



**LIFE SCIENCES RESEARCH FOUNDATION**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**MAY 31, 2015 AND 2014**

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To the Board of Trustees  
Life Sciences Research Foundation

### **Independent Accountant's Review Report**

We have reviewed the accompanying statements of assets, liabilities, and net assets - modified cash basis of Life Sciences Research Foundation as of May 31, 2015 and 2014, and the related statements of support and revenue, expenses, and changes in net assets - modified cash basis and cash flows - modified cash basis for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Life Sciences Research Foundation's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting described in Note 1.

Our review was made for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with the modified cash basis of accounting. The accompanying supplementary information is presented only for purposes of additional analysis and is not a required part of the basic financial statements. Such information been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made to such information.

*Gross, Mendelsohn & Associates, P.A.*

Baltimore, Maryland  
December 22, 2015

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Statements Of Assets, Liabilities And Net Assets - Modified Cash Basis**  
**May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 128,890	\$ 657,628
Certificates of deposits	690,000	690,000
Investments	63,600	63,760
<b>Total Assets</b>	<b><u>\$ 882,490</u></b>	<b><u>\$ 1,411,388</u></b>
<b>Liabilities And Net Assets</b>		
<b>Liabilities</b>		
Restricted grant advances	\$ 382,528	\$ 825,514
Escrow payable	117,288	90,373
<b>Total Liabilities</b>	<b><u>499,816</u></b>	<b><u>915,887</u></b>
<b>Commitments (Note 3)</b>		
<b>Net Assets</b>		
Unrestricted	382,674	492,001
Temporarily restricted	-0-	3,500
Total Net Assets	<b><u>382,674</u></b>	<b><u>495,501</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 882,490</u></b>	<b><u>\$ 1,411,388</u></b>

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

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Statements Of Support And Revenue, Expenses**  
**And Changes In Net Assets - Modified Cash Basis**  
**Years Ended May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

	2015		
	Unrestricted	Temporarily Restricted	Total
<b>Support and Revenue</b>			
Restricted grants	\$ 4,204,715	\$ -0-	\$ 4,204,715
Unrestricted grants	70,120	-0-	70,120
Unrestricted contributions	1,100	-0-	1,100
Investment income	13,480	-0-	13,480
Grant forfeitures	356,045	-0-	356,045
Escrow forfeitures	10,000	-0-	10,000
Net assets released from restrictions:			
Satisfaction of program restrictions	3,500	(3,500)	-0-
Total Support and Revenue	<u>4,658,960</u>	<u>(3,500)</u>	<u>4,655,460</u>
<b>Expenses:</b>			
Program services			
Research grants paid	4,631,715	-0-	4,631,715
Supporting services			
Administrative expenses	136,547	-0-	136,547
Fund-raising expenses	25	-0-	25
Total supporting services	<u>136,572</u>	<u>-0-</u>	<u>136,572</u>
Total Expenses	<u>4,768,287</u>	<u>-0-</u>	<u>4,768,287</u>
<b>Change in Net Assets</b>	(109,327)	(3,500)	(112,827)
<b>Net Assets, Beginning of Year</b>	<u>492,001</u>	<u>3,500</u>	<u>495,501</u>
<b>Net Assets, End of Year</b>	<u>\$ 382,674</u>	<u>\$ -0-</u>	<u>\$ 382,674</u>

**2014**

Unrestricted	Temporarily Restricted	Total
\$ 3,920,102	\$ -0-	\$ 3,920,102
60,620	-0-	60,620
2,101	-0-	2,101
17,106	-0-	17,106
56,000	-0-	56,000
10	-0-	10
82,410	(82,410)	-0-
<u>4,138,349</u>	<u>(82,410)</u>	<u>4,055,939</u>
<u>4,219,622</u>	<u>-0-</u>	<u>4,219,622</u>
161,821	-0-	161,821
11	-0-	11
<u>161,832</u>	<u>-0-</u>	<u>161,832</u>
<u>4,381,454</u>	<u>-0-</u>	<u>4,381,454</u>
(243,105)	(82,410)	(325,515)
<u>735,106</u>	<u>85,910</u>	<u>821,016</u>
<u>\$ 492,001</u>	<u>\$ 3,500</u>	<u>\$ 495,501</u>

