COLD SPRING HARBOR LABORATORY

Consolidated Financial Statements
and Schedule

December 31, 2003 and 2002

(With Independent Auditors' Report Thereon)

KPMG LLP
Suite 200
1305 Walt Whitman Road
Melville, NY 11747-4302

Independent Auditors' Report

The Board of Trustees
Cold Spring Harbor Laboratory:

We have audited the accompanying consolidated balance sheet of Cold Spring Harbor Laboratory (the Laboratory) as of December 31, 2003, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Laboratory's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Laboratory's 2002 consolidated financial statements and, in our report dated April 24, 2003, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Cold Spring Harbor Laboratory as of December 31, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplementary information included in the accompanying schedule is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP

April 2, 2004

KPMG LLP, a U.S. limited liability partnership, is the U.S. member firm of KPMG International, a Swiss cooperative.

COLD SPRING HARBOR LABORATORY

Consolidated Balance Sheet

December 31, 2003

(with comparative financial information as of December 31, 2002)

		2003	2002
Assets:			
Cash and cash equivalents	$	28,971,185	15,998,950
Accounts receivable:			
Publications		1,257,221	1,507,910
Other		1,332,279	621,788
Grants receivable		7,068,387	5,155,499
Contributions receivable, net (Note 4)		11,452,991	4,485,178
Publications inventory		2,206,640	2,214,499
Prepaid expenses and other assets		1,566,991	1,630,366
Investments (Note 2)		198,696,165	174,146,179
Investment in employee residences (Note 5)		4,774,834	4,347,627
Restricted use assets (Note 6)		2,240,000	2,240,000
Land, buildings and equipment, net (Note 7)		109,253,408	108,416,078
Total assets	$	368,820,101	320,764,074
Liabilities and Net Assets:			
Liabilities:			
Accounts payable and accrued expenses	$	5,505,705	4,347,089
Notes payable		140,958	170,119
Bonds payable (Note 9)		45,200,000	45,200,000
Deferred revenue		4,067,960	3,648,453
Total liabilities		54,914,623	53,365,661
Net assets:			
Unrestricted (Note 10)		178,415,767	154,939,682
Temporarily restricted (Note 11)		14,223,309	10,132,940
Permanently restricted (Note 12)		121,266,402	102,325,791
Total net assets		313,905,478	267,398,413
Total liabilities and net assets	$	368,820,101	320,764,074

See accompanying notes to consolidated financial statements.

[redacted] [redacted] [redacted] [redacted] [redacted] [redacted] [redacted] [redacted]

COLD SPRING HARBOR LABORATORY

Consolidated Statement of Activities

Year ended December 31, 2003

(with summarized financial information for the year ended December 31, 2002)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2003 Total	2002 Total
Revenue and other support:					
Public support - contributions and non-government grant awards	$ 13,391,893	14,223,309	4,822,932	32,438,134	25,057,008
Government grant awards	24,231,989	-	-	24,231,989	22,680,109
Indirect cost allowances (Note 13)	18,000,004	-	-	18,000,004	15,073,780
Program fees	3,134,443		-	3,134,443	2,910,787
Publications sales	10,052,963		-	10,052,963	9,050,738
Dining services	2,927,668		-	2,927,668	2,850,201
Rooms and apartments	2,347,090		-	2,347,090	2,222,483
Royalty and licensing fees	869,826		-	869,826	1,173,659
Investment income - interest and dividends	4,141,495		-	4,141,495	5,515,942
Miscellaneous	616,755		-	616,755	583,033
Total revenue	79,714,126	14,223,309		98,760,367	87,117,740
Net assets released from restrictions	10,132,940	(10,132,940)			
Total revenue and other support	89,847,066	4,090,369	4,822,932	98,760,367	87,117,740
Expenses (Note 17):					
Research	45,619,807			45,619,807	42,240,020
Educational programs	12,917,185			12,917,185	12,105,086
Publications	10,631,334			10,631,334	9,345,581
Banbury Center conferences	1,136,159			1,136,159	1,141,308
Dolan DNA Learning Center programs	1,809,174			1,809,174	2,368,850
Watson School of Biological Sciences programs	2,029,275			2,029,275	1,648,168
General and administrative	11,976,718			11,976,718	10,562,264
Dining services	4,262,515			4,262,515	4,146,716
Total expenses	90,382,167			90,382,167	83,557,993
(Deficiency) excess of revenue and other support over expenses	(535,101)	4,090,369	4,822,932	8,378,200	3,559,747
Other changes in net assets:					
Net appreciation (depreciation) in fair value of investments	24,011,186		14,117,679	38,128,865	(27,887,903)
Increase (decrease) in net assets	23,476,085	4,090,369	18,940,611	46,507,065	(24,328,156)
Net assets at beginning of year	154,939,682	10,132,940	102,325,791	267,398,413	291,726,569
Net assets at end of year	$ 178,415,767	14,223,309	121,266,402	313,905,478	267,398,413

See accompanying notes to consolidated financial statements.

