION SCIENCE AND ENGINEERING | 47.070 | 66,048 |
| COMPUTER AND INFORMATION SCIENCE AND ENGINEERING | 47.070 | 200,277 |
| BIOLOGICAL SCIENCES | 47.074 | 196,078 |
| BIOLOGICAL SCIENCES | 47.074 | 151,915 |
| BIOLOGICAL SCIENCES | 47.074 | 98,394 |
| BIOLOGICAL SCIENCES | 47.074 | 112,255 |
| BIOLOGICAL SCIENCES | 47.074 | 72,514 |
| BIOLOGICAL SCIENCES | 47.074 | 1,008 |
| BIOLOGICAL SCIENCES | 47.074 | 25,605 |
| SOCIAL BEHAVIORAL AND ECONOMIC SCIENCES | 47.075 | 831 |
| EDUCATION AND HUMAN RESOURCES | 47.076 | 83,850 |
| POLAR PROGRAMS | 47.078 | 125,058 |
| POLAR PROGRAMS | 47.078 | 84,972 |
| POLAR PROGRAMS | 47.078 | 5,633 |

The accompanying notes are an integral part of this schedule.

Woods Hole Oceanographic Institution

Schedule of Expenditures of Federal Awards

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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Federal Expenditures |
|---|--|-------------------------|
| POLAR PROGRAMS | 47.078 | \$ 28,994 |
| POLAR PROGRAMS | 47.078 | 38,703 |
| POLAR PROGRAMS | 47.078 | 48,921 |
| POLAR PROGRAMS | 47.078 | 12,570 |
| POLAR PROGRAMS | 47.078 | 171,997 |
| POLAR PROGRAMS | 47.078 | 73,498 |
| POLAR PROGRAMS | 47.078 | 790,656 |
| POLAR PROGRAMS | 47.078 | 69,384 |
| POLAR PROGRAMS | 47.078 | 23,705 |
| POLAR PROGRAMS | 47.078 | 207,746 |
| POLAR PROGRAMS | 47.078 | 406,415 |
| POLAR PROGRAMS | 47.078 | 39,691 |
| POLAR PROGRAMS | 47.078 | 96,828 |
| POLAR PROGRAMS | 47.078 | 25,456 |
| POLAR PROGRAMS | 47.078 | 174,240 |
| POLAR PROGRAMS | 47.078 | 257,894 |
| POLAR PROGRAMS | 47.078 | 14,538 |
| POLAR PROGRAMS | 47.078 | 43,376 |
| POLAR PROGRAMS | 47.078 | 173,300 |
| POLAR PROGRAMS | 47.078 | 21,098 |
| POLAR PROGRAMS | 47.078 | 48,154 |
| POLAR PROGRAMS | 47.078 | 52,108 |
| POLAR PROGRAMS | 47.078 | 88,767 |
| POLAR PROGRAMS | 47.078 | 58,239 |
| POLAR PROGRAMS | 47.078 | 29,086 |
| POLAR PROGRAMS | 47.078 | 20,095 |
| INTERNATIONAL SCIENCE AND ENGINEERING | 47.079 | 45,657 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 2,466 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 37,432 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 75,202 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 85,635 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 3,281 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 67,128 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 66,017 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 399 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 8,687 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 20,009 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 58,428 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 303 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 162 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 11,374 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 9,202 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 72,535 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 1,096 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 25,425 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 85,979 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 253,490 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 18,490 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 122 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 394,540 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 136,280 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 32,129 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 16,439 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 68,078 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 51,199 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 28,983 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 154,996 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 257,605 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 38,594 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 1,818 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 0 |
| TRANS NSF RECOVERY ACT RESEARCH SUPPORT-ARRA | 47.082 | 25,035 |
| EAR090208000 | 47.EAR090208000 | 289,689 |
| OCE0751747 | 47.OCE0751747 | 236,527 |
| OCI0936358 | 47.OCI0936358 | 81,008 |
| | | \$ 69,649,941 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Contract Number | Federal Expenditures |
|--|-----------------------------|----------------------------------|
| Environmental Protection Agency | | |
| FP916901010 | 66.FP916901010 | \$ 14,694 |
| SCIENCE TO ACHIEVE RESULTS STAR RESEARCH PROGRAM | 66.509 | 78,584 |
| FP916734010 | 66.FP916734010 | 3,875 |
| FP916886010 | 66.FP916886010 | 17,294 |
| FP9169940100 | 66.FP9169940100 | <u>17,000</u> |
| | | 131,447 |
| Research and Development Direct Awards (Continued) | | |
| Department of Energy | | |
| OFFICE OF SCIENCE FINANCIAL ASSISTANCE PROGRAM | 81.049 | <u>\$ 113,062</u> |
| | | 113,062 |
| Department of Health and Human Services | | |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | 93.864 | 15,456 |
| ENVIRONMENTAL HEALTH-ARRA | 93.113 | 927 |
| ENVIRONMENTAL HEALTH | 93.113 | 144,161 |
| ENVIRONMENTAL HEALTH | 93.113 | 466,018 |
| ENVIRONMENTAL HEALTH | 93.113 | 153,622 |
| ENVIRONMENTAL HEALTH | 93.113 | 65,010 |
| TRANS-NIH RECOVERY ACT RESEARCH SUPPORT | 93.701 | 23,201 |
| ENVIRONMENTAL HEALTH | 93.113 | <u>29,985</u> |
| | | <u>898,380</u> |
| Total Direct Awards | | <u>\$ 112,806,423</u> |

The accompanying notes are an integral part of this schedule.

