The Brigham and Women's Hospital, Inc.

Report on Federal Awards in Accordance with OMB Circular A-133
September 30, 2009
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The Brigham and Women's Hospital, Inc.
Report on Federal Awards in Accordance with OMB Circular A-133
Index
September 30, 2009

Page(s)

Part I - Financial Statements

Report of Independent Auditors 1

Financial Statements and Notes to Financial Statements 2-29

Schedule of Expenditures of Federal Awards and Notes to Schedule of Expenditures of Federal Awards 30-47

Part II - Reports on Compliance and Internal Controls

Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 48-49

Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 50-51

Part III - Findings

Schedule of Findings and Questioned Costs 52-53

Management's Views and Corrective Action Plan 54

Summary Schedule of the Status of prior Audit Findings 55

Part I

Financial Statements

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Report of Independent Auditors

To the Board of Trustees of
The Brigham and Women's Hospital, Inc.

In our opinion, the accompanying balance sheets and the related statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of The Brigham and Women's Hospital, Inc. at September 30, 2009 and 2008, and the results of its operations, its changes in net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of The Brigham and Women's Hospital, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 on our consideration of The Brigham and Women's Hospital, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended September 30, 2009. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards for the year ended September 30, 2009 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 11, 2009

The Brigham and Women's Hospital, Inc.
Balance Sheets
September 30, 2009 and 2008

(dollars in thousands)	2009	2008
Assets		
Current assets		
Cash and equivalents	$ 156,817	$ 34,125
Current portion of investments limited as to use	72,997	76,041
Patient accounts receivable, net of allowance for bad debts 2009 - $15,082; 2008 - $10,960	203,011	199,357
Research grants receivable	48,626	59,936
Other current assets	75,290	70,735
Receivable for settlements with third-party payers	332	1,341
Total current assets	557,073	441,535
Investments limited as to use, less current portion	16,589	16,622
Long-term investments	125,820	123,737
Pledges receivable, net and contributions receivable from trusts, less current portion	39,664	69,459
Property and equipment, net	984,738	964,321
Other assets	1,481	93,566
Total assets	$ 1,725,365	$ 1,709,240
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term obligations	$ 25,711	$ 22,869
Accounts payable and accrued expenses	69,592	58,198
Accrued compensation and benefits	101,686	97,949
Current portion of accrual for settlements with third-party payers	8,242	9,572
Unexpended funds on research grants	63,925	69,670
Due to affiliates	69,957	14,755
Total current liabilities	339,113	273,013
Other liabilities		
Accrual for settlements with third-party payers, less current portion	18,377	11,109
Accrued professional liability	13,675	13,270
Accrued employee benefits	238,783	18,718
Accrued other	2,051	2,112
	272,886	45,209
Long-term obligations, less current portion	618,064	583,080
Total liabilities	1,230,063	901,302
Commitments and contingencies		
Net assets		
Unrestricted	305,450	587,257
Temporarily restricted	143,036	170,906
Permanently restricted	46,816	49,775
Total net assets	495,302	807,938
Total liabilities and net assets	$ 1,725,365	$ 1,709,240

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

The Brigham and Women's Hospital, Inc.
Statements of Operations
Years Ended September 30, 2009 and 2008

(dollars in thousands)	2009	2008
Operating revenue		
Net patient service revenue	$ 1,522,574	$ 1,390,362
Direct academic and research revenue	391,439	352,797
Indirect academic and research revenue	113,014	108,448
Other revenue	38,044	37,970
Total operating revenue	2,065,071	1,889,577
Operating expenses		
Employee compensation and benefits	758,994	709,913
Supplies and other expenses	662,935	607,581
Direct academic and research expenses	391,439	352,797
Depreciation and amortization	101,407	85,896
Provision for bad debts	18,877	14,419
Interest	26,479	20,835
Total operating expenses	1,960,131	1,791,441
Income from operations	104,940	98,136
Nonoperating gains (expenses)		
Income (loss) from investments	1,084	(1,446)
Gifts and other	(524)	(969)
Total nonoperating gains (expenses), net	560	(2,415)
Excess of revenues over expenses	105,500	95,721
Other changes in net assets		
Funds utilized for property and equipment	15,652	34,850
Transfers to affiliates, net	(90,675)	(40,521)
Other	(36)	36
Change in funded status of defined benefit plans	(284,026)	8,504
Cumulative effect of change in defined benefit plans measurement date	(28,222)	-
(Decrease) increase in unrestricted net assets	$ (281,807)	$ 98,590

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

The Brigham and Women's Hospital, Inc.
Statements of Changes in Net Assets
Years Ended September 30, 2009 and 2008

(dollars in thousands)	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at October 1, 2007	$ 488,667	$ 199,755	$ 38,643	$ 727,065
Increases (decreases)				
Income from operations	98,136	-	-	98,136
Loss from investments	(1,446)	(23,499)	-	(24,945)
Gifts and other	(969)	20,159	12,090	31,280
Funds utilized for property and equipment	34,850	(26,467)	-	8,383
Transfers to affiliates, net	(40,521)	-	-	(40,521)
Other	36	958	(958)	36
Change in funded status of defined benefit plans	8,504	-	-	8,504
Change in net assets	98,590	(28,849)	11,132	80,873
Net assets at September 30, 2008	587,257	170,906	49,775	807,938
Increases (decreases)				
Income from operations	104,940	-	-	104,940
Income (loss) from investments	1,084	(4,083)	7	(2,992)
Gifts and other	(524)	(31,319)	4,374	(27,469)
Funds utilized for property and equipment	15,652	-	-	15,652
Transfers to affiliates, net	(90,675)	-	-	(90,675)
Other	(36)	7,532	(7,340)	156
Change in funded status of defined benefit plans	(284,026)	-	-	(284,026)
Cumulative effect of change in defined benefit plans measurement date	(28,222)	-	-	(28,222)
Change in net assets	(281,807)	(27,870)	(2,959)	(312,636)
Net assets at September 30, 2009	$ 305,450	$ 143,036	$ 46,816	$ 495,302

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

The Brigham and Women's Hospital, Inc.
Statements of Cash Flows
Years Ended September 30, 2009 and 2008

(dollars in thousands)	2009	2008
Cash flows from operating activities		
Change in net assets	$ (312,636)	$ 80,873
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Cumulative effect of change in defined benefit plans measurement date	28,222	-
Change in funded status of defined benefit plans	284,026	(8,504)
Depreciation and amortization	101,407	85,896
Provision for bad debts	18,877	14,419
Loss on retirement of property	498	954
Net realized and change in unrealized appreciation on investments	(163)	23,826
Transfers to affiliates, net	90,675	40,521
Restricted contributions	(26,894)	(27,737)
Increase (decrease) in cash resulting from a change in		
Patient accounts receivable	(22,531)	(42,459)
Research grants receivable	11,310	(3,957)
Other current assets	(7,730)	(9,040)
Pledges receivable and contributions receivable from trusts	32,970	(23,345)
Other assets	(785)	(428)
Accounts payable and accrued expenses	11,394	10,678
Accrued compensation and benefits	3,737	16,114
Settlements with third-party payers	6,947	5,147
Unexpended funds on research grants	(5,745)	6,902
Accrued employee benefits and other	477	(609)
Due to affiliates	55,756	(25,104)
Net cash provided by operating activities	269,812	144,147
Cash flows from investing activities		
Purchase of property and equipment	(122,322)	(262,291)
Purchase of investments	(49,059)	(18,410)
Proceeds from sales of investments	50,216	20,525
Net cash used for investing activities	(121,165)	(260,176)
Cash flows from financing activities		
Payments on long-term obligations	(18,472)	(16,364)
Proceeds from long-term obligations	56,298	116,617
Transfers to affiliates, net	(90,675)	(40,521)
Restricted contributions	26,894	27,737
Net cash (used for) provided by financing activities	(25,955)	87,469
Net increase (decrease) in cash and equivalents	122,692	(28,560)
Cash and equivalents at beginning of year	34,125	62,685
Cash and equivalents at end of year	$ 156,817	$ 34,125

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

(dollars in thousands)

1. Organization and Community Benefit Commitments

The Brigham and Women's Hospital, Inc. (BWH) operates an acute-care general hospital established to provide healthcare services to patients primarily from the Greater Boston area as well as New England and beyond. In addition, BWH conducts research and provides education for physicians and other healthcare professionals. As such, operating revenue includes those generated from direct patient care and reimbursement of research and educational activities. Brigham and Women's/Faulkner Hospitals, Inc. (BW/F) is the sole member of BWH, Faulkner Hospital, Inc., Brigham and Women's Physicians Organization, Inc., and other affiliates.

Partners HealthCare System, Inc. (PHS) is the sole member of BW/F, The Massachusetts General Hospital (MGH), NSMC HealthCare, Inc., Newton-Wellesley Health Care System, Inc., Partners Continuing Care, Inc., and Partners International Medical Services, LLC. PHS appoints the two physicians who are members of Partners Community HealthCare, Inc. The individual serving as the PHS Chief Operating Officer is the sole member of Partners Harvard Medical International, Inc. PHS, together with all of its affiliates, is referred to as "Partners HealthCare."

BWH is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

Community Benefit
BWH is committed to serving the health care needs of persons from diverse communities and makes a unique commitment to the neighboring residents of Jamaica Plain and Mission Hill. BWH also commits to meeting the needs of low-income pregnant women and their families from the communities of Roxbury and Dorchester. As such, BWH engages in several mission-related activities aimed at maintaining its tax-exempt status. These activities include supporting a broad-based community benefits program, operating essential clinical services, including an emergency room and outpatient clinics serving low-income patients, and providing free or discounted care, in conjunction with a clear charity care policy based on community needs.

The Massachusetts Attorney General's Community Benefits Guidelines require health maintenance organizations and nonprofit acute care hospitals to prepare annual reports documenting the status and level of their community benefit programs and initiatives. These annual reports serve the important purpose of providing the public with access to useful information about these programs and initiatives. BWH has a community benefit planning and service delivery structure and has filed its report separately with the Attorney General.

BWH's community benefit program also includes career and workforce development, encouraging students to pursue nursing and other clinical careers, asthma education services, and domestic violence intervention. In addition, several community health centers are licensed or affiliated with BWH, providing patient access to BWH and other Partners HealthCare hospitals. BWH invests in these health centers' infrastructure, programming and operation and also helps with relocation, renovation, and other capital requirements.

(dollars in thousands)

Uncompensated Care
BWH provides care to all patients regardless of their ability to pay. The cost of providing that care is reflected in the statements of operations. The cost related to those patients, for which BWH receives either partial or no reimbursement for healthcare services provided, is summarized as follows:

State Programs
Uncompensated Care
Free care services are partially reimbursed to acute hospitals through the statewide Health Safety Net (HSN, formerly known as the Uncompensated Care Pool) established by the Massachusetts Health Care Reform Law (Chapter 58 of the Acts of 2006). A portion of the funding for HSN is paid by hospitals through a statewide hospital assessment levied each year by the Massachusetts Legislature. All acute care hospitals in the state are assessed their share of this total statewide hospital assessment amount ($180,000 in 2009 and $160,000 in 2008) based on each hospital's charges for private sector payers. BWH reports this assessment as a deduction from net patient service revenue.

Hospitals are reimbursed for free care based on claims for eligible patients that are submitted to, and adjudicated by the HSN. Rates of payments are based on Medicare rates and payment policies. Hospitals with a high proportion of free care and government funding receive more favorable reimbursement. In aggregate, BWH's share of uncompensated care funding covered 78% of the estimated cost of free care provided in 2009 and 2008, excluding the assessment.

Medicaid
Medicaid is a means-tested health insurance program, jointly funded by state and federal governments. States administer the program and set rules for eligibility, benefits and provider payments within broad federal guidelines. The program provides health care coverage to low-income children and families, pregnant women, long-term unemployed adults, seniors and persons with disabilities. Eligibility is determined by a variety of factors, which include income relative to the federal poverty line, age and immigrant status, and assets.

Medicaid payments to BWH do not cover the cost of services provided. In aggregate, reimbursement from Medicaid covered 78% of the estimated cost of services provided in 2009 and 80% of the estimated cost in 2008.

Federal Program
Medicare
Medicare is a federally sponsored health insurance program for people age 65 or older, under age 65 with certain disabilities, and any age with End-Stage Renal Disease. For many years, Medicare payments have not kept pace with increases in the cost of care provided for many hospitals. Additionally, payments to physicians have seen little or no increases over the past several years. Compounding this shortfall in payments is the shift of care from higher paying inpatient services to lower paying outpatient services.

Consequently, Medicare payments to BWH also do not cover the cost of services provided. In aggregate, reimbursement from Medicare covered 78% of the estimated cost of services provided in 2009 and 81% of the estimated cost in 2008.

(dollars in thousands)

For free care, Medicaid and Medicare, the total cost of services provided by BWH exceeds the net reimbursement received under these programs by $149,484 and $122,227 for the years ended September 30, 2009 and 2008, respectively. The following summarizes, by program, the cost of services provided, net reimbursement and cost of services in excess of reimbursement for each year:

	Years Ended September 30, 2009	2008
Cost of services provided		
Free Care, including assessment payment to HSN of $19,514 and $17,340 in 2009 and 2008, respectively	$ 38,056	$ 34,472
Medicaid	137,446	132,023
Medicare	441,939	381,600
	$ 617,441	$ 548,095
Net reimbursement		
Free Care	$ 14,535	$ 13,395
Medicaid	107,314	105,234
Medicare	346,108	307,239
	$ 467,957	$ 425,868
Cost of services in excess of reimbursement		
Free Care	$ 23,521	$ 21,077
Medicaid	30,132	26,789
Medicare	95,831	74,361
	$ 149,484	$ 122,227

Bad Debts
In addition to free care and inadequate funding from the Medicaid and Medicare programs, there are significant losses related to self-pay patients who fail to make payment for services rendered or insured patients who fail to remit co-payments and deductibles as required under the applicable health insurance arrangement. The provision for bad debts of $18,877 in 2009 and $14,419 in 2008 represents charges for services provided that are deemed to be uncollectible. The estimated cost of providing these services was approximately $6,032 and $4,729 for 2009 and 2008, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting
The accompanying financial statements have been prepared on the accrual basis of accounting. BWH follows the accounting policies and practices of PHS and these statements should be read in conjunction with the Partners HealthCare consolidated financial statements.

