

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation) or section 4947(a)(1) nonexempt charitable trust

Note: The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

1999This Form is Open
to Public Inspection**A** For the 1999 calendar year, OR tax year period beginning and ending**B** Check if:☐ Change of address☐ Initial return☐ Final return☐ Amended return (required also for state reporting)

Please use IRS label or print or type. See Specific Instructions.

C Name of organization

Woods Hole Oceanographic Institution

Number and street (or P.O. box if mail is not delivered to street address)

569 Woods Hole Road, MS 14

City or town, state or country, and ZIP+4

Woods Hole, MA 02543

D Employer identification number

04-2105850

E Telephone number

(508) 457-2000

F Check ☐ if exemption application is pending**G** Type of organization ☒ Exempt under 501(c) (3) (insert number) OR ☐ section 4947(a)(1) nonexempt charitable trust

Note: Section 501(c)(3) exempt organizations and 4947(a)(1) nonexempt charitable trusts MUST attach a completed Schedule A (Form 990).

H (a) Is this a group return filed for affiliates? ☐ Yes ☒ NoI If either box in H is checked "Yes," enter four-digit group exemption number (GEN) ☐ Cash ☒ Accrual(b) If "Yes," enter the number of affiliates for which this return is filed: ☐ Yes ☒ No**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if it received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: Form 990-EZ may be used by organizations with gross receipts less than \$100,000 and total assets less than \$250,000 at end of year.

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances

1 Contributions, gifts, grants, and similar amounts received:

a Direct public support

1a 7,585,085.

b Indirect public support

1b

c Government contributions (grants)

1c

d Total (add lines 1a through 1c) (attach schedule of contributors)

Stmt 2

(cash \$ 7,585,085. noncash \$)

1d 7,585,085.

2 Program service revenue including government fees and contracts (from Part VII, line 93)

2 77,448,456.

3 Membership dues and assessments

3

4 Interest on savings and temporary cash investments

4 701,466.

5 Dividends and interest from securities

5 3,031,284.

6 a Gross rents See Statement 3

6a 759,364.

b Less: rental expenses

6b

c Net rental income or (loss) (subtract line 6b from line 6a)

6c

759,364.

7 Other investment income (describe)

7

8 a Gross amount from sale of assets other than inventory

(A) Securities

(B) Other

113,417,189.

8a

b Less: cost or other basis and sales expenses

99,745,474.

8b

c Gain or (loss) (attach schedule)

13,671,715.

8c

d Net gain or (loss) (combine line 8c, columns (A) and (B))

Stmt 4

8d 13,671,715.

9 Special events and activities (attach schedule)

a Gross revenue (not including) of contributions reported on line 1a

9a

b Less: direct expenses other than fundraising expenses

9b

c Net income or (loss) from special events (subtract line 9b from line 9a)

9c

10 a Gross sales of inventory, less returns and allowances

10a

b Less: cost of goods sold

10b

c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a)

10c

11 Other revenue (from Part VII, line 103)

11 215,450.

12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)

12 103,412,820.

13 Program services (from line 44, column (B))

13 78,949,374.

14 Management and general (from line 44, column (C))

14 3,914,814.

15 Fundraising (from line 44, column (D))

15 1,256,165.

16 Payments to affiliates (attach schedule)

16

17 Total expenses (add lines 16 and 44, column (A))

17 84,120,353.

18 Excess or (deficit) for the year (subtract line 17 from line 12)

18 19,292,467.

19 Net assets or fund balances at beginning of year (from line 73, column (A))

19 253,958,504.

20 Other changes in net assets or fund balances (attach explanation)

See Statement 5

20 <1,393,889.>

21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)

21 271,857,082.

LHA For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

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15401114 789461 WHOI990

1999.05210 Woods Hole Oceanographic In WHOI9901

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22 Grants and allocations (attach schedule) cash \$3522568. noncash \$	22 3,522,568.	3,522,568.	Statement 7	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc.	25 571,180.	0.	571,180.	0.
26 Other salaries and wages	26 36,287,112.	22,482,593.	13,278,437.	526,082.
27 Pension plan contributions	27			
28 Other employee benefits	28 6,053,569.	3,905,200.	2,048,376.	99,993.
29 Payroll taxes	29 2,970,285.	1,916,152.	1,005,070.	49,063.
30 Professional fundraising fees	30 20,164.			20,164.
31 Accounting fees	31 240,601.		240,601.	
32 Legal fees	32 411,721.		410,503.	1,218.
33 Supplies	33 13,136,678.	10,413,184.	2,679,147.	44,347.
34 Telephone	34 421,672.	261,605.	151,758.	8,309.
35 Postage and shipping	35 836,100.	633,352.	184,490.	18,258.
36 Occupancy	36 2,640,406.	116,456.	2,523,950.	
37 Equipment rental and maintenance	37 2,631,945.	1,735,783.	885,094.	11,068.
38 Printing and publications	38 239,990.	162,115.	38,559.	39,316.
39 Travel	39 3,699,008.	2,789,424.	885,815.	23,769.
40 Conferences, conventions, and meetings	40			
41 Interest	41			
42 Depreciation, depletion, etc. (attach schedule) ...	42 2,706,749.	52,732.	2,650,839.	3,178.
43 Other expenses (itemize):				
a	43a			
b	43b			
c	43c			
d	43d			
e See Statement 6	43e 7,730,605.	30,958,210.	<23,639,005.>	411,400.
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 84,120,353.	78,949,374.	3,914,814.	1,256,165.

Reporting of Joint Costs. - Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service AccomplishmentsWhat is the organization's primary exempt purpose? ☐

Oceanographic research and education.

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)

a See Statement 1	(Grants and allocations \$ 474,390.)	72,534,359.
b See Statement 1	(Grants and allocations \$ 3,048,178.)	6,415,015.
c	(Grants and allocations \$)	
d	(Grants and allocations \$)	
e Other program services (attach schedule)	(Grants and allocations \$)	
f Total of Program Service Expenses (should equal line 44, column (B), Program services)		78,949,374.

Part IV Balance Sheets

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year	(B) End of year
Assets	45 Cash - non-interest-bearing	503,380.	45
	46 Savings and temporary cash investments	33,614,207.	46 22,997,048.
	47 a Accounts receivable	47a 6,742,170.	
	b Less: allowance for doubtful accounts	47b	47c 6,742,170.
	48 a Pledges receivable	48a 5,408,983.	
	b Less: allowance for doubtful accounts	48b	48c 5,408,983.
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	
	b Less: allowance for doubtful accounts	51b	51c
	52 Inventories for sale or use	692,957.	52 808,919.
	53 Prepaid expenses and deferred charges	323,319.	53 10,021,951.
	54 Investments - securities Stmt 8 Stmt 9	207,478,570.	54 219,566,457.
	55 a Investments - land, buildings, and equipment: basis	55a	
	b Less: accumulated depreciation	55b	55c
56 Investments - other		56	
57 a Land, buildings, and equipment: basis	57a 66,442,371.		
b Less: accumulated depreciation Stmt 10	57b 34,770,021.	57c 31,672,350.	
58 Other assets (describe ▶ See Statement 11)	5,604,595.	58 5,736,382.	
59 Total assets (add lines 45 through 58) (must equal line 74)	283,120,581.	59 302,954,260.	
Liabilities	60 Accounts payable and accrued expenses	13,711,028.	60 13,210,950.
	61 Grants payable		61
	62 Deferred revenue	10,919,036.	62 7,153,083.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable Stmt 12		64b 2,999,214.
	65 Other liabilities (describe ▶ See Statement 13)	4,532,013.	65 7,733,931.
66 Total liabilities (add lines 60 through 65)	29,162,077.	66 31,097,178.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	90,035,869.	67 92,644,614.
	68 Temporarily restricted	130,743,436.	68 139,635,043.
	69 Permanently restricted	33,179,199.	69 39,577,425.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74		
	70 Capital stock, trust principal, or current funds		70
	71 Paid-in or capital surplus, or land, building, and equipment fund		71
	72 Retained earnings, endowment, accumulated income, or other funds		72
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	253,958,504.	73 271,857,082.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	283,120,581.	74 302,954,260.