Woods Hole Oceanographic Institution

Schedule of Expenditures of Federal Awards

December 31, 2009

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Pass- Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| Research and Development Passed Through from Other Organizations | | | |
| Department of Agriculture | | | |
| INFORMATION AND SIMULATION SYSTEMS | 10.212 | 2003361018885 | \$ 502 |
| TEXAS AM UNIVERSITY | 10.425 | 14350102CA85186 | 5,938 |
| INFORMATION AND SIMULATION SYSTEMS | 10.212 | 20093361019981 | 5,160 |
| | | | 11,600 |
| National Oceanic and Atmospheric Administration | | | |
| Department of Commerce | | | |
| OREGON STATE UNIVERSITY | 11.440 | NA108HF | 20,459 |
| SMITHSONIAN ENVIRONMENTAL RESEARCH CENTER | 11.478 | NA05NOS4781193 | 73,184 |
| UNIVERSITY OF NEW HAMPSHIRE UNH | 11.473 | PZ06052 | (15) |
| INDUSTRIAL ELECTRONICS INC | 11.470GSI0F0024J | VISA6868 | 500 |
| TULANE UNIVERSITY | 11.463 | WH091 | 15,456 |
| STAR ENGINEERING | 11.473 | PO90211 | 1,326 |
| UNIVERSITY OF ALABAMA | 11.417 | PO020543 | 4,104 |
| UNIVERSITY OF SOUTHERN MISSISSIPPI | 11.432 | 1057960 | 131,359 |
| NORTH PACIFIC RESEARCH BOARD | 11.472 | 808 | 70,440 |
| COASTAL RESOURCES MANAGEMENT COUNCIL | 11.417 | | 16,271 |
| UNIVERSITY OF NEW HAMPSHIRE | 11.460 | MC7684 | 240 |
| UNIVERSITY OF MISSISSIPPI | 11.430 | 0811048 | 153,871 |
| DUKE UNIVERSITY | 11.417 | 09FEG07 | 548 |
| UNIVERSITY OF RHODE ISLAND | 11.NA6NMF4720100 | 01220770001224 | 65,679 |
| UNIVERSITY CORPORATION FOR ATMOSPHERIC RESEARCH | 11.NA06OAR43101050 | S0711279 | 2,018 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 11.417 | 5710002575 | 68,433 |
| UNIVERSITY OF RHODE ISLAND | 11.417 | L281869 | 473 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY SEA GRANT | 11.NA06OAR4170019 | 5710002173 | (228) |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY SEA GRANT | 11.NA06OAR4170019 | 5710002174 | 79,575 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 11.417 | 5710002345 | 14,298 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 11.417 | 5710002513 | 20,485 |
| CORNELL UNIVERSITY | 11.WC133F08RP0121 | B30844 | 92,919 |
| MARINE BIOLOGICAL LABORATORY | 11.417 | 0033015 | 4,391 |
| UNIVERSITY OF MASSACHUSETTS DARTMOUTH | 11.417 | SC3403 | 12,824 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 11.417 | 4501153426 | 204 |
| CONSOLIDATED SAFETY SERVICES | 11.DG133CO7NC0616 | 3007402WHOI001 | 1,100 |
| VIRGINIA INSTITUTE OF MARINE SCIENCE | 11.405 | D01124088FISHERIES | 2,300 |
| UNIVERSITY OF SOUTHERN MISSISSIPPI | 11.430 | 1054382 | 80,185 |
| UNIVERSITY OF MAINE | 11.473 | PO5000044602 | 6,461 |
| UNIVERSITY OF ST ANDREWS SCOTLAND | 11.463 | 20070145002 | 6,234 |
| VIRGINIA INSTITUTE OF MARINE SCIENCE CTR FOUNDATION | 11.NA05NMF439116 | | 24,770 |
| UNIVERSITY OF WASHINGTON | 11.432 | 607728 | 53,593 |
| UNIVERSITY OF MAINE | 11.473 | 5000047718 | 3,676 |
| TEXAS AM UNIVERSITY CORPUS CHRISTI | 11.419 | 08004 | 30,237 |
| UNIVERSITY OF NEW HAMPSHIRE | 11.NA06NOS4190167 | 08024 | 52,963 |
| UNIVERSITY OF MAINE | 11.473 | 5000038044 | (10) |
| UNIVERSITY OF NEW HAMPSHIRE | 11.417 | 09023 | 37,404 |
| CORNELL UNIVERSITY | 11.WC133F07SE5398 | WC133F07SE5398 | 6 |
| CORNELL UNIVERSITY | 11.WC133F09SE4754 | 603069073 | 50,273 |
| UNIVERSITY OF NEW HAMPSHIRE | 11.473 | P9UZ0106 | 9,436 |
| UNIVERSITY OF NEW HAMPSHIRE | 11.473 | P9UZ0112 | 1,930 |
| | | | 1,209,372 |