(dollars in thousands)

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are made in the areas of patient accounts receivable, research grants receivable, investments, receivables and accruals for settlements with third-party payers, accrued professional liability, accrued compensation and employee benefits, and accrued other.

Fair Value of Financial Instruments
The fair value of financial instruments approximates the carrying amount reported in the balance sheets for cash and equivalents, investments, investments limited as to use, patient accounts receivable, research grants receivable, and accounts payable. More information can be found in Note 4, Fair Value Measurements.

Cash and Equivalents
Cash and equivalents represent money market and highly liquid debt instruments with a maturity at the date of purchase of three months or less.

Investments
BWH holds investments which represent units in a partnership (Note 3) and are recorded on the equity method of accounting, with the change in net unrealized appreciation included in excess of revenues over expenses as a component of income from investments. Separately invested investments (marketable investments) are measured at either fair value, generally based on quoted market prices, with the change in net unrealized appreciation excluded from excess of revenues over expenses, or at cost.

Income from investments (including realized gains and losses, change in net unrealized appreciation on equity method investments, interest, dividends, and endowment income distributions) is included in excess of revenues over expenses unless the income or loss is restricted by donor or law. Income from investments is reported net of investment related expenses.

Investments with unrealized depreciation are reviewed each quarter to determine whether these investments are other-than-temporarily impaired. This review considers factors including the anticipated holding period for the investment and the extent and duration of below cost valuation.

A write-down in the cost basis of securities is recorded when the decline in fair value of certain investments below cost has been judged to be other-than-temporary. Depending on any donor-imposed restrictions on the underlying investments, the amount of the write-down is reported as a realized loss in either temporarily restricted net assets or in excess of revenues over expenses as a component of income from investments, with no adjustment in the cost basis for subsequent recoveries in fair value.

Partners HealthCare has an endowment spending policy for pooled endowment funds. A fixed distribution rate for spending is determined each year which will come from either income and/or net accumulated appreciation in fair value.

(dollars in thousands)

Investments Limited as to Use
Investments limited as to use primarily include assets whose use is contractually limited by external parties and assets set aside by the Board of Trustees (or management) for identified purposes, over which the Board (or management) retains control and may, at its discretion, subsequently use for other purposes. Certain investments corresponding to deferred compensation are accounted for such that all income and appreciation (depreciation) is recorded as a direct addition (reduction) to the asset balance and corresponding liability balance.

Patient Accounts Receivable
BWH receives payments for services rendered from federal and state agencies (under the Medicare and Medicaid programs), managed care payers, commercial insurance companies, and patients. Patient accounts receivable are reported net of contractual allowances and reserves for denials, uncompensated care, and doubtful accounts. The level of reserves is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in federal and state governmental and private employer health care coverage and other collection indicators.

Research Grants Receivable
BWH receives research funding from departments and agencies of the U.S. Government, industry and corporate sponsors, and other private sponsors. Research grants receivable include amounts due from these sponsors of externally funded research. The amounts have been billed or are billable to the sponsor, or in limited circumstances, represent accelerated spending in anticipation of future funding. Research grants receivable are reported net of reserves for uncollectible accounts.

Property and Equipment
Property and equipment is reported on the basis of cost less accumulated depreciation. Donated items, exclusive of transfers from related organizations, are recorded at fair value at the date of contribution. All research grants received for capital are recorded in the year of expenditure as a change in net assets. Property and equipment is reviewed for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. Depreciation of property and equipment is calculated by use of the straight-line method at rates intended to depreciate the cost of assets over their estimated useful lives, which generally range from three to forty years. Interest costs incurred on borrowed funds during the period of construction of capital assets are capitalized, net of any interest earned, as a component of the cost of acquiring those assets.

Asset Retirement Obligations
Asset retirement obligations, reported in accrued other, are legal obligations associated with the retirement of long-lived assets. These liabilities are initially recorded at fair value and the related asset retirement costs are capitalized by increasing the carrying amount of the related assets by the same amount as the liability. Asset retirement costs are subsequently depreciated over the useful lives of the related assets. BWH records changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows. BWH reduces these liabilities when the related obligations are settled.

(dollars in thousands)

Other Assets
Other assets consist of long-term receivables, investments in healthcare related limited partnerships and benefit assets for overfunded defined benefit plans. The carrying value of other assets is reviewed if the facts and circumstances suggest that it may be impaired.

Compensated Absences
In accordance with formal policies concerning vacation and other compensated absences, accruals of approximately $47,461 and $45,871 were recorded as of September 30, 2009 and 2008, respectively.

Unexpended Funds on Research Grants
Research grants received in advance of corresponding grant expenditures are accounted for as a direct addition to investments limited as to use and unexpended funds on research grants.

Self-Insurance Reserves
BWH is self-insured for employee healthcare, disability, workers' compensation and certain other employee benefits. These costs are accounted for on an accrual basis to include estimates of future payments for claims incurred.

Net Assets
Permanently restricted net assets include only the historical dollar amounts of gifts which are required by donors to be permanently retained. Temporarily restricted net assets include gifts, and income and gains on permanently restricted net assets which can be expended but for which restrictions have not yet been met. Such restrictions include purpose restrictions where donors have specified the purpose for which the net assets are to be spent, or time restrictions imposed by donors or implied by the nature of the gift (capital projects, pledges to be paid in the future, life income funds) or by interpretations of law (gains available for appropriation but not appropriated in the current period). Unrestricted net assets include all the remaining net assets of BWH. See Note 13 for further information on the composition of restricted net assets.

Realized gains and losses are classified as unrestricted net assets unless they are restricted by the donor or law. Unless permanently restricted by the donor, realized gains and unrealized net appreciation on permanently restricted gifts are classified as temporarily restricted until appropriated for spending by BWH in accordance with policies established by Partners HealthCare and the Uniform Prudent Management of Institutional Funds Act (UPMIFA) enacted by the Commonwealth of Massachusetts in July 2009. Net losses on permanently restricted endowment funds are classified as a reduction to unrestricted net assets until such time as the fair value exceeds book value.

Gifts and Grants
Unconditional promises to give cash and other assets to BWH are reported at fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. Donor-restricted contributions whose restrictions are met within the same year as received are reported as unrestricted gifts in the accompanying financial statements.

(dollars in thousands)

Gifts of long-lived assets with explicit restrictions that specify use of assets and gifts of cash or other assets that must be used to acquire long-lived assets are reported as additions to temporarily restricted net assets if the assets are not placed in service during the year.

Grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. BWH recognizes revenue associated with direct and indirect costs as direct costs are incurred. The recovery of indirect costs is based on predetermined rates for U.S. government grants and contracts and negotiated rates for other grants and contracts.

Statement of Operations
All activities of BWH deemed by management to be ongoing, major and central to the provision of healthcare services, training and research activities are reported as operating revenue and expenses. Other activities are deemed to be nonoperating and include unrestricted gifts and substantially all income (loss) from investments.

BWH recognizes changes in third-party payer settlements and other estimates in the year of the change in estimate. For the years ended September 30, 2009 and 2008, adjustments to prior year estimates resulted in an increase to income from operations of $17,837 and $13,372, respectively.

Effective October 1, 2007, the Centers for Medicare and Medicaid Services (CMS) adopted the MS-DRG patient classification system (MS-DRGs) for inpatient services to better recognize severity of illness in Medicare payment rates for acute care hospitals. The adoption of MS-DRGs resulted in the expansion of the number of diagnosis related groups (DRGs), a system of classifying patients for purposes of inpatient reimbursement. By increasing the number of DRGs and more fully taking into account patients' severity of illness in Medicare payment rates for acute care hospitals, the use of MS-DRGs encourages hospitals to improve their documentation and coding of patient diagnoses. CMS has determined that the adoption of the MS-DRGs has increased aggregate payments to hospitals due to additional documentation and coding without a corresponding increase in actual patient severity of illness.

CMS is required by current law to maintain budget neutrality by adjusting the Medicare payment rate to eliminate the estimated effect of changes in coding or classification that do not reflect real changes in case-mix. CMS has determined that maintaining budget neutrality requires a reduction of 2.5% to the 2008 payment rate and estimates an additional 2.3% reduction to the 2009 rate. CMS has already reduced the 2008 and 2009 payment rates by 0.6% and 0.9%, respectively, with the remainder to be recouped through future rate reductions on a prospective basis. The estimated amount to be recouped of $11,770 as of September 30, 2009 has been recorded as deferred revenue and will be amortized into net patient service revenue in the fiscal years that CMS implements the future rate reductions. Management believes this accounting treatment better reflects the financial impact of this rate methodology and more accurately presents the recognition of revenue.

The statements of operations include excess of revenues over expenses. Changes in unrestricted net assets which are excluded from excess of revenues over expenses include change in unrealized appreciation on marketable investments, transfers of assets to and from affiliates, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for acquisition of such assets) and change in funded status of defined benefit plans.

(dollars in thousands)

Net Patient Service Revenue
BWH maintains agreements with CMS of the United States Department of Health and Human Services (DHHS) under the Medicare Program, The Commonwealth of Massachusetts under the Medical Assistance Program (Medicaid) and various managed care payers that govern payment for services rendered to patients covered by these agreements. The agreements generally provide for per case or per diem rates or payments based on discounted charges for inpatient care and discounted charges or fee schedules for outpatient care. Certain "pay for performance" contracts also provide for payments that are contingent upon meeting agreed upon quality and efficiency measures.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payers, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Contracts, laws and regulations governing the Medicare, Medicaid, and the HSN programs (Note 1) and managed care payer arrangements are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. A portion of the accrual for settlements with third-party payers has been classified as long-term because such amounts, by their nature or by virtue of regulation or legislation, will not be paid within one year.

Charity Care
BWH provides either full or partial charity care to patients who cannot afford to pay for their medical services based on income and family size. Charity care is generally available to qualifying patients for medically necessary services. BWH reports certain bad debts related to emergency services as charity care. Charity care is reported at gross charges with an offsetting allowance, as there is no expectation of collection. Accordingly, there is no net patient service revenue related to charity care.

Other Revenue
Other revenue includes parking revenue, rental income and cafeteria sales.

3. Investments and Investments Limited as to Use

Investments are either separately invested or included in pooled investment funds. The Partners HealthCare System Pooled Investment Accounts (Partnership) is structured as a single general partnership composed of four investment pools, with PHS and substantially all of its affiliates participating in the pools as partners. Each partner's interest in the Partnership is based on its underlying investments in one or more of the four separate pools. Amounts included in the investment pools are accounted for using the fair value method whereby each partner is assigned a number of units based on the fair value of the assets of a pool at the time of entry of the funds into the pool. Current fair value is used to determine the number of units allocated to additional amounts placed in a pool and to value withdrawals from a pool. Income from investments of the pools, including realized gains and losses, is allocated on a unitized basis to a partner based on the partner's share of units in a pool.

(dollars in thousands)

The Partnership participates in a securities lending program with its custodian bank whereby securities are loaned to qualified financial institutions in exchange for collateral. Investments that have been loaned to another institution are reported as pledged assets in the consolidated balance sheets of Partners HealthCare. Cash or investments received as collateral on the securities lending transaction are also reported as assets in such consolidated balance sheets. Because the collateral must be returned in the future, a corresponding liability is reported in such consolidated balance sheets.

Investments and investments limited as to use are recorded in the balance sheet as follows:

	September 30, 2009	2008
Current assets		
Current portion of investments limited as to use	$ 72,997	$ 76,041
	72,997	76,041
Investments limited as to use, less current portion	16,589	16,622
Long-term investments	125,820	123,737
	$ 215,406	$ 216,400

Investments limited as to use consist of the following:

	September 30, 2009		September 30, 2008	
	Current Portion	Long-Term Portion	Current Portion	Long-Term Portion
Internally designated funds				
Deferred compensation	$ -	$ 2,247	$ -	$ 2,151
Externally limited funds				
Unexpended funds on research	63,925	-	69,670	-
Contributions held for others	9,072	-	6,362	-
Professional liability trust fund	-	14,342	-	11,334
Held by trustees under debt and other agreements	-	-	9	3,137
	72,997	14,342	76,041	14,471
	$ 72,997	$ 16,589	$ 76,041	$ 16,622

(dollars in thousands)

Investments and investments limited as to use are reported at either fair value or on the equity or cost methods of accounting. The composition of these investments, segregated between pooled investments and those that are separately invested, is as follows:

	September 30, 2009			
	At Fair Value	On Equity Method	On Cost Method	Total
Pooled investments	$ -	$ 213,159	$ -	$ 213,159
Separately invested				
Mutual funds	2,247	-	-	2,247
	$ 2,247	$ 213,159	$ -	$ 215,406

	September 30, 2008			
	At Fair Value	On Equity Method	On Cost Method	Total
Pooled investments	$ -	$ 211,104	$ -	$ 211,104
Separately invested				
Invested cash equivalents	$ 8	$ -	$ -	$ 8
Mutual funds	2,151	-	-	2,151
Other	-	-	3,137	3,137
	2,159	-	3,137	5,296
	$ 2,159	$ 211,104	$ 3,137	$ 216,400

(dollars in thousands)

Investment income and gains (losses) from cash and equivalents, investments (including long-term) and investments limited as to use are comprised of the following:

	Years Ended September 30, 2009	2008
Unrestricted		
Dividends and interest income	$ 1,285	$ 2,749
Endowment income distributions, net of reinvested gains	288	409
Net realized gains (losses) on investments		
Realized gains (losses)	(972)	537
Other-than-temporary impairment	(394)	(274)
Change in net unrealized appreciation on equity method investments	916	(2,892)
Losses on endowment funds	(59)	(640)
Total investment activity included in excess of revenues over expenses	1,064	(111)
Temporarily restricted		
Dividends and interest income	704	2,270
Endowment income distributions	(5,459)	(5,212)
Net realized gains (losses) on investments		
Realized gains	484	7,879
Other-than-temporary impairment	(4,019)	(2,882)
	(8,290)	2,055
Change in net unrealized appreciation on equity method investments	4,148	(26,194)
Losses on endowment funds	59	640
	4,207	(25,554)
Total temporarily restricted investment activity	(4,083)	(23,499)
Permanently restricted		
Dividends and interest income	7	-
	$ (3,012)	$ (23,610)

(dollars in thousands)

Investment income (loss) included in operating results and excess of revenues over expenses are comprised of the following:

	Years Ended September 30, 2009	2008
Investment income (loss) included in operations and reported in Other revenue	$ (20)	$ 1,335
Investment income (loss) included in nonoperating gains (expenses) and reported in Income (loss) from investments	1,084	(1,446)
Total investment activity included in excess of revenues over expenses	$ 1,064	$ (111)

4. Fair Value Measurements

On October 1, 2008, BWH adopted new accounting guidance which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The adoption of this standard did not have a material impact on BWH's financial position and results of operations.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (also referred to as "exit price"). Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. In determining fair value, the use of various valuation approaches, including market, income and cost approaches, is permitted.

