

Partners HealthCare System, Inc. and Affiliates

**Report on Federal Awards in
Accordance with OMB Circular A-133
September 30, 2015
EIN 04-3230035**

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Part I
Financial Statements



Independent Auditor's Report

To the Board of Directors of
Partners HealthCare System, Inc. and Affiliates

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Partners HealthCare System, Inc. and Affiliates (Partners HealthCare), which comprise the consolidated balance sheets as of September 30, 2015 and 2014, and the related consolidated statements of operations, changes in net assets and of cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Partners HealthCare as of September 30, 2015 and 2014, and the results of their operations, their changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2015 on our consideration of Partners HealthCare'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. 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Partners HealthCare's internal control over financial reporting and compliance.

PricewaterhouseCoopers LLP

December 11, 2015

Partners HealthCare System, Inc. and Affiliates
Consolidated Balance Sheets
September 30, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Assets		
Current assets		
Cash and equivalents	\$ 621,568	\$ 457,244
Investments	1,354,636	1,474,058
Current portion of investments limited as to use	1,590,203	2,120,057
Patient accounts receivable, net of allowance for bad debts (2015 - \$112,630; 2014 - \$117,212)	878,033	876,214
Research grants receivable	121,775	115,786
Other current assets	447,188	381,517
Receivable for settlements with third-party payers	60,374	39,082
Total current assets	<u>5,073,777</u>	<u>5,463,958</u>
Investments limited as to use, less current portion	2,832,744	2,927,360
Long-term investments	1,061,176	1,026,538
Pledges receivable, net and contributions receivable from trusts, less current portion	209,064	197,975
Property and equipment, net	5,328,782	4,615,908
Other assets	564,898	499,353
Total assets	<u>\$ 15,070,441</u>	<u>\$ 14,731,092</u>
Liabilities and Net Assets		
Current liabilities		
Current portion of long-term obligations	\$ 398,990	\$ 238,204
Accounts payable and accrued expenses	646,355	645,999
Accrued medical claims and related expenses	232,268	254,480
Accrued compensation and benefits	710,929	677,957
Current portion of accrual for settlements with third-party payers	53,066	55,918
Unexpended funds on research grants	202,137	183,222
Total current liabilities	<u>2,243,745</u>	<u>2,055,780</u>
Accrual for settlements with third-party payers, less current portion	34,725	58,899
Accrued professional liability	482,640	455,463
Accrued employee benefits	1,705,287	1,066,840
Interest rate swaps liability	404,062	295,656
Accrued other	153,146	157,029
Long-term obligations, less current portion	3,994,034	3,697,938
Total liabilities	<u>9,017,639</u>	<u>7,787,605</u>
Commitments and contingencies		
Net assets		
Unrestricted	4,707,662	5,623,759
Temporarily restricted	765,562	855,954
Permanently restricted	579,578	463,774
Total net assets	<u>6,052,802</u>	<u>6,943,487</u>
Total liabilities and net assets	<u>\$ 15,070,441</u>	<u>\$ 14,731,092</u>

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

Partners HealthCare System, Inc. and Affiliates
Consolidated Statements of Operations
Years Ended September 30, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Operating revenue		
Net patient service revenue, net of provision for bad debts (2015 - \$129,051; 2014 - \$129,492)	\$ 7,317,918	\$ 7,042,558
Premium revenue	2,034,420	1,622,392
Direct academic and research revenue	1,316,283	1,225,782
Indirect academic and research revenue	354,942	352,911
Other revenue	642,082	662,410
Total operating revenue	<u>11,665,645</u>	<u>10,906,053</u>
Operating expenses		
Employee compensation and benefit expenses	5,655,073	5,428,352
Supplies and other expenses	2,325,085	2,226,663
Medical claims and related expenses	1,652,538	1,463,972
Direct academic and research expenses	1,316,283	1,225,782
Depreciation and amortization expenses	493,505	463,039
Interest expense	116,703	119,849
Total operating expenses	<u>11,559,187</u>	<u>10,927,657</u>
Income (loss) from operations	<u>106,458</u>	<u>(21,604)</u>
Nonoperating gains (expenses)		
(Loss) income from investments	(37,258)	227,357
Change in fair value of interest rate swaps	(110,315)	(109,275)
Gifts and other, net of fundraising and other expenses	(39,468)	(67,242)
Academic and research gifts, net of expenses	(11,406)	90,609
Total nonoperating gains (expenses), net	<u>(198,447)</u>	<u>141,449</u>
(Deficit) excess of revenues over expenses	<u>(91,989)</u>	<u>119,845</u>
Other changes in net assets		
Change in net unrealized appreciation on marketable investments	(224,616)	(3,309)
Change in fair value of hedging interest rate swaps	-	45,624
Funds utilized for property and equipment	38,288	39,058
Change in funded status of defined benefit plans	(639,167)	(387,698)
Other	1,387	5,173
Decrease in unrestricted net assets	<u>\$ (916,097)</u>	<u>\$ (181,307)</u>

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

Partners HealthCare System, Inc. and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2015 and 2014

<i>(in thousands of dollars)</i>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Net assets at October 1, 2013	<u>\$ 5,805,066</u>	<u>\$ 792,769</u>	<u>\$ 412,209</u>	<u>\$ 7,010,044</u>
Increases (decreases)				
Loss from operations	(21,604)	-	-	(21,604)
Income from investments	227,357	36,897	30	264,284
Gifts and other	(67,242)	51,250	49,877	33,885
Academic and research gifts, net of expenses	90,609	-	-	90,609
Change in net unrealized appreciation on marketable investments	(3,309)	(11,209)	1,706	(12,812)
Change in fair value of interest rate swaps				
Nonhedging	(109,275)	-	-	(109,275)
Hedging	45,624	-	-	45,624
Funds utilized for property and equipment	39,058	(12,814)	-	26,244
Change in funded status of defined benefit plans	(387,698)	-	-	(387,698)
Other	5,173	(939)	(48)	4,186
Change in net assets	<u>(181,307)</u>	<u>63,185</u>	<u>51,565</u>	<u>(66,557)</u>
Net assets at September 30, 2014	<u>5,623,759</u>	<u>855,954</u>	<u>463,774</u>	<u>6,943,487</u>
Increases (decreases)				
Income from operations	106,458	-	-	106,458
(Loss) income from investments	(37,258)	(46,460)	55	(83,663)
Gifts and other	(39,468)	8,029	116,449	85,010
Academic and research gifts, net of expenses	(11,406)	-	-	(11,406)
Change in net unrealized appreciation on marketable investments	(224,616)	(36,351)	(2,313)	(263,280)
Change in fair value of interest rate swaps	(110,315)	-	-	(110,315)
Funds utilized for property and equipment	38,288	(17,151)	-	21,137
Change in funded status of defined benefit plans	(639,167)	-	-	(639,167)
Other	1,387	1,541	1,613	4,541
Change in net assets	<u>(916,097)</u>	<u>(90,392)</u>	<u>115,804</u>	<u>(890,685)</u>
Net assets at September 30, 2015	<u>\$ 4,707,662</u>	<u>\$ 765,562</u>	<u>\$ 579,578</u>	<u>\$ 6,052,802</u>

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

Partners HealthCare System, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended September 30, 2015 and 2014

<i>(in thousands of dollars)</i>	2015	2014
Cash flows from operating activities		
Change in net assets	\$ (890,685)	\$ (66,557)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Change in funded status of defined benefit plans	639,167	387,698
Loss on refunding of debt	9,649	1,002
Change in fair value of interest rate swaps	110,315	63,651
Depreciation and amortization	493,505	463,039
Provision for bad debts	129,051	129,492
Loss (gain) on disposal of property	196	(13,275)
Net realized and change in unrealized appreciation on investments	307,782	(342,608)
Restricted contributions and investment income	(172,749)	(102,660)
Cash premium upon issuance of bonds	39,969	14,337
Increases (decreases) in cash resulting from a change in		
Patient accounts receivable	(127,108)	(192,322)
Research grants receivable	(5,989)	(6,078)
Other current assets	(71,428)	(51,716)
Pledges receivable and contributions receivable from trusts	(3,987)	(35,930)
Other assets	(34,545)	(6,433)
Accounts payable and accrued expenses	(10,101)	(44,947)
Accrued medical claims and related expenses	(22,212)	132,647
Accrued compensation and benefits	25,006	53,005
Settlements with third-party payers	(48,318)	20,750
Unexpended funds on research grants	18,915	22,554
Accrued employee benefits and other	23,922	42,902
Net cash provided by operating activities	<u>410,355</u>	<u>468,551</u>
Cash flows from investing activities		
Purchases of property and equipment	(1,198,031)	(835,019)
Proceeds from sale of property	182	13,713
Purchase of investments	(2,772,478)	(3,145,588)
Proceeds from sales of investments	3,173,950	2,921,288
Purchases of businesses, net of cash acquired	(23,343)	-
Net cash used for investing activities	<u>(819,720)</u>	<u>(1,045,606)</u>
Cash flows from financing activities		
Borrowings under line of credit	-	45,000
Repayments under line of credit	-	(45,000)
Payments on long-term obligations	(71,353)	(60,031)
Proceeds from long-term obligations, net of financing costs	612,359	783,348
Decrease in auction rate securities holdings	-	23,830
Deposits into refunding trusts	(140,066)	(286,830)
Restricted contributions and investment income	172,749	102,660
Net cash provided by financing activities	<u>573,689</u>	<u>562,977</u>
Net increase (decrease) in cash and equivalents	164,324	(14,078)
Cash and equivalents		
Beginning of year	<u>457,244</u>	<u>471,322</u>
End of year	<u>\$ 621,568</u>	<u>\$ 457,244</u>

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

Partners HealthCare System, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

(in thousands of dollars)

1. Organization and Community Benefit Commitments

Partners HealthCare System, Inc. (PHS) is the sole member of The Massachusetts General Hospital (MGH), Brigham and Women's Health Care, Inc. (BWHC), NSMC HealthCare, Inc. (NSMC), Newton-Wellesley Health Care System, Inc. (NWHCS), Partners Continuing Care, Inc. (PCC), Partners HealthCare International, LLC (PHI) and Neighborhood Health Plan, Incorporated (NHP). The two physicians who serve as the President and Chief Executive Officer of PHS (PHS CEO) and the Chief Clinical Officer of PHS are the members of Partners Community Physicians Organization, Inc. (PCPO) formerly known as Partners Community HealthCare, Inc. The individual serving as the PHS CEO is the sole member of Partners Medical International, Inc. (PMI). PHS, together with all of its affiliates, is referred to as "Partners HealthCare."

Partners HealthCare currently operates two tertiary and seven community acute care hospitals in Massachusetts, one facility providing inpatient and outpatient mental health services and three facilities providing inpatient and outpatient services in rehabilitation medicine and long-term care. Partners HealthCare also operates physician organizations and practices, a home health agency, nursing homes and a graduate level program for health professions. Partners HealthCare provides services to patients primarily from the Greater Boston area as well as New England and beyond. In addition, Partners HealthCare is a nonuniversity-based nonprofit private medical research enterprise and is a principal teaching affiliate of the medical and dental schools of Harvard University. Partners HealthCare also operates a licensed, not-for-profit managed care organization that provides health insurance products to the Medical Assistance Program (Medicaid), Commonwealth Care (a series of health insurance plans for adults who meet income and other eligibility requirements) and commercial populations.

PHS and substantially all of its affiliates are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (IRC). NHP is a tax-exempt organization under Section 501(c)(4) of the IRC. Accordingly, no provision for income taxes related to these tax-exempt entities has been made. PCPO applied to become a tax-exempt organization under Section 501(c)(3) of the IRC on October 1, 2015. As a result of this anticipated conversion, PCPO recognized income tax expense of \$1,200 within supplies and other expenses.

Community Benefit

Partners HealthCare's community benefit programs include working with communities to address a number of public health issues including racial disparities, alcohol and substance abuse among young people, infant mortality, domestic violence and cancer. Partners HealthCare provides economic opportunity for low income Boston residents by helping people advance into nursing and other healthcare careers through its public school partnerships and workforce development programs. In addition, twenty community health centers are licensed by or affiliated with Partners HealthCare entities and provide high quality, culturally competent primary care and access to Partners HealthCare's hospitals. Partners HealthCare invests in these health centers' infrastructure, programming and operation and also helps with relocation, renovation and other capital requirements.

Partners HealthCare System, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

(in thousands of dollars)

The Massachusetts Attorney General's Community Benefits Guidelines direct nonprofit acute care hospitals and health maintenance organizations 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. Partners HealthCare files its report annually with the Massachusetts Attorney General. The report summarizes community benefit activities on a system-wide basis. In addition, each of the acute care hospitals within Partners HealthCare has a community benefit planning and service delivery structure and files separate community benefit reports. NHP also files a community benefit report annually.

Uncompensated Care

Partners HealthCare 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 Partners HealthCare receives either partial or no reimbursement for healthcare services provided is summarized as follows:

State Programs

Charity care services are partially reimbursed to acute care hospitals through the statewide Health Safety Net Trust Fund (HSN) established by the Massachusetts Health Care Reform Law (Chapter 58 of the Acts of 2006 or Chapter 58). A portion of the funding for the HSN is paid by hospitals through a statewide acute care hospital assessment that has been set by the Massachusetts Legislature, beginning in 2014, at \$160,000 plus 50% of the estimated cost of administering the HSN and related assessments, as determined by the Secretary of Administration and Finance. All acute care hospitals in the state are assessed their share of this total statewide hospital assessment amount (\$165,000 in 2015 and \$164,708 in 2014) based on each hospital's charges for private sector payers. Partners HealthCare's acute care hospitals report this assessment as a deduction from net patient service revenue.

Acute care hospitals are reimbursed for charity care based on claims for eligible patients and eligible services that are submitted to and adjudicated by the HSN. Rates of payment are based on Medicare rates and payment policies. The HSN was under-funded by approximately \$41,327 and \$86,836 in 2015 and 2014, respectively. This shortfall is allocated to hospitals based on their share of total statewide patient care costs with approximately \$10,881 and \$25,571 in 2015 and 2014, respectively, allocated to Partners HealthCare's acute care hospitals. Each hospital's share of the overall state shortfall cannot exceed its total charity care reimbursement. Hospitals with a high proportion of charity care and government funding receive more favorable reimbursement, including limiting their shortfall allocation to no more than 15% of their payments for charity care. In aggregate, Partners HealthCare's acute care hospitals received uncompensated care funding covering 68% of the estimated cost of charity care provided in 2015 and 47% of the estimated cost of charity care provided in 2014, 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, immigrant status and assets.

Partners HealthCare System, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

(in thousands of dollars)

Medicaid payments to Partners HealthCare providers do not cover the full cost of services provided. In aggregate, reimbursement from Medicaid covered 62% and 61% of the estimated cost of services provided in 2015 and 2014, respectively. In addition, Medicaid premium revenue paid to NHP for the care of Medicaid patients enrolled in NHP did not cover the medical expense and administrative costs of care for these enrollees. In aggregate, the premium revenue paid to NHP by Medicaid, excluding the impact of premium deficiency reserves, was \$72,549, or 4.6%, less than the cost of care in 2015, and \$108,655, or 8.6%, less than the cost of care in 2014.

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 at 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 Partners HealthCare providers do not cover the full cost of services provided. In aggregate, reimbursement from Medicare covered approximately 73% and 74% of the estimated cost of services provided in 2015 and 2014, respectively.

Partners HealthCare System, Inc. and Affiliates
Notes to Consolidated Financial Statements
September 30, 2015 and 2014

(in thousands of dollars)

For charity care, Medicaid and Medicare, the total estimated cost of services provided by Partners HealthCare exceeded the net reimbursement received under these programs by \$1,229,790 and \$1,148,200 for the years ended September 30, 2015 and 2014, respectively. The estimated cost of services provided is either obtained directly from a costing system or based on an entity specific ratio of cost to gross charges. In the latter case, cost is derived by applying this ratio to gross charges associated with providing care to charity care, Medicaid and Medicare patients. 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,	
	2015	2014
Cost of services provided		
Charity care, including assessment payments to HSN of \$56,716 and \$60,372 in 2015 and 2014, respectively	\$ 136,276	\$ 140,641
Medicaid	1,008,882	886,706
Medicare	<u>2,824,890</u>	<u>2,634,533</u>
	<u>\$ 3,970,048</u>	<u>\$ 3,661,880</u>
Net reimbursement		
Charity care	\$ 40,906	\$ 29,808
Medicaid	625,761	542,078
Medicare	<u>2,073,591</u>	<u>1,941,794</u>
	<u>\$ 2,740,258</u>	<u>\$ 2,513,680</u>
Cost of services in excess of reimbursement		
Charity care	\$ 95,370	\$ 110,833
Medicaid	383,121	344,628
Medicare	<u>751,299</u>	<u>692,739</u>
	<u>\$ 1,229,790</u>	<u>\$ 1,148,200</u>

Bad Debts

In addition to charity 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 represents charges for services provided that are deemed to be uncollectible and was \$129,051 and \$129,492 in 2015 and 2014, respectively. The estimated cost of providing these services was approximately \$48,347 and \$48,699 for 2015 and 2014, respectively.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and include the accounts of PHS and its affiliates. Significant interaffiliate accounts and transactions have been eliminated.

Partners HealthCare System, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

(in thousands of dollars)

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 medical claims and related expenses, accrued professional liability, accrued compensation and employee benefits, interest rate swaps and accrued other.

Fair Value of Financial Instruments

The fair value of financial instruments approximates the carrying amount reported in the consolidated balance sheets for cash and equivalents, certain investments and investments limited as to use, patient accounts receivable, research grants receivable, accounts payable and accrued expenses and interest rate swaps. More information can be found in Note 6, Fair Value Measurements.

Cash and Equivalents

Cash and equivalents represent cash, registered money market funds and highly liquid debt instruments with a maturity at the date of purchase of three months or less. Partners HealthCare's banking cash and equivalents are maintained with several national banks and from time to time cash deposits exceed federal insurance limits. It is Partners HealthCare's policy to monitor these banks' financial strength on an ongoing basis and no losses have been experienced to date.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities (marketable investments) are measured at fair value based on quoted market prices. The change in net unrealized appreciation on these marketable investments is excluded from excess of revenues over expenses.

Alternative investments, including hedge funds and private equities, do not have readily ascertainable market values. Investments in securities sold short or traded on a national securities exchange are valued based on quoted market prices. Investments in securities that are not traded and restricted securities of public companies are valued based on amounts reported by the fund manager and evaluated by management. The reported value of these investments represents the amount Partners HealthCare would expect to receive if it liquidated its investments at the balance sheet date on a nondistressed basis. Investments in hedge funds, private equity, private debt and other private partnerships (collectively, private partnerships) for which Partners HealthCare owns more than 5% of the overall investment are generally recorded as equity method investments. The change in value of equity method investments is included in excess of revenues over expenses as a component of income from investments. All other investments, including alternative investments, are recorded at cost.

Income from investments (including realized gains and losses, change in value of 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.

Partners HealthCare System, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2015 and 2014

(in thousands of dollars)

Investments whose cost exceeds fair value are reviewed each quarter to determine whether these investments are other-than-temporarily impaired. Externally managed marketable investments with fair value below cost are considered to be other-than-temporarily impaired and, accordingly, the unrealized depreciation is recognized as realized losses through a write-down in the cost basis of these investments. All other investments are subject to a further review, which considers factors including the anticipated holding period for the investment and the extent and duration of below cost valuation. A similar write-down is recorded when the impairment on these investments 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.

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.

Investments Limited as to Use

Investments limited as to use primarily includes assets whose use is contractually limited by external parties as well as assets set aside by the boards (or management) for identified purposes and over which the boards (or management) retain control such that the boards (or management) may, at their discretion, subsequently use such assets 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 and corresponding liability.

Derivative Instruments

Derivatives are recognized on the balance sheet at fair value. As of September 30, 2014, Partners HealthCare elected to stop applying hedge accounting treatment for interest rate swap contracts (swap contracts). As a result of the election to stop applying hedge accounting treatment, changes in the fair value are recorded in excess of revenue over expenses. Previously, Partners HealthCare designated at inception whether the swap contracts were considered hedging or nonhedging for accounting purposes. For hedges, Partners HealthCare formally documented at inception all relationships between hedging instruments and hedged items, as well as its risk management objectives and strategies for undertaking various accounting hedges. Partners HealthCare uses its swap contracts as cash flow hedges. Changes in the fair value of swap contracts designated for hedging activities that were highly effective as hedges were excluded from excess of revenues over expenses. Hedge ineffectiveness, if any, was recorded in excess of revenues over expenses.

Patient Accounts Receivable

Partners HealthCare 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.

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Research Grants Receivable

Partners HealthCare receives research funding from departments and agencies of the U.S. Government, industry and other foundation sponsors. Research grants receivable include amounts due from these sponsors of externally funded research. These 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.

Other Current Assets

Other current assets include prepaids, nonpatient receivables, current portion of pledges receivable, premiums receivable and reinsurance recoveries.

Property and Equipment

Property and equipment is reported on the basis of cost less accumulated depreciation. Donated items 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 unrestricted net assets. Property and equipment is reviewed for impairment 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 fifty 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. Partners HealthCare records changes in the liability resulting from the passage of time and revisions to either the timing or the amount of the original liability estimate. Partners HealthCare reduces these liabilities when the related obligations are settled.

Other Assets

Other assets consist of long-term receivables, deferred financing costs, intangible assets, prepaid ground rent, malpractice insurance receivables (Note 14), investments in healthcare related limited partnerships and benefit assets for over-funded defined benefit plans. Deferred financing costs are amortized over the terms of the related obligations. The carrying value of other assets is evaluated for impairment if the facts and circumstances suggest that the carrying value may not be recoverable.

Compensated Absences

In accordance with formal policies concerning vacation and other compensated absences, accruals of \$259,470 and \$254,803 were recorded as of September 30, 2015 and 2014, 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.

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Self-Insurance Reserves

Partners HealthCare is generally 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 prior to year end.

Net Assets

Permanently restricted net assets include the historical dollar amounts of gifts and the income and gains on such gifts which are required by donors to be permanently retained. Temporarily restricted net assets include gifts and the 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 of the remaining net assets of Partners HealthCare. More information can be found in Note 16, 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 net unrealized appreciation on permanently restricted gifts are classified as temporarily restricted until appropriated for spending by Partners HealthCare in accordance with policies established by Partners HealthCare and the Massachusetts Uniform Prudent Management of Institutional Funds Act (UPMIFA). Net losses on permanently restricted endowment funds are classified as a reduction to unrestricted net assets until such time as the fair value of these funds exceeds historical cost.

Gifts

Unconditional promises to give cash and other assets to Partners HealthCare 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.

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

Grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. Partners HealthCare 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.

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Contributed Securities

Partners HealthCare's policy is to sell securities contributed by donors upon receipt, unless prevented from doing so by donor request. For the years ended September 30, 2015 and 2014, contributed securities of \$36,742 and \$45,058, respectively, were received and liquidated. Donors restricted the proceeds received from the sale of these contributed securities of \$14,163 and \$8,737 for long-term purpose for the years ended September 30, 2015 and 2014, respectively.

Statement of Operations

All activities of Partners HealthCare deemed by management to be ongoing, major and central to the provision of healthcare services, teaching, research activities and health insurance are reported as operating revenue and expenses. Other activities are deemed to be nonoperating and include unrestricted gifts (net of fundraising expenses), external community benefit program support, net change in unexpended academic and research gifts, change in fair value of interest rate swaps, substantially all income (loss) from investments and interest on advanced borrowings. Academic and research gifts largely consist of donor contributions (and the related investment income including realized gains and losses) designated to support the clinical, teaching or research efforts of a physician or department as directed by the donor. These gifts are reported as unrestricted, net of related support expenses, when donor restrictions are of a general nature that are inherent in the normal activities of the organization.

Partners HealthCare recognizes changes in third-party payer settlements and other estimates in the year of the change in estimate. For the years ended September 30, 2015 and 2014, adjustments to prior year estimates resulted in an increase to income from operations of \$22,381 and \$14,642, 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 its enabling statute to maintain budget neutrality by prospectively adjusting the Medicare payment rate to eliminate the effect of changes in DRG classification that do not reflect real changes in case-mix. CMS requires Congressional authority, however, to recoup any overpayments made in prior years. In 2007, Congress granted CMS the authority to recoup overpayments made to hospitals in 2008 and 2009 resulting from increased coding and documentation, which CMS did through rate reductions in 2011 and 2012. Subsequently, under the American Taxpayer Relief Act of 2012, Congress granted CMS the authority to recoup overpayments made to hospitals in 2010 through 2012 through rate reductions in 2014 through 2017.

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In 2013, Partners HealthCare recorded the estimated overpayment amounts received in 2010 through 2012 of \$79,020 as deferred revenue to be amortized into net patient service revenue in 2014 through 2017 to offset the rate reductions. Management believes this accounting treatment better reflects the financial impact of this rate methodology and more accurately presents the recognition of revenue. For the years ended September 30, 2015 and 2014, amortization of these overpayments amounted to \$15,192 and \$6,893, respectively. Partners HealthCare anticipates amortizing the remaining overpayments in 2016 of \$23,900 and in 2017 of \$33,035.

The statement of operations includes excess of revenues over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues over expenses, include change in net unrealized appreciation on marketable investments, change in fair value of effective hedging interest rate swaps (prior to the change in accounting policy), 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.

Net Patient Service Revenue

Partners HealthCare maintains agreements with CMS of the United States Department of Health and Human Services under the Medicare program, the Commonwealth of Massachusetts (the Commonwealth) under the Medicaid program 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 contracts also provide for payments that are contingent upon meeting agreed upon quality and efficiency measures.

Partners HealthCare recognizes patient service revenue associated with services provided to patients who have third-party payer coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, Partners HealthCare recognizes revenue on the basis of its standard rates (subject to discounts) for services provided. On the basis of historical experience, a significant portion of Partners HealthCare's uninsured patients are unable or fail to pay for the services provided. Consequently, Partners HealthCare records a provision for bad debts related to uninsured patients in the period the services are provided. For the years ended September 30, 2015 and 2014, patient service revenue net of contractual allowances and discounts (before the provision for bad debts) is as follows:

	2015	2014
Patient service revenue (net of contractual allowances and discounts)		
Third-party payers	\$ 7,156,435	\$ 6,906,051
Uninsured patients	290,534	265,999
	<u>\$ 7,446,969</u>	<u>\$ 7,172,050</u>
Total all payers		

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Net patient service revenue 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 uncompensated care 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.

Partners HealthCare provides either full or partial uncompensated care to patients who cannot afford to pay for their medical services based on income and family size. Uncompensated care is generally available to qualifying patients for medically necessary services. Partners HealthCare reports certain bad debts related to emergency services as uncompensated care. Uncompensated 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 uncompensated care.

Medical Claims and Related Expenses

NHP contracts with various community health centers, hospital-based primary care physician practices and other health care providers for the delivery of services to its members and compensates these providers on a capitated, fee-for-service or per diem basis.

The cost of contracted health care services is accrued in the period in which services are provided and include certain estimated amounts. The estimated liability for medical claims and related expenses is actuarially determined based on analysis of historical claims-paid experience, modified for changes in enrollment, inflation and benefit coverage. The liability for medical claims and related expenses represents the anticipated cost of claims incurred but unpaid at the balance sheet date. The estimates for claims expense may be more or less than the amounts ultimately paid when claims are settled. Such changes in estimates are reflected in the current period in the consolidated statements of operations.

In the normal course of business, NHP identifies and recoups overpayments through reductions in future payments made to providers and hospitals. Such overpayments are the result of, among other things, coordination of benefits and provider claim audits. For the years ended September 30, 2015 and 2014, NHP identified approximately \$53,396 and \$44,100, respectively, of recoveries related to claim overpayments made for both current-year and prior-year paid claims, which are reflected as a reduction to medical claims and related expenses in the consolidated statements of operations. As of September 30, 2015 and 2014, NHP's accounts receivable include \$1,723 and \$2,049, respectively, related to such overpayments.

Premium Revenue

Premiums are due monthly and recorded as earned during the period in which members are eligible to receive services. Premiums received prior to the first day of the coverage period are recorded as unearned premiums in accounts payable and accrued expenses.

Reinsurance

Reinsurance premiums are reported in medical claims and related expenses and reinsurance recoveries are reported as reductions in medical claims and related expenses.

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Settlements

NHP contracts with the Executive Office of Health and Human Services (EOHHS) and certain providers based on historical and anticipated experience. These methods of reimbursement result in settlements based on actual versus anticipated experience which could result in either payments due from (to) these providers. Settlements receivable of \$78,969 and \$21,197 were recorded as of September 30, 2015 and 2014, respectively. Settlements payable of \$3,697 and \$14,654 were recorded as of September 30, 2015 and 2014, respectively. The settlements are intended to include both reported and unreported incurred claims as of September 30, 2015 and 2014.

In 2014, the Affordable Care Act introduced new settlements related to a risk adjustment program, risk corridor program and reinsurance program designed to mitigate the transitional impact on insurers for new members. NHP's estimated net receivable due from the federal government for these programs was \$23,687 and \$5,761 at September 30, 2015 and 2014, respectively. Similar to the federal program, EOHHS has a risk corridor program and NHP's estimated net receivable due from EOHHS is \$75,910 and \$17,842 at September 30, 2015 and 2014, respectively.

Premium Deficiency Reserve

Premium deficiency reserves are assessed and recognized on a product line basis based upon expected premium revenue, medical expense and administrative expense levels, and remaining contractual obligations using historical experience. As of September 30, 2015 and 2014, premium deficiency reserves total approximately \$32,636 and \$91,555, respectively, and are included in accrued medical claims and related expenses in the accompanying consolidated financial statements.

Claims Adjustment Expenses

Claims adjustment expenses (CAE) are those costs expected to be incurred in connection with the adjustment and recording of health claims. NHP has recorded an estimate of unpaid CAE associated with incurred but unpaid claims, which is included in medical claims and related expenses in the accompanying consolidated statements of operations. Management believes the amount of the liability for unpaid CAE as of September 30, 2015, is adequate to cover NHP's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid CAE are reflected in operating results in the period in which the change in estimate is identified (Note 9).

Other Revenue

Other revenue includes institutional revenue (for example, billing for services provided to other healthcare providers), parking, nonpatient pharmacy and tuition revenue.

Recent Accounting Pronouncements

Partners HealthCare adopted ASU 2015-07, Disclosures for Certain Entities That Calculate Net Asset Value per Share (or its Equivalent), which removes the requirement to categorize within the fair value hierarchy all investments for which fair value is measured using net asset value per share as the practical expedient. The adoption of ASU 2015-07 did not have a material effect on Partners HealthCare's financial statements.

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3. Acquisitions

Multiple physician practices were acquired during the year ended September 30, 2015 for a combined purchase price of \$46,917. In accordance with accounting standards, the purchase price was allocated first to tangible assets, then identifiable intangible assets and the remaining allocated to goodwill.