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

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Statements Of Cash Flows - Modified Cash Basis**  
**Years Ended May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

	<u>2015</u>	<u>2014</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (112,827)	\$ (325,515)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Loss on investments	160	768
Changes in operating assets and liabilities:		
Restricted grant advances	(442,986)	(541,623)
Escrow payable	26,915	6,008
Net Cash Used in Operating Activities	<u>(528,738)</u>	<u>(860,362)</u>
<b>Cash Flows From Investing Activities</b>		
Decrease in certificates of deposit	-0-	190,000
Deposits	-0-	25,000
Net Cash Provided by Financing Activities	<u>-0-</u>	<u>215,000</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(528,738)</b>	<b>(645,362)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>657,628</u>	1,302,990
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 128,890</u></u>	<u><u>\$ 657,628</u></u>

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

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 1: Summary of Significant Accounting Policies**

Life Sciences Research Foundation (the Foundation) has been recognized by the Internal Revenue Service as a tax-exempt organization as defined by §501(c)(3) of the Internal Revenue Code (IRC). The Foundation was incorporated in the District of Columbia on June 25, 1981, for the purpose of funding basic research in the biological sciences at various institutions. Postdoctoral fellowships are awarded to qualifying scientists selected by the Foundation's peer review committee. Funds to support the fellowships come from corporate sponsors and other foundations.

In a prior year, the Foundation elected to be treated as a qualified fund under IRC §41(e)(6)(D). This election allowed the Foundation to be treated as a pass-through qualifying organization, thereby enabling corporate contributions to be eligible for the credit for increased research activities. As a qualifying fund, the Foundation was subject to the rules governing private foundations. Effective June 1, 2010, the Foundation elected to terminate its private foundation status in order to be treated as a publicly-supported organization.

The accounting and reporting policies of the Foundation conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Following is a description of the most significant of those policies:

Method of Accounting: The financial statements have been prepared on the modified cash basis of accounting, with investments stated at fair value and with the deferral of restricted grant revenue, which is recognized as revenue in proportion to the research grants paid. This basis differs from accounting principles generally accepted in the United States of America primarily because the Foundation has not recognized receivables, prepayments, and payables.

Financial Statement Presentation: The Foundation is required to report information according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Foundation only had unrestricted and temporarily restricted net assets as of May 31, 2015 and 2014.

Cash and Cash Equivalents: The Foundation classifies all investments which are readily convertible to cash and which have a maturity of three months or less when purchased as cash equivalents.

The Foundation maintains its cash balances at one financial institution. Periodically during the year, the Foundation's cash balances have exceeded federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to significant risk on cash balances.

Investments: Investments with readily determinable fair market values are reported at fair value in the statements of assets, liabilities and net assets – modified cash basis. Investments whose fair market values are not readily determinable are recorded at cost. 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. Realized and unrealized gains and losses on investments for the year are reported in the statements of support and revenue, expenses and changes in net assets – modified cash basis.



**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 1: Summary of Significant Accounting Policies (Continued)**

The Foundation invests in a professionally managed portfolio that may contain mutual funds and exchange-traded and closed-end funds. Such investments are exposed to various risks such as interest rate, market and credit. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

Contributions and Grants: Contributions received and grants paid by the Foundation are presented at their market value on the date of such contribution or grant. For tax purposes, the Foundation records all contributions received at the donor's basis.

Revenue Recognition and Restricted Grant Advances: Substantially all of the Foundation's revenue is derived from restricted grants, which are recognized as revenue in proportion to the research grants paid. Unexpended research grants received are recorded as restricted grant advances in the statements of assets, liabilities, and net assets – modified cash basis. All other sources of revenue, such as unrestricted and temporarily restricted contributions and investment income, are recognized when received.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Recognition of Donor Restrictions: Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. Upon the expiration of a restriction, temporarily restricted net assets are reclassified to unrestricted net assets in the statements of support and revenue, expenses, and changes in net assets – modified cash basis.