Fair Value Hierarchy
A fair value hierarchy has been established based on whether the inputs to valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the reporting entity's assumptions about the inputs market participants would use. The fair value hierarchy requires the reporting entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. In addition, for hierarchy classification purposes, the reporting entity should not look through the form of an investment to the nature of the underlying securities held by an investee.

The hierarchy is described below.

Level 1 - Valuations using quoted prices in active markets for identical assets or liabilities. Valuations of these products do not require a significant degree of judgment.

(dollars in thousands)

Level 2 - Valuations using observable inputs other than Level 1 prices such as quoted prices in active markets for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in markets that are not active; broker or dealer quotations; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Valuations using unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

As of September 30, 2009, mutual funds of $2,247 are classified within Level 1 as they are valued using quoted market prices.

5. Pledges Receivable and Contributions Receivable from Trusts

Pledges receivable represent unconditional promises to give and are net of allowances for uncollectible amounts. Pledges are recorded at the present value of their estimated future cash flows. Pledges collectible within one year are classified as other current assets and total $25,448 and $28,623 as of September 30, 2009 and 2008, respectively. Estimated cash flows due after one year are discounted using published treasury bond and note yields that are commensurate with estimated collection risks. The blended discount rate was 1.5% and 2.6% for 2009 and 2008, respectively. Pledges are expected to be collected as follows:

	September 30, 2009	2008
Amounts due		
Within one year	$ 30,972	$ 30,241
In one to five years	57,718	64,092
In more than five years	7,363	12,833
Total pledges receivable	96,053	107,166
Less: Unamortized discount	2,391	7,840
	93,662	99,326
Less: Allowance for uncollectibles	30,291	3,107
Net pledges receivables	63,371	96,219
Contributions receivable from trusts	1,741	1,863
	$ 65,112	$ 98,082

(dollars in thousands)

6. Property and Equipment

Property and equipment consists of the following:

	September 30, 2009	2008
Land and land improvements	$ 19,891	$ 19,891
Buildings and building improvements	1,188,441	1,095,744
Equipment	298,032	290,037
Construction in progress	48,002	62,459
	1,554,366	1,468,131
Accumulated depreciation	(569,628)	(503,810)
Property and equipment, net	$ 984,738	$ 964,321

Interest costs, net of interest earned, aggregating $317 and $6,845 were capitalized in 2009 and 2008, respectively.

For the years ended September 30, 2009 and 2008, fully depreciated assets with an original cost of $35,589 and $43,107, respectively, were written off.

7. Long-Term Obligations

Long-term obligations consist of the following:

	September 30, 2009	2008
Notes payable to PHS		
Partners HealthCare Capital Framework Loan, variable interest rate of 4.33% and 4.88% at September 30, 2009 and 2008, respectively, final maturity in 2039	$ 642,915	$ 603,858
Capital lease obligations	860	2,091
	643,775	605,949
Less current portion	25,711	22,869
	$ 618,064	$ 583,080

The Partners HealthCare Capital Framework Loan bears interest at a variable rate based upon the weighted average cost of Partners HealthCare's debt, reset annually, effective October 1.

Partners HealthCare Series 2007 Taxable Bonds and the Massachusetts Health and Educational Facilities Authority's Series A through I bonds issued on behalf of Partners HealthCare and the Series P loan to PHS are unsecured general obligations of PHS, supported by guarantees from BW/F, BWH, MGH, and The General Hospital Corporation (the General) which may be suspended under certain conditions.

(dollars in thousands)

Aggregate maturities and payments of long-term obligations of BWH including obligations under capital leases (Note 8), during the next five years are as follows: 2010 - $25,711; 2011 - $25,825; 2012 - $27,029, 2013 - $28,471 and 2014 - $30,022.

Long-term obligations of BWH have variable interest rates that reflect currently available terms and conditions for similar debt. The carrying amount for this debt is a reasonable estimate of its fair value.

Interest expense approximates interest paid, net of capitalized interest, during the years ended September 30, 2009 and 2008.

8. Leases

BWH has capital and noncancelable operating leases for certain buildings and equipment. Rental expense under operating leases approximated $55,524 in 2009 and $54,347 in 2008, including expenses under leases with BW/F of $768 in 2009 and 2008. Minimum future lease commitments under noncancelable leases, including a total commitment of $6,912 for research building rentals with BW/F, for the next five years and thereafter are as follows:

	Capital Leases	Operating Leases
2010	$ 878	$ 60,210
2011	-	55,001
2012	-	49,956
2013	-	48,679
2014	-	44,855
Thereafter	-	233,297
Total lease payments	878	$ 491,998
Less amount representing interest	18	
Capital lease obligations at September 30, 2009	$ 860	

9. Pension and Postretirement Healthcare Plans

Substantially all employees of BWH are covered under The Brigham and Women's Hospital Retirement Plan (BWH Plan), a noncontributory defined benefit pension plan. Benefits under the cash balance accrual formula consist of annual allocations to participants' accounts based on the participants' age, years of service and salary. Interest is credited to participants' accounts annually at market rates. The amount of pension expense allocated to BWH was $15,783 in 2009 and $20,663 in 2008.

Eligible employees of BWH and BWPO can participate in the BWH Retiree Medical Savings Account Plan. This plan is funded primarily with employee contributions. The employer also provides an annual match and interest is credited annually to participant accounts at market rates.

(dollars in thousands)

Certain professional staff employed by BWH who hold appointments at the Harvard Medical School, as well as certain administrative staff, participate in the Brigham and Women's Hospital Professional Staff Retirement Plan, which is a defined contribution plan. BWH contributes to the plan a percentage, as defined by the plan agreement, of each participant's annual compensation. The amount of expense incurred by BWH under this plan for 2009 and 2008 was $11,461 and $10,634, respectively.

In 2009, BWH changed its defined benefit plans measurement date from June 30 to September 30. For BWH, this measurement date change resulted in a decrease in assets of $27,678, an increase in liabilities of $544 and a decrease in unrestricted net assets of $28,222.

Benefit Obligations

Change in Benefit Obligations	Defined Benefit Pension Plan 2009	Defined Benefit Pension Plan 2008	Postretirement Healthcare Benefit Plan 2009	Postretirement Healthcare Benefit Plan 2008
Benefit obligations at beginning of year	$ 649,994	$ 635,960	$ 10,447	$ 6,650
Service cost	28,988	33,511	664	522
Interest cost	46,031	41,168	752	446
Plan amendments	3,669	2,347	-	-
Actuarial loss (gain)	239,119	(42,414)	1,354	430
Employee contributions	-	-	2,740	2,441
Benefits paid	(22,684)	(18,764)	(152)	(42)
Expenses paid	(1,599)	(1,814)	-	-
Adjustment for change in measurement date	(64,775)	-	535	-
Benefit obligations at end of year	$ 878,743	$ 649,994	$ 16,340	$ 10,447

(dollars in thousands)

The accumulated benefit obligation for the defined benefit pension plan at the end of 2009 and 2008 was $738,112 and $566,594, respectively.

Weighted-Average Assumptions Used to Determine End of Year Benefit Obligation	Defined Benefit Pension Plan 2009	Defined Benefit Pension Plan 2008	Postretirement Healthcare Benefit Plan 2009	Postretirement Healthcare Benefit Plan 2008
Discount rate	5.75%	6.75%	4.55%	5.75%
Rate of compensation increase	5.10%	5.10%	N/A	N/A

Plan Assets

Change in Plan Assets	Defined Benefit Pension Plan 2009	Defined Benefit Pension Plan 2008	Postretirement Healthcare Benefit Plan 2009	Postretirement Healthcare Benefit Plan 2008
Fair value of plan assets at beginning of year	$ 731,989	$ 707,429	$ 7,382	$ 5,598
Actual return on plan assets	17,507	21,283	459	(657)
Employer contributions	19,017	23,855	152	42
Employee contributions	-	-	2,740	2,441
Benefits paid	(22,684)	(18,764)	(152)	(42)
Expenses paid	(1,599)	(1,814)	-	-
Adjustment for change in measurement date	(87,151)	-	4	-
Fair value of plan assets at end of year	$ 657,079	$ 731,989	$ 10,585	$ 7,382

BWH's benefit plan weighted-average target asset allocation ranges as well as actual allocations, by asset category for 2009 and 2008, are as follows:

Asset Category	Defined Benefit Pension Plan Target Allocation	Defined Benefit Pension Plan Percentage of Plan Assets 2009	Defined Benefit Pension Plan Percentage of Plan Assets 2008	Postretirement Healthcare Benefit Plan Target Allocation	Postretirement Healthcare Benefit Plan Percentage of Plan Assets 2009	Postretirement Healthcare Benefit Plan Percentage of Plan Assets 2008
Domestic equity securities	4% - 24%	18.3%	14.5%	40% - 60%	51.4%	48.0%
Foreign equity securities	15% - 35%	25.8%	20.2%	10% - 30%	10.0%	10.0%
Fixed income securities	1% - 21%	19.0%	18.3%	30% - 50%	38.6%	42.0%
Less market sensitive strategies	20% - 40%	28.5%	30.4%	-	-	-
Inflation protection strategies	6% - 26%	8.4%	16.6%	-	-	-
	100%	100%	100%	100%	100%	100%

(dollars in thousands)

Less market sensitive investments include hedge funds employing long/short equity, diversified arbitrage and absolute return strategies, which in the aggregate are expected to generate positive returns on a consistent basis. Inflation protection strategies include investments in real estate assets/commodities, equity securities of commodity related companies and inflation protection bonds.

The investment objective is to achieve the highest reasonable total return after considering (i) plan liabilities, (ii) funding status and projected cash flows, (ii) projected market returns, valuations and correlations for various asset classes, and (iv) Partners HealthCare's ability and willingness to incur market risk. Partners HealthCare's Investment Committee actively manages plan assets in order to add incremental returns by manager selection and asset allocation (increasing/decreasing allocations within allowable ranges based on current and projected valuations).

Funded Status

The funded status of the plans recognized in the balance sheet and amounts recognized in unrestricted net assets, follows:

	Defined Benefit Pension Plan		Postretirement Healthcare Benefit Plan	
End of Year	**2009**	**2008**	**2009**	**2008**
Fair value of plan assets at measurement date	$ 657,079	$ 731,989	$ 10,585	$ 7,382
Contributions received after measurement date	-	5,834	-	34
Benefit obligations at measurement date	(878,743)	(649,994)	(16,340)	(10,447)
Funded status	$ (221,664)	$ 87,829	$ (5,755)	$ (3,031)
Amounts recognized in balance sheet consist of				
Noncurrent assets	$ -	$ 87,829	$ -	$ -
Long-term liabilities	(221,664)	-	(5,755)	(3,031)
	$ (221,664)	$ 87,829	$ (5,755)	$ (3,031)
Amounts recognized in unrestricted net assets consist of				
Actuarial net loss (gain)	$ 214,615	$ (91,408)	$ 3,054	$ 1,321
Prior service cost	3,379	3,579	-	-
	$ 217,994	$ (87,829)	$ 3,054	$ 1,321

(dollars in thousands)

Expected Cash Flows

Information about the expected cash flows for the defined benefit pension and postretirement healthcare benefit plans are as follows:

	Defined Benefit Pension Plan	Postretirement Healthcare Benefit Plan
Expected employer contributions - 2010	$ 44,454	$ 245
Expected benefit payments		
2010	27,230	245
2011	30,902	334
2012	35,357	450
2013	38,532	563
2014	43,029	707
2015 and thereafter	288,229	3,967

Net Periodic Benefit Cost

	Defined Benefit Pension Plan		Postretirement Healthcare Benefit Plan	
	2009	2008	2009	2008
Service cost	$ 28,988	$ 33,511	$ 664	$ 522
Interest cost	46,031	41,168	752	446
Expected return on plan assets	(56,824)	(51,314)	(548)	(417)
Amortization of				
Prior service cost (credit)	3,829	(29)		-
Actuarial net (gain) loss	(4,379)	-	73	-
Net periodic benefit cost	$ 17,645	$ 23,336	$ 941	$ 551

Amounts expected to be amortized from unrestricted net assets into net periodic benefit cost during the year ending September 30, 2010, are as follows:

	Defined Benefit Pension Plan	Postretirement Healthcare Benefit Plan
Actuarial net loss	$ 3,761	$ 178
Prior service cost	160	-

(dollars in thousands)

Weighted-Average Assumptions Used to Determine Net Periodic Cost and Postretirement Cost	Defined Benefit Pension Plan		Postretirement Healthcare Benefit Plan	
	2009	2008	2009	2008
Discount rate	7.65%	6.25%	6.50%	6.25%
Expected return on plan assets	8.25%	8.25%	7.50%	7.50%
Rate of compensation increase	5.10%	5.10%	N/A	N/A

Partners HealthCare considers multiple factors in establishing a multi-year projected return assumption for its benefit programs. These include, but are not limited to: its current asset allocation policy and target ranges by asset class; asset valuations; historical and projected rates of return by asset class; historical and projected correlations among asset classes; the opportunity to exceed passive index returns via active management through a combination of manager selection and alternative weightings among and within asset classes; and Partners HealthCare's historical performance experience.