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

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Part VI Other Information**Yes No**

76	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77	Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78 a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b	If "Yes," has it filed a tax return on Form 990-T for this year? N/A	78b		
79	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement;	79		X
80 a	Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a	X	
b	If "Yes," enter the name of the organization See Statement 15 and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81 a	Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	0.	
b	Did the organization file Form 1120-POL for this year?	81b		X
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b	N/A	
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b	Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c	Dues, assessments, and similar amounts from members	85c	N/A	
d	Section 162(e) lobbying and political expenditures	85d	N/A	
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f	Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g	Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A	
h	If section 6033(e)(1)(A) dues notice were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12	86a	N/A	
b	Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87	501(c)(12) organizations. Enter:			
a	Gross income from members or shareholders	87a	N/A	
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
88	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX	88	X	
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 <u>0.</u> ; section 4912 <u>0.</u> ; section 4955 <u>0.</u>			
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year? If "Yes," attach a statement explaining each transaction	89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958			0.
d	Enter: Amount of tax in 89c, above, reimbursed by the organization			0.
90 a	List the states with which a copy of this return is filed Massachusetts, New York	90a		
b	Number of employees employed in the pay period that includes March 12, 1999	90b		905

91 The books are in care of **Stacey L. Medeiros, Controller** Telephone no. **(508) 457-2000**Located at **Woods Hole, MA** ZIP +4 **02543**92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041-Check here ☐
and enter the amount of tax-exempt interest received or accrued during the tax year **92** **N/A**

Part VII Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
(a) Research			20	70,299,237.	
(b) Education					6,804,106.
(c) Oceanus magazine					30,495.
(d)					
(e)					
(f) Medicare/Medicaid payments					
(g) Fees and contracts from government agencies			20	314,618.	
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	701,466.	
96 Dividends and interest from securities			14	3,031,284.	
97 Net rental income or (loss) from real estate:					
(a) debt-financed property					
(b) not debt-financed property			16	759,364.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	13,671,715.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a Royalty & Licensing Fees			15	1,550.	
b Vending Machines			03	5,351.	
c Information ctr income					208,549.
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		88,784,585.	7,043,150.
105 TOTAL (add line 104, columns (B), (D), and (E))					95,827,735.

Note: (Line 105 plus line 1d, Part I, should equal the amount on line 12, Part I.)

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).

Part IX Information Regarding Taxable Subsidiaries (Complete this Part if the "Yes" box on 88 is checked.)

Name, address, and employer identification number of corporation or partnership	Percentage of ownership interest	Nature of business activities	Total income	End-of-year assets
	%			
	%			
	%			
	%			

accompanying schedules and statements, and to the best of my knowledge and belief, it is true, and all information of which preparer has any knowledge. (Important: See General Instruction U.)

11/15/00

Paul Clemente, Assoc Dir/Clerk
Type or print name and title

**SCHEDULE A
(Form 990)**Department of the Treasury
Internal Revenue Service**Organization Exempt Under Section 501(c)(3)**(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust**Supplementary Information**▶ **MUST** be completed by the above organizations and attached to their Form 990 or 990-EZ.

OMB No. 1545-0047

1999

Name of the organization

Woods Hole Oceanographic Institution

Employer identification number

04-2105850

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees

(See instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Stanley R. Hart 569 Woods Hole Rd, Woods Hole, MA 02540+	Sr. Scientist	152,829.	18,310.	0.
John W. Farrington 569 Woods Hole Rd, Woods Hole, MA 02540+	As. Dir Educ	141,644.	19,182.	0.
Joseph Pedloskey 569 Woods Hole Rd, Woods Hole, MA 02540+	Sr. Scientist	140,899.	16,246.	0.
Richard F. Pittenger 569 Woods Hole Rd, Woods Hole, MA 02540+	As. Dir Marine	137,830.	19,629.	0.
Jacqueline M. Hollister 569 Woods Hole Rd, Woods Hole, MA 02540+	As. Dir Comm	130,360.	15,105.	0.
Total number of other employees paid over \$50,000 ▶	327			

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services

(See instructions. List each one (whether individuals or firms). If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
William M. Mercer, Inc. 200 Clarendon St., Boston, MA 02116	Actuarial and Employee Benefits	159,800.
Goodwin, Proctor, & Hoar Exchange Place, Boston, MA 02109-2881	Legal Services	351,318.
Grafton Briggs 345 Palmer Ave., Falmouth, MA 02540	Landscaping Services	151,873.
PriceWaterhouseCoopers, LLP P.O. Box 3026, Boston, MA 02241-3026	Accounting Services	269,746.
Noah Greenberg Associates 22 Beebe Acres, Falmouth, MA 02540	Architectural Services	117,875.
Total number of others receiving over \$50,000 for professional services ▶	6	

LHA For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ.

Schedule A (Form 990) 1999

Part III Statements About Activities

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? <u>STATEMENT 19</u>	1 X	
If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ▶ \$ <u>100,898.</u>		
Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.		
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a Sale, exchange, or leasing of property? <u>STATEMENT 19</u>	2a X	
b Lending of money or other extension of credit? <u>STATEMENT 18</u>	2b X	
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? <u>See Part V, Form 990</u> <u>STATEMENT 18</u>	2d X	
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3 X	
4 a Do you have a section 403(b) annuity plan for your employees?	4a X	
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See instructions.) <u>See Statement 18</u>		

Part IV Reason for Non-Private Foundation Status (See instructions.)

The organization is not a private foundation because it is: (Please check only ONE applicable box.)

5 <input type="checkbox"/>	A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
6 <input type="checkbox"/>	A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 4.)
7 <input type="checkbox"/>	A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
8 <input type="checkbox"/>	A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
9 <input type="checkbox"/>	A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state ▶
10 <input type="checkbox"/>	An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the Support Schedule in Part IV-A.)
11a <input checked="" type="checkbox"/>	An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
11b <input type="checkbox"/>	A community trust. Section 170(b)(1)(A)(vi). (Also complete the Support Schedule in Part IV-A.)
12 <input type="checkbox"/>	An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the Support Schedule in Part IV-A.)
13 <input type="checkbox"/>	An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)
Provide the following information about the supported organizations. (See page 4 of the instructions.)	
(a) Name(s) of supported organization(s)	(b) Line number from above
14 <input type="checkbox"/>	An organization organized and operated to test for public safety. Section 509(a)(4). (See page 4 of the instructions.)

Schedule A (Form 990) 1999

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12 above.) **Use cash method of accounting.**
Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in) ▶	(a) 1998	(b) 1997	(c) 1996	(d) 1995	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	73,375,959.	67,904,634.	70,613,657.	73,384,720.	285,278,970.
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose	308379656.	192512379.	164792682.	129977693.	795,662,410.
18 Gross income from interest, dividends, amounts received from payments on securities loans (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975...	3,316,638.	2,982,610.	2,497,639.	2,122,816.	10,919,703.
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge	395,776.	395,776.	395,776.	556,814.	1,744,142.
22 Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets					
23 Total of lines 15 through 22	385468029.	263795399.	238299754.	206042043.	1093605225.
24 Line 23 minus line 17	77,088,373.	71,283,020.	73,507,072.	76,064,350.	297,942,815.
25 Enter 1% of line 23	3,854,680.	2,637,954.	2,382,998.	2,060,420.	
26 Organizations described in lines 10 or 11: a Enter 2% of amount in column (e), line 24					26a 5,958,856.
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a governmental unit or publicly supported organization) whose total gifts for 1995 through 1998 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts					26b 0.
c Total support for section 509(a)(1) test: Enter line 24, column (e)					26c 297,942,815.
d Add: Amounts from column (e) for lines: 18 10,919,703. 19					26d 10,919,703.
22 26b					26e 287,023,112.
e Public support (line 26c minus line 26d total)					26f 96.3350%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year. N/A					
(1998) (1997) (1996) (1995)					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of these differences (the excess amounts) for each year: N/A					
(1998) (1997) (1996) (1995)					
c Add: Amounts from column (e) for lines: 15 16					
17 20 21					
d Add: Line 27a total and line 27b total					27c N/A
e Public support (line 27c, total minus line 27d total)					27d N/A
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					27e N/A
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					27f N/A %
h Investment income percentage (line 18 column (e) (numerator) divided by line 27f (denominator))					27g N/A %
28 Unusual Grants: For an organization described in line 10, 11, or 12, that received any unusual grants during 1995 through 1998, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See instructions.)					27h N/A %

None

Part V**Private School Questionnaire****(To be completed ONLY by schools that checked the box on line 6 in Part IV)**

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	29	
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	30	
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves?	31	
If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34 a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation	35	

Schedule A (Form 990) 1999

Part VI-A Lobbying Expenditures by Electing Public Charities

(To be completed ONLY by an eligible organization that filed Form 5768)

N/A

Check here ☐ a If the organization belongs to an affiliated group.Check here ☐ b If you checked "a" above and "limited control" provisions apply.**Limits on Lobbying Expenditures**

(The term "expenditures" means amounts paid or incurred)

(a)
Affiliated group totals(b)
To be completed for ALL
electing organizations

		N/A	
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table -		
	If the amount on line 40 is - The lobbying nontaxable amount is -		
	Not over \$500,000	20% of the amount on line 40	
	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	
	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	
	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	
	Over \$17,000,000	\$1,000,000	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 45 through 50.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
45 Lobbying nontaxable amount					0.
46 Lobbying ceiling amount (150% of line 45(e))					0.
47 Total lobbying expenditures					0.
48 Grassroots nontaxable amount					0.
49 Grassroots ceiling amount (150% of line 48(e))					0.
50 Grassroots lobbying expenditures					0.