COLD SPRING HARBOR LABORATORY

Consolidated Statement of Cash Flows

Year ended December 31, 2003

(with comparative financial information for the year ended December 31, 2002)

		2003	2002
Cash flows from operating activities:			
Increase (decrease) in net assets	$	46,507,065	(24,328,156)
Adjustments to reconcile increase (decrease) in net assets to net cash (used in) provided by operating activities:			
Depreciation and amortization		5,458,719	5,165,482
Net (appreciation) depreciation in fair value of investments		(37,868,190)	27,594,426
Contributions restricted for long-term investment		(13,460,462)	(5,020,793)
Restricted use asset		-	(840,000)
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable		(459,802)	1,337,585
(Increase) decrease in grants receivable		(1,912,888)	39,125
(Increase) decrease in contributions receivable		(875,375)	1,754,273
Decrease (increase) in publications inventory		7,859	(187,369)
Decrease in prepaid expenses and other assets		63,375	806,071
Increase (decrease) in accounts payable and accrued expenses		1,158,616	(1,581,205)
Increase in deferred revenue		419,507	1,033,081
Net cash (used in) provided by operating activities		(961,576)	5,772,520
Cash flows from investing activities:			
Capital expenditures		(6,296,049)	(5,476,620)
Proceeds from sales and maturities of investments		135,393,757	185,039,464
Purchases of investments		(122,075,553)	(200,832,292)
Net change in investment in employee residences		(427,207)	148,147
Net cash provided by (used in) investing activities		6,594,948	(21,121,301)
Cash flows from financing activities:			
Permanently restricted contributions		4,822,932	3,605,790
Contributions restricted for investment in land, buildings and equipment		8,637,530	1,415,003
(Increase) decrease in contributions receivable		(6,092,438)	441,643
Repayment of notes payable		(29,161)	(32,035)
Net cash provided by financing activities		7,338,863	5,430,401
Net increase (decrease) in cash and cash equivalents		12,972,235	(9,918,380)
Cash and cash equivalents at beginning of year		15,998,950	25,917,330
Cash and cash equivalents at end of year	$	28,971,185	15,998,950
Supplemental disclosures:			
Interest paid	$	1,014,956	1,132,279
Noncash investing and financing activities:			
Contributed property	$		840,000

See accompanying notes to consolidated financial statements.

COLD SPRING HARBOR LABORATORY

Notes to Consolidated Financial Statements
December 31, 2003
(with comparative financial information as of and for the year ended December 31, 2002)

(1) Summary of Significant Accounting Policies and Practices

(a) Description of Business

Cold Spring Harbor Laboratory ("Laboratory") is organized as an educational corporation under the laws of New York State. The Laboratory's primary objectives are to conduct research in cancer, neurobiology, bioinformatics, plants, and related subjects, to disseminate information, and to provide instruction and training through courses, meetings, publications, and a wide range of other educational activities. A substantial portion of the Laboratory's revenues are derived from Federal Government grants, which are awarded on a competitive basis. If there were a significant cutback in Federal Government research funding, it could have a material impact on the operations and cash flows of the Laboratory.

On September 18, 1998, the Laboratory received approval from the Board of Regents of the State of New York to operate a graduate education program and confer the degrees of Doctor of Philosophy, Master of Science, and Doctor of Science, Honorary. The program operates under the name, "Cold Spring Harbor Laboratory, Watson School of Biological Sciences." The first-year class began in September 1999. Funding has been provided through the establishment of an endowment dedicated to the graduate school.

(b) Basis of Presentation

The Laboratory's net assets and its revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted net assets:

Net assets that are not subject to donor imposed restrictions including the carrying value of all land, buildings and equipment. Items that affect this net asset category include revenue and expenses associated with the primary objectives of the Laboratory, as well as unrestricted gifts, including those designated by the Board of Trustees of the Laboratory ("Trustees") to function as endowments. In addition, changes to this category of net assets include restricted gifts whose donor-imposed restrictions were met in the year received, through the passage of time, or through fulfillment of the restricted purpose.