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**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Pass- Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| Research and Development Passed Through from Other Organizations (continued) | | | |
| Department of Defense | | | |
| OCEAN ACOUSTICAL SERVICES AND INSTRUMENTS SYSTEMS INC OASIS | 12.N0003906C0063 | 06SC02 | \$ 17,442 |
| UNIVERSITY OF TEXAS AT AUSTIN | 12.2006C01826 | 2006C01826 | 28,974 |
| UNIVERSITY OF RHODE ISLAND | 12.300 | 061902535495 | 61,294 |
| RUTGERS UNIVERSITY | 12.N000140610739 | 2288 | 426,107 |
| THE JOHN HOPKINS UNIVERSITY | 12.300 | 2000011060 | 362,323 |
| PRINCETON UNIVERSITY | 12.300 | 0000913 | 133,149 |
| NORTHROP GRUMMAN SYSTEMS CORPORATION | 12.N6600106C8001 | 8140000462 | 126,989 |
| OCEAN ACOUSTICAL SERVICES AND INSTRUMENT SYSTEMS INC | 12.N0001407C0771 | OASIS09SC01 | 43,029 |
| ITT CORPORATION | 12.N00017804D4040 | PO300010 | 30,961 |
| UNIVERSITY OF TEXAS AT AUSTIN | 12.N02401D66002851 | 2007700035MPTLB | 31,280 |
| UNIVERSITY OF ALASKA FAIRBANKS | 12.000 | UAF00852 | 392,369 |
| SCIENCE APPLICATIONS INTERNATIONAL CORP | 12.O7C5000 | 4400140084 | 18,079 |
| ANALYSIS DESIGN AND DIAGNOSTICS INC | 12.N6553808M0095 | SC08004 | 4,991 |
| PENNSYLVANIA STATE UNIVERSITY | 12.N0001405G0106 | MOA | 12,769 |
| ANALYSIS DESIGN AND DIAGNOSTICS INC | 12.N6833508C0126 | | 18,584 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 12.300 | 10300137 | 21,305 |
| PRINCETON UNIVERSITY | 12.300 | 00001690 | 10,426 |
| UNIVERSITY OF WASHINGTON | 12.300 | 620126 | 3,750 |
| UNIVERSITY OF IDAHO | 12.N000140810779 | VISA8918 | 2,500 |
| FLORIDA ATLANTIC UNIVERSITY | 12.N000140410296 | WRG49 | 35,131 |
| OCEAN SERVER TECHNOLOGY | 12.N0017409M0172 | 2084 | 2,500 |
| UNIVERSITY OF IDAHO | 12.300 | VISA8718 | 3,750 |
| ADVANCED TECHNOLOGY AND RESEARCH CORPORATION | 12.N0001409C0145 | ATR09470604001 | 90,116 |
| MAN TECH SYSTEMS ENGINEERING | 12.N0002401D7014 | RI090407 | 94,773 |
| SCIENCE APPLICATIONS INTERNATIONAL CORP | 12.N6600103D5010 | 4400160606 | 6,994 |
| OCEAN ACOUSTICAL SERVICES AND INSTRUMENTS SYS | 12.N0001407C0771 | OASIS07SC06 | (1,000) |
| UNIVERSITY OF SOUTHERN CALIFORNIA | 12.300 | 137761 | 23,835 |
| OCEAN ACOUSTICAL SERVICES AND INSTRUMENTS SYS | 12.N0001408C0178 | OASIS08SC04 | 44,505 |
| APPLIED PHYSICAL SCIENCE CORP | 12.N0001405C0360 | APS0813 | 55,423 |
| UNIVERSITY OF DELAWARE | 12.300 | 00000019010 | 4,688 |
| OCEAN ACOUSTICAL SERVICES AND INSTRUMENTS SYSTEMS INC | 12.N0001408C0569 | OASIS 0000019010 | 3,275 |
| ADVANCED SOLUTIONS FOR TOMORROW INC | 12.N0017804D4003N4 | 09024 | 24,376 |
| ITT CORPORATION | 12.N0017804D4040 | P80953 | 8,845 |
| MARINE ACOUSTICS INC | 12.N0016704D0022 | MSEC000968 | 6,191 |
| NORTHROP GRUMMAN SYSTEMS CORPORATION | 12.N6600106C8001 | 4501131217 | 10,875 |
| TELEDYNE BENTHOS | 12.N0001407C0313 | 030307 | 6,594 |
| SCIENCE APPLICATIONS INTERNATIONAL CORP | 12.N0017305C2062 | P010001358 | 3,454 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 12.300 | 4501071362 | 26,815 |
| UNIVERSITY OF SOUTH FLORIDA | 12.N000140510483 | 7000021439 | 257 |
| THE JOHNS HOPKINS UNIVERSITY | 12.300 | 961534 | 1,250 |
| WEIDLINGER ASSOCIATES INC | 12.N0001409M0314 | 20932125WHOI001 | 125 |
| WEST CHESTER UNIVERSITY | 12.O8PR0682100 | 4500224600 | 850 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 12.300 | 5710002411 | 24,072 |
| RITE SOLUTIONS | 12.N0017804D4115N4 | RITEC2414 | 1,250 |
| DUKE UNIVERSITY | 12.300 | 4520763131 | 4,994 |
| UNIVERSITY OF ST ANDREWS SCOTLAND | 12.300 | Agreement | 8,696 |
| SCIENCE APPLICATIONS INTERNATIONAL CORP | 12.N6600109D0020 | 4400163594 | 31,397 |
| DUKE UNIVERSITY | 12.300 | 09FSU1045 | 13,325 |
| ULTRA ELECTRONICS UNDERSEA SENSOR SYSTEMS INC | 12.N0003909C0017 | 44077 | 429,884 |