Part VI-B Lobbying Activity by Nonelecting Public Charities

(For reporting only by organizations that did not complete Part VI-A)

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

	Yes	No	Amount
a Volunteers		X	
b Paid staff or management (include compensation in expenses reported on lines c through h)		X	
c Media advertisements		X	
d Mailings to members, legislators, or the public	X		11,210.
e Publications, or published or broadcast statements		X	
f Grants to other organizations for lobbying purposes		X	
g Direct contact with legislators, their staffs, government officials, or a legislative body	X		89,688.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means		X	
i Total lobbying expenditures (add lines c through h)			100,898.

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

See Statement 19

Form 990	Cash Contributions of \$5000 or More Included on Part I, Line 1d	Statement	2
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*** Not Open to Public Inspection ***

<u>Contributor's Name</u>	<u>Contributor's Address</u>	<u>Amount</u>
		1,000,000.
		334,000.
		1,077,162.
		850,000.
		262,326.
		1,000,000.
		250,000.
		229,166.
		188,015.
		160,000.

Footnotes

Statement 1

990, Page 2, Part III

a. Sponsored and Institution research in oceanography and related fields. Sponsored research involved 606 awards from 18 federal agencies and 98 other clients. Institution research involved 68 projects from unrestricted funds.

b. Education joint graduate program with M.I.T. in the Marine Sciences. Enrolled for the 98-99 academic year; 128 students. Additional programs in support of 40 postdoctoral scholars, 1 marine policy fellow, 30 summer students, 77 guest students, and 67 summer participants in Geophysical Fluid Dynamics.

990, Part 1, Line 8d

Detail of all capital gains are derived from our investment managers and are available upon request.

990, Part 1. Line 20

Restatement of net assets to properly reflect pension and post retirement benefit costs in accordance with Statements of Financial Accounting Standards No. 87 and No. 117.

Form 990	Rental Income	Statement	3
Kind and Location of Property	Activity Number	Gross Rental Income	
Various	1	759,364.	
Total to Form 990, Part I, line 6a		759,364.	

Form 990	Gain (Loss) From Publicly Traded Securities			Statement	4
Description	Gross Sales Price	Cost or Other Basis	Expense of Sale	Net Gain or (Loss)	
Standish, Ayer & Wood, Inv. Mgr	45,904,165.	46,668,842.	0.	<764,677.>	
John Mcstay, Inv. Mgr.	7,249,827.	6,714,262.	0.	535,565.	
Wellington Management, Inv. Mgr.	19,343,772.	14,465,708.	0.	4,878,064.	
Montag & Caldwell, Inv. Mgr.	16,234,744.	11,145,638.	0.	5,089,106.	
Sound Shore Management, Inv. Mgr.	15,001,772.	15,835,354.	0.	<833,582.>	
Venture Capital	3,022,127.	2,306,499.	0.	715,628.	
Cummingled Fund	6,635,528.	2,587,104.	0.	4,048,424.	
Dietche & Field, Inv. Mgr.	25,254.	22,067.	0.	3,187.	
To Form 990, Part I, line 8	113,417,189.	99,745,474.	0.	13,671,715.	

Form 990	Other Changes in Net Assets or Fund Balances	Statement	5
Description	Amount		
Restatement of prior year Net Assets to properly reflect pension costs	<1,393,889.>		
Total to Form 990, Part I, line 20	<1,393,889.>		

Form 990	Other Expenses			Statement 6
Description	(A) Total	(B) Program Services	(C) Management and General	(D) Fundraising
Miscellaneous	1,178,386.	1,155,866.	22,820.	<300.>
Contract Services	6,015,750.	4,257,423.	1,688,045.	70,282.
Refunds and adjustments	536,469.	1,034,231.	<494,925.>	<2,837.>
Allocated management and general	0.	24,510,690.	<24,854,945.>	344,255.
Total to Fm 990, ln 43	7,730,605.	30,958,210.	<23,639,005.>	411,400.

Form 990	Cash Grants and Allocations			Statement 7
Classification	Donee's Name	Donee's Address	Donee's Relationship	Amount
Fellowships/Scholarships	List of donees avail. on request		none	3522568.
Total Included on Form 990, Part II, line 22				3522568.

Form 990	Non-Government Securities				Statement 8
Description	Value Method	Corporate Stocks	Corporate Bonds	Other Publicly Traded Securities	Total Non-Gov't Securities
Corporate Bonds	Cost		23495708.		23495708.
Equity	Cost				
Securities & Mutual Funds		99099911.			99099911.
Other	Cost				
Securities				20652648.	20652648.
Other Publicly Traded securities	Cost			67202994.	67202994.
To Fm 990, ln 54 Col B		99099911.	23495708.	67202994.	210451261.

Form 990	Government Securities	Statement	9
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Description	Valuation Method	U.S. Government	State and Local Gov't	Total Gov't Securities
U.S. Government securities	Cost	9,115,196.		9,115,196.
Total to Form 990, line 54, Col B		9,115,196.		9,115,196.

Form 990	Depreciation of Assets Not Held for Investment	Statement	10
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Description	Cost or Other Basis	Accumulated Depreciation	Book Value
Land, buildings and improvements	48,794,999.	27,828,880.	20,966,119.
Vessels and dock facilities	2,654,406.	271,947.	2,382,459.
Lab and other equipment	9,641,619.	6,669,194.	2,972,425.
Work in Process	5,351,347.	0.	5,351,347.
Total to Form 990, Part IV, ln 57	66,442,371.	34,770,021.	31,672,350.

Form 990	Other Assets	Statement	11
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Description	Amount
Remainder trusts	846,630.
Annuity investment	1,557,789.
Contributed assets	3,331,963.
Total to Form 990, Part IV, line 58, Column B	5,736,382.

<u>Form 990</u>	<u>Other Notes and Loans Payable</u>	<u>Statement 12</u>
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<u>Lender's Name</u>	<u>Terms of Repayment</u>
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Massachusetts Health and
Educational Facilities
Authority

<u>Date of Note</u>	<u>Maturity Date</u>	<u>Original Loan Amount</u>	<u>Interest Rate</u>
05/27/99	06/01/10	2,999,214.	3.75%

<u>Security Provided by Borrower</u>	<u>Purpose of Loan</u>
	Capital projects

Relationship of Lender

<u>Description of Consideration</u>	<u>FMV of Consideration</u>	<u>Balance Due</u>
	0.	2,999,214.
Total included on Form 990, Part IV, line 64, Column B		<u>2,999,214.</u>

<u>Form 990</u>	<u>Other Liabilities</u>	<u>Statement 13</u>
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<u>Description</u>	<u>Amount</u>
Supplemental retirement reserve	<u>7,733,931.</u>
Total to Form 990, Part IV, line 65, Column B	<u>7,733,931.</u>

Form 990

Part V - List of Officers, Directors,
Trustees and Key Employees

Statement 14

Name and Address	Title and Avg Hrs/Wk	Compensation	Employee Ben Plan Contrib	Expense Account
Robert B. Gagosian 569 Woods Hole Road Woods Hole, MA 02543-0725	Director 40+	251,529.	22,544.	0.
Paul Clemente 569 Woods Hole Road Woods Hole, MA 02543-0725	Clerk 40+	162,077.	19,268.	0.
Peter H. McCormick 569 Woods Hole Road Woods Hole, MA 02543-0725	Treasurer 5	0.	0.	0.
James E. Moltz 569 Woods Hole Road Woods Hole, MA 02543-0725	Chairman 5	0.	0.	0.
James M. Clark 569 Woods Hole Road Woods Hole, MA 02543-0725	President 5	0.	0.	0.
Edwin W. Hiam 569 Woods Hole Road Woods Hole, MA 02543-0725	Assistant Treasurer 5	0.	0.	0.
Arthur Yorke Allen 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Rodney B. Berens 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Joan T. Bok 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Joseph Z. Duke, III 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Robert D. Harrington Jr. 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.

Woods Hole Oceanographic Institution

04-2105850

Lisina M. Hoch 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Robert F. Hoerle 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
James B. Hurlock 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Robert L. James 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
William J. Kealy 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Paul J. Keeler, Jr. 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Newton P. S. Merrill 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Richard S. Morse, Jr. 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
George K. Moss 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
David G. Mugar 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Thomas D. Mullins 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Reuben F. Richards 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Kenneth S. Safe, Jr. 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.

