

# Return of Organization Exempt From Income Tax

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527, or section 4947(a)(1) nonexempt charitable trust  
The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

**2000**

Open to Public Inspection

**A** For the 2000 calendar year, OR tax year period beginning and ending

**B** Check if applicable:  
☐ Change of address  
☐ Change of name  
☐ Initial return  
☐ Final return  
☐ Amended return (use also for state reporting)

**C** Name of organization  
**Woods Hole Oceanographic Institution**  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**569 Woods Hole Road, MS 14**  
 City or town, state or country, and ZIP  
**Woods Hole, MA 02543**

**D** Employer identification number  
**04-2105850**

**E** Telephone number  
**(508) 457-2000**

**F** Check ☐ if application pending

**G** Organization type (check only one) ☒ 501(c)(3) (insert no.) ☐ 527  
 OR ☐ 4947(a)(1)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

**J** Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ☐

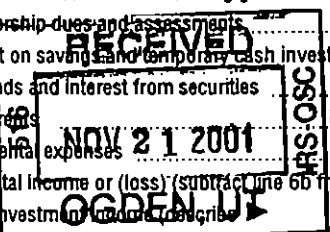
**K** Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

**H** (H and I are not applicable to section 527 orgs.)  
**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No  
**H(b)** If "Yes," enter number of affiliates ☐  
**H(c)** Are all affiliates included? ☒ Yes ☐ No (If "No," attach a list.)  
**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No  
**I** Enter 4-digit group exemption no. (GEN) ☐  
**L** Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ☐

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

Revenue	1	Contributions, gifts, grants, and similar amounts received:					
	a	Direct public support	1a	15,067,685.			
	b	Indirect public support	1b				
	c	Government contributions (grants)	1c				
	d	Total (add lines 1a through 1c) (cash \$ 15,067,685. noncash \$ )	1d	15,067,685.			
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	85,844,088.			
	3	Membership dues and assessments	3				
	4	Interest on savings and temporary cash investments	4	973,119.			
	5	Dividends and interest from securities	5	2,374,172.			
	6a	Gross revenue	6a	689,987.			
	b	Less: rental expenses	6b				
	c	Net rental income or (loss) (subtract line 6b from line 6a)	6c	689,987.			
7	Other investment income (describe)	7					
Expenses	8a	Gross amount from sale of assets other than inventory	(A) Securities	191,386,938.	8a	(B) Other	481,072.
	b	Less: cost or other basis and sales expenses	8b	175,560,438.			
	c	Gain or (loss) (attach schedule)	8c	15,826,500.		481,072.	
	d	Net gain or (loss) (combine line 8c, columns (A) and (B))	8d	16,307,572.			
	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				
	10a	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	242,575.			
12	Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12	121,499,198.				
Net Assets	13	Program services (from line 44, column (B))	13	88,493,263.			
	14	Management and general (from line 44, column (C))	14	3,134,305.			
	15	Fundraising (from line 44, column (D))	15	1,642,199.			
	16	Payments to affiliates (attach schedule)	16				
	17	Total expenses (add lines 13 and 14, column (A))	17	93,269,767.			
	18	Excess or (deficit) for the year (subtract line 17 from line 12)	18	28,229,431.			
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	271,857,082.			
	20	Other changes in net assets or fund balances (attach explanation)	20	38,695,225.			
	21	Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21	338,781,738.			

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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 \$3185304 • noncash \$	22 3,185,304.	3,185,304.	Statement 6	
23 Specific assistance to individuals (attach schedule)	23			
24 Benefits paid to or for members (attach schedule)	24			
25 Compensation of officers, directors, etc. ....	25 623,000.	0.	623,000.	0.
26 Other salaries and wages .....	26 40,477,850.	39,850,931.		626,919.
27 Pension plan contributions .....	27			
28 Other employee benefits .....	28 3,836,073.	3,187,548.	395,536.	252,989.
29 Payroll taxes .....	29 2,996,116.	2,905,001.	45,415.	45,700.
30 Professional fundraising fees .....	30			
31 Accounting fees .....	31 247,200.		247,200.	
32 Legal fees .....	32 119,345.		107,405.	11,940.
33 Supplies .....	33 14,590,594.	13,555,209.	469,979.	565,406.
34 Telephone .....	34 350,841.	327,723.	15,248.	7,870.
35 Postage and shipping .....	35 828,318.	793,900.	14,763.	19,655.
36 Occupancy .....	36 5,365,099.	5,152,618.	206,251.	6,230.
37 Equipment rental and maintenance .....	37 2,685,727.	2,496,794.	179,106.	9,827.
38 Printing and publications .....	38 299,025.	235,045.	27,909.	36,071.
39 Travel .....	39 4,088,558.	3,896,008.	150,011.	42,539.
40 Conferences, conventions, and meetings .....	40			
41 Interest .....	41			
42 Depreciation, depletion, etc. (attach schedule) ....	42 3,338,844.	2,954,874.	380,792.	3,178.
43 Other expenses (itemize): a Miscellaneous	43a 376,484.	375,570.	789.	125.
b Contract Services	43b 9,861,389.	9,576,738.	270,901.	13,750.
c	43c			
d	43d			
e	43e			
44 Total functional expenses (add lines 22 through 43). Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44 93,269,767.	88,493,263.	3,134,305.	1,642,199.

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 \$ 344,813.)	82,262,725.	
b See Statement 1			
	(Grants and allocations \$ 2,840,491.)	6,230,538.	
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)		88,493,263.	

**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
<b>Assets</b>	45 Cash - non-interest-bearing		45
	46 Savings and temporary cash investments	22,997,048.	46 35,351,941.
	47 a Accounts receivable	47a 5,382,521.	
	b Less: allowance for doubtful accounts	47b	47c 5,382,521.
	48 a Pledges receivable	48a 2,875,144.	
	b Less: allowance for doubtful accounts	48b	48c 2,875,144.
	49 Grants receivable		49
	50 Receivables from officers, directors, trustees, and key employees		50
	51 a Other notes and loans receivable	51a	51c
	b Less: allowance for doubtful accounts	51b	
	52 Inventories for sale or use	808,919.	52 1,070,303.
	53 Prepaid expenses and deferred charges	10,021,951.	53 12,103,143.
	54 Investments - securities Stmt 7 Stmt 8 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	219,566,457.	54 278,691,287.
	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 Stmt 10	57a 71,160,282.		
b Less: accumulated depreciation	57b 37,627,865.	57c 33,532,417.	
58 Other assets (describe See Statement 9)	5,736,382.	58 4,944,808.	
59 Total assets (add lines 45 through 58) (must equal line 74)	302,954,260.	59 373,951,564.	
<b>Liabilities</b>	60 Accounts payable and accrued expenses	13,210,950.	60 13,998,812.
	61 Grants payable		61
	62 Deferred revenue	7,153,083.	62 10,090,884.
	63 Loans from officers, directors, trustees, and key employees		63
	64 a Tax-exempt bond liabilities		64a
	b Mortgages and other notes payable Stmt 10	2,999,214.	64b 3,921,516.
	65 Other liabilities (describe See Statement 11)	7,733,931.	65 7,158,614.
66 Total liabilities (add lines 60 through 65)	31,097,178.	66 35,169,826.	
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.		
	67 Unrestricted	92,644,614.	67 109,890,818.
	68 Temporarily restricted	139,635,043.	68 186,367,906.
	69 Permanently restricted	39,577,425.	69 42,523,014.
	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)	271,857,082.	73 338,781,738.
	74 Total liabilities and net assets / fund balances (add lines 66 and 73)	302,954,260.	74 373,951,564.

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.