Assets, liabilities, and net assets assumed as of the acquisition dates are as follows:

Assets	
Cash and cash equivalents	\$ 5,257
Patient accounts receivable, net	3,762
Property plant and equipment	3,201
Other assets	<u>34,697</u>
Total assets acquired	<u>\$ 46,917</u>
Liabilities	
Note payable	\$ 2,693
Accounts payable and accrued expenses	10,457
Accrued compensation and benefits	5,087
Accrued professional liability	<u>80</u>
Total liabilities assumed	<u>18,317</u>
Net assets	
Unrestricted	<u>28,600</u>
Total net assets	<u>28,600</u>
Total liabilities and net assets	<u>\$ 46,917</u>

A summary of the financial results of the acquired physician practices from the respective dates of acquisition is included in the consolidated statements of operations and changes in net assets is as follows:

Total operating revenue	\$ 88,325
Total operating expenses	<u>103,431</u>
Loss from operations	(15,106)
Nonoperating gains (expenses), net	<u>2</u>
Deficit of revenues over expenses	(15,104)
Other changes	<u>1,000</u>
Decrease in unrestricted net assets	<u>\$ (14,104)</u>

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A summary of the consolidated financial results of Partners HealthCare for the year ended September 30, 2015, as if the transactions had occurred on October 1, 2014 is as follows (unaudited):

Total operating revenue	\$ 11,696,236
Total operating expenses	<u>11,592,219</u>
Income from operations	104,017
Nonoperating gains (expenses), net	<u>(198,447)</u>
Deficit of revenues over expenses	(94,430)
Pension related changes	(639,167)
Other changes	<u>(186,096)</u>
Decrease in unrestricted net assets	<u>\$ (919,693)</u>

4. Levels of Capital and Surplus

Risk-based capital (RBC) is a methodology adopted by the National Association of Insurance Commissioners (NAIC) for determining the minimum level of capital and surplus deemed necessary for an insurer based upon the types of assets held and business written. Pursuant to a guaranty entered into by PHS when it acquired NHP in 2012 (the RBC Guaranty), PHS has committed to maintain NHP's capital and surplus at a specified minimum level, measured quarterly in accordance with an RBC methodology permitted by the Massachusetts Division of Insurance (DOI). The RBC Guaranty may be enforced by the DOI. PHS provided capital to NHP of \$117,100 and \$86,000 in 2015 and 2014, respectively.

In accordance with accounting guidance, NHP recognized premium deficiency reserves of \$32,636 and \$91,555 at September 30, 2015 and 2014, respectively. The premium deficiency reserves are estimates of anticipated losses in fiscal 2016 and 2015, respectively, related to NHP's MassHealth and CommCare contracts. In order to comply with its obligations under the RBC Guaranty PHS transferred \$40,300 to NHP in November 2015.

NHP's current contract with EOHHS requires NHP to maintain a minimum net worth and/or financial insolvency insurance in an amount equal to the Minimum Net Worth calculation as defined in Massachusetts General Law 176G, Section 25. At December 31, 2014 and 2013 (NHP's fiscal and statutory year end), the minimum net worth requirement, as determined in accordance with EOHHS guidelines, was \$114,300 and \$78,800, respectively. NHP's statutory net worth was \$128,700 and \$97,200 at December 31, 2014 and 2013, respectively, and thus exceeded the EOHHS requirements by \$14,400 and \$18,400, respectively.

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5. Investments and Investments Limited as to Use

Investments are either separately invested or included in pooled investment funds within the Partners HealthCare System Pooled Investment Accounts (Partnership). The Partnership is structured as a single general partnership composed of three 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 three 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.

Among other investments, the Partnership invests in private partnerships whose assets include equity, fixed income and other investments. As of September 30, 2015, the Partnership has unfunded commitments of approximately \$470,498 which will be drawn down by the various general partners over the next several years. The maximum annual drawdown is expected to be less than 2% of investments and investments limited as to use.

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

	September 30,	
	2015	2014
Current assets		
Investments	\$ 1,354,636	\$ 1,474,058
Current portion of investments limited as to use	<u>1,590,203</u>	<u>2,120,057</u>
	2,944,839	3,594,115
Long-term assets		
Investments limited as to use, less current portion	2,832,744	2,927,360
Long-term investments	<u>1,061,176</u>	<u>1,026,538</u>
	<u>\$ 6,838,759</u>	<u>\$ 7,548,013</u>

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Investments limited as to use consist of the following:

	September 30, 2015		September 30, 2014	
	Current Portion	Long-Term Portion	Current Portion	Long-Term Portion
Internally designated funds				
Reserved for capital expenditures	\$ 863,703	\$ -	\$ 1,010,371	\$ -
Unexpended academic and research gifts	-	2,311,685	-	2,449,470
Deferred compensation	-	226,627	-	216,553
Other	394,756	263,764	863,371	224,310
	<u>1,258,459</u>	<u>2,802,076</u>	<u>1,873,742</u>	<u>2,890,333</u>
Externally limited funds				
Unexpended funds on research	202,137	-	183,222	-
Contributions held for others	1,269	-	3,991	-
Professional liability trust fund	-	30,668	-	37,027
Held by trustees under debt and other agreements	128,338	-	59,102	-
	<u>331,744</u>	<u>30,668</u>	<u>246,315</u>	<u>37,027</u>
	<u>\$ 1,590,203</u>	<u>\$ 2,832,744</u>	<u>\$ 2,120,057</u>	<u>\$ 2,927,360</u>

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, 2015			
	At Fair Value	On Equity Method	On Cost Method	Total
Pooled investments				
Invested cash equivalents	\$ 34,049	\$ -	\$ -	\$ 34,049
Separately managed investments	1,834,357	-	-	1,834,357
Mutual funds	365,035	-	-	365,035
Commingled funds	1,157,965	-	-	1,157,965
Private partnerships	-	744,139	1,991,206	2,735,345
	<u>3,391,406</u>	<u>744,139</u>	<u>1,991,206</u>	<u>6,126,751</u>
Separately invested				
Invested cash equivalents	135,640	-	16	135,656
Equities	6,247	-	46,237	52,484
U.S. Government and domestic fixed income securities	32,330	-	-	32,330
Mutual funds	397,539	-	-	397,539
Other	17,416	-	76,583	93,999
	<u>589,172</u>	<u>-</u>	<u>122,836</u>	<u>712,008</u>
	<u>\$ 3,980,578</u>	<u>\$ 744,139</u>	<u>\$ 2,114,042</u>	<u>\$ 6,838,759</u>

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Separately managed investments include cash and equivalents of \$212,882, equities of \$612,948 and fixed income securities of \$1,008,527 as of September 30, 2015.

	September 30, 2014			Total
	At Fair Value	On Equity Method	On Cost Method	
Pooled investments				
Invested cash equivalents	\$ 43,396	\$ -	\$ -	\$ 43,396
Separately managed investments	2,301,880	-	-	2,301,880
Mutual funds	549,948	-	-	549,948
Commingled funds	1,151,708	-	-	1,151,708
Private partnerships	-	804,445	2,013,552	2,817,997
	<u>4,046,932</u>	<u>804,445</u>	<u>2,013,552</u>	<u>6,864,929</u>
Separately invested				
Invested cash equivalents	127,785	-	741	128,526
Equities	14,062	-	23,937	37,999
U.S. Government and domestic fixed income securities	32,427	-	-	32,427
Mutual funds	360,417	-	-	360,417
Other	47,018	-	76,697	123,715
	<u>581,709</u>	<u>-</u>	<u>101,375</u>	<u>683,084</u>
	<u>\$ 4,628,641</u>	<u>\$ 804,445</u>	<u>\$ 2,114,927</u>	<u>\$ 7,548,013</u>

Separately managed investments include cash and equivalents of \$193,406, equities of \$930,884 and fixed income securities of \$1,177,590 as of September 30, 2014.

For the private partnerships reflected in the balance sheet at cost, the difference (unrecorded net unrealized appreciation) between the value reported by the investment managers and the cost for these investments was \$863,084 and \$883,174 as of September 30, 2015 and 2014, respectively.

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The fair value and gross unrealized depreciation of investments and investments limited as to use, with a fair value less than cost, that are not deemed to be other-than-temporarily impaired as of September 30, 2015 are as follows:

	<u>Less than 12 Months</u>		<u>12 Months or Greater</u>	
	Fair Value	Gross Unrealized Depreciation	Fair Value	Gross Unrealized Depreciation
Pooled investments				
Separately managed investments	\$ 1,051	\$ (137)	\$ 189	\$ (9)
Mutual funds				
Commingled funds	734,450	(84,501)	169,374	(45,212)
	<u>735,501</u>	<u>(84,638)</u>	<u>169,563</u>	<u>(45,221)</u>
Separately invested				
Equities	-	-	10	(4)
Fixed income securities	-	-		
Mutual funds	104,407	(7,866)	27,628	(5,113)
External trusts	-	-	93	(12)
	<u>104,407</u>	<u>(7,866)</u>	<u>27,731</u>	<u>(5,129)</u>
	<u>\$ 839,908</u>	<u>\$ (92,504)</u>	<u>\$ 197,294</u>	<u>\$ (50,350)</u>

In addition, for certain private partnerships recorded at cost, gross unrealized depreciation amounted to \$23,118 as of September 30, 2015, with \$20,478 of that amount unrealized for 12 months or greater.

Based on management's quantitative and qualitative assessment, investments whose cost exceeds fair value are not considered to be other-than-temporarily impaired as of September 30, 2015. Management believes these investments will recover their values and there is no intention to liquidate these positions.

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Investment income and gains (losses) from cash and equivalents, investments, investments limited as to use and beneficial interests in perpetual trusts are comprised of the following:

	Years Ended September 30,	
	2015	2014
Unrestricted		
Dividends, interest and other income	\$ 59,941	\$ 62,576
Endowment income distributions, net of reinvested gains	39,059	35,564
Net realized gains (losses) on investments		
Realized gains	158,402	313,244
Other-than-temporary impairment	(139,474)	(55,636)
Change in value of equity method investments	(46,860)	33,832
Recovery on endowment funds	(11,045)	91
Total investment activity included in excess of revenues over expenses	60,023	389,671
Change in net unrealized appreciation on marketable investments	(224,616)	(3,309)
Total unrestricted investment activity	(164,593)	386,362
Temporarily restricted		
Dividends and interest income	5,286	14,857
Endowment income distributions	(47,133)	(41,823)
Net realized gains (losses) on investments		
Realized gains	31,890	63,595
Other-than-temporary impairment	(24,558)	(10,468)
Total temporarily restricted investment activity	(34,515)	26,161
Change in value of equity method investments	(11,945)	10,736
Change in net unrealized appreciation on marketable investments	(47,396)	(11,118)
Recovery on endowment funds	11,045	(91)
Total temporarily restricted investment activity	(82,811)	25,688
Permanently restricted		
Dividends and interest income	(3)	4
Net realized gains on investments	58	26
Change in net unrealized appreciation on marketable investments	(2,313)	392
Change in value of beneficial interests in perpetual trusts	(970)	1,314
Total permanently restricted investment activity	(3,228)	1,736
	\$ (250,632)	\$ 413,786

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Investment income included in operating results and excess of revenues over expenses is comprised of the following:

	Years Ended September 30,	
	2015	2014
Investment income included in operations and reported in other revenue	\$ 11,841	\$ 13,692
Investment income included in nonoperating gains and reported in		
(Loss) income from investments	(37,258)	227,357
Academic and research gifts, net of expenses	<u>85,440</u>	<u>148,622</u>
Total investment activity included in excess of revenues over expenses	<u>\$ 60,023</u>	<u>\$ 389,671</u>

6. Fair Value Measurements

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. Level 1 assets and liabilities primarily include debt and equity securities that are traded in an active exchange market.

- 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 2 assets and liabilities primarily include debt securities with quoted prices that are traded less frequently than exchange-traded instruments as well as debt securities and derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

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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. Level 3 includes assets and liabilities whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the reporting entity's assumptions about the assumptions market participants would use as well as those requiring significant management judgment.

Valuation Techniques

Pooled investments (except for private partnerships, which are reported on either the equity method or cost method of accounting), separately invested cash equivalents and debt and equity securities are classified within Level 1 or Level 2 of the fair value hierarchy as they are valued using quoted market prices, broker or dealer quotations, or other observable pricing sources. Certain types of investments are classified within Level 3 of the fair value hierarchy because they have little or no market activity and therefore have little or no observable inputs with which to measure fair value.

The valuation of interest rate swaps is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities.

The following tables summarize fair value measurements as of September 30, 2015 and 2014 for financial assets and liabilities measured at fair value on a recurring basis:

	Fair Value Measurements Using			Fair Value at September 30, 2015
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets				
Pooled investments				
Invested cash equivalents	\$ 33,027	\$ 1,021	\$ -	\$ 34,048
Separately managed investments	1,331,564	502,793	-	1,834,357
Mutual funds	365,034	-	-	365,034
Commingled funds	-	1,157,967	-	1,157,967
	<u>1,729,625</u>	<u>1,661,781</u>	<u>-</u>	<u>3,391,406</u>
Separately invested				
Invested cash equivalents	135,640	-	-	135,640
Equities	6,247	-	-	6,247
U.S. Government and domestic fixed income securities	32,330	-	-	32,330
Mutual funds	397,539	-	-	397,539
Other	-	-	17,416	17,416
	<u>571,756</u>	<u>-</u>	<u>17,416</u>	<u>589,172</u>
	<u>\$ 2,301,381</u>	<u>\$ 1,661,781</u>	<u>\$ 17,416</u>	<u>\$ 3,980,578</u>
Liabilities				
Interest rate swaps		<u>\$ 404,062</u>		<u>\$ 404,062</u>

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	Fair Value Measurements Using			Fair Value at September 30, 2014
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets				
Pooled investments				
Invested cash equivalents	\$ 9,702	\$ 33,694	\$ -	\$ 43,396
Separately managed investments	1,700,305	601,575	-	2,301,880
Mutual funds	549,948	-	-	549,948
Commingled funds	-	1,151,708	-	1,151,708
	<u>2,259,955</u>	<u>1,786,977</u>	<u>-</u>	<u>4,046,932</u>
Separately invested				
Invested cash equivalents	127,785	-	-	127,785
Equities	9,708	4,354	-	14,062
U.S. Government and domestic fixed income securities	17,224	15,203	-	32,427
Mutual funds	360,417	-	-	360,417
Other	-	36,280	10,738	47,018
	<u>515,134</u>	<u>55,837</u>	<u>10,738</u>	<u>581,709</u>
	<u>\$ 2,775,089</u>	<u>\$ 1,842,814</u>	<u>\$ 10,738</u>	<u>\$ 4,628,641</u>
Liabilities				
Interest rate swaps		<u>\$ 295,656</u>		<u>\$ 295,656</u>

As of and for the years ended September 30, 2015 and 2014, the fair value of the assets and change in the value of the assets measured using significant unobservable inputs (Level 3) were related to beneficial interests in perpetual assets.

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7. 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, net of allowances, and total \$87,229 and \$94,331 as of September 30, 2015 and 2014, 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 1.0% and 0.8% for 2015 and 2014, respectively. Pledges are expected to be collected as follows:

	September 30,	
	2015	2014
Amounts due		
Within one year	\$ 108,865	\$ 110,668
In one to five years	138,411	161,764
In more than five years	56,120	19,300
Total pledges receivable	<u>303,396</u>	<u>291,732</u>
Less: Unamortized discount	6,840	5,348
	<u>296,556</u>	<u>286,384</u>
Less: Allowance for uncollectibles	26,711	23,460
Net pledges receivable	<u>269,845</u>	<u>262,924</u>
Contributions receivable from trusts	26,448	29,382
	<u>\$ 296,293</u>	<u>\$ 292,306</u>

8. Property and Equipment

Property and equipment consists of the following:

	September 30,	
	2015	2014
Land and land improvements	\$ 179,954	\$ 172,924
Buildings and building improvements	5,955,908	5,558,974
Equipment	1,826,766	1,427,800
Construction in progress	1,098,134	900,180
	<u>9,060,762</u>	<u>8,059,878</u>
Accumulated depreciation	<u>(3,731,980)</u>	<u>(3,443,970)</u>
Property and equipment, net	<u>\$ 5,328,782</u>	<u>\$ 4,615,908</u>

Depreciation expense for the years ended September 30, 2015 and 2014 was \$487,980 and \$454,512, respectively. Interest costs, net of interest earned, aggregating \$35,063 and \$30,744 were capitalized in 2015 and 2014, respectively.

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For the years ended September 30, 2015 and 2014, fully depreciated assets with an original cost of \$199,970 and \$235,966, respectively, were written off.

9. Accrued Medical Claims and Related Expenses

Liabilities for accrued medical claims and related expenses include estimates of expected trends in claims severity, frequency, and other factors, which could vary as the claims are ultimately settled and are based principally upon historical experience. As a result of changes in estimates of insured events in prior years and recoveries, the liability on claims existing on October 1, 2014 and 2013, (decreased) increased (\$27,221) and \$13,332, respectively, in the years ended September 30, 2015 and 2014, respectively. Increases (decreases) of this nature occur as the result of claim settlements and recoveries during the current year and as additional information is received regarding individual claims, causing changes from the original estimates of the cost of these claims. Ongoing analysis of the recent loss development trends is also taken into account in evaluating the overall adequacy of the reserves.

	2015	2014
Balance at beginning of year	\$ 254,480	\$ 121,833
Less:		
Premium deficiency reserve	(91,555)	(6,494)
Medical loss ratio rebate payable	(611)	(4,701)
Accrual for claims adjustment expenses	(4,381)	(2,855)
Claim recoveries	(7,567)	(1,991)
Plus: Settlements payable, net	<u>22,020</u>	<u>23,555</u>
Net balance at beginning of year	<u>172,386</u>	<u>129,347</u>
Incurred related to		
Current year	2,007,380	1,597,866
Prior years	<u>(27,221)</u>	<u>13,332</u>
Total incurred	<u>1,980,159</u>	<u>1,611,198</u>
Paid related to		
Current year	1,822,513	1,431,205
Prior years	<u>144,996</u>	<u>136,954</u>
Total paid	<u>1,967,509</u>	<u>1,568,159</u>
Net balance at end of year	185,036	172,386
Plus:		
Premium deficiency reserve	32,636	91,555
Medical loss ratio rebate payable	-	611
Accrual for claims adjustment expenses	4,877	4,381
Accrued medical payables - other	14,477	-
Claims recoveries	8,300	7,567
Less: Settlements payable, net	<u>(13,058)</u>	<u>(22,020)</u>
Balance at end of year	<u>\$ 232,268</u>	<u>\$ 254,480</u>

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Medical claims and related expenses in the accompanying consolidated statements of operations include these amounts along with other nonclaims related costs. These nonclaims related expenses were for directly delivered services and medical cost risk sharing and incentives, totaling approximately \$17,422 and \$14,792 for the years ended September 30, 2015 and 2014, respectively.

10. Long-Term Obligations

Long-term obligations issued by PHS and its affiliates consist of the following:

	September 30,	
	2015	2014
Massachusetts Health and Educational Facilities Authority (Authority) Revenue Bonds		
Partners HealthCare System Series D, issued in multiple subseries, variable interest rate of 0.01% and 0.02% at September 30, 2015 and 2014, respectively, final maturity in 2017	\$ 1,940	\$ 11,490
Partners HealthCare System Series F, issued in multiple subseries, average fixed interest rate of 5.00%, variable interest rate of 0.29% and 0.24% at September 30, 2015 and 2014, respectively, final maturity in 2040	246,209	273,458
Partners HealthCare System Series G, issued in multiple subseries, average fixed interest rate of 4.93%, variable interest rate of 0.24% at September 30, 2015 and 2014, final maturity in 2047	319,614	438,054
Partners HealthCare System Series H, issued in multiple subseries, variable interest rate of 0.08% and 0.08% at September 30, 2015 and 2014, respectively, final maturity in 2042	171,170	171,165
Partners HealthCare System Series I, issued in multiple subseries, average fixed interest rate of 4.80%, variable interest rate of 0.01% and 0.03%, at September 30, 2015 and 2014, respectively, final maturity in 2044	168,686	171,996
Partners HealthCare System Series J, issued in multiple subseries, average fixed interest rate of 5.00%, final maturity in 2039	442,110	456,746
Partners HealthCare System Series P, issued in multiple subseries, variable interest rate of 0.01% and 0.04% at September 30, 2015 and 2014, respectively, final maturity in 2027	150,000	150,000
Massachusetts Development Finance Agency (Agency) Revenue Bonds		
Partners HealthCare System Series K, issued in multiple subseries, average fixed interest rate of 4.86%, variable interest rate of 0.02% and 0.04% at September 30, 2015 and 2014, respectively, final maturity in 2046	342,219	352,836
Partners HealthCare System Series L, average fixed interest rate of 4.94%, final maturity in 2041	340,347	351,264
Partners HealthCare System Series M, issued in multiple subseries, average fixed interest rate of 4.95%, variable interest rate of 0.34% and 0.36% at September 30, 2015 and 2014, respectively, final maturity in 2048	507,533	509,100
Partners HealthCare System Series N, issued in multiple subseries, variable interest rate of 0.65% and 0.62% at September 30, 2015 and 2014, respectively, final maturity in 2044	139,400	141,350
Partners HealthCare System Series O, issued in multiple subseries, average fixed rate of 4.60%, variable interest rate of 0.50% at September 30, 2015, final maturity in 2050	356,517	-
Partners HealthCare System Series 2007 taxable bonds, fixed interest rate of 6.26%, final maturity in 2037	100,000	100,000
Partners HealthCare System Series 2011 taxable bonds, fixed interest rate of 3.44%, final maturity in 2021	250,000	250,000
Partners HealthCare System 2012 Taxable Senior Notes, fixed interest rate of 4.11%, final maturity in 2052	400,000	400,000
Partners HealthCare System 2014 Taxable Senior Notes, fixed interest rate of 4.73%, final maturity in 2044	150,000	150,000
Partners HealthCare System Series 2015 taxable bonds, fixed interest rate of 4.12%, final maturity in 2055	300,000	-
Other obligations	6,092	6,454
Capital lease obligations	1,187	2,229
Total long-term obligations including unamortized discounts and premiums	4,393,024	3,936,142
Less: Current portion	398,990	238,204
	\$ 3,994,034	\$ 3,697,938

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Aggregate maturities and payments of long-term obligations during the next five years and thereafter, and other amounts classified as current liabilities, are as follows:

	Scheduled Maturities	Bonds Supported by Partners HealthCare Liquidity	Bonds Supported by Bank Facilities	Total
2016	\$ 64,860	\$ 246,780	\$ 87,350	\$ 398,990
2017	61,979	-	-	61,979
2018	68,162	-	-	68,162
2019	69,392	-	-	69,392
2020	71,959	-	-	71,959
Thereafter	3,722,542	-	-	3,722,542
	<u>\$ 4,058,894</u>	<u>\$ 246,780</u>	<u>\$ 87,350</u>	<u>\$ 4,393,024</u>

The scheduled maturities represent annual payments as required under debt repayment schedules. The current portion of long-term obligations includes the payments scheduled to be made in 2016 along with bonds supported by Partners HealthCare liquidity and bonds supported by bank facilities (standby bond purchase agreements or letters of credit) with financial institutions that expire prior to September 30, 2016. The bonds supported by Partners HealthCare liquidity provide the bondholder with an option to tender the bonds to Partners HealthCare. Accordingly, these bonds are classified as a current liability. The bonds supported by bank facilities provide the bondholder with an option to tender the bonds to the liquidity provider. Generally accepted accounting principles require bonds backed by bank facilities expiring within one year of the balance sheet date to be classified as a current liability.

The fair value of long-term obligations was \$4,611,382 and \$4,152,828 as of September 30, 2015 and 2014, respectively, and would be classified as Level 2. The carrying amount of the variable rate debt is a reasonable estimate of its fair value. The fair value of the fixed rate debt is estimated based on quoted market prices for the same or similar issues.

Interest expense paid during the years ended September 30, 2015 and 2014 was \$165,844 and \$149,942, respectively.

Taxable Bonds and Notes

In March 2014, PHS issued \$150,000 of Partners HealthCare System Taxable Senior Notes. Proceeds from the notes were used to finance certain capital projects.

In January 2015, PHS issued \$300,000 of Partners HealthCare System Taxable Bonds. Proceeds from the bonds were used to finance certain capital projects.

Revenue Bonds

In January 2014, PHS issued \$496,040 of Partners HealthCare System Series M Revenue Bonds, plus bond premium of \$14,337. The bond proceeds, net of issuance costs of \$4,042, were used to refund portions of Series D Bonds (\$71,665) and Series K Bonds (\$73,815) and to finance certain capital projects (\$360,855).

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In August 2014, PHS issued \$141,350 of Partners HealthCare System Series N Revenue Bonds. The Series N Bonds were privately placed with two banks. The bond proceeds were used to refund portions of Series F Bonds (\$91,350) and Series I Bonds (\$50,000).

In January 2015, PHS issued \$317,615 of Partners HealthCare System Series O Revenue Bonds, plus bond premium of \$39,969. The bond proceeds, net of issuance costs of \$2,814, were used to refund portions of Series F Bonds (\$20,865) and Series G Bonds (\$119,201) and to finance certain capital projects (\$214,704).

Partners HealthCare bonds are general obligations of PHS supported by guarantees from BWHC, The Brigham and Women's Hospital, Inc. (BWH), MGH and The General Hospital Corporation (the General) which may be suspended under certain conditions.

PHS bond agreements contain certain covenants, including a minimum debt service coverage ratio and limitations on additional indebtedness and asset transfers.

Credit Agreement

Partners HealthCare maintains a \$150,000 Credit Agreement (the Agreement) that provides access to same day funds. Advances under the Agreement bear a variable rate of interest based on the London Interbank Offered Rate (LIBOR). As of September 30, 2015, there were no amounts outstanding under the Agreement. The Agreement expires in June 2017.

11. Derivatives

Interest Rate Swaps

Partners HealthCare utilizes swap contracts to manage fluctuations in cash flows resulting from interest rate risk on certain of its variable rate bonds. These bonds expose Partners HealthCare to variability in interest payments due to changes in interest rates. Management believes that it is prudent to limit the variability of its interest payments. To meet this objective and to take advantage of low interest rates, Partners HealthCare entered into various swap contracts involving the exchange of fixed rate payments by Partners HealthCare for variable rate payments from several counterparties based on a percentage of LIBOR.

By using swap contracts to manage the risk of changes in interest rates, Partners HealthCare exposes itself to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the swap contracts. When the fair value of a swap contract is positive, the counterparty has a liability to Partners HealthCare, which creates credit risk. Partners HealthCare minimizes its credit risk by entering into swap contracts with several counterparties and requiring the counterparty to post collateral for the benefit of Partners HealthCare based on the credit rating of the counterparty and the fair value of the swap contract. When the fair value of a swap contract is negative, Partners HealthCare has a liability to the counterparty and, therefore, it does not possess credit risk, but under certain circumstances, Partners HealthCare may be required to post collateral for the benefit of the counterparty and the counterparty. Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates. The market risk associated with interest rate changes is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

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The following is a summary of the outstanding positions under these swap contracts as of September 30, 2015:

Effective Date	Notional Amount	Maturity	Rate Paid	Rate Received
5/1/03	\$ 150,000	7/1/35	4.40 %	67% 1-month LIBOR
7/1/05	150,000	7/1/40	3.63 %	67% 1-month LIBOR
7/1/05	38,600	7/1/25	5.11 %	67% 6-month LIBOR
7/1/07	150,000	7/1/42	3.46 %	67% 1-month LIBOR
7/1/09	100,000	7/1/44	3.71 %	67% 1-month LIBOR
7/1/11	100,000	7/1/46	3.74 %	67% 1-month LIBOR
7/1/13	100,000	7/1/48	3.80 %	67% 1-month LIBOR
7/1/15	50,000	7/1/50	3.80 %	67% 1-month LIBOR
4/1/16	50,000	7/1/50	3.93 %	67% 1-month LIBOR
4/1/16	50,000	7/1/52	3.59 %	67% 1-month LIBOR
7/1/17	50,000	7/1/52	3.74 %	67% 1-month LIBOR

As of September 30, 2014, Partners HealthCare elected to stop applying hedge accounting treatment for its swap contracts; accordingly, changes in the fair value of interest rate swaps are recognized as nonoperating gains (expenses). As a result of this election and in accordance with accounting guidance for derivative instruments, losses of \$81,600 which were previously recognized as a change in unrestricted net assets were reclassified to nonoperating gains (expenses) in the consolidated statement of operations.

Previously, for swap contracts designated as cash flow hedges, the change in fair value of the effective portion of the hedge was reflected as a change in unrestricted net assets and the ineffective portion of the hedge was reflected as a component of nonoperating gains (expenses) in the consolidated statements of operations. For nonhedging swap contracts, the change in fair value was recorded as a component of nonoperating gains (expenses) in the consolidated statements of operations.

The fair value of swap contracts is recorded in the interest rate swap liability.

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The effects of swap contracts on the consolidated statements of operations are as follows:

	Amount of Gain (Loss) Recognized in Changes in Unrestricted Net Assets		Amount of Gain (Loss) Recognized in Excess of Revenues Over Expenses	
	Years Ended September 30, 2015	2014	Years Ended September 30, 2015	2014
Statement of operations location				
Swap contracts designated as hedging instruments				
Change in fair value of hedging interest rate swaps	\$ -	\$ 44,806	\$ -	\$ -
Amortization of swaption premiums	-	-	-	1,112
Hedge ineffectiveness	-	-	-	771
Swap contracts not designated as hedging instruments				
Change in fair value of nonhedging interest rate swaps	-	-	(110,315)	(110,340)
Amortization of net asset balance upon hedge de-designation	-	818	-	(818)
	<u>\$ -</u>	<u>\$ 45,624</u>	<u>\$ (110,315)</u>	<u>\$ (109,275)</u>

Partners HealthCare's swap contracts contain provisions that require collateral to be posted if the fair value of the swap exceeds certain thresholds. The collateral thresholds reflect the current credit ratings issued by major credit rating agencies on Partners HealthCare's and the counterparty's debt. Declines in Partners HealthCare's or the counterparty's credit ratings would result in lower collateral thresholds and, consequently, the potential for additional collateral postings by Partners HealthCare or the counterparty. As of September 30, 2015 and 2014, Partners HealthCare had posted collateral of \$128,208 and \$58,944, respectively. Partners HealthCare has established procedures to ensure that liquidity and securities are available to meet collateral posting requirements.

Upon the occurrence of certain events of default or termination events identified in the swap contracts, either Partners HealthCare or the counterparty could terminate the contracts in accordance with their terms. Termination results in the payment of a termination amount by one party that attempts to compensate the other party for its economic losses. If interest rates at the time of termination are lower than those specified in the swap contract, Partners HealthCare would make a payment to the counterparty. Conversely, if interest rates at such time are higher, the counterparty would make a payment to Partners HealthCare.

Derivatives - Other

Partners HealthCare also enters into options and futures primarily as hedges on securities and indices primarily related to foreign currency. Forward contracts are used as currency hedges. These agreements are limited in use and generally do not exceed one year and are included in separately invested investments.

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12. Commitments

Leases

Partners HealthCare has capital and noncancelable operating leases for certain buildings and equipment. Minimum future lease commitments under noncancelable leases for the next five years and thereafter are as follows:

	Capital Leases	Operating Leases
2016	\$ 437	\$ 239,337
2017	437	172,736
2018	396	145,392
2019	-	103,959
2020	-	83,541
Thereafter	-	382,176
Total lease payments	<u>1,270</u>	<u>\$ 1,127,141</u>
Less: Amount representing interest	<u>83</u>	
Capital lease obligations at September 30, 2015	<u>\$ 1,187</u>	

Rental expense under operating leases approximated \$196,946 in 2015 and \$190,827 in 2014.