Woods Hole Oceanographic Institution

04-2105850

John A. Scully 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
John M. Stewart 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Daniel H. Stuermer 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Cecil B. Thompson 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Thomas J. Tierney 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
James Luyten 569 Woods Hole Road Woods Hole, MA 02543-0725	Sr Assoc Dir/Research 40+	157,574.	21,005.	0.
Robert A. Day 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Sylvia A. Earle 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Maurice Tempelsman 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Majorie M. von Stade 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
John J. Wise 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.
Alfred M. Zeien 569 Woods Hole Road Woods Hole, MA 02543-0725	Trustee 5	0.	0.	0.

Totals Included on Form 990, Part V

571,180.	62,817.	0.
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Form 990 Identification of Related Organizations Statement 15
Part VI, Line 80b

Name of Organization	Exempt	NonExempt
Retirement Trust for Employees of Woods Hole Oceanographic Institution	X	

Form 990 Part IX Information Regarding Taxable Subsidiaries Statement 16

Name, Address & ID Number of Corp or Partnership	Pct Own	Nature of Business	Total Income	End-of-Year Assets
Quissett Developement Corporation 04-3189654, c/o Woods Hole	100.00%	Technology Licensing	0.	0.

Form 990 Part VIII - Relationship of Activities to Accomplishment of Exempt Purposes Statement 17

Line	Explanation of Relationship of Activities
93b	Revenue from joint graduate program with M.I.T. in the Marine Sciences. This furthers our exempt purpose by ensuring quality education and training for scientists and engineers who will participate in future oceanographic processes.
93c	Circulation income from OCEANUS Magazine which disseminates results of our research and knowledge in marine oceanography to the public.
103c	Revenue generated from the sale of scientific books and souvenirs which contribute to the achievement of the Institution's exempt scientific and educational purposes by stimulating and enhancing public awareness, interest and appreciation of oceanography.

Line 2b Lending money to or other extension of credit to an officer, director, trustee, or key employee?

The Woods Hole Oceanographic Institution provides interest-free loans for the purchase of personal computers to encourage its employees to become more familiar with the capabilities that personal computers have for use at the Institution, as well as at home. All regular employees who have been at the Institution for one or more years and who are expected to continue their employment during the two-year repayment period are eligible to apply for a personal computer loan. In addition, the Trustees of the Institution have authorized interest-free loans to all regular full time employees for the undergraduate college education of their children. Qualified applicants must have had employment with the Institution for three or more years and are expected to continue their employment during the five year repayment period of the loan. Should the education loan, or a combination of educational and computer interest free loans exceed \$10,000, interest income will be reported to the borrower on the full amount of the loan(s).

Name & Title	Type of Loan	Date of Loan	Amount borrowed	Repaid in 1999	Aggregate Repayments Through 1999
Paul Clemente, Associate Director/Clerk	Computer Loan (1)	6/11/98	\$2,500	\$1,300	\$2,000
	Education Loan (2)	8/1/99	\$4,550	\$350	\$350
James Luyten, Sr., Associate Director	Education Loan (2)	11/8/94	\$8,237	\$1,521	\$8,237
	Education Loan (2)	10/3/95	\$4,906	\$981	\$4,113

(1) The Woods Hole Oceanographic Institution provides interest-free loans for the purchase of personal computers to encourage its employees to become more familiar with the capabilities that personal computers have for use at the Institution. All regular employees who have been at the Institution for one or more years and who are expected to continue their employment during the two-year repayment period are eligible to apply for a personal computer loan.

(2) The Trustees of the Institution have authorized interest-free loans to all regular full time employees for the undergraduate college education of their children. Qualified applicants must have had employment with the Institution for three or more years and are expected to continue their employment during the five year repayment period of the loan. Should the education loan, or a combination of educational and computer interest free loans exceed \$10,000, interest income will be reported to the borrower on the full amount of the loan(s).

Line 2d

During the year, the Institution paid salary and wages to Andres R. Solow, Director of Marine Policy Center, 44 Quisset Ave., Woods Hole, MA. He is the son of Robert M. Solow, 528 Lewis Wharf, Boston, MA, who is an Honorary Member of the Board of Trustees for the Institution as disclosed in prior years.

Line 4b Explanation of how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments.

Disbursements in furtherance of the Institution's exempt programs are made in accordance with procedures, or subject to conditions, established by the Institution's governing board. Such procedures and conditions are designed to assure that individuals and organizations receiving disbursements are qualifying recipients. Students receiving scholarships and fellowships are judged on the basis of academic achievement, financial need, and other similar standards.

Line 1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum?

The Woods Hole Oceanographic Institution did not participate or intervene in any political campaigns. The amount reported represents payments to consultants whose primary activities consist of educating and communicating with legislators and the general public regarding environmental and ocean sciences issues. In addition, the consultants report back to Woods Hole Oceanographic Institution on developments and issues of interest to, and/or affecting the Institution.

Line 2a On occasion, a relative of an Institution trustee or officer is hired as an employee. All employees, including employees who may meet the definition of related party, are hired through the Institution's Human Resources Office under applicable Institution policies. All such employees are provided the same benefits, and are subject to the same policies and procedures as other Institution employees.

During the year, many trustees, officers, and related parties make purchases of books, clothing, and other artifacts at the Woods Hole oceanographic Institution Exhibit Center. All such items are available on the same basis to any employee as well as to the general public.

All related party transactions were entered into by the Institution in good faith, on an arm's length basis, and after a determination that the transaction was in the best interests of the Institution.

Other than for transactions in the normal course of the Institution's business activities, i.e., the purchase of products of a corporation of which a trustee may be an officer or employee, the issuance or acceptance of a research grant or subcontract to or from an organization in which a trustee may be an officer or employee, participating in a joint education program for graduate studies with the Massachusetts Institute of Technology (MIT) and operating a joint research library with the Marine Biological Laboratory (MBL) in which a trustee may be an officer or employee, utilizing the services of a bank in which an officer may be a director or a trustee may be an officer or an employee, and the leasing of laboratory space from an entity in which a trustee has an interest, the Institution is not aware of any transactions between it and any person described above or an organization or corporation with which such person described is affiliated. All such transactions are conducted at arm's length and at fair market value. Sale, exchange, or leasing of property transactions with a related party are listed below.

Name and Title	Description of Transaction	Amount
BBH Exhibits, Inc	Jason Model for Exhibit and related expenses	\$ 11,133
David G. Mugar, Trustee		
Caribbean Marine Research Center	Performance of subcontracted research	7,255
Sylvia A. Earle, Trustee		
Consortium on Oceanographic Research and Education	Annual Membership Fee	11,500
Robert B. Gagosian, Director		
Cornell University	Performance of subcontracted research	155,454
James M. Clark, President		
GYGNUM Corporation	Purchased Brushless Motor Components	1329
Cecil B. Thompson, Trustee		
Engelhard Corporation	Purchased Supplies	3,574
Reuben Richards, Trustee		

Name and Title	Description of Transaction		Amount
	Contracted Research		
Harbor Branch Oceanographic Institute			11,194
George K. Moss, Trustee			
Marine Biological Laboratory	WHO/MBL Joint Research Library Ops		336,318
James M. Clark, President	Contracted Research		148,288
	Performance of subcontracted research		81,002
Massachusetts Institute of Technology	WHO/MIT Tuition & Student Costs Settlement		164,034
Breene M. Kerr, Trustee	Contracted Research		278,958
	Performance of subcontracted research		1,326,669
Mystic Marine Life Aquarium	Performance of subcontracted research		47,352
Daniel S. Gregory, Sr., Trustee			
James B. Hurlock, Trustee			
Sea Education Association	Purchased Student Sea Cruises		36,300
James M. Clark, President	Performance of subcontracted research		25224
Wellesley College	Services		1829
Daniel S. Gregory, Sr., Trustee			
The Woods Hole Group	Diving Services		800
David G. Mugar, Trustee			

The Institution held an investment in a related party organization as follows:
Turnstone Publishing Group \$200,000
Venture Capital Investment

Daniel S. Gregory's son, Daniel S. Gregory, Jr., is president of Turnstone Publishing Group. Thomas D. Mullins represents Woods Hole Oceanographic Institution on the Turnstone Board of Trustees.

Woods Hole Oceanographic Institution

Financial Statements

For the Year Ended December 31, 1999

Report of Independent Accountants

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 of cash flows present fairly, in all material respects, the financial position of Woods Hole Oceanographic Institution (the "Institution") as of December 31, 1999 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. 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 1998 financial statements, and in our report dated March 12, 1999, 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, which 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 the opinion expressed above.

The financial statements for the years ended December 31, 1998 and 1997 have been restated as described in Note B.