Part VI Other Information		N/A	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 <u>See Statement 13</u> 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		
85	501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a		
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		
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		
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		
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 or did it become aware of an excess benefit transaction from a prior 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 on line 89c, above, reimbursed by the organization			0.
90 a	List the states with which a copy of this return is filed <u>Massachusetts, New York</u>	90b		907
b	Number of employees employed in the pay period that includes March 12, 2000			
91	The books are in care of <u>Stacey L. Medeiros, Controller</u> Telephone no. <u>(508) 457-2000</u>			
	Located at <u>Woods Hole, MA</u> ZIP code <u>02543</u>			
92	Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here <input type="checkbox"/> 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. <b>Research</b>			20	78,075,797.	
b. <b>Education</b>					7,072,941..
c.					
d.					
e.					
f. Medicare/Medicaid payments					
g. Fees and contracts from government agencies			20	695,350.	
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	973,119.	
96 Dividends and interest from securities			14	2,374,172.	
97 Net rental income or (loss) from real estate:					
a. debt-financed property					
b. not debt-financed property			16	689,987.	
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	16,307,572.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a. <b>Royalty&amp;Licensing Fees</b>			15	57,666.	
b. <b>Information Ctr Income</b>					184,909..
c.					
d.					
e.					
104 Subtotal (add columns (B), (D), and (E))		0.		99,173,663.	7,257,850..
105 Total (add line 104, columns (B), (D), and (E))					106,431,513.

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).

▼ See Statement 15

**Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities**

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
See Statement 14	%			
	%			
	%			
	%			

**Part X Information Regarding Transfers Associated with Personal Benefit Contracts**

(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes. ☒ No.

(b) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes. ☒ No.

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

Carolyn Bunker, Acting Assoc

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

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

**2000**

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	Sr. Scientist			
569 Woods Hole Rd, Woods Hole, MA 02540+		153,056.	25,103.	0.
John W. Farrington	As. Dir Educ			
569 Woods Hole Rd, Woods Hole, MA 02540+		147,923.	23,083.	0.
John Hayes	Sr. Scientist			
569 Woods Hole Rd, Woods Hole, MA 02540+		149,528.	24,055.	0.
Richard F. Pittenger	As. Dir Marine			
569 Woods Hole Rd, Woods Hole, MA 02540+		150,000.	20,478.	0.
Fred Sayles	Sr. Scientist			
569 Woods Hole Rd, Woods Hole, MA 02540+		146,813.	18,073.	0.
Total number of other employees paid over \$50,000	371			

**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.	Actuarial and Employee Benefits	97,205.
200 Clarendon St., Boston, MA 02116		
Hill & Knowlton	Media Consultants	109,005.
600 New Hampshire Ave., Washington, D.C. 20037		
Vin Kiernan	Builders	119,478.
49 Harbor Farms Road, East Falmouth, MA 02536		
PriceWaterhouseCoopers, LLP	Accounting Services	257,200.
P.O. Box 3026, Boston, MA 02241-3026		
Noah Greenberg Associates	Architectural Services	94,898.
22 Beebe Acres, Falmouth, MA 02540		
Total number of others receiving over \$50,000 for professional services	8	

### Part III Statements About Activities

Yes	No
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- 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? STATEMENT 17  
if "Yes," enter the total expenses paid or incurred in connection with the lobbying activities ► \$ 100,513.  
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? STATEMENT 17
- b Lending of money or other extension of credit? STATEMENT 18
- c Furnishing of goods, services, or facilities? \_\_\_\_\_
- d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? See Part V, Form 990
- 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.
- 3 Does the organization make grants for scholarships, fellowships, student loans, etc.? \_\_\_\_\_
- 4 a Do you have a section 403(b) annuity plan for your employees? \_\_\_\_\_  
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 page 2 of the instructions.) STATEMENT 18

**Part IV Reason for Non-Private Foundation Status** (See pages 2 through 5 of the instructions.)

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

- 5 ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6 ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 5.)
- 7 ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8 ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9 ☐ 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 ☐ 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 ☒ 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 ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12 ☐ 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 ☐ 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 5 of the instructions.)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14 ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)



**Part IV-A Support Schedule** (Complete only if you checked a box on line 10, 11, or 12.) 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) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
<b>15</b> <sup>1</sup> Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.) .....	7,585,085.	73,375,959.	67,904,634.	70,613,657.	219,479,335.
<b>16</b> Membership fees received .....					
<b>17</b> 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 .....	77,448,456.	208,379,656.	192,512,379.	164,792,682.	643,133,173.
<b>18</b> 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 .....	4,492,114.	3,316,638.	2,982,610.	2,497,639.	13,289,001.
<b>19</b> Net income from unrelated business activities not included in line 18 .....					
<b>20</b> Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf .....					
<b>21</b> 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.	1,187,328.
<b>22</b> Other income. Attach a schedule. Do not include gain or (loss) from sale of capital assets. <u>ST-19</u> .....	215,450.				215,450.
<b>23</b> Total of lines 15 through 22 .....	89,741,105.	285,468,029.	263,795,399.	238,299,754.	877,304,287.
<b>24</b> Line 23 minus line 17 .....	12,292,649.	77,088,373.	71,283,020.	73,507,072.	234,171,114.
<b>25</b> Enter 1% of line 23 .....	897,411.	2,854,680.	2,637,954.	2,382,998.	
<b>26</b> Organizations described on lines 10 or 11: <b>a</b> Enter 2% of amount in column (e), line 24 .....					<b>26a</b> 4,683,422.
<b>b</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 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts .....					<b>26b</b> 0.
<b>c</b> Total support for section 509(a)(1) test: Enter line 24, column (e) .....					<b>26c</b> 234,171,114.
<b>d</b> Add: Amounts from column (e) for lines: 18 <u>13,289,001.</u> 19 <u>                    </u> 22 <u>215,450.</u> 26b <u>                    </u> .....					<b>26d</b> 13,504,451.
<b>e</b> Public support (line 26c minus line 26d total) .....					<b>26e</b> 220,666,663.
<b>f</b> Public support percentage (line 26e (numerator) divided by line 26c (denominator)) .....					<b>26f</b> 94.2331%
<b>27</b> Organizations described on line 12: <b>a</b> For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) 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: (1999) <u>N/A</u> (1998) <u>                    </u> (1997) <u>                    </u> (1996) <u>                    </u> .....					
<b>b</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: (1999) <u>N/A</u> (1998) <u>                    </u> (1997) <u>                    </u> (1996) <u>                    </u> .....					
<b>c</b> Add: Amounts from column (e) for lines: 15 <u>                    </u> 16 <u>                    </u> 17 <u>                    </u> 20 <u>                    </u> 21 <u>                    </u> .....					<b>27c</b> N/A
<b>d</b> Add: Line 27a total <u>                    </u> and line 27b total <u>                    </u> .....					<b>27d</b> N/A
<b>e</b> Public support (line 27c total minus line 27d total) .....					<b>27e</b> N/A
<b>f</b> Total support for section 509(a)(2) test: Enter amount on line 23, column (e) .....					<b>27f</b> N/A
<b>g</b> Public support percentage (line 27e (numerator) divided by line 27f (denominator)) .....					<b>27g</b> N/A %
<b>h</b> Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)) .....					<b>27h</b> N/A %

**28 Unusual Grants:** For an organization described in line 10, 11, or 12, that received any unusual grants during 1996 through 1999, 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 page 5 of the instructions.)

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? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)	31	
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? If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)	32d	
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? If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)	33h	
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? If you answered "Yes" to either 34a or b, please explain using an attached statement.	34b	
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 or 990-EZ) 2000

**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 ☐ If the organization belongs to an affiliated group.  
 Check here ☐ 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 .....		41	
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 on page 9 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				N/A
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(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		11,168.
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		89,345.
h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means .....		X	
i Total lobbying expenditures (add lines c through h) .....			100,513.