Temporarily restricted net assets:

Net assets subject to donor-imposed restrictions that will be met either by the actions of the Laboratory or the passage of time. Expirations of temporary restrictions on net assets are reported as net assets released from restrictions in the accompanying consolidated statement of activities.

Permanently restricted net assets:

Net assets subject to donor-imposed restrictions to be maintained permanently by the Laboratory, the income from which investments is expendable to support research, education and training. Realized and unrealized gains (losses) are added (subtracted) to permanently restricted net assets if so restricted by the donor. Otherwise, gains are expendable to support research and educational activities.

(c) Principles of Consolidation

The consolidated financial statements include the accounts of the Laboratory and the Robertson Research Fund, Inc. ("Corporation"), a not-for-profit organization incorporated in 1972 to provide funds for the benefit of the Laboratory on a continuing basis, unless the Laboratory ceases to be exempt from taxation under the Internal Revenue Code. The Corporation is further described in Note 14. All intercompany accounts and transactions have been eliminated in consolidation.

(d) Cash Equivalents

Cash equivalents consist principally of money market funds and short-term notes maturing within three months of the date of purchase. Cash equivalents approximated $28,942,000 and $15,655,000 at December 31, 2003 and 2002, respectively.

(e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

(f) Publications Inventory

The publications inventory represents works in progress and published and offered for sale by the Laboratory. Amounts are stated at the lower of cost or estimated realizable value.

(g) Investments

Investments are recorded at fair value. Contributions of investment securities are recorded at their fair value at the date of the gift.

Included in investments are stocks which do not have a readily determinable fair value that were received by the Laboratory from biotechnology companies in return for various rights to Laboratory-developed intellectual property. Upon the receipt of founders stock from a newly formed company, the value of each share of stock is based on the amount paid per share by the outside investor(s). The amount is reduced by an appropriate valuation allowance, reflecting the high risk associated with startup companies and limitations on the transferability of such stock, to arrive at the initial cost basis of the stock. The values of the stocks are not adjusted until either a) the company is determined to have no value at which time the value of the stock is written off; b) the company is sold at which time a gain or loss is recognized; or c) the company completes an initial public offering (IPO) and its stock becomes publicly traded on a securities exchange. At the time of the IPO, the value of the stock is increased to fair value based on the quoted price of the stock. The fair value is reduced by an appropriate valuation allowance if the stock is restricted by governmental or contractual requirements, or the Laboratory owns a large block of stock that could not be sold without potentially affecting the market price.

(h) Contributions Receivable

Contributions receivable are recorded at their estimated net realizable value (discounted to present value at a risk-free rate).

(i) Land, Buildings and Equipment

Land, buildings and equipment are reported at cost. Donated books and periodicals and other assets are recorded at appraised value as of the date of gift. Depreciation is computed on the straight-line basis over the estimated useful lives (ranging from four to forty years) of all buildings and equipment acquired with non-Federal funds. Equipment acquired with Federal funds is charged against the applicable grant in the year acquired. Land, buildings and equipment, and other long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. Long-lived assets deemed to be impaired are written down to fair value.

(j) Deferred Revenue

Deferred revenue represents advances received on grants deemed to be exchange transactions, amounts received for publication subscriptions and fees received, but not yet earned. Revenue is recognized in future periods as expenses are incurred or publications are shipped.

(k) Federal Income Tax Status

The Laboratory and the Corporation are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

(l) Excess of Revenue over Expenses

The consolidated statement of activities presents the excess (deficiency) of revenue over expenses, exclusive of the net appreciation or depreciation in fair value of investments. Net appreciation or depreciation in fair value of investments includes realized gains or losses on sales of investments as well as unrealized gains or losses in fair value of investments.

(m) Comparative Financial Statements

The accompanying consolidated statement of activities includes certain 2002 summarized comparative information presented in the aggregate and not displayed by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Laboratory's 2002 financial statements from which the summarized comparative information was derived.