PricewaterhouseCoopers LLP

March 10, 2000

Woods Hole Oceanographic Institution
Statements of Financial Position
As of December 31, 1999 (with comparative information as of December 31, 1998)

	1999	1998	
Assets			
Cash and cash equivalents:			
Operating	\$ 10,304,606	\$ 16,217,878	
Sponsored research prepayment pool	607,163	1,694,628	
Endowment	6,303,468	5,999,926	
	<u>17,215,237</u>	<u>23,912,432</u>	
Reimbursable costs and fees:			
Billed	1,925,005	1,146,056	
Unbilled	3,775,094	3,689,810	
Receivable for investments sold	152,708	1,279,721	
Accrued interest and dividends	533,861	1,136,902	
Other receivables	355,502	432,092	
Pledges receivable	5,408,983	4,814,062	
Inventory	808,919	692,957	
Deferred charges and prepaid expenses	59,636	323,319	
Investments, pooled	270,852,643	230,551,497	
Investments, nonpooled	5,781,811	6,102,375	
Prepaid pension cost	2,228,384	2,211,323	
Supplemental retirement	7,733,931	6,892,383	
Other assets	4,889,752	4,387,928	
	<u>321,721,466</u>	<u>287,572,857</u>	
Property, plant and equipment:			
Land, buildings and improvements	48,794,999	47,069,200	
Vessels and dock facilities	2,654,406	2,754,406	
Laboratory and other equipment	9,641,619	8,355,383	
Construction in process	5,351,347	421,575	
	<u>66,442,371</u>	<u>58,600,564</u>	
Accumulated depreciation	<u>(34,770,021)</u>	<u>(32,163,272)</u>	
Net property, plant and equipment	<u>31,672,350</u>	<u>26,437,292</u>	
Remainder trusts	<u>846,630</u>	<u>1,216,667</u>	
Total assets	<u>\$ 354,240,446</u>	<u>\$ 315,226,816</u>	
Liabilities			
Accounts payable and other liabilities	\$ 7,912,400	\$ 8,903,204	
Accrued payroll and related liabilities	5,298,557	4,824,765	
Payable for investments purchased	-	2,845,856	
Accrued supplemental retirement benefits	7,733,931	6,892,383	
Deferred revenue and refundable advances	4,082,935	5,117,606	
Deferred fixed rate variance	3,070,141	3,568,392	
Loan payable	2,999,214	-	
Total liabilities	<u>31,097,178</u>	<u>32,152,206</u>	
Commitments and contingencies			
Net Assets			
	Unrestricted	Temporarily restricted	Permanently restricted
Undesignated	\$ 4,543,295	\$	4,543,295
Designated	2,829,597	4,907,217	7,736,814
Pledges		4,654,402	2,261,834
Plant and facilities	30,499,805	242,131	30,741,936
Education		2,679,119	2,679,119
Endowment and similar funds	68,501,035	164,709,242	37,315,591
	<u>106,373,732</u>	<u>177,192,111</u>	<u>39,577,425</u>
Total net assets (Note B)	<u>\$ 106,373,732</u>	<u>\$ 177,192,111</u>	<u>\$ 39,577,425</u>
Total liabilities and net assets			
	<u>\$ 354,240,446</u>	<u>\$ 315,226,816</u>	

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

Woods Hole Oceanographic Institution

Statements of Activities

For the Year Ended December 31, 1999 (with summarized financial information for the year ended December 31, 1998)

	Unrestricted		Temporarily restricted	Permanently restricted	1999	1998
	Operating	Sponsored research				
<i>Operating:</i>						
Revenues:						
Tees	\$ 294,132	\$	\$	\$	\$ 294,132	\$ 373,399
Sponsored research:						
Government		58,747,647			58,747,647	62,809,830
Nongovernment		10,476,229	1,075,361		11,551,590	10,726,503
Sponsored research assets released to operations	69,223,876	(69,223,876)			-	-
Education:						
Tuition	2,335,701				2,335,701	2,652,371
Endowment income	3,183,141		1,275,385		4,458,526	3,676,520
Sponsored research	9,879				9,879	11,284
Gifts and transfers			597,886		597,886	867,189
Education funds released from restriction	2,054,147		(2,054,147)		-	-
Investment return designated for current operations	3,732,750				3,732,750	2,511,019
Contributions and gifts	2,038,038		1,256,786	3,549,486	6,844,310	6,563,933
Contributions and gifts released	-		(2,848,740)	2,848,740	-	-
Rental income	759,364				759,364	774,880
Communication and publications	207,211				207,211	318,615
Other	59,220				59,220	565,387
Total revenues	83,897,459	-	(697,469)	6,398,226	89,598,216	91,880,930
<i>Expenses:</i>						
Sponsored research:						
National Science Foundation	36,027,556				36,027,556	38,188,430
United States Navy	15,267,680				15,267,680	17,840,136
Subcontracts	5,356,734				5,356,734	5,835,413
National Oceanic & Atmospheric Administration	4,298,691				4,298,691	3,277,420
Department of Energy	653,341				653,341	778,412
United States Geological Survey	1,020,772				1,020,772	346,070
National Aeronautics & Space Administration	654,835				654,835	992,714
Other	5,944,267				5,944,267	5,514,756
Education:						
Faculty expense	2,303,217				2,303,217	2,238,580
Student expense	3,059,049				3,059,049	2,953,751
Postdoctoral programs	512,404				512,404	510,402
Other	540,347				540,347	495,287
Business development	92,119				92,119	527,467
Rental expenses	458,444				458,444	418,649
Communication publications and development	2,751,471				2,751,471	2,592,063
Un-sponsored programs	2,867,766				2,867,766	2,178,658
Other expenses	1,868,945				1,868,945	1,670,942
Total expenses	83,677,638				83,677,638	86,859,150
Change in net assets from operating activities	219,821	-	(697,469)	6,398,226	5,920,578	5,021,780
<i>Nonoperating income:</i>						
Investment return in excess of amounts designated for sponsored research, education and current operations	8,148,762		26,299,144		34,447,906	11,978,925
Other nonoperating revenue	17,061		125,828		142,889	1,177,915
Nonoperating expenses:						
Other nonoperating expenses	200,776		241,939		442,715	625,265
Change in net assets from nonoperating activities	7,965,047		26,183,033		34,148,080	12,481,575
Total change in net assets	8,184,868		25,485,564	6,398,226	40,068,658	17,503,355
Net assets at beginning of year, as related (Note D)	98,188,864	-	151,706,547	33,179,199	283,074,610	265,571,255
Net assets at end of year	\$ 106,373,732	\$ -	\$ 177,192,111	\$ 39,577,425	\$ 323,143,268	\$ 283,074,610

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

Woods Hole Oceanographic Institution

Statements of Cash Flows

For the Year Ended December 31, 1999 (with comparative information for the year ended December 31, 1998)

	1999	1998
Cash flows from operating activities:		
Total change in net assets	\$ 40,068,658	\$ 17,503,355
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	2,706,749	2,935,236
Net realized and unrealized gain on investments	(41,229,880)	(14,241,327)
Contributions to be used for long-term investment	(4,262,220)	(4,841,563)
(Increase) decrease in assets:		
Supplemental retirement	(841,548)	(695,287)
Accrued interest and dividends	603,041	(140,635)
Reimbursable costs and fees:		
Billed	(778,949)	1,136,208
Unbilled	(85,284)	49,066
Receivable for investments sold	1,127,013	-
Other receivables	76,590	(23,963)
Pledges receivable	(594,921)	(1,003,085)
Inventories	(115,962)	(52,340)
Deferred charges and prepaid expenses	263,683	(150,631)
Prepaid pension cost	(17,061)	(278,107)
Other assets	(501,824)	(28,046)
Remainder trusts	370,037	(41,576)
Increase (decrease) in liabilities:		
Accounts payable and other liabilities	(990,804)	(1,352,546)
Accrued payroll and related liabilities	473,785	(73,560)
Payable for investments purchased	(2,845,856)	1,416,897
Deferred revenue and refundable advances	(1,034,671)	(598,238)
Accrued supplemental retirement benefits	841,548	695,287
Deferred fixed rate variances	(498,244)	1,811,780
Net cash provided by (used in) operating activities	(7,266,120)	2,026,925
Cash flows from investing activities:		
Capital expenditures:		
Additions to property and equipment	(7,941,807)	(3,356,684)
Endowment:		
Proceeds from the sale of investments	126,094,954	464,439,261
Purchase of investments	(124,845,656)	(479,259,097)
Net cash (used in) investing activities	(6,692,509)	(18,176,520)
Cash flows from financing activities:		
Proceeds from loan payable	2,999,214	-
Contributions to be used for long-term investment	4,262,220	4,841,563
Net cash provided by financing activities	7,261,434	4,841,563
Net decrease in cash and cash equivalents	(6,697,195)	(11,308,032)
Cash and cash equivalents, beginning of year	23,912,432	35,220,464
Cash and cash equivalents, end of year	\$ 17,215,237	\$ 23,912,432

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

Woods Hole Oceanographic Institution

Notes to Financial Statements

A. Background

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

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

B. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis and in accordance with the reporting principles of not-for-profit accounting as defined by Statement of Financial Accounting Standards ("SFAS") No. 116, *Accounting for Contributions Received and Contributions Made*, and No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 116 requires that unconditional promises to give be recorded as receivables and revenues within the appropriate net asset category. SFAS No. 117 requires that the Institution display its activities and net assets in three classes as follows: unrestricted, temporarily restricted, and permanently restricted. Additionally, it requires the presentation of a statement of cash flows.

