

# 2014 Financial Statements

We are pleased to present the CY 2014 audited financial statements of the Woods Hole Oceanographic Institution (published in a separate report in previous years). The Institution continues to face financial challenges, but they are being managed. While federal science budgets continue to be pressured, our total funded sponsored research increased by 11% vs. last year, due to increases in subcontract funding for the OOI project and an increase in ship and submarine operations. Federal funding remained flat. We continue to identify and implement significant efficiency initiatives that will yield future savings, and we continue to evaluate costs and cost distribution methods in order to offer scientists and their sponsoring agencies the most cost-effective research. Once again the Institution received an AA- rating with a stable outlook from Standard & Poor's. This was based on the Institution's strong endowment and its position as the world's largest private oceanographic research and higher education institution.

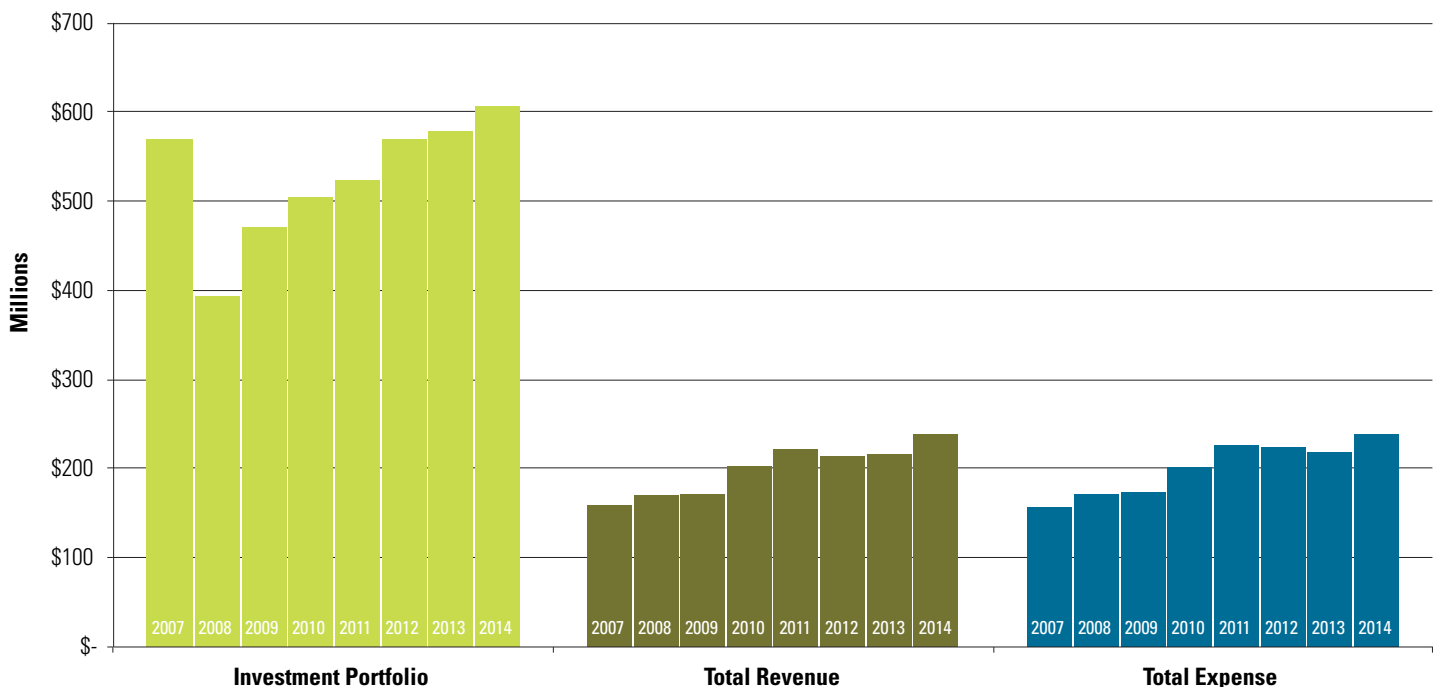
## Statement of Financial Position

WHOI continues to have a strong balance sheet. As of December 31, 2014, WHOI's total assets were \$602.8 million, total liabilities were \$293.4 million, and total net assets were \$309.4 million.

Net assets represent the accumulated financial strength of a not-for-profit organization and are an important gauge of its ability to carry out its mission. Included in the liabilities is the Massachusetts Health and Educational Facilities Authority bond debt of \$55.9 million.

The endowment, \$423.9 million, represents 70% of the total assets at December 31, 2014.

## Financial Trends



**Statement of Activities**

WHOI's total operating revenues increased by \$22.3 million, from \$216.4 million in CY 2013 to \$238.7 million in CY 2014, and the Institution's change in net assets from operating activities was \$1.1 million.