(2) Investments

Investments at December 31, 2003 and 2002 were as follows:

		2003		2002	
		Cost	Fair Value	Cost	Fair Value
Bonds	$	7,993,804	7,995,895	21,038,558	21,103,900
Mutual Funds					
Equity		45,531,193	59,979,003	36,797,930	36,874,463
Fixed Income		56,745,196	56,980,162	77,950,737	79,353,934
Stocks		49,019,232	73,741,105	33,644,584	36,813,882
	$				174,146,179

Included in the stocks above are the Laboratory's investment in biotechnology companies, which have a fair value (net of a valuation allowance) of approximately $6,952,000 and $4,135,000 and a cost of $306,100 and 656,100 at December 31, 2003 and 2002, respectively. A valuation allowance of approximately $1,712,000 and $1,341,000 at December 31, 2003 and 2002, respectively, has been applied to these investments in light of (i) regulatory or contractual restrictions on the Laboratory's ability to sell the investments, (ii) the significance of the Laboratory's ownership to the stock's trading volume, and (iii) the volatility of the stocks.

Through 2003, the Laboratory has invested $450,000 in a limited partnership, which is included in stocks above. Under the terms of the limited partnership agreement, the Laboratory is obligated to advance up to $550,000 in additional funding for investment.

(3) Fair Value of Financial Instruments

The fair value of all financial instruments, other than bonds payable, approximates carrying value because of the short-term maturity of the instruments. The fair value of bonds payable approximates carrying value as these financial instruments bear interest at rates which reflect current market rates for loans with similar characteristics, maturities and credit quality.

(4) Contributions Receivable

Contributions receivable consist of the following at December 31, 2003 and 2002:

	2003	2002
Contributions receivable	$ 14,593,278	5,400,626
Less: discount to present value of 5.6% at 2003 and 6.1% at 2002	(3,140,287)	(915,448)
	$ 11,452,991	4,485,178

Contributions receivable are expected to be collected as follows:

	2003	2002
Within one year	$ 3,491,250	1,729,599
One to five years	7,949,684	1,858,750
More than five years	3,152,344	1,812,277
	$ 14,593,278	5,400,626

Included in contributions receivable is the Laboratory's interest in charitable remainder unitrusts. In accordance with the terms of the trusts, the Laboratory will receive a defined interest upon the death of the designated beneficiaries. The Laboratory's interest, net of the present value discount, approximated $2,579,000 and $1,160,000 at December 31, 2003 and 2002, respectively.

(5) Investment in Employee Residences

Investment in employee residences consists of (a) notes receivable collateralized by mortgages on residential properties owned by several key employees, and (b) the Laboratory's percentage ownership in residences inhabited by employees. Upon sale of these residences, the Laboratory will share in market value fluctuations of the real estate in proportion to its ownership in the residence. These investments were authorized by the Board of Trustees to enable such employees to purchase local residences. All costs of property ownership, including real estate taxes, are borne by the employees.

(6) Restricted Use Assets

In 2002, the Laboratory recorded a gift of a residence in Oyster Bay, New York valued at $840,000. Under the terms of the contribution, the donor and current occupant will continue to reside at the residence. Upon the death of the life tenant, the Laboratory will enter into a lease with the occupant for up to twelve months. At the end of the lease term the Laboratory will be entitled to occupancy of the residence.

In 2001, the Laboratory received a gift of a residence in Mill Neck, New York valued at $1,400,000. Under the terms of the contribution, the donor will continue to reside at the residence. The Laboratory will be entitled to occupancy upon the death of the donor.

(7) Land, Buildings and Equipment

Land, buildings and equipment at December 31, 2003 and 2002 consists of:

		2003	2002
Land and land improvements	$	14,846,964	14,689,254
Buildings		112,480,066	111,128,228
Furniture, fixtures and equipment		11,161,342	9,958,354
Laboratory equipment		19,188,780	18,047,051
Library books and periodicals		365,630	365,630
Construction in progress		2,814,398	1,093,652
		160,857,180	155,282,169
Less accumulated depreciation and amortization		(51,603,772)	(46,866,091)
Land, buildings and equipment, net	$	109,253,408	108,416,078

(8) Other Financing Arrangements

The Laboratory has a $1,000,000 discretionary line of credit with JP Morgan Chase, which expires on June 30, 2004. The facility bears interest at prime plus .5%. At December 31, 2003 and 2002, there were no borrowings outstanding.

(9) Bonds Payable

During 1993, the Laboratory executed an agreement to obtain $10 million of bond financing for the construction, purchase, renovation and equipping of Laboratory facilities of which $7 million was obtained through the Nassau County Industrial Development Agency (NCIDA), and $3 million was obtained through the Suffolk County Industrial Development Agency (SCIDA). The $7 million NCIDA bonds were refunded during 1999, as described below. The $3 million SCIDA bonds mature and are payable in full on July 1, 2023, bear interest at a variable daily rate which is payable on a monthly basis, and are guaranteed by a letter of credit issued by a financial institution.