The financial statements include certain prior-year summarized comparative information, but do not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Institution's audited financial statements for the year ended December 31, 1998, 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 endowment gains are classified as temporarily restricted until the Institution appropriates and spends such sums in accordance with the terms of the underlying endowment funds at which time they will be reclassified to unrestricted revenues.

Woods Hole Oceanographic Institution

Notes to Financial Statements

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 until spent for the appropriate purpose.

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. 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 unless the donor places restrictions on their use.

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 the Institution's interpretation of 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 statements of activities report the Institution's operating and nonoperating activities. Operating revenues and expenses consist of those attributable to the Institution's current annual research or educational programs, including a component of endowment income appropriated for operations (see Note C). Unrestricted endowment investment income and gains over the amount appropriated under the Institution's spending plan are reported as nonoperating revenue as investment return in excess of amounts designated for sponsored research, education and current operations.

Woods Hole Oceanographic Institution

Notes to Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, money market accounts and overnight repurchase agreements with initial maturities of three months or less when purchased which are stated at cost, which approximates market value. At times the Institution maintains amounts at a single financial institution in excess of federally insured limits.

Included in cash at December 31, 1999 and 1998 is \$607,163 and \$1,694,628, respectively, representing advances received from the United States Navy and other U.S. Government and state agencies (the sponsored research prepayment pool). Such amounts are restricted as to use for research programs. Interest earned on unspent funds is remitted to the federal government. Cash and cash equivalents also include uninvested amounts from each classification of net assets (e.g., endowment).

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. For investments in venture capital and investment partnerships, the Institution relies on valuations reported to the Institution by the managers of these investments except where the Institution may reasonably determine that additional factors should be considered.

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.

Options and Futures

An option is a contract in which the writer of the option grants the buyer the right to purchase from (call option) or sell to (put option) the writer a designated instrument at a specified price within a period of time. Premiums received on written options are recorded as negative cost basis until the contract is closed. The liability representing the Institution's obligation under a written option or the Institution's investment in a purchase option is valued at the last sale price or, in the absence of a sale, the mean between the closing bid and asked price or at the most recent asked price (bid for purchase option) if no bid and asked price are available. Over-the-counter written or purchased options are valued using dealer supplied quotations. Over-the-counter options have the risk of the potential inability of counterparties to meet the terms of their contracts. The Institution's maximum exposure for purchased options is limited to the premium initially paid.

A futures contract is an agreement between a buyer or seller and an established futures exchange or clearinghouse in which the buyer or seller agrees to take (or make) delivery of an amount of an item at a specific price on a specific date (settlement date). Upon entering into a futures contract, the Institution deposits with a financial intermediary an amount ("initial margin") equal to a percentage of the face value of the futures contract. Subsequent payments are made or received by the Institution each day, dependent on the daily fluctuations in the value of the underlying security, and are recorded as unrealized gains or losses. The Institution will realize a gain or loss equal to the difference between the value of the futures contract to sell and the futures contract to buy at settlement date or by closing the contract. Futures contracts are valued at the most recent settlement price.

Woods Hole Oceanographic Institution

Notes to Financial Statements

Investment Income Utilization

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 (a percentage of the prior three years' endowment market values).

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 percent and 5.5 percent of the average of the market value of qualifying endowment investments at September 30 of each of the previous three years is appropriated. This amounted to \$9,608,901 and \$7,588,902 for the years ending December 31, 1999 and 1998, respectively, and is classified in operating revenues (research, education, and operations). The Institution has interpreted relevant state law as generally permitting the spending of gains on endowment funds over a stipulated period of time.

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.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Depreciation is provided on a straight-line basis at annual rates of 8 to 50 years on buildings and improvements, 28 years on vessels and dock facilities, and 3 to 5 years on laboratory and other equipment. Depreciation expense on property, plant, and equipment purchased by the Institution in the amounts of \$2,605,973 and \$2,834,460 in 1999 and 1998, respectively, has been charged to operating activities.

Depreciation on certain government-funded facilities (the Laboratory for Marine Science and the dock facility) amounting to \$100,776 in 1999 and 1998, respectively, has been charged to nonoperating expenses as these assets are owned by the Government. There were no gains on the disposal of property, plant and equipment in 1999 and 1998.

Use of Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of December 31, 1999 and 1998, as well as the reported amounts of revenues and expenses during the years then ended. Actual results could differ from the estimates included in the financial statements.

Reclassification of Amounts

Certain prior year amounts have been reclassified to conform to the December 31, 1999 presentation.

Woods Hole Oceanographic Institution

Notes to Financial Statements

Restatement

In 1999, the Institution restated net assets as of December 31, 1997 to properly reflect pension and postretirement benefit costs in accordance with Statements of Financial Accounting Standards ("SFAS") No. 87, "Employers' Accounting for Pensions" and SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" and to properly reflect temporarily restricted investment income when earned in accordance with SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." Prior to the restatement, the Institution recorded pension costs based on cash paid for employer contributions and recorded temporarily restricted investment income as deferred revenue until expenditures were incurred. The effect of the restatement is presented below:

	Unrestricted net assets	Temporarily restricted net assets	Permanently restricted net assets	Total
Net assets at December 31, 1997, as previously reported	\$ 92,625,768	\$ 138,205,953	\$ 29,237,444	\$ 260,069,165
Recording of prepaid pension costs	1,933,216	-	-	1,933,216
Recording of temporarily restricted investment income	-	3,568,874	-	3,568,874
Net assets at December 31, 1997, as restated	<u>\$ 94,558,984</u>	<u>\$ 141,774,827</u>	<u>\$ 29,237,444</u>	<u>\$ 265,571,255</u>
Total change in net assets at December 31, 1998, as previously reported	\$ 3,351,773	\$ 9,668,738	\$ 3,941,755	\$ 16,962,266
Recording of prepaid pension costs	278,107	-	-	278,107
Recording of temporarily restricted investment income	-	262,982	-	262,982
Total change in net assets at December 31, 1998, as restated	<u>\$ 3,629,880</u>	<u>\$ 9,931,720</u>	<u>\$ 3,941,755</u>	<u>\$ 17,503,355</u>

Woods Hole Oceanographic Institution

Notes to Financial Statements

C. Investments

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

	1999		1998	
	Cost/(premium received)	Market	Cost/(premium received)	Market
U.S. Government and government agencies	\$ 9,115,196	\$ 8,649,788	\$ 9,455,685	\$ 9,569,265
Corporate bonds	23,495,708	22,190,605	15,655,157	16,014,417
Other bonds	6,259,492	5,923,533	5,374,862	5,093,275
Equity securities and mutual funds	99,099,911	135,345,966	100,109,271	123,803,114
International mutual funds	60,951,945	69,160,320	56,647,950	50,363,401
Venture Capital and Investment Partnerships	20,326,919	29,304,320	19,103,213	25,219,328
Other	325,729	325,729	1,121,854	1,284,992
Subtotal investments	219,574,900	270,900,261	207,467,992	231,347,792
Purchased call options	13,913	3,297	57,203	23,311
Written call options	(7,168)	(4,699)	(25,625)	(783,701)
Written put options	(15,188)	(46,216)	(21,000)	(35,905)
Total investments	\$ 219,566,457	\$ 270,852,643	\$ 207,478,570	\$ 230,551,497

Amounts held in Venture Capital and Investment Partnerships and other investments are invested in securities or other assets for which there is not necessarily a publicly-traded market value or which are restricted as to disposition. The return on such investments was \$2,698,148 and \$2,241,146 for the years ended December 31, 1999 and 1998, respectively, including dividends, distributions and changes in the estimated value of such investments.