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

See Statement 17



**Schedule B**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

Supplementary Information for line 1d of Form 990 or  
line 1 of Form 990-EZ (see instructions)

OMB No. 1545-0047

**2000**

Name of organization

Woods Hole Oceanographic Institution

Employer identification number  
04-2105850

Organization type (check one)-Section: ☒ 501(c)(3) (enter number) ☐ 527 or ☐ 4947(a)(1) nonexempt charitable trust

**A Section 501(c)(7), (8), or (10) organizations-**

Check this box if the organization had no charitable contributors who contributed more than \$1,000 during the year. (But see General rule below.) ☐

Enter here the total gifts received during the year for a religious, charitable, etc., purpose \$

**Note:** This form is generally not open to public inspection except for section 527 organizations.

**General Instructions**

**Purpose of Form**

Schedule B (Form 990 or 990-EZ) is used by organizations required to file Form 990, Return of Organization Exempt From Income Tax, or Form 990-EZ, Short Form Return of Organization Exempt From Income Tax, to provide the information regarding their contributors that is required for line 1d of Form 990 (or line 1 of Form 990-EZ).

Attach the Schedule B (Form 990 or 990-EZ) to Form 990 or 990-EZ. Attach Schedule B after Schedule A (Form 990 or 990-EZ), Organization Exempt Under Section 501(c)(3), if that return is required for the organization.

**Who Must File Schedule B (Form 990 or 990-EZ)**

All organizations must file Schedule B (Form 990 or 990-EZ) unless they certify that they do not meet the filing requirements of Schedule B (Form 990 or 990-EZ) by checking the box in item L of the heading of their Form 990 or Form 990-EZ.

See the instructions for item L in the Instructions for Form 990 and Form 990-EZ.

**Caution:** Schedule B (Form 990 or 990-EZ) is not a substitute for the list of "contributors" required for Part IV-A, Support Schedule, of Schedule A (Form 990 or 990-EZ).

**Public Inspection**

Schedule B (Form 990 or 990-EZ) is:

- Open to public inspection for a section 527 political organization.
- Generally not open to public inspection for the other organizations that must file this form.

If a non-section 527 organization files a copy of Form 990, or Form 990-EZ, and attachments with any state, it should not include its Schedule B (Form 990 or 990-EZ) in the attachments for the state unless a schedule of contributors is specifically required by the state. States that do not require the information might make the schedule available for public inspection along with the rest of the Form 990 or Form 990-EZ.

See the Instructions for Form 990 and Form 990-EZ for phone help and the public inspection rules for those forms and their attachments, which include Schedule B (Form 990 or 990-EZ).

**Contributors Required To Be Listed On Part I**

"Contributor" includes individuals, fiduciaries, partnerships, corporations, associations, trusts, and exempt organizations.

**General rule.** Unless the organization is covered by one of the special rules below, it must list on Part I every contributor who during the year, gave the organization directly or indirectly, money, securities, or any other type of property totaling \$5,000 or more for the year. Also complete Part II for a noncash contribution. In determining the \$5,000 amount, total all of the contributor's gifts of \$1,000 or more for the year.

**Section 501(c)(3) organizations.** For an organization described in section 501(c)(3) that meets the 33 1/3% support test of the Regulations under sections 509(a)(1)/170(b)(1)(A)(vi) (whether or not the organization is otherwise described in section 170(b)(1)(A))-

List in Part I only those contributors whose contribution of \$5,000 or more is greater than 2% of the amount reported on line 1d of Form 990 (or line 1 of Form 990-EZ) (Regulations section 1.6033-2(a)(2)(iii)(a)).

**Example.** A section 501(c)(3) organization, of the type described above, reported \$700,000 in total contributions, gifts, grants, and similar amounts received on line 1d of its Form 990. The organization is only required to list in Parts I and II of its Schedule B (Form 990 or 990-EZ) each person who contributed more than the

greater of \$5,000 or \$14,000 (2% of \$700,000). Thus, a contributor who gave a total of \$11,000 would not be reported in Parts I and II for this section 501(c)(3) organization. Even though the \$11,000 contribution to the organization exceeded \$5,000, it did not exceed \$14,000.

**Section 501(c)(7), (8), or (10) organizations.** For *noncharitable* contributions to one of these organizations, list in Part I contributors who gave \$5,000 or more as described in the General rule discussed above.

If a section 501(c)(7), (8), or (10) organization received contributions or bequests for use exclusively for religious, charitable, etc., purposes (sections 170(c)(4), 2055(a)(3), or 2522(a)(3))-

List in Part I each contributor whose contributions total more than \$1,000 during the year that were for a religious, charitable, etc., purpose. To determine the \$1,000, aggregate all of a contributor's gifts for the year (regardless of amount). For a noncash contribution, complete Part II.

All section 501(c)(7), (8), or (10) organizations that received any charitable contributions and listed any charitable contributors on Part I must also complete Part III.

If section 501(c)(7), (8), or (10) organization received charitable gifts, but is not required to list any charitable contributors on Part I, check the box on line A at the top of Schedule B (Form 990 or 990-EZ) and enter the amount of charitable contributions received in the space provided. The organization need not complete and attach Part III.

**Specific Instructions**

**Note:** You may duplicate Parts I, II, and III if more copies are needed. Number each page of each Part.

**Part I.** In column (a), identify the first contributor listed as no. 1 and the second contributor as no. 2, etc. Number consecutively. Show the contributor's name, address, aggregate contributions for the year, and the type of contribution (e.g., whether an individual, payroll, or noncash contribution). Report payroll contributions by listing the employer's name, address, and total amount given (unless an employee gave enough to be listed individually).

**Part II.** In column (a), show the number that corresponds to the contributor's number in Part I. Describe the noncash contribution fully. Report on property with readily determinable market value (i.e., market quotations for securities) by listing its fair market value (FMV). For marketable securities registered and listed on a recognized securities exchange, measure market value by the average of the highest and lowest quoted selling prices (or the average between the bona fide bid and asked prices) on the contribution date. See Regulations section 20.2031-2 to determine the value of contributed stocks and bonds. When market value cannot be readily determined, use an appraised or estimated value. To determine the amount of a noncash contribution that is subject to an outstanding debt, subtract the debt from the property's fair market value.

**Part III.** Section 501(c)(7), (8), or (10) organizations that received contributions or bequests for use exclusively for religious, charitable, etc., purposes, must complete Parts I through III for those persons whose gifts totaled more than \$1,000 during the year. Show also, in the heading of Part III, total gifts that were \$1,000 or less and were for a religious, charitable, etc., purpose. Complete this information only on the first Part III page.

If an amount is set aside for a religious, charitable, etc., purpose, show in column (d) how the amount is held (e.g., whether it is mingled with amounts held for other purposes). If the organization transferred the gift to another organization, show the name and address of the transferee organization in column (e) and explain the relationship between the two organizations.

Name of organization

Employer identification number

Woods Hole Oceanographic Institution

04-2105850

**Part I** Contributors

(a) No.	(b) Name, address and ZIP code	(c) Aggregate contributions	(d) Type of contribution
1		\$ 6,885,923.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
2		\$ 1,500,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
3		\$ 1,353,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
4		\$ 1,100,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
5		\$ 333,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
6		\$ 684,250.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)

Name of organization

Employer identification number

Woods Hole Oceanographic Institution

04-2105850

**Part I** Contributors

(a) No.	(b) Name, address and ZIP code	(c) Aggregate contributions	(d) Type of contribution
7		\$ 408,987.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
8		\$ 311,446.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
9		\$ 850,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
10		\$ 300,000.	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
11		\$	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
12		\$	Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)

## Footnotes

Statement 1

990, Page 2, Part III

a. Sponsored and Institution research in oceanography and related fields. Sponsored research involved 455 awards from 17 federal agencies and 179 from 93 other clients. Institution research involved 78 projects from unrestricted funds.

b. Education joint graduate program with M.I.T. in the Marine Sciences. Enrolled for the 99-00 academic year; 114 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.