Federal income tax: The Foundation is exempt from federal and state income taxes under §501(c)(3) of the IRC. Income that is not related to exempt purposes, less applicable deductions, is subject to federal and state income taxes. The Foundation had no unrelated business income for the years ended May 31, 2015 and 2014. Accordingly, no provision for income taxes is reflected in these financial statements. The Foundation's federal exempt organization tax returns are subject to examination by the IRS, generally for a period of three years after the returns are filed.

Subsequent Events: In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 22, 2015, the date the financial statements were available to be issued. During the period from June 1, 2015 through December 22, 2015, the Foundation did not have any material recognizable subsequent events.

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 2: Investments and Fair Value Measurement (Continued)**

The Foundation's investments, at fair value, as of May 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Exchange-Traded & Closed-End Funds	<u>\$ 63,600</u>	<u>\$ 63,760</u>

Investment income for the years ended May 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Interest Income	\$ 13,640	\$ 17,874
Loss on investments	<u>(160)</u>	<u>(768)</u>
Total Investment income	<u>\$ 13,480</u>	<u>\$ 17,106</u>

Generally accepted accounting principles establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 2: Investments and Fair Value Measurement (Continued)**

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation techniques used by the Foundation include the following:

Mutual Funds, Exchange-Traded & Closed-End Funds: Valued at the last sales price reported in the active market in which the individual fund is traded.

In determining the appropriate levels, the Foundation performs a detailed analysis of the assets and liabilities that are subject to fair value measurements.

The table below presents the balances of assets as of May 31, 2015 measured at fair value on a recurring basis by level within the hierarchy.

	Total	Level 1	Level 2	Level 3
Exchange-Traded & Closed-End Funds	\$ 63,600	\$ 63,600	\$ -0-	\$ -0-

The table below presents the balances of assets as of May 31, 2014 measured at fair value on a recurring basis by level within the hierarchy.

	Total	Level 1	Level 2	Level 3
Exchange-Traded & Closed-End Funds	\$ 63,760	\$ 63,760	\$ -0-	\$ -0-

**Note 3: Commitments and Restricted Grant Advances**

The Foundation's grant commitments resulted from the fellowship awards made by the Foundation's peer review committee. Most fellowships pay an established amount annually for a three-year period. For fellowships awarded on or before May 31, 2012, the annual amount is \$56,000 and commencing June 1, 2012, the annual amount is \$60,000. All committed amounts have been pledged by the sponsoring donors. As of May 31, 2015 and 2014, the Foundation had received \$382,528 and \$825,514, respectively, of the pledged amount from the sponsors. This amount is reflected on the statements of assets, liabilities, and net assets – modified cash basis as restricted grant advances.

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 3: Commitments and Restricted Grant Advances (Continued)**

As of May 31, 2015, the Foundation was committed to make the following grants:

Recipient	Sponsor	Commitment From Program Years
<u>2015</u>		
Richard Adeyemi, Ph.D	Howard Hughes Medical Institute	\$ 180,000
Lorena de Mena Alvarez, Ph.D	Howard Hughes Medical Institute	180,000
Omer Bayraktar, Ph.D	Howard Hughes Medical Institute	180,000
Thomas Boothby, Ph.D	Simons Foundation	180,000
Jacob Carlson, Ph.D	Lilly Research Laboratories	180,000
Michelle Chan, Ph.D	The Gordon and Betty Moore Foundation	180,000
Vikash Chauhan, Ph.D	xTuit	180,000
Miao-Ping Chien, Ph.D	The Gordon and Betty Moore Foundation	180,000
Laura Clark, Ph.D	Merck Research Laboratories	180,000
James Dahlman, Ph.D	Cystic Fibrosis Foundation	180,000
Sung Han, Ph.D	Washington Research Foundation	180,000
Roland Kersten, Ph.D	Howard Hughes Medical Institute	180,000
Ricardo Laranjeiro, Ph.D	Simons Foundation	180,000
Laura Lavery, Ph.D	Howard Hughes Medical Institute	180,000
Li Li, Ph.D	Life Science Research Foundation	180,000
Federica Lucantonio, Ph.D	Life Science Research Foundation	180,000
Dipti Navak, Ph.D	Simons Foundation	180,000
Lena Pernas, Ph.D	Simons Foundation	180,000
Jonathan Phillips, Ph.D	Howard Hughes Medical Institute	180,000
Michael Raissig, Ph.D	The Gordon and Betty Moore Foundation	180,000
Emilie Rennie, Ph.D	The Gordon and Betty Moore Foundation	180,000
Alejo Rodriguez-Fraticelli, Ph.D	Merck Research Laboratories	180,000
Benjamin Ross, Ph.D	Simons Foundation	180,000
Tasha Santiago-Rodriguez, Ph.D	Howard Hughes Medical Institute	180,000
Peter Sudmant, Ph.D	Genetech Foundation	180,000
Deborah Thurtle, Ph.D	The Gordon and Betty Moore Foundation	180,000
Josep Vilarrasa-Blasi, Ph.D	Simons Foundation	180,000
Ekaterina Vinogradova, Ph.D	Pfizer	180,000
Daniel Wagner, Ph.D	Howard Hughes Medical Institute	180,000
Christopher Whidden, Ph.D	Simons Foundation	180,000
		<u>5,400,000</u>

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 3: Commitments and Restricted Grant Advances (Continued)**

Recipient	Sponsor	Commitment From Program Years
<u>2014</u>		
Kari Barlan, Ph.D	Howard Hughes Medical Institute	\$ 120,000
Jonathan Barnes, Ph. D	Howard Hughes Medical Institute	120,000
Aakash Basu, Ph.D	Simons Foundation	120,000
Rogier Braakman, Ph.D	Simons Foundation	120,000
Roger Chang, Ph.D	The Gordon and Betty Moore Foundation	120,000
Daniel Cohen, Ph.D	Howard Hughes Medical Institute	120,000
Ting Han, Ph.D	Howard Hughes Medical Institute	120,000
Andrew Houk, Ph. D	Amgen	135,000
Robert Jinkerson, Ph.D	Simons Foundation	120,000
Sung-Yon Kim, Ph.D	Rett Syndrome Research Trust	180,000
Christine Lattin, Ph.D	Howard Hughes Medical Institute	120,000
Xiaochun Li, Ph.D	The Gordon and Betty Moore Foundation	120,000
Shay Ohayon, Ph.D	Howard Hughes Medical Institute	120,000
Gabriel Rocklin, Ph.D	Merck Research Laboratories	120,000
Caroline Runyan, Ph.D	Simons Foundation	120,000
Kuang Shen, Ph.D	Pfizer	120,000
Zhen Shi, Ph.D	The Gordon and Betty Moore Foundation	120,000
Patrick Shih , Ph.D	The Gordon and Betty Moore Foundation	120,000
Seth Shipman, Ph.D	The Shurl and Kay Curci Foundation	135,000
Ruth Sommese, Ph.D	Life Science Research Foundation	120,000
Sungmin Son, Ph.D	Howard Hughes Medical Institute	120,000
Ho Lam Tang, Ph.D	The Shurl and Kay Curci Foundation	120,000
Reza Vafabakhsh, Ph.D	Merck Research Laboratories	120,000
Ophelia Venturelli, Ph.D	Simons Foundation	120,000
Jixian Zhai, Ph.D	The Gordon and Betty Moore Foundation	120,000
Ruobo Zhou, Ph. D	Howard Hughes Medical Institute	135,000
		<u>3,225,000</u>

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 3: Commitments and Restricted Grant Advances (Continued)**