At December 31, 1999, open future contracts sold short were as follows:

Futures	Expiration date	Aggregate face value	Market value
10 Year U.S. Treasury Note	3/22/00	\$ 187,293	\$ 181,875
30 Year U.S. Treasury Bond	3/22/00	\$ 1,274,175	\$ 1,246,172

The following schedule summarizes the investment return and its classification in the statements of activities:

	Unrestricted	Temporarily restricted	1999 Total	1998 Total
Dividend and interest income	\$ 3,798,405	\$ 1,275,385	\$ 5,073,790	\$ 6,715,677
Investment management costs	(1,075,321)	-	(1,075,321)	(692,340)
Net realized gains	2,612,445	10,404,176	13,016,621	36,155,279
Change in unrealized appreciation	12,318,291	15,894,968	28,213,259	(21,913,952)
Total return on investments	17,653,820	27,574,529	45,228,349	20,264,664
Investment return designated for:				
Sponsored research	(2,589,167)	-	(2,589,167)	(2,068,200)
Education	(3,183,141)	(1,275,385)	(4,458,526)	(3,676,520)
Current operations	(3,732,750)	-	(3,732,750)	(2,541,019)
	(9,505,058)	(1,275,385)	(10,780,443)	(8,285,739)
Investment return in excess of amounts designated for sponsored research, education and current operations	\$ 8,148,762	\$ 26,299,144	\$ 34,447,906	\$ 11,978,925

Woods Hole Oceanographic Institution

Notes to Financial Statements

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

	1999	1998
Unit value, beginning of year	\$ 3.9089	\$ 3.6785
Unit value, end of year	4.5884	3.9089
Net change for the year	.6795	.2304
Investment income per unit for the year	<u>.0824</u>	<u>.0868</u>
Total return per unit	<u>\$.7619</u>	<u>\$.3172</u>

D. Pledges Receivable

Pledges receivable consist of the following at December 31:

	1999	1998
Unconditional promises expected to be collected in:		
Less than one year	\$ 4,125,666	\$ 2,615,729
One year to five years	<u>1,283,317</u>	<u>2,198,333</u>
	<u>\$ 5,408,983</u>	<u>\$ 4,814,062</u>

E. Deferred Fixed Rate Variance

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

Woods Hole Oceanographic Institution

Notes to Financial Statements

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

Deferred Fixed Rate Variance (liability), December 31, 1997	\$ (1,756,612)
1998 indirect costs	30,307,084
1998 adjustment	11,669
Amounts recovered	(32,130,533)
1998 (over)/under recovery	(1,811,780)
Deferred Fixed Rate Variance (liability), December 31, 1998	(3,568,392)
1999 indirect costs	33,084,491
Amounts recovered	(32,586,240)
1999 (over)/under recovery	498,251
Deferred Fixed Rate Variance (liability), December 31, 1999	\$ (3,070,141)

As of December 31, 1999, the Institution has recovered a cumulative amount in excess of expended amounts of \$3,070,141 which will be reflected as a reduction of future year recoveries. This amount has been reported as a liability of the Institution.

F. Loan Payable

On May 27, 1999, the Institution entered into a \$3,000,000 loan agreement with the Massachusetts Health and Educational Facilities Authority (the "Authority") to finance various capital projects. The loan matures on June 1, 2010. Interest is computed at a rate established by the Authority and this rate was 3.75% for the year ended December 31, 1999.

The loan agreement has covenants, the most restrictive of which requires the Institution to maintain unrestricted net assets at a market value equal to at least 1.0x outstanding indebtedness.

Principal payments during the term of the loan are as follows:

Year	
2000	\$ 22,547
2001	47,524
2002	50,960
2003	54,644
2004	58,594
2005 and thereafter	2,764,945
Total	\$ 2,999,214

Woods Hole Oceanographic Institution

Notes to Financial Statements

G. Retirement Plans

The Institution maintains a noncontributory defined benefit pension plan covering substantially all employees of the Institution, as well as a supplemental benefit plan which covers certain 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.

	Qualified Plan Pension Benefits	
	1999	1998
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$ 117,287,816	\$ 107,000,311
Service cost	4,180,879	3,213,476
Interest cost	8,208,944	7,332,679
Amendments	10,584,215	-
Actuarial (gain)/loss	(17,180,701)	4,222,921
Benefits paid	<u>(7,111,475)</u>	<u>(4,481,571)</u>
Benefit obligation at end of year	<u>\$ 115,969,678</u>	<u>\$ 117,287,816</u>
Change in Plan Assets		
Fair value of plan assets at beginning of year	158,790,517	149,537,244
Actual return on plan assets	27,894,511	13,734,844
Benefits paid	<u>(7,111,475)</u>	<u>(4,481,571)</u>
Fair value of plan assets at end of year	<u>\$ 179,573,553</u>	<u>\$ 158,790,517</u>

Woods Hole Oceanographic Institution

Notes to Financial Statements

	Qualified Plan Pension Benefits	
	1999	1998
Funded status	\$ 63,603,875	\$ 41,502,701
Unrecognized actuarial (gain)/loss	(73,106,806)	(40,896,168)
Unrecognized portion of net obligation/(asset) at transition	(1,289,293)	(1,936,363)
Unrecognized prior service cost/(credit)	12,160,543	2,752,327
Net amount recognized	<u>\$ 1,368,319</u>	<u>\$ 1,422,497</u>
Amounts Recognized in the Statement of Financial Position Consist of:		
Prepaid benefit cost	<u>\$ 1,368,319</u>	<u>\$ 1,422,497</u>
Weighted-Average Assumptions		
Discount rate as of December 31	8.00%	6.75%
Expected return on plan assets for the year	10.00%	9.00%
Rate of compensation increase as of December 31	3.50%	4.50%
Components of Net Periodic Benefit Cost		
Service cost	\$ 4,180,879	\$ 3,213,476
Interest cost	8,208,944	7,332,679
Expected return on plan assets and reserves	(12,688,120)	(10,546,822)
Amortization of:		
transition obligation/(asset)	(647,070)	(647,070)
prior service cost/(credit)	1,175,999	311,982
actuarial loss/(gain)	<u>(176,454)</u>	<u>-</u>
Net periodic benefit cost/(income)	<u>\$ 54,178</u>	<u>\$ (335,755)</u>

Effective January 1, 1999, the qualified plan was amended to improve benefits for service over 25 years, reduce the vesting period, expand the lump sum option and eliminate certain early retirement subsidies for newly hired employees.

Woods Hole Oceanographic Institution

Notes to Financial Statements

	Supplemental Plan Pension Benefits	
	1999	1998
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$ 3,685,379	\$ 3,576,307
Service cost	109,906	111,913
Interest cost	221,296	235,860
Actuarial (gain)/loss	(407,215)	127,325
Benefits paid	<u>(332,342)</u>	<u>(366,026)</u>
Benefit obligation at end of year	<u>\$ 3,277,024</u>	<u>\$ 3,685,379</u>
Change in Plan Assets		
Fair value of plan assets at beginning of year	\$ -	\$ -
Employer contribution	332,342	366,026
Benefits paid	<u>(332,342)</u>	<u>(366,026)</u>
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>
Funded status	(3,277,024)	(3,685,379)
Unrecognized actuarial (gain)/loss	(524,676)	(254,120)
Unrecognized portion of net obligation/(asset) at transition	<u>256,950</u>	<u>385,907</u>
Net amount recognized	(3,544,750)	(3,553,592)
True up to earmarked reserves	<u>(4,189,181)</u>	<u>(3,338,791)</u>
Total earmarked reserves	<u>\$ (7,733,931)</u>	<u>\$ (6,892,383)</u>
Amounts Recognized in the Statement of Financial Position Consist of:		
Accrued benefit liability	<u>\$ (7,733,931)</u>	<u>\$ (6,892,383)</u>
Weighted-Average Assumptions		
Discount rate as of December 31	8.00%	6.75%
Expected return on plan assets for the year	10.00%	9.00%
Rate of compensation increase as of December 31	3.50%	4.50%
Components of Net Periodic Benefit Cost		
Service cost	\$ 109,906	\$ 111,913
Interest cost	221,296	235,860
Expected return on plan assets and reserves	(291,188)	(281,087)
Amortization of:		
transition obligation/(asset)	128,957	128,957
actuarial loss/(gain)	<u>(11,375)</u>	<u>(1,280)</u>
Net periodic benefit cost/(income)	157,596	194,363
Investment return on invested reserves	<u>165,904</u>	<u>154,530</u>
Total periodic cost	<u>\$ 323,500</u>	<u>\$ 348,893</u>

The earmarked reserves are matched by a "Rabbi" Trust with \$7,733,931 and \$6,892,383, respectively as of December 31, 1999 and 1998.