Form 990	Rental Income	Statement	2
Kind and Location of Property	Activity Number	Gross Rental Income	
Various	1	689,987.	
Total to Form 990, Part I, line 6a		689,987.	

Form 990	Gain (Loss) From Publicly Traded Securities			Statement	3
Description	Gross Sales Price	Cost or Other Basis	Expense of Sale	Net Gain or (Loss)	
John McStay	9,828,548.-	9,582,324.-	0.-	246,224.-	
Wellington Core					
Equity	30,996,998.-	26,601,428.-	0.-	4,395,570.-	
Montag & Caldwell	25,505,417.-	23,144,839.-	0.-	2,360,578.-	
Sound Shore Mgmt.	26,831,918.-	25,515,869.-	0.-	1,316,049.-	
Commingled	13,400,000.-	11,065,941.-	0.-	2,334,059.-	
Standish Ayer & Wood	79,121,253.-	79,650,037.-	0.-	<528,784.->	
Other	5,702,804.-	0.-	0.-	5,702,804.-	
To Form 990, Part I, line 8	191,386,938.-	175,560,438.-	0.-	15,826,500.-	

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Form 990                      Gain (Loss) From Sale of Other Assets                      Statement    4

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Description	Date Acquired	Date Sold	Method Acquired		
Corman LAND			PURCHASED		
Name of Buyer	Gross Sales Price	Cost or Other Basis	Expense of Sale	Deprec	Net Gain or (Loss)
	481,072.	0.	0.	0.	481,072.
To Fm 990, Part I, ln 8	481,072.	0.	0.	0.	481,072.

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Form 990                      Other Changes in Net Assets or Fund Balances                      Statement    5

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Description	Amount
Unrealized losses on investments carried at market value	<12,590,961.>
Prior year balance adjusted to reflect change from cost to FMV	51,286,186.
Total to Form 990, Part I, line 20	38,695,225.

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Form 990                      Cash Grants and Allocations                      Statement    6

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Classification	Donee's Relationship	Amount
Fellowships/Scholarships	none	3185304.
Total Included on Form 990, Part II, line 22		3185304.

Form 990	Non-Government Securities	Statement	7
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Description	Corporate Stocks	Corporate Bonds	Other Publicly Traded Securities	Other Securities	Total Non-Gov't Securities
Corporate Bonds		42396551.			42396551.
Equity Securities & Mutual Funds	123939867.				123939867.
Other Securities				52386953.	52386953.
Other Publicly Traded securities			53761943.		53761943.
To Fm 990, ln 54 Col B	123939867.	42396551.	53761943.	52386953.	272485314.

Form 990	Government Securities	Statement	8
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Description	U.S. Government	State and Local Gov't	Total Gov't Securities
U.S. Government securities	6,205,973.		6,205,973.
Total to Form 990, line 54, Col B	6,205,973.		6,205,973.

Form 990	Other Assets	Statement	9
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Description	Amount
Remainder trusts	316,464.
Contributed assets	4,628,344.
Total to Form 990, Part IV, line 58, Column B	4,944,808.

Form 990	Other Notes and Loans Payable	Statement 10
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Lender's Name	Terms of Repayment
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Massachusetts Health and  
Educational Facilities  
Authority

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

Security Provided by Borrower	Purpose of Loan
	Capital projects

Relationship of Lender

Description of Consideration	FMV of Consideration	Balance Due
	0.	3,921,516.
Total included on Form 990, Part IV, line 64, Column B		3,921,516.

Form 990	Other Liabilities	Statement 11
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Description	Amount
Supplemental retirement reserve	7,158,614.
Total to Form 990, Part IV, line 65, Column B	7,158,614.

Form 990

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

Statement 12

Name and Address	Title and Avrg Hrs/Wk	Compen- sation	Employee Ben Plan Expense Contrib Account
Robert B. Gagosian 569 Woods Hole Road Woods Hole, MA 02543-0725	Director 40+	287,000.	27,785. 0.
Paul Clemente 569 Woods Hole Road Woods Hole, MA 02543-0725	Clerk 40+	168,000.	23,642. 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.

PAGE 1 of 3

Woods Hole Oceanographic Institution04-2105850

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.

PAGE 2 of 3

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.
Alfred M. Zeien 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+	168,000.	26,124.	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.

Totals Included on Form 990, Part V

623,000.	77,551.	0.
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PAGE 3 of 3

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Form 990	Identification of Related Organizations Part VI, Line 80b	Statement 13
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Name of Organization	Exempt	NonExempt
Retirement Trust for Employees of Woods Hole Oceanographic Institution	X	

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Form 990	Part IX Information Regarding Taxable Subsidiaries	Statement 14
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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.

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Form 990	Part VIII - Relationship of Activities to Accomplishment of Exempt Purposes	Statement 15
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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.
103b	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.

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2000  
**Depreciation and Amortization Detail**  
 Form 990 page 2, line 42

Asset Description	Cost or Other Basis	Method of Depreciation	Accumulated Depreciation	Net Book Value
Land, building and improvements	54,977,722	S/L	29,934,765	25,042,957
Vessels and dock facilities	3,186,277	S/L	335,313	2,850,964
Lab and other equipment	11,036,930	S/L	7,357,787	3,679,143
Work in process	1,959,353	-		1,959,353
	<u>71,160,282</u>		<u>37,627,865</u>	<u>33,532,417</u>
Depreciation expense	<u>\$ 3,338,844</u>			

## Statement 17

Woods Hole Oceanographic Institution  
 Fiscal Year ended December 31, 2000  
 Employer Identification Number 04-2105858  
 Schedule A, Part III

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 Sale, exchange, or leasing of property?

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 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.

	Contracted Research Performance of subcontracted research	\$	1,358 123,399	Administrative Approval Administrative Approval
<b>Boston College</b>				
Richard F. Syron, Trustee				
<b>Caribbean Marine Research Center</b>				
Sylvia A. Earle, Trustee				
<b>Cornell University</b>				
James M. Clark, President				
<b>Harbor Branch Oceanographic Institute</b>				
George K. Moss, Trustee				
<b>Harvard Apparatus Foundation</b>				
Nancy S. Milburn, Trustee				
<b>Marine Biological Laboratory</b>				
James M. Clark, President				
<b>Massachusetts Eye &amp; Ear Infirmary</b>				
Weston Howland, Jr., Trustee				
<b>Massachusetts Institute of Technology</b>				
Breene M. Kerr, Trustee				
<b>Myrick Seaport Museum</b>				
Daniel S. Gregory, Sr., Trustee				
James B. Hurlock, Trustee				
Percy Chubb, III, Trustee				

CONTINUED 17

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 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

<b>New England Aquarium</b>	National Ocean Science support	7757	Administrative Approval
Weston Howland, Jr., Trustee John F. Magee, Honorary Trustee			
<b>Northeastern University</b>	Subcontracted Research	98352 65	Administrative Approval
Louis W. Cabot, Honorary Trustee			
<b>Ocean Futures Society</b>	Performance of subcontracted research	5,472	Administrative Approval
Sylvia A. Earle, Trustee			
<b>Smithsonian Institution</b>	Subcontracted Research	10,833	Administrative Approval
Thomas O. Mullins, Member (Investment Committee)			
<b>Tufts University</b>	Performance of subcontracted research	208	Administrative Approval
Weston Howland, Jr., Trustee			
<b>The Woods Hole Group</b>	Technical services	5490	Administrative Approval
David G. Mugar, Trustee			

**Woods Hole Oceanographic Institution-Disclosure of Related Party Transactions**  
**Fiscal Year ended December 31, 2000**  
**990, Schedule A, Part III**  
**Employer Identification Number 04-2105858**

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 2000	Aggregate Repayments Through 2000
Paul Clemente, Associate Director/Clerk	Computer Loan (1)	6/11/98	\$2,500	\$500	\$2,500
	Education Loan (2)	8/1/99	\$4,550	\$910	\$1,260
	Education Loan (3)	8/15/00	\$4,000	\$322	\$322
James Luyten, Sr., Associate Director	Education Loan (2)	10/3/95	\$4,906	\$793	\$4,906

(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 Quissett 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.

