

2015 Financial Statements

We are pleased to present the CY 2015 unaudited financial statements of WHOI. As the uncertain federal funding outlook continues, our total funded sponsored research decreased by 4% vs. last year, mainly due to decreased funding from the National Science Foundation and the United States Navy. Despite this continued pressure on federal science budgets, significant institutional financial and operational goals have and will be met, such as balancing the unrestricted budget, full pay down of our line of credit balance, the establishment of our “Investment in Science Program,” and the implementation and the government approval of a more commonly accepted cost distribution structure for calendar year 2017. Our work on identifying and implementing these significant efficiency initiatives is ongoing.

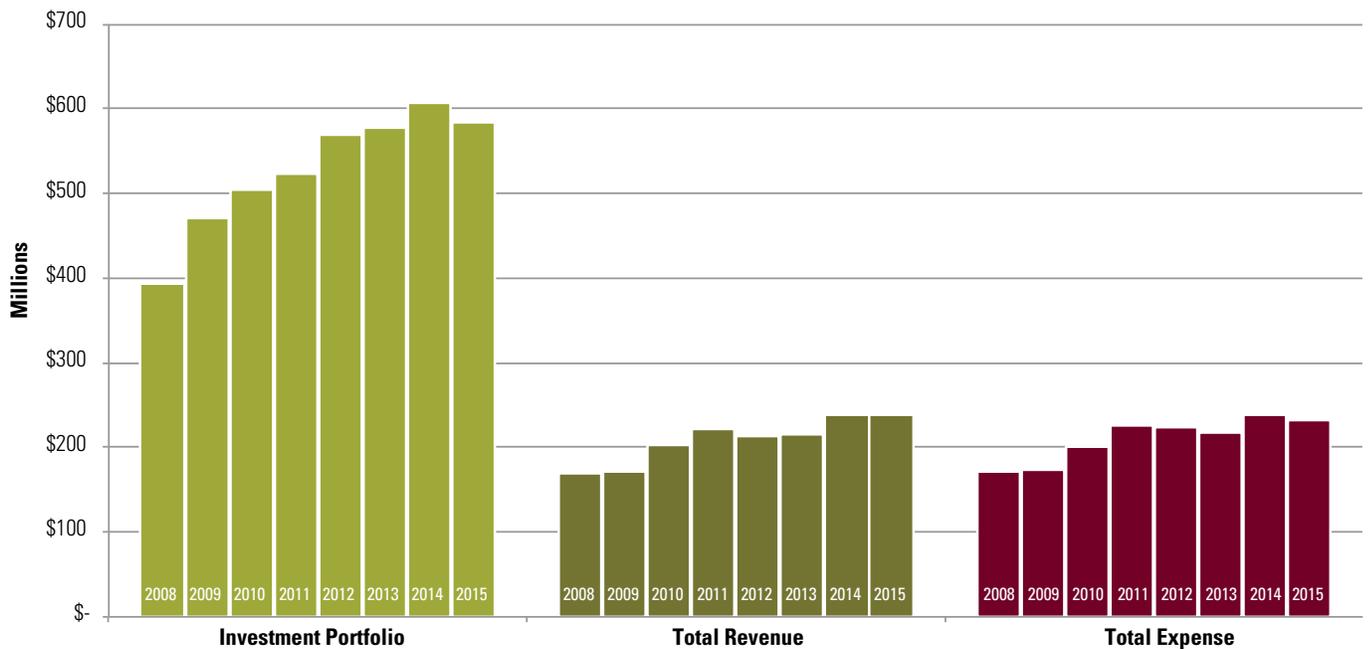
Statement of Financial Position

WHOI continues to have a strong balance sheet. At December 31, 2015 WHOI’s total assets were \$583.2 million, total liabilities were \$257.6 million and total net assets were \$325.6 million.

Net assets represent the accumulated financial strength of a not-for-profit organization and are an important gauge of its ability to carry out its mission. Included in the liabilities is the Massachusetts Health and Educational Facilities Authority bond debt of \$54.3 million.