Woods Hole Oceanographic Institution

Notes to Financial Statements

H. 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	
	1999	1998
<i>Change in Benefit Obligation</i>		
Benefit obligation at beginning of year	\$ 21,998,913	\$ 18,675,643
Service cost	490,210	441,396
Interest cost	1,420,108	1,295,184
Plan participants' contributions *	-	-
Actuarial (gain)/loss	(4,091,749)	2,340,048
Benefits paid net of plan participants' contributions	<u>(787,039)</u>	<u>(753,358)</u>
Benefit obligation at end of year	<u>\$ 19,030,443</u>	<u>\$ 21,998,913</u>
<i>Change in Plan Assets</i>		
Fair value of plan assets at beginning of year	13,701,233	11,621,126
Actual return on plan assets	2,021,124	1,879,465
Employer contribution	930,995	954,000
Plan participants' contributions *	-	-
Benefits paid net of plan participants' contributions	<u>(787,039)</u>	<u>(753,358)</u>
Fair value of plan assets at end of year	<u>\$ 15,866,313</u>	<u>\$ 13,701,233</u>
* plan participants' contributions are netted out of benefit claims		
Funded status	\$ (3,164,130)	\$ (8,297,680)
Unrecognized actuarial (gain)/loss	(2,859,332)	1,876,007
Unrecognized portion of net obligation/(asset) at transition	11,096,143	11,949,692
Unrecognized prior service cost/(credit)	<u>(4,212,616)</u>	<u>(4,739,193)</u>
Net amount recognized	<u>\$ 860,065</u>	<u>\$ 788,826</u>
Amounts Recognized in the Statement of Financial Position Consist of:		
Prepaid benefit cost	<u>\$ 860,065</u>	<u>\$ 788,826</u>
<i>Weighted-Average Assumptions</i>		
Discount rate as of December 31	8.00%	6.75%
Expected return on plan assets for the year	10.00%	9.00%

For measurement purposes, a 7.0% and 5.5% annual rate of increase in the per capita cost of covered healthcare benefits was assumed in 2000 for pre-65 and post-65 benefits, respectively.

Woods Hole Oceanographic Institution

Notes to Financial Statements

These were assumed to decrease gradually to 4.5% and 5.0% respectively, and remain at that level thereafter.

Components of Net Periodic Benefit Cost		
Service cost	\$ 490,210	\$ 441,396
Interest cost	1,420,108	1,295,184
Expected return on plan assets and reserves	(1,377,533)	(1,051,904)
Amortization of:		
transition obligation/(asset)	853,549	853,549
prior service cost/(credit)	<u>(526,577)</u>	<u>(526,577)</u>
Net periodic benefit cost/(income)	<u>\$ 859,757</u>	<u>\$ 1,011,648</u>

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:

	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service cost and interest cost	\$ 352,914	\$ (277,215)
Effect on the postretirement benefit obligation	2,885,965	(2,342,592)

I. 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 had settled the years through 1998. The current indirect costs recovery rates, which are fixed, include the impact of prior year settlements. While the 1999 direct and indirect costs are subject to audit, the Institution does not believe settlement of this year will have a material impact on its results of operations (change in net assets) or its financial position.

The Institution through its endowment fund is committed to invest \$26,000,000 in certain venture capital and investment partnerships.

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

Form **2758**

(Rev. June 1998)

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

▶ **File a separate application for each return.**Please type or
print. File the
original and one
copy by the due
date for filing
your return. See
instructions.

Name

WOODS HOLE OCEANOGRAPHIC INSTITUTION

Employer identification number

04-2105850

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

569 WOODS HOLE ROAD, MS 14

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

WOODS HOLE, MA 02543**Note:** Corporate income tax return filers must use Form 7004 to request an extension of time to file. Partnerships, REMICs, and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.1 I request an extension of time until November 15, 2000, to file (check only one):☐ Form 706-GS(D)☐ Form 990-T (sec. 401(a) or 408(a) trust)☐ Form 1120-ND (sec. 4951 taxes)☐ Form 8612☐ Form 706-GS(T)☐ Form 990-T (trust other than above)☐ Form 3520-A☐ Form 8613☒ Form 990 or 990-EZ☐ Form 1041 (estate) (see instructions)☐ Form 4720☐ Form 8725☐ Form 990-BL☐ Form 1041-A☐ Form 5227☐ Form 8804☐ Form 990-PF☐ Form 1042☐ Form 6069☐ Form 8831If the organization does not have an office or place of business in the United States, check this box ☐2a For calendar year _____, or other tax year beginning January 1, 1999 and ending December 31, 1999.b If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period3 Has an extension of time to file been previously granted for this tax year? ☒ Yes ☐ No4 State in detail why you need the extension Additional time is needed to file a complete and accurate return5a If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. \$ NONEb If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ NONEc Balance due. Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions \$ 0**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ▶



Title ▶ CPA

Date ▶

7/28/00**FILE ORIGINAL AND ONE COPY.** The IRS will show below whether or not your application is approved and will return the copy.**Notice to Applicant — To Be Completed by the IRS**☒ We HAVE approved your application. Please attach this form to your return.☐ We HAVE NOT approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.☐ We HAVE NOT approved your application. After considering the reasons stated in item 4, we cannot grant your request for an extension of time to file. We are not granting the 10-day grace period.☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.☐ Other: _____**EXTENSION APPROVED****AUG 15 2000**

Director

By: _____

RICHARD CREAMER, DIRECTOR

CODING AND PROCESSING CENTER

If you want a copy of this form to be returned to an address other than that shown above, please enter the address to which the copy should be sent.

Please
Type
or
Print

Name

PricewaterhouseCoopers LLP**ATTN: Jocelyn Ceasar**

Number, street, and room or suite no. (or P.O. box no. if mail is not delivered to street address)

One International Place

City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

Boston, MA 02110**RE: Woods Hole**

For Paperwork Reduction Act Notice, see back of form.

Form 2758 (Rev. 6-98)

ISA
STF FED-663F

Form **2758**

(Rev. June 1998)

Department of the Treasury
Internal Revenue Service**Application for Extension of Time To File
Certain Excise, Income, Information, and Other Returns**

OMB No. 1545-0148

► **File a separate application for each return.**Please type or
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Name

WOODS HOLE OCEANOGRAPHIC INSTITUTION

Employer identification number

04-2105850

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569 WOODS HOLE ROAD, MS 14

City, town or post office, state, and ZIP code. For a foreign address, see instructions.

WOODS HOLE, MA 02543**Note:** Corporate income tax return filers must use **Form 7004** to request an extension of time to file. Partnerships, REMICs, and trusts must use **Form 8738** to request an extension of time to file **Form 1065, 1066, or 1041**.**1** I request an extension of time until August 15, 2000, to file (check only one):

- | | | | |
|--|---|---|------------------------------------|
| <input type="checkbox"/> Form 706-GS(D) | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 1120-ND (sec. 4951 taxes) | <input type="checkbox"/> Form 8812 |
| <input type="checkbox"/> Form 706-GS(T) | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 3520-A | <input type="checkbox"/> Form 8613 |
| <input checked="" type="checkbox"/> Form 990 or 990-EZ | <input type="checkbox"/> Form 1041 (estate) (see instructions) | <input type="checkbox"/> Form 4720 | <input type="checkbox"/> Form 8725 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 5227 | <input type="checkbox"/> Form 8804 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1042 | <input type="checkbox"/> Form 6069 | <input type="checkbox"/> Form 8831 |

If the organization does not have an office or place of business in the United States, check this box. ☐**2a** For calendar year _____, or other tax year beginning January 1, 1999 and ending December 31, 1999.**b** If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period**3** Has an extension of time to file been previously granted for this tax year? ☐ Yes ☒ No**4** State in detail why you need the extension Additional time is needed to file a complete and accurate return**5a** If this form is for Form 706-GS(D), 706-GS(T), 990-BL, 990-PF, 990-T, 1041 (estate), 1042, 1120-ND, 4720, 6069, 8612, 8613, 8725, 8804, or 8831, enter the tentative tax, less any nonrefundable credits. See instructions. \$ NONE**b** If this form is for Form 990-PF, 990-T, 1041 (estate), 1042, or 8804, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ NONE**c Balance due.** Subtract line 5b from line 5a. Include your payment with this form, or deposit with FTD coupon if required. See instructions \$ 0**Signature and Verification**

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete; and that I am authorized to prepare this form.

Signature ►

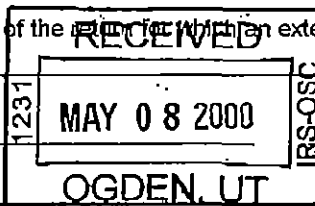
Kay B. Linder

Title ► CPA

Date ►

*5-4-00***FILE ORIGINAL AND ONE COPY.** The IRS will show below whether or not your application is approved and will return the copy.**Notice to Applicant To Be Completed by the IRS**

- ☒ We **HAVE** approved your application. Please attach this form to your return.
- ☐ We **HAVE NOT** approved your application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of your return (including any prior extensions). This grace period is considered to be a valid extension of time for elections otherwise required to be made on a timely return. Please attach this form to your return.
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- ☐ We cannot consider your application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other: _____



Director

By: _____

Date

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Please
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or
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Name

PricewaterhouseCoopers LLP**ATTN: Jocelyn Ceasar**

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City, town, or post office, state, and ZIP code. For a foreign address, see instructions.

Boston, MA 02110**RE: Woods Hole**

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Form **2758** (Rev. 6-98)ISA
STP FED4863F