Construction Projects

BWH is constructing a building (the Brigham Building for the Future or BBF). The BBF will expand research and clinical space on the BWH campus, with a focus on the Neuroscience and Musculoskeletal programs, and increase flexibility for future campus redevelopment while allowing for lease consolidation. The associated land is leased to BWH by the Commonwealth through 2105. Phase 1 of the project, which involved the construction of two smaller facilities to be used by the Commonwealth, was completed in 2012. Phase 2 of the project, which involves the site preparation and construction of BBF, is ongoing. As of September 30, 2015, accumulated costs incurred related to the BBF approximated \$284,830 with approximately \$77,605 in outstanding construction contracts. Phase 2 costs are expected to be approximately \$511,500, with occupancy scheduled for late 2016.

Partners HealthCare is constructing a building and parking garage as part of the mixed-use development project at Assembly Row in Somerville, MA. This building will primarily be administrative space and allow for consolidation of multiple locations into a single cost-effective location. As of September 30, 2015, accumulated costs incurred related to the new administrative project are approximately \$127,392 with approximately \$182,500 in outstanding commitments. The total cost of the project is expected to be approximately \$467,000, with occupancy scheduled for summer 2016.

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13. Pension and Postretirement Healthcare Benefit Plans

Substantially all employees of Partners HealthCare are covered under various noncontributory defined benefit pension plans and various defined contribution pension plans. In addition, certain affiliates provide subsidized healthcare benefits for retired employees on a self-insured basis, with the benefit obligation being partially funded. These retiree healthcare benefits are administered through an insurance company and are accounted for on the accrual basis, which includes an estimate of future payments for claims incurred.

Total expense for these plans consists of the following:

	Years Ended September 30,	
	2015	2014
Defined benefit plans	\$ 233,670	\$ 181,748
Defined contribution plans	150,745	144,747
Postretirement healthcare benefit plans	4,368	7,029
	<u>\$ 388,783</u>	<u>\$ 333,524</u>

Information regarding benefit obligations, plan assets, funded status, expected cash flows and net periodic benefit cost follows within this footnote.

Benefit Obligations

	Defined Benefit Pension Plans		Postretirement Healthcare Benefit Plans	
	2015	2014	2015	2014
Change in benefit obligations				
Benefit obligations at beginning of year	\$ 5,102,117	\$ 4,260,555	\$ 136,502	\$ 138,329
Service cost	267,328	221,631	5,059	5,373
Interest cost	231,953	221,702	4,966	5,777
Plan amendments	5,045	1,825	-	-
Actuarial (gain) loss	204,937	507,350	7,622	(15,438)
Benefits paid	(126,127)	(105,475)	(5,301)	(5,077)
Expenses paid	(6,565)	(5,672)	-	-
Employee contributions	187	201	8,027	7,538
Benefit obligations at end of year	<u>\$ 5,678,875</u>	<u>\$ 5,102,117</u>	<u>\$ 156,875</u>	<u>\$ 136,502</u>

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The accumulated benefit obligation for all defined benefit pension plans at the end of 2015 and 2014 was \$5,371,220 and \$4,806,399, respectively.

	Defined Benefit Pension Plans		Postretirement Healthcare Benefit Plans	
	2015	2014	2015	2014
Weighted-average assumptions used to determine end of year benefit obligation				
Discount rate	4.50%	4.40%	3.00% - 4.55%	3.05% - 4.40%
Rate of compensation increase				
Professional staff	4.45%	4.45%	N/A	N/A
Other than professional staff	3.00% - 3.50%	3.00% - 4.00%	N/A	N/A
Healthcare cost trend rate for next year	N/A	N/A	7.00%	7.00%
Rate to which the cost trend rate is to decline	N/A	N/A	5.00%	5.00%
Year that rate reaches the ultimate trend rate	N/A	N/A	2020	2020

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effect:

	One-Percentage-Point Increase	One-Percentage-Point Decrease
Effect on postretirement benefit obligation	\$ 986	\$ (914)

Plan Assets

	Defined Benefit Pension Plans		Postretirement Healthcare Benefit Plans	
	2015	2014	2015	2014
Change in plan assets				
Fair value of plan assets at beginning of year	\$ 4,365,566	\$ 3,925,818	\$ 68,438	\$ 56,761
Actual return on plan assets	(147,938)	366,240	(3,003)	5,212
Employer contributions	246,972	184,454	5,044	4,004
Employee contributions	187	201	8,027	7,538
Benefits paid	(126,127)	(105,475)	(5,301)	(5,077)
Expenses paid	(6,565)	(5,672)	-	-
Fair value of plan assets at end of year	\$ 4,332,095	\$ 4,365,566	\$ 73,205	\$ 68,438

The assets of the defined benefit pension plans are aggregated in a single master trust (Master Trust) and managed as one asset pool. The investment objective for the Master Trust is to achieve the highest reasonable total return after considering (i) plan liabilities, (ii) funding status and projected cash flows, (iii) projected market returns, valuations and correlations for various asset classes and (iv) Partners HealthCare's ability and willingness to incur market risk.

Oversight of the management of Partners HealthCare's investable assets, including the Master Trust, is provided by the Investment Committee of the PHS Board of Directors which seeks to add incremental returns by manager selection and asset allocation (increasing/decreasing allocations within allowable ranges based on current and projected valuations). The Committee is supported by a professional staff, an outside investment consultant and a pension actuarial consultant.

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Partners HealthCare utilizes a target allocation policy that balances projected returns, correlations and volatility of various asset classes within the overall risk tolerance. Asset allocations are managed based on relative valuations among and within asset classes and the perceived ability of managers to outperform passive benchmarks. Exposure by asset class is the sum of the net exposures reported by each manager. Asset allocation can and will deviate from target exposures and is regularly monitored for rebalancing opportunities.

The following table presents the capital allocations, reported exposures of the allocations and policy benchmarks by manager mandate within the Master Trust. Some managers, particularly real assets and less market sensitive managers, invest allocated capital among multiple policy benchmark asset classes.

	September 30, 2015			September 30, 2014		
	Dollars	Reported Exposures	Policy Benchmark	Dollars	Reported Exposures	Policy Benchmark
Global equity	\$ 205,596	4 %	7 %	\$ 204,952	4 %	4 %
Traditional U.S. equity	537,524	12	10	610,856	14	13
Traditional foreign developed equity	585,803	14	12	601,744	14	13
Traditional emerging markets equity	552,140	13	11	571,868	13	13
Private equity	388,336	9	8	329,329	8	8
Real assets	284,808	7	7	334,631	8	8
Less: Market sensitive managers	1,502,556	35	36	1,404,996	32	31
Fixed income managers	275,332	6	9	307,190	7	10
	<u>\$ 4,332,095</u>	<u>100 %</u>	<u>100 %</u>	<u>\$ 4,365,566</u>	<u>100 %</u>	<u>100 %</u>

Within the Master Trust, assets are allocated to managers with investment mandates that may range from a single sub-asset class to very broad mandates; with restrictions that range from long-only to unconstrained; and with management structures ranging from separately managed funds to mutual/commingled funds to private partnerships. Less market sensitive managers employ absolute return, long/short equity and diversified strategies, which in the aggregate are expected to generate positive returns on a consistent basis. Other exposures include currency and volatility based strategies. Inflation defensive strategies include investments in real estate assets, commodities, timber and inflation protection bonds. Investment risks (concentration, correlation, valuation, liquidity, leverage, mandate compliance, etc.) are measured at the manager level as well as the pool level.

The postretirement healthcare benefit plans assets are commingled funds, with the objective of achieving returns to satisfy plan obligations and with a level of volatility commensurate with Partners HealthCare's overall financial profile.

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The following table presents plan assets, by form of ownership, as of September 30, 2015 and 2014 measured at fair value on a recurring basis using the fair value hierarchy defined in Note 6:

	Fair Value Measurements Using			Fair Value at September 30, 2015
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Investments Valued Using NAV as a Practical Expedient	
Defined benefit pension plans				
Invested cash equivalents	\$ 43,315	\$ -	\$ -	\$ 43,315
Separately managed investments	366,713	201,603	-	568,316
Mutual funds	257,734	-	-	257,734
Commingled funds	-	1,072,581	-	1,072,581
Private partnerships	-	-	2,390,149	2,390,149
	667,762	1,274,184	2,390,149	4,332,095
Postretirement healthcare benefit plans				
Commingled funds	9,980	56,325	6,900	73,205
Total plan assets	\$ 677,742	\$ 1,330,509	\$ 2,397,049	\$ 4,405,300

	Fair Value Measurements Using			Fair Value at September 30, 2014
	Quoted Prices in Active Markets for Identical Items (Level 1)	Significant Other Observable Inputs (Level 2)	Investments Valued Using NAV as a Practical Expedient	
Defined benefit pension plans				
Invested cash equivalents	\$ 2,169	\$ -	\$ -	\$ 2,169
Separately managed investments	536,940	221,807	-	758,747
Mutual funds	419,479	-	-	419,479
Commingled funds	-	977,778	-	977,778
Private partnerships	-	-	2,207,393	2,207,393
	958,588	1,199,585	2,207,393	4,365,566
Postretirement healthcare benefit plans				
Commingled funds	671	60,892	6,875	68,438
Total plan assets	\$ 959,259	\$ 1,260,477	\$ 2,214,268	\$ 4,434,004

In evaluating the Level at which Partners HealthCare's private partnerships have been classified within the fair value hierarchy, management has assessed factors including, but not limited to price transparency, the ability to redeem these investments at net asset value at the measurement date, and the existence or absence of certain restrictions at the measurement date. Investments in private partnerships generally have limited redemption options for investors and, subsequent to final closing, may or may not permit subscriptions by new or existing investors. These entities may also have the ability to impose gates, lockups and other restrictions on an investor's ability to readily redeem out of their investment interest in the fund. As of September 30, 2015 and 2014, Partners HealthCare has excluded all assets from the fair value hierarchy for which fair value is measured at net asset value per share using the practical expedient.

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Funded Status

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

	Defined Benefit Pension Plans		Postretirement Healthcare Benefit Plans	
	2015	2014	2015	2014
End of year				
Fair value of plan assets at measurement date	\$ 4,332,095	\$ 4,365,566	\$ 73,205	\$ 68,438
Benefit obligations at measurement date	<u>(5,678,875)</u>	<u>(5,102,117)</u>	<u>(156,875)</u>	<u>(136,502)</u>
Funded status	<u>\$ (1,346,780)</u>	<u>\$ (736,551)</u>	<u>\$ (83,670)</u>	<u>\$ (68,064)</u>
Amounts recognized in the balance sheet consist of				
Noncurrent assets	\$ -	\$ -	\$ -	\$ 348
Current liabilities	(2,116)	(4,272)	(3,586)	(3,299)
Long-term liabilities	<u>(1,344,664)</u>	<u>(732,279)</u>	<u>(80,084)</u>	<u>(65,113)</u>
	<u>\$ (1,346,780)</u>	<u>\$ (736,551)</u>	<u>\$ (83,670)</u>	<u>\$ (68,064)</u>
Amounts not yet recognized in net periodic benefit cost and included in unrestricted net assets consist of				
Actuarial net loss (gain)	\$ 1,850,126	\$ 1,227,732	\$ 11,730	\$ (4,551)
Prior service cost (credit)	<u>9,852</u>	<u>9,360</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,859,978</u>	<u>\$ 1,237,092</u>	<u>\$ 11,730</u>	<u>\$ (4,551)</u>
Amounts recognized in unrestricted net assets consist of				
Current year actuarial (gain) loss	\$ 698,377	\$ 449,880	\$ 15,746	\$ (16,404)
Amortization of actuarial gain (loss)	(75,983)	(44,183)	535	33
Current year prior service cost (credit)	4,402	1,354	-	-
Amortization of prior service (cost) credit	<u>(3,910)</u>	<u>(3,002)</u>	<u>-</u>	<u>20</u>
	<u>\$ 622,886</u>	<u>\$ 404,049</u>	<u>\$ 16,281</u>	<u>\$ (16,351)</u>

At the end of 2015 and 2014, the projected benefit obligation, accumulated benefit obligation and fair value of plan assets for pension plans with an accumulated benefit obligation in excess of plan assets were as follows:

	2015	2014
Accumulated benefit obligation in excess of plan assets		
Projected benefit obligation	\$ 5,678,875	\$ 5,102,117
Accumulated benefit obligation	5,371,220	4,806,399
Fair value of plan assets	4,332,095	4,365,566

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Expected Cash Flows

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

	Defined Benefit Pension Plans	Postretirement Healthcare Benefit Plans	
Expected employer contributions			
2016	\$ 287,515	\$ 6,739	Medicare Subsidy
Expected benefit payments (receipts)			
2016	\$ 226,494	\$ 6,997	\$ (258)
2017	253,603	7,997	(239)
2018	267,380	9,002	(222)
2019	283,947	10,036	(204)
2020	308,479	11,084	(185)
2021-2025	1,779,566	70,975	(654)

Net Periodic Benefit Cost

	Defined Benefit Pension Plans		Postretirement Healthcare Benefit Plans	
	2015	2014	2015	2014
Service cost	\$ 267,328	\$ 221,631	\$ 5,059	\$ 5,373
Interest cost	231,953	221,702	4,966	5,777
Expected return on plan assets	(345,504)	(308,770)	(5,123)	(4,247)
Amortization of				
Prior service cost (credit)	3,910	3,002	-	(20)
Actuarial net (gain) loss	75,983	44,183	(534)	146
Net periodic benefit cost	<u>\$ 233,670</u>	<u>\$ 181,748</u>	<u>\$ 4,368</u>	<u>\$ 7,029</u>

Amounts expected to be amortized from unrestricted net assets into net periodic benefit cost during the year ending September 30, 2015 are as follows:

	Defined Benefit Pension Plans	Postretirement Healthcare Benefit Plans
Actuarial net loss (gain)	\$ 90,109	\$ 1,266
Prior service cost (credit)	3,566	-

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	Defined Benefit Pension Plans		Postretirement Healthcare Benefit Plans	
	2015	2014	2015	2014
Weighted-average assumptions used to determine net periodic pension and postretirement cost				
Discount rate	4.40 %	5.05 %	3.05 % - 4.40 %	3.15 % - 5.05 %
Expected return on plan assets	8.00 %	8.00 %	7.50 %	7.50 %
Rate of compensation increase				
Professional staff	4.45 %	4.45 %	N/A	N/A
Other than professional staff	3.00 % - 3.50 %	3.00 % - 4.00 %	N/A	N/A
Healthcare cost trend rate for this year	N/A	N/A	7.00 %	6.50 %
Rate to which the cost trend rate is to decline	N/A	N/A	5.00 %	5.00 %
Year that rate reaches the ultimate trend rate	N/A	N/A	2021	2017

Partners HealthCare uses a long-term return assumption which is validated annually by obtaining long-term asset return, volatility and correlation projections for relevant asset class indexes; modifying volatility and correlations to reflect the actual historical experience of the active managers; calculating the expected return using benchmark weights and indexes; and comparing the return assumption to the sum of the expected return and the historical outperformance of the actual return versus the benchmark. Partners HealthCare regularly monitors the active risk of the Master Trust by a statistical regression of the return series of the actual portfolio to that of the policy benchmark.

Assumed healthcare cost trend rates have a significant effect on the amounts reported for the healthcare plans. A one-percentage-point change in assumed healthcare cost trend rates would have the following effect:

	One-Percentage-Point	
	Increase	Decrease
Effect on service and interest cost	\$ 40	\$ (37)

14. Professional Liability Insurance

Partners HealthCare insures substantially all of its professional and general liability risk on a claims-made basis in cooperation with other healthcare organizations in the Greater Boston area through a captive insurance company, Controlled Risk Insurance Company Ltd. (CRICO). PHS owns 10% of CRICO. The investment is accounted for on the cost basis of accounting. The policies cover claims made during their respective terms, 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, 2015. 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. During 2015, CRICO announced and paid a dividend to member organizations. As a result, Partners HealthCare recognized a dividend of \$54,779 as a nonoperating gain.

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Partners HealthCare follows the accounting policy of establishing reserves to cover the ultimate costs of medical malpractice claims, which include costs associated with litigating or settling claims. The liability also includes an estimated tail liability, established to cover all malpractice claims incurred but not reported to the insurance company as of the end of the year. The total malpractice liability of \$482,640 and \$455,463 as of September 30, 2015 and 2014, respectively, is presented as an accrued professional liability in the consolidated balance sheets. These reserves have been recorded on a discounted basis using an interest rate of 3.50% and 3.25% as of September 30, 2015 and 2014, respectively.

Partners HealthCare also recognizes an insurance receivable from CRICO, at the same time that it recognizes the liability, measured on the same basis as the liability, subject to the need for a valuation allowance for uncollectible amounts. The insurance receivable of \$397,958 and \$370,311 as of September 30, 2015 and 2014, respectively, is reported as a component of other assets in the consolidated balance sheets.

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

15. Concentration of Credit Risk

Financial instruments that potentially subject Partners HealthCare to concentration of credit risk consist of patient accounts receivable, research grants receivable, pledges receivable, premiums receivable, certain investments and interest rate swaps.

Partners HealthCare 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. NHP receives a significant portion of its premium revenue from the Commonwealth. Pledges receivable are due from multiple donors. Partners HealthCare 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 Partners HealthCare.

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. Alternative investments are less liquid than Partners HealthCare's other investments. The reported values of the alternative investments may differ significantly from the values that would have been used had a ready market for those securities existed. These instruments may contain elements of both credit and market risk. Such risks include, but are not limited to, limited liquidity, absence of oversight, dependence upon key individuals, emphasis on speculative investments and nondisclosure of portfolio composition.

Partners HealthCare minimizes the credit risk it is exposed to under interest rate swap agreements by utilizing several counterparties and requiring the counterparties to post collateral for the benefit of Partners HealthCare when the fair value of the swap is positive. Partners HealthCare minimizes its counterparty risk by contracting with six counterparties, none of which accounts for more than 30% of the aggregate notional amount of the swap contracts.

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16. Net Assets

Restricted net assets are available for the following purposes:

	September 30,	
	2015	2014
Temporarily restricted		
Charity care	\$ 89,032	\$ 98,170
Buildings and equipment	89,990	102,109
Clinical care, research and academic	<u>586,540</u>	<u>655,675</u>
	<u>\$ 765,562</u>	<u>\$ 855,954</u>
Permanently restricted		
Charity care	\$ 20,550	\$ 19,763
Buildings and equipment	2,444	2,433
Clinical care, research and academic	<u>556,584</u>	<u>441,578</u>
	<u>\$ 579,578</u>	<u>\$ 463,774</u>

Endowment

Partners HealthCare's endowment consists of numerous individual funds established for a variety of purposes. The endowment includes both donor-restricted endowment funds and funds designated by the boards to function as endowment.

Partners HealthCare has interpreted 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, Partners HealthCare 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 Partners HealthCare in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, Partners HealthCare 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 \$11,292 and \$247 as of September 30, 2015 and 2014, respectively. These deficits resulted from unfavorable market fluctuations that occurred after the investment of new permanently restricted contributions or subsequent endowment additions.

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The following presents the endowment net asset composition by type of fund as of September 30, 2015 and 2014 and the changes in endowment assets for the years ended September 30, 2015 and 2014:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net asset composition by type of fund as of September 30, 2015				
Donor-restricted endowment funds	\$ (11,292)	\$ 410,816	\$ 558,507	\$ 958,031
Board-designated endowment funds	885,380	-	-	885,380
Total funds	<u>\$ 874,088</u>	<u>\$ 410,816</u>	<u>\$ 558,507</u>	<u>\$ 1,843,411</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in endowment net assets				
Endowment net assets at September 30, 2014	<u>\$ 942,119</u>	<u>\$ 498,238</u>	<u>\$ 447,607</u>	<u>\$ 1,887,964</u>
Investment return				
Investment income	3,856	4,588	(1)	8,443
Net realized and unrealized appreciation (depreciation)	<u>(51,213)</u>	<u>(40,005)</u>	<u>(30)</u>	<u>(91,248)</u>
Total investment return	(47,357)	(35,417)	(31)	(82,805)
Contributions	5,898	(172)	116,449	122,175
Appropriation of endowment assets for expenditure	(40,515)	(49,813)	-	(90,328)
Other changes	<u>13,943</u>	<u>(2,020)</u>	<u>(5,518)</u>	<u>6,405</u>
Total changes	<u>(68,031)</u>	<u>(87,422)</u>	<u>110,900</u>	<u>(44,553)</u>
Endowment net assets at September 30, 2015	<u>\$ 874,088</u>	<u>\$ 410,816</u>	<u>\$ 558,507</u>	<u>\$ 1,843,411</u>
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net asset composition by type of fund as of September 30, 2014				
Donor-restricted endowment funds	\$ (247)	\$ 498,238	\$ 447,607	\$ 945,598
Board-designated endowment funds	942,366	-	-	942,366
Total funds	<u>\$ 942,119</u>	<u>\$ 498,238</u>	<u>\$ 447,607</u>	<u>\$ 1,887,964</u>

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	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Changes in endowment net assets				
Endowment net assets at October 1, 2013	\$ 903,255	\$ 468,273	\$ 397,472	\$ 1,769,000
Investment return				
Investment income	4,894	14,570	13	19,477
Net realized and unrealized appreciation (depreciation)	76,199	51,383	291	127,873
Total investment return	81,093	65,953	304	147,350
Contributions	8,509	5,566	49,877	63,952
Appropriation of endowment assets for expenditure	(39,258)	(41,234)	-	(80,492)
Other changes	(11,480)	(320)	(46)	(11,846)
Total changes	38,864	29,965	50,135	118,964
Endowment net assets at September 30, 2014	\$ 942,119	\$ 498,238	\$ 447,607	\$ 1,887,964

Conditional Pledge

During 2009, the General signed an agreement (Ragon Agreement) with The Massachusetts Institute of Technology (MIT), The President and Fellows of Harvard College (Harvard) and The Phillip T. and Susan M. Ragon Foundation (Ragon Foundation) to establish the Phillip T. and Susan M. Ragon Institute (Ragon Institute) as a joint research center of the General, MIT and Harvard with the purpose of harnessing the potential of the immune response to combat and conquer human diseases, integrating biomedical research with emerging engineering technologies (with the main initial focus being the development of an AIDS vaccine) and educating and training scientists. The Ragon Foundation committed to provide funding for the Ragon Institute of \$100,000 over ten years through the General (as the administrative home for the Ragon Institute), beginning retroactively on January 1, 2008. The Ragon Foundation has the ability to slow, suspend or eliminate funding based on restrictions described in the Ragon Agreement. Additionally, any funding not paid by December 31, 2017 would no longer be due by the Ragon Foundation. In February 2014, an amendment was signed (Ragon Amendment) that noted that the current agreement would be completed by December 2018 and that an additional \$50,000 of funding would be committed by the Ragon Foundation over five years beginning in 2019. Due to the conditions within the Ragon Agreement, funding is recognized when received, with no pledge receivable recorded for the balance of the amended commitment.

Through September 30, 2015, total funding of \$84,891 was received, with \$10,891 received for the year ended September 30, 2015 (including \$891 of endowment earnings distributed), and total net expenses of \$70,912 were incurred, including \$10,417 for the year ended September 30, 2015. As of September 30, 2015, unspent funding of \$13,979 has been recorded as temporarily restricted net assets, to be released to unrestricted net assets after qualifying expenses have been incurred.

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(in thousands of dollars)

17. Functional Expenses

Total operating expenses by function are as follows:

	Years Ended September 30,	
	2015	2014
Healthcare services	\$ 7,167,823	\$ 6,852,795
Research and academic	1,671,225	1,578,693
Medical claims and related expenses	1,652,538	1,463,972
General and administrative	1,067,601	1,032,197
	<u>\$ 11,559,187</u>	<u>\$ 10,927,657</u>

18. Contingencies

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

19. Subsequent Events

Partners HealthCare has assessed the impact of subsequent events through December 11, 2015, the date the audited financial statements were issued. During this period, there were no subsequent events that require adjustment to the audited financial statements.

Schedule of Expenditures of Federal Awards

Partners HealthCare System, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
DIRECT RESEARCH
CFDA Agency CFDA Program

	CFDA #	BWH	MGH	McLean	Other	Total
Agency for International Development						
USAID Foreign Assistance for Programs Overseas	98.001	\$ 23,210	\$ 892,969	\$ -	\$ -	\$ 916,179
Agency for International Development		23,210	892,969	-	-	916,179
Consumer Product Safety Commission						
Consumer Product Safety Commission	93.F	-	46,689	-	-	46,689
Consumer Product Safety Commission		-	46,689	-	-	46,689
Department of Agriculture						
Grants for Agricultural Research, Special Research Grants	10.200	-	156,973	-	-	156,973
Department of Agriculture		-	156,973	-	-	156,973
Department Of Defense						
Air Force Defense Research Sciences Program	12.800	-	2,827,552	-	-	2,827,552
Basic and Applied Scientific Research	12.300	207,135	40,062	-	-	247,197
Basic Scientific Research	12.431	-	9,757,139	-	-	9,757,139
Basic, Applied, and Advanced Research in Science and Engineering	12.630	114,838	-	-	-	114,838
Defense Threat Reduction Agency	93.S	-	376,110	-	-	376,110
Military Medical Research and Development	12.420	9,133,289	13,883,141	654,572	977,098	24,648,100
Naval Medical Research Unit	93.L	5,137	-	-	-	5,137
Research and Technology Development	12.910	-	1,364,207	14,365	-	1,378,572
U.S. Army Medical Research Acquisition	93.Q	-	1,331,974	-	-	1,331,974
Department Of Defense		9,460,399	29,580,185	668,937	977,098	40,686,619
Department of Education						
National Institute on Disability and Rehabilitation Research	84.133	20,046	-	-	1,080,324	1,100,370
Department of Education		20,046	-	-	1,080,324	1,100,370
Department of Energy						
Office of Science Financial Assistance Program	81.049	-	65,900	-	-	65,900
Department of Energy		-	65,900	-	-	65,900
Department of Health and Human Services						
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	-	-	-	31,679	31,679
Advanced Education Nursing Grant Program	93.247	-	-	-	267,591	267,591
Agency for Healthcare Research and Quality (AHRQ)	93.G	(87,293)	-	-	-	(87,293)
Aging Research	93.866	21,750,610	12,691,106	2,140	82,751	34,526,607
Alcohol Research Programs	93.273	-	206,108	474,926	-	681,034
Allergy, Immunology and Transplantation Research	93.855	77,082,820	44,920,097	-	-	122,002,917
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	11,092,092	4,791,799	-	312,658	16,196,549
Assistance for Torture Victims	93.604	-	370,501	-	-	370,501
Biomedical Research and Research Training	93.859	9,829,647	15,267,715	(772)	-	25,096,590
Blood Diseases and Resources Research	93.839	6,007,661	1,708,882	-	-	7,716,543
Cancer Biology Research	93.396	5,424,638	10,076,338	-	-	15,500,976

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
DIRECT RESEARCH

CFDA Agency	CFDA Program	CFDA #	BWH	MGH	McLean	Other	Total
	Cancer Cause and Prevention Research	93.393	19,618,839	6,836,865	-	-	26,455,704
	Cancer Centers Support Grants	93.397	-	2,278,876	-	-	2,278,876
	Cancer Control	93.399	-	1,422,988	-	-	1,422,988
	Cancer Detection and Diagnosis Research	93.394	7,998,753	10,887,187	-	-	18,885,940
	Cancer Treatment Research	93.395	18,002,380	11,514,015	-	-	29,516,395
	Cardiovascular Diseases Research	93.837	38,978,914	28,547,989	-	533,339	68,060,242
	Center for Disease Control & Prevention	93.C	96,946	-	-	-	96,946
	Center for Medicare and Medicaid Innovation	93.N	(1,087)	-	-	-	(1,087)
	Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	-	843,736	-	-	843,736
	Child Health and Human Development Extramural Research	93.865	3,226,576	10,556,546	2,385	174,694	13,960,201
	Comparative Medicine, Instrumentation, Research Infrastructure	93.351	1,372,746	2,153,720	-	-	3,526,466
	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	15,049,621	31,732,919	-	-	46,782,540
	Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	6,261,440	17,100,782	-	-	23,362,222
	Drug Abuse and Addiction Research Programs	93.279	978,814	3,128,727	9,289,330	-	13,396,871
	Eastern Cooperative Oncology Group	93.T	-	8,094	-	-	8,094
	Environmental Health	93.113	851,959	102,321	-	-	954,280
	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	13,140,767	30,894,937	973,917	-	45,009,621
	Food & Drug Administration	93.H	1,337,334	852,027	-	-	2,189,361
	Food and Drug Administration_Research	93.103	245,380	872,261	-	-	1,117,641
	HHS Programs for Disaster Relief Appropriations Act - Non Construction	93.095	-	46,358	-	-	46,358
	Human Genome Research	93.172	6,871,643	189,649	-	-	7,061,292
	Kidney Diseases, Urology and Hematology Research	93.849	-	(2)	-	-	(2)
	Lung Diseases Research	93.838	35,248,180	5,748,891	-	-	40,997,071
	Maternal and Child Health Federal Consolidated Programs	93.110	-	3,703,289	-	-	3,703,289
	Medical Library Assistance	93.879	1,745,522	80,304	-	-	1,825,826
	Mental Health Research Grants	93.242	5,481,960	19,991,865	8,783,254	-	34,257,079
	Minority Health and Health Disparities Research	93.307	-	47,425	-	-	47,425
	National Center on Sleep Disorders Research	93.233	4,637,559	425,040	-	-	5,062,599
	National Institutes of Health Contracts	93.	2,956,484	9,301,712	2,035,852	-	14,294,048
	Nursing Research	93.361	638,712	1,119,891	-	1,033,251	2,791,854
	Occupational Safety and Health Program	93.262	2,565,125	-	-	-	2,565,125
	Oral Diseases and Disorders Research	93.121	3,368,713	1,551,383	-	-	4,920,096
	Rapid Expansion of Antiretroviral Therapy Programs for HIV-Infected Persons in Selected Countries in Africa and the Caribbean Under the President's Emergency Plan for AIDS Relief	93.266	22,991	-	-	-	22,991
	Research and Training in Complementary and Alternative Medicine	93.213	574,659	6,951,430	554,620	-	8,080,709
	Research on Healthcare Costs, Quality and Outcomes	93.226	4,055,623	271,193	-	-	4,326,816
	Research Related to Deafness and Communication Disorders	93.173	724,634	2,062,422	-	900,550	3,687,606
	Trans - NIH Recovery Act Loan Repayment Support	93.704	802,787	-	-	-	802,787
	Trans - NIH Recovery Act Research Support	93.701	120	(11,230)	-	-	(11,110)
	Trans - NIH Research Support	93.310	6,023,777	5,031,869	-	-	11,055,646
	Vision Research	93.867	3,148,967	1,581,560	(330)	-	4,730,197
	Department of Health and Human Services		337,127,013	307,859,585	22,115,322	3,336,513	670,438,433