10. Professional Liability Insurance

BWH insures substantially all of its professional and general liability risk on a claims-made basis in cooperation with PHS affiliates and other organizations in the Greater Boston area through a captive insurance company, Controlled Risk Insurance Company Ltd. (CRICO). The policy covers claims made during its term, but not those occurrences for which claims may be made after expiration of the policy, except for certain tail liabilities which CRICO has assumed on an occurrence basis through December 31, 2009. Management intends to renew its coverage on a claims-made basis and has no reason to believe that it will be prevented from such renewal.

BWH follows the accounting policy of establishing reserves to cover all professional liability claims incurred but not reported to the insurance company as of the end of the year (tail liability), excluding the tail liability assumed by CRICO. These reserves have been estimated by consulting actuaries on a discounted basis using an interest rate of 5.75% at September 30, 2009 and 2008.

Management is not aware of any claims against BWH or factors affecting CRICO that would cause the expense for professional liability risks to vary materially from the amount provided.

11. Transactions with Affiliates

BWH received fund-raising, investment management, legal, financial and administrative services from PHS and BW/F of $155,546 and $139,259 in 2009 and 2008, respectively. BWH also purchased certain teaching and administrative services, professional services, as well as leased space from PHS affiliates which amounted to $70,382 and $62,809 in 2009 and 2008, respectively. BWH provided certain administrative and support services, as well as leased space and professional services to PHS affiliates, which totaled $11,854 and $10,349 in 2009 and 2008, respectively. All services among these affiliated corporations were reimbursed on an estimated cost basis.

(dollars in thousands)

During 2009 and 2008, BWH transferred funds to, and received funds from, certain affiliated corporations. These equity transfers are reported separately as changes in net assets and are excluded from excess of revenues over expenses. Amounts transferred were as follows:

	Years Ended September 30, 2009	2008
Transfers from (to)		
BW/F	$ (91,172)	$ (42,362)
BWPO	38	-
PHS	459	1,841
Transfers to affiliates, net	$ (90,675)	$ (40,521)

12. Concentrations of Credit Risk

Financial instruments that potentially subject BWH to concentrations of credit risk consist of patient accounts receivable, pledges receivable, research grants receivable and certain investments. BWH receives a significant portion of its payments for services rendered from a limited number of government and commercial third-party payers, including Medicare, Medicaid, Blue Cross and Blue Shield of Massachusetts, Harvard Pilgrim Health Care and Tufts Health Plan. Research funding is provided through many government and private sponsors. Pledges receivable are due from multiple donors. BWH assesses the credit risk for pledges based on history and the financial wherewithal of donors, most of which are individuals or organizations well known to the Hospital. Pooled investments, which include government and agency securities, stocks and corporate bonds, and private partnerships and other investments are not concentrated in any corporation or industry or with any single counterparty.

13. Restricted Net Assets

Restricted net assets are available for the following purposes:

	September 30, 2009	2008
Temporarily restricted		
Charity care	$ 14,395	$ 15,027
Buildings and equipment	63,073	67,420
Clinical care, research and academic	65,568	88,459
	$ 143,036	$ 170,906
Permanently restricted		
Charity care	$ 1,846	$ 1,846
Clinical care, research and academic	44,970	47,929
	$ 46,816	$ 49,775

(dollars in thousands)

Endowment

BWH's endowment consists of over 150 individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported as restricted or unrestricted based on the existence or absence of donor-imposed restrictions.

BWH has interpreted the UPMIFA as requiring the preservation of the value of the original gift of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, BWH classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by BWH in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, BWH considers several factors in making a determination to appropriate or accumulate donor-restricted endowment funds. These factors include: the duration and preservation of the fund; the purposes of the organization and the donor-restricted endowment fund; general economic conditions; the possible effect of inflation and deflation; the expected total return from income and the appreciation of investments; other resources of the organization; and the investment policies of the organization.

Endowment Funds with Deficits

From time to time, the value of assets associated with individual donor-restricted endowment funds may fall below the value of the initial and subsequent donor gift amounts. When such endowment deficits exist, they are classified as a reduction to unrestricted net assets. Deficits of this nature reported in unrestricted net assets were $749 and $690 at September 30, 2009 and 2008, respectively. These deficits resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions or subsequent endowment additions.

The following presents the endowment net asset composition by type of fund as of September 30, 2009 and 2008 and the changes in endowment assets for the years ended September 30, 2009 and 2008:

Endowment Net Asset Composition by Type of Fund as of September 30, 2009	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (749)	$ 78,618	$ 46,816	$ 124,685

(dollars in thousands)

Changes in Endowment Net Assets for the Year Ended September 30, 2009	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at September 30, 2008	$ (690)	$ 82,688	49,775	$ 131,773
Investment return				
Investment income	-	684	7	691
Net realized and unrealized appreication (depreciation)	(59)	672	-	613
Total investment return	(59)	1,356	7	1,304
Contributions	-	-	4,374	4,374
Appropriation of endowment assets for expenditure	-	(5,459)	-	(5,459)
Other changes	-	33	(7,340)	(7,307)
Total changes	(59)	(4,070)	(2,959)	(7,088)
Endowment net assets at September 30, 2009	$ (749)	$ 78,618	$ 46,816	$ 124,685

Endowment Net Asset Composition by Type of Fund as of September 30, 2008	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ (690)	$ 82,688	$ 49,775	$ 131,773

Changes in Endowment Net Assets for the Year Ended September 30, 2008	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at October 1, 2007	$ (50)	$ 105,895	$ 38,643	$ 144,488
Investment return				
Investment income	-	1,604	-	1,604
Net realized and unrealized appreciation (depreciation)	(640)	(20,557)	-	(21,197)
Total investment return	(640)	(18,953)	-	(19,593)
Contributions	-	-	12,090	12,090
Appropriation of endowment assets for expenditure	-	(5,212)	-	(5,212)
Other changes	-	958	(958)	-
Total changes	(640)	(23,207)	11,132	(12,715)
Endowment net assets at September 30, 2008	$ (690)	$ 82,688	$ 49,775	$ 131,773

(dollars in thousands)

14. Functional Expenses

Total operating expenses by function are as follows:

	Years Ended September 30, 2009	2008
Healthcare services	$ 1,323,542	$ 1,196,355
Research and academic	504,453	461,245
General and administrative	132,136	133,841
	$ 1,960,131	$ 1,791,441

15. Contingencies

BWH is subject to complaints, claims and litigation which have risen in the normal course of business. In addition, BWH is subject to reviews by various federal and state government agencies to assure compliance with applicable laws, some of which are subject to different interpretations. Recently, governmental review of compliance by healthcare institutions, including BWH, has increased.

16. Subsequent Events

BWH has assessed the impact of subsequent events through December 11, 2009, the date the audited financial statements were available for issuance, and has concluded that there were no such events that require adjustment to the audited financial statements or disclosure in the notes to the audited financial statements.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Total Federal Expenditures
RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER		
Research and Development Direct Programs		
Department of Health and Human Services		
National Institutes of Health		
Biological Response to Environmental Health Hazards	93.113	$ 3,269,617
Biometry and Risk Estimation-Health Risks from Environmental Exposures	93.115	6,529
Oral Diseases and Disorders Research	93.121	5,818,940
Human Genome Research	93.172	1,966,569
Research Related to Deafness and Communication Disorders	93.173	338,239
Research and Training in Complementary and Alternative Medicine	93.213	828,782
National Center on Sleep Disorders Research	93.233	2,233,519
Mental Health Research Grants	93.242	7,083,333
Alcohol Research Programs	93.273	964,594
Drug Abuse and Addiction Research Programs	93.279	166,523
Biomedical Imaging Research	93.286	7,137,059
Minority Health and Health Disparities Research	93.307	49,814
Trans-NIH Research Support	93.310	1,000,220
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.371	230,237
National Center for Research Resources	93.389	7,318,636
National Institute of General Medical Sciences	93.390	106,108
Cancer Cause and Prevention Research	93.393	16,731,468
Cancer Detection and Diagnosis Research	93.394	6,551,549
Cancer Treatment Research	93.395	1,149,323
Cancer Biology Research	93.396	4,896,842
Cancer Centers Support Grants	93.397	4,843,826
Cancer Research Manpower	93.398	399,785
Health Cancer Control	93.399	1,819,808
TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	**93.701**	**1,929,305**
Heart and Vascular Diseases Research	93.837	30,718,516
Lung Diseases Research	93.838	22,452,030
Blood Diseases and Resources Research	93.839	2,760,237
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	8,493,353
Diabetes, Endocrinology and Metabolism Research	93.847	12,838,432
Digestive Diseases and Nutrition Research	93.848	1,300,445
Kidney Diseases, Urology and Hematology Research	93.849	2,916,543
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	11,914,176
Allergy, Immunology and Transplantation Research	93.855	29,928,143
Microbiology and Infectious Diseases Research	93.856	85,614
Biomedical Research and Research Training	93.859	7,711,702
Population Research	93.864	225,040
Child Health and Human Development Extramural Research	93.865	2,493,146
Aging Research	93.866	13,888,007
Vision Research	93.867	2,755,046
Medical Library Assistance	93.879	5,349,651
Fogarty International Research Collaboration Award	93.934	(20,153)
International Research and Research Training	93.989	129,516
National Institutes of Health Contracts	93	648,316
Subtotal - National Institutes of Health		233,428,385
Other Department of Health and Human Services		
Agency for International Development		
USAID Foreign Assistance for Programs Overseas	98.001	21,162
Agency for Health Care Policy and Research		
Health Services Research and Development Grants	93.226	4,137,306
Center for Disease Control		
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.262	596,096
Centers for Disease Control-Investigations and Technical Assistance	93.283	204,730
Research, Treatment and Education Programs on Lyme Disease in the United States	93.942	(27,897)
Center for Disease Control and Prevention	93	23,219

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Total Federal Expenditures
Research and Development Direct Programs (cont.)		
Office of the Secretary, Department of Health and Human Services Office on Women's Health		
Office of Public Health and Science	93.088	$ 437,969
Subtotal - Other Department of Health and Human Services		5,392,585
Subtotal - Department of Health and Human Services		238,820,970
Department of Agriculture		
Agrigultural and Rural Economic Research	10.250	(22,801)
Grants for Agricultural Research - Competitive Research Grants	10.206	(567)
Subtotal - Department of Agriculture		(23,368)
Department of Defense		
Air Force Defense Research Sciences Program	12.800	(75,180)
U.S. Army Research Medical Command	12.420	3,924,595
Subtotal - Department of Defense		3,849,415
Department of Homeland Security		
Aviation Research Grants	97.069	81,347
Federal Emergency Management Agency	97.044	416,492
Subtotal - Department of Homeland Security		497,839
Department of Justice		
Corrections and Law Enforcement Family Support	16.563	4,844
Subtotal - Department of Justice		4,844
Department of the State		
Professional and Cultural Exchange Programs - International Visitor Leadership Program	19.402	104,638
Aerospace Education Services Program	19.500	(38)
U.S. Department of State	19	(8)
Subtotal - Department of the State		104,592
Department of Transportation		
Aviation Research Grants	20.108	30,124
Subtotal - Department of Transportation		30,124
Department of Veterans Affairs		
Veterans Rehabilitation - Alcohol and Drug Dependence	64.019	769,443
Subtotal - Department of Veterans Affairs		769,443
National Aeronautics and Space Administration		
Aerospace Education Services Program	43.001	1,047,103
Subtotal - National Aeronautics and Space Administration		1,047,103
National Science Foundation		
Biological Sciences	47.074	140
Engineering Grants	47.041	10,000
Computer and Information Science and Engineering	47.070	5,013
Subtotal - National Science Foundation		15,153
Office of Minority Health		
Community Programs to Improve Minority Health Grant Program	93.137	549,591
Subtotal - Office of Minoirty Health		549,591
Total Research and Development Direct Programs		245,665,706