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Schedule of Expenditures of Federal Awards
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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Pass- Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| Research and Development Passed Through from Other Organizations (Continued) | | | |
| Department of Defense (Continued) | | | |
| UNIVERSITY OF ALASKA FAIRBANKS | 12.N000140610728 | FP804515 | \$ 993 |
| I ROBOT CORPORATION | 12.N0001408C0198 | 54665 | 5,000 |
| PENNSYLVANIA STATE UNIVERSITY | 12.N0002402D66040434 | 924846 | 11,246 |
| PENNSYLVANIA STATE UNIVERSITY | 12.N0002402D66040531 | 925012 | 35,626 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 12.N000140801840 | 10285191 | 430,617 |
| PENNSYLVANIA STATE UNIVERSITY | 12.N0001408010967 | 925255 | 8,450 |
| HYDROID LLC | 12.005 | PO00015311 | 32,727 |
| PENNSYLVANIA STATE UNIVERSITY | N000140710252 | 925399 | 11,287 |
| THE JOHNS HOPKINS UNIVERSITY | N0002403D6606 | 955880 | 40,417 |
| HYDROID LLC | 12.300 | 00016005 | 5,000 |
| PENNSYLVANIA STATE UNIVERSITY | 12.N0002402D6604 | VISA0129 | 133 |
| SCIENCE APPLICATIONS INTERNATIONAL CORP | 12.400 | 4400157014 | 11,778 |
| RITE SOLUTIONS | 12.N0002407C4138 | RS07105 TASK001 | 74,088 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 12.000 | 5710002157 | 266,251 |
| UNIVERSITY OF MIAMI | 12.300 | AA67162 | 1,554 |
| GEORGIA INSTITUTE OF TECHNOLOGY | 12.N0001407C0768 | R8468S5 | 127,981 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO SCRIPPS | 12.300 | 10298919 | 23,041 |
| MATERIALS SYSTEMS INC | 12.300 | 19301 | 3,492 |
| UNIVERSITY OF IDAHO | 12.300 | P0019367 | 15,000 |
| TRS TECHNOLOGIES INC | 12.N0001409C0127 | 090112299502 | 2,121 |
| | | | <u>3,820,363</u> |
| Defense of the Interior | | | |
| TDI BROOKS INTERNATIONAL INC | 15.M08PC20038 | Agreement | 162,326 |
| COLORADO STATE UNIVERSITY | 15.09FG402864 | S041022 | 4,200 |
| LEWTECH COMPANY INC | 15.NBCHC070051 | WHOI1051 | (115,137) |
| LEWTECH COMPANY INC | 15.NBCHC070051 | 30517 | 36,856 |
| ECONOMIC ANALYSIS INC | 15.M07PC13306 | MO7PC13306 | 19,743 |
| ECONOMIC ANALYSIS INC | 15.M07PC13306 | MO7PC13306 | 2,479 |
| TDI BROOKS INTERNATIONAL INC | 15.M08PC20038 | Agreement | 191,232 |
| | | | <u>301,699</u> |
| National Aeronautics and Space Administration | | | |
| JET PROPULSION LABORATORY | 43.JPL1283726 | JPL1283726 | 194,179 |
| JET PROPULSION LABORATORY | 43.NM071078 | NM0710780 | 121,458 |
| UNIVERSITY OF ALASKA FAIRBANKS | 43.NNX08AP46G | MC0029 | 2,075 |
| PRINCETON UNIVERSITY | NNX08AF12G | 00001526 | 106,230 |
| UNIVERSITY OF COLORADO | 43.NNX08AB48G | UCB1544281 | 119,347 |
| UNIVERSITY OF COLORADO | 43.NNX08AF02G | 1544357 | 10,936 |
| PENNSYLVANIA STATE UNIVERSITY | 43.NNA04CC06A | 334558D | 45 |
| UNIVERSITY OF NEW HAMPSHIRE | 43.NNX07AB20G | PZ07075 | 114,943 |
| | | | <u>669,213</u> |
| National Science Foundation | | | |
| COLUMBIA UNIVERSITY | 47.078 | POXAAM5W | 1,321 |
| UNIVERSITY OF MASSACHUSETTS AMHERST | 47.070 | PO0001260148 | 9,960 |
| UNIVERSITY OF CALIFORNIA, SANTA CRUZ SUBAWARD | 47.078 | S0180213 | 262 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 47.074 | PO5510040214 | 4,950 |
| UNIVERSITY OF CALIFORNIA, SAN DIEGO | 47.050 | PO3A090241 | 658 |
| NORTHEASTERN UNIVERSITY | 47.041 | 400016P722181 | 33,162 |
| HARVARD UNIVERSITY | 47.050 | MCXXXXXXXXXXXX9591 | 2,400 |
| UNIVERSITY OF LOUISVILLE RESEARCH FOUND INC | 47.EF0412129 | 040621 | 819 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 47.050 | MCXXXXXXXXXXXX2633 | 4,500 |

