

## F.M. KIRBY FOUNDATION SOLICITATION EVALUATION FORM

**DATE:** March 8, 2019

**REQUEST DATE:** January 31, 2019

**Last grant acknowledgement:** Yes

**Program Area:** Health

**APPLICANT:**

Cold Spring Harbor Laboratory  
One Bungtown Road  
Cold Spring Harbor, NY 11724

**CONTACT:** Mr. Charles Prizzi, Vice President for Development

**PHONE:** 516-367-6961

**PAYEE OTHER THAN ADDRESSEE:**

**AMOUNT REQUESTED:** \$100,000 **NATURE OF REQUEST:** Toward construction and outfitting of an organoid testing facility that would be CLIA/CLEP certified by New York State

### GRANT HISTORY

**LAST GRANT DATE:** 4/28/2017

**LAST GRANT AMOUNT:** \$100,000 **AFS DATE:** 5/7/2018

2012	\$150,000	12/14/2012	For: Continued support of Dr. Chris Vakoc's cancer research
2013	\$150,000	12/16/2013	Toward the new Antibody and Phage Display Facility in support of ongoing research for Acute Myeloid Leukemia (AML)
2015	\$150,000	4/13/2015	For: Start-up and operational support of the Preclinical Experimental Therapeutics (PET) facility
2016	\$100,000	4/4/2016	Toward the continued start-up and operation of the Preclinical Experimental Therapeutics (PET) facility
2017	\$100,000	4/28/2017	Toward the continued operation of the Preclinical Experimental Therapeutics (PET) facility

**No request received in 2018 - FMKF skip-a-year.**

**DLK COMMENTS:** Financial analysis attached. This would be a shift from our previous support of the Preclinical Experimental Therapeutics facility. The organoid technology has exciting implications for the clinical care of patients, as doctors can select particular therapies based on the response of a patient's own organoids to treatment. Ideally, this will prolong survival and improve quality of life. The focus for now will be on breast, colon and prostate cancer. The organoid facility will work in tandem with the PET facility; PET utilizing mouse models of disease and the organoid facility using 3D tissue cultures from human patient samples. As Fidelity Foundation is supporting the facility's first three years of facility operations, my only hesitation is with the "one-off" nature of supporting the capital side of the project. The organoid facility is anticipated to become self-sufficient by the end of Year Three.

**SDK COMMENTS:** I think DLK's hesitation here is justified and find the \$100K figure in context of the construction costs of perhaps \$1.6 million rather arbitrary. In other words, this project is moving forward whether we help or not. That said, it does appear that a grant request was "in the works" under WHB's guidance, and it's good to set the connection with the PET facility which has been our focus. Also, at \$100K we are getting a little break on our target. I also believe the institution to be top tier and the stewardship strong over the years under Prizzi.

**FM KIRBY FOUNDATION**  
**Financial Statement Analysis**

<b>Grantee Name:</b>	Cold Spring Harbor Laboratory	<b>Date:</b>	<u>3/7/2019</u>
<b>Prepared By:</b>	DLK		
<b>Grant Request Amt.</b>	\$ 100,000	<b>Type of Financial Report Submitted</b>	Audit
<b>Budgeted Amt.</b>	\$ 125,000	<b>Period Covered in Financial Report</b>	<u>12/31/2017</u>
<b>Audit Firm</b>	GrantThornton	<b>Date of Report Issuance</b>	<u>6/7/2018</u>
<b>Opinion</b>	Present fairly		
<b>Basis of Acctg.</b>	GAAP		

<b>Current Ratio (Liquidity Ratio/Working Capital Ratio)</b>	6.30	<b>Amount of Unrestricted Net Assets (Operating Reserve)</b>	\$ 403,766,549
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**Note:** A current ratio measures an organization's ability to pay short-term and long-term obligations. The higher the ratio, the more capable the organization is of paying its obligations. A ratio under 1 indicates that the organization's liabilities are greater than its assets.

<b>Allocation of Functional Expenses</b>	<b>12/31/2017</b>	<b>%</b>	<b>Must Read Financial Statement Notes</b>
<b>A. Program Service Expenses</b>	\$ 137,355,870	88%	Ideally program expenses should be at least 70% of total budget.
<b>B. Management and General</b>	\$ 17,067,195	11%	
<b>C. Fundraising</b>	\$ 1,565,000	1%	
<b>D. Total Expenses</b>	\$ 155,988,065	100%	

**Comments/ Notes:**

**Budget** - The startup budget to renovate/upgrade/outfit a research laboratory to become a CLIA/CLEP clinical laboratory facility with an associated academic R&D facility is \$3.4M, of which \$2.6M are one-time costs related to construction, equipment and consultants. In years two and three, the operations budget averages approximately \$830K/year. CSHL's overall budget for 2019 projects an operating deficit of \$5.9M versus a deficit of \$6.6M for 2018.

**Audit** - CSHL had an operating surplus of \$57.7M for 2017 versus \$31.4M for 2016. Net assets increased by \$104M, largely in part due to significant appreciation of realized and unrealized gains. Revenue grew by 19% or \$33.9M, with public support up 22% (\$15.0M) and royalty/license revenue up 307% (\$10.1M). Expenses grew by 5% (\$7.6M), primarily in research.

CSHL had investments of \$531.8M, all of which were endowment related. \$7.2M were Level 3 investments. At December 31, 2017, contributions receivables totaled \$74.8M and included twenty-five individual pledges, five of which represent 71% of the amount due, with a total of \$36M due from two donors and \$6M due from board members. Overall, there were no red flags that arose as part of my review.

**APPLICANT: Cold Spring Harbor Laboratory**

**DISPOSITION:**

- Rejection
- Hold for review on/about:
- Approval for: **\$100,000**
- Hold for Board Review
- Insert Information: **Toward construction and outfitting of an organoid testing facility**
- Other:

Initials:   102   Date:   3/8/19  

Check #: \_\_\_\_\_ Date: \_\_\_\_\_