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations			
Department of Health and Human Services			
National Institutes of Health			
Strang Cancer Prevention Center	93	N01-CN-95015	$ 6,984
Harvard Pilgrim Health Care	93.061	5R01PH000032-02	173,048
Harvard Pilgrim Health Care	93.061	P01 HK000016-03	1,114
Harvard Pilgrim Health Care	93.061	P01HK000016-03S1	437,943
Children's Hospital of Boston	93.113	5R01ES016283-02	285,657
Harvard Pilgrim Health Care	93.113	1R01ES016314-01	81,729
Harvard School of Public Health	93.113	1R01ES014433-02	196,324
Harvard School of Public Health	93.113	5P01ES009825-09	194,244
Harvard School of Public Health	93.113	5R01ES013967-03	51,602
Harvard School of Public Health	93.113	5R01ES014370-04	24,030
Harvard School of Public Health	93.113	5R01ES014663-02	20,483
Harvard School of Public Health	93.113	5R01ES015172-03	275,062
Harvard School of Public Health	93.113	RD-83172501-04	73,981
University of California at Los Angeles	93.114	5R01ES013717-03	61,693
Harvard Medical School	93.121	K12DE014528	(6,674)
Massachusetts General Hospital-CIMIT	93.121	5R01DE017821-03	41,848
New England Medical Center (NEMC)	93.121	5R01DE015302-05	190,363
University of Chicago	93.121	2R01DE012322-09	27
University of Chicago	93.121	R01DE015830-04	110,152
University of Puerto Rico	93.121	1R01DE017176-02	181,436
Dartmouth College	93.143	5P42ES007373-15	65,682
Harvard School of Public Health	93.143	5P42ES005947-11	36
Children's Hospital of Boston	93.172	5R01HD046855-03	(4,102)
Dana Farber Cancer Institute	93.172	5P50 HG04233-03	404,848
Fred Hutchinson Cancer Research Center	93.172	5P41HG004059-03	128,780
Massachusetts Eye and Ear Infirmary	93.172	1U01HG004728-01	87,302
NIH-National Institutes of Health	93.172	5 P50 HG04233-02	344,215
Penn State University	93.172	1R01HG004909-01	409
University of California at Berkeley	93.172	5U01HG004258-03	596,740
Massachusetts Eye and Ear Infirmary	93.173	2R01DC000033-09	(35,494)
Massachusetts General Hospital	93.213	1R21AT004497-02A2	2,475
Massachusetts General Hospital	93.213	2U01AT000613-07	38,003
Wake Forest University	93.213	5P50AT002782-04	207,456
Beth Israel Deaconess Medical Center	93.233	5P50HL060292-10	(26,711)
Boston Medical Center	93.233	5 P60 HL015157-30	(8,790)
Beth Israel Deaconess Medical Center	93.242	1 P50MH080272-02	336,740
Beth Israel Deaconess Medical Center	93.242	5P50MH080272-02	454,795
Children's Hospital of Boston	93.242	5 U01 AI046135-02	7,523
Harvard Medical School	93.242	5R01MH054693-11	78,498
Harvard School of Public Health	93.242	5R01MH078928-03	327,689
Massachusetts General Hospital-CIMIT	93.242	5r01MH063989-05	(18,122)
Massachusetts General Hospital-CIMIT	93.242	5R01MH073445-03	274,470
Massachusetts General Hospital-CIMIT	93.242	5R01MH073445-3	143,701
Massachusetts General Hospital	93.242	1R01MH082922-01A2	2,324
Massachusetts General Hospital	93.242	1R01MH085542-01	65,602
Massachusetts General Hospital	93.242	5R01MH073445-03	6,490
Massachusetts General Hospital	93.242	5R01MH073445-02	105,848
Social and Scientific Systems, Inc.	93.242	1U01AI068632-01	6,301
University of Minnesota	93.242	7R01MH069732-02	(27,494)
Westat, Inc.	93.243	Samsha	57,888
Ohio State University Research Foundation	93.262	1R01OH008649-01A1	22,661
University of Texas	93.262	1R01OH003523-01	(8,005)
University of Texas	93.262	1R01OH003523-03	(31,820)
University of Massachusetts at Lowell	93.262	1R01OH008254-03	24,638

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Wake Forest University	93.273	5R01AA016748-03	$ 41,435
Harvard School of Public Health	93.279	5 R21 DA022600-02	66,650
Mass General Hospital-CIMIT	93.279	5R21DA019709-02	29,442
Memorial Sloan-Kettering Institute Cancer Research	93.279	1R03DA026206-01	12,500
University of Chicago	93.279	5R01DA015223-03	(58,070)
University of Illinois at Chicago	93.279	2R01DA015223-04	(3,153)
Duke University	93.286	7R21EB005690-03	(2,248)
Massachusetts Institute of Technology	93.286	5R01EB003805-05	303,642
Sunnybrook Health Science Center	93.286	7R01EB003268-10	107,367
Sunnybrook Health Science Center	93.286	7R01EB003268-12	266
Sunnybrook Health Science Center	93.286	7R33EB000705-04	109,607
University of Massachusetts	93.307	5P20MD002290-02	47,650
Scripps Research Institute	93.310	5R01CA132630-02	168,859
Columbia University	93.361	5R21NR010710-02	71,368
Vanderbilt University	93.371	R01HL077389	21,661
Harvard Catalyst - The Harvard Clinical	93.389	1UL1RR025758-01	81,415
Harvard University	93.389	1 UL1 RR025758-01	3,929,916
Harvard University	93.389	1UL1RR025758-01	3,910,402
Lam Foundation	93.389	5 U54RR109498-04	2,706
Mass General Hospital-CIMIT	93.389	5U54RR021382-05	367,901
Mount Sinai School of Medicine	93.389	1R01HL082950-01	346
President and Fellows of Harvard College	93.389	1ULRR025758-01	1,770
Roger Williams General Hospital	93.389	2P20RR018757-06	27,575
Tufts University	93.389	R21RR021987	(1,717)
University of California at Irvine	93.389	5U24RR021992-04	140,957
University of Rochester Medical Center	93.389	5U54RR019482-01	(5,081)
University of Rochester Medical Center	93.389	5U54RR019482-02	(23,652)
Columbia University	93.393	5R01CA104842-03	61,982
Columbia University	93.393	5R01CA127532-02	158,042
Dana Farber Cancer Institute	93.393	5R01CA124908-03	406,735
Dana Farber Cancer Institute	93.393	7 R01CA124908-02	35,737
Dana Farber Cancer Institute	93.393	P30CA06516-42	2,527
Florida State University	93.393	1R01CA069222	58,456
Harvard School of Public Health	93.393	2P01CA055075-15	83
Harvard School of Public Health	93.393	5P01CA55075-17	422,779
Harvard School of Public Health	93.393	5R01CA050385-20	661,409
Harvard School of Public Health	93.393	5R01CA050597-15	238,774
Harvard School of Public Health	93.393	5R01CA067262-13	399,055
Harvard School of Public Health	93.393	5R01CA095589-04	(5,800)
Harvard School of Public Health	93.393	2R01CA050385-21A1	93,859
Imperial College of Science, London	93.393	7R01CA114025-03	77,442
University of California at San Francisco	93.393	1P01CA130818-01A1	96,362
University of California at San Francisco	93.393	5R01CA101849-04	159
University of Texas, MD Anderson Cancer Center	93.393	5R01CA119215-03	55,844
Washington University	93.393	1R01CA127435-02	152,682
Washington University	93.393	1R01CA127435-03	44,197
American College of Radiology	93.394	5U01CA080098	189,394
Dana Farber Cancer Institute	93.394	5R01CA114465-05	34,212
Fred Hutchinson Cancer Research Center	93.394	2P01CA091955-06	80,390
Georgetown University Medical Center	93.394	1R01CA124377-01	118,621
Mass General Hospital-CIMIT	93.394	5R01CA115746-02	108,579
Massachusetts Institute of Technology	93.394	5R01CA979660-5	16,961
University of Chicago	93.394	5U24CA114725-03	108,038
University of Pennsylvania	93.394	1R01CA104976-03	19
Dana Farber Cancer Institute	93.395	1 R21CA132279-01A1	100,660
Dana Farber Cancer Institute	93.395	1R01CA135257-01	59,198

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Dana Farber Cancer Institute	93.395	2P01CA066996-11A1	$ 78,396
Dana Farber Cancer Institute	93.395	5P01CA066996-10	(7,121)
Dana Farber Cancer Institute	93.395	5P01CA066996-8	(11,970)
Dana Farber Cancer Institute	93.395	5P01CA068484-13	201,283
Dana Farber Cancer Institute	93.395	5P01CA068484-14	207,994
Dana Farber Cancer Institute	93.395	5P01CA092625-09	339,015
Dana Farber Cancer Institute	93.395	P01CA089021-07	24,648
Opto Sonics, Inc.	93.395	5R44CA114839	21,126
University of Chicago	93.395	5U10CA31946-26	(8,729)
University of Chicago	93.395	U10CA031946	4
University of Texas, MD Anderson Cancer Center	93.395	5P01CA108631-04	149,712
Children's Hospital of Boston	93.396	5P01CA045548-22	56,317
Dana Farber Cancer Institute	93.396	1P01CA117969-01	251
Dana Farber Cancer Institute	93.396	5R01CA131945-02	93,702
Dana Farber Cancer Institute	93.396	5U01CA105423-05	50,308
Princeton University	93.396	5P01CA087661-03	(384)
University of Michigan	93.396	5 P01 CA039542-17	(8,814)
University of Michigan	93.396	U01CA111275	10
University of Pennsylvania	93.396	547985	22,598
University of Pennsylvania	93.396	5P01CA093615-05	(60)
Beth Israel Deaconess Medical Center	93.397	1P50CA101942-03	(2,476)
Beth Israel Deaconess Medical Center	93.397	3P50CA101942-05S1	19,381
Beth Israel Deaconess Medical Center	93.397	5P50CA089393-10	5,837
Beth Israel Deaconess Medical Center	93.397	5P50CA101942-04	1,552
Beth Israel Deaconess Medical Center	93.397	5P50CA101942-05	160,592
Beth Israel Deaconess Medical Center	93.397	2P50CA101942-06A1	93,544
Dana Farber Cancer Institute	93.397	2P50CA090578-06	225,698
Dana Farber Cancer Institute	93.397	2P50CA100707-06	3,961
Dana Farber Cancer Institute	93.397	5 R01 CA010941-32	(26,075)
Dana Farber Cancer Institute	93.397	5P01CA089393-08	560
Dana Farber Cancer Institute	93.397	5P01CA089393-09	58,711
Dana Farber Cancer Institute	93.397	5P01DK050654-10	(126)
Dana Farber Cancer Institute	93.397	5P30CA006516-41	(65,741)
Dana Farber Cancer Institute	93.397	5P30CA006516-45	1,554,058
Dana Farber Cancer Institute	93.397	5P50CA089393-08	62,602
Dana Farber Cancer Institute	93.397	5P50CA089393-09	62,089
Dana Farber Cancer Institute	93.397	5P50CA089393-10	12,857
Dana Farber Cancer Institute	93.397	5P50CA090381-07	26,769
Dana Farber Cancer Institute	93.397	5P50CA090578-05	(26,956)
Dana Farber Cancer Institute	93.397	5P50CA127003-02	41,536
Dana Farber Cancer Institute	93.397	5P50CA127003-03	64,096
Dana Farber Cancer Institute	93.397	5U54CA112962-03	46,621
Dana Farber Cancer Institute	93.397	P30CA006516-45	9,135
Dana Farber/Harvard Cancer Center	93.397	2P50CA090381-06	37,789
Dana Farber/Harvard Cancer Center	93.397	5P30CA06516-44	57,913
Dana Farber/Harvard Cancer Center	93.397	5P50CA127003-02	154,832
Dana Farber/Harvard Cancer Center	93.397	5P50CA127003-03	16,498
Dana Farber Cancer Institute	93.399	5P50CA090381-01	(89,352)
Dana Farber Cancer Institute	93.399	5P50CA090381-02	(5,257)
Dana Farber Cancer Institute	93.399	5P50CA090381-05	(153,346)
Dana Farber Cancer Institute	93.399	P30CA06516	1,478
Mass General Hospital-CIMIT	93.399	1R01CA119388-02	812
Massachusetts Institute of Technology	93.399	5U54CA119349-04	120,634
President and Fellows of Harvard College	93.399	3U01CA114644-04S2	16,976
University of Arizona	93.399	5R03CA125821-02	4,152