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**Woods Hole Oceanographic Institution
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| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Pass- Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| Research and Development Passed Through from Other Organizations (Continued) | | | |
| National Science Foundation (Continued) | | | |
| JOINT OCEANOGRAPHIC INSTITUTIONS TASK ORDER | 47.050 | T310A26 | \$ 1,999 |
| COLUMBIA UNIVERSITY | 47.050 | 3 | 34,466 |
| UNIVERSITY OF GEORGIA | 47.050 | PO0400910 | 133 |
| UNIVERSITY OF WASHINGTON | 47.050 | PO620925 | 15,856 |
| UNIVERSITY OF SOUTHERN CALIFORNIA | 47.050 | 120950 | 10,775 |
| UNIVERSITY OF SOUTH FLORIDA | 47.050 | 7000021085 | 4,674 |
| AMERICAN MUSEUM OF NATURAL HISTORY | 47.050 | PO61127 | 17,700 |
| BROWN UNIVERSITY | 47.050 | POP261135 | 3,000 |
| OREGON STATE UNIVERSITY | 47.050 | POS119A | 3,468 |
| LOUISIANA STATE UNIVERSITY | 47.GEO0452325 | 11197 | 7,589 |
| HARVARD UNIVERSITY | 47.050 | POAV521249 | 510 |
| UNIVERSITY OF MICHIGAN | 47.070 | 3001371368 | 6,686 |
| UNIVERSITY OF WASHINGTON | 47.078 | PO661660 | 399 |
| UNIVERSITY OF GEORGIA | 47.050 | PO0131700 | 1,560 |
| OREGON STATE UNIVERSITY | 47.050 | VISAXXXXXXXXXXXXX3840 | 4,000 |
| FLORIDA INTERNATIONAL UNIVERSITY | 47.050 | PO0000071777 | 11,230 |
| PRINCETON UNIVERSITY | 47.050 | PO0000381838 | 1,545 |
| TELEDYNE WEBB RESEARCH | 47.070 | POTWR1896 | 3,750 |
| UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL | 47.050 | PO21947 | 128 |
| RUTGERS UNIVERSITY | 47.050 | 3937 | 4,329 |
| PORTLAND STATE UNIVERSITY | 47.050 | POARL04212009 | 7,364 |
| UNIVERSITY OF SOUTHERN MISSISSIPPI AGR | 47.078 | GR02024001 | 2,635 |
| UNIVERSITY OF MINNESOTA | 47.075 | 072050 | 51,382 |
| STATE UNIVERSITY OF NEW YORK | 47.050 | PO572052 | 2,422 |
| BERMUDA INSTITUTE OF OCEAN SCIENCES | 47.075 | 062285 | 47,432 |
| THE J CRAIG VENTER INSTITUTE | 47.074 | PO42320 | 144 |
| UNIVERSITY OF HAWAII | 47.074 | POZ792384 | 714,138 |
| UNIVERSITY OF WASHINGTON | 47.078 | VISAXXXXXXXXXXXXX6039 | 74 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 47.050 | 5710002549 | 35,199 |
| WEST CHESTER UNIVERSITY | 47.074 | PO45000242687 | 1,070 |
| UNIVERSITY OF HAWAII | 47.050 | POZ912827 | 63 |
| OLD DOMINION UNIVERSITY | 47.050 | PORF062882 | 82 |
| MARINE BIOLOGICAL LABORATORY | 47.050 | 32915 | 7,190 |
| UNIVERSITY OF ARIZONA | 47.050 | POY482947 | 86,562 |
| LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIVERSITY | 47.050 | 524452 | 367,338 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.078 | PO10293293 | 28,470 |
| UNIVERSITY OF MIAMI | 47.050 | POAA63549 | 572 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 47.074 | PO5510043753 | 13,200 |
| OLD DOMINION UNIVERSITY | 47.050 | 06135363811 | 10,269 |
| COLUMBIA UNIVERSITY | 47.050 | 1 | 6,433 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.050 | PO10304025 | 173 |
| LAMONT DOHERTY EARTH OBSERVATORY OF COLUMBIA UNIVERSITY | 47.078 | PO574149 | 55,529 |
| INDIANA STATE UNIVERSITY | 47.050 | POP0064210 | 320 |
| UNIVERSITY OF RHODE ISLAND | 47.050 | PO0000014579 | 3,479 |
| UNIVERSITY OF RHODE ISLAND | 47.050 | PO000014580 | 3,481 |
| UNIVERSITY OF RHODE ISLAND | 47.050 | PO0000014690 | 678 |
| AMERICAN MUSEUM OF NATURAL HISTORY | 47.050 | PO64854 | 1,440 |
| UNIVERSITY OF MINNESOTA | 47.050 | PO0000114900 | 2,200 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.050 | PO10295042 | 71,554 |
| HARVARD UNIVERSITY | 47.050 | MCXXXXXXXXXXXX9591 | 8,400 |
| JOINT OCEANOGRAPHIC INSTITUTIONS TASK ORDER | 47.050 | T304B26 | 3,863 |
| MAX PLANCK INSTITUT FUR MARINE MIKROBIOLOGIE | 47.050 | PO885330 | 3,591 |
| NEW ENGLAND AQUARIUM SUB UNDER | 47.050 | OCE0215456 | (16) |
| UNIVERSITY OF RHODE ISLAND | 47.078 | PO0000015484 | 378 |

The accompanying notes are an integral part of this schedule.