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER

DIRECT RESEARCH

CFDA Agency CFDA Program

	CFDA #	BWH	MGH	McLean	Other	Total
Department of Homeland Security						
Assistance to Firefighters Grant	97.044	7,040	-	-	-	7,040
Department of Homeland Security		7,040	-	-	-	7,040
Department of State						
U.S. Agency for International Development	93.Z	-	16,369	-	-	16,369
Department of State		-	16,369	-	-	16,369
Department of Veterans Affairs						
Department of Veterans Affairs	93.U	20,588	259,694	-	-	280,282
VA Boston Healthcare System	93.M	230,878	170,541	-	-	401,419
Veterans Administration Medical Center	93.E	287,228	(5,794)	11,063	5,599	298,096
Department of Veterans Affairs		538,694	424,441	11,063	5,599	979,797
Institute of Museum and Library Services						
National Leadership Grants	45.312	-	-	-	15,636	15,636
Institute of Museum and Library Services		-	-	-	15,636	15,636
National Aeronautics and Space Administration						
Aerospace Education Services Program	43.001	195,860	150,980	-	-	346,840
Exploration	43.003	913,362	-	-	-	913,362
National Aeronautics and Space Administration		1,109,222	150,980	-	-	1,260,202
National Science Foundation						
Biological Sciences	47.074	-	12,210	-	-	12,210
Computer and Information Science and Engineering	47.070	-	245,273	-	-	245,273
Engineering Grants	47.041	602,928	551,960	-	-	1,154,888
Geosciences	47.050	-	33,380	-	-	33,380
National Science Foundation		602,928	842,823	-	-	1,445,751
Total Direct Research and Development		\$ 348,888,552	\$ 340,036,914	\$ 22,795,322	\$ 5,415,170	\$ 717,135,958

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Brigham and Women's Hospital, Inc.	93.866	5P01AG015379-17	-	294,232	-	-	294,232
Brigham and Women's Hospital, Inc.	93.866	5P01AG015379-18	-	706,808	-	-	706,808
Brigham and Women's Hospital, Inc.	93.866	5R01AG0207435-09	-	337,173	-	-	337,173
Brigham and Women's Hospital, Inc.	93.866	5R01AG042512-03	-	214,351	-	-	214,351
Broad Institute, Inc.	93.866	2R01AG030146-07	12,159	-	-	-	12,159
Broad Institute, Inc.	93.866	2RF1AG015819-16	10,053	-	-	-	10,053
Broad Institute, Inc.	93.866	3U01AG046152-02	26,146	-	-	-	26,146
Broad Institute, Inc.	93.866	5R01AG015819-15	(694)	-	-	-	(694)
Broad Institute, Inc.	93.866	5R01AG017917-11A1	12,515	-	-	-	12,515
Broad Institute, Inc.	93.866	5R01AG036042-05	25,507	-	-	-	25,507
Broad Institute, Inc.	93.866	5R01AG036836-04	8,546	-	-	-	8,546
Broad Institute, Inc.	93.866	5U01AG046152-03	386,857	-	-	-	386,857
Brown University	93.866	1UH2AG048619-01	-	124,477	-	-	124,477
California Pacific Medical Center	93.866	5R01AG026720-07	62,548	-	-	-	62,548
Cold Spring Harbor Laboratories	93.866	5R01AG040209-04	40,261	-	-	-	40,261
Columbia University	93.866	5R01AG034189-03	-	7,623	-	-	7,623
Hebrew Rehabilitation Center for Aged	93.866	2R01AG025037-09A1	29,181	4,366	-	-	33,547
Hebrew Rehabilitation Center for Aged	93.866	4R37AG025037-08	(11)	-	-	-	(11)
Hebrew Rehabilitation Center for Aged	93.866	5P01AG031720-04	7,215	-	-	-	7,215
Hebrew Rehabilitation Center for Aged	93.866	5P01AG031720-05	58,137	-	-	-	58,137
Hebrew Rehabilitation Center for Aged	93.866	5R01AG043440-04	-	105,554	-	-	105,554
Hebrew Senior Life	93.866	90065	-	-	-	-	-
Howard University	93.866	7R01AG038492-04	118,280	-	-	51,278	169,558
Johns Hopkins University	93.866	5R01AG042187-05	-	30,222	-	-	30,222
Koronis Biomedical Technologies Corporation	93.866	2R44AG029036-02A1	-	-	-	-	-
Massachusetts General Hospital	93.866	2P50AG005134-31	17,142	-	-	23,769	40,911
Massachusetts General Hospital	93.866	5P01AG036694-05	57,942	-	-	-	57,942
Massachusetts General Hospital	93.866	5R01AG034554-04	24	-	-	-	24
Massachusetts General Hospital	93.866	5U01AG032700-05	54,153	-	-	-	54,153
Massachusetts Institute of Technology	93.866	1RF1AG042978-01	-	42,071	-	-	42,071
Mayo Clinic	93.866	5U01AG045390-02	-	161,860	-	-	161,860
National Bureau of Economic Research	93.866	P01AG01120	21,320	-	-	-	21,320
NCIRE-The Veterans Health Research Institute	93.866	5U01AG024904-10	88,653	-	-	-	88,653
New York University School of Medicine	93.866	7R03AG045067-02	8,086	-	-	-	8,086
Northern California Institute for Research and Education	93.866	3U01AG024904-10S1	-	723	-	-	723
President and Fellows of Harvard College	93.866	116344	1,908	-	-	-	1,908
President and Fellows of Harvard College	93.866	2P01AG032952-06A1	-	5,421	-	-	5,421
President and Fellows of Harvard College	93.866	5P01AG032952-05	-	26,983	-	-	26,983
President and Fellows of Harvard College	93.866	5P01AG041710-03	14,209	-	-	-	14,209
President and Fellows of Harvard College	93.866	5P30AI060354-10	(5,402)	-	-	-	(5,402)
President and Fellows of Harvard College	93.866	5R01AG011085-22	272,067	-	-	-	272,067
President and Fellows of Harvard College	93.866	5R01AG033053-07	38,878	-	-	-	38,878
Regents of the University of California	93.866	5R01AG032306-05	-	(42)	-	-	(42)
Regents of the University of California	93.866	5R01AG038492-06	158,220	-	-	-	158,220
Regents of the University of California	93.866	5U01AG024904-10	23,927	-	-	-	23,927
Regents of the University of California San Diego	93.866	2U19AG010483-22	313,758	-	-	-	313,758
Regents of the University of California San Diego	93.866	5U19AG010483-24	206,734	-	-	-	206,734
Regents of the University of Michigan	93.866	5R01AG040138-05	-	43,638	-	-	43,638
Rush University Medical Center	93.866	2R01AG030146-07	308,537	-	-	-	308,537
Rush University Medical Center	93.866	2RF1AG015819-16	375,517	-	-	-	375,517
Rush University Medical Center	93.866	5R01AG015819-15	(1,236)	-	-	-	(1,236)
Rush University Medical Center	93.866	5R01AG036042-05	6,038	-	-	-	6,038
Rush University Medical Center	93.866	5R01AG042210-D-04	17,158	-	-	-	17,158
Skulpt Inc	93.866	1R41AG047021-01	-	-	-	-	-
Trustees of Boston University	93.866	5R01AG016495-14	-	215,773	-	44,162	259,935
Trustees of Dartmouth College	93.866	1R21AG045618-01A1	75,695	-	-	-	75,695
University of Connecticut Health Center	93.866	5R01AG22092-09	134,426	-	-	-	134,426
University of Pennsylvania	93.866	5R01AG037679-03	31	-	-	-	31
University of Pennsylvania	93.866	5U01AG030644-06	13,088	-	-	-	13,088
University of Pennsylvania	93.866	5U01AG032984-05	-	11,005	-	-	11,005
University of Rochester	93.866	P01AG047200-02	228,781	-	-	-	228,781
University of Washington	93.866	1R01AG042437-01A1	169,965	-	-	-	169,965
University of Washington	93.866	5U01AG016976-15	-	(67)	-	-	(67)
University of Washington - Seattle	93.866	2U01AG016976-16	-	39,218	-	-	39,218
Vanderbilt University	93.866	1R01AG035117-02	(187)	-	-	-	(187)
Washington University	93.866	2UF1AG032438-07	-	150,459	-	-	150,459
Washington University	93.866	5R01AG047644-02	-	165,981	-	-	165,981
Washington University	93.866	5U19AG032438-06	-	16,313	-	-	16,313
Ynara Therapeutics	93.866	2R42AG042205-02	251,352	-	-	-	251,352
University of Massachusetts at Worcester	93.145	5H44AH00050-13-00	10,916	-	-	-	10,916
Fenway Community Health Center	93.273	5U01AA020793	-	7,650	-	-	7,650
President and Fellows of Harvard College	93.273	5R01AA012974-14	-	42,523	-	-	42,523
Trustees of Boston University	93.273	5R01AA007112-26	-	(133)	-	-	(133)
Benaroya Research Institute at Virginia Mason	93.855	1UM1AI109565-01	-	19,141	-	-	19,141
Benaroya Research Institute at Virginia Mason	93.855	5UM1AI109565-02	100,610	5,745,794	-	-	5,846,404

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Beth Israel Deaconess Medical Center	93.855	2UM1A1069412-08	2,378	58,481	-	-	60,859
Beth Israel Deaconess Medical Center	93.855	5U01A1102427-04	-	78,861	-	-	78,861
Beth Israel Deaconess Medical Center	93.855	5U19A10696040-03	167,063	-	-	-	167,063
Beth Israel Deaconess Medical Center	93.855	5UM1A1069412-07	-	1,917	-	-	1,917
Beth Israel Deaconess Medical Center	93.855	5UM1A1069412-09	971,675	464,692	-	-	1,436,367
Brigham and Women's Hospital, Inc.	93.855	1R01A1108538-01A1	-	103,135	-	-	103,135
Brigham and Women's Hospital, Inc.	93.855	1R21A1114448-01	-	38,715	-	-	38,715
Brigham and Women's Hospital, Inc.	93.855	1UM1A1106701-01	-	-	-	-	90,672
Brigham and Women's Hospital, Inc.	93.855	2UM1A1068636-08	-	272,780	-	-	272,780
Brigham and Women's Hospital, Inc.	93.855	2UM1A1068636-09	-	25,361	-	-	25,361
Brigham and Women's Hospital, Inc.	93.855	5U01A1063623-09	-	(3,767)	-	-	(3,767)
Brigham and Women's Hospital, Inc.	93.855	5UM1A1068636-09	126,914	531,851	-	-	658,765
Brigham and Women's Hospital, Inc.	93.855	7UM1A1068636-07	-	(722)	-	-	(722)
Brigham and Women's Hospital, Inc.	93.855	UM1A1068636-08	-	24,386	-	-	24,386
Broad Institute, Inc.	93.855	1R01A1117043-01	5,584	21,675	-	-	27,259
Broad Institute, Inc.	93.855	1R21A1112704-01	-	24,847	-	-	24,847
Broad Institute, Inc.	93.855	2015-MGH-1	-	18,330	-	-	18,330
Broad Institute, Inc.	93.855	2015-MGH-49	-	135,877	-	-	135,877
Broad Institute, Inc.	93.855	4R33A1099705-03	-	12,419	-	-	12,419
Broad Institute, Inc.	93.855	U19A1109725-01	-	9,377	-	-	9,377
Broad Institute, Inc.	93.855	U19A1110818	-	2,861	-	-	2,861
Broad Institute, Inc.	93.855	WU-14-266 / U19A1109725	-	12,419	-	-	12,419
Centre for the AIDS Programme of Research	93.855	1R01A111936-02	-	21,478	-	-	21,478
Children's Hospital of Boston	93.855	R21A1119457-01	-	3,552	-	-	3,552
Children's Hospital of Boston	93.855	5R01A1099204-03	224,117	-	-	-	224,117
Children's Hospital of Boston	93.855	5R01A1100114-04	-	210,269	-	-	210,269
Columbia University	93.855	5R01A1064569-09	-	31,057	-	-	31,057
Columbia University	93.855	5R01A1064569-05	-	41,486	-	-	41,486
Dana Farber Cancer Institute	93.855	5P01A1045757-16	373,417	-	-	-	373,417
Dana Farber Cancer Institute	93.855	5R01A1101897-04	-	97,397	-	-	97,397
Emuneral Biomedical Corp	93.855	A221556	-	950	-	-	950
FH 360	93.855	UM1A1068619	60,323	-	-	-	60,323
Fraunhofer CMI	93.855	5R01A1000815-05	130,892	-	-	-	130,892
Fraunhofer CMI	93.855	5R01A1101446-03	165,278	-	-	-	165,278
Fred Hutchinson Cancer Research Center	93.855	5UM1A1068614-07	(1,255)	-	-	-	(1,255)
Fred Hutchinson Cancer Research Center	93.855	5UM1A1068614-09	531,982	-	-	-	531,982
Georgetown University	93.855	5U01A1034994-18	(295)	-	-	-	(295)
GHSKIO Centers	93.855	5UM1A1069421-09	70,466	-	-	-	70,466
Harvard Medical School	93.855	5P01A1054904-10	-	35,041	-	-	35,041
Harvard Medical School	93.855	5P01A1055299-09	-	(405)	-	-	(405)
Harvard Medical School	93.855	5P01A1056299-10	-	(5,779)	-	-	(5,779)
Harvard Medical School	93.855	5U19A1109740-02	484,392	-	-	-	484,392
Harvard Medical School	93.855	5U19A1109764-02	66,378	-	-	-	66,378
Harvard Medical School	93.855	5US4A1057159-10	6,138	-	-	-	6,138
Harvard Medical School Centers for Aids Research	93.855	5P30A1060254-10	-	(13,049)	-	-	(13,049)
Harvard School of Public Health	93.855	1U01A1114235-01	11,433	-	-	-	11,433
Harvard School of Public Health	93.855	5UM1A1068616-07	(2,252)	-	-	-	(2,252)
Harvard School of Public Health	93.855	5UM1A1069456-09	69,350	-	-	-	69,350
Harvard University Center for Aids Research	93.855	5P30A1060254-10	-	13,535	-	-	13,535
Institute for Clinical Research, Inc.	93.855	1U01A1068641	248	-	-	-	248
Integrated BioTherapeutics, Inc	93.855	1R43A1098232-01	22,460	-	-	-	22,460
Integrated BioTherapeutics, Inc	93.855	1R43A1106162-01A1	38,441	-	-	-	38,441
Lowell Respiratory Research Institute	93.855	1R01A111475-01	173,136	-	-	-	173,136
Mass General Hospital - CIMIT	93.855	5UM1A1069472-07	(5,509)	-	-	-	(5,509)
Massachusetts Eye and Ear Infirmary	93.855	5P01A1083214-08	-	445,926	-	-	445,926
Massachusetts General Hospital	93.855	1R01A1099243-03	159,789	-	-	-	159,789
Massachusetts General Hospital	93.855	1U01A111841-01	22,141	-	-	-	22,141
Massachusetts General Hospital	93.855	2R01A1042006-19	13,353	-	-	-	13,353
Massachusetts General Hospital	93.855	5R01A1037691-20	12,875	-	-	-	12,875
Massachusetts General Hospital	93.855	5R01A1058736-11	54,646	-	-	-	54,646
Massachusetts General Hospital	93.855	5R21A1110254-02	10,620	-	-	-	10,620
Massachusetts General Hospital	93.855	5R37A1042006-18	36,561	-	-	-	36,561
Massachusetts General Hospital	93.855	5R37A1042006-18	54,577	-	-	-	54,577
Massachusetts Institute of Technology	93.855	1R01A1111860-01	-	246,798	-	-	246,798
Medical Research Council of South Africa	93.855	1R01A1099203-02	(71,724)	-	-	-	(71,724)
Microbiotix, Inc	93.855	1R41A1118037-01	86,349	-	-	-	86,349
Mintube of America, Inc	93.855	5R42A1082853-06	-	264,703	-	-	264,703
Mount Sinai Medical Center	93.855	5U01A10636594-10	(1,323)	-	-	-	(1,323)
Mount Sinai School of Medicine	93.855	5U01A10636594-10	-	276	-	-	276
National Jewish Health	93.855	5U01A1097073-03	214,192	-	-	-	214,192
Ohio State University	93.855	R21A1095987	(1,278)	-	-	-	(1,278)
Oregon Health & Science University (OHSU)	93.855	5U01A1095776-04	108,272	-	-	-	108,272
Osei, Inc.	93.855	R33A071978	191	-	-	-	191
President and Fellows of Harvard College	93.855	1R56A1104974-01A1	76,496	-	-	-	76,496
President and Fellows of Harvard College	93.855	1R56A1114617-01	26,021	88,967	-	-	114,988
President and Fellows of Harvard College	93.855	1U01A1114235-01	11,206	-	-	-	11,206
President and Fellows of Harvard College	93.855	1U19A1109755-01	26,833	-	-	-	100,741
President and Fellows of Harvard College	93.855	2P01A1056299-11	487,215	143,703	-	-	630,918
President and Fellows of Harvard College	93.855	2P30A1060354	-	94,166	-	-	94,166
President and Fellows of Harvard College	93.855	2P30A1060354-10	-	(8,004)	-	-	(8,004)
President and Fellows of Harvard College	93.855	2P30A1060354-11	59,560	925,168	-	-	984,728
President and Fellows of Harvard College	93.855	2P30A1060354-12	-	107,413	-	-	107,413
President and Fellows of Harvard College	93.855	5P01A1054904-10	-	53,664	-	-	53,664

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
President and Fellows of Harvard College	93.855	5P01A056299-10	(27,763)	-	-	-	(27,763)
President and Fellows of Harvard College	93.855	5P01A112521-02	-	79,306	-	-	79,306
President and Fellows of Harvard College	93.855	5P30A060354-09	(2,314)	-	-	-	(2,314)
President and Fellows of Harvard College	93.855	5P30A060354-10	2,381	(7,016)	-	-	(4,634)
President and Fellows of Harvard College	93.855	5P30A060354-12	122,388	293,669	-	-	416,057
President and Fellows of Harvard College	93.855	5P01A112521-02	-	589,171	-	-	589,171
President and Fellows of Harvard College	93.855	5R01A024643-26	96,997	-	-	-	96,997
President and Fellows of Harvard College	93.855	5R37A051164-13	16,527	-	-	-	16,527
President and Fellows of Harvard College	93.855	5U01A091429-03	39,420	-	-	-	39,420
President and Fellows of Harvard College	93.855	5U01A114235-02	-	29,714	-	-	29,714
President and Fellows of Harvard College	93.855	5U19A109764-02	24,480	-	-	-	24,480
President and Fellows of Harvard College	93.855	5UM1A068616-09	95,720	-	-	-	95,720
Regents of the University of California	93.855	5U19A096109-04	111,861	-	-	-	111,861
Regents of the University of California	93.855	N01-AI-15416	(732)	-	-	-	(732)
Rush University Medical Center	93.855	5R01A065361-07	-	345	-	-	345
Scipps Research Institute	93.855	1UM1A100663-02	-	1,213,700	-	-	1,213,700
SemiNex Corporation	93.855	1R41A114012-01	-	63,264	-	-	63,264
Stoan Kettering Institute for Cancer Research	93.855	5R33A1098802-04	-	81,766	-	-	81,766
Social and Scientific Systems, Inc.	93.855	HHSN22Z00900001/2/3/1	-	50,301	-	-	50,301
Universal Stabilization Technologies, Inc.	93.855	4R33A094508-03	186,586	-	-	-	186,586
University of California	93.855	5R01A104824-02	-	21,480	-	-	21,480
University of California at San Francisco	93.855	5P30A027763-23	-	212,301	-	-	212,301
University of California at San Francisco	93.855	5U19A096109-04	-	49,141	-	-	49,141
University of California at San Francisco	93.855	UM1A110496-01	-	34,353	-	-	34,353
University of California San Francisco	93.855	5U19A096109-04	-	223,194	-	-	223,194
University of Chicago	93.855	5R01A103342-02	98,453	-	-	-	98,453
University of Maryland at Baltimore	93.855	1R01A087452-06	-	33,040	-	-	33,040
University of Maryland at Baltimore	93.855	5U19A082655-04	-	(2,341)	-	-	(2,341)
University of Maryland at Baltimore	93.855	5U19A082655-05	-	(235)	-	-	(235)
University of Maryland at Baltimore	93.855	5U19A082655-07	-	462,478	-	-	462,478
University of Maryland at Baltimore	93.855	A090873	-	74,684	-	-	74,684
University of Maryland at Baltimore	93.855	U19A090873	-	359,170	-	-	359,170
University of Pennsylvania	93.855	5R01A047833-13	91,914	-	-	-	91,914
University of Texas	93.855	5U19A070412-08	-	25,724	-	-	25,724
University of Texas Health Science Center at San Antonio	93.855	2U19A070412-08	72,661	-	-	-	72,661
University of Texas Health Science Center at San Antonio	93.855	5U19A070412-09	36,419	-	-	-	36,419
University of Wisconsin	93.855	5U01A102456-02	-	21,611	-	-	21,611
University of Wisconsin	93.855	5U01A102456-03	-	107,506	-	-	107,506
University of Wisconsin - Madison	93.855	5U01A102456-03	-	89,876	-	-	89,876
Vanderbilt University	93.855	5R01A077505-05	-	(11,216)	-	-	(11,216)
Washington University	93.855	5U19A109725-02	-	870,418	-	-	870,418
Yale University	93.855	5P01A039671-19	500,227	-	-	-	500,227
Yale University	93.855	5R01A112438-03	18,293	-	-	-	18,293
Yale University	93.855	5U19A089922-05	19,109	-	-	-	19,109
Columbia University	93.418	1S02MC19289-01-00	(491)	-	-	-	(491)
Brigham and Women's Hospital, Inc.	93.846	1R01AR065538-01A1	-	80,450	-	-	80,450
Brigham and Women's Hospital, Inc.	93.846	5R01AR064367-02	-	188,984	-	-	188,984
Brigham and Women's Hospital, Inc.	93.846	5R01AR064850-02	-	5,707	-	-	5,707
Brigham and Women's Hospital, Inc.	93.846	5R01AR065807-17	-	53,099	-	-	53,099
Broad Institute, Inc.	93.846	1R01AR063722-01A1	42,146	-	-	-	42,146
Feinstein Institute for Medical Research	93.846	1UH2AR067688-01	88,346	-	-	-	88,346
Feinstein Institute for Medical Research	93.846	5UH2AR067694-02	112,871	-	-	-	112,871
Fenway Community Health Center	93.846	5U01AR057954	-	(2,720)	-	-	(2,720)
Hebrew Rehabilitation Center for Aged	93.846	2R01AR047853-07	-	-	-	-	-
Mayo Clinic	93.846	7R01AR050243-10/10	106,353	-	-	34	106,387
Mount Sinai School of Medicine	93.846	5R21AR065968-02	82,155	-	-	-	82,155
Regents of the University of Michigan	93.846	5R01AR065183-03	76,728	-	-	-	76,728
Stanford University	93.846	5R01AR057837-06	227,352	-	-	-	227,352
Stanford University	93.846	7R01AR057837-02	(41,677)	-	-	-	(41,677)
Superconducting Systems, Inc.	93.846	4R44AR065903-02	-	32,387	-	-	32,387
Tufts Medical Center, Inc.	93.846	1R01AR066378-01A1	26,985	-	-	-	26,985
Tufts Medical Center, Inc.	93.846	R01AR065977-01A1	12,076	-	-	-	12,076
University of California at San Francisco	93.846	N01A15416	-	(11,297)	-	-	(11,297)
University of Colorado	93.846	1R01AR065441-01	-	2,119	-	-	2,119
University of Michigan	93.846	5R01AR062066-03	(4,653)	-	-	-	(4,653)
University of Michigan	93.846	5R01AR062066-04	-	166	-	-	166
University of Minnesota	93.846	5R01AR063070-03	-	172,142	-	-	172,142
University of South Carolina	93.846	5R56AR063745-02	157,492	-	-	-	157,492
Gulf Coast Jewish Family Services, Inc.	93.604	90ZT013701	-	75,758	-	-	75,758
Beth Israel Deaconess Medical Center	93.859	5R01GM073894-08	-	18,798	-	-	18,798
Bridge 12 Technologies Inc	93.859	1R43GM110875-01	-	78,022	-	-	78,022
Brigham and Women's Hospital, Inc.	93.859	5P01GM061354-10	-	2,929	-	-	2,929
Broad Institute, Inc.	93.859	5U01GM092691-05	1,831	-	-	-	1,831

ARRA - Emergency Medical Services for Children
 Arthritis, Musculoskeletal and Skin Diseases Research

Assistance for Torture Victims
 Biomedical Research and Research Training

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Broad Institute, Inc.	93.859	R01GM077465	-	33,729	-	-	33,729
Children's Hospital of Boston	93.859	5R01GM104303-02	-	-	-	-	39,169
Dana Farber Cancer Institute	93.859	5R01GM107427-02	-	319,297	-	-	319,297
Dana Farber Cancer Institute	93.859	7R01GM105952-07	-	-	-	-	21,629
Harvard School of Public Health	93.859	5U54GM088558-05	743	-	-	-	743
Massachusetts Institute of Technology	93.859	1R01GM101420-01A1	-	-	-	-	-
Mayo Clinic	93.859	5U19GM061388-15	-	11,859	199,392	-	211,251
President and Fellows of Harvard College	93.859	1R01GM116525-01	-	4,548	-	-	4,548
President and Fellows of Harvard College	93.859	3R01GM083303-07S1	-	65,076	-	-	65,076
President and Fellows of Harvard College	93.859	5P01GM047467-23	-	358,606	-	-	358,606
President and Fellows of Harvard College	93.859	5P01GM099117-03	(4,088)	-	-	-	(4,088)
President and Fellows of Harvard College	93.859	5P01GM099117-03	-	(11,458)	-	-	(11,458)
President and Fellows of Harvard College	93.859	5P01GM099177-04	102,496	-	-	-	102,496
President and Fellows of Harvard College	93.859	5P50GM107618-02	6,487	-	-	-	17,040
President and Fellows of Harvard College	93.859	5R01GM098549-03	-	94,977	-	-	94,977
Tufts Medical Center, Inc.	93.859	R01GM088470-05	-	(7,807)	-	-	(7,807)
University of California at San Diego	93.859	2R01GM032373-31A1	14,887	-	-	-	14,887
University of Mississippi Medical Center	93.859	1R01GM103799	35	-	-	-	35
University of Pittsburgh	93.859	3R01GM097471-04	-	11,106	-	-	11,106
University of Pittsburgh	93.859	5R01GM097471-04	-	10,637	-	-	10,637
University of Pittsburgh	93.859	5R01GM097471-04	61,519	-	-	-	61,519
University of Pittsburgh	93.859	5R01GM101197-02	45,104	-	-	-	45,104
University of Southern California	93.859	5U24GM104203-05	-	(2,216)	-	-	(2,216)
Beth Israel Deaconess Medical Center	93.839	5R01HL092125-05	(271)	-	-	-	(271)
Boston Medical Center	93.839	2U54HL070819-08	(14,749)	-	-	-	(14,749)
Brigham and Women's Hospital, Inc.	93.839	5R01HL116854-02	-	98,292	-	-	98,292
Brown University	93.839	1U01HL114476-03	-	170,332	-	-	170,332
Children's Hospital of Boston	93.839	5P01HL032263-24	232,350	-	-	-	232,350
Children's Hospital of Boston	93.839	5P01HL095489-05	431,641	-	-	-	431,641
Children's Hospital of Boston	93.839	5R01HL069990-11	41,797	-	-	-	41,797
Children's Hospital of Boston	93.839	5U01HL117720-03	311,923	-	-	-	311,923
Dana Farber Cancer Institute	93.839	5P50HL110789-03	283,468	-	-	-	283,468
Dana Farber Cancer Institute	93.839	U01HL69249	-	311	-	-	311
Duke University	93.839	5R01HL101382-04	-	1,987	-	-	1,987
National Marrow Donor Program	93.839	U01HL69249	-	(6,129)	-	-	(6,129)
New England Research Institute, Inc.	93.839	U01HL065238	6,157	-	-	-	6,157
New England Research Institute, Inc.	93.839	U01HL072298	-	(89)	-	-	(89)
University of Massachusetts Medical School	93.839	1R01HL125089-01	110,864	-	-	-	110,864
Washington University	93.839	5U01HL088476-04	-	17,528	-	-	17,528
Brigham and Women's Hospital, Inc.	93.396	5P01CA129964-09	-	168,689	-	-	168,689
Brigham and Women's Hospital, Inc.	93.396	5U01CA094301-15	-	90	-	-	90
Broad Institute, Inc.	93.396	5U24CA180922-03	37,068	-	-	-	37,068
Dana Farber Cancer Institute	93.396	2R01CA042368-29A1	4,914	-	-	-	4,914
Dana Farber Cancer Institute	93.396	2R01CA131945-06A1	86,275	-	-	-	86,275
Dana Farber Cancer Institute	93.396	5R01CA098911-11	18,181	-	-	-	18,181
Dana Farber Cancer Institute	93.396	5R01CA151898-05	8,652	-	-	-	8,652
Georgetown University	93.396	5R01CA170653-03	82,972	-	-	-	82,972
Indiana University	93.396	5R01CA155332-04	43,123	-	-	-	43,123
ivfco	93.396	5R4ACA157090-04	304,700	-	-	-	304,700
Johns Hopkins University	93.396	5R01CA142691-05	23,283	-	-	-	23,283
Massachusetts General Hospital	93.396	5U19CA179563-03	342,698	-	-	-	342,698
MD Anderson Cancer Center	93.396	5P01CA117969-10	-	109,837	-	-	109,837
Molecular Insight Pharmaceuticals, Inc.	93.396	2R4ACA157090-02	-	1,073	-	-	1,073
Mount Sinai School of Medicine	93.396	5P01CA080058-15	-	142,188	-	-	142,188
President and Fellows of Harvard College	93.396	5R01CA092433-13	19,654	-	-	-	19,654
Regents of the University of California	93.396	5R01CA172667-03	66,328	-	-	-	66,328
Scipps Research Institute	93.396	2R01CA132630-07	101,693	-	-	-	101,693
University of California at Irvine	93.396	1R01CA190964-01	-	201,086	-	-	201,086
University of Pennsylvania	93.396	3U01CA143056-04	-	(11)	-	-	(11)
University of Texas Southwestern Medical Center	93.396	5U01CA141576-05	-	(20,511)	-	-	(20,511)
University of Texas, MD Anderson Cancer Center	93.396	5P01CA117969-10	-	383,832	-	-	383,832
University of Wisconsin - Madison	93.396	5U01CA141583-05	(23)	-	-	-	(23)
Vanderbilt University	93.396	5R01CA151566-05	-	(4,625)	-	-	(4,625)
Washington University	93.396	5P01CA101937-12	-	420,802	-	-	420,802
Baylor College of Medicine	93.393	5R01CA158020-05	118,923	-	-	-	118,923
Beth Israel Deaconess Medical Center	93.393	5R01CA170549-03	222,352	-	-	-	222,352
Brigham and Women's Hospital, Inc.	93.393	5R01CA160679-03	-	-	64,211	-	-
California Pacific Medical Center	93.393	5R21CA158808-02	10,430	-	-	-	10,430
Dana Farber Cancer Institute	93.393	5R01CA158140-01	-	27,761	-	-	27,761
Dana Farber Cancer Institute	93.393	5R01CA151993-05	80,857	-	-	-	80,857
Dana Farber Cancer Institute	93.393	5R21CA177233-02	-	6,084	-	-	6,084
Fred Hutchinson Cancer Research Center	93.393	1U01CA182940-01	-	174,429	-	-	174,429
Fred Hutchinson Cancer Research Center	93.393	1U24CA189996-01A1	127,272	-	-	-	127,272
Fred Hutchinson Cancer Research Center	93.393	5U01CA137980-03	201,163	-	-	-	201,163
Fred Hutchinson Cancer Research Center	93.393	5R01CA176272-03	-	70,907	-	-	70,907
Fred Hutchinson Cancer Research Center	93.393	5U01CA164930-03	90,095	-	-	-	90,095
Harvard School of Public Health	93.393	5R01CA050385-25	10,098	-	-	-	10,098
IGI Technologies, Inc.	93.393	5R4ACA157896-03	83,319	-	-	-	83,319
International Agency for Research on Cancer	93.393	5U01CA155340-03	66,643	-	-	-	66,643
Johns Hopkins University	93.393	5R01CA054358-21	-	18,959	-	-	18,959
Kaiser Foundation Research Institute	93.393	UM1CA1736-02	1,394	-	-	-	1,394
Massachusetts Institute of Technology	93.393	7R01CA160860-03	133,473	-	-	-	133,473
Mayo Clinic Rochester	93.393	5R01CA140286-05	16,542	-	-	-	16,542