Woods Hole Oceanographic Institution  
Fiscal Year ended December 31, 2000  
990, Schedule A, Part IV-A, Line 18 - 1999  
Employer Identification Number 04-2106858

Other Revenue:

Royalty and Licensing Fees  
Vending Machines  
Information Center Income

\$	1,550
\$	5,351
\$	<u>208,649</u>
\$	<u><u>215,450</u></u>

Total

**Application for Extension of Time To File an  
Exempt Organization Return**

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** and check this box ☒ **X**
- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** (on page 2 of this form).

**Note: Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.**

**Part I Automatic 3-Month Extension of Time** — Only submit original (no copies needed)

**Note: Form 990-T corporations requesting an automatic 6-month extension** — check this box and complete Part I only ☐

All other corporations (including Form 990-C filers) must use Form 7004 to request an extension of time to file income tax returns.

Partnerships, REMICs and trusts must use Form 8736 to request an extension of time to file Form 1065, 1066, or 1041.

Type or print  File by the due date for filing your return. See instructions.	Name of Exempt Organization		Employer identification number
	WOODS HOLE OCEANOGRAPHIC INSTITUTION		04-2105850
	Number, street, and room or suite no. If a P.O. box, see instructions.		
	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			

**Check type of return to be filed** (file a separate application for each return):

- |  |   |                                    |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation)                 | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL         | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ         | <input type="checkbox"/> Form 990-T (trust other than above)      | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF         | <input type="checkbox"/> Form 1041-A                              | <input type="checkbox"/> Form 8870 |

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-month, for 990-T corporation) extension of time until August 15, 20 01, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
- ▶ ☒ calendar year 20 00 or
- ▶ ☐ tax year beginning \_\_\_\_\_, 20 \_\_\_\_\_, and ending \_\_\_\_\_, 20 \_\_\_\_\_.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ NONE

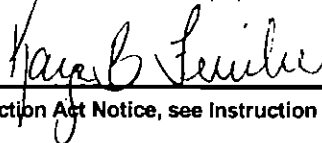
- b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit \$ NONE

- c **Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions \$ 0.00

**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 ▶ 05/01/2001

For Paperwork Reduction Act Notice, see Instruction

Form **8868** (12-2000)

- If you are filing for an **Additional (not automatic) 3-Month Extension**, complete only **Part II** and check this box ☒ **Note: Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.**
- If you are filing for an **Automatic 3-Month Extension**, complete only **Part I** (on page 1).

**Part II Additional (not automatic) 3-Month Extension of Time — Must File Original and One Copy.**

Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization <b>WOODS HOLE OCEANOGRAPHIC INSTITUTION</b>	Employer identification number <b>04-2105850</b>
	Number, street, and room or suite no. If a P.O. box, see instructions. <b>569 OYSTER POND ROAD</b>	For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. <b>WOODS HOLE, MA 02543</b>	

Check type of return to be filed (File a separate application for each return):

- ☒ Form 990    ☐ Form 990-EZ    ☐ Form 990-T (sec. 401(a) or 408(a) trust)    ☐ Form 1041-A    ☐ Form 5227    ☐ Form 8870
- ☐ Form 990-BL    ☐ Form 990-PF    ☐ Form 990-T (trust other than above)    ☐ Form 4720    ☐ Form 6069

**STOP: Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.**

- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a **Group Return**, enter the organization's four digit Group Exemption Number (GEN) \_\_\_\_\_. If this is for the **whole group**, check this box ☐. If it is for **part of the group**, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until November 15, 20 01.
- 5 For calendar year 2000, or other tax year beginning \_\_\_\_\_, 20 \_\_\_\_ and ending \_\_\_\_\_, 20 \_\_\_\_.
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period
- 7 State in detail why you need the extension Additional time is needed to file a complete and accurate return.

- 8a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions \$ NONE
- b If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868 \$ NONE
- c **Balance Due.** Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). 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 [Signature] Title CPA Date 08/01/2001**Notice to Applicant — To Be Completed by the IRS**

- ☒ We have approved this application. Please attach this form to the organization's return.
- ☐ We have not approved this application. However, we have granted a 10-day grace period from the later of the date shown below or the due date of the organization's 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 the organization's return.
- ☐ We have not approved this application. After considering the reasons stated in item 7, we cannot grant your request for an extension of time to file. We are not granting a 10-day grace period.
- ☐ We cannot consider this application because it was filed after the due date of the return for which an extension was requested.
- ☐ Other \_\_\_\_\_

Director \_\_\_\_\_ By \_\_\_\_\_ Date Aug 3 2001**Alternate Mailing Address** — Enter the address if you want the copy of this application for an additional 3-month extension returned to an address different than the one entered above.

Type or print	Name <b>PricewaterhouseCoopers LLP</b>	ATTN: <b>Jocelyn Cessar</b>
	Number and street (include suite, room, or apt. no.) Or a P.O. box number <b>One International Place</b>	
	City or town, province or state, and country (including postal or ZIP code) <b>Boston, MA 02110</b>	
	<b>RE: WHOI</b>	

# **Woods Hole Oceanographic Institution**

**Financial Statements**

**For the Year Ended December 31, 2000**



**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, 2000 and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Institution's management; our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Institution's 1999 financial statements, and in our report dated March 10, 2000, we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America, 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 our opinion.

*PricewaterhouseCoopers LLP*

March 9, 2001

**Woods Hole Oceanographic Institution**  
**Statements of Financial Position**  
**As of December 31, 2000 (with comparative information as of December 31, 1999)**