The endowment, \$409.9 million, represents 70% of the total assets at December 31, 2015.

Financial Trends



Statement of Activities

WHOI's total operating revenues increased by \$0.8 million; from \$238.7 million in CY 2014 to \$239.5 million in CY 2015; and the Institution's change in net assets from operating activities was \$7.3 million.

\$18.0 million of endowment income and appreciation was distributed to operations as follows:

- Education \$7.7 million
- Research \$6.3 million
- Unrestricted \$4.0 million

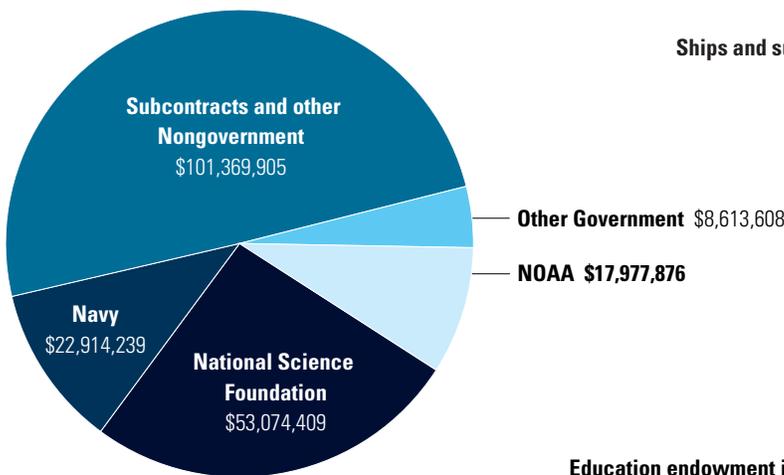
The Institution had overhead costs of \$89.4 million, and approximately 65% of that amount, \$58.1 million, was recovered from government and non-government research. The remainder were institutional expenses.

WHOI paid \$4.6 million in interest during CY 2015 and \$1.7 million in principal payments on the \$54.3 million outstanding debt in CY 2015. The Federal Government allows interest and depreciation for real property and equipment in the Institution's overhead rates for reimbursement.

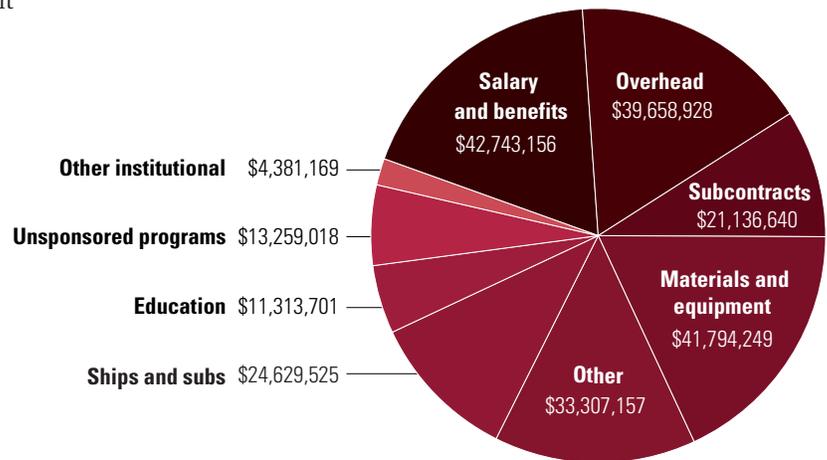
Summary

The Institution's commitment to understanding the ocean is unchanged; however, the federal funding environment continues to provide a challenge. WHOI continues to investigate expanding its sources of revenue by leveraging its industry-recognized core skills in both the federal and industry marketplaces, as well as identifying additional philanthropic sources. The Institution continues to strategize over future science and engineering directions and larger-scale initiatives to realize its strategy.

Research Funding



Operating Expenses



Revenue