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Memorial Sloan-Kettering Institute Cancer Center	93.393	5U01CA152959-04	-	95,170	-	-	95,170
Ohio State University	93.393	5P01CA163205-03	434,704	-	-	-	434,704
President and Fellows of Harvard College	93.393	1R05CA173785-01A1	11,732	-	-	-	11,732
President and Fellows of Harvard College	93.393	2R01CA060385-26A1	158,591	-	-	-	158,591
President and Fellows of Harvard College	93.393	5R01CA050597-18	12,145	-	-	-	12,145
President and Fellows of Harvard College	93.393	5R01CA179129-03	-	15,738	-	-	15,738
President and Fellows of Harvard College	93.393	5R35CA174560-03	-	87,026	-	-	87,026
President and Fellows of Harvard College	93.393	5U19CA148965-04	38,912	-	-	-	38,912
President and Fellows of Harvard College	93.393	5UM1CA167552-03	274,773	-	-	-	274,773
President and Fellows of Harvard College	93.393	5UM1CA176726-03	1,978,606	-	-	-	1,978,606
Regents of the University of Michigan	93.393	1R21CA172892	13,583	-	-	-	13,583
Regents of the University of Michigan	93.393	5R01CA152192-05	83,854	-	-	-	83,854
Temple University	93.393	1R01CA158361-01A1	-	(201)	-	-	(201)
Trustees of Dartmouth College	93.393	1P01CA154292-01A1	112,545	-	-	-	112,545
Trustees of Dartmouth College	93.393	U19CA148127-03	(3,899)	-	-	-	(3,899)
Trustees of Indiana University	93.393	1R03CA186665-01	11,912	-	-	-	11,912
Trustees of Indiana University	93.393	7R03CA167741-03	18,541	-	-	-	18,541
University of Colorado at Denver	93.393	5R01CA181207-02	-	83,015	-	-	83,015
University of Hawaii	93.393	5P01CA168530-03	867,840	-	-	-	867,840
University of Maryland	93.393	5R01CA163018-04	-	(24,819)	-	-	(24,819)
University of Maryland	93.393	7R01CA163018-04	-	15,045	-	-	15,045
University Of Massachusetts	93.393	5R01CA166666-04	-	250,920	-	-	250,920
University of Massachusetts at Amherst	93.393	5R03CA186229-02	21,092	-	-	-	21,092
University of Massachusetts at Amherst	93.393	5U01CA040446-25	264,610	-	-	-	264,610
University of Pennsylvania	93.393	5R01CA133004-05	-	139,461	-	-	139,461
University of Pittsburgh	93.393	5R01CA141596-05	-	(6,033)	-	-	(6,033)
University of Rochester	93.393	1R01CA157823-01A1	16,811	-	-	-	16,811
University of Vermont	93.393	1R21CA151650-01A2	6,077	-	-	-	6,077
University of Washington	93.393	5R01CA173754-03	-	45,989	-	-	45,989
Vanderbilt University	93.393	7R01CA141596-06	-	18,634	-	-	18,634
Beth Israel Deaconess Medical Center	93.397	5P50CA101942-10	79,481	(10,374)	-	-	69,107
Brigham and Women's Hospital, Inc.	93.397	5P50CA108509-05	-	-	-	-	6,249
Dana Farber Cancer Institute	93.397	1U54CA156732-05	-	14,938	-	-	14,938
Dana Farber Cancer Institute	93.397	2P50CA127003-06A1	22,063	68,950	-	-	91,013
Dana Farber Cancer Institute	93.397	3P30CA008516-50S2	-	53,879	-	-	53,879
Dana Farber Cancer Institute	93.397	5P30CA008516-46	(1,792)	-	-	-	(1,792)
Dana Farber Cancer Institute	93.397	5P30CA008516-50	1,284,382	1,392,237	-	-	2,656,619
Dana Farber Cancer Institute	93.397	5P50CA090381-12	113,185	13,507	-	-	126,692
Dana Farber Cancer Institute	93.397	5P50CA090381-13	31,367	-	-	-	31,367
Dana Farber Cancer Institute	93.397	5P50CA090578-10	-	(1,993)	-	-	(1,993)
Dana Farber Cancer Institute	93.397	5P50CA127003-07	178,794	247,393	-	-	426,187
Dana Farber Cancer Institute	93.397	5P50CA127003-08	-	312,531	-	-	312,531
Dana Farber Cancer Institute	93.397	5P50CA168504-02	109,660	69,887	-	-	179,547
Dana Farber Cancer Institute	93.397	5U54CA156732-04	-	(4,111)	-	-	(4,111)
Dana Farber Cancer Institute	93.397	5P50CA127003-06A1	-	(102)	-	-	(102)
Dana Farber/Harvard Cancer Center	93.397	W81XWH-13-1-0029	98,492	-	-	-	98,492
Dartmouth College	93.397	2P50CA090381-13	15,013	-	-	-	15,013
Dartmouth College	93.397	5U54CA163307-04	314,897	-	-	-	314,897
Dartmouth College	93.397	5U54CA163307-02	-	177,241	-	-	177,241
Harvard School of Public Health	93.397	5U54CA155626-03	(131)	-	-	-	(131)
Johns Hopkins University	93.397	2P50CA098252-11	-	1,475	-	-	1,475
Massachusetts General Hospital	93.397	5P50CA165962-02	86,567	-	-	-	86,567
Massachusetts General Hospital	93.397	5P50CA165962-03	17,961	-	-	-	17,961
Massachusetts Institute of Technology	93.397	5U54CA143874-05	(52,480)	-	-	-	(52,480)
Massachusetts Institute of Technology	93.397	5U54CA151884-05	66,139	450,793	-	-	516,932
Massachusetts Institute of Technology	93.397	U54CA151884	-	82,948	-	-	82,948
Mayo Clinic	93.397	5P50CA116201-09	-	79,158	-	-	79,158
Mayo Clinic	93.397	5U54CA163125-05	-	180,204	-	-	180,204
President and Fellows of Harvard College	93.397	1U54CA155626-04	377,842	-	-	-	377,842
President and Fellows of Harvard College	93.397	5U54CA155626-03	24,444	-	-	-	24,444
President and Fellows of Harvard College	93.397	5U54CA155626-05	237,582	56,540	-	-	294,122
SARC	93.397	5U54CA168512-02	-	31,013	-	-	31,013
SARC	93.397	5U54CA168512-03	150,613	32,392	-	-	183,005
University of Pennsylvania	93.397	5U54CA163313-05	-	352,876	-	-	352,876
University of Pittsburgh	93.397	5P50CA121975-07	-	67,904	-	-	67,904
University of Texas, MD Anderson Cancer Center	93.397	1U54CA163125-01	-	(5,586)	-	-	(5,586)
University of Texas, MD Anderson Cancer Center	93.397	5U54CA163191-05	-	307,050	-	-	307,050
Washington University	93.397	5P50CA171963-03	-	67,062	-	-	67,062
Washington University	93.397	5U54CA155498-04	21,164	-	-	-	21,164
Arizona State University	93.399	5U01CA117374-10	-	99,681	-	-	99,681
Dana Farber Cancer Institute	93.399	5P50CA148596-05	-	10,999	-	-	10,999
Mayo Clinic	93.399	1UG1CA189823-01	93,044	-	-	-	93,044
President and Fellows of Harvard College	93.399	5P50CA148596-05	37,966	-	-	-	37,966
University of Texas, MD Anderson Cancer Center	93.399	2P50CA083639-14	-	76,322	-	-	76,322
University of Texas, MD Anderson Cancer Center	93.399	5P50CA083639-14	-	(4,753)	-	-	(4,753)
American College of Radiology Imaging Network (ACRIN)	93.394	5U01CA080909-10	-	(113)	-	-	(113)
Baylor College of Medicine	93.394	CA181275-01A1	-	59,080	-	-	59,080
Board of Trustees of the University of Illinois (The)	93.394	CA177462A	60,310	-	-	-	60,310
Brigham and Women's Hospital, Inc.	93.394	2R01CA120528-09	-	44,631	-	-	44,631
Brigham and Women's Hospital, Inc.	93.394	5R01CA120528-10	-	18,841	-	-	18,841
Brigham and Women's Hospital, Inc.	93.394	5U24CA180918-03	-	146,851	-	-	146,851
Broad Institute, Inc.	93.394	5U24CA160034-05	-	112,652	-	-	112,652
CorticoMetrics, LLC	93.394	1R41CA183150-01A1	-	62,008	-	-	62,008
Dana Farber Cancer Institute	93.394	1R21CA156021-01A1	-	36,396	-	-	36,396

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

CFDA #	CFDA Program	Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
93.394		Dana Farber Cancer Institute	93.394	1U01CA190234-01	5,989	-	-	-	5,989
93.394		Dana Farber Cancer Institute	93.394	1U24CA194354-01	18,224	-	-	-	18,224
93.394		Dana Farber Cancer Institute	93.394	5R01CA114465-09	57,435	35,761	-	-	93,196
93.394		Dana Farber Cancer Institute	93.394	5R01CA161026-04	36,680	-	-	-	36,680
93.394		Dana Farber Cancer Institute	93.394	5R01CA170592-04	21,665	-	-	-	21,665
93.394		Dana Farber Cancer Institute	93.394	5R01CA175732-02	20,431	-	-	-	20,431
93.394		Dana Farber Cancer Institute	93.394	5R21CA167800-02	10,365	-	-	-	10,365
93.394		Fred Hutchinson Cancer Research Center	93.394	5P01CA091955-10	(17,105)	-	-	-	(17,105)
93.394		IQ Medical Imaging LLC	93.394	1R41CA192600-01A1	-	9,038	-	-	9,038
93.394		IQ Medical Imaging LLC	93.394	A222465.01	-	84,665	-	-	84,665
93.394		Massachusetts General Hospital	93.394	5R01CA115746-08	118,156	-	-	-	118,156
93.394		New York University School of Medicine	93.394	1R01CA178949-01	-	117,280	-	-	117,280
93.394		Northeastern University	93.394	5U01CA151452-05	-	93,649	-	-	93,649
93.394		Ohio State University	93.394	5R01CA134451-06	-	30,743	-	-	30,743
93.394		Physical Sciences, Inc.	93.394	1R41CA192446-01	33,317	-	-	-	33,317
93.394		Robin Medical, Inc.	93.394	1R42CA193134-01A1	-	34,863	-	-	34,863
93.394		Sloan Kettering Institute for Cancer Research	93.394	1R01CA182076-01A1	-	38,239	-	-	38,239
93.394		University of Texas Health Science Center at San Antonio	93.394	3U01CA086402	-	102,449	-	-	102,449
93.394		University of Texas Health Science Center at San Antonio	93.394	U01CA096402	-	144,633	-	-	144,633
93.394		University of Texas Southwestern Medical Center	93.394	5R01CA154475-04	51,944	-	-	-	51,944
93.394		Washington University	93.394	1U24CA196171-01	27,622	-	-	-	27,622
93.394		Washington University	93.394	HHSN261201000061C	12,700	-	-	-	12,700
93.398		Massachusetts General Hospital	93.398	5R25CA181000-02	5,201	-	-	-	5,201
93.398		President and Fellows of Harvard College	93.398	2732CA090091-39	42,827	-	-	-	42,827
93.395		American College of Radiology Imaging Network (ACRIN)	93.395	5U01CA090098-14	-	240	-	-	240
93.395		Beth Israel Deaconess Medical Center	93.395	5R01CA152330-03	-	(3,762)	-	-	(3,762)
93.395		Beth Israel Deaconess Medical Center	93.395	5R01CA183605-03	-	30,426	-	-	30,426
93.395		Boston University	93.395	5R01CA146561-03	183,776	-	-	-	183,776
93.395		Brigham and Women's Hospital, Inc.	93.395	7U01CA031946-29	-	61,461	-	-	61,461
93.395		Children's Hospital of Boston	93.395	5R01CA158467-04	96,554	-	-	-	96,554
93.395		Children's Hospital of Philadelphia (The)	93.395	1U10CA180886	-	713	-	-	713
93.395		Dana Farber Cancer Institute	93.395	1R01CA178264-01A1	-	32,690	-	-	32,690
93.395		Dana Farber Cancer Institute	93.395	1U10CA180867-02	8,018	-	-	-	8,018
93.395		Dana Farber Cancer Institute	93.395	1UM1CA186709-01	-	328,557	-	-	328,557
93.395		Dana Farber Cancer Institute	93.395	5P01CA142536-04	31,968	-	-	-	31,968
93.395		Dana Farber Cancer Institute	93.395	5P01CA142536-05	9,999	-	-	-	9,999
93.395		Dana Farber Cancer Institute	93.395	5P01CA154303-04	-	56,419	-	-	56,419
93.395		Dana Farber Cancer Institute	93.395	5R01CA135257-08	-	41,284	-	-	41,284
93.395		Dana Farber Cancer Institute	93.395	5R01CA140594-07	-	210,194	-	-	210,194
93.395		Dana Farber Cancer Institute	93.395	5U10CA180867-02	-	132,818	-	-	132,818
93.395		Dana Farber Cancer Institute	93.395	R01CA150226	62,324	-	-	-	62,324
93.395		ECOG ACRIN Cancer Research Group	93.395	1U10CA180820-02	-	20,467	-	-	20,467
93.395		ECOG ACRIN Cancer Research Group	93.395	1U10CA189828-01	-	22,645	-	-	22,645
93.395		ECOG ACRIN Cancer Research Group	93.395	5U10CA180820-02	-	56,770	-	-	56,770
93.395		Frontier Science & Technology Research Foundation	93.395	5U10CA021115-39	-	13,041	-	-	13,041
93.395		Frontier Science & Technology Research Foundation	93.395	U10CA021115-39	-	6,270	-	-	6,270
93.395		Johns Hopkins University	93.395	2UM1CA137443-06	-	22,000	-	-	22,000
93.395		Johns Hopkins University	93.395	5U01CA137443-05	-	(10,651)	-	-	(10,651)
93.395		Massachusetts General Hospital	93.395	5P01CA069246-17	54,134	-	-	-	54,134
93.395		Massachusetts General Hospital	93.395	5P01CA069246-18	-	179,763	-	-	179,763
93.395		Massachusetts General Hospital	93.395	5R21CA164726-02	-	715	-	-	715
93.395		Mayo Clinic	93.395	1U10CA189823-02	193,319	-	-	-	193,319
93.395		New York University School of Medicine	93.395	5R01CA176502-02	-	145,245	-	-	145,245
93.395		NRG Oncology	93.395	5U10CA180868-02	-	6,244	-	-	6,244
93.395		President and Fellows of Harvard College	93.395	5P01CA139980-05	-	131,661	-	-	131,661
93.395		Regents of the University of California San Diego	93.395	5P01CA081534-14	5,129	-	-	-	5,129
93.395		Scipps Research Institute	93.395	1R01CA178315-01A1	-	36,548	-	-	36,548
93.395		Swedish Medical Center	93.395	1R01CA184283-01	-	178,482	-	-	178,482
93.395		Temple University	93.395	5R01CA166144-04	36,265	-	-	-	36,265
93.395		University of Alabama at Birmingham	93.395	5R21CA173120-02	-	105,951	-	-	105,951
93.395		University of Texas, MD Anderson Cancer Center	93.395	N01CN035159	472	-	-	-	472
93.395		Washington State University	93.395	5R01CA164366-04	-	8,313	-	-	8,313
93.837		Beth Israel Deaconess Medical Center	93.837	1R01HL111465-01A1	299,566	-	-	-	299,566
93.837		Beth Israel Deaconess Medical Center	93.837	1R01HL122547-01A1	-	9,951	-	-	9,951
93.837		Beth Israel Deaconess Medical Center	93.837	2732HL007734-21A1	11,811	-	-	-	11,811
93.837		Beth Israel Deaconess Medical Center	93.837	5P01HL076540-10	-	70,396	-	-	70,396
93.837		Beth Israel Deaconess Medical Center	93.837	5R01HL109634-04	-	149,243	-	-	149,243
93.837		Beth Israel Deaconess Medical Center	93.837	5R01HL122987-02	-	226,032	-	-	226,032
93.837		Beth Israel Deaconess Medical Center	93.837	5U01HL072733-07	(497)	-	-	-	(497)
93.837		Beth Israel Deaconess Medical Center	93.837	5UM1HL108724-02	-	63,706	-	-	63,706
93.837		Brigham and Women's Hospital, Inc.	93.837	1U01HL107352-01A1	-	114,598	-	-	114,598
93.837		Brigham and Women's Hospital, Inc.	93.837	5R01HL091157-04	-	(44,591)	-	-	(44,591)
93.837		Brigham and Women's Hospital, Inc.	93.837	5R01HL099073-04	-	8,817	-	-	8,817
93.837		Brigham and Women's Hospital, Inc.	93.837	5R01HL114805-03	-	36,929	-	-	36,929
93.837		Brigham and Women's Hospital, Inc.	93.837	5R01HL117713-02	3,687	-	-	-	3,687
93.837		Brigham and Women's Hospital, Inc.	93.837	5U01HL101422	88,509	-	-	-	88,509
93.837		Brigham and Women's Hospital, Inc.	93.837	5U54HL119145-02	-	911,499	-	-	911,499
93.837		Children's Hospital of Boston	93.837	5U01HL098147-06	206,488	-	-	-	206,488
93.837		Children's Hospital of Oakland	93.837	5U19HL069757-14	56,170	-	-	-	56,170
93.837		Cleveland Clinic Foundation	93.837	5U34HL123416-02	-	19,487	-	-	19,487
93.837		Columbia University	93.837	5R01HL109711-05	-	49,635	-	-	49,635
93.837		Cornell University Weill Medical College	93.837	5U19HL115015-02	-	26,382	-	-	26,382
93.837		Dana Farber Cancer Institute	93.837	5U10HL069249	-	1,830	-	-	1,830

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Duke University	93.837	2U10HL084904-06	-	(496)	-	-	(496)
Duke University	93.837	2U10HL084904-08	(220)	-	-	-	(220)
Duke University	93.837	4R01HL098237-03	-	(9,933)	-	-	(9,933)
Duke University	93.837	5U01HL084904	730	-	-	-	730
Duke University	93.837	5U10HL084904-08	291	40,623	-	-	40,914
Duke University	93.837	5U10HL084904-09	89,686	49,479	-	-	139,165
Duke University	93.837	R01HL105448	-	229	-	-	229
Duke University	93.837	U01HL084904-08	-	5,713	-	-	5,713
Duke University	93.837	U01HL105463	4,900	-	-	-	4,900
Duke University	93.837	U10HL084904	-	31,699	-	-	31,699
Duke University	93.837	U10HL084904-07	-	49,095	-	-	49,095
DVX, LLC	93.837	HL071359	15,691	-	-	-	15,691
Emory University	93.837	1R01HL119798-03	-	15,796	-	-	15,796
Emory University	93.837	5U01HL105561-02	-	199,607	-	-	199,607
Fred Hutchinson Cancer Research Center	93.837	5R01HL05065-04	31,273	-	-	-	31,273
Fred Hutchinson Cancer Research Center	93.837	5U01HL100395-07	-	107,395	-	-	107,395
George Washington University	93.837	R01HL101274-05	-	226,755	-	-	226,755
Harvard Pilgrim Health Care	93.837	5R01HL096905-05	264,222	-	-	-	264,222
ICahn School of Medicine at Mount Sinai	93.837	5R01HL119440-02	-	380,775	-	-	380,775
Icon Clinical Research	93.837	1U01HL117006-01A1	2,316	-	-	-	2,316
Johns Hopkins University School of Medicine	93.837	5R01HL112299-03	-	22,185	-	-	22,185
Massachusetts General Hospital	93.837	1R01HL107268-05	41,946	-	-	-	41,946
Massachusetts General Hospital	93.837	1R01HL109506-04	183,585	-	-	-	183,585
Massachusetts General Hospital	93.837	1R01HL112746-03	-	103	-	-	103
Massachusetts General Hospital	93.837	1R01HL122177-01A1	5,072	-	-	-	5,072
Massachusetts General Hospital	93.837	1R01HL125869-01A1	-	-	9,484	-	9,484
Massachusetts General Hospital	93.837	1R01HL06738-02	(10,044)	-	-	-	(10,044)
Massachusetts General Hospital	93.837	1U10HL123336-02	-	44,860	-	-	44,860
Massachusetts General Hospital	93.837	1U10HL110337-04	326,689	-	-	-	326,689
Massachusetts General Hospital	93.837	4R01HL095123-03	(52)	-	-	-	(52)
Massachusetts General Hospital	93.837	5R01HL098280-05	305,190	-	-	-	305,190
Massachusetts General Hospital	93.837	5R01HL107268-04	-	-	-	20,094	20,094
Massachusetts General Hospital	93.837	5R01HL112831-03	188,723	-	-	-	188,723
Massachusetts General Hospital	93.837	5R01HL122177-02	1,655	-	-	-	1,655
Massachusetts General Hospital	93.837	5U01HL123336-02	-	8,441	-	-	8,441
MONTREAL HEART INSTITUTE	93.837	5U01HL105561-01	5,291	-	-	-	5,291
Mount Sinai Medical Center	93.837	1U01AT001156	19,836	-	-	-	19,836
Mount Sinai School of Medicine	93.837	2U01HL088942-07	1,018	-	-	-	1,018
Mount Sinai School of Medicine	93.837	5U01HL088942-08	-	232,745	-	-	232,745
Mt. Sinai Medical	93.837	5U01HL088942-08	1,833	-	-	-	1,833
National Marrow Donor Program	93.837	1R01HL085707-01A2	-	2,604	-	-	2,604
New England Research Institute, Inc.	93.837	1U01HL105463	-	3,853	-	-	3,853
New England Research Institute, Inc.	93.837	5U01HL072291-09	6,072	-	-	-	6,072
New England Research Institute, Inc.	93.837	5U01HL098188-02	3,289	-	-	-	3,289
New England Research Institute, Inc. (NERI)	93.837	R01HL107407	353	-	-	-	353
New York University School of Medicine	93.837	1R01 HL119153	-	4,000	-	-	4,000
New York University School of Medicine	93.837	U01HL105907	13,517	-	-	-	13,517
NIH-NHLBI National Heart, Lung, and Blood Institute	93.837	5U54HL119145-03	(24,275)	-	-	-	(24,275)
Northwestern University	93.837	1R01HL122320	-	10,739	-	-	10,739
Oregon Health & Science University (OHSU)	93.837	5R01HL111033-03	65,033	-	-	-	65,033
Oregon Health & Science University (OHSU)	93.837	R01HL118277	21,309	-	-	-	21,309
Penn State University	93.837	5U10HL098115-03	(1,970)	-	-	-	(1,970)
Penn State University	93.837	5U10HL098115-04	-	11,850	-	-	11,850
Penn State University	93.837	5U10HL098115-06	186,965	-	-	-	186,965
Penn State University	93.837	U10HL098115-06	54	-	-	-	54
President and Fellows of Harvard College	93.837	1U19HL129903-01	-	71,330	-	-	71,330
President and Fellows of Harvard College	93.837	5R01 HL104284-04	87,384	-	-	-	87,384
President and Fellows of Harvard College	93.837	5R01HL035464-25	74,678	-	-	-	74,678
President and Fellows of Harvard College	93.837	5R01HL060712-14	117,481	-	-	-	117,481
President and Fellows of Harvard College	93.837	5R01HL080644-09	21,743	-	-	-	21,743
President and Fellows of Harvard College	93.837	5R01HL115667-03	54,218	-	-	-	54,218
President and Fellows of Harvard College	93.837	5R01HL116391-03	-	273,013	-	-	273,013
President and Fellows of Harvard College	93.837	R01HL19153	-	48,739	-	-	48,739
Psychological Applications, LLC	93.837	-	365	-	-	-	365
Regents of the University of California	93.837	1R01HL117713-01	337,354	-	-	-	337,354
Regents of the University of California	93.837	1R01HL125034-01A1	6,521	-	-	-	6,521
Regents of the University of California	93.837	1R56HL125034-01	7,970	-	-	-	7,970
Regents of the University of California	93.837	5R01HL114918-02	-	20,883	-	-	20,883
Regents of the University of California	93.837	5R01HL117713-03	10,426	-	-	-	10,426
Riparian Pharmaceuticals, Inc.	93.837	1R41HL118826-01	100,106	-	-	-	100,106
RTI International	93.837	1U10HL119991-01	159,006	-	-	-	159,006
Spaulding Rehabilitation Hospital	93.837	5R01HL117037-03	-	32,417	-	-	32,417
Tufts University	93.837	1R01HL106160-02	-	8,221	-	-	8,221
Tufts University	93.837	7R01HL115189-03	61,287	-	-	-	61,287
University of California at San Diego	93.837	5U01HL126494-02	-	131,089	-	-	131,089
University of California at San Francisco	93.837	1R01HL114918-02	-	46,245	-	-	46,245
University of California at San Francisco	93.837	1R56 HL125034-01	-	27,144	-	-	27,144
University of Cape Town	93.837	HHSN268200900030C	(12,865)	-	-	-	(12,865)
University of Maryland	93.837	5U01HL099997-07	-	180,318	-	-	180,318
University of Maryland	93.837	5U01HL105196-10	27,526	-	-	-	27,526
University of Maryland at Baltimore	93.837	5U01HL099997-06	-	204,796	-	-	204,796
University of Michigan	93.837	1R01HL127564-01	-	11,039	-	-	11,039
University of Mississippi Medical Center	93.837	5R01HL110068-04	149,537	-	-	-	149,537

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
93.837	R25HL126145	-	17,189	-	-	17,189
93.837	1U54HL117798-04	110,563	-	-	-	110,563
93.837	5R01HL11883-04	317,754	-	-	-	317,754
93.837	5U54HL117798-04	51,393	-	-	-	51,393
93.837	5R01HL119246-03	14,419	-	-	-	14,419
93.837	5R01HL102830-04	22,614	-	-	-	22,614
93.837	5U01HL117006-02	121,956	-	-	-	121,956
93.837	5U01HL117006-03	286,284	-	-	-	286,284
93.837	5R01HL120393-02	-	28,237	-	-	28,237
93.837	5R01HL112746-04	-	161,613	-	-	161,613
93.837	5R01HL112746-04	104,742	-	-	-	104,742
93.837	5U01HL122904-03	-	20,045	-	-	20,045
93.837	5U19HL065962-13	-	50,684	-	-	50,684
93.837	5U19HL65962-14	76,487	-	-	-	76,487
93.837	7 R01 HL102780-04	165,018	-	-	-	165,018
93.837	1R01HL111362	-	22,386	-	-	22,386
93.837	1U34HL123831-01	14,211	-	-	-	14,211
93.837	5R01HL118305-02	123,148	-	-	-	123,148
93.837	5R01HL056853-16	44,477	-	-	-	44,477
93.837	1R01HL115295-01	6,770	-	-	-	6,770
93.837	5U34HL105285-03	(2,582)	-	-	-	(2,582)
93.283	5U01CK000176-03	50	-	-	-	50
93.865	5R00HD068506-05	-	19,423	-	-	19,423
93.865	5R01HD072065-02	25,628	-	-	-	25,628
93.865	5R01HD064595-05	11,189	-	-	-	11,189
93.865	5R01HD067270-04	21,308	-	-	-	21,308
93.865	1R01HD07220-01A1	-	114,723	-	-	114,723
93.865	1R01HD76258-01A1	-	73,950	-	-	73,950
93.865	5R21HD076442-02	-	11,115	-	-	11,115
93.865	5U01HD045991-13	43,332	21,263	-	-	64,595
93.865	HHSN275201300003C	(343)	-	-	-	(343)
93.865	5R01HD068976-04	-	-	-	32,768	32,768
93.865	1R21HD069942-01A1	-	-	-	(324)	(324)
93.865	5R01HD075655-02	-	11,858	-	-	11,858
93.865	3U01HD068040-04	29,078	-	-	-	29,078
93.865	U01HD068040	-	12,434	-	-	12,434
93.865	5R01HD077888-03	259,166	-	-	-	259,166
93.865	1R01HD080471-01	29,774	-	-	-	29,774
93.865	5R01HD061265-05	12,866	-	-	-	12,866
93.865	5R01HD061916-05	45,192	-	-	-	45,192
93.865	1R43HD071761-01A1	-	25,968	-	-	25,968
93.865	R01HD066156	38,930	-	14,711	-	53,641
93.865	5R01HD069986-03	-	-	-	2,285	2,285
93.865	5R21HD073553-02	-	-	19,642	-	19,642
93.865	5U54HD028138-25	338,586	-	-	-	338,586
93.865	7R01HD060986-05	-	-	-	-	-
93.865	1R01HD078515-01A1	38,150	-	-	-	38,150
93.865	1R01HD080471-02	-	21,264	-	-	21,264
93.865	5R01HD057941-04	-	(1,019)	-	-	(1,019)
93.865	1R01HD078748-01A1	-	148,347	-	-	148,347
93.865	5R01HD75655-02	-	29,995	-	-	29,995
93.865	R24HD050821-06	-	-	-	97,184	97,184
93.865	5U01HD063036-04	(11,290)	-	-	-	(11,290)
93.865	1R01HD064595-05	-	46,106	-	-	46,106
93.865	1R01HD067270-01	-	1,985	-	123,081	125,066
93.865	5R24HD065688	-	-	-	-	-
93.865	1R01HD078517-02	187,243	-	-	-	187,243
93.865	5R01HD074581-03	-	24,378	-	-	24,378
93.865	5U01HD073984-01	-	249,887	-	-	249,887
93.865	1P01HD076892-01A1	283,262	-	-	5,788	289,050
93.569	U01AG022376	-	-	-	-	-
93.153	H12H24846A0	78,054	-	-	-	78,054
93.847	1R01DK089525-01A1	167,875	-	-	-	167,875
93.847	1R01HL122987-01	18,696	-	-	-	18,696
93.847	2R01DK088826-05	94,230	-	-	-	94,230
93.847	3U01DK082919-07S1	-	142,235	-	-	142,235
93.847	5P01DK080665-05	(1,367)	-	-	-	(1,367)
93.847	5R01HL110733-04	-	13,191	-	-	13,191
93.847	5U01DK082919-07	-	60,329	-	-	60,329
93.847	5U19DK080652-05	-	469	-	-	469
93.847	2P30DK046200-22	-	54,989	-	-	54,989
93.847	5P30DK046200-22	16,761	20,554	-	-	37,315
93.847	5R01DK088782-04	117,298	-	-	-	117,298
93.847	P30DK046200	23,526	-	-	-	23,526
93.847	5R01DK084064-02	-	61,382	-	-	61,382
93.847	5R01DK099739-02	-	11,620	-	-	11,620
93.847	R01DK101442	-	35,208	-	-	35,208
93.847	1137106 / SR24DK080261	-	161,856	-	-	161,856
93.847	1R01DK092405-01A1	-	41,952	-	-	41,952