Woods Hole Oceanographic Institution

Schedule of Expenditures of Federal Awards

December 31, 2009

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Pass- Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| Research and Development Passed Through from Other Organizations (Continued) | | | |
| National Science Foundation (Continued) | | | |
| MARINE BIOLOGICAL LABORATORY | 47.078 | 35558 | \$ 22,620 |
| STATE UNIVERSITY SYSTEM OF NEW YORK | 47.050 | POR625577 | 7,210 |
| UNIVERSITY OF MINNESOTA | 47.050 | PO0000215684 | 2,200 |
| UNIVERSITY OF WASHINGTON | 47.050 | PO571517 | 10,000 |
| UNIVERSITY OF RHODE ISLAND | 47.078 | PO0000015737 | 24,975 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 47.050 | PO55100452752 | 3,300 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.050 | PO20415845 | 121 |
| UNIVERSITY OF SOUTHERN CALIFORNIA | 47.050 | PO135867 | 23,000 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.050 | PO2A975981 | 256 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 47.050 | PO4501015995 | 485 |
| UNIVERSITY OF WASHINGTON | 47.050 | VISAXXXXXXXXXXXXX5682 | 1,198 |
| UNIVERSITY OF CALIFORNIA SANTA CRUZ | 47.050 | PO646165 | 168 |
| UNIVERSITY OF SOUTH CAROLINA | 47.050 | PO96170J | 3,090 |
| BROWN UNIVERSITY | 47.050 | POP256185 | 3,823 |
| UNIVERSITY OF WASHINGTON | 47.078 | PO556498 | 63 |
| UNIVERSITY OF COLORADO | 47.050 | PO0000336688 | 204 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.050 | PO10278210 | 10,673 |
| STONY BROOK UNIVERSITY | 47.050 | POR596972 | 5,447 |
| UNIVERSITY OF MASSACHUSETTS AMHERST | 47.050 | PO0001267189 | 3,168 |
| UNIVERSITY OF MONTANA | 47.050 | PG567602 | 259 |
| UNIVERSITY OF HAWAII SUBAWARD | 47.050 | Z877695 | 38,269 |
| UNIVERSITY OF DELAWARE | 47.050 | PO0000017865 | 348 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.082 | PO10307638 | 145,612 |
| UNIVERSITY OF DELAWARE | 47.074 | PO000017996 | 647 |
| UNIVERSITY OF NORTH CAROLINA AT CHAPEL HILL | 47.050 | VISAXXXXXXXXXXXXX8027 | 628 |
| OREGON STATE UNIVERSITY SUBGRANT | 47.050 | S1035A | 119,135 |
| UNIVERSITY OF WASHINGTON | 47.050 | 938087 | 94,935 |
| MICHIGAN TECHNOLOGICAL UNIVERSITY SUBAWARD | 47.050 | 0811100Z1 | 39,543 |
| NEW MEXICO TECH | 47.050 | PO0008239 | 6,720 |
| UNIVERSITY OF CALIFORNIA SAN DIEGO | 47.050 | PO10278318 | 964,942 |
| MARINE BIOLOGICAL LABORATORY SUBAWARD | 47.050 | 33434 | 22,385 |
| UNIVERSITY OF HAWAII | 47.050 | PO5510038472 | 144 |
| UNIVERSITY OF HAWAII SUBAWARD | 47.050 | Z880496 | 22,604 |
| RAYTHEON POLAR SERVICES COMPANY | 47.078 | PORM4858001 | 20,997 |
| BROWN UNIVERSITY | 47.050 | MCXXXXXXXXXXXX5487 | 2,880 |
| UNIVERSITY OF WASHINGTON | 47.050 | PO3508000895 | (517) |
| FLORIDA STATE UNIVERSITY SUBCONTRACT | 47.050 | R01243 | 7,157 |
| UNIVERSITY OF CALIFORNIA IRVINE | 47.050 | PO0119B03990272 | 3,788 |
| UNIVERSITY OF SOUTHERN CALIFORNIA SUBWARD NO | 47.050 | 139307 | 8,464 |
| UNIVERSITY OF CAROLINA AT CHAPEL HILL | 47.050 | PO219438 | 1,911 |
| CALIFORNIA INSTITUTE OF TECHNOLOGY | 47.050 | PO65QSO63500 | 299 |
| OREGON STATE UNIVERSITY | 47.050 | PO079658 | 4,982 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | OCE0418967 | 43,587 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | OCE0418967 | 34,302 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | OCE0418967 | 328 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | 1831PM | 1,304,631 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | 1832 SYS ENG | 946,572 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | 1833 DESIGN | 766,394 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | JSA713 | 50,835 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.050 | JSA713 | 144,974 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 421,701 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 253,374 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 12,382 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 87,974 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 3,879 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 493 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 9,428 |

The accompanying notes are an integral part of this schedule.

**Woods Hole Oceanographic Institution
Schedule of Expenditures of Federal Awards
December 31, 2009**

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title Research and Development Cluster | Federal CFDA/ Contract Number | Pass- Through Entity Identifying Number | Federal Expenditures |
|---|--|--|-------------------------|
| Research and Development Passed Through from Other Organizations (Continued) | | | |
| National Science Foundation (Continued) | | | |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | \$ 30,474 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 1,269 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 2,229 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 2,966 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 128,075 |
| JOINT OCEANOGRAPHIC INSTITUTIONS (JOI)-ARRA | 47.082 | SA910 | 10,853 |
| UNIVERSITY OF WASHINGTON | 47.596 | 596272 | 35,303 |
| | | | <u>7,649,094</u> |
| Environmental Protection Agency | | | |
| LOCKHEED MARTIN | 66.EPC04032 | VISA3432 | 1,600 |
| COLUMBIA UNIVERSITY | 66.RD83322201 | RD83322201 | 28,370 |
| MONTANA STATE UNIVERSITY | 66.509 | MC3853 | 799 |
| RUTGERS UNIVERSITY | 66.509 | SI1139174 | 3,300 |
| | | | <u>34,069</u> |
| Department of Energy | | | |
| UNIVERSITY OF NEW HAMPSHIRE | 81.DEAC2604NT41817 | PO POUDES28 | 7,935 |
| ADVANCED TECHNOLOGY AND RESEARCH CORPORATION | 81.AC0206CH11357 | ATR09470604001 | 44,713 |
| TULANE UNIVERSITY | 81.DEFC0206ER6429 | TUL5410607 | 34,824 |
| | | | <u>87,472</u> |
| Department of Health and Human Services | | | |
| BOSTON UNIVERSITY | 93.113 | 5P42ES007381 | 260,286 |
| BOSTON UNIVERSITY | 93.113 | | 304,790 |
| UNIVERSITY OF IOWA | 93.114 | 10000548566 | 72,998 |
| MARINE BIOLOGICAL LABORATORY | 93.1P50ES1274201 | 33439 | 10,018 |
| UNIVERSITY OF FLORIDA | 93.070 | UF10043 | 16,024 |
| MARINE BIOLOGICAL LABORATORY | 93.113 | PO38379 | 1,030 |
| | | | <u>665,146</u> |
| Department of Homeland Security | | | |
| SMITHSONIAN INSTITUTION | 97.HCSG3205RR00017 | HCSG3205RR00017 | 2,272 |
| MASSACHUSETTS INSTITUTE OF TECHNOLOGY | 97.108 | 2009ST1080006 | 5,976 |
| NORTHEASTERN UNIVERSITY | 97.061 | USCG794021 | 93,904 |
| SMITHSONIAN INSTITUTION | 97.USCG794021 | USCG794021 | 1,261 |
| | | | <u>103,413</u> |
| Total Pass Through Awards | | | <u>14,551,441</u> |
| Total Research and Development Cluster | | | <u>127,357,864</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 127,357,864</u> |

The accompanying notes are an integral part of this schedule.