On April 1, 1999, the Laboratory executed an agreement to obtain $42.2 million of bond financing through the NCIDA. Approximately $5 million of the proceeds were used to reimburse the Laboratory for the purchase of property and a building located in Woodbury, New York. Approximately $10 million of the proceeds were used, together with other available funds, to finance renovation, equipping and furnishing of the building. The property, purchased on June 1, 1998, houses additional research facilities and the editorial offices of the Cold Spring Harbor Laboratory Press. The remaining $27 million of the proceeds were used to refund $20 million 1989 Series bonds and $7 million 1993 Series bonds issued through the NCIDA. The bonds, which mature on January 1, 2034, bear interest at a variable daily rate which is payable on a monthly basis, and are secured by a revolving line of credit agreement issued by a financial institution. The effective average interest rate on all of the bonds outstanding during 2003 and 2002 approximated 2.0% and 2.2%, respectively. The rate is negotiated with the bondholders by the remarketing agent. The agreements contain certain covenants including those relating to liquidity, net worth as defined, capital expenditures, restrictions of additional liens on certain Laboratory property and assumption of additional debt.

In addition, the Laboratory entered into an interest rate swap transaction with a financial institution which fixes the interest rate on $15 million of the new issue at 4% for a period of five years through April 1, 2004. The effect of the interest rate swap transaction is not material to the statement of activities.

In connection with the 1999 bond issue, financing costs of approximately $577,000 were capitalized and are being amortized over the life of the bond issue. The financing costs are included in prepaid expenses and other assets in the accompanying consolidated balance sheet.

(10) Unrestricted Net Assets

Unrestricted net assets at December 31, 2003 and 2002 consist of:

	2003	2002
General operating	$ 9,924,282	10,675,633
Designated by Board for endowment	104,579,035	81,218,090
Net investment in plant	63,912,450	63,045,959
	$ 178,415,767	154,939,682

(11) Temporarily Restricted Net Assets

Temporarily restricted net assets at December 31, 2003 and 2002 consist of gifts restricted by the donors as follows:

		2003	2002
Capital projects	$	6,397,530	1,415,003
Research programs		5,585,779	6,422,200
Restricted use assets (Note 6)		2,240,000	2,240,000
Educational programs		-	55,737
	$	14,223,309	10,132,940

(12) Permanently Restricted Net Assets

Permanently restricted net assets at December 31, 2003 and 2002 are restricted in perpetuity with investment return available to support the following activities:

		2003	2002
Primary program services	$	83,791,049	67,927,626
Watson School of Biological Sciences programs		26,975,209	25,582,409
Operation and improvement of Banbury Center facilities		10,500,144	8,815,756
	$	121,266,402	102,325,791

(13) Indirect Cost Allowances

Indirect cost allowances recovered under certain government and other grants are accrued in the period the research is performed. For Federal grants, these accruals are based on an approved indirect cost rate negotiated with the cognizant government granting agency. In 2002, the Laboratory negotiated a new agreement establishing predetermined rates for each of the years 2003 through 2005. As a result, the Laboratory should not, except for unforeseen changes in Federal regulations, be subject to revisions of its predetermined indirect cost rates through the end of 2005. For non-government grants, indirect cost recoveries are accrued at various rates as allowed by the grantor.

(14) Robertson Research Fund, Inc.

The Corporation is administered by a nine member board of trustees, five of whom represent the Laboratory. The Corporation is composed of two funds; the Robertson Research Fund ("Research Fund") and the Robertson Maintenance Fund ("Maintenance Fund").

The Research Fund was established in 1972 to provide income to the Laboratory in support of educational facilities, basic scientific research and public dissemination of the results thereof, scholarship and fellowship awards, and auxiliary services, among other purposes.

The Maintenance Fund was established in 1976 to provide income exclusively for the improvement and operation of the Robertson house and appurtenant buildings and grounds at the Banbury Center of the Laboratory.

The Laboratory is entitled to receive all of the income of the Research and Maintenance Funds. In years when the distribution has been less than the total annual income of each fund, the difference has been reinvested along with the principal of the funds to offset the effects of inflation and to provide for future programs at the Laboratory.