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
CHILDREN'S HOSPITAL OF BOSTON - RECOVERY ACT	**93.701**	**1R21DK082661-01A1**	**$ 168**
MASSACHUSETTS INSTITUTE OF TECHNOLOGY - RECOVERY ACT	**93.701**	**1R01HL090856-01A1**	**2,958**
PRESIDENT AND FELLOWS OF HARVARD COLLEGE - RECOVERY ACT	**93.701**	**1R01HD056940-01A2**	**22,189**
PRESIDENT AND FELLOWS OF HARVARD COLLEGE - RECOVERY ACT	**93.701**	**1R03CA130068-01A2**	**11,088**
University of Texas	93.822	U19AI070412091	57,009
Albert Einstein College of Medicine	93.837	5R01HL075619-04	(8)
Albert Einstein College of Medicine	93.837	5R01HL075619-06	57,325
Beth Israel Deaconess Medical Center	93.837	1 R01HL082717-10	16,176
Beth Israel Deaconess Medical Center	93.837	5R21 HL085720-02	53,167
Beth Israel Deaconess Medical Center	93.837	5U01HL072737-05	104,244
Beth Israel Deaconess Medical Center	93.837	1R01HL091757-02	120
Boston University Medical Center	93.837	1R21HL089734-01A1	(10,779)
Boston University Medical Center	93.837	1R21HL089734-02	65,282
Boston University Medical Center	93.837	5P01HL081587-04	343,718
Children's Hospital of Oakland	93.837	2U01HL069757-08	115,284
Columbia University	93.837	1R21HL091443-01A2	10,227
Duke Clinical Research Institute	93.837	1 U01 HL084904-01	1,063
Duke Clinical Research Institute	93.837	1U01HL063747-01-A2	5,351
Emory University	93.837	R01 HL089755-02	(14,649)
Harvard Medical School	93.837	5R25HL075487-05	(1,135)
Harvard School of Public Health	93.837	5R01HL070159-04	(41,753)
Harvard School of Public Health	93.837	5R01HL080644-04	117,901
Harvard School of Public Health	93.837	5R01HL085710-04	106,876
Harvard School of Public Health	93.837	5U01HL073286-05	(65)
Johns Hopkins University	93.837	5R01HL067098-05	969
Joslin Diabetes Center	93.837	5R01HL077554-04	7,134
Massachusetts General Hospital-CIMIT	93.837	5U01HL080731-04	240,473
Massachusetts General Hospital-CIMIT	93.837	5U01HL081341-04	259,691
Medical University of South Carolina	93.837	5R01HL086576-02	67,165
Millikelvin Technology, LLC	93.837	R43HL095235	543
NIH-National Institutes of Health	93.837	1R01HL089750-01	(1,908)
Rhode Island Hospital	93.837	1R01HL080127-01-A1	(42)
Thomas Jefferson University	93.837	2U54HL070585-06	14,250
University of California at Riverside	93.837	1R01HL089940-01A2	78,891
University of Louisville	93.837	5P01HL078825-04	588,851
University of Pennsylvania	93.837	5R01HL048093-13	(209)
University of Pittsburgh	93.837	5R01HL089750-02	152,465
University of Utah	93.837	R01HL074370-01A2	18,412
Vanderbilt University	93.837	5R01HL089755-02	325,004
Vanderbilt University	93.837	RL1HL092551	51,364
Washington University	93.837	5U01HL087071-05	153,590
Yale University	93.837	5R01HL081153-02	66,685
Boston University	93.838	5R01HL076778-03	(19,720)
Boston University	93.838	5R01HL076778-04	(34,255)
Duke University	93.838	5U01HL084904-04	193,241
Georgia Institute of Technology	93.838	1R01HL090630-01	78,832
Harvard Pilgrim Health Care	93.838	5R01HL064925-08	302,628
Harvard Pilgrim Health Care	93.838	5R01HL075504-04	66,740
National Jewish Medical and Research Center	93.838	1U01HL089897-01A1	369,839
Penn State University College of Medicine	93.838	5U01HL074231-05	327,654
University of California at San Diego	93.838	3R01HL081663-05	192,430
University of Louisville	93.838	1P01HL078825	(195,388)
University of Pittsburgh	93.838	5R01HL082541-05	519,392
Xemed LLC	93.838	1R42HL082013-02	36,537
Yale University School of Medicine	93.838	5R01HL068201-03	(34,298)

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Albert Einstein College of Medicine	93.839	5P01HL055435-10	$ (32,054)
Boston Medical Center	93.839	2U54HL070819-06	39,587
Boston Medical Center	93.839	2U54HL070819-07	366,101
Boston Medical Center	93.839	5U54HL070819-05	9,197
Case Western Reserve University	93.839	5R01HL085813-03	21,304
Center for Blood Research, Inc.	93.839	5P01HL056949-08	(195)
Center for Blood Research, Inc.	93.839	5P01HL056949-13	43,437
Center for Blood Research, Inc.	93.839	5P01HL056949-14	659,861
Children's Hospital	93.839	2P01HL059561-11A1	308,153
Children's Hospital	93.839	5U01 HL072291-07	45,412
Children's Hospital of Boston	93.839	5P01HL032262-28	264,353
Dana Farber Cancer Institute	93.839	5P01HL070149-05	46,840
Dana Farber Cancer Institute	93.839	5U01HL069249-04	1,390
New England Research Institute, Inc.	93.839	5U01HL072291-07	1,204
New England Research Institute, Inc.	93.839	U01HL065238	98
New England Research Institute, Inc.	93.839	U01HL072268	7,592
Northwestern University	93.839	5R01HL082950-05	290,263
Washington University	93.839	1U01HL088476-01A1	55,110
Yale University School of Medicine	93.839	5P01HL063357-10	453,525
Boston University	93.846	5R01AR056291-02	13,520
California Pacific Medical Center	93.846	5R01AR052817-03	235,077
Harvard Skin Disease Research Center	93.846	5P30AR042689-15	45,771
Massachusetts General Hospital	93.846	1R21AR056446-01A1	1,134
Mattek, Inc.	93.846	R43AR082982	6,537
New England Research Institute, Inc.	93.846	R01-AR056992	27,133
Palo Alto Institute for Research and Education	93.846	5R01AR054822-03	149,674
Stanford University	93.846	R01 AR054822-01	(4,760)
University of Colorado Health Sciences Center	93.846	2 R01 AR055104-21A2	236,185
Beth Israel Deaconess Medical Center	93.847	5R01DK063296-06	85,975
Children's Hospital Medical Center	93.847	5R01DK072428-04	156,701
Children's Hospital of Boston	93.847	1U19 DK080652-01	13,533
Children's Hospital of Boston	93.847	5P30DK034854-24	52,228
Joslin Diabetes Center	93.847	5R01DK070648-03	(91)
Joslin Diabetes Center	93.847	5R01DK072090-04	13,900
Massachusetts General Hospital-CIMIT	93.847	5R01DK067397-02	(2,799)
University of Alabama	93.847	3R01DK076771-02S1	2,550
University of California at Los Angeles	93.847	7R01DK066401-03	13,074
University of Pittsburgh	93.847	5R01DK061451-07	18,669
Boston Medical Center	93.848	1R03DK081686-01	32,992
Children's Hospital of Boston	93.848	2P30DK034854-21	(60)
Children's Hospital of Boston	93.848	2P30DK034854-22	9,736
Children's Hospital of Boston	93.848	5P30DK034854-22	3,620
Children's Hospital of Boston	93.848	5P30DK034854-23	2,905
Children's Hospital of Boston	93.848	5P30DK034854-24	215,469
Children's Hospital of Boston	93.848	5R01DK072117-03	19,858
University of Pittsburgh	93.848	1U01DK075803-01A1	26,499
Baylor College of Medicine	93.849	5R01DK062363-05	(50,373)
Baylor College of Medicine	93.849	5R01DK062363-05	(60,484)
Baylor College of Medicine	93.849	7R01DK062363-01	(18,515)
Dana Farber Cancer Institute	93.849	5P01DK070756-02	(65,952)
Duke University	93.849	1R01DK080094-01A1	6,989
Indiana University	93.849	1P30DK079312-02	84,005
Massachusetts General Hospital-CIMIT	93.849	5P01DK038452-17	173
Massachusetts General Hospital-CIMIT	93.849	5P01DK038452-20	82,284
Massachusetts General Hospital-CIMIT	93.849	5U01DK065187-06	429
Massachusetts General Hospital	93.849	5P01DK050305-15	(28)

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Massachusetts General Hospital	93.849	5P01DK054711-05	$ (264)
Rhode Island Hospital	93.849	1U01DK061700-02	25,993
Rhode Island Hospital	93.849	5U01DK061700-07	96,677
Tufts University	93.849	1R01DK065114-01	40
University of Central Florida	93.849	5R01DK055734-10	14,971
Beth Israel Deaconess Medical Center	93.853	1R21NS047371-02	(286)
Beth Israel Deaconess Medical Center	93.853	5R01NS039466-03	65,485
Children's Hospital of Boston	93.853	5P01NS038475-10	79,699
Children's Hospital of Boston	93.853	5R21NS057225-02	80,841
Children's Hospital of Boston	93.853	5U01NS040069-05	198,989
Columbia University	93.853	5R01NS027941-18	22
Dana Farber Cancer Institute	93.853	2R01NS044914-05A1	69,865
Harvard Medical School	93.853	1U01NS050560-02	(13,323)
Harvard Medical School	93.853	5R01NS046630-05	17,250
Harvard School of Public Health	93.853	5R01NS045893-06	158,698
Harvard School of Public Health	93.853	5R01NS047467-04	25,123
Harvard School of Public Health	93.853	5R01NS048517-04	170,792
Massachusetts General Hospital-CIMIT	93.853	5P50NS010828-33	162,610
Massachusetts General Hospital-CIMIT	93.853	5P50NS051343-03	70,739
Massachusetts General Hospital	93.853	P01NS024279-20A2	340,373
Mayo Clinic Jacksonville	93.853	5R01NS039072-08	88,976
Massachusetts General Hospital	93.853	5P01NS058793-01A1	176,592
Psychological Applications, LLC	93.853	R43NS061388-01A2	2,330
Tufts University	93.853	5R01NS036524-10	154,375
Tufts University School of Medicine	93.853	5R01NS036524-10	206,852
University of Alabama, Birmingham	93.853	5U01NS42685-05	2,963
University of California at San Francisco	93.853	5R01NS049477-04	185,541
University of Cincinnati	93.853	5R01NS039512-05	37,096
University of Florida	93.853	2R01NS038455-08	1,606
University of Florida	93.853	5R01NS038455-07	67
University of Missouri	93.853	5R01NS052470-03	84,587
University of Rochester	93.853	5U01NS050095-05	2,267
University of Rochester Medical Center	93.853	3U54NS059065-05S2	121,229
University of Rochester Medical Center	93.853	5R01NS045686-04	524
University of Wisconsin	93.853	2P01NS042803-06A2	105,694
Beth Israel Deaconess Medical Center	93.855	1U19AI78526-01	71,175
Beth Israel Deaconess Medical Center	93.855	7UOIAI051706-05	10
Children's Hospital of Boston	93.855	1P01AI050157-02	(9,538)
Children's Hospital of Boston	93.855	1P01AI050157-03	(30,047)
Children's Hospital of Boston	93.855	1U01AI077816-01	12,943
Children's Hospital of Boston	93.855	5 R01 AI03901-12	14,036
Children's Hospital of Boston	93.855	5R01AI037691-15	5,166
Children's Hospital of Boston	93.855	5R01AI070820-03	38,738
Children's Hospital of Boston	93.855	5U01AI077816-02	26,952
Columbia University	93.855	5U19AI056362-06	(891)
Cornell University	93.855	5P50MH058911-10	399,879
Dana Farber Cancer Institute	93.855	2P01AI045757-10	548,781
Dana Farber Cancer Institute	93.855	3U19AI057330-05S1	402,620
Dana Farber Cancer Institute	93.855	5 P01 AI029530-13	8,123
Dana Farber Cancer Institute	93.855	5U19AI029530-18	49,903
Dana Farber Cancer Institute	93.855	5U19AI057330-02	465
Dana Farber Cancer Institute	93.855	5U19AI067751-04	340,655
Duke University	93.855	5 U19AI067854-05	36,645
Duke University	93.855	5U19AI067854-04	1,362
Feinstein Institute for Medical Research	93.855	5U19AI056362-06	(31,330)
Feinstein Institute for Medical Research	93.855	7U19AI056362-06	538,706

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Feinstein Institute for Medical Research	93.855	U19 AI056362	$ 17,184
Fred Hutchinson Cancer Research Center	93.855	5 U01 AI068614-03	337,005
Fred Hutchinson Cancer Research Center	93.855	5U01AI068614-04	59,252
Fred Hutchinson Cancer Research Center	93.855	5U01AI068614-04	6,456
Harvard Medical School	93.855	2U54AI057159-06	372,923
Harvard Medical School	93.855	2U54AI057159-06	173,730
Harvard Medical School	93.855	3U54AI057159-05S1	449,372
Harvard Medical School	93.855	5P01AI056299-04	10,380
Harvard Medical School	93.855	5P01AI056299-05	(100,766)
Harvard Medical School	93.855	5P30AI060354 - 05	35,473
Harvard Medical School	93.855	5P30AI060354-04	101,324
Harvard Medical School	93.855	5P30AI060354-05	128,949
Harvard Medical School	93.855	5R01AI057786-02	54,780
Harvard Medical School	93.855	5U01AI069412-02	252,126
Harvard Medical School	93.855	5U54AI057159-05	227,332
Harvard Medical School	93.855	5U54AI057159-05S1	131,087
Harvard Medical School	93.855	U54AI057159-05S1	109,423
Harvard Medical School Centers for Aids	93.855	5P30AI060354-05	101,496
Harvard School of Public Health	93.855	1 R01AI077623-01A1	30,181
Harvard School of Public Health	93.855	5U01AI066454-05	45,553
Harvard School of Public Health	93.855	5U01AI068616-04	91,643
Harvard School of Public Health	93.855	5U01AI069456-03	113,126
Massachusetts General Hospital-CIMIT	93.855	1U01AI051706-04	(41,550)
Massachusetts General Hospital-CIMIT	93.855	5R01AI058736-04	(11,729)
Massachusetts General Hospital-CIMIT	93.855	5R37AI042006-12	123,278
Massachusetts General Hospital-CIMIT	93.855	5U01AI069472-03	511,952
Massachusetts General Hospital	93.855	1R21AI072599-01	(3,021)
Massachusetts General Hospital	93.855	R01AI058736-05A1	60,931
Mount Sinai School of Medicine	93.855	5U01AI070107-03	350,159
Osel, Inc.	93.855	R21AI071978	128,848
President and Fellows of Harvard College	93.855	2U54AI057159-06	63,646
President and Fellows of Harvard College	93.855	5 P30AI060354-04	(26,313)
President and Fellows of Harvard College	93.855	5P30AI060354-05	5,272
Social and Scientific Systems, Inc.	93.855	1U01AI068636-01	452,322
Tufts University	93.855	N01AI30050	5,564
U.S. Department of Agriculture	93.855	1R01AI075077-01A1	53,653
University of Alabama	93.855	7U19AI056362-05	(55,954)
University of Colorado	93.855	5U19AI050864-08	19,137
University of Pennsylvania	93.855	5P01AI041521-07	313
University of Pennsylvania	93.855	5P01AI041521-10	(58,104)
University of Pennsylvania	93.855	5P01AI041521-13	745,460
University of Texas	93.855	5R01AI053067-07	15,520
University of Texas Southwestern Medical Center	93.855	5U01AI077853-02	110,695
Aridis, LLC	93.856	5R41AI072866-02	74,635
Beth Israel Deaconess Medical Center	93.856	5U19AI066305-05	465,060
Brandeis University	93.856	5U01AI075466-03	45,360
Children's Hospital of Boston	93.856	U01AI055801-01	(7,542)
Children's Hospital of Boston	93.856	U01AI055801-02	(14,363)
Children's Hospital of Boston	93.856	U01AI055801-03	5,461
Dana Farber Cancer Institute	93.856	5R21AI067032-02	97
Harvard Medical School	93.856	5U01AI048023-06	9,169
Harvard Medical School	93.856	5U54AI057159-05	56,323
Harvard Medical School	93.856	AI057159-04	(34)
Harvard School of Public Health	93.856	1U01 AI38858-01	(15,559)
Massachusetts General Hospital-CIMIT	93.856	5U01AI052403-03	(17,794)