Recipient	Sponsor	Commitment From Program Years
<u>2013</u>		
Christopher Baker, Ph.D	The Gordon and Betty Moore Foundation	\$ 60,000
Kirk Burkhart, Ph.D	Sanofi	60,000
David Burns, Ph.D	Howard Hughes Medical Institute	60,000
Ashesh Dhawale, Ph.D	The Ellison Medical Foundation/AFAR	60,000
Brian Duistermars, Ph.D	The Ellison Medical Foundation/AFAR	60,000
Sara Di Rienzi, Ph.D	Eli and Edythe Broad	60,000
Mohammad Fallahi-Sichani	Merck Research Laboratories	60,000
Elsa Bou Ghanem, Ph.D	Howard Hughes Medical Institute	60,000
Federico Gherardini, Ph.D	Howard Hughes Medical Institute	60,000
Nora Grahl, Ph.D	Howard Hughes Medical Institute	60,000
Leon Grayfer, Ph.D	Howard Hughes Medical Institute	60,000
Robin Harris, Ph.D	The Ellison Medical Foundation/AFAR	60,000
Nicholas Heaton, Ph.D	Merck Research Laboratories	60,000
William Housley, Ph.D	Pfizer	60,000
Chi-Kuo Hu, Ph.D	The Ellison Medical Foundation/AFAR	60,000
Philip Kranzusch, Ph.D	Howard Hughes Medical Institute	60,000
Keren Lasker, Ph.D	The Gordon and Betty Moore Foundation	60,000
Efrem Lim, Ph.D	Eli and Edythe Broad/LSRF	60,000
David Loehlin, Ph.D	Howard Hughes Medical Institute	60,000
Arundhati Maheshwari, Ph.D	The Gordon and Betty Moore Foundation	60,000
James Marshel, Ph.D	Simons Foundation	60,000
Rahul Palchaudhuri, Ph.D	The Jake Wetchler Foundation	60,000
Priya Rajasethupathy, Ph.D	The Ellison Medical Foundation/AFAR	60,000
Aaron Reinki, Ph.D	Monsanto Foundation	60,000
Constance Richter, Ph.D	Simons Foundation	60,000
Bryan Schmidt, Ph.D	Life Science Research Foundation	60,000
Alecia Septer, Ph.D	The Gordon and Betty Moore Foundation	60,000
Joshua Weinstein, Ph.D	Simons Foundation	60,000
Rayka Yokoo, Ph.D	Simons Foundation	60,000
Naupaka Zimmerman, Ph.D	The Gordon and Betty Moore Foundation	75,000
		<u>1,815,000</u>
Total Commitment Outstanding		<u>\$ 10,440,000</u>

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

**Note 4: Escrow Payable**

Unexpended funds of a research grant may be held in escrow, if the recipient so elects, until the end of the three-year fellowship. (This option is not available to recipients sponsored by the Department of Energy.) Otherwise, all unexpended funds must be returned to the sponsor. The maximum amount which can be set aside in escrow in any year is \$5,000. In order to receive the balance in the escrow fund at the end of the three-year fellowship, the recipient cannot seek employment with a for-profit organization. All forfeited escrow balances are deemed to be gifts to the Foundation. The escrow balances do not earn interest.

As of May 31, 2015 and 2014, the escrow payable balance was \$117,288 and \$90,373, respectively. For the years ended May 31, 2015 and 2014, there were escrow forfeitures of \$10,000 and \$10, respectively.

**Note 5: Grant Forfeitures**

At the discretion of the donors, any remaining restricted grant advances that are either held for recipients who terminated their research grants or remain unexpended at the end of the grant period may either be:

- a. Returned to the sponsor.
- b. Applied to another research grant recipient.
- c. Reclassified as a gift to the Foundation.

For the years ended May 31, 2015 and 2014, there were grant forfeitures of \$356,045 and \$56,000, respectively.

**Note 6: Minimum Investment Return and Distribution Requirement**

Even though the Foundation has elected to be treated as a publicly-supported organization, it is required to continue to file its annual exempt organization federal return as a private foundation for the next 5 years. A private foundation must currently distribute its minimum investment return in order to avoid the excise tax for failure to distribute income. The minimum investment return is an income equivalent which is essentially determined by multiplying the aggregate fair market value of the Foundation's assets by 5%. For the years ended May 31, 2015 and 2014, the minimum amounted to \$83,444 and \$114,397, respectively.

The Foundation met these distribution requirements by making qualifying distributions in the years ended May 31, 2015 and 2014, of \$4,768,287 and \$4,381,454, respectively. The excesses generated can be applied to offset future distribution requirements.

