



COLD SPRING HARBOR LABORATORY

Consolidated Financial Statements
and Schedule

December 31, 1998 and 1997

(With Independent Auditors' Report Thereon)

COLD SPRING HARBOR LABORATORY

Consolidated Statements of Financial Position

December 31, 1998 and 1997

Assets:	<u>1998</u>	<u>1997</u>
Cash and cash equivalents	\$ 16,258,527	16,542,395
Investments (Note 2)	158,108,972	140,573,553
Accounts receivable:		
Publications	782,598	829,653
Other	172,405	158,235
Grants receivable	2,384,707	3,038,893
Contributions receivable (Note 4)	2,657,748	1,707,605
Publications inventory	1,923,784	1,991,707
Prepaid expenses and other assets	1,482,543	1,377,264
Investment in employee residences (Note 5)	2,464,260	2,269,345
Land, buildings and equipment:		
Land and land improvements	12,557,726	9,980,071
Buildings	69,897,882	66,519,640
Furniture, fixtures and equipment	5,037,823	4,950,130
Laboratory equipment	12,626,629	12,655,257
Library books and periodicals	365,630	365,630
Construction in progress	4,256,539	626,728
	<u>104,742,229</u>	<u>95,097,456</u>
Less accumulated depreciation and amortization	<u>(32,455,453)</u>	<u>(30,500,090)</u>
Land, buildings and equipment, net	<u>72,286,776</u>	<u>64,597,366</u>
Total assets	<u>\$ 258,522,320</u>	<u>233,086,016</u>
Liabilities and Net Assets:		
Liabilities:		
Accounts payable and accrued expenses	\$ 2,809,788	2,599,761
Notes payable	276,163	645,839
Bonds payable (Notes 6 & 13)	30,000,000	30,000,000
Deferred revenue	3,358,722	5,554,037
Total liabilities	<u>36,444,673</u>	<u>38,799,637</u>
Net assets:		
Unrestricted		
General operating	10,598,288	5,760,936
Designated by board for:		
Research programs (Note 7)	1,900,000	1,150,000
Capital expenditures	1,207,889	3,709,145
Endowment	71,296,987	70,713,010
Net investment in plant	42,010,613	33,951,527
Total unrestricted	<u>127,013,777</u>	<u>115,284,618</u>
Temporarily restricted (Note 8)	4,185,424	4,723,413
Permanently restricted (Note 8)	90,878,446	74,278,348
Total net assets	<u>222,077,647</u>	<u>194,286,379</u>
Total liabilities and net assets	<u>\$ 258,522,320</u>	<u>233,086,016</u>

See accompanying notes to consolidated financial statements.

COLD SPRING HARBOR LABORATORY

Consolidated Statement of Activities

Year ended December 31, 1998

with comparative totals for the year ended December 31, 1997

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>1998 Total</u>	<u>1997 Total</u>
Revenue, gains and other support:					
Public support - contributions and nongovernment grant awards	\$ 9,069,659	4,155,424	9,342,949	22,568,032	14,010,944
Government grant awards	15,929,141	-	-	15,929,141	15,392,415
Indirect cost allowances (Note 9)	11,230,797	-	-	11,230,797	10,000,564
Other revenue:					
Program fees	2,388,531	-	-	2,388,531	2,117,904
Rental income	333,196	-	-	333,196	389,658
Publications sales	6,341,142	-	-	6,341,142	5,237,814
Dining services	2,444,384	-	-	2,444,384	2,172,196
Rooms and apartments	1,877,794	-	-	1,877,794	1,712,294
Royalty and licensing fees	754,705	-	-	754,705	679,082
Net appreciation in fair value of investments	4,686,928	-	7,257,149	11,944,077	17,183,813
Investment income - interest and dividends	6,053,220	-	-	6,053,220	5,677,213
Miscellaneous	124,984	-	-	124,984	167,324
Total other revenue	<u>25,004,884</u>	<u>-</u>	<u>7,257,149</u>	<u>32,262,033</u>	<u>35,337,298</u>
Net assets released from restrictions	<u>4,693,413</u>	<u>(4,693,413)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenue, gains and other support	<u>65,927,894</u>	<u>(537,989)</u>	<u>16,600,098</u>	<u>81,990,003</u>	<u>74,741,221</u>
Expenses (Note 12):					
Research	28,718,081	-	-	28,718,081	27,715,449
Summer programs - meetings and courses	7,834,447	-	-	7,834,447	6,848,437
Publications	6,219,895	-	-	6,219,895	5,400,006
Banbury Center conferences	877,834	-	-	877,834	953,562
DNA Learning Center programs	1,034,538	-	-	1,034,538	627,763
General and administrative	6,663,226	-	-	6,663,226	6,091,915
Dining services	2,850,714	-	-	2,850,714	2,617,705
Total expenses	<u>54,198,735</u>	<u>-</u>	<u>-</u>	<u>54,198,735</u>	<u>50,254,837</u>
Increase(decrease) in net assets	11,729,159	(537,989)	16,600,098	27,791,268	24,486,384
Net assets at beginning of year	<u>115,284,618</u>	<u>4,723,413</u>	<u>74,278,348</u>	<u>194,286,379</u>	<u>169,799,995</u>
Net assets at end of year	<u>\$ 127,013,777</u>	<u>4,185,424</u>	<u>90,878,446</u>	<u>222,077,647</u>	<u>194,286,379</u>

See accompanying notes to consolidated financial statements.

COLD SPRING HARBOR LABORATORY

Consolidated Statements of Cash Flows
Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Increase in net assets	\$ 27,791,268	24,486,384
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation and amortization	3,443,290	3,370,584
Net appreciation in fair value of investments	(11,944,077)	(17,183,813)
Contributions restricted for long-term investment	(10,762,186)	(4,998,910)
Changes in assets and liabilities:		
Decrease(increase) in accounts receivable	32,885	(306,794)
Decrease(increase) in grants receivable	654,186	(787,248)
(Increase)decrease in contributions receivable	(950,143)	1,810,560
Decrease(increase) in publications inventory	67,923	(565,589)
Increase in prepaid expenses and other assets	(105,279)	(68,803)
Increase in accounts payable and accrued expenses	210,027	1,129,754
Decrease in deferred revenue	(2,195,315)	(161,473)
Net cash provided by operating activities	<u>6,242,579</u>	<u>6,724,652</u>
Cash flows from investing activities:		
Capital expenditures	(11,132,700)	(8,316,421)
Proceeds from sales and maturities of investments	25,341,828	100,940,803
Purchases of investments	(30,933,170)	(100,647,823)
Net change in investments in employee residences	(194,915)	101,598
Net cash used in investing activities	<u>(16,918,957)</u>	<u>(7,921,843)</u>
Cash flows from financing activities:		
Permanently restricted contributions	9,342,949	335,498
Contributions restricted for investment in land, buildings, and equipment	1,419,237	4,663,412
Repayment of notes payable	(369,676)	(570,122)
Issuance of notes payable	-	351,000
Net cash provided by financing activities	<u>10,392,510</u>	<u>4,779,788</u>
Net (decrease)increase in cash and cash equivalents	(283,868)	3,582,597
Cash and cash equivalents at beginning of year	<u>16,542,395</u>	<u>12,959,798</u>
Cash and cash equivalents at end of year	\$ <u>16,258,527</u>	<u>16,542,395</u>
Supplemental disclosures:		
Interest paid	\$ <u>1,254,036</u>	<u>1,239,341</u>

See accompanying notes to consolidated financial statements.