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Massachusetts General Hospital-CIMIT	93.856	5U01AI058935-08	$ (2,043)
President and Fellows of Harvard College	93.856	5U54AI057159-03	(2,270)
University of Massachusetts Medical School	93.856	5R01AI052455-05	(3,597)
Georgia State University	93.859	1R01GM081749-02	98,668
Harvard Medical School	93.859	5P01GM047467-17	42,188
Harvard Pilgrim Health Care	93.859	1U01 GM076672	99,538
Kaiser Permanente Medical Care Program	93.859	5R01GM080180-02	74,525
Pressure Biosciences	93.859	R43GM079059-02	165,335
Tufts University	93.859	1R01GM084205-01A1	88,353
University of Pittsburgh	93.859	5P50GM076659-03	35,060
University of Washington	93.859	5R01GM071852-03	206
University of Rochester	93.864	5 R01 HD044870-05	8,113
Children's Hospital of Boston	93.865	5R01HD043869-05	68,739
Children's Hospital of Boston	93.865	5U01HD045991-05	42,499
Dana Farber Cancer Institute	93.865	5U01HD044256-05	(1)
Harvard School of Public Health	93.865	5R01 HD044391-05	64,521
Massachusetts General Hospital-CIMIT	93.865	5R01HD055150-04	72,023
Massachusetts General Hospital-CIMIT	93.865	5U54HD028138-18	459,928
Trustees of Dartmouth College	93.865	5R01HD044547-08	114,058
University of Massachusetts Medical School	93.865	5R21HD057402-02	169,776
Columbia University	93.866	5P01AG023028-03	68,107
Harvard School of Public Health	93.866	2U01AG027669-04	210,843
Harvard School of Public Health	93.866	5P30AG024409-03	119
Harvard School of Public Health	93.866	5U01AG027669-03	(1,585)
Hebrew Rehabilitation Center for Aged	93.866	5P01AG004390-24	84,320
Hebrew Rehabilitation Center for Aged	93.866	5P01AG004390-25	102,133
Hebrew Rehabilitation Center for Aged	93.866	5P01AG04390-24	24,804
Massachusetts General Hospital-CIMIT	93.866	5P01AG004953-23	(24,593)
Massachusetts General Hospital-CIMIT	93.866	5P50AG005134-25	68,680
Massachusetts Alzheimer's Disease Research	93.866	5P50AG005134-24	4,978
Massachusetts General Hospital	93.866	1R01AG029411-01A1	(794)
Massachusetts General Hospital	93.866	1U01AG032700-01	16,431
Massachusetts Institute of Technology	93.866	5R01AG029601-03	27,557
Rush University Medical Center	93.866	1R01AG030146-02	279,846
Rush University Medical Center	93.866	2R01AG015819-11	206,796
University of California at San Diego	93.866	5U01AG010483	(9,787)
University of California at San Diego	93.866	5U01AG010483-18	13,762
University of California at San Diego	93.866	U01AG024904	142,456
University of California at San Diego	93.866	U01AG10483	36,847
University of California at Santa Barbara	93.866	8U01AG033931-03	(26,682)
University of Connecticut Health Center	93.866	5R01AG022092-05	(29,317)
University of North Carolina, Chapel Hill	93.866	7R01AG023178-05	156,083
University of Wisconsin	93.866	1R01AG029624-01	36,085
Jaeb Center for Health Research	93.867	5U10EY09435-16	8,148
Massachusetts Eye and Ear Infirmary	93.867	5R01EY015473-05	178,613
Schepens Eye Research Institute	93.867	1R01EY019470-01	5,314
Massachusetts Institute of Technology	93.879	2T15LM007092-17	68,098
The Methodist Hospital Research Institute	93.879	5G08LM008937-02	47,510
Harvard Medical School	93.931	5R01CA101034-03	25,684
Children's Hospital of Boston	93	HHS267200800001C	85,602
Children's Hospital of Boston	93	HHSN266200400030C	525,949
George Washington University	93	HHSP23320045013XI	5,343
Johns Hopkins University	93	HHSN268200736197C	127,717
New England Research Institute, Inc.	93	HHSN268200425207C	181,102

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
New England Research Institute, Inc.	93	N01HC045207	$ 12,431
Ohio State University	93	1R01NS064275	16,370
Ohio State University	93	HHSN26800764316C	(13,595)
RAND Corporation	93	1R18HS017048	8,549
Regents of the University of California	93	N01AI15416	14,684
Regents of the University of California	93	N01-AI-15416	8,365
Research Foundation of State University	93	5U01DK063385-02	3,269
SAIC-Frederick, Inc.	93	28YS259	33,333
SAIC-Frederick, Inc.	93	N01-CO-12400	569
Stanford University	93	HHSN272200800059C	45,449
Strang Cancer Prevention Center	93	N01-CN-95015-MAO	24,853
University of Alabama	93	N01HV58198	72,381
University of Arkansas for Medical Sciences	93		(6,778)
University of California at San Francico	93	1N01AI015416	(1,832)
University of California at San Francico	93	N01AI15416	(39,901)
University of Florida	93	HHSN2662070023C	188,711
University of Pittsburgh	93	HHSO1000C00800062C	78,584
University of Wisconsin - Madison	93	N01-AI025496	225,318
Weill-Cornell Medical College	93	N01CN95015	206,974
Subtotal - National Institutes of Health			47,718,414
Other Department of Health and Human Services			
Agency for Health Care Policy and Research			
Abt Associates, Inc.	93.226	290-00-0003	(893)
Abt Associates, Inc.	93.226	HHSA290200600011I	16,584
Board of Trustees of the University of Illinois	93.226	5U18HS016973-02	73,310
Boston Medical Center	93.226	5R01HS013912-05	(27,933)
Children's Hospital of Philadelphia	93.226	5U18HS016678-02	7,018
Harvard Pilgrim Health Care	93.226	5R18 HS017201-02	216,618
Harvard Pilgrim Health Care	93.226	HHSA2902005003I-TO5	49,174
Harvard School of Public Health	93.226	5R18HS17048-02	35,633
Massachusetts eHealth Collaborative	93.226	5UC1HS015397-03	42,919
Regenstrief Institute, Inc.	93.226	PO-149871	(3,800)
University of Chicago	93.226	6275-Partners-01	52,969
Center for Disease Control			
Association of American Medical Colleges	93.283	U36/CCU319276	73,136
Harvard Pilgrim Health Care	93.283	AH000083Z/PH000083BZ	(3,265)
Food and Drug Administration-Research			
Children's Hospital of Boston	93.103	FD-R-002202-02	(92)
Harvard Pilgrim Health Care	93.103	FDU00141201	518
University of Kansas Medical Center	93.103	5R01FD003454-02	22,453
Health Resources and Services Administration			
University of New Hampshire	93.110	6U22MC0395904-03	5,000
University of Massachusetts Medical School	93.145	5H4AHA00050-06 00	15,127
Weill-Cornell Medical College	93.145	6U91HA06801-02	84,015
Harvard Medical School	93.969	D31HP070114-06	467
Office Of Population Affairs			
Action For Boston Community Development	93.217	FPHPA010203-37-00	16,380
Harvard School of Public Health	93	200200108007	(1,771)
SAIC-Frederick, Inc.	93	25XS102A	113
Subtotal - Other Department of Health and Human Services			673,680

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research and Development Passed Through Other Organizations (cont.)			
Department of Defense			
US Army Research Medical Command			
AdMeTech	12.420	DAMD17-03-2-0055	$ 16,575
Beth Israel Deaconess Medical Center	12.420	Bayer/AvastinP6555	9,469
Dana Farber Cancer Institute	12.420	W81XWH-06-1-0303	15,596
Emory University	12.420	DAMD17-03-2-0033	21,175
Energid	12.420	W81XWH-05-C0159	(18,760)
GlaxoSmithKline	12.420	W81XWH-08-1-0322	65,915
Massachusetts General Hospital-CIMIT	12.420	DAMD17-02-2-0006	22,829
Massachusetts General Hospital-CIMIT	12.420	DAMD170220006/214681	(53)
Massachusetts General Hospital-CIMIT	12.420	W81XWH-07-2-0011	18,250
Massachusetts General Hospital	12.420	DAMD17-02-2-0006	142,850
Massachusetts General Hospital	12.420	W81XWH-07-2-0011	591,125
Massachusetts General Hospital	12.420	W81XWH-07-5-0011	114,574
Massachusetts General Hospital	12.420	W81XWH-09-2-0001	76,330
Massachusetts General Hospital	12.420	W81XWH-07-2-0011	(1,025)
Massachusetts General Hospital	12.420	W81XWH-07-2-0011	567
Spaulding Rehabilitation Hospital	12.420	W81XWH-08-2-0159	1,003
Ultra Diagnostics, Inc.	12.420	W81XWH-08-1-0152	353,929
University of California at San Diego	12.420	W81XWH-08-2-0159	32,845
University of Michigan	12.420	DAMD17-03-2-0054	41,057
University of Michigan	12.420	W81XWH-0602-0044	206,234
University of Rochester	12.420	W81XWH-07-1-0007	210,781
Advanced Research Projects Agency			
Kent Optronics, Inc.	12.910	W31P4Q-09-C-0171	24,999
Subtotal - Department of Defense			1,946,265
Department of Energy			
Office of Science Financial Assistance Program			
Harvard Medical School	81.049	DE-FG02-02ER63445	(33,726)
Subtotal - Department of Energy			(33,726)
National Aeronautics and Space Administration			
National Space Biomedical Research Institute	43.001	CA00402	25,662
National Space Biomedical Research Institute	43.001	HPF00403	(9,140)
National Space Biomedical Research Institute	43.001	NCC9-58-8/CA00406	13,979
Subtotal - National Aeronautics and Space Administration			30,501
National Science Foundation			
Johns Hopkins University	47	EEC-9731748	9,427
Subtotal - National Science Foundation			9,427
Total Research and Development Pass-Through Programs			50,344,561
Total Research and Development			296,010,267

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Total Federal Expenditures
Research Training Direct Programs		
Department of Health and Human Services		
National Institutes of Health		
Biological Response to Environmental Health Hazards	93.113	$ 120,193
Human Genome Research	93.172	140,027
Oral Diseases and Disorders Research	93.121	21,647
National Center on Sleep Disorders Research	93.233	267,258
Mental Health Research Grants	93.242	1,412
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	122,159
Drug Abuse and Addiction Research Programs	93.279	124,212
Mental Health Research Career/Scientist Development Awards	93.281	266,465
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	154,445
Trans-NIH Research Support	93.310	128,802
Biomedical Research Technology	93.371	625,998
National Center for Research Resources	93.389	300,280
Cancer Research Manpower	93.398	1,059,577
TRANS-NIH RECOVERY ACT RESEARCH SUPPORT	**93.701**	**1,625**
Heart and Vascular Diseases Research	93.837	4,554,644
Lung Diseases Research	93.838	1,537,858
Blood Diseases and Resources Research	93.839	582,600
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	2,174,355
Diabetes, Endocrinology and Metabolism Research	93.847	2,342,434
Digestive Diseases and Nutrition Research	93.848	244,117
Kidney Diseases, Urology and Hematology Research	93.849	861,501
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	1,196,114
Allergy, Immunology and Transplantation Research	93.855	2,398,457
Biomedical Research and Research Training	93.859	720,632
Population Research	93.864	40,137
Child Health and Human Development Extramural Programs	93.865	925,260
Aging Research	93.866	966,712
International Research and Research Training	93.989	223,170
Subtotal - National Institutes of Health		22,102,091
Other Department of Health and Human Services		
Agency for Health Care Policy and Research		
Research Health Care Costs, Quality and Outcomes	93.226	329,010
Subtotal - Other Department of Health and Human Services		329,010
National Science Foundation		
TRANS-NSF RECOVERY ACT RESEARCH SUPPORT	**47.082**	**6,993**
Subtotal - National Science Foundation		6,993
Department of Defense		
Military Medical Research and Development	12.420	156,245
Subtotal - Department of Defense		156,245
Total Research Training Direct Programs		22,594,339