Centers for Disease Control and Prevention Investigations and Technical Assistance
 Child Health and Human Development Extramural Research

Community Services Block Grant
 Coordinated Services and Access to Research for Women, Infants, Children, and Youth
 Diabetes, Digestive, and Kidney Diseases Extramural Research

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Broad Institute, Inc.	93.847	1R01DK098032-01	-	9,288	-	-	9,288
Broad Institute, Inc.	93.847	1U54DK105566-01	11,217	101,446	-	-	112,663
Broad Institute, Inc.	93.847	2R01DK064869-10	-	9,774	-	-	9,774
Broad Institute, Inc.	93.847	U01DK085526	-	10,285	-	-	10,285
Broad Institute, MIT	93.847	1U54DK105566-01	-	309,459	-	-	309,459
Case Western Reserve University	93.847	1DP3DK101074-01	-	33,973	-	-	33,973
Case Western Reserve University	93.847	1DP3DK104438-01	-	33,717	-	-	33,717
Case Western Reserve University	93.847	5U01DK094157-03	-	255,075	-	-	255,075
Children's Hospital of Boston	93.847	5P30DK034854-28	(6,182)	-	-	-	(6,182)
Children's Hospital of Boston	93.847	5P30DK034854-29	-	38,282	-	-	38,282
Children's Hospital of Boston	93.847	5P30DK034854-30	470,802	-	-	-	470,802
Children's Hospital of Boston	93.847	5P30DK049216-20	-	(181)	-	-	(181)
Children's Hospital of Boston	93.847	5R01DK084001-04	22,766	-	-	-	22,766
Children's Hospital of Boston	93.847	5R01DK087292-05	-	58,215	-	-	58,215
Collagen Medical, LLC	93.847	5R44DK095617-03	-	107,296	-	-	107,296
Dana Farber Cancer Institute	93.847	5R37 DK031405-33	3,178	-	-	-	3,178
Fred Hutchinson Cancer Research Center	93.847	5R24DK093609-02	156,720	-	-	-	156,720
Geisinger Clinic	93.847	5R01DK082551-05	26,028	-	-	-	26,028
George Washington University	93.847	2U01DK048489-22	-	160,775	-	-	160,775
George Washington University	93.847	5U01DK048489-21	-	177,125	-	-	177,125
George Washington University	93.847	5U01DK061230-11	-	647,024	-	-	647,024
George Washington University	93.847	5U01DK098246-02	-	666,768	-	-	666,768
Georgia Regents University	93.847	3U24DK076169-08S4	(1,381)	12,922	-	-	11,531
Georgia Regents University	93.847	3U24DK076169-09	60,000	-	-	-	60,000
Georgia Regents University	93.847	5U24DK076169-09	-	10,246	-	-	10,246
Joslin Diabetes Center	93.847	1UC4DK101108-01	-	28,636	-	-	28,636
Kaiser Foundation Research Institute	93.847	1R01DK085070-02	-	11	-	-	11
Maine Medical Center	93.847	1R24DK092750-01	-	620,580	-	-	620,580
Massachusetts General Hospital	93.847	2P30DK040561-16A1	124,396	-	-	-	124,396
Massachusetts General Hospital	93.847	5P30DK040561-17	21,930	-	-	-	21,930
Massachusetts General Hospital	93.847	5P30DK040561-18	16,878	-	-	-	16,878
Massachusetts General Hospital	93.847	5P30DK057521	-	-	-	56,814	56,814
Massachusetts General Hospital	93.847	5P30DK057521-15	50,802	-	-	-	50,802
Massachusetts General Hospital	93.847	5R01DK049302-18	61,029	-	-	-	61,029
Massachusetts General Hospital	93.847	5R01DK057653-17	14,967	-	-	-	14,967
Massachusetts General Hospital	93.847	5R01DK088214-03	54,058	-	-	-	54,058
Massachusetts General Hospital	93.847	5R01DK095964-03	207,342	-	-	-	207,342
Massachusetts General Hospital	93.847	5R01DK101498-02	186,569	-	-	-	186,569
Montreal Heart Institute	93.847	2U01DK062432-14	-	230,687	-	-	230,687
Montreal Heart Institute	93.847	5R01DK064869-12	-	155,086	-	-	155,086
Montreal Heart Institute	93.847	5U01DK062432-11	-	(1,556)	-	-	(1,556)
Mount Sinai School of Medicine	93.847	2R01DK080769-08A1	138,198	-	-	-	138,198
Northwestern University	93.847	7R01DK076116-07	-	71,338	-	-	71,338
Northwestern University	93.847	R21DK100754	9,819	-	-	-	9,819
Organ Solutions	93.847	1R41DK100252-01	-	18,442	-	-	18,442
President and Fellows of Harvard College	93.847	1R01DK090435-01A1	(9,971)	-	-	-	(9,971)
President and Fellows of Harvard College	93.847	1UC4DK104165-01	470,144	-	-	-	470,144
President and Fellows of Harvard College	93.847	5P01DK056246-15	-	591,511	-	-	591,511
President and Fellows of Harvard College	93.847	5R01DK088719-05	1,936	-	-	-	1,936
Regents of the University of California	93.847	1R01DK084978-02	-	(9,797)	-	-	(9,797)
Rush University	93.847	1R01DK101350-01	-	267,217	-	-	267,217
San Diego State University	93.847	1R01DK099360-01A1	169,125	-	-	-	169,125
Trustees of Boston University	93.847	5R01DK085633-04	-	(1,592)	-	-	(1,592)
Trustees of Boston University	93.847	5R01DK097657-02	-	229,004	-	-	229,004
Trustees of Boston University	93.847	DP3DK101084-01	-	19,043	-	-	19,043
Tufts Medical Center, Inc.	93.847	1R01DK092563-02	-	(549)	-	-	(549)
Tufts Medical Center, Inc.	93.847	5R01DK090401-04	29,655	-	-	-	29,655
University of Chicago	93.847	R01DK098435	-	33,264	-	-	33,264
University of Maryland at Baltimore	93.847	5P30DK090868-05	22,329	22,242	-	-	44,571
University of Massachusetts at Worcester	93.847	1R01DK095728-01A1	-	108,994	-	-	108,994
University of New Mexico	93.847	5R01DK083424-03	23,350	-	-	-	23,350
University of North Carolina, Chapel Hill	93.847	5U01DK092239-04	-	9,934	-	-	9,934
University of Notre Dame	93.847	1R01DK100237-01	167,306	-	-	-	167,306
University of Oklahoma Health Sciences Center	93.847	5R01DK082766-03	-	(320)	-	-	(320)
University of Pennsylvania	93.847	3U01DK060990-12S2	-	(1,414)	-	-	(1,414)
University of Pennsylvania	93.847	4UHSDK102384-02	-	11,691	-	-	11,691
University of Pennsylvania	93.847	5R01DK098919-02	30,750	-	-	-	30,750
University of Pittsburgh	93.847	1R01DK102495-02	-	113,527	-	-	113,527
University of Washington	93.847	R01DK088762-05	233,818	-	-	-	233,818
University of Washington - Seattle	93.847	5R01DK089762-03	-	9,508	-	-	9,508
University of Wyoming	93.847	1R15DK092696-01A1	-	33,875	-	-	33,875
Vanderbilt Medical Center	93.847	5R01DK096994-02	84,491	-	-	-	84,491
Vanderbilt Medical Center	93.847	7R01DK081572-06	39,489	-	-	-	39,489
Vanderbilt University	93.847	5R01DK102659-02	174,045	-	-	-	174,045
Virginia Commonwealth University	93.847	5R01DK094818-02	-	40,298	-	-	40,298
Vitrici LLC	93.847	1R43DK101197-01A1	-	30,878	-	-	30,878
Montreal Heart Institute	93.847	5R01DK064869-03	-	(3,600)	-	-	(3,600)
Boston University	93.286	5US4EB015403-04	-	21,791	-	-	21,791
Case Western Reserve University	93.286	1U01EB20955-01	362	-	-	-	362
Case Western Reserve University	93.286	5R01EB017219-03	-	152,031	-	-	152,031
Case Western Reserve University	93.286	5R01EB017337-02	-	536,531	-	-	536,531
Cleveland Clinic Foundation	93.286	5R01EB014296-04	73,713	-	-	-	73,713
Cornell University	93.286	5R01EB017274-03	-	512,252	-	-	512,252
Kiwari, Inc.	93.286	5R01EB014855-03	18,660	-	-	-	18,660
Massachusetts General Hospital	93.286	5R01EB014947-03	37,870	-	-	-	37,870
Massachusetts General Hospital	93.286	5US4EB015408-02	4,276	-	-	-	4,276
Northeastern University	93.286	1R01EB009327-01	-	(8,489)	-	-	(8,489)
Northeastern University	93.286	5R01EB012117-04	-	26,740	-	-	26,740

Digestive Diseases and Nutrition Research
 Discovery and Applied Research for Technological Innovations to Improve Human Health

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
President and Fellows of Harvard College	93.286	5R01EB013042-04	-	95,625	-	-	95,625
President and Fellows of Harvard College	93.286	5R01EB014703-04	-	199,117	-	-	199,117
Rensselaer Polytechnic Institute	93.286	5R01EB015478-03	-	137,211	-	-	137,211
Stanford University	93.286	5R01EB015776-05	-	-	-	-	95,065
Sunnybrook Health Science Center	93.286	7R01EB003268-10	95,065	-	-	-	122,220
Trustees of Boston University	93.286	5R01EB016102-03	-	299,535	-	-	299,535
Trustees of Boston University	93.286	5U54EB015403-03	60,481	-	-	-	60,481
University of California at San Diego	93.286	5R01EB000796-10	-	-	385,494	-	385,494
University of California at San Diego	93.286	5R01EB012597-04	32,818	-	-	-	32,818
University of California at San Francisco	93.286	5R01EB009756-05	-	(1,566)	-	-	(1,566)
University of California, San Diego Medical Center	93.286	5R01EB009282-07	-	151,458	-	-	151,458
University of Illinois at Urbana Champaign	93.286	R21EB018001	-	125,965	-	-	125,965
University of Pennsylvania	93.286	5R01EB019464-02	-	157,229	-	-	157,229
Beth Israel Deaconess Medical Center	93.279	5R01DA036298-02	-	154,933	-	-	154,933
Boston Medical Center	93.279	5R01DA031059-04	-	55,023	-	-	55,023
Fenway Community Health Center	93.279	1R21DA035113	-	13,430	-	-	13,430
Fenway Community Health Center	93.279	5R21DA033720	-	(1,360)	-	-	(1,360)
Inflexion	93.279	5R44DA026359-03	32,251	-	-	-	32,251
McLean Hospital Corporation	93.279	5R01DA029141-03	-	145,278	-	-	145,278
McLean Hospital Corporation	93.279	5R21DA031925-02	-	46,412	-	-	46,412
McLean Hospital-Internal	93.279	1R03DA034102-01	(35)	-	-	-	(35)
Mount Sinai Hospital	93.279	2P01DA008227-22A1	-	-	54,984	-	54,984
Northeastern University	93.279	5R01DA26795-05	-	-	(4,908)	-	(4,908)
Northeastern University	93.279	5R37DA023142	-	-	204,239	-	204,239
President and Fellows of Harvard College	93.279	1R01DA035214-03	-	-	54,266	-	54,266
President and Fellows of Harvard College	93.279	5R01DA034022-02	28,495	-	-	-	28,495
Regents of the University of California	93.279	5R01DA031056-03	-	(6,765)	19,845	-	13,080
Southern Illinois University	93.279	1R01DA036032-01	-	-	-	-	-
Stony Brook University	93.279	1R21DA038467-01	-	23,136	-	-	23,136
University of Arizona	93.279	5R01DA034975-02	-	143,432	-	-	143,432
University of Hawaii	93.279	5R01DA019912-07	-	141,557	-	-	141,557
University of Massachusetts at Worcester	93.279	5R01DA031081-04	-	42,674	-	-	42,674
University of New Mexico	93.279	5 R01 DA016017-12	-	70,219	-	-	70,219
University of New Mexico	93.279	5R01DA031056-06	-	37,636	-	-	37,636
University of Pennsylvania	93.279	5R01DA022339-06	-	(160)	-	-	(160)
University of Pennsylvania	93.279	5R01DA033641-04	-	140,653	-	-	140,653
Johns Hopkins University	93.113	5P01ES018176-05	-	21,529	-	-	21,529
Johns Hopkins University	93.113	RD-83451001-2	-	53,642	41,567	-	95,209
Natural Pharmacia International, Inc.	93.113	1R430D020186	-	-	-	-	-
President and Fellows of Harvard College	93.113	1R21ES024236-01	16,144	-	-	-	16,144
President and Fellows of Harvard College	93.113	2P30ES000002-51	2,700	-	-	-	2,700
President and Fellows of Harvard College	93.113	2R01ES009718-13	-	(731)	-	-	(731)
President and Fellows of Harvard College	93.113	5P30ES000002-50	102	-	-	-	102
President and Fellows of Harvard College	93.113	5R01ES009411-09	22,730	-	-	-	22,730
President and Fellows of Harvard College	93.113	5R01ES009718-17	-	731	-	-	731
President and Fellows of Harvard College	93.113	5R01ES014370-10	-	32,785	-	-	32,785
President and Fellows of Harvard College	93.113	5R01ES015172-07	-	297	-	-	297
President and Fellows of Harvard College	93.113	5R01ES019853-04	199,134	-	-	-	199,134
President and Fellows of Harvard College	93.113	5R01ES021372-03	-	74,489	-	-	74,489
President and Fellows of Harvard College	93.113	5R21ES019982-02	40,086	-	-	-	40,086
Regents of the University of California	93.113	5R01ES023316-03	-	482,094	-	-	482,094
The Curators of the University of Missouri	93.113	5R01ES021394-04	-	44,295	-	-	44,295
Trustees of Dartmouth College	93.113	5P01ES022832-03	46,679	-	-	-	46,679
Tufts University	93.113	5R01ES008314-19	-	41,830	-	-	41,830
Tufts University	93.113	U01ES020888	-	15,860	-	-	15,860
University of Illinois at Urbana Champaign	93.113	5P01ES022848-02	104,965	-	-	-	104,965
University of Michigan	93.113	5R01ES018872-04	36,198	-	-	-	36,198
Advanced MRI Technologies LLC	93.853	1R44NS084783-01	-	(2,258)	-	-	(2,258)
Angion Biomedica Corp.	93.853	2R44NS045373-04	-	(2,644)	-	-	(2,644)
Beth Israel Deaconess Medical Center	93.853	5U01NS074425-03	-	2,355	-	-	2,355
Boston University	93.853	5R01NS072023-05	-	168,644	-	-	168,644
Boston University Medical Center	93.853	2R5NS076337-04	309,394	-	-	-	309,394
Boston University Medical Center	93.853	5R01NS076337-03	8,273	-	-	91,626	99,899
Brain Plasticity Institute	93.853	2R44NS71780-03A-1	-	-	-	52,847	52,847
Brigham and Women's Hospital - Internal Funds	93.853	1R01NS085002-01A1	-	-	-	-	-
Brigham and Women's Hospital, Inc.	93.853	1U54NS079201-02	-	1,050,531	-	-	1,050,531
Broca Institute, Inc.	93.853	1U01NS083079	-	3,291	-	-	3,291
Brown University	93.853	5R01NS079533-04	-	24,524	-	-	24,524
Case Western Reserve University	93.853	1U01NS082329-01A1	-	129,371	-	-	129,371
Case Western Reserve University	93.853	5U01NS082329-03	-	2,204,456	-	-	2,204,456
Cedars-Sinai Research Institute	93.853	1U01NS08312-01	-	1,905	-	-	1,905
Cedars-Sinai Research Institute	93.853	1U01NS08312-02	-	673,039	-	-	673,039
Children's Hospital	93.853	5R01NS066929-05	-	11,829	-	-	11,829
Children's Hospital of Boston	93.853	5R01NS066929-05	10,757	-	-	-	10,757
Children's Hospital of Boston	93.853	5R01NS074430-03	16,098	-	-	-	16,098
Columbia University	93.853	5P5NS049060-09	22,226	-	-	-	22,226
Convergence Medical Devices, Inc.	93.853	2R44NS070385	-	26,095	-	-	26,095
CorticoMetrics, LLC	93.853	1R41NS083101-01A1	-	(7,656)	-	-	(7,656)
Electrical Geodesics, Inc.	93.853	2R44NS071988-03A1	-	217,109	-	-	217,109
Emory University	93.853	5 U01 NS08365-13S1	18,351	-	-	329,645	345,996
Emory University	93.853	6U01NS08455-14	700,647	-	-	-	700,647
Highland Instruments	93.853	1R44NS080632-01	-	-	-	-	-

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Icahn School of Medicine at Mount Sinai	93.853	5R01NS081282-03	-	16,565	-	7,584	24,149
Indiana University	93.853	5R01NS078173-04	127,791	-	-	-	127,791
Massachusetts General Hospital	93.853	1U10NS086729-01	-	-	-	-	-
Massachusetts General Hospital	93.853	5R01NS062092-05	7,349	-	-	-	7,349
Massachusetts General Hospital	93.853	5R01NS077908-04	9,388	-	-	-	9,388
Massachusetts General Hospital	93.853	5U10NS077360-05	43,228	-	-	-	43,228
Massachusetts General Hospital	93.853	5U10NS080369-04	2,638	-	-	-	2,638
Massachusetts General Hospital	93.853	5U10NS086729-03	20,369	-	-	-	20,369
Massachusetts General Hospital	93.853	U01NS062835	14,227	-	-	-	14,227
Massachusetts Institute of Technology	93.853	5R01NS078839-03	-	196,459	-	-	196,459
Mayo Clinic Jacksonville	93.853	5U01NS080166-02	-	220	-	-	220
Medical University of South Carolina	93.853	5U01NS058726-04	-	(4,889)	-	-	(4,889)
Mount Sinai School of Medicine	93.853	5U01NS086625-02	-	313,515	-	-	313,515
Northwestern University	93.853	5R21NS084210-02	-	71,945	-	-	71,945
Northwestern University	93.853	5U01NS080818-02	-	731	-	-	731
Ohio State University	93.853	5R01NS043246-09	9,342	-	-	-	9,342
Ohio State University	93.853	5U01NS079163	-	(13,262)	-	-	(13,262)
President and Fellows of Harvard College	93.853	5R01NS045893-10	59,814	-	-	-	59,814
President and Fellows of Harvard College	93.853	5R01NS061858-05	-	(3,118)	-	-	(3,118)
President and Fellows of Harvard College	93.853	5R01NS073124-06	-	128,914	-	-	128,914
Regents of the University of California	93.853	1R01NS081180-01A1	-	269,473	-	-	269,473
Regents of the University of California	93.853	1U2ANS074837-02	-	(21,522)	-	-	(21,522)
Regents of the University of California	93.853	5R01NS071463-05	-	6,662	-	-	6,662
Regents of the University of California	93.853	5U01NS086090-02	-	169,674	-	-	169,674
Regents of the University of Michigan	93.853	U01NS062091	-	43,784	-	-	43,784
Regents of the University of Michigan	93.853	U01NS062778	-	296	-	-	296
Regents of the University of Michigan	93.853	U01NS062835	-	74,387	-	-	74,387
Regents of the University of Michigan	93.853	U01NS069498	-	12,526	-	-	12,526
Regents of the University of Minnesota	93.853	5U01NS062091-05	3,957	-	-	-	3,957
Rutgers University	93.853	R01NS038384-05	(254)	-	-	-	(254)
Seattle Children's Hospital	93.853	R01NS065618	-	189	-	-	189
Skulpt Inc	93.853	2R44NS070385	-	133,136	-	-	133,136
Trustees of Boston University	93.853	1U01NS086659-01	-	191,151	-	-	191,151
Trustees of Boston University	93.853	5R01NS073118-05	-	193,108	-	-	193,108
Trustees of Indiana University	93.853	1R21NS087379-01A1	106,331	-	-	-	106,331
University of Alabama, Birmingham	93.853	5U01NS042685-10	-	387	-	-	387
University of California at Davis	93.853	5R25NS077582-03	5,663	-	-	156,572	162,235
University of California at San Francisco	93.853	1U01NS086690-01	-	-	-	-	-
University of Cincinnati	93.853	5P90NS044283-10	-	332	-	-	332
University of Cincinnati	93.853	5U01NS069763-04	-	203,629	-	-	203,629
University of Cincinnati	93.853	5U01NS069763-05	-	18,065	-	-	18,065
University of Maryland at Baltimore	93.853	5U01NS069208	-	37,075	-	-	37,075
University of Maryland at Baltimore	93.853	5U01NS069208-02	19,689	-	-	-	19,689
University of Maryland at Baltimore	93.853	5U01NS069208-03	6,000	-	-	-	6,000
University of Maryland at Baltimore	93.853	5U01NS069208-04	-	35,031	-	-	35,031
University of Massachusetts at Worcester	93.853	5R01NS038194-15	-	100,092	-	-	100,092
University of Massachusetts at Worcester	93.853	5R01NS079836-03	12,169	-	-	-	12,169
University of Massachusetts at Worcester	93.853	5U01NS064096-04	-	86,364	-	-	86,364
University of Medicine and Dentistry of New Jersey	93.853	5R01NS038384-05	-	25,111	-	-	25,111
University of Minnesota	93.853	5U01NS062091-04	-	(101)	-	-	(101)
University of Pennsylvania	93.853	1R21NS080268-01A1	(276)	-	-	-	(276)
University of Pittsburgh	93.853	1U01NS081041-01A1	-	95	-	-	95
University of Southern California	93.853	5R21NS087194-02	285,727	-	-	-	285,727
University of Wisconsin - Madison	93.853	5P01NS042803-10	1,287	-	(15,467)	-	(14,180)
Vanderbilt University	93.853	2R01NS049251-08	262,783	-	90,196	-	352,979
Virginia Commonwealth University	93.853	5R01NS070715-04	-	-	-	-	-
Virginia Commonwealth University	93.853	PD303745-SC105592	-	-	-	-	-
Wake Forest University	93.853	5R01NS0589-05A1	-	62,184	-	-	62,184
Wake Forest University Health Sciences	93.853	R01NS058949	-	5,536	-	-	5,536
Washington University	93.853	1U01NS084970-02	-	23,029	-	-	23,029
Yale University	93.853	1U01NS084495-03	-	664,487	-	-	664,487
Yale University	93.853	5U01NS044876-10	-	81,996	-	-	81,996
Georgetown University	93.077	R01DA036487-01	-	24,383	-	-	24,383
Pennsylvania State University	93.077	5P50DA036107-02	-	275,603	-	-	275,603
Brigham and Women's Hospital, Inc.	93.103	1U01FD004856-01	-	(2,335)	-	-	(2,335)
Children's Hospital of Boston	93.103	2P50FD003792-04	-	(1,649)	-	-	(1,649)
New England Pediatric Device Consortium	93.103	1P50FD004907-01	-	105,245	-	-	105,245
New England Pediatric Device Consortium	93.103	5P50FD004907-02	-	86,208	-	-	86,208
Tufts Medical Center, Inc.	93.103	1R01FD003899-01A4	128,462	-	-	-	128,462
University of Miami	93.103	5R01FD003517-04	-	4,477	-	-	4,477
University of Rochester	93.103	5R01FD003908-02	-	(103)	-	-	(103)
African Society for Laboratory Medicine	93.067	U23GH000710	-	20,959	-	-	20,959
Botswana Harvard AIDS Institute Partnership	93.067	5U2GSP001882-05	19,467	-	-	-	19,467
Harvard School of Public Health	93.067	5U01GH000447-03	96,896	-	-	-	96,896
President and Fellows of Harvard College	93.067	3U01GH000447-04S1	-	211,556	-	-	211,556
President and Fellows of Harvard College	93.067	5U01GH000447-04	91,043	-	-	-	91,043
President and Fellows of Harvard College	93.067	HSPH-01 u/ 1U1GH000770	4,791	-	-	-	4,791
President and Fellows of Harvard College	93.067	HSPH-01 u/5UGGH000942-03	67,705	-	-	-	67,705
President and Fellows of Harvard College	93.895	5R01GM079330	24,322	-	-	-	24,322
Broad Institute, Inc.	93.172	5P50GH006193-05	170,058	239,516	-	-	409,574
Broad Institute, Inc.	93.172	5U54HG006991-03	-	300,203	-	-	300,203

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
 RESEARCH PASS-THROUGH
 CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Broad Institute, Inc.	93.172	U01HG006569	-	9,774	-	-	9,774
Case Western Reserve University	93.172	5R01HG00691-03	6,846	-	-	-	6,846
Dana Farber Cancer Institute	93.172	5 U01 HG006492-04	-	50,974	-	-	50,974
Dana Farber Cancer Institute	93.172	5P50HG004233-07	55,434	-	-	-	55,434
Dana Farber Cancer Institute	93.172	5U01HG006492-04	222,596	-	-	-	222,596
Fred Hutchinson Cancer Research Center	93.172	5U41HG004059-10	95,906	-	-	-	95,906
Griffin Laboratories	93.172	5R4ZD011212-03	-	210,599	-	-	210,599
Massachusetts Institute of Technology	93.172	1R01HG008363-01	3,570	-	-	-	3,570
Memorial Sloan-Kettering Institute Cancer Center	93.172	5U01HG007033-02	(86,499)	-	-	-	(86,499)
Mount Sinai School of Medicine	93.172	7U01HG007033-03	230,473	-	-	-	230,473
President and Fellows of Harvard College	93.172	1US4H0007963-01	-	635,033	-	-	635,033
President and Fellows of Harvard College	93.172	5P50HG005550-05	-	307,240	-	-	307,240
Regents of the University of California	93.172	5R01HG007063-02	29,435	-	-	-	29,435
Stanford University	93.172	5F01HG000205-25	-	106,693	-	-	106,693
American University of Beirut	93.889	1D43TW009118-01A1	16,360	-	-	-	16,360
Baylor College of Medicine	93.838	5R01HL110883-03	-	799	-	-	799
Baystate Medical Center	93.838	5U01HL122989-02	16,566	-	-	-	16,566
Beth Israel Deaconess Medical Center	93.838	5R01HL111430-03	258,629	-	-	-	258,629
Beth Israel Deaconess Medical Center	93.838	5U01HL123022-02	-	10,673	-	-	10,673
Boston University Medical Center	93.838	5R01HL108678-04	-	292,138	-	-	292,138
Boston University Medical Center	93.838	5R01HL111574-04	-	40,011	-	-	40,011
Brigham and Women's Hospital, Inc.	93.838	5P01HL108601-04	-	137,105	-	-	137,105
Children's Hospital of Boston	93.838	5U01HL086649-05	-	445	-	-	445
Columbia University	93.838	5R01HL086936-06	71,956	-	-	-	71,956
Cornell University	93.838	5P01HL114501-02	170,110	-	-	-	170,110
Cornell University	93.838	5P01HL114501-03	367,630	-	-	-	367,630
Cornell University Weill Medical College	93.838	5P01HL114501-03	635,637	-	-	-	635,637
Cornell University Weill Medical College	93.838	7R01HL060234-13	148,176	-	-	-	148,176
Dana Farber Cancer Institute	93.838	5R01HL111759-03	363,326	-	-	-	363,326
Duke University	93.838	9U1HL080413-05	2,398	-	-	-	2,398
Mayo Clinic	93.838	2R01HL092961-05A1	-	73,289	-	-	73,289
Mayo Clinic	93.838	5U01HL108712-03	67,215	4,805	-	-	72,020
MIRTECH INC	93.838	1R41HL117339-01	3,342	-	-	-	3,342
Mount Sinai School of Medicine	93.838	5R01HL089674-09	75,828	-	-	-	75,828
Mount Sinai School of Medicine	93.838	5R01HL114396-04	3,473	-	-	-	3,473
National Jewish Health	93.838	5R01HL089897-08	196,688	-	-	-	196,688
President and Fellows of Harvard College	93.838	1P01HL120838-01A1	555,047	-	-	-	555,047
President and Fellows of Harvard College	93.838	1R01HL121266-01	9,142	-	-	-	9,142
President and Fellows of Harvard College	93.838	5P01HL120839-02	-	154,576	-	-	154,576
President and Fellows of Harvard College	93.838	5R01HL060710-13	-	222,493	-	-	222,493
President and Fellows of Harvard College	93.838	5R01HL114769-02	81,376	-	-	-	81,376
Regents of the University of California	93.838	5U01HL108713-02	-	127,450	-	-	127,450
Regents of the University of Minnesota	93.838	U10HL074424	(7,950)	-	-	-	(7,950)
Rensselaer Polytechnic Institute	93.838	5R01HL119248-02	-	98,982	-	-	98,982
Seattle Children's Research Institute (CRO)	93.838	1R01HL085849	(4,490)	-	-	-	(4,490)
Trustees of Boston University	93.838	5R01HL116163-02	-	198,613	-	-	198,613
Trustees of Boston University	93.838	R01HL098437-04	101,971	-	-	-	101,971
University of Alabama	93.838	5R01HL116213-03	-	199,816	-	-	199,816
University of California at San Francisco	93.838	5U01HL108713-02	-	44,958	-	-	44,958
University of Michigan	93.838	5R01HL118017-02	-	10,284	-	-	10,284
University of Mississippi Medical Center	93.838	5R01HL110068-04	79,615	-	-	-	79,615
University of Pennsylvania	93.838	1R01HL097796-02	-	(623)	-	-	(623)
University of Rochester	93.838	1R01HL120909	49,108	-	-	-	49,108
University of Wisconsin - Madison	93.838	1R01HL119946-01A1	3,188	-	-	-	3,188
Educational Development Center, Inc.	93.110	UF4MC2625	128,133	-	-	-	128,133
Mount Sinai School of Medicine	93.110	5H30MC24048-03-00	-	2,053	-	-	2,053
National Coalition for Health Professional Education in Genetics, Inc.	93.110	1U22MC24100-03	-	(3,646)	-	-	(3,646)
National Coalition for Health Professional Education in Genetics, Inc.	93.110	UC7MC21713	-	(3,216)	-	-	(3,216)
Alturam Institute	93.994	HH52502006460281	-	(1,025)	-	-	(1,025)
Brigham and Women's Hospital, Inc.	93.879	5US4LM008749-10	-	(1,351)	-	-	(1,351)
Beth Israel Deaconess Medical Center	93.242	2R01MH048832-20A1	-	49,357	-	-	49,357
Beth Israel Deaconess Medical Center	93.242	2U01MH081928-06A1	198,961	42,403	-	-	241,364
Beth Israel Deaconess Medical Center	93.242	5R01MH092440-03	-	82,825	-	-	82,825
Beth Israel Deaconess Medical Center	93.242	5R01MH101062-02	24,495	-	-	-	24,495
Beth Israel Deaconess Medical Center	93.242	5U01MH081928-05	-	(6)	-	-	(6)
Boston University School of Medicine	93.242	1R21MH106796-01	-	6,993	-	-	6,993
Brigham and Women's Hospital, Inc.	93.242	1R01MH101244-02	-	119,331	-	-	119,331
Brigham and Women's Hospital, Inc.	93.242	5R01MH090291-05	-	96,302	-	-	96,302
Brigham and Women's Hospital, Inc.	93.242	5R01MH091448-05	-	15,350	-	-	15,350
Brigham and Women's Hospital, Inc.	93.242	5R01MH097979-03	-	1,990	-	-	1,990
Broad Institute, Inc.	93.242	1R01MH094699-01	-	70,767	-	-	70,767
Broad Institute, Inc.	93.242	1R01MH099064-01	-	3,799	-	-	3,799
Broad Institute, Inc.	93.242	1U01MH100229-01	-	98,440	-	-	98,440
Broad Institute, Inc.	93.242	1U01MH105669	-	19,549	-	-	19,549
Broad Institute, Inc.	93.242	5R01MH095089-04	-	94,478	-	-	94,478
Broad Institute, Inc.	93.242	R01MH105500-01	-	6,377	42,536	-	48,913
Brown University	93.242	1R01MH106174-01	-	70,610	-	-	70,610
Brown University	93.242	1R34MH097820-01A1	-	-	-	-	-
Butler Hospital	93.242	5P50MH086400-05	-	63,705	-	-	63,705
Butler Hospital	93.242	5U01MH076179-05	-	47,695	-	-	47,695
Children's Hospital of Boston	93.242	5R01MH07829-17	-	31,322	-	-	31,322
Children's Hospital of Boston	93.242	5R01MH087786-05	17,762	-	(9,069)	-	8,693
Children's Memorial Hospital (Illinois)	93.242	5R01MH094933-05	-	45,981	-	-	45,981
Columbia University	93.242	1R01 MH09322-01A1	-	-	-	-	-
Columbia University	93.242	1R01MH101269-01A1	194,462	-	-	-	194,462

