



**COLD SPRING HARBOR LABORATORY**

Consolidated Financial Statements  
and Schedule

December 31, 1999 and 1998

(With Independent Auditors' Report Thereon)

# COLD SPRING HARBOR LABORATORY

## Consolidated Statements of Financial Position

December 31, 1999 and 1998

| Assets:  | <u>1999</u>           | <u>1998</u>         |
|--|-----------------------|---------------------|
| Cash and cash equivalents (Note 1(d))          | \$ 34,830,286         | 16,258,527          |
| Accounts receivable:                           |                       |                     |
| Publications                                   | 837,564               | 782,598             |
| Other  | 333,310               | 172,405             |
| Grants receivable                              | 2,759,349             | 2,384,707           |
| Contributions receivable (Note 4)              | 4,878,895             | 2,657,748           |
| Publications inventory                         | 2,138,874             | 1,923,784           |
| Prepaid expenses and other assets              | 1,321,313             | 1,482,543           |
| Investments (Note 2)                           | 203,853,845           | 158,108,972         |
| Investment in employee residences (Note 5)     | 2,751,580             | 2,464,260           |
| Land, buildings and equipment:                 |                       |                     |
| Land and land improvements                     | 12,614,303            | 12,557,726          |
| Buildings                                      | 80,460,206            | 69,897,882          |
| Furniture, fixtures and equipment              | 5,427,259             | 5,037,823           |
| Laboratory equipment                           | 12,405,968            | 12,626,629          |
| Library books and periodicals                  | 365,630               | 365,630             |
| Construction in progress                       | 4,514,827             | 4,256,539           |
|  | <u>115,788,193</u>    | <u>104,742,229</u>  |
| Less accumulated depreciation and amortization | <u>(34,481,784)</u>   | <u>(32,455,453)</u> |
| Land, buildings and equipment, net             | <u>81,306,409</u>     | <u>72,286,776</u>   |
| Total assets                                   | <u>\$ 335,011,425</u> | <u>258,522,320</u>  |
| Liabilities and Net Assets:                    |                       |                     |
| Liabilities:                                   |                       |                     |
| Accounts payable and accrued expenses          | \$ 4,840,651          | 2,809,788           |
| Notes payable                                  | 251,918               | 276,163             |
| Bonds payable (Note 6)                         | 45,200,000            | 30,000,000          |
| Deferred revenue                               | 2,878,365             | 3,358,722           |
| Total liabilities                              | <u>53,170,934</u>     | <u>36,444,673</u>   |
| Net assets:                                    |                       |                     |
| Unrestricted:                                  |                       |                     |
| General operating                              | 13,408,682            | 11,806,177          |
| Designated by board for:                       |                       |                     |
| Research programs (Note 7)                     | 1,900,000             | 1,900,000           |
| Endowment                                      | 99,533,294            | 70,844,799          |
| Net investment in plant                        | 46,536,091            | 42,462,801          |
| Total unrestricted                             | <u>161,378,067</u>    | <u>127,013,777</u>  |
| Temporarily restricted (Note 8)                | 8,587,520             | 4,185,424           |
| Permanently restricted (Note 8)                | <u>111,874,904</u>    | <u>90,878,446</u>   |
| Total net assets                               | <u>281,840,491</u>    | <u>222,077,647</u>  |
| Total liabilities and net assets               | <u>\$ 335,011,425</u> | <u>258,522,320</u>  |

See accompanying notes to consolidated financial statements.