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
Research Training Passed Through Other Organizations			
Department of Health and Human Services			
National Institutes of Health			
Boston Medical Center	93.113	5K23ES013173-05	$ 10,214
Massachusetts Institute of Technology	93.172	5 T32 HG002295	49,569
Health Resources and Services Administration	93.186	T32HP10251-01-00	224,079
Children's Hospital of Boston	93.242	5K08MH07458-03	24,907
Judge Baker Children's Center	93.282	T32MH016259	60,706
Harvard Medical School	93.389	5K30RR022292-09	(38,362)
Harvard School of Public Health	93.389	5T32CA009078-33	48,379
Harvard University	93.389	1KL2RR025757-01	139,508
President and Fellows of Harvard College	93.389	1KL2RR025757-02	161,936
Beth Israel Deaconess Medical Center	93.398	2T32CA081156-06A1	34,142
Harvard Medical School	93.398	5 T32 CA09031-32	40,796
Harvard School of Public Health	93.398	5T32CA009001-32	59,240
Northwestern University	93.398	5K07CA109361-02	(31,712)
University of Wisconsin - Madison	93.398	7K07CA109361-04	28,952
Harvard School of Public Health	93.838	5T32HL07118-32	7,357
Children's Hospital of Boston	93.839	5K12HL087164-03	117,563
Harvard Medical School	93.839	T32HL007623	102,771
Massachusetts General Hospital	93.847	2T32DK007754-11	33,578
Boston Medical Center	93.848	5K08DK070706-04	20,987
Children's Hospital of Boston	93.848	5K08DK064256-05	23,205
Children's Hospital of Boston	93.848	5T32DK07477-25	48,351
Beth Israel Deaconess Medical Center	93.855	5T32AI074549-02	14,849
Harvard Medical School	93.855	T32AI007061	55,363
Harvard Medical School	93.855	T32AI007061-31	9,249
Harvard School of Public Health	93.855	2T32AI007433-16	42,603
Harvard School of Public Health	93.855	5 T32 AI007433-17	58,012
Harvard School of Public Health	93.855	5 T32AI007433-18	63,169
Harvard School of Public Health	93.855	5K23AI054518-05	(14,081)
Harvard School of Public Health	93.855	5T32AI007433-17	15,511
Massachusetts General Hospital-CIMIT	93.859	2T32GM007592-26	(18,622)
Harvard Medical School	93.862	5T32GM007748-26	(33,508)
Boston University	93.864	5K12HD000849	1,365
University of Pennsylvania	93.864	5T32HD040135-07	49,913
Children's Hospital of Boston	93.865	T32HD007466	108,588
Beth Israel Deaconess Medical Center	93.866	5T32AG023480-03	(184)
Harvard Medical School	93.866	T32AG000222	57,267
Massachusetts Institute of Technology	93.879	T15LM007092	(36,919)
Subtotal - National Instititues of Health			1,538,741
Total Research Training Pass-through Programs			1,538,741
Total Research Training			24,133,080
Total Research and Development and Research Training cluster			320,143,347

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2009

	Federal CFDA Number	Pass-Through Number	Total Federal Expenditures
OTHER PROGRAMS			
Passed Through the Commonwealth of Massachusetts			
Department of Agriculture			
Food and Nutrition Service			
Special Supplemental Food Program for Women, Infants and Children Grant	10.557	INTF3502M03700915066	$ 331,876
Subtotal - Department of Agriculture			331,876
Department of Health and Human Services			
Health Resources and Services Administration			
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	INTF3712MM3802213228	71,773
Block Grants for Prevention and Treatment of Substance Abuse	93.959	SCDPH230153581320000	3,128
Maternal and Child Health Services Block Grant to the States	93.994	INTF3314MM3703615003	65,320
Subtotal - Other Department of Health and Human Services			140,221
Total Other Programs			472,097
Total Federal Expenditures			$ 320,615,444

The accompanying notes are an integral part of the schedule of expenditures of federal awards.

The Brigham and Women's Hospital, Inc.
Notes to Schedule of Expenditures of Federal Awards
September 30, 2009

1. Summary of Significant Accounting Policies

Basis of Presentation
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of The Brigham and Women's Hospital, Inc. (the "Hospital") and is recorded on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Negative amounts represent adjustments to amounts reported as expenditures in prior years. Full CFDA and pass-through numbers are provided where available.

2. Facilities and Administrative Costs

The predetermined facilities and administrative cost rates were based on financial information submitted utilizing the method prescribed in OASC-3. The Hospital negotiated and was awarded a predetermined facilities and administrative cost rate for the period October 1, 2008 through September 30, 2009 of 76% for on-site research and 26% for off-site research. Fringe benefit rates for the period October 1, 2008 through September 30, 2009 range from 27% to 35%.

3. Subrecipients

During fiscal 2009, the Hospital provided $48,636,847 to subrecipients in the Research and Development and Research Training Cluster as follows. These amounts are included in the accompanying Schedule of Expenditures of Federal Awards:

Acoustic Medsystems, Inc.	$ 196,946
Albert Einstein College of Medicine	198,651
Allen Institute for Brain Science	20,465
American College of Radiology Associates	14,798
American Medical Informatics Association	62,018
Baylor College of Medicine, Inc.	282,776
Beth Israel Deaconess Medical Center	2,873,918
Boston College	13,125
Boston University	294,231
Boston VA Research Institute, Inc.	32,552
Brown University	112,392
California Pacific Medical Center	32,104
Cardiovascular Engineering, Inc.	60,225
Carnegie Mellon University	12,823
Case Western Reserve University	444,689
Children's Hospital Boston	1,453,249
Cleveland Clinic	83,972
Colorado State University	225,181
Columbia University	272,333
Connecticut Childrens' Medical Center	276,591
Dana Farber Cancer Institute, Inc.	2,898,792
Dartmouth College	48,651
Emory University	1,527
Fallon Clinic, Inc.	616,803
France's Atomic Energy Commission	82,159

Fred Hutchinson Cancer Research Center	$ 114,790
Fundacion Para El Desarrallo, Hospital Nacional De Ninos	58,110
GE Global Research	456,145
Georgia Tech Research Corporation	243,497
Guidelines,Inc.	12,864
Harvard Pilgrim Health Care, Inc.	170,054
Harvard University	6,226,263
Harvard Vanguard Medical Associates, Inc.	504,945
Health Research, Inc.	3,944
Hebrew University Jerusalem	55,879
Henry M. Jackson Foundation	117,604
Hospital for Special Surgery	70,620
Immune Disease Institute	512,441
Institute of Tuberculosis and Lung Disease	112,812
Instituto Nacional de Salud Publica	361,009
Isomics, Inc.	498,900
Jackson Laboratory	258,802
Johns Hopkins University	1,470,079
Joslin Diabetes Center, Inc.	444,340
Karolinska Institute	64,799
Kitware, Inc.	398,511
Magee Women's Hospital	116,418
Massachusetts Eye and Ear Infirmary	9,560
Massachusetts General Hospital	9,897,457
Massachusetts Institute of Technology	1,562,381
Max Planck Institute of Molecular Cell Biology Genetics	32,667
Mayo Clinic	34,428
McLean Hospital, Inc.	85,766
Medical University of South Carolina	39,419
Medstar Research Institute	873
Methodist Hospital Research Institute	42,993
Mind Institute	163,599
Miriam Hospital	3,058
Mount Sinai School of Medicine	124,277
New York Medical College	303,224
New York University	38,035
Northeastern University	196,729
Northwestern University	17,750
Novartis Vaccines & Diagnostics	199,349
Ohio State University Research Foundation	69,209
Oregon Health and Science University	130,465
Partners In Health In Russia	322,401
Peking University Institute of Mental Health	13,772
Pennslyvania State University	100,000
Queen's University	157,310
Random Technologies, LLC	44,000
Rensselaer Polytechnic Institute	38,423
Research Foundation of State University of New York	50,181
San Diego State University Research Foundation	445,490
Seoul National University Hospital	19,996
Socios En Salud Sucursal Peru	143,542

South African Medical Research Council	$ 227,000
SouthWest Oncology Group	151,198
Stanford University	893,978
Thomas Jefferson University	83,303
Tufts Medical Center	26,736
Tufts University	819,907
Universidade Federal De Minas Gerais	66,500
University College of Dublin	213,519
University of Arizona	296,714
University of Bern	47,840
University of Birmingham	66,105
University of British Columbia / Vancouver Coastal Health Authority	17,500
University of California	1,777,835
University of Cambridge	332,357
University of Chicago	144,520
University of Colorado Health Sciences	323,059
University of Connecticut Health Center	17,893
University of Kansas	120,720
University of Kentucky Research Foundation	29,419
University of Maryland	292,547
University of Massachusetts	390,947
University of Massachusetts Medical School	40,178
University of Melbourne	40,927
University of Michigan	111,528
University of Minnesota	87,702
University of Naples Federico II	35,000
University of Nebraska Medical Center	73,500
University of North Carolina	262,352
University of North Dakota	32,081
University of Nottingham	25,221
University of Oklahoma	36,539
University of Oregon	95,502
University of Pennsylvania	414,730
University of Pittsburgh	776,192
University of Puerto Rico	50,838
University of Rochester	218,316
University of Southern California	128,169
University of Texas Southwestern Medical Center	64,182
University of Utah	1,054,069
University of Virginia	67,381
University of Washington	172,467
Vanderbilt University Medical Center	57,678
Wake Forest University Health Sciences	313,765
Washington University	260,164
Weill Medical College of Cornell University	447,688
Wuhan University School of Public Health	13,772
Wyle Laboratories	9,560
Yale University	237,598
Grand total	$ 48,636,847

Part II

Reports on Compliance and Internal Controls

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
The Brigham and Women's Hospital, Inc.

We have audited the financial statements of The Brigham and Women's Hospital, Inc. as of and for the year ended September 30, 2009, and have issued our report thereon dated December 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting
In planning and performing our audit, we considered The Brigham and Women's Hospital, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Brigham and Women's Hospital, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The Brigham and Women's Hospital, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Brigham and Women's Hospital, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 09-1.

We also noted certain additional matters that we reported to management of The Brigham and Women's Hospital, Inc. in a separate letter dated December 16, 2009.

This report is intended solely for the information and use of The Brigham and Women's Hospital, Inc.'s Board of Trustees, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

December 11, 2009

PRICEWATERHOUSECOOPERS

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Report of Independent Auditors on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

To the Board of Trustees of
The Brigham and Women's Hospital, Inc.

Compliance
We have audited the compliance of The Brigham and Women's Hospital, Inc. with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended September 30, 2009. The Brigham and Women's Hospital, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The Brigham and Women's Hospital, Inc.'s management. Our responsibility is to express an opinion on The Brigham and Women's Hospital, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Brigham and Women's Hospital, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Brigham and Women's Hospital, Inc.'s compliance with those requirements.

In our opinion, The Brigham and Women's Hospital, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended September 30, 2009. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and is described in the accompanying schedule of findings and questioned costs as item 09-1.

Internal Control over Compliance
The management of The Brigham and Women's Hospital, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The Brigham and Women's Hospital, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of The Brigham and Women's Hospital, Inc.'s internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

The Brigham and Women's Hospital, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit The Brigham and Women's Hospital, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of The Brigham and Women's Hospital, Inc.'s Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PricewaterhouseCoopers LLP

December 11, 2009

Part III

Findings

The Brigham and Women's Hospital, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

I. Summary of Auditor's Results

Financial Statements	
Type of auditor's report issued	Unqualified
Internal control over financial reporting	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no
Federal Awards	
Internal control over major programs	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes _X_ none reported
Type of auditor's report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_X_ yes ___ no
Identification of Major Programs	**Name of Federal Program or Cluster**
Various CFDA numbers	Research and Development and Research Training Cluster
Dollar threshold used to distinguish between Type A and Type B programs	$3,000,000
Auditee qualified as low-risk auditee?	_X_ yes ___ no

II. Financial Statement Findings

No findings to report.

The Brigham and Women's Hospital, Inc.
Schedule of Findings and Questioned Costs
Year Ended September 30, 2009

III. Federal Award Findings and Questioned Costs

09-1 Research and Development Cluster - Unallowable Costs
Award Name: Adhesion Molecules in Transfusion Biology
Award Number: 5P01HL056949-14
Grantor: National Institutes of Health; Passed through Center for Blood Research, Inc.
Budget Period: 8/1/08 - 7/31/09
Federal CFDA#: 93.839

Criteria
The Brigham and Women's Hospital, Inc. (the "Hospital") is subject to compliance with the cost principles for travel set forth in OASC-3 Hospital Cost Principles Section IX and OMB Circular A-110 Section 21.

Condition
Of the seven travel expense direct costs selected for testing, we noted one selection included alcohol charges of $297 charged to CFDA # 93.839. This charge is unallowable. The Hospital has subsequently removed this charge from the federal award.

Cause
A review of the expense report by the department administrator did not detect this unallowable charge. The department administrator was recently hired and was not aware at the time of review that alcohol was an unallowable charge.

Effect
The award was overcharged by $297, and the Hospital was not in compliance with the allowability of the associated charges per federal regulations, or institutional policies and procedures.

Recommendation
We recommend that the Hospital enhance the training procedures of the department administrators in the area of allowable costs. This training should emphasize the need for diligence when reviewing expense reports to ensure full compliance with the Hospital's expense reimbursement policy and allowability of charges to federal awards.

Management's Views and Corrective Action Plan
Following these findings are management's views and corrective action plan.

Management's View and Corrective Action Plan
For the Fiscal Year Ended September 30, 2009

09-1 Research and Development Cluster Unallowable Costs

Subsequent to the identification of this finding, management performed a thorough review of all travel expense reports within the department in which the finding was identified for the year ended September 30, 2009. In the performance of this review there were no additional alcohol charges to federal awards identified.

Management agrees with the recommendation to train department administrators in the area of allowable and unallowable costs. Additionally, management will add additional training sessions to the existing department training program and use various and existing forums to train and communicate the Hospital's expense reimbursement policy.

Management has revised the "Employee Business Expense Report" form with the following two changes: First, itemize alcoholic beverages from meals in a separate identifiable column on the form. Secondly, add a check box with "I attest that no alcoholic beverages have been charged to a federally funded grant". The revised form will be distributed January 2010.

Kathleen Judge
Chief Operations Officer
Research Management

Jan 4, 2010
Date

The Brigham and Women's Hospital, Inc.
Summary Schedule of the Status of Prior Audit findings
Year Ended September 30, 2009

There were no findings from prior years to update.