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Columbia University	93.242	1R21MH102570 - 01A1	116,485	-	-	-	116,485
Fenway Community Health Center	93.242	5R01MH094323	-	680	-	-	680
Fenway Community Health Center	93.242	5R3MH095584	-	12,983	-	-	12,983
Fenway Community Health Center	93.242	5UM1A1069412-08	-	5,692	-	-	5,692
FHC	93.242	1R43MH107037-01A1	-	13,629	-	-	13,629
Florida International University	93.242	5R21MH103054-02	16,975	-	-	-	16,975
Harvard School of Public Health	93.242	5R01MH087344-05	-	2,438	-	-	2,438
Henry M Jackson Foundation	93.242	5U01MH087981	-	79,640	-	-	79,640
Johns Hopkins University	93.242	5R01MH104553-02	-	94,059	-	-	94,059
Johns Hopkins University	93.242	7UM1A1068632-07	-	8	74,479	-	74,487
King's College London	93.242	5R01MH100470-02	29,578	-	20,263	-	49,841
Massachusetts General Hospital	93.242	1R01MH097964-04	-	-	-	-	-
Massachusetts General Hospital	93.242	1R01MH100350-02	-	-	23,101	-	23,101
Massachusetts General Hospital	93.242	2Z3505	-	-	-	-	-
Massachusetts General Hospital	93.242	5R01MH054907-20	4,395	-	-	-	4,395
Massachusetts General Hospital	93.242	5R01MH090326-05	39,393	-	-	-	39,393
Massachusetts General Hospital	93.242	5R01MH092380-03	43,335	-	57,269	-	100,604
Massachusetts General Hospital	93.242	7R01MH095792-03	-	-	-	-	-
Massachusetts Institute of Technology	93.242	1R01MN091115-04	-	38,110	-	-	38,110
McLean Hospital Corporation	93.242	1R01MH104560-02	-	147,707	-	-	147,707
McLean Hospital Corporation	93.242	5R01MH088376-11	-	21,035	-	-	21,035
McLean Hospital Corporation	93.242	5R01MH095809-03	-	88,304	-	-	88,304
McLean Hospital Corporation	93.242	5R01MH101521-03	-	165,849	-	-	165,849
McLean Hospital Corporation	93.242	5R21MH096107-02	-	28,259	-	-	28,259
Mount Sinai School of Medicine	93.242	5P50MH096890-04	-	65,921	-	-	65,921
Mount Sinai School of Medicine	93.242	5R01MH07315-05	-	-	-	-	(27,014)
New York University School of Medicine	93.242	7R01MH084900-04	-	2,314	-	-	2,314
NorthShore University HealthSystem Research	93.242	5R01MH094091-03	-	(14,818)	-	-	(14,818)
President and Fellows of Harvard College	93.242	1DP2MH103909-01	-	31,925	-	-	31,925
President and Fellows of Harvard College	93.242	1P50MH100933-02	-	1,304,552	-	-	1,304,552
President and Fellows of Harvard College	93.242	5R01MH081862-06	-	44,522	-	-	44,522
President and Fellows of Harvard College	93.242	5R01MH087328-02	-	(2,455)	-	-	(2,455)
President and Fellows of Harvard College	93.242	5R01MH100216-02	308,998	-	-	-	308,998
PsychGenics, Inc.	93.242	9PC004	-	(115)	-	-	(115)
Regents of the University of California	93.242	5R01MH091221-03	-	(2,035)	-	-	(2,035)
Regents of the University of California	93.242	5R24MH106096-02	-	118,080	-	-	118,080
Regents of the University of California	93.242	R01MH096767	-	324,730	91,824	-	416,554
Research Foundation for Mental Hygiene, Inc.	93.242	7R01MH1099322-03	-	-	-	-	-
Rush University Medical Center	93.242	7R01MH081130-06	-	(94)	-	-	(94)
San Diego State University	93.242	1R21MH103603-01	-	34,404	193,499	-	227,903
Superconducting Systems, Inc.	93.242	6R44MH097272-04	-	123,975	156,619	-	280,594
Torrey Pines Institute for Molecular Studies	93.242	1R01MH085607-01A2	-	-	-	-	-
University of California at Davis	93.242	1R01MH100030-02	-	-	-	-	-
University of California at Los Angeles	93.242	1R34MH104072-01	-	40,659	-	-	40,659
University of Maryland	93.242	5R01MH086356-05	11,657	-	-	-	11,657
University Of Massachusetts	93.242	5U01MH088278-05	-	65,981	-	-	65,981
University of Minnesota	93.242	5R24MH105998-02	-	16,315	-	-	16,315
University of Pennsylvania	93.242	5R01MH092862-05	114,043	-	-	-	114,043
University of Pittsburgh	93.242	1R01MH093246-02	-	79,822	-	-	79,822
University of Puerto Rico	93.242	5R01MH081975-05	-	(1,121)	-	-	(1,121)
University of Rochester	93.242	1P50MH086400-05	-	112,665	-	-	112,665
University of Rochester	93.242	R01MH045573-24	-	170,899	(32,294)	-	138,605
University of Texas at Austin	93.242	1R01MH104562-01	-	122,690	-	-	122,690
University of Texas Southwestern Medical Center	93.242	5U01MH092221-03	-	(52,340)	-	-	(52,340)
University of Texas Southwestern Medical Center	93.242	5U01MH092221-04	-	253,685	4,602	-	258,287
University of Texas Southwestern Medical Center	93.242	N01MH090023	-	6,222	-	-	6,222
University of Texas Southwestern Medical Center	93.242	U01MH092221-04	-	-	57,784	-	57,784
University of Washington	93.242	5R01MH095507-04	-	14,601	-	-	14,601
University of Wisconsin - Madison	93.242	5R01MH097464-03	-	-	-	-	-
Yale University	93.242	5R01MH105203-02	-	426,331	-	-	426,331
Case Western Reserve University	93.307	5R21MD007632-02	8,839	-	-	-	8,839
Environment and Health Group, Inc.	93.307	R43MD009454-02	-	17,821	-	-	17,821
Fenway Community Health Center	93.307	5R24MD008073-03	-	-	9,329	-	9,329
Mount Sinai School of Medicine	93.307	5R01MH096846-06	58,183	-	-	-	58,183
President and Fellows of Harvard College	93.307	5R01MD006230-03	-	14,835	-	-	14,835
EXCMR	93.350	9R24TR000473-02	-	7,195	-	(92)	7,103
Harvard Catalyst - The Harvard Clinical and Translational Science Center	93.350	3UL1TR001086-02S2	50,026	-	-	-	50,026
Harvard Catalyst - The Harvard Clinical and Translational Science Center	93.350	8KL2TR001100-02	-	-	-	-	-
President and Fellows of Harvard College	93.350	1UL1TR001102-01	-	98,624	-	-	98,624
President and Fellows of Harvard College	93.350	1UL1TR001102-02	-	6,790,253	-	-	6,790,253
President and Fellows of Harvard College	93.350	5UL1TR001102-02	-	226,714	-	-	226,714
President and Fellows of Harvard College	93.350	5UL1TR001102-03	829,726	-	5,384,202	-	6,213,928
President and Fellows of Harvard College	93.350	8KL2TR000168-05	-	8,438	-	-	8,438
President and Fellows of Harvard College	93.350	8UL1TR000170-05	31,004	-	512	-	31,516
University of Pittsburgh	93.350	5UH3TR000503-09S1	-	(3,716)	-	-	(3,716)
University of Pittsburgh	93.350	3UL1TR000005-09S1	-	325,376	-	-	325,376
University of Pittsburgh	93.350	4UH3TR000503-03	-	676,153	-	-	676,153
University of Pittsburgh	93.350	5UH3TR000503-02	-	(130,750)	-	-	(130,750)
American College of Radiology	93.389	U10CA021661	-	30,624	-	-	30,624
Brigham and Women's Hospital, Inc.	93.389	2P41R019703-10	-	56,781	-	-	56,781
Brown University	93.389	5R01GM098461-05	-	84,051	-	-	84,051
Massachusetts General Hospital	93.389	U10CA021661	(13,413)	-	-	-	(13,413)
Massachusetts Institute of Technology	93.389	5R01MD001141-03	55,317	-	-	-	55,317
President and Fellows of Harvard College	93.389	1UL1RR025758-01	-	(92,873)	-	-	(92,873)
President and Fellows of Harvard College	93.389	3UL1TR000170-05S1	(53,871)	-	-	-	(53,871)
President and Fellows of Harvard College	93.389	5UL1RR025758-02	-	(26,136)	-	-	(26,136)

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER RESEARCH PASS-THROUGH CFDA Agency	CFDA Program	Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
National Center on Sleep Disorders Research		President and Fellows of Harvard College	93.389	8UL1TR000170-05	(351)	-	-	-	(351)
		Technest, Inc.	93.389	2R44RR020245-02A2	22,904	-	-	-	22,904
National Institutes of Health Contracts		Beth Israel Deaconess Medical Center	93.233	01027616	-	2,646	-	-	2,646
		Beth Israel Deaconess Medical Center	93.233	5P01HL095491-06	172,397	-	-	-	172,397
		Beth Israel Deaconess Medical Center	93.233	5P01HL095491-05	119,303	-	-	-	119,303
		Beth Israel Deaconess Medical Center	93.233	5R01HL110350-04	237,702	-	-	-	237,702
		California Pacific Medical Center	93.233	5R01HL071194-11	4,801	-	-	-	4,801
		Advanced MRI Technologies LLC	93	4R44NS064788	-	2,859	-	-	2,859
		Arsenal Medical, Inc.	93	A206608	-	-	(10,150)	-	(10,150)
		Arsenal Medical, Inc.	93	W911NF-12-C-0066	-	-	(164,552)	-	(164,552)
		Bastelle Memorial Institute	93	SP0700-00-D-3180D0 0783	99,496	-	-	-	99,496
		Beth Israel Deaconess Medical Center	93	HHS2A2902006000221	-	47	-	-	47
		Boston University	93	83457702	7,690	-	-	-	7,690
		Boston University	93	N01-HC-25195	131,691	-	-	-	131,691
		Brigham and Women's Hospital, Inc.	93	U10	-	749	-	-	749
		Broad Institute, Inc.	93	268201000029C-4-0-2	-	27,863	-	-	27,863
		Broad Institute, Inc.	93	HHSN26620040001C	(7,039)	-	-	-	(7,039)
		Case Western Reserve University	93	HHSN275201100019C	-	(6,225)	-	-	(6,225)
		Charles River Analytics, Inc.	93	2014-13121700006	-	226,414	-	-	226,414
		Children's Hospital of Boston	93	HHSN272201400052C	62,028	-	-	-	62,028
		Collagen Medical, LLC	93	HHSN268201400044c	-	92	-	-	92
		DoBox, Inc.	93	W81XWH-13-C-0107	-	771,287	-	-	771,287
EMMES Corporation	93	HHSN263201300005C	70,351	-	-	-	70,351		
Fenway Community Health Center	93	R34MH104083	-	1,672	-	-	1,672		
Global Health Services Corps	93	-	-	546,825	-	-	546,825		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301007T-000	-	3,473	-	-	3,473		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301007T-008	130,492	-	-	-	130,492		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301008T-001	360,608	-	-	-	360,608		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301008T-15	3,202	-	-	-	3,202		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301009T-012	7,258	-	-	-	7,258		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301012T-000	18,137	-	-	-	18,137		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301016T	117,630	-	-	-	117,630		
Harvard Pilgrim Health Care	93	HHSF223200910006I/HHSF22301012T-004	13,282	-	-	-	13,282		
Harvard School of Public Health	93	5U90TP000417-95	-	13,330	-	-	13,330		
John Snow, Inc.	93	-	-	12,787	-	-	12,787		
Johns Hopkins School of Public Health	93	-	-	183	-	-	183		
Johns Hopkins University	93	HHSN268200736197C	41,490	-	-	-	41,490		
Laidos Biomedical Research Inc	93	HHSN261200800001E	45,409	446,429	-	-	491,838		
Massachusetts General Hospital	93	HHSN268201000033C/N01-HV-00241	645,176	-	-	-	645,176		
Massachusetts General Hospital	93	HHSN268201000044C	77,744	-	-	-	77,744		
Mayo Clinic	93	HHSN261201200042I	-	34,383	-	-	34,383		
Mayo Clinic	93	HHSN261201200042I	-	968	-	-	968		
Mount Sinai Hospital	93	HHSN268201000045C	434,721	-	-	-	434,721		
Nanofiber Solutions, LLC	93	-	-	(722)	-	-	(722)		
National Association of State Mental Health Program Directors	93	HHS2832012000211	-	2,000	-	-	2,000		
National Opinion Research Center	93	HHSN275201200004I	-	91,006	-	-	91,006		
New England Research Institute, Inc.	93	HHSN268200425207C	91,593	-	-	-	91,593		
Northeastern University	93	HSHQDC-10-D-00030	-	1,199	-	-	1,199		
Northeastern University	93	HSHQDC-10-D-00030	-	1,434	-	-	1,434		
Physical Sciences, Inc.	93	HHSN268201400066C	37,984	-	-	-	37,984		
Physical Sciences, Inc.	93	W81XWH-12-C-0075	-	110,004	-	-	110,004		
Polestar Technologies, Inc.	93	W81XWH-10-C-0039	-	(12,909)	-	-	(12,909)		
PPD Development, LLC	93	HHSN261201100105C	3,712	-	-	-	3,712		
President and Fellows of Harvard College	93	027270.387214.0221	-	336	-	-	336		
President and Fellows of Harvard College	93	150123.5065855.0007	(206)	-	-	-	(206)		
President and Fellows of Harvard College	93	HHSN275201000020C	216,659	-	-	-	216,659		
Radiological Society of North America	93	HHSN268201300071C	-	51,573	-	-	51,573		
Radiological Society of North America	93	HHSN268201300071C	-	43,912	-	-	43,912		
Regents of the University of California	93	HHSN271201200005-1	(53,999)	-	-	-	(53,999)		
Regents of the University of California	93	N01-AJ-15416	(2,656)	9,144	-	-	6,488		
Reimers Systems, Inc.	93	N00014-11-C-0424	-	(45,214)	-	-	(45,214)		
SAIC-Frederick, Inc.	93	HHSN261200800001E	647,561	237	-	-	647,798		
SensPath Technologies Inc	93	HHSN261201200093C	-	97,956	-	-	97,956		
Siamat Therapeutics	93	HHSN261201400027C	-	22,775	-	-	22,775		
Social and Scientific Systems, Inc.	93	HHSN261200800001E	37,825	90,271	-	-	128,196		
Social and Scientific Systems, Inc.	93	HHSN272200900001/2/3/, HHSN27200001	2,249	-	-	-	2,249		
University of Alabama	93	HHSN268201100025C	78,225	-	-	-	78,225		
University of Buffalo	93	HHSN268201100001C	219,660	-	-	-	219,660		
University of California at San Francisco	93	N01A115416	-	34,617	-	-	34,617		
University of Cincinnati	93	HHSF223201110112A	51,062	-	-	-	51,062		
University of Florida	93	HHSN268200900020C	5,139	-	-	-	5,139		
University of Texas, MD Anderson Cancer Center	93	HHSN261201200034I 02	1,100	-	-	-	1,100		
University of Utah	93	W911NF-15-2-0046	29,003	-	-	-	29,003		
Westat, Inc.	93	HHS2002013DM53968B	9,850	-	-	-	9,850		
Trustees of Boston University	93.143	6P42E0007381-19	51,256	-	-	-	51,256		
Boston College	93.359	5UDY7P25059-03-00	354,254	-	-	-	354,254		
Massachusetts General Hospital	93.359	1D11HP18974-01-00	(9,372)	-	-	-	(9,372)		
Boston College	93.361	1R1NR013274-02	47,462	-	-	-	47,462		
Penn State University College of Medicine	93.361	5R01NR012757-03	153,092	-	-	-	153,092		
President and Fellows of Harvard College	93.361	5R01NR013945-03	40,501	-	-	-	40,501		
California Pacific Medical Center	93.262	5R21OH010204-02	111,832	-	-	-	111,832		
Harvard School of Public Health	93.262	5U19OH008861-07	-	(135)	-	-	(135)		
Harvard School of Public Health	93.262	5U19OH008861-08	-	143,577	-	-	143,577		
Northeastern University	93.262	5R21OH010564-02	13,240	-	-	-	13,240		
President and Fellows of Harvard College	93.262	5R01OH002421-21	75,528	-	-	-	75,528		
President and Fellows of Harvard College	93.262	5T42OH008416-10	2,580	-	-	-	2,580		

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
RESEARCH PASS-THROUGH
CFDA Agency CFDA Program

CFDA #	Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
	Brigham and Women's Hospital, Inc.	93.121	5U01DE024443-02	-	260,171	-	-	260,171
	Carolinas HealthCare System	93.121	1R01DE023375-01A1	25,766	-	-	-	25,766
	Carolinas HealthCare System	93.121	5U01DE022399-04	172,822	-	-	-	172,822
	Forsyth Institute, The	93.121	1R01DE024468-01	-	131,701	-	-	131,701
	Massachusetts Institute of Technology	93.121	5R01DE013023-15	-	133,916	-	-	133,916
	President and Fellows of Harvard College	93.121	5R01DE013349-13S1	81,381	-	-	-	81,381
	Stanford University	93.121	5R01DE021468-05	159,380	-	-	-	159,380
	University of Washington - Seattle	93.121	5U01DE017019-10	24,274	-	-	-	24,274
	Partners in Health	93.738	1U58DP005874-1	137,984	-	-	-	137,984
	President and Fellows of Harvard College	93.084	1U38P800464-01	-	165,673	-	91,199	256,872
	Harvard Clinical Research Institute (HCRI)	93.715	1R01HS019408-01	4,795	-	-	-	4,795
	University of Washington - Seattle	93.715	1R01HS019222-01	2,790	-	-	-	2,790
	Ayer and Kuris Research Engineering, Inc	93.213	1R43AT006489-01	-	-	-	-	-
	Beth Israel Deaconess Medical Center	93.213	5R01AT005436-05	59,209	-	-	-	59,209
	Beth Israel Deaconess Medical Center	93.213	5R01AT006358-04	94,334	-	132,843	-	227,177
	Boston University	93.213	5R01AT007257-03	70,128	-	-	58	70,186
	Boston University	93.213	5R01AT007483-03	-	-	-	-	-
	Highland Instruments	93.213	1R44AT008637	-	-	-	-	-
	Massachusetts General Hospital	93.213	5P01AT006663-05	118,492	-	-	-	118,492
	Massachusetts General Hospital	93.213	5R01AT005280-05	67,626	-	-	-	67,626
	Massachusetts General Hospital	93.213	5R01AT006464-05	77,044	-	-	-	77,044
	Massachusetts General Hospital	93.213	5U01AT000613-07	-	140,156	-	-	140,156
	Massachusetts General Hospital	93.213	5U01AT000613-11	2,133	-	-	-	2,133
	Miriam Hospital (The)	93.213	1R34AT007569-03	44,664	-	-	-	44,664
	University of Maryland at Baltimore	93.213	5R34AT006945-03	-	(3)	-	-	(3)
	University of Michigan	93.213	1R01AT007550-02	-	188,044	-	-	188,044
	Wake Forest University	93.213	5P50AT002782-10	267,596	-	-	-	267,596
	Wake Forest University Health Sciences	93.213	1R50AT002782	19,983	-	-	-	19,983
	Albert Einstein College of Medicine of Yeshiva University	93.226	1R21HS023704-01	22,951	-	-	-	22,951
	Children's Hospital of Boston	93.226	1R18HS023291-01	64,070	-	-	-	64,070
	Children's Hospital of Boston	93.226	5U18HS020513-02	-	957	-	-	957
	Duke University	93.226	1P50HS023416-01	151,007	-	-	-	151,007
	Florida State University College of Medicine	93.226	1R01HS018694	(1,920)	-	-	-	(1,920)
	Harvard Clinical Research Institute (HCRI)	93.226	1R01HS022966-01	225,282	-	-	-	225,282
	Harvard Pilgrim Health Care	93.226	2R01HS018414-06	4,356	-	-	-	4,356
	Harvard Pilgrim Health Care	93.226	5R18HS021424-04	121,073	-	(4,325)	-	116,748
	Harvard School of Public Health	93.226	5R18HS019631-03	18,874	-	-	-	18,874
	Northwestern University	93.226	U19HS021093	10,053	-	-	-	10,053
	President and Fellows of Harvard College	93.226	5R01HS018533-05	(32,369)	-	-	(123)	(32,492)
	Regents of the University of Michigan	93.226	1R01HS020644-01	-	(4,325)	-	-	(4,325)
	Society of Hospital Medicine	93.226	5R18HS019598-03	(3,694)	-	-	-	(3,694)
	Trustees of Dartmouth College	93.226	1R01HS018459-01	-	-	-	-	-
	University of North Carolina, Chapel Hill	93.226	5R18HS020451-03	-	(531)	-	-	(531)
	University of Oklahoma Health Sciences Center	93.226	1R18HS023919-01	50,939	-	-	-	50,939
	University of Washington	93.226	5R01HS020297-01	22,066	-	-	87,742	109,808
	Vanderbilt University	93.226	5R18HS020415-03	-	10,006	-	-	10,006
	Yale University	93.226	5U18HS016978-08	-	171,006	-	-	171,006
	Arizona State University	93.173	14-362	-	-	-	-	-
	Boston University	93.173	5P50DC013027-03	-	222,460	-	-	222,460
	Boston University	93.173	5U19DC003610-11	-	(12,759)	-	-	(12,759)
	Duke University	93.173	1U24DC012206-01A1	1,857	-	-	58,677	60,534
	Mass Eye and Ear Institute	93.173	1R01DC014924-01	4,331	-	-	-	4,331
	Mass Eye and Ear Institute	93.173	5R01DC001949-31	-	44,327	-	-	44,327
	Massachusetts Institute of Technology	93.173	1R01DC011339-01A1	-	-	-	-	-
	MGH Institute of Health Professions	93.173	1R01DC013547-02	-	15,594	-	-	15,594
	Northwestern University	93.173	5P50DC012283-03	-	371,967	-	-	371,967
	Physical Sciences, Inc.	93.173	1R4DC0113743-01	-	38,957	-	-	38,957
	Regents of the University of California	93.173	2R01DC035423-19A1	-	(1,419)	-	-	(1,419)
	Stanford University	93.173	1R01DC014034-01A1	-	31,344	-	-	31,344
	Trustees of Boston University	93.173	5R01DC002852-19	-	31,461	-	1,980	33,441
	University of Colorado	93.999	5U01CA151716-04	118,239	-	-	-	118,239
	American College of Radiology Imaging Network (ACRIN)	93.701	5U10CA080098-14	-	12,645	-	-	12,645
	Brigham and Women's Hospital, Inc.	93.701	U01NS062835	-	-	-	-	-
	EMMES Corporation	93.701	1U01NS026835-01A1	-	652	-	-	652
	Tufts University	93.701	1RCZE5018822-01	-	(2,978)	-	-	(2,978)
	University of Pennsylvania	93.701	1RCA4A039114-01	(974)	-	-	-	(974)
	University of Pittsburgh	93.701	1RC1HL102429-01	(4,614)	-	-	-	(4,614)
	University of Southern California	93.701	1RCAAG039115-01	(19,528)	-	-	-	(19,528)
	Beth Israel Deaconess Medical Center	93.310	5UJHZTR000901-02	122,235	10,296	-	-	132,531
	Brigham and Women's Hospital, Inc.	93.310	5U01HG007690-02	-	101,189	-	-	101,189
	Broad Institute, Inc.	93.310	2U54DK102557-02	-	230,279	-	-	230,279
	Broad Institute, Inc.	93.310	3R01MH101820-02S1	-	2,283	-	-	2,283
	Broad Institute, Inc.	93.310	R01DK032405	-	18,761	-	-	18,761
	Broad Institute, Inc.	93.310	U19A089992	-	1,296	-	-	1,296
	Broad Institute, Inc.	93.310	U54DK023789	-	18,761	-	-	18,761
	Dana Farber Cancer Institute	93.310	3R01HL111759-02S1	32,046	-	-	-	32,046
	Duke University Medical Center	93.310	5R01NS067686-06	501	-	-	-	501
	Massachusetts Institute of Technology	93.310	5R01CA110448-04	-	253,016	-	-	253,016
	President and Fellows of Harvard College	93.310	5DP1EB016985-03	-	23,580	-	-	23,580
	President and Fellows of Harvard College	93.310	5U54HG006097-03S1	-	(828)	-	-	(828)
	Regents of the University of California	93.310	5UJHZTR000931-02	-	37,266	-	-	37,266
	University of Massachusetts at Worcester	93.310	5UJHZTR000888-02	-	37,926	-	-	37,926
	Massachusetts Eye and Ear Infirmary	93.867	2R01EY015473-11	425,662	-	-	-	425,662

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER RESEARCH PASS-THROUGH CFDA Agency		CFDA Program	Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
			Massachusetts Eye and Ear Infirmary	93.867	5R01EY020928-04	169,126	-	-	-	169,126
			Northeastern University	93.867	5P30EY002821-38	-	50,741	-	-	50,741
			Tufts University	93.867	5R01EY021820-02	345,718	-	-	-	345,718
			University of Utah	93.867	R01EY022863	316,473	-	-	-	316,473
		Department of Health and Human Services				<u>61,661,729</u>	<u>72,815,598</u>	<u>1,565,526</u>	<u>1,394,055</u>	<u>137,436,908</u>
		Department of Homeland Security								
		Assistance to Firefighters Grant	Cambridge Health Alliance, PSC	97.044	EMW-2011-FP-00663	59,756	-	-	-	59,756
		Centers for Homeland Security	Northeastern University	97.061	2008-ST-061-ED0001	-	(90,467)	-	-	(90,467)
			Northeastern University	97.061	2013-ST-061-ED0001	-	38,155	-	-	38,155
			Northeastern University	97.061	COE-2008-ST-061ED-0001	-	(5,117)	-	-	(5,117)
			Northeastern University	97.061	HSHQDC-10-D-00030	-	56,038	-	-	56,038
			Northeastern University	97.061		-	(568)	-	-	(568)
		Department of Homeland Security				<u>59,756</u>	<u>(1,959)</u>	<u>-</u>	<u>-</u>	<u>57,797</u>
		Department of Veterans Affairs								
		VA Boston Healthcare System	Boston Veterans Affairs Medical Center	93.M		-	-	-	18,401	18,401
		Department of Veterans Affairs				<u>-</u>	<u>-</u>	<u>-</u>	<u>18,401</u>	<u>18,401</u>
		Environmental Protection Agency								
		Science To Achieve Results (STAR) Research Program	Trustees of Dartmouth College	66.509	RD-83544201	59,755	-	-	-	59,755
		Environmental Protection Agency	University of Illinois at Urbana Champaign	66.509	83543401	50,863	-	-	-	50,863
						<u>110,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,618</u>
		National Aeronautics and Space Administration								
		Aerospace Education Services Program	Massachusetts Institute of Technology	43.001	NNX08AX15G	-	(114)	-	-	(114)
			Massachusetts Institute of Technology	43.001	NNX15AF85G	-	17,542	-	-	17,542
			National Space Biomedical Research Institute (NSBRI)	43.001	SMST0201	-	(14,418)	-	-	(14,418)
		Exploration	Thomas Jefferson University	43.003	NNX15AC14G	25,182	-	-	-	25,182
		Technology Transfer	National Space Biomedical Research Institute (NSBRI)	43.002	HFP02701	68,756	-	-	-	68,756
			National Space Biomedical Research Institute (NSBRI)	43.002	HFP02801	301,352	-	-	-	301,352
			National Space Biomedical Research Institute (NSBRI)	43.002	HFP02802	237,061	-	-	-	237,061
			National Space Biomedical Research Institute (NSBRI)	43.002	NCC9-58	-	19,600	-	-	19,600
			National Space Biomedical Research Institute (NSBRI)	43.002	SMST02701	-	70,100	-	-	70,100
			National Space Biomedical Research Institute (NSBRI)	43.002	SMST02801	-	477,752	-	-	477,752
		National Aeronautics and Space Administration				<u>632,351</u>	<u>570,462</u>	<u>-</u>	<u>-</u>	<u>1,202,813</u>
		National Science Foundation								
		Biological Sciences	Duke University	47.074	IOS-929226	-	28,532	-	-	28,532
			Lehigh University	47.074	1455613	-	9,421	-	-	9,421
		Computer and Information Science and Engineering	Fred Hutchinson Cancer Research Center	47.070	IIS-1247813	133,237	-	-	-	133,237
			University of Pennsylvania	47.070	CNS-1035712	-	144,070	-	-	144,070
		Engineering Grants	Argosy Omnimedia, Inc.	47.041	1416946	-	88,229	-	-	88,229
			Lumicell Diagnostics, Inc.	47.041	1152489	59,494	-	-	-	59,494
			Lumicell Diagnostics, Inc.	47.041	1152489 (A221225)	-	18,966	-	-	18,966
			Massachusetts Institute of Technology	47.041	CBET-0939511	(15,499)	-	-	-	(15,499)
			Remedium Technologies, Inc.	47.041	IIP-1256477	-	7,390	-	-	7,390
		Mathematical and Physical Sciences	Research Foundation of State University of New York	47.041	CBET-1264440	-	116,861	-	-	116,861
			Children's Hospital of Boston	47.049	PHY-1261071	-	1,439	-	-	1,439
			Trustees of Boston University	47.049	DMS-1042134	-	78,291	-	-	78,291
		Social, Behavioral, and Economic Sciences	Trustees of Boston University	47.075	SMA-0835976	146,023	-	-	-	146,023
		National Science Foundation				<u>323,255</u>	<u>493,199</u>	<u>-</u>	<u>-</u>	<u>816,454</u>
		Total Research and Development Pass-Through				\$ 66,134,666	\$ 76,033,749	\$ 1,565,526	\$ 3,207,780	\$ 146,941,721