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Notes To Financial Statements**  
**May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

**Note 6: Minimum Investment Return and Distribution Requirement (Continued)**

A summary of the excess distribution carryovers to future years is as follows:

Year Incurred	Amount	Expiration Date
May 31, 2011	\$ 2,210,022	May 31, 2016
May 31, 2012	2,591,509	May 31, 2017
May 31, 2013	3,205,737	May 31, 2018
May 31, 2014	4,267,057	May 31, 2019
May 31, 2015	4,684,843	May 31, 2020
	\$ 16,959,168	

**Note 7: Unrestricted Grants**

The Foundation receives unrestricted grants from sponsors for administrative fees, which are assessed annually and are collected along with the sponsors' grant payments for fellowship awards. The total administrative fees collected for the years ended May 31, 2015 and 2014, were \$70,120 and \$60,620, respectively.

**Note 8: Temporarily Restricted Net Assets**

The Foundation has temporarily restricted funds, which may be expended but only for the purpose and subject to restrictions established by the respective donors. Temporarily restricted net assets were available for the following purposes as of May 31, 2015 and 2014:

	2014	Current Year Activity		2015
		Contributions	Released From Restrictions	
Website	\$ 3,500	\$ -0-	\$ (3,500)	\$ -0-
	2013	Prior Year Activity		2014
		Contributions	Released From Restrictions	
Website	\$ 28,000	\$ -0-	\$ (24,500)	\$ 3,500
Research grants	57,910	-0-	(57,910)	-0-
	\$ 85,910	\$ -0-	\$ (82,410)	\$ 3,500



**LIFE SCIENCES RESEARCH FOUNDATION**

**SUPPLEMENTARY INFORMATION**

**MAY 31, 2015 AND 2014**

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Schedules of Research Grants Paid**  
**Years Ended May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

		2015	2014
	<u>2010 Program</u>		
Hun-Way Hwang, Ph.D	Howard Hughes Medical Institute	\$ -0-	\$ 28,000
Kimberly Tu, Ph.D	The Ellison Medical Foundation/AFAR	-0-	3,757
		<u>-0-</u>	<u>31,757</u>
	<u>2011 Program</u>		
Justin Ashworth, Ph.D	The Gordon and Betty Moore Foundation	-0-	56,000
Hoo Sun Chung, Ph.D	The Gordon and Betty Moore Foundation	-0-	56,000
Julio Cordero, Ph.D	Lilly Research Laboratories	-0-	42,000
Magdia De Jesus, Ph.D	Howard Hughes Medical Institute	-0-	56,000
Ylli Dokساني, Ph.D	The Ellison Medical Foundation/AFAR	-0-	42,000
Cara Haney, Ph.D	The Gordon and Betty Moore Foundation	-0-	56,000
Karen Litwa, Ph.D	Howard Hughes Medical Institute	-0-	56,000
Cora MacAlister, Ph.D	The Gordon and Betty Moore Foundation	-0-	56,000
Babak Momeni, Ph.D	The Gordon and Betty Moore Foundation	-0-	56,000
Gautham Nair, Ph.D	Howard Hughes Medical Institute	-0-	56,000
David Plachetzki, Ph.D	Howard Hughes Medical Institute	-0-	28,000
George Poulogiannis, Ph.D	Pfizer	-0-	56,000
Zhe Sha, Ph.D	Novartis	28,000	42,000
Maija Slaidina, Ph.D	Howard Hughes Medical Institute	-0-	56,000
Aaron Stephan, Ph.D	Department of Energy	-0-	56,000
Esteban Toro, Ph.D	Howard Hughes Medical Institute	-0-	56,865
Feng Wang, Ph.D	Howard Hughes Medical Institute	-0-	56,000
J. Bradley Zuchero, Ph.D	Howard Hughes Medical Institute	-0-	56,000
		<u>28,000</u>	<u>938,865</u>

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Schedules of Research Grants Paid (Continued)**  
**Years Ended May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