\$17.2 million of endowment income and appreciation was distributed to operations as follows:

- Education \$7.2 million
- Research \$5.9 million
- Unrestricted \$4.1 million

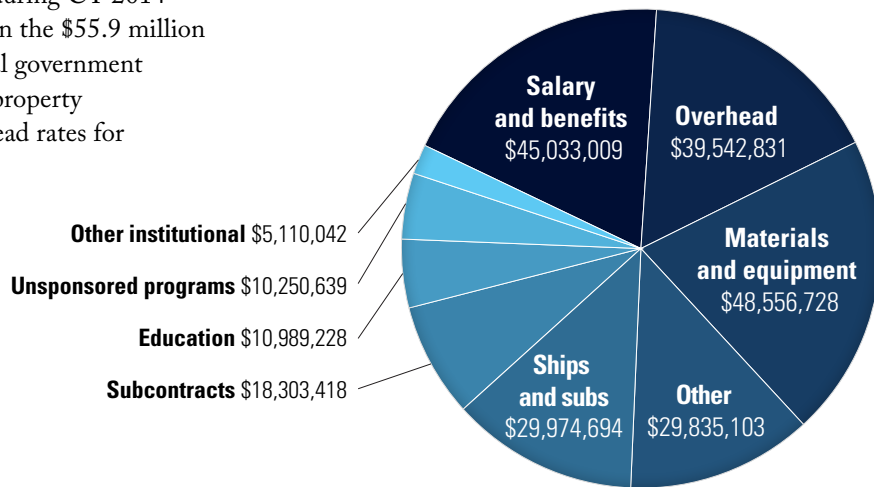
The Institution had overhead costs of \$87.4 million, and approximately 66% of that amount, \$57.3 million, was recovered from government and non-government research. The remainder was institutional expenses.

WHOI paid \$4.7 million in interest during CY 2014 and \$1.7 million in principal payments on the \$55.9 million outstanding debt in CY 2014. The federal government allows interest and depreciation for real property and equipment in the Institution's overhead rates for reimbursement.

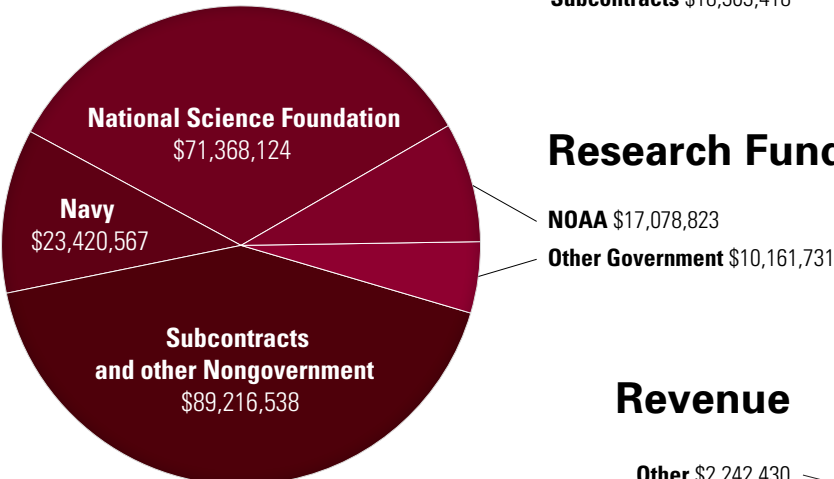
**Summary**

The Institution's commitment to understanding the ocean is unchanged; however, the federal funding environment continues to provide a challenge. WHOI continues to investigate expanding its sources of revenue by leveraging its industry-recognized core skills in both the federal and industry marketplaces. Our Institution-wide initiative to examine WHOI's blueprint for success in future years is also ongoing.

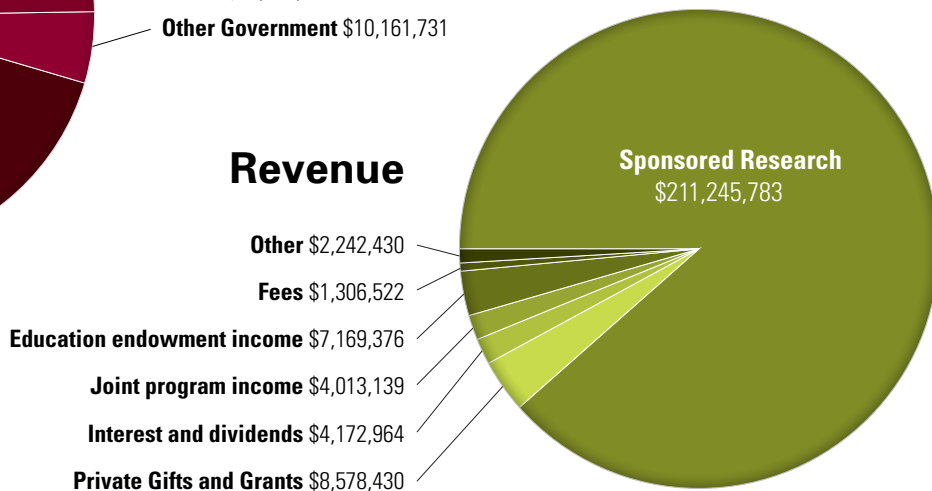
**Operating Expenses**



**Research Funding**



**Revenue**



The \$15.4 million raised by WHOI's Development Office in 2014 includes private gifts and grants, and a portion of the sponsored research total.