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER
DIRECT TRAINING

CFDA Agency	CFDA Program	CFDA #	BWH	MGH	McLean	Other	Total
Department Of Defense							
	Military Medical Research and Development	12.420	\$ 192,999	\$ 1,280,819	\$ -	\$ -	\$ 1,473,818
	Department Of Defense		192,999	1,280,819	-	-	1,473,818
Department of Energy							
	Office of Science Financial Assistance Program	81.049	-	577,923	-	-	577,923
	Department of Energy		-	577,923	-	-	577,923
Department of Health and Human Services							
	Aging Research	93.866	741,962	691,952	-	-	1,433,914
	Alcohol Research Programs	93.273	-	317,651	114,590	-	432,241
	Allergy, Immunology and Transplantation Research	93.855	2,338,706	3,078,653	-	-	5,417,359
	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	2,646,341	860,895	-	-	3,507,236
	Biomedical Research and Research Training	93.859	881,238	653,308	-	-	1,534,546
	Blood Diseases and Resources Research	93.839	492,337	-	-	-	492,337
	Cancer Cause and Prevention Research	93.393	-	1,167,865	-	-	1,167,865
	Cancer Research Manpower	93.398	1,492,982	4,555,425	-	-	6,048,407
	Cardiovascular Diseases Research	93.837	5,821,991	2,530,552	-	-	8,352,543
	Career Development Awards	93.277	-	154,793	-	-	154,793
	Child Health and Human Development Extramural Research	93.865	1,178,130	1,501,090	51,578	295,807	3,026,605
	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	3,704,403	6,411,668	-	-	10,116,071
	Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	306,683	1,074,579	-	-	1,381,262
	Drug Abuse and Addiction Research Programs	93.279	-	1,221,826	1,684,584	-	2,906,410
	Environmental Health	93.113	-	416,635	-	-	416,635
	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	698,047	4,772,468	-	-	5,470,515
	Human Genome Research	93.172	87,077	-	-	-	87,077
	International Research and Research Training	93.989	361,134	311,081	-	-	672,215
	Lung Diseases Research	93.838	1,929,727	726,785	-	-	2,656,512
	Medical Library Assistance	93.879	-	53,105	-	-	53,105
	Mental Health National Research Service Awards for Research Training	93.282	-	-	56,576	-	56,576
	Mental Health Research Career/Scientist Development Awards	93.281	-	(12,095)	-	-	(12,095)
	Mental Health Research Grants	93.242	729,814	4,080,604	1,404,684	-	6,215,102
	National Center on Sleep Disorders Research	93.233	211,699	-	-	-	211,699
	National Research Service Award in Primary Care Medicine	93.186	363,627	-	-	-	363,627
	National Research Service Awards Health Services Research Training	93.225	45,844	-	-	-	45,844
	Oral Diseases and Disorders Research	93.121	-	109,718	-	-	109,718
	Research and Training in Complementary and Alternative Medicine	93.213	(9,679)	432,073	-	-	422,394
	Research on Healthcare Costs, Quality and Outcomes	93.226	261,645	20,123	-	-	281,768
	Research Related to Deafness and Communication Disorders	93.173	35,806	-	-	29,520	65,326
	Trans - NIH Research Support	93.310	124,110	136,889	-	-	260,999
	Vision Research	93.867	(524)	-	-	-	(524)
	Department of Health and Human Services		24,443,100	35,267,643	3,312,012	325,327	63,348,082
National Science Foundation							
	Social, Behavioral, and Economic Sciences	47.075	-	19,155	-	-	19,155
	National Science Foundation		-	19,155	-	-	19,155
Total Direct Training			\$ 24,636,099	\$ 37,145,540	\$ 3,312,012	\$ 325,327	\$ 65,418,978

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates Schedule of Expenditures of Federal Awards Year Ended September 30, 2015

RESEARCH AND DEVELOPMENT AND RESEARCH TRAINING CLUSTER TRAINING PASS-THROUGH CFDA Agency		CFDA Program	Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Department of Health and Human Services										
	Aging Research		Beth Israel Deaconess Medical Center	93.866	5T32AG23480-10	\$ 45,432	\$ -	\$ -	\$ -	45,432
			Boston University	93.866	5T32AG000277-10	-	(4,841)	-	-	(4,841)
			Harvard Medical School	93.866	5T32AG000222-23	-	62,831	-	-	62,831
			President and Fellows of Harvard College	93.866	2T32AG000222-21	-	(533)	-	-	(533)
			President and Fellows of Harvard College	93.866	2T32AG000222-23	-	24,388	-	-	24,388
			President and Fellows of Harvard College	93.866	2T32AG000222-22	15,364	-	-	-	15,364
			President and Fellows of Harvard College	93.866	5K01AT004916-05	-	-	-	(110)	(110)
			President and Fellows of Harvard College	93.866	5T32AG000222-22	20,682	-	-	-	20,682
			President and Fellows of Harvard College	93.866	5T32AG000222-23	37,612	-	-	-	37,612
	Allergy, Immunology and Transplantation Research		Harvard Medical School	93.855	5T32AI007245-30	-	(8)	-	-	(8)
			President and Fellows of Harvard College	93.855	2P30AI060354-11	-	3,916	-	-	3,916
			President and Fellows of Harvard College	93.855	5P30AI060354-10	-	(1,276)	-	-	(1,276)
			President and Fellows of Harvard College	93.855	5T32AI007245-30	(4,763)	-	-	-	(4,763)
			President and Fellows of Harvard College	93.855	5T32AI007433-21	-	(322)	-	-	(322)
			President and Fellows of Harvard College	93.855	5T32AI007433-22	-	86,420	-	-	86,420
			President and Fellows of Harvard College	93.855	5T32AI007433-23	-	26,592	-	-	26,592
			President and Fellows of Harvard College	93.855	5T32AI007433-24	61,438	58,131	-	-	119,569
	Blood Diseases and Resources Research		Children's Hospital of Boston	93.839	5T32HL066987-14	43,906	55,185	-	-	99,091
	Cancer Cause and Prevention Research		Beth Israel Deaconess Medical Center	93.393	5K23CA139005-05	-	(745)	-	-	(745)
	Cancer Centers Support Grants		Dana Farber Cancer Institute	93.397	5P50CA090381-10	(6,431)	-	-	-	(6,431)
			SARC	93.397	5U54CA168512-01	83,636	-	-	-	83,636
	Cancer Research Manpower		Dana Farber Cancer Institute	93.398	5T32CA009361-32	53,424	-	-	-	53,424
			President and Fellows of Harvard College	93.398	5T32CA009001-38	3,809	-	-	-	3,809
			President and Fellows of Harvard College	93.398	5T32CA009001-39	53,404	-	-	-	53,404
	Cardiovascular Diseases Research		Beth Israel Deaconess Medical Center	93.837	2T32HL007734-21A1	-	35,433	-	-	35,433
			Beth Israel Deaconess Medical Center	93.837	5K23HL114963-02	-	19,483	-	-	19,483
			Beth Israel Deaconess Medical Center	93.837	5T32HL007893-17	-	13,287	-	-	13,287
			Newark Beth Israel Medical Center	93.837	5K23HL063096-05	8,273	-	-	-	8,273
			University of Maryland	93.837	5U01HL099897-07	-	399	-	-	399
	Child Health and Human Development Extramural Research		Children's Hospital of Boston	93.865	1T32HD075727-02	-	32,760	-	-	32,760
			Dana Farber Cancer Institute	93.865	5K12HD052896-08	29,106	-	-	-	29,106
			University of Pittsburgh	93.865	5K12HD001097-18	-	-	-	119,821	119,821
	Diabetes, Digestive, and Kidney Diseases Extramural Research		Cedar-Sinai Medical Center	93.847	5K23DK085148-05	-	16,910	-	-	16,910
			Georgia Regents University	93.847	3U24DK076169-08S4	-	5,463	-	-	5,463
			Joslin Diabetes Center	93.847	5T32DK007260-37	-	36,162	-	-	36,162
	Drug Abuse and Addiction Research Programs		International AIDS Society	93.279	2013D002898	-	13,581	-	-	13,581
	Environmental Health		President and Fellows of Harvard College	93.113	2T32ES007069-36	10,160	-	-	-	10,160
	Extramural Research Programs in the Neurosciences and Neurological Disorders		President and Fellows of Harvard College	93.853	3T32NS048005-10S1	-	52,721	-	-	52,721
			President and Fellows of Harvard College	93.853	5T32NS048005-10	-	(903)	-	-	(903)
	Geriatric Training for Physicians, Dentists and Behavioral/Mental Health Professionals		Beth Israel Deaconess Medical Center	93.156	5D01HP08794-08-00	6,513	-	-	-	6,513
	Global AIDS		Beth Israel Deaconess Medical Center	93.067	5U2GGH001140-02	132,338	-	-	-	132,338
	International Research and Research Training		Instituto de Efectividad Clinica y Sanitaria	93.989	5D43TW009126-04	7,801	-	-	-	7,801
			Vanderbilt Medical Center	93.989	5R24TW007988-05	-	-	(1,148)	-	(1,148)
			Vanderbilt University	93.989	5R25TW009337-03	-	100,709	-	-	100,709
	Maternal and Child Health Federal Consolidated Programs		President and Fellows of Harvard College	93.110	114946.6001	25,763	-	-	-	25,763
	Mental Health Research Grants		Harvard Medical School	93.242	5T32MH019733-19	-	42,222	-	-	42,222
			Judge Baker Children's Center	93.242	5T32MH016259-32	-	4,136	-	-	4,136
			Judge Baker Children's Center	93.242	5T32MH016259-35	42,393	39,882	-	-	82,275
			Massachusetts General Hospital	93.242	1K23MH100450-01A1	-	-	9,213	-	9,213
			President and Fellows of Harvard College	93.242	5T32MH017119-28	-	(9,030)	-	-	(9,030)
	National Center for Advancing Translational Sciences		President and Fellows of Harvard College	93.350	1KL2TR001100-01	(8,313)	-	-	-	(8,313)
			President and Fellows of Harvard College	93.350	1KL2TR001100-02	-	(1,465)	-	-	(1,465)
			President and Fellows of Harvard College	93.350	1UL1TR001102-01	(2,726)	-	-	-	(2,726)
			President and Fellows of Harvard College	93.350	5KL2TR001100-02	159,535	99,765	-	-	259,300
			President and Fellows of Harvard College	93.350	5KL2TR001100-03	96,428	341,190	-	-	437,618
			President and Fellows of Harvard College	93.350	5UL1TR001102-02	30,226	35,413	-	-	65,639
			President and Fellows of Harvard College	93.350	8KL2TR000168-05	-	(9,808)	-	-	(9,808)
	National Research Service Awards, Health Services Research Training		Children's Hospital of Boston	93.225	5T32HS000065-21	-	-	-	-	59,188
	Research and Training in Complementary and Alternative Medicine		Beth Israel Deaconess Medical Center	93.213	2T32AT000051-16	59,188	-	-	-	59,188
			Beth Israel Deaconess Medical Center	93.213	5K24AT004095-08	1,609	-	-	-	1,609
			Beth Israel Deaconess Medical Center	93.213	5K24AT004095-09	7,059	-	-	-	7,059
			Tufts Medical Center, Inc.	93.213	5K24AT007323-02	-	24,196	-	-	24,196
	Research on Healthcare Costs, Quality and Outcomes		Children's Hospital of Boston	93.226	1K12HS022986-01	-	166,121	-	-	166,121
	Substance Abuse and Mental Health Services, Projects of Regional and National Significance		American Psychiatric Association (APA)	93.243	-	-	(293)	-	-	(293)
	Vision Research		Schepens Eye Research Institute	93.867	5T32EY007145-17	38,549	-	-	-	38,549
	Department of Health and Human Services					1,051,415	1,420,069	9,213	119,711	2,600,408
National Aeronautics and Space Administration										
	Technology Transfer		National Space Biomedical Research Institute (NSBRI)	43.002	PF03002	2,516	-	-	-	2,516
	National Aeronautics and Space Administration					2,516	-	-	-	2,516
Total Training Pass-Through						\$ 1,053,931	\$ 1,420,069	\$ 9,213	\$ 119,711	\$ 2,602,924
Total Research and Development and Research Training Cluster						\$ 440,713,248	\$ 454,636,272	\$ 27,682,073	\$ 9,067,988	\$ 932,099,581

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2015

STUDENT FINANCIAL AID CLUSTER

CFDA Agency	CFDA Program	CFDA #	BWH	MGH	McLean	Other	Total
Department of Education							
	Federal Direct Student Loans	84.268	\$ -	\$ 84,444	\$ -	\$ 30,677,995	\$ 30,762,439
	Department of Education		-	84,444	-	30,677,995	30,762,439
Department of Health and Human Services							
	Nurse Faculty Loan Program (NFLP)	93.264	-	-	-	45,317	45,317
	ARRA - Nurse Faculty Loan Program	93.408	-	-	-	(862)	(862)
	Department of Health and Human Services		-	-	-	44,455	44,455
Total Student Financial Aid Cluster			\$ -	\$ 84,444	\$ -	\$ 30,722,450	\$ 30,806,894

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Schedule of Expenditures of Federal Awards

Year Ended September 30, 2015

OTHER PROGRAMS CFDA Agency	CFDA Program	Pass-Through Sponsor	CFDA #	Pass-Through Number	BWH	MGH	McLean	Other	Total
Department of Agriculture	Special Supplemental Nutrition Program for Women, Infants, and Children	Massachusetts Department of Public Health	10.557	INTF3502M03700915066	\$ 525,295	\$ -	\$ -	\$ -	525,295
	Department of Agriculture	Massachusetts Department of Public Health	10.557	INTF3502M03700915059	-	1,045,044	-	-	1,045,044
					<u>525,295</u>	<u>1,045,044</u>	<u>-</u>	<u>-</u>	<u>1,570,339</u>
Department of Education	Special Education-Grants for Infants and Families	Massachusetts Department of Public Health	84.181	INTF3601HH2500224	-	(22,404)	-	-	(22,404)
		Massachusetts Department of Public Health	84.181	INTF3601HH2500224167	-	118,122	-	-	118,122
	Department of Education	Massachusetts Department of Public Health	84.181	INTF3601HH2706811161	-	(131)	-	-	(131)
					<u>-</u>	<u>95,587</u>	<u>-</u>	<u>-</u>	<u>95,587</u>
Department of Health and Human Services	Affordable Care Act (ACA) Childhood Obesity Research Demonstration	Massachusetts Department of Public Health	93.535	5U18DP003370-04	-	402,978	-	-	402,978
	Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	Massachusetts Department of Public Health	93.505	INTF3617MM3W11712007	-	381,774	-	-	381,774
		Massachusetts Department of Public Health	93.505	INTF3617MM3W11712010	-	302,935	-	-	302,935
	ARRA PREVENTING HEALTHCARE-ASSOCIATED INFECTIONS	State of Tennessee Department of Health	93.717	-	1,762	-	-	-	1,762
	Birth Defects and Developmental Disabilities - Prevention and Surveillance	Massachusetts Department of Public Health	93.073	INTF3122H7500224039	-	124,063	-	-	124,063
	Centers for Disease Control and Prevention, Investigations and Technical Assistance	Massachusetts Department of Public Health	93.283	1U01DD000493-01	-	(3,313)	-	-	(3,313)
	Family Planning_Services	Action For Boston Community Development	93.217	FPHPA016027-01-00	13,965	-	-	-	13,965
		City of Springfield	93.217	20150112	33,458	(38,486)	-	-	(5,028)
	HIV Care Formula Grants	Massachusetts Department of Public Health	93.917	20150112	-	-	-	120,203	120,203
		BOSTON PUBLIC HEALTH COMMISSION	93.917	INTF4943MM3200120017	-	-	-	361,295	361,295
	HIV Emergency Relief Project Grants	Department of Public Health	93.914	6H89HA00011-21-06	-	157,648	-	-	157,648
	Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	Department of Public Health	93.817	-	-	696,833	-	-	696,833
	Maternal and Child Health Federal Consolidated Programs	Commonwealth Of Massachusetts	93.110	INTF3121M04403616016	-	33,156	-	-	33,156
	Mental Health Research Grants	SUNY Upstate Medical University	93.242	5R01MH064824-13	105,888	-	-	-	105,888
	National Bioterrorism Hospital Preparedness Program	Commonwealth Of Massachusetts	93.889	UNASSIGNED	-	-	-	21,723	21,723
		Department of Homeland Security	93.889	-	-	-	-	27,256	27,256
		Massachusetts Board of Health	93.889	161326	-	-	-	416	416
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215576	-	-	-	8,555	8,555
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215596	-	-	-	7,711	7,711
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215598	-	6,829	-	-	6,829
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215629	-	-	-	14,483	14,483
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215649	-	-	-	35,192	35,192
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215668	-	-	-	13,428	13,428
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215670	-	27,908	-	-	27,908
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215679	-	-	-	10,126	10,126
		Massachusetts Department of Public Health	93.889	INTF6207PP1204215681	-	-	-	1,156	1,156
		Massachusetts Department of Public Health	93.889	-	28,359	-	-	3,088	31,447
		Massachusetts Hospital Association	93.889	2H3HRH00011-12-00	-	-	-	20,428	20,428
	National Institutes of Health Contracts	Commonwealth Of Massachusetts	93.	INTF2351MM3802114012	-	121,851	-	-	121,851
		Commonwealth Of Massachusetts	93.	INTF3210MM3300123138	-	253,229	-	-	253,229
		Massachusetts Department of Public Health	93.	INTF3122HH4300522029	-	76,778	-	-	76,778
	Partnerships to Improve Community Health	Boston Public Health Commission, City of Boston	93.331	1U58DP005788-01	-	6,679	-	-	6,679
	Research on Healthcare Costs, Quality and Outcomes	Massachusetts Department of Public Health	93.226	1R18HS019508-01	(3,204)	-	-	-	(3,204)
	Small Rural Hospital Improvement Grant Program	Department of Public Health-Rural Health Division	93.301	NERHRT	-	-	-	15,008	15,008
	Department of Health and Human Services				<u>180,228</u>	<u>2,550,862</u>	<u>-</u>	<u>660,068</u>	<u>3,391,158</u>
Department of Housing and Urban Development	Continuum of Care Program	Hilltown Community Development Corp.	14.267	MA0401L1T071201	-	-	-	107,855	107,855
	Department of Housing and Urban Development				<u>-</u>	<u>-</u>	<u>-</u>	<u>107,855</u>	<u>107,855</u>
Department of Justice	Drug-Free Communities Support Program Grants	US Department of Justice	16.729	2005-JW-BX-K013	-	61	-	-	61
	OWW Technical Assistance Initiative	BOSTON PUBLIC HEALTH COMMISSION	16.526	2013-HI-AX-K008	(19,579)	-	-	-	(19,579)
	Department of Justice				<u>(19,579)</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>(19,518)</u>
Total Other Programs					<u>\$ 685,944</u>	<u>\$ 3,691,554</u>	<u>\$ -</u>	<u>\$ 767,923</u>	<u>\$ 5,145,421</u>
TOTAL FEDERAL EXPENDITURES					<u>\$ 441,399,192</u>	<u>\$ 458,412,270</u>	<u>\$ 27,682,073</u>	<u>\$ 40,558,361</u>	<u>\$ 968,051,896</u>

The accompanying notes are an integral part of this schedule.

Partners HealthCare System, Inc. and Affiliates

Notes to Schedule of Expenditures of Federal Awards

September 30, 2015

1. Organization

Partners HealthCare System, Inc. (PHS) is the sole member of The Massachusetts General Hospital (MGH), Brigham and Women's Health Care, Inc. (BWHC), NSMC HealthCare, Inc. (NSMC), Newton-Wellesley Health Care System, Inc. (NWHCS), Partners Continuing Care, Inc. (PCC), Partners HealthCare International, LLC (PHI) and Neighborhood Health Plan, Incorporated (NHP). The two physicians who serve as the President and Chief Executive Officer of PHS (PHS CEO) and the Chief Clinical Officer of PHS are the members of Partners Community Physicians Organization, Inc. (PCPO) formerly known as Partners Community HealthCare, Inc. The individual serving as the PHS CEO is the sole member of Partners Medical International, Inc. (PMI). PHS, together with all of its affiliates, is referred to as "Partners HealthCare."

Partners HealthCare currently operates two tertiary and seven community acute care hospitals in Massachusetts, one facility providing inpatient and outpatient mental health services and three facilities providing inpatient and outpatient services in rehabilitation medicine and long-term care. Partners HealthCare also operates physician organizations and practices, a home health agency, nursing homes and a graduate level program for health professions. Partners HealthCare provides services to patients primarily from the Greater Boston area as well as New England and beyond. In addition, Partners HealthCare is a nonuniversity-based nonprofit private medical research enterprise and is a principal teaching affiliate of the medical and dental schools of Harvard University. Partners HealthCare also operates a licensed, not-for-profit managed care organization that provides health insurance products to the Medical Assistance Program (Medicaid), Commonwealth Care (a series of health insurance plans for adults who meet income and other eligibility requirements) and commercial populations.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the grant activity of Partners HealthCare and is recorded on the accrual basis of accounting.

The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of the basic consolidated financial statements. Negative amounts represent adjustments to amounts reported as expenditures in prior years. Catalog of Federal Domestic Assistance (CFDA) and pass-through numbers are provided where available.

The Schedule identifies expenditures (in separate columns) of The Brigham and Women's Hospital, Inc. (BWH), The General Hospital Corporation (MGH) and The McLean Hospital Corporation (McLean). The Schedule combines expenditures of the MGH Institute of Health Professions (IHP), which is a graduate school that grants degrees in the field of health sciences, the Spaulding Rehabilitation Hospital Corporation (SRH), North Shore Medical Center, Inc. (NSMC), Newton Wellesley Hospital (NWH), Brigham and Women's Faulkner Hospital, Inc. (BWFH), Martha's Vineyard Hospital (MVH), Nantucket Cottage Hospital (NCH) and Cooley Dickinson Hospital (CDH) under the column "Other." These entities are all affiliates of Partners HealthCare. Expenditures reported in the Other column are delineated in the table that follows:

Partners HealthCare System, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
September 30, 2015

OTHER COLUMN BY ENTITY	BWFH	CDH	IHP	MVH	NCH	NSMC	NWH	SRH	Total
Research and Development Direct Programs	\$ -	\$ -	\$ 2,222,627	\$ -	\$ -	\$ -	\$ -	\$ 3,192,543	\$ 5,415,170
Research and Development Passed Through Other Organizations	-	-	964,685	-	-	-	22,074	2,221,021	3,207,780
Research Training Direct Programs	-	-	29,520	-	-	-	-	295,807	325,327
Research Training Passed Through Other Organizations	-	-	-	-	-	-	-	119,711	119,711
Student Financial Aid Other Programs	-	-	30,722,450	-	-	-	-	-	30,722,450
	<u>21,139</u>	<u>603,836</u>	<u>-</u>	<u>35,708</u>	<u>11,426</u>	<u>46,835</u>	<u>48,979</u>	<u>-</u>	<u>767,923</u>
	<u>\$ 21,139</u>	<u>\$ 603,836</u>	<u>\$ 33,939,282</u>	<u>\$ 35,708</u>	<u>\$ 11,426</u>	<u>\$ 46,835</u>	<u>\$ 71,053</u>	<u>\$ 5,829,082</u>	<u>\$ 40,558,361</u>

Partners HealthCare System, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
September 30, 2015

3. Federal Student Loan Programs

During the year ended September 30, 2015, Partners HealthCare authorized the following amounts of new loans under the Federal Direct Student Loan Program:

		IHP	MGH	Total
84.268	Federal Direct Student Loans	\$ 12,061,167	\$ -	\$ 12,061,167
84.268	Federal Direct Student Loans - Direct Plus	105,999	-	105,999
84.268	Federal Direct Student Loans - Stafford	1,318,517	84,444	1,402,961
84.268	Federal Direct Student Loans - SLA	17,192,312	-	17,192,312
93.264	Nurse Faculty Loan Program	45,317	-	45,317
93.408	ARRA - Nurse Faculty Loan Program	(862)	-	(862)
	Total Federal Direct Student Loans	<u>\$ 30,722,450</u>	<u>\$ 84,444</u>	<u>\$ 30,806,894</u>

As of September 30, 2015, IHP had loans outstanding of \$274,201 for loans issued as part of the Nurse Faculty Loan Program and ARRA - Nurse Faculty Loan Program. The ARRA loans (CFDA number 93.408) were \$23,772 and the Non-ARRA loans (CFDA number 93.264) were \$250,429. As of September 30, 2015, there were no loans outstanding for MGH.

4. Facilities and Administrative and Fringe Benefit Costs

Federal expenditures for Research and Development include facilities and administrative cost recoveries and fringe benefit cost recoveries in the amounts reported in the Schedule. Expenditures reported in Training and Other include the maximum facilities and administrative recoveries approved by the sponsor as well as fringe benefit recoveries. Partners HealthCare affiliates negotiated and were awarded facilities and administrative cost rates and fringe benefit rates with the DHHS Division of Cost Allocation as follows:

Institution	Rate Type	Period Covered	Rate
BWH	On-site research	Oct 1, 2014 - Sep 30, 2015	77%
	Off-site research	Oct 1, 2014 - Sep 30, 2015	27%
	Fringe	Oct 1, 2014 - Sep 30, 2015	12%-34%
IHP	On-site research	Oct 1, 2014 - Sep 30, 2015	60%
	Off-site research	Oct 1, 2014 - Sep 30, 2015	35%
	Fringe	Oct 1, 2014 - Sep 30, 2015	12%-37%
MGH	On-site research	Oct 1, 2014 - Sep 30, 2015	74%
	Off-site research	Oct 1, 2014 - Sep 30, 2015	27%
	Fringe	Oct 1, 2014 - Sep 30, 2015	12%-37%
McLean	On-site research	Oct 1, 2014 - Sep 30, 2015	58%
	Fringe	Oct 1, 2014 - Sep 30, 2015	31%
SRH	On-site research	Oct 1, 2014 - Sep 30, 2015	65%
	Fringe	Oct 1, 2014 - Sep 30, 2015	31%

Partners HealthCare System, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal Awards
September 30, 2015

5. Women, Infants and Children (CFDA Number 10.557)

In addition to the \$1,570,339 presented in the Schedule for the Special Supplemental Nutrition Program for Women, Infants and Children grants, CFDA number 10.557, Partners HealthCare determines participant eligibility for receipt of food vouchers. The food vouchers for which Partners HealthCare determined eligibility amounted to \$4,649,205 in 2015.

6. Subrecipients

During 2015, Partners HealthCare provided \$151,714,800 to subrecipients in the Research and Development and Research Training Cluster including \$87,355,483 from Brigham and Women's Hospital, \$60,074,054 from Massachusetts General Hospital, \$2,986,416 from McLean Hospital, \$879,132 from the MGH Institute of Health Professions and \$419,715 from Spaulding Rehabilitation Hospital.

During 2015, Partners HealthCare provided \$51,613 from Massachusetts General Hospital to a subrecipient through state contract INTF3210MM3300123138 and classified as an "Other" program in the Schedule of Expenditure of Federal Awards.

Part II
Reports on Compliance and Internal Controls



**Independent Auditor's Report 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 Directors of
Partners HealthCare System, Inc. and Affiliates

We have audited, in accordance with the 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, the consolidated financial statements of Partners HealthCare System, Inc. and Affiliates (Partners HealthCare) which comprise the consolidated balance sheets as of September 30, 2015, and the related consolidated statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 11, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Partners HealthCare's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Partners HealthCare's internal control. Accordingly, we do not express an opinion on the effectiveness of Partners HealthCare's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Partners HealthCare’s consolidated financial statements are free from 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 consolidated 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PricewaterhouseCoopers LLP

December 11, 2015



**Independent Auditor's Report on Compliance with Requirements
That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133**

To the Board of Directors of
Partners HealthCare System, Inc. and Affiliates

Report on Compliance for Each Major Federal Program

We have audited Partners HealthCare System, Inc. and Affiliates' (Partners HealthCare) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015. Partners HealthCare's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Partners HealthCare's major federal programs based on our audit of the types of compliance requirements referred to above. 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 Partners HealthCare'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 on compliance for each major federal program. However, our audit does not provide a legal determination of Partners HealthCare's compliance.

Opinion on Each Major Federal Program

In our opinion, Partners HealthCare complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.



Report on Internal Control Over Compliance

Management of Partners HealthCare is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Partners HealthCare's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Partners HealthCare's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

PricewaterhouseCoopers LLP

December 23, 2015

Part III
Federal Award Findings and Questioned Costs

Partners HealthCare System, Inc. and Affiliates
Schedule of Findings and Questioned Costs
Year Ended September 30, 2015

1. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes <u>X</u> none reported
Noncompliance material to financial statements noted?	___ yes <u>X</u> no

Federal Awards

Internal control over major programs	
Material weakness(es) identified?	___ yes <u>X</u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	___ yes <u>X</u> none reported
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133	___ yes <u>X</u> no

Identification of Major Programs

Name of Federal Program or Cluster

Various CFDA numbers	Research and Development, Research Training
Various CFDA numbers	Student Financial Aid
93.505	ACA Maternal, Infant, and Early Childhood Home Visiting Program
Dollar threshold used to distinguish between Type A and Type B programs	\$3,000,000
Auditee qualified as low-risk auditee?	<u>X</u> yes ___ no

2. Financial Statement Findings

No findings to report.

3. Federal Findings and Questioned Costs

No findings to report.

Partners HealthCare System, Inc. and Affiliates
Summary of Status of Prior Year Findings
Fiscal Year Ended September 30, 2015

A. Summary of Status of Prior Year Findings

2014-001 Unallowable Costs

Partners HealthCare is subject to compliance requirements for allowability of costs under OASC-3 Hospital Cost Principles Section III B and the National Institutes of Health policy statement.

Of the 200 direct costs tested, PwC noted a \$1,817 charge for an airline flight which was expensed twice to the grant.

Current Status of Prior Year Findings Listed Above

Management's corrective action in response to the Prior Year Finding from 2014 was fully implemented during 2015, and we identified no reportable findings as a result of direct cost testing.

B. Other Matters

In FY14 Partners HealthCare identified one federal award in the Research and Development Cluster at Massachusetts General Hospital where salaries were incorrectly charged to the grant. Management performed an extensive review and identified corrections that were completed in the same year. Corrective action initiated in FY14 was completed as of March 2015.