	2000		1999	
<b>Assets</b>				
Cash, unrestricted	\$	21,637,368	\$	16,388,928
Cash, restricted		2,373,675		826,309
Reimbursable costs and fees				
Billed		2,078,150		1,925,005
Unbilled		2,053,172		3,775,094
Receivable for investments sold		-		152,708
Interest and dividends receivable		835,835		533,861
Other receivables		415,364		355,502
Pledges receivable		2,875,144		5,408,983
Inventory		1,070,303		808,919
Deferred charges and prepaid expenses		314,906		59,636
Investments, pooled		278,691,287		270,852,643
Investments, nonpooled		11,340,898		5,781,811
Prepaid pension and postretirement benefit cost		4,629,623		2,228,384
Supplemental retirement		7,158,614		7,733,931
Other assets		4,628,344		4,889,752
		<u>340,102,683</u>		<u>321,721,466</u>
<b>Property, plant and equipment:</b>				
Land, buildings and improvements		54,977,722		48,794,999
Vessels and dock facilities		3,186,277		2,654,406
Laboratory and other equipment		11,036,930		9,641,619
Construction in process		1,959,353		5,351,347
		<u>71,160,282</u>		<u>66,442,371</u>
Accumulated depreciation		<u>(37,627,865)</u>		<u>(34,770,021)</u>
Net property, plant and equipment		<u>33,532,417</u>		<u>31,672,350</u>
Remainder trusts		<u>316,464</u>		<u>846,630</u>
<b>Total assets</b>	<b>\$</b>	<b><u>373,951,564</u></b>	<b>\$</b>	<b><u>354,240,446</u></b>
<b>Liabilities</b>				
Accounts payable and other liabilities	\$	8,059,206	\$	7,912,400
Accrued payroll and related liabilities		5,537,049		5,298,550
Payable for investments purchased		402,557		-
Accrued supplemental retirement benefits		7,158,614		7,733,931
Deferred revenue and refundable advances		6,495,459		4,082,935
Deferred fixed rate variance		3,595,425		3,070,148
Loan payable		3,921,516		2,999,214
		<u>35,169,826</u>		<u>31,097,178</u>
<b>Total liabilities</b>		<u>35,169,826</u>		<u>31,097,178</u>
<b>Commitments and contingencies</b>				
<b>Net Assets</b>				
	Unrestricted	Temporarily restricted	Permanently restricted	
Undesignated	\$ 7,828,139	\$ -	\$ -	7,828,139
Designated	1,552,954	12,355,100	-	13,908,054
Pledges and other	-	4,538,823	164,774	4,703,597
Plant and facilities	30,434,561	189,172	-	30,623,733
Education	-	2,889,562	-	2,889,562
Endowment and similar funds	70,075,164	166,395,249	42,358,240	278,828,653
	<u>\$ 109,890,818</u>	<u>\$ 186,367,906</u>	<u>\$ 42,523,014</u>	<u>338,781,738</u>
<b>Total net assets</b>	<b>\$ 109,890,818</b>	<b>\$ 186,367,906</b>	<b>\$ 42,523,014</b>	<b>338,781,738</b>
<b>Total liabilities and net assets</b>				<b>\$ 373,951,564</b>
				<b>\$ 354,240,446</b>

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

# Woods Hole Oceanographic Institution

## Statement of Activities

For the Year Ended December 31, 2000 (with summarized financial information for the year ended December 31, 1999)

	Unrestricted		Temporarily	Permanently	2000	1999
	Operating	Sponsored research	restricted	restricted		
Operating:						
Revenues:						
Fees	\$ 398,557	\$	\$	\$	\$ 398,557	\$ 294,132
Sponsored research:						
Government		51,483,430			51,483,430	45,588,822
Nongovernment		9,032,802	2,962,806		11,995,608	11,317,094
Ships and subs operations		14,577,061			14,577,061	13,393,321
Sponsored research assets released to operations	77,633,257	(75,093,293)	(2,539,964)		-	-
Education:						
Tuition	2,300,021				2,300,021	2,335,701
Endowment income	3,340,692		1,432,228		4,772,920	4,458,526
Sponsored research	677		(677)		-	9,879
Gifts and transfers			232,210		232,210	597,886
Education funds released from restriction	1,453,318		(1,453,318)		-	-
Investment return designated for current operations	3,347,291				3,347,291	3,732,750
Contributions and gifts	1,000,227		9,090,075	1,285,076	11,375,378	6,844,310
Contributions and gifts released	1,011,475		(2,233,572)	1,222,097	-	-
Change in split-interest agreements	762,576			296,282	1,058,858	-
Rental income	689,957				689,987	759,364
Communication and publications	204,607				204,607	207,211
Other	835,531				835,531	59,220
<b>Total revenues</b>	<b>92,978,216</b>	<b>-</b>	<b>7,489,788</b>	<b>2,803,455</b>	<b>103,271,459</b>	<b>99,598,216</b>
Expenses:						
Sponsored research:						
National Science Foundation	28,905,513				28,905,513	26,647,498
United States Navy	14,833,446				14,833,446	12,935,069
Subcontracts	5,885,445				5,885,445	5,136,638
National Oceanic & Atmospheric Administration	4,097,038				4,097,038	2,853,135
Department of Energy	683,316				683,316	653,341
United States Geological Survey	939,757				939,757	1,020,622
National Aeronautics & Space Administration	725,017				725,017	654,835
Ships Operations	10,869,821				10,869,821	9,440,957
Submersible and ROV operations	3,708,240				3,708,240	3,952,364
Other	6,986,664				6,986,664	5,929,417
Education:						
Faculty expense	2,288,385				2,288,385	2,303,217
Student expense	2,904,506				2,904,506	3,059,049
Postdoctoral programs	476,988				476,988	512,404
Other	560,659				560,659	540,347
Business development	11,235				11,235	92,119
Rental expenses	536,965				536,965	458,444
Communication publications and development	3,085,429				3,085,429	2,751,471
Un-sponsored programs	4,152,772				4,152,772	2,867,766
Other expenses	1,142,875				1,142,875	1,868,945
<b>Total expenses</b>	<b>92,793,071</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,793,071</b>	<b>83,677,638</b>
<b>Change in net assets from operating activities</b>	<b>185,145</b>	<b>-</b>	<b>7,489,788</b>	<b>2,803,455</b>	<b>10,478,388</b>	<b>5,920,578</b>
Nonoperating income:						
Investment return in excess of amounts designated for sponsored research, education and current operations	1,549,532		1,686,007		3,235,539	34,447,906
Change in prepaid pension cost	2,401,239				2,401,239	142,889
Nonoperating expenses:						
Other nonoperating expenses	476,696				476,696	442,715
Net asset transfers	(142,134)			142,134	-	-
<b>Change in net assets from nonoperating activities</b>	<b>3,331,941</b>	<b>-</b>	<b>1,686,007</b>	<b>142,134</b>	<b>5,160,082</b>	<b>34,149,090</b>
<b>Total change in net assets</b>	<b>3,517,086</b>	<b>-</b>	<b>9,175,795</b>	<b>2,945,589</b>	<b>15,638,470</b>	<b>40,068,658</b>
<b>Net assets at beginning of year</b>	<b>106,373,732</b>	<b>-</b>	<b>177,192,111</b>	<b>39,577,425</b>	<b>323,143,268</b>	<b>283,074,610</b>
<b>Net assets at end of year</b>	<b>\$ 109,890,818</b>	<b>\$ -</b>	<b>\$ 186,367,906</b>	<b>\$ 42,523,014</b>	<b>\$ 338,781,738</b>	<b>\$ 323,143,268</b>

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, 2000 (with comparative information for the year ended December 31, 1999)

	2000	1999
Cash flows from operating activities:		
Total change in net assets	\$ 15,638,470	\$ 40,068,658
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Depreciation	3,338,844	2,706,749
Change in split-interest agreements	(154,086)	-
Gain on sale of property	(481,000)	-
Net realized and unrealized gain on investments	(3,235,539)	(41,229,880)
Contributions to be used for long-term investment	(4,787,404)	(4,262,220)
(Increase) decrease in assets:		
Restricted cash	(1,547,366)	1,079,287
Interest and dividends receivable	(301,974)	603,041
Reimbursable costs and fees:		
Billed	(153,145)	(778,949)
Unbilled	1,721,922	(85,284)
Receivable for investments sold	152,708	1,127,013
Other receivables	(59,862)	76,590
Pledges receivable	2,533,839	(594,921)
Inventory	(261,384)	(115,962)
Deferred charges and prepaid expenses	(255,270)	263,683
Prepaid pension and postretirement benefit cost	(2,401,239)	(17,061)
Other assets	261,408	(501,824)
Remainder trusts	684,252	370,037
Supplemental retirement	575,317	(841,548)
Increase (decrease) in liabilities:		
Accounts payable and other liabilities	146,806	(990,804)
Accrued payroll and related liabilities	238,499	473,785
Payable for investments purchased	402,557	(2,845,856)
Deferred revenue and refundable advances	2,412,524	(1,034,671)
Accrued supplemental retirement benefits	(575,317)	841,548
Deferred fixed rate variances	525,277	(498,244)
Net cash provided by (used in) operating activities	<u>14,418,837</u>	<u>(6,186,833)</u>
Cash flows from investing activities:		
Capital expenditures:		
Additions to property and equipment	(5,414,975)	(7,941,807)
Disposals of property and equipment	697,065	-
Endowment:		
Proceeds from the sale of investments	203,949,829	126,094,954
Purchase of investments	(214,112,022)	(124,845,656)
Net cash used in investing activities	<u>(14,880,103)</u>	<u>(6,692,509)</u>
Cash flows from financing activities:		
Borrowings under debt agreement	922,302	2,999,214
Contributions to be used for long-term investment	4,787,404	4,262,220
Net cash provided by financing activities	<u>5,709,706</u>	<u>7,261,434</u>
Net increase (decrease) in cash and cash equivalents	5,248,440	(5,617,908)
Cash and cash equivalents, beginning of year	<u>16,388,928</u>	<u>22,006,836</u>
Cash and cash equivalents, end of year	<u>\$ 21,637,368</u>	<u>\$ 16,388,928</u>