Woods Hole Oceanographic Institution
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2009

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, 2009 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 entity identification numbers are presented when available.

2. Subrecipients

The Institution passed through federal awards to subgrantee organizations in the Research and Development Cluster. Expenditures incurred by the subgrantees and reimbursed by the Institution are presented in the Schedule of Expenditures of Federal Awards. Amounts for the year ended December 31, 2009 are as follows:

| Federal Agency | CFDA # | Amount |
|---|---------------|---------------------|
| Department of Commerce | 11 | |
| National Oceanic and Atmospheric Administration | | \$ 2,660,561 |
| Department of Defense | 12 | |
| United States Navy | | 2,070,360 |
| United States Army | | 55,355 |
| National Aeronautics and Space Administration | 43 | 223,843 |
| National Science Foundation | 47 | 4,046,468 |
| Department of Energy | 81 | 31,125 |
| Department of Health and Human Services | 93 | |
| National Institutes of Health | | 147,891 |
| | | <u>\$ 9,235,603</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 2007. The 2009 fixed rates were based on budgeted information for the year ended 2008. The base and pool balances for the actual 2009 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 2009 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, 2009, and have issued our report thereon dated August 13, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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. The

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Institution in a separate letter dated August 13, 2010.

This report is intended solely for the information and use of the Institution's audit committee, management, Board of Trustee, others within the entity, 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

August 13, 2010

**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 OMB *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2009. 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 that are applicable to its major federal program for the year ended December 31, 2009. 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 09-1 and 09-02.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the Institution's internal control over compliance.

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

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

The Institution's responses to the 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 the responses.

This report is intended solely for the information and use of the Institution's audit committee, management, Board of Trustee, others within the entity, 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 15, 2010

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

**Woods Hole Oceanographic Institution
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2009**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes ___X___ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes ___X___ none reported
- Noncompliance material to financial statements noted? _____ yes ___X___ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes ___X___ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ yes ___X___ 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? ___X___ yes _____ no

**Identification of major programs:
 CFDA Number(s)**

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? ___X___ yes _____ no

Woods Hole Oceanographic Institution

Schedule of Findings and Questioned Costs

Year Ended December 31, 2009

II. Financial Statement Findings

None

III. Findings and Questioned Costs Federal Awards

09-1 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 13 NSF awards, we found 3 awards (all under CFDA Number 47.050) for which annual progress reports were not submitted by the required deadline.

In accordance with the National Oceanic and Atmospheric Administration (NOAA), General Grant and Conditions, unless otherwise specified in the award, progress 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 2 awards (CFDA Number 11.430 and 11.432) for which semiannual progress reports were not submitted by the required deadline.

In accordance with the Office of Naval Research (ONR), General Grant and Conditions, the Grantee shall submit progress reports as required by the Program Officer and the final report within 90 days after the end of the Grant. The Grantee shall include a completed "Report Documentation page" (SF 298) as the last page of each periodic and final technical report addressing performance results achieved under this Grant. In a sample of 6 ONR awards, we found 1 award for which the progress report and 1 award for which the financial report was not submitted by the required deadline (both under CFDA Number 12.300); and 1 award for which the form SF298 was not submitted (CFDA Number 12.300).

In a sample of 16 awards from federal agencies other than NSF, NOAA and ONR, we found 1 award (CFDA Number 43.NNX09AB75G) for which annual progress reports were not submitted by the required deadlines in accordance with the Grant Award Notices. In addition, there was 1 award (CFDA Number 11.430) that did not have the proper reporting submitted, as the requirements are twice a year, and management only reported progress report once.

| Agency | CFDA # | Project # | Award Name/Contract | Award Year | Due Date | Date Submitted | Days Late |
|----------------|---------------|-----------|-------------------------|-----------------|----------------------------------|----------------|-----------|
| 1 NASA | 43.NNX09AB75G | 230975SP | N/A#NNX09A 87 5G | 1/1/09-12/31/12 | 11/1/2009 | 12/2/2009 | 31 |
| 2 NOAA | 11.430 | 240168SP | N/A #NA040\NR4300168 | 7/1/09-6/30/10 | 10/30/2009 | 12/2/2009 | 33 |
| 3 NOAA | 11.432 | 370895SP | NIA #NA080AR3200895 | 7/1/08-6/30/13 | 4/30/2009 | 5/1/2009 | 1 |
| 4 NSF | 47.050 | 819903SP | GEOSCIENCES #OCE 519903 | 9/15/05-8/31/09 | 11/30/2009 | 12/31/2009 | 31 |
| 5 NSF | 47.050 | 824536SP | GEOSCIENCES #OCE 424536 | 9/1/04-8/31/10 | 9/1/2009 | 9/15/2009 | 14 |
| 6 NSF | 47.050 | 824953SP | GEOSCIENCES #OCE 424953 | 9/1/05-8/31/10 | 9/1/2009 | 9/17/2009 | 16 |
| 7 ONR | 12.300 | 130945SP | NIA #NCOO14-06-10945 | 6/16/06-9/30/09 | 12/29/2009 | 12/30/2009 | 1 |
| 8 ONR | 12.300 | 130945SP | NIA #NCOO14-06-10945 | 6/16/06-9/30/09 | 12/29/2009 | 4/25/2010 | 117 |
| 9 (NOAA Prime) | 11.430 | 781048SP | #NA070A R4300494 | 10/1/07-9/30/10 | No Reporting Performed for April | | |
| 10 ONR | 12.300 | 130005SP | NIA #NOOO14-08-10005 | 10/1/07-9/30/10 | No form SF298 reported | | |

**Woods Hole Oceanographic Institution
 Schedule of Findings and Questioned Costs
 Year Ended December 31, 2009**

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.