# COLD SPRING HARBOR LABORATORY

## Consolidated Statement of Activities

Year ended December 31, 1999

with comparative totals for the year ended December 31, 1998

|  | <u>Unrestricted</u>   | <u>Temporarily<br/>Restricted</u> | <u>Permanently<br/>Restricted</u> | <u>1999<br/>Total</u> | <u>1998<br/>Total</u> |
|--|-----------------------|-----------------------------------|-----------------------------------|-----------------------|-----------------------|
| Operating revenue and gains:                               |                       |                                   |                                   |                       |                       |
| Public support - contributions and nongovernment           |                       |                                   |                                   |                       |                       |
| grant awards   | \$ 8,998,897          | 8,587,520                         | 6,291,765                         | 23,878,182            | 22,568,032            |
| Government grant awards                                    | 17,658,439            | -                                 | -                                 | 17,658,439            | 15,929,141            |
| Indirect cost allowances (Note 9)                          | 11,377,795            | -                                 | -                                 | 11,377,795            | 11,230,797            |
| Other revenue:   |                       |                                   |                                   |                       |                       |
| Program fees   | 2,385,687             | -                                 | -                                 | 2,385,687             | 2,388,531             |
| Rental income  | 358,934               | -                                 | -                                 | 358,934               | 333,196               |
| Publications sales   | 6,400,303             | -                                 | -                                 | 6,400,303             | 6,341,142             |
| Dining services  | 2,445,184             | -                                 | -                                 | 2,445,184             | 2,444,384             |
| Rooms and apartments                                       | 1,865,047             | -                                 | -                                 | 1,865,047             | 1,877,794             |
| Royalty and licensing fees                                 | 606,691               | -                                 | -                                 | 606,691               | 754,705               |
| Realized gain on sale of investments, net                  | 3,192,266             | -                                 | 3,327,199                         | 6,519,465             | 10,426,775            |
| Investment income - interest and dividends                 | 6,967,857             | -                                 | -                                 | 6,967,857             | 6,053,220             |
| Miscellaneous  | 146,841               | -                                 | -                                 | 146,841               | 124,984               |
| Total other revenue  | <u>24,368,810</u>     | <u>-</u>                          | <u>3,327,199</u>                  | <u>27,696,009</u>     | <u>30,744,731</u>     |
| Net assets released from restrictions                      | <u>4,185,424</u>      | <u>(4,185,424)</u>                | <u>-</u>                          | <u>-</u>              | <u>-</u>              |
| Total operating revenue and gains                          | <u>66,589,365</u>     | <u>4,402,096</u>                  | <u>9,618,964</u>                  | <u>80,610,425</u>     | <u>80,472,701</u>     |
| Operating expenses (Note 12):                              |                       |                                   |                                   |                       |                       |
| Research   | 31,454,215            | -                                 | -                                 | 31,454,215            | 28,718,081            |
| Educational programs                                       | 9,153,276             | -                                 | -                                 | 9,153,276             | 7,834,447             |
| Publications   | 6,159,371             | -                                 | -                                 | 6,159,371             | 6,219,895             |
| Banbury Center conferences                                 | 1,111,921             | -                                 | -                                 | 1,111,921             | 877,834               |
| DNA Learning Center programs                               | 1,059,168             | -                                 | -                                 | 1,059,168             | 1,034,538             |
| General and administrative                                 | 7,767,286             | -                                 | -                                 | 7,767,286             | 6,663,226             |
| Dining services  | 3,117,043             | -                                 | -                                 | 3,117,043             | 2,850,714             |
| Total operating expenses                                   | <u>59,822,280</u>     | <u>-</u>                          | <u>-</u>                          | <u>59,822,280</u>     | <u>54,198,735</u>     |
| Increase in net assets from operations                     | 6,767,085             | 4,402,096                         | 9,618,964                         | 20,788,145            | 26,273,966            |
| Net unrealized gain in fair value of investments           | <u>28,195,266</u>     | <u>-</u>                          | <u>11,377,494</u>                 | <u>39,572,760</u>     | <u>1,517,302</u>      |
| Increase in net assets before extraordinary item           | 34,962,351            | 4,402,096                         | 20,996,458                        | 60,360,905            | 27,791,268            |
| Extraordinary item - loss on refinancing of debt (Note 6 ) | <u>(598,061)</u>      | <u>-</u>                          | <u>-</u>                          | <u>(598,061)</u>      | <u>-</u>              |
| Increase in net assets                                     | 34,364,290            | 4,402,096                         | 20,996,458                        | 59,762,844            | 27,791,268            |
| Net assets at beginning 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>    |
| Net assets at end of year                                  | <u>\$ 161,378,067</u> | <u>8,587,520</u>                  | <u>111,874,904</u>                | <u>281,840,491</u>    | <u>222,077,647</u>    |

See accompanying notes to consolidated financial statements.



# COLD SPRING HARBOR LABORATORY

Consolidated Statements of Cash Flows  
Years ended December 31, 1999 and 1998

|   | 1999                 | 1998                |
|---|----------------------|---------------------|
| Cash flows from operating activities:   |                      |                     |
| Increase in net assets  | \$ 59,762,844        | 27,791,268          |
| Adjustments to reconcile increase in net assets to net cash provided by operating activities: |                      |                     |
| Depreciation and amortization   | 3,526,229            | 3,443,290           |
| Extraordinary item - loss on refinancing of debt  | 598,061              | -                   |
| Net appreciation in fair value of investments   | (46,092,225)         | (11,944,077)        |
| Contributions restricted for long-term investment   | (10,043,571)         | (10,762,186)        |
| Changes in assets and liabilities:  |                      |                     |
| (Increase) decrease in accounts receivable  | (215,871)            | 32,885              |
| (Increase) decrease in grants receivable  | (374,642)            | 654,186             |
| Increase in contributions receivable  | (1,903,687)          | (950,143)           |
| (Increase) decrease in publications inventory   | (215,090)            | 67,923              |
| Increase in prepaid expenses and other assets   | 140,163              | (105,279)           |
| Increase in accounts payable and accrued expenses   | 2,030,863            | 210,027             |
| Decrease in deferred revenue  | (480,357)            | (2,195,315)         |
| Net cash provided by operating activities   | <u>6,732,717</u>     | <u>6,242,579</u>    |
| Cash flows from investing activities:   |                      |                     |
| Capital expenditures  | (12,545,862)         | (11,132,700)        |
| Proceeds from sales and maturities of investments   | 70,618,250           | 25,341,828          |
| Purchases of investments  | (70,270,898)         | (30,933,170)        |
| Net change in investment in employee residences   | (287,320)            | (194,915)           |
| Net cash used in investing activities   | <u>(12,485,830)</u>  | <u>(16,918,957)</u> |
| Cash flows from financing activities:   |                      |                     |
| Permanently restricted contributions  | 6,291,765            | 9,342,949           |
| Contributions restricted for investment in land, buildings, and equipment                     | 3,751,806            | 1,419,237           |
| Increase in contributions receivable  | (317,460)            | -                   |
| Repayment of bonds payable  | (27,000,000)         | -                   |
| Issuance of bonds payable   | 42,200,000           | -                   |
| Deferred financing costs incurred   | (576,994)            | -                   |
| Repayment of notes payable  | (24,245)             | (369,676)           |
| Net cash provided by financing activities   | <u>24,324,872</u>    | <u>10,392,510</u>   |
| Net increase (decrease) in cash and cash equivalents  | 18,571,759           | (283,868)           |
| Cash and cash equivalents at beginning of year  | 16,258,527           | 16,542,395          |
| Cash and cash equivalents at end of year  | <u>\$ 34,830,286</u> | <u>16,258,527</u>   |
| Supplemental disclosures:   |                      |                     |
| Interest paid   | <u>\$ 1,494,414</u>  | <u>1,254,036</u>    |

See accompanying notes to consolidated financial statements.