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

# Woods Hole Oceanographic Institution

## Notes to Financial Statements

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### A. Background

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

The Institution is a qualified tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code as it is organized and operated 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, 1999, 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 released to unrestricted revenues.

# **Woods Hole Oceanographic Institution**

## **Notes to Financial Statements**

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### ***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, or as deferred revenue if expenditures are yet to be incurred.

### **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.

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

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

### **Operations**

The 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**

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### **Cash and Cash Equivalents**

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

Included in cash at December 31, 2000 and 1999 is \$2,143,974 and \$607,163, respectively, representing advances received from the United States Navy and other U.S. Government and state agencies. Such amounts are restricted as to use for research programs. Interest earned on unspent funds is remitted to the federal government.

Also included in cash at December 31, 2000 and 1999 is \$229,701 and \$219,146, respectively, representing cash restricted by the Massachusetts Department of Public Health. Interest earned on unspent funds is reinvested within the restricted cash account.

In addition, cash and cash equivalents 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.

### **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.

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 \$10,109,203 and \$9,608,901 for the years ending December 31, 2000 and 1999, 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.

# Woods Hole Oceanographic Institution

## Notes to Financial Statements

### 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 \$3,238,068 and \$2,605,973 in 2000 and 1999, 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 and \$100,776 in 2000 and 1999, respectively, has been charged to nonoperating expenses as these assets are owned by the Government. There were gains on the disposal of property, plant and equipment of \$481,000 in 2000.

### 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 at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

### Reclassification of Amounts

Certain prior year amounts have been reclassified to conform to the December 31, 2000 presentation.

## C. Investments

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

	2000		1999	
	Cost	Market	Cost	Market
U.S. Government and government agencies	\$ 6,010,333	\$ 6,205,973	\$ 9,115,196	\$ 8,649,788
Corporate bonds	42,266,542	42,396,551	23,495,708	22,190,605
International bonds	6,290,635	5,911,656	6,259,492	5,923,533
Equity securities and mutual funds	95,417,513	123,939,867	99,099,911	135,345,966
International equities	50,557,666	47,850,287	55,951,945	64,823,332
Hedge fund limited partnerships	18,920,000	32,251,037	18,920,000	27,940,091
Venture Capital and private equity	13,410,006	19,800,254	6,406,919	5,701,217
Other	299,465	299,465	325,729	325,729
Subtotal investments	233,172,160	278,655,090	219,574,900	270,900,261
Purchased call options	66,294	38,387	13,913	3,297
Written call options	(19,653)	(1,006)	(7,168)	(4,699)
Written put options	(17,625)	(1,184)	(15,188)	(46,216)
Total investments	\$ 233,201,176	\$ 278,691,287	\$ 219,566,457	\$ 270,852,643



# Woods Hole Oceanographic Institution

## Notes to Financial Statements

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 \$7,095,950 and \$2,698,148 for the years ended December 31, 2000 and 1999, respectively, including dividends, distributions and changes in the estimated value of such investments.

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

	Unrestricted	Temporarily restricted	2000 Total	1999 Total
Dividend and interest income	\$ 4,118,662	\$ 1,432,228	\$ 5,550,890	\$ 5,073,790
Investment management costs	(1,307,813)	-	(1,307,813)	(1,075,321)
Net realized gains	7,641,691	8,184,809	15,826,500	13,016,621
Change in unrealized appreciation	702,727	(6,498,802)	(5,796,075)	28,213,259
Total return on investments	11,155,267	3,118,235	14,273,502	45,228,349
Investment return designated for:				
Sponsored research	(2,917,752)	-	(2,917,752)	(2,589,167)
Education	(3,340,692)	(1,432,228)	(4,772,920)	(4,458,526)
Current operations	(3,347,291)	-	(3,347,291)	(3,732,750)
Total distributions to operations	(9,605,735)	(1,432,228)	(11,037,963)	(10,780,443)
Investment return in excess of amounts designated for sponsored research, education and current operations	\$ 1,549,532	\$ 1,686,007	\$ 3,235,539	\$ 34,447,906

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:

	2000	1999
Unit value, beginning of year	\$ 4.5884	\$ 3.9089
Unit value, end of year	4.5650	4.5884
Net change for the year	(.0234)	.6795
Investment income per unit for the year	.0536	.0824
Total return per unit	\$ .0302	\$ .7619

# Woods Hole Oceanographic Institution

## Notes to Financial Statements

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### D. Pledges Receivable

Pledges receivable consist of the following at December 31:

	2000	1999
Unconditional promises expected to be collected in:		
Less than one year	\$ 1,979,540	\$ 4,125,666
One year to five years	<u>895,604</u>	<u>1,283,317</u>
	<u>\$ 2,875,144</u>	<u>\$ 5,408,983</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 fixed rates with the federal government for the recovery of certain fringe benefits and indirect costs on these grants and contracts. Such recoveries are subject to carryforward provisions that provide for adjustments to be included in the negotiation of future fixed rates. The deferred fixed rate variance accounts represent the cumulative amount owed to or due from the federal government. The Institution's rates are negotiated with the Office of Naval Research (ONR), the Institution's cognizant agency.

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

Deferred Fixed Rate Variance (liability), December 31, 1998	<u>\$ (3,568,395)</u>
1999 indirect costs	33,084,487
Amounts recovered	<u>(32,586,240)</u>
1999 change in liability	<u>498,247</u>
Deferred Fixed Rate Variance (liability), December 31, 1999	<u>(3,070,148)</u>
2000 indirect costs	34,876,295
2000 adjustment	(76,092)
Amounts recovered	<u>(35,325,480)</u>
2000 change in liability	<u>(525,277)</u>
Deferred Fixed Rate Variance (liability), December 31, 2000	<u>\$ (3,595,425)</u>

As of December 31, 2000, the Institution has recovered a cumulative amount in excess of expended amounts of \$3,595,425 which will be reflected as a reduction of future year recoveries. This amount has been reported as a liability of the Institution.

# Woods Hole Oceanographic Institution

## Notes to Financial Statements

### 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. On January 31, 2000, the agreement was amended to increase the maximum loan commitment to \$6,000,000. As of December 31, 2000, \$3,921,516 had been drawn down on the loan and was outstanding at year-end. Draw downs are expected to occur during an eighteen month period subsequent to the amendment to the loan agreement. During this period, no principal payments are due on the loan, but the Institution is required to pay interest on the draw downs at a variable rate established by the Authority, which was 3.25% for the year ended December 31, 2000. Once the final draw down has occurred or the eighteen month period has lapsed, a schedule of principal payments will be established by Authority until the final payment due on June 30, 2010.