Recommendation

Management should strengthen monitoring policies for tracking and submitting required reports. For the reports previously above that were not submitted, we recommend management submit these reports as soon as possible.

Management's Views and Corrective Action Plan

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

09-2 Allowable Costs

Research and Development Cluster

As part of our current year audit procedures, two out of a sample of forty-five transactions, were not authorized according to the Institution's purchasing policies. One purchase requisition checklists, as described below, did not contain the required procurement manager sign-off, and one purchase requisition was approved by a manager that lacked the authority at the dollar threshold of the purchase. These two purchase orders for supplies exceptions were made up of multiple invoices for 3 different grants, as described below.

| Agency | CFDA # | Project # | Award Name/Contract | Amount |
|---------------|----------------|------------------|--------------------------------|---------------|
| 1 DOI | 15.J1274090111 | 49011100 | NPS Channel & Virgin islands | \$ 6,467 |
| | 15.H1212090075 | 49007500 | USS Arizona 3d Processing | \$ 6,467 |
| | 15.P7482080041 | 119004100 | Camera Mods for Video Ray | \$ 1,160 |
| 2 NSF | 47.082 | 85582803 | Enhancements: USBL System | \$ 77,758 |

Cause and Effect

In the first instance, the buyer did not ask for procurement manager sign-off. In the second instance, the buyer did not ensure that the manager, who had approved the purchase requisition had the appropriate authority. This could result in expense charges to be improperly allocated to the awards.

Recommendation

Management should consider implementing an automated control in their purchasing system that will help mitigate the error of authorization limits.

Management should also ensure that purchase orders are properly authorized by the appropriate authorized signors in writing.

Management's Views and Corrective Action Plan

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

Woods Hole Oceanographic Institution

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2009

08-1 Progress Reporting

In a sample of 15 National Science Foundation (NSF) awards, PwC found 2 awards for which annual progress reports were not submitted by the required deadline. In a sample of 5 National Oceanic and Atmospheric Administration (NOAA) awards, PwC found 2 awards 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, PwC found 2 awards for which annual progress reports were not submitted by the required deadlines.

Status

In 2009, Grants and Contracts' Office continuously worked with the Director of Research Office to improve the process of timely performance reporting submissions. Please refer to management's responses on 09-1, for further implementation details.

08-2 Compliance Finding

As part of the 2008 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 therefore not in compliance with the Institution's policy.

Status

In 2009, WHOI has implemented a new design of their Authorization Matrix. The new design interfaces with HR records, so that management is now able to access HR records directly. The new process requires a manual review of the matrix, to ensure that proper authorization is given. There is currently no automated controls in place, please refer to management's view and corrective action plan on 09-2, for further implementation details.

08-3 Procurement Suspension and Debarment

As part of their 2008 audit procedures, PwC noted that for 1 of 45 purchases tested, the Institution failed to comply with the procurement policy surrounding competitive bidding or sole source justification.

Status

During 2009, management held meetings with procurement staff to review processes to be performed regarding Procurement Suspension and Debarment verifications.

Management had effectively established additional reviews over the Procurement Suspension and Debarment verifications procedures to ensure proper documents were obtained and reviewed prior to purchases made.

08-4 Questioned Costs (Consultants and Purchased Services)

As part of the 2008 audit procedures, PwC noted one questioned cost in which 1 selection for \$1,120 in a sample of 14 consulting and purchased services expenditures was erroneously charged to a grant.

Status

During 2009 the Institution reminded applicable staff of properly charging Facilities cost centers for specific services vs. directly charging an award.

During the year management randomly verified project and cost centers for proper charges. In addition the Institution performed training as needed in determining allocable and allowable costs to awards.

Woods Hole Oceanographic Institution
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2009

Management has effectively established additional reviews over the review of charges billed to project and cost centers to ensure charges are appropriately identified as grant charges.



Laurie Murphy
Assistant Controller

Woods Hole Oceanographic Institution

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Management View and Corrective Action Plan

09-1 Reporting

Effective May 2010 the Director of Research created performance reporting procedures for WHOI Principal Investigators (PI's) to follow. The procedures reiterate adhering to award terms and conditions as well as Institution responsibility ensuring performance reporting compliance.

Each Department Administrator (DA) will process monthly reports; this information will be provided to the PI. The Department Administrator will be responsible for ensuring the PI receives notice and reminders.

As part of tighter performance reporting controls the Director of Research will be copied on any overdue reports submitted by Principal Investigators. Director of Research staff will contact PI regarding any overdue reports requesting an explanation for why report is overdue and when submission is anticipated.

WHOI management will work with the Director of Research's Office to monitor timely performance reporting submissions. During the year management will also perform periodic audits of performance reporting.

Contact Person:

Laurie Murphy



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Management View and Corrective Action Plan

09-2 Allowable Costs

The Management Team will be implementing a new Finance and Accounting ERP that will include a rules based Procurement process and workflow. The implementation is expected to occur within the 4th quarter of 2011.

Contact Person:

A handwritten signature in cursive script that reads "Laurie Murphy".

Laurie Murphy