		2015	2014
	<u>2012 Program</u>		
Anand Balasubramani, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Harvey Chin, Ph.D	Merck Research Laboratories	56,715	56,000
Seemay Chou, Ph.D	Howard Hughes Medical Institute	56,000	56,000
David Dodd, Ph.D	ISIS Pharmaceuticals	56,000	56,000
Jamie Fitzgerlad, Ph.D	The Ellison Medical Foundation/AFAR	56,000	56,000
Gregory Hamilton, Ph.D	Genetech Foundation	56,000	56,000
Euiseok Kim, Ph.D	Biogen IDEC/LSRF	56,000	56,000
Tung Le, Ph.D	The Gordon and Betty Moore Foundation	56,000	56,000
Amy Ma, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Daniel Mandell, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Mathieu Mateo, Ph.D	Merck Research Laboratories	14,000	(2) 56,000
Alison Narayan, Ph.D	Life Science Research Foundation	56,000	56,000
Ting Pang, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Alexandre Persat, Ph.D	The Gordon and Betty Moore Foundation	56,000	56,000
Monica Rodrigo - Brenni, Ph.D	The Ellison Medical Foundation/AFAR	42,000	(2) 56,000
Hannah Seidel, Ph.D	The Ellison Medical Foundation/AFAR	56,000	56,000
Mark Sheffield, Ph.D	The Ellison Medical Foundation/AFAR	56,000	56,000
Anthony Studer, Ph.D	Department of Energy	56,000	56,000
Elizabeth Thatcher, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Yusuf Tufail, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Rachel Vannette, Ph.D	The Gordon and Betty Moore Foundation	56,000	56,000
Michael White, Ph.D	Howard Hughes Medical Institute	56,000	56,000
Joshua Widhalm, Ph.D	The Gordon and Betty Moore Foundation	56,000	56,000
Li Yang, Ph.D	The Gordon and Betty Moore Foundation	56,000	56,000
		<u>1,288,715</u>	<u>1,344,000</u>

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Schedules of Research Grants Paid (Continued)**  
**Years Ended May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

		2015	2014
	<u>2013 Program</u>		
Christopher Baker, Ph.D	The Gordon and Betty Moore Foundation	60,000	60,000
Kirk Burkhardt, Ph.D	Sanofi	60,000	60,000
David Burns, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Ashesh Dhawale, Ph.D	The Ellison Medical Foundation/AFAR	60,000	60,000
Brian Duistermars, Ph.D	The Ellison Medical Foundation/AFAR	60,000	60,000
Sara Di Rienzi, Ph.D	Eli and Edyth Broad	60,000	60,000
Mohammad Fallahi-Sichani, Ph.D	Merck Research Laboratories	60,000	60,000
Elsa Bou Ghanem, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Federico Gherardini, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Nora Grahl, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Leon Grayfer, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Robin Harris, Ph.D	The Ellison Medical Foundation/AFAR	60,000	60,000
Nicholas Heaton, Ph.D	Merck Research Laboratories	60,000	60,000
William Housley, Ph.D	Pfizer	60,000 (1)	60,000
Chi-Kuo Hu, Ph.D	The Ellison Medical Foundation/AFAR	60,000	60,000
Philip Kranzusch, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Keren Lasker, Ph.D	The Gordon and Betty Moore Foundation	60,000	60,000
Efrem Lim, Ph.D	Eli & Edyth Broad/LSRF	60,000	60,000
Wei-Ting Liu, Ph.D	Simons Foundation	15,000 (2)	60,000
David Loehlin, Ph.D	Howard Hughes Medical Institute	60,000	60,000
Arundhati Maheshwari, Ph.D	The Gordon and Betty Moore Foundation	60,000	60,000
James Marshel, Ph.D	Simons Foundation	60,000	60,000
Rahul Palchaudhuri, Ph.D	The Jake Wechler Foundation	60,000	60,000
Jun-Wei Pek, Ph.D	Howard Hughes Medical Institute	-0- (2)	60,000
Priya Rajasethupathy, Ph.D	The Ellison Medical Foundation/AFAR	60,000	60,000
Aaron Reinki	Monsanto Foundation	60,000 (1)	60,000
Constance Richter, Ph.D	Simons Foundation	60,000	60,000
Bryan Schmidt, Ph.D	Life Science Research Foundation	60,000	60,000
Alecia Septer, Ph.D	The Gordon and Betty Moore Foundation	60,000	60,000
Joshua Weinstein, Ph.D	Simons Foundation	60,000	60,000
Rayka Yokoo, Ph.D	Simons Foundation	60,000	60,000
Naupaka Zimmerman, Ph.D	The Gordon and Betty Moore Foundation	60,000	45,000
		<u>1,815,000</u>	<u>1,905,000</u>