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.

### 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.

	2000	1999
<b>Change in Benefit Obligation</b>		
Benefit obligation at beginning of year	\$ 115,969,678	\$ 117,287,816
Service cost	3,669,981	4,180,879
Interest cost	9,085,277	8,208,944
Amendments	-	10,584,215
Actuarial (gain)/loss	4,860,581	(17,180,701)
Benefits paid	(5,696,287)	(7,111,475)
Benefit obligation at end of year	<u>\$ 127,889,230</u>	<u>\$ 115,969,678</u>
<b>Change in Plan Assets</b>		
Fair value of plan assets at beginning of year	179,573,553	158,790,517
Actual return on plan assets	8,718,327	27,894,511
Benefits paid	(5,696,287)	(7,111,475)
Fair value of plan assets at end of year	<u>\$ 182,595,593</u>	<u>\$ 179,573,553</u>

# Woods Hole Oceanographic Institution

## Notes to Financial Statements

	Qualified Plan Pension Benefits	
	2000	1999
Funded status	\$54,706,364	\$63,603,875
Unrecognized actuarial (gain)/loss	(61,207,888)	(73,106,806)
Unrecognized portion of net obligation/(asset) at transition	(642,223)	(1,289,293)
Unrecognized prior service cost/(credit)	10,984,544	12,160,543
Net amount recognized	<u>\$ 3,840,797</u>	<u>\$ 1,368,319</u>
Amounts Recognized in the Statement of Financial Position Consist of:		
Prepaid benefit cost	<u>\$ 3,840,797</u>	<u>\$ 1,368,319</u>
Weighted-Average Assumptions		
Discount rate as of December 31	7.75%	8.00%
Expected return on plan assets for the year	10.00%	10.00%
Rate of compensation increase as of December 31	3.50%	3.50%
Components of Net Periodic Benefit Cost		
Service cost	\$ 3,669,981	\$ 4,180,879
Interest cost	9,085,277	8,208,944
Expected return on plan assets and reserves	(13,982,038)	(12,688,120)
Amortization of:		
transition obligation/(asset)	(647,070)	(647,070)
prior service cost/(credit)	1,247,238	1,175,999
actuarial loss/(gain)	<u>(1,774,627)</u>	<u>(176,454)</u>
Net periodic benefit cost/(income)	<u>\$ (2,401,239)</u>	<u>\$ 54,178</u>

The Institution has reflected the net periodic benefit income in nonoperating income as the change in prepaid pension cost.

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	
	2000	1999
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$ 3,277,024	\$ 3,685,379
Service cost	90,501	109,906
Interest cost	233,808	221,296
Actuarial (gain)/loss	(154,526)	(407,215)
Benefits paid	(268,397)	(332,342)
Benefit obligation at end of year	<u>\$ 3,178,410</u>	<u>\$ 3,277,024</u>
Change in Plan Assets		
Fair value of plan assets at beginning of year	\$ -	\$ -
Employer contribution	268,397	332,342
Benefits paid	(268,397)	(332,342)
Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>
Funded status	(3,178,410)	(3,277,024)
Unrecognized actuarial (gain)/loss	(534,216)	(524,676)
Unrecognized portion of net obligation/(asset) at transition	127,993	256,950
Net amount recognized	(3,584,633)	(3,544,750)
True up to earmarked reserves	(3,573,981)	(4,189,181)
Total earmarked reserves	<u>\$ (7,158,614)</u>	<u>\$ (7,733,931)</u>
Amounts Recognized in the Statement of Financial Position Consist of:		
Accrued benefit liability	<u>\$ (7,158,614)</u>	<u>\$ (7,733,931)</u>
Weighted-Average Assumptions		
Discount rate as of December 31	7.75%	8.00%
Expected return on plan assets for the year	10.00%	10.00%
Rate of compensation increase as of December 31	3.50%	3.50%
Components of Net Periodic Benefit Cost		
Service cost	\$ 90,501	\$ 109,906
Interest cost	233,808	221,296
Expected return on plan assets and reserves	(279,486)	(291,188)
Amortization of:		
transition obligation/(asset)	128,957	128,957
actuarial loss/(gain)	(50,131)	(11,375)
Net periodic benefit cost/(income)	123,649	157,596
Investment return on invested reserves	184,631	165,904
Total periodic cost	<u>\$ 308,280</u>	<u>\$ 323,500</u>

The earmarked reserves are matched by a "Rabbi" Trust with \$7,158,614 and \$7,733,931, respectively as of December 31, 2000 and 1999.

# 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	
	2000	1999
Change in Benefit Obligation		
Benefit obligation at beginning of year	\$ 19,030,443	\$ 21,998,913
Service cost	361,902	490,210
Interest cost	1,490,203	1,420,108
Plan participants' contributions *	-	-
Actuarial (gain)/loss	630,033	(4,091,749)
Benefits paid	(907,756)	(878,018)
Plan participants' contributions	89,562	90,979
Benefit obligation at end of year	<u>\$ 20,694,387</u>	<u>\$ 19,030,443</u>
Change in Plan Assets		
Fair value of plan assets at beginning of year	15,866,313	13,701,233
Actual return on plan assets	129,370	2,021,124
Employer contribution	464,718	930,995
Plan participants' contributions *	-	-
Benefits paid net of plan participants' contributions	<u>(818,194)</u>	<u>(787,039)</u>
Fair value of plan assets at end of year	<u>\$ 15,642,207</u>	<u>\$ 15,866,313</u>
* plan participants' contributions are netted out of benefit claims		
Funded status	\$ (5,052,180)	\$ (3,164,130)
Unrecognized actuarial (gain)/loss	(715,549)	(2,859,332)
Unrecognized portion of net obligation/(asset) at transition	10,242,594	11,096,143
Unrecognized prior service cost/(credit)	<u>(3,686,039)</u>	<u>(4,212,616)</u>
Net amount recognized	<u>\$ 788,826</u>	<u>\$ 860,065</u>
Amounts Recognized in the Statement of Financial Position Consist of:		
Prepaid benefit cost	<u>\$ 788,826</u>	<u>\$ 860,065</u>
Weighted-Average Assumptions		
Discount rate as of December 31	7.75%	8.00%
Expected return on plan assets for the year	10.00%	10.00%

For measurement purposes, a 6.5% and 8.0% annual rate of increase in the per capita cost of covered healthcare benefits was assumed in 2001 for pre-65 and post-65 benefits, respectively.

## Woods Hole Oceanographic Institution

### Notes to Financial Statements

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

	2000	1999
Components of net periodic benefit cost:		
Service cost	\$ 361,902	\$ 490,210
Interest cost	1,490,203	1,420,108
Expected return on plan assets and reserves	(1,574,077)	(1,377,533)
Recognized actuarial (gain)/loss	(69,043)	-
Amortization of:		
Transition obligation/(asset)	853,549	853,549
Prior service cost/(credit)	(526,577)	(526,577)
Net periodic benefit cost/(income)	<u>\$ 535,957</u>	<u>\$ 859,757</u>

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

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:

	December 31, 2000	
	1-Percentage Point Increase	1-Percentage Point Decrease
Effect on total of service cost and interest cost	\$ 322,253	\$ (256,939)
Effect on the postretirement benefit obligation:	3,121,456	(2,528,592)

#### 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 have settled the years through 1999. The current indirect costs recovery rates, which are fixed, include the impact of prior year settlements. While the 2000 direct and indirect costs are subject to audit, the Institution does not believe settlement of this year will have a material impact on its change in net assets or its financial position.

The Institution through its endowment fund is committed to invest \$48,040,000 in certain venture capital and investment partnerships.

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