(15) Retirement Plan

The Laboratory's employees are covered under a defined-contribution retirement plan by the Teachers Insurance and Annuity Association/College Retirement Equities Fund Plan. The Laboratory remits contributions to the Plan based on a predetermined percentage of the participants' salaries. Total expenditures under the plan approximated $2,337,000 and $2,164,200 for the years ended December 31, 2003 and 2002, respectively.

(16) Contingencies

The Laboratory is currently, and has in the past been, a party to routine litigation incidental to its business. The impact of the final resolution of these matters on the Laboratory's results of operations or liquidity in a particular reporting period is not known. Management is of the opinion, however, that the ultimate outcome of such matters will not have a material adverse effect upon the Laboratory's financial condition or liquidity.

Additionally, the Laboratory is currently involved in binding arbitration relative to non-payment of certain royalties by a licensee who is seeking return of previously paid royalties. As a potential loss on this claim is neither estimable nor probable at this point in time, the Laboratory has not accrued for any such loss as of December 31, 2003.

(17) Expenses

Expenses are reported in the statement of activities by their functional classifications as required by Statement of Financial Accounting Standards (SFAS) No. 117. The Laboratory's primary program services are research, education and instructional training through courses, meetings, publications and educational activities. Expenses reported as general and administrative, and dining services are incurred in support of these primary program services. General and administrative expenses include approximately $515,800 and $386,700 of fund-raising expenses in 2003 and 2002, respectively.

SFAS No. 117 also requires allocation of expenses which relate to more than one program or supporting activity. Expenses of the Laboratory in this category include, but are not limited to, depreciation, interest, operating and maintenance of plant, library and direct research support. Amounts have been allocated to the programs and services using methods such as square footage, usage, and other financial methods.

	2003			2002		
	Direct Functional Expenses	Allocated Expenses	Total	Direct Functional Expenses	Allocated Expenses	Total
Research	$ 32,784,394			29,659,238	12,580,782	42,240,020
Educational programs	10,970,082			10,206,462	1,898,624	12,105,086
Publications	10,233,884			8,962,021	383,560	9,345,581
Banbury Center conferences	559,958			585,145	556,163	1,141,308
Dolan DNALC programs	1,255,881			1,870,221	498,629	2,368,850
WSBS programs	1,768,823			1,494,744	153,424	1,648,168
General and administrative	9,844,891			8,471,859	2,090,405	10,562,264
Dining services	3,225,354			3,130,281	1,016,435	4,146,716
	$ 70,643,267					

Schedule

COLD SPRING HARBOR LABORATORY

Comparative Operating History

1999 - 2003
(Dollars in Thousands)

		1999	2000	2001	2002	2003
Revenue:						
Main Lab:						
Grants and contracts	$	27,179	30,345	34,716	37,872	41,749
Indirect cost allowances		11,207	12,718	14,134	14,987	17,869
Other		9,426	10,618	12,528	10,918	10,524
CSHL Press		6,400	8,684	9,941	9,051	10,053
Banbury Center		1,848	1,856	1,666	1,763	1,729
Dolan DNA Learning Center		1,392	1,471	1,878	2,978	2,564
Watson School of Biological Sciences		218	682	927	1,496	1,769
Total revenue		57,670	66,374	75,790	79,065	86,257
Expenses:						
Main Lab:						
Research and training		27,179	30,345	34,716	37,872	41,749
Operation and maintenance of plant		5,765	6,589	7,027	8,661	8,702
General and administrative		3,844	6,162	6,492	6,395	7,507
Other		7,863	7,075	9,505	8,550	8,959
CSHL Press		6,077	8,186	9,515	8,962	10,234
Banbury Center		1,614	1,702	1,536	1,597	1,616
Dolan DNA Learning Center		1,280	1,362	1,801	2,780	2,257
Watson School of Biological Sciences		218	682	927	1,496	1,769
Total expenses, excluding depreciation and amortization		53,840	62,103	71,519	76,313	82,793
Excess before depreciation, amortization and designation of funds		3,830	4,271	4,271	2,752	3,464
Depreciation and amortization		(3,526)	(3,974)	(4,620)	(5,165)	(5,459)
(Designation) release of funds (2)			(297)	349	1,848	
Net operating excess (deficit)	$	304	-	-	(565)	(1,995)

(1) The above amounts are presented on a combined basis for all funds for which Cold Spring Harbor Laboratory prepares operating budgets.

(2) Funds designated to underwrite future direct and indirect expenses of new research programs.