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Schedules of Research Grants Paid (Continued)**  
**Years Ended May 31, 2015 and 2014**

(See Independent Accountant's Review Report)

		2015	2014
<u>2014 Program</u>			
Kari Barlan, Ph.D	Howard Hughes Medical Institute	60,000	-0-
Jonathan Barnes, Ph. D	Howard Hughes Medical Institute	60,000	-0-
Aakash Basu, Ph.D	Simons Foundation	60,000	-0-
Rogier Braakman, Ph.D	Simons Foundation	60,000	-0-
Roger Chang, Ph.D	The Gordon and Betty Moore Foundation	60,000	-0-
Daniel Cohen, Ph.D	Howard Hughes Medical Institute	60,000	-0-
Adler Dillman, Ph. D	Howard Hughes Medical Institute	30,000	(2) -0-
Ting Han, Ph.D	Howard Hughes Medical Institute	60,000	-0-
Andrew Houk, Ph. D	Amgen	45,000	-0-
Robert Jinkerson, Ph.D	Simons Foundation	60,000	-0-
Christine Lattin, Ph.D	Howard Hughes Medical Institute	60,000	-0-
Xiaochun Li, Ph.D	The Gordon and Betty Moore Foundation	60,000	-0-
Robert McIssac, Ph.D	The Shurl and Kay Curci Foundation	15,000	(2) -0-
Shay Ohayon, Ph.D	Howard Hughes Medical Institute	60,000	-0-
Gabriel Rocklin, Ph.D	Merck Research Laboratories	60,000	-0-
Caroline Runyan, Ph.D	Simons Foundation	60,000	-0-
Kuang Shen, Ph.D	Pfizer	60,000	(1) -0-
Zhen Shi, Ph.D	The Gordon and Betty Moore Foundation	60,000	-0-
Patrick Shih , Ph.D	The Gordon and Betty Moore Foundation	60,000	-0-
Seth Shipman, Ph.D	The Shurl and Kay Curci Foundation	45,000	-0-
Ruth Sommese, Ph.D	Life Science Research Foundation	60,000	-0-
Sungmin Son, Ph.D	Howard Hughes Medical Institute	60,000	-0-
Ho Lam Tang, Ph.D	The Shurl and Kay Curci Foundation	60,000	-0-
Reza Vafabakhsh, Ph.D	Merck Research Laboratories	60,000	-0-
Ophelia Venturelli, Ph.D	Simons Foundation	60,000	-0-
Jixian Zhai, Ph.D	The Gordon and Betty Moore Foundation	60,000	-0-
Ruobo Zhou, Ph. D	Howard Hughes Medical Institute	45,000	(1) -0-
		<u>1,500,000</u>	<u>-0-</u>
		<u>\$ 4,631,715</u>	<u>\$ 4,219,622</u>

(1) A portion of this research grant was paid out of unrestricted funds. The sponsor's matching grant will be received in the year ending May 31, 2015.

(2) Recipient cancelled the remainder of this research grant during the year ended May 31, 2015.

**LIFE SCIENCES RESEARCH FOUNDATION**  
**Schedule of Administrative Expenses**  
**Years Ended May 31, 2015 and 2014**

**(See Independent Accountant's Review Report)**

	<u>2015</u>	<u>2014</u>
Annual conference	\$ 68,014	\$ 64,744
Office expenses (includes website costs in 2015 and 2014)	55,953	85,177
Legal and accounting	12,580	11,900
	<u>\$ 136,547</u>	<u>\